# QUIÑENCO S.A.
# 2021 ANNUAL REPORT

# TABLE OF CONTENTS


6.9M

# THE STRATEGY FOLLOWED BY QUIÑENCO, WITH THE GROWING DIVERSIFICATION OF ITS BUSINESSES AND OPERATIONAL EXCELLENCE, HAS PROVIDED IT WITH STRENGTHS SUCH AS FLEXIBILITY AND RESILIENCE TO FACE THE COMPLEX GLOBAL SCENARIO.

**"FREEDOM AND PERSONAL EFFORT ARE ESSENTIAL FOR COMMON GOOD. FROM THE PERSPECTIVE OF A COMPANY WITH MORE THAN SIX DECADES OF HISTORY, WE HOPE BOTH PILLARS WILL CONTINUE TO FIND A PLACE IN THE FOUNDATIONS OF THE NEW SOCIAL PACT SOUGHT AFTER FOR CHILE".**

# LETTER FROM THE CHAIRMAN

**Dear shareholders:**

I am pleased to present you with the Annual Report and the Consolidated Financial Statements of Quiñenco S.A. for the 2021 fiscal year.

I am writing this letter a few weeks ahead of Quiñenco's 65th anniversary. We owe our beginnings to the instinct and drive of my father, Andrónico Luksic Abaroa, who foresaw the need to explore and discover "sources of progress for future generations", a principle upheld by our Company to this day. It is in this spirit that he led his life since his first years as entrepreneur: he would work relentlessly to succeed in his car sales business in Antofagasta and, on weekends, instead of resting, he would take his pickup truck, a pickaxe and a helmet to go into the hills to look for the mining vein that would lead him to find his destiny. Where others saw rocks, desert and solitude, he saw opportunities.

Like him, thousands of Chileans dreamed and continue to dream that their work, talent and dedication can open the way for growth and a better future for their families, their communities, their city and their country. Two pillars underpin this dream: effort and freedom. Personal and collective effort, demanding the willingness to work and adjust to ever-changing circumstances. And freedom, because in order to grow, entrepreneurs need to express their abilities to the fullest, without obstacles or arbitrary restrictions curtailing their development and that of those around them, except for the rules of the game established by society for the country's greater good, rules that must be known, obeyed and respected by all.

Freedom and personal effort are essential for common good, and have been key in the progress achieved by Chile, and it's advances in human development, which although still has pending issues, has been especially relevant since the return to democracy. Hence, from the perspective of a company with more than six decades of history, we hope that both pillars will find a place in the foundations of the new social pact sought for our country. Their absence would be very harmful for Chile.

In less than three months, the Constitutional Convention will deliver a final proposed Constitution to be submitted to referendum in September. The responsibility for the contents of that proposal lies with those who were elected to draft it. Unfortunately, given the results so far, it seems they have not truly weighed the tremendous opportunity they were given to take Chile a step forward, to recover its civic coexistence and the need to reunite and move ahead with clear and sensible rules to face the future.

On the other hand, we all share the responsibility for the decision to be made in September; this responsibility is immense, because the country's destiny is at stake and will admit no ambiguities. The text and its scope and consequences must be evaluated, studied and understood, so that we can make an informed decision. In addition to participation being compulsory in this case, voting in this referendum is also a moral obligation, a sign of respect and commitment with the future generations who will be the most affected by our decisions.

In the midst of a confusing public debate plagued with stereotypes, businessmen are often portrayed as defenders of the status quo, reluctant to change. I dare say that, in general, companies and their leaders are willing to change and always open to innovation and permanent adjustment.

Companies are agents and promoters of change: they seek to permanently respond to people's needs, designing and adopting new technologies and systems that have an impact on their activities, needing to constantly adjust to the changing demands from their workers, customers and suppliers, while protecting the environment and the communities where they operate.

I am convinced that the vast majority of Chileans do not want conflict and division for the country; instead, they want to advance in harmony towards a better quality of life, education, health and wellbeing for the elderly, without depriving those who have worked for it of their rightful benefits. I am also certain that each person, from their

**QUIÑENCO S.A., FOUNDED IN 1957, TURNS**

**65 years**

own sphere, including businessmen of course, can and is willing to contribute more in order for Chile to thrive and change for the better.

This has been Quiñenco's quest, focusing on advancing from within the companies so that those who bring companies to life - their workers -, can be rewarded for their commitment and dedication, not only with fair and decent salaries, but with a continuous improvement of the comprehensive wellbeing they deserve. And, on the occasions when companies obtain particularly good results, workers benefit from special recognition and bonuses associated to their better performance. Quiñenco has promoted and will continue to promote these initiatives, offering better working conditions. Our intent is to do the same in all aspects of sustainability, namely, to ensure that each company operates with utmost respect and care for the environment, maintaining a good relationship with the communities where they operate and suppliers, customers and the society as a whole. These are permanent and indeclinable tasks.

To evolve has been part of Quiñenco's history and identity for 65 years. Along the way, we have diversified our activities, from banking and beverages to fuel distribution, from production of copper cables to port services and maritime transport. Not only that: we started as a company based in Chile and, today, while remaining proudly Chilean and maintaining our presence throughout the national territory, our Company has a growing international presence. We owe at least 80% of our 2021 profits to its most global business, the German shipping company Hapag-Lloyd.

This annual report contains a detailed report on Quiñenco's business segments' results. In summary, the good performance of the holding reflects the growth of all the companies where we participate, within the context of the gradual opening of markets after the impact of the pandemic.

Particularly relevant were the profits reported by Hapag-Lloyd, main asset of Compañía Sudamericana de Vapores (CSAV), a Chilean company where we purchased a stake in 2011, when the company was going through the worst moment of its long track record. Now, thanks to an exemplary management, CSAV is due to celebrate its 150th anniversary amidst a very promising outlook, and having fulfilled its commitment to shareholders by paying dividends for the first time in a decade. In the second quarter of 2021, Quiñenco increased its participation in CSAV, attaining an ownership interest of 66.45%.

In turn, the French multinational Nexans - where we are a reference shareholder with 28.9% - more than doubled results obtained in 2020. During the reported period, the company inaugurated the first high-voltage subsea cable manufacturing plant in the United States (in Charleston, South Carolina), and started to operate its cable-laying vessel Aurora, designed with state-of-the-art technology for submarine cable installation and maintenance.

Banco de Chile experienced a clear recovery, reflected in better results than in the previous year and confirming its leadership position. Noteworthy was the progress in its digital transformation plan, as shown by the consolidation and growth of the FAN account. In addition, during the last quarter of 2021, the institution placed US$500 million in 10-year term bonds on the international market, thus further diversifying its financing structure.

CCU also contributed significantly to the holding's good results, due to the positive performance of all its operating segments in 2021, with increased sales volumes due to the recovery of consumption. The company completed investment projects for Ch$171,854 million, of which approximately 63% were executed in Chile, including the inauguration of a non-alcoholic beverage manufacturing plant in Renca, designed in keeping with the highest sustainability standards. In the period, Inversiones y Rentas S.A., the joint venture of Quiñenco with Heineken - CCU's controlling shareholder -, completed a successful public tender offer, increasing its participation to 65.9%.

Enex also had a very positive evolution, mainly due to the steady recovery of its sales volumes. During the year, the company continued developing new service stations and convenience stores in Chile, the United States and Paraguay. In the latter, it opened eight service stations under the ENEX brand, while in Chile, a few days ago, it completed the acquisition of 16 new standalone stores outside service stations, which will leverage the upa! network.

In terms of port services, SM SAAM increased its contribution to the results of the holding by 21.7% due to the good performance of its three divisions: logistics, tug boats and ports. During the period, its entry to the tug boat market in Peru and El Salvador was materialized, further advancing in the internationalization of its businesses. During the third and fourth quarter of 2021, Quiñenco reached a 59.7% stake in the company.

In this manner, Quiñenco successfully closed a challenging and complex year, where the long-term vision and strategy accounted for particularly good results. These results are partly due to the international diversification strategy we undertook many years ago, and partly to the flexibility and adaptability of our companies to always prioritize the health of their workers and the continuity of their businesses during the sanitary crisis.

Dear shareholders: the world is doubtlessly going through complex times, with a war in Europe triggered by the Russian invasion of Ukraine, bringing tension and instability to the global political scenario and a greater degree of uncertainty regarding the destiny of the global economy. This is a time of definition in Chile as well, with the start of a new political cycle and unanswered questions on the social pact that will govern our life in society.

Still, we have reasons to continue believing, investing and doing business in Chile and the rest of the world. In our country, because we are confident that the citizens will choose what is best for Chile, so that it resumes its growth path, leaving behind times of profound division. Worldwide, because, sooner or later, the overarching power of freedom and peace always prevails. And, very especially, because we believe in the talent and effort deployed by the more than 70,000 people who do businesses with us here and beyond our borders. To them, who are at the center of everything we do, our sincerest gratitude.

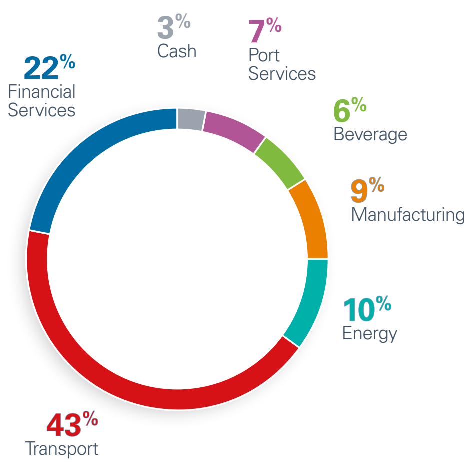
I hereby extend an invitation to embrace the future with optimism and, as we have done over the past 65 years at Quiñenco, to continue exploring sources of progress for future generations.

Andrónico Luksic Craig
Chairman of Quiñenco S.A.

# QUIÑENCO IN 2021

## INVESTMENT DISTRIBUTION

*(Book value at corporate level, 12-31-2021: MUS$7,603)*




## QUIÑENCO, PARENT COMPANY OF THE LUKSIC GROUP'S INVESTMENTS IN FINANCIAL AND INDUSTRIAL SERVICES IS A HIGHLY DIVERSIFIED CHILEAN HOLDING WITH GROWING INTERNATIONAL PRESENCE.

### 2021 MILESTONES

The easing of restrictions in many markets and the long-term strategy deployed by both Quiñenco and its subsidiaries, allowed all the holding's businesses to achieve a very good performance in 2021, exceeding pre-pandemic levels. All the above, while permanently safeguarding the health of its workers, customers, suppliers and the communities with which they relate.

**QUIÑENCO:** reinforced the commitment with its subsidiaries by increasing its stake in CCU, through IRSA, in CSAV and SM SAAM.

**BANCO DE CHILE:** gave new momentum to its digital transformation process, incorporating more than 700 thousand customers to its FAN account over 18 months, leading the banking industry in financial and non-financial results.

**CCU:** developed an investment plan totaling Ch$171,854 million to expand its capacity in Chile and Argentina, including the inauguration of the new CCU Renca bottling plant, designed in keeping with the highest sustainability standards. In a project started in 2021 and completed early this year, the company issued its first international corporate bond for US$600 million for a 10-year term.

**CSAV:** will turn 150 this year, reporting record results thanks to the performance of its main asset, the German shipping company Hapag Lloyd. In 2021, the company distributed dividends to shareholders for the first time in a decade. Likewise, Hapag-Lloyd invested in renewing its fleet and pledged to achieve carbon neutrality by 2045.

**ENEX:** furthered its international expansion strategy by opening a new travel center in the United States, under the Road Ranger license, three Shell service stations in Chile and eight service stations in Paraguay under the Enex license. The company was recognized with the Procalidad 2021 National Customer Satisfaction Award in the "Service Station" category.

**NEXANS:** inaugurated the first high-voltage subsea cable plant in the United States and started to operate its cable-laying vessel Aurora, designed with state-of-the-art technology for the installation and maintenance of subsea cables. Nexans signed a Share Purchase agreement with Xignux to acquire Centelsa, a Colombian cable manufacturer.

**SM SAAM:** on its 60th anniversary, it completed the integration of Intertug, acquired in February 2021, and of Aerosan to its operational model. In addition, the tug boat division entered Peru and El Salvador, and SM SAAM presented its 2021-2025 "Build to Grow" strategy.

## MAIN ASSETS

*As of December 2021*


**Financial Services**

51.3% of Banco de Chile jointly with Citigroup

Banco de Chile market capitalization: US$8.0 billion

Presence: Chile

+ on page 28

**Beverage**

65.9% of CCU jointly with Heineken

CCU market capitalization: US$3.0 billion

Presence: 6 countries

+ on page 34

**Manufacturing**

28.9% of Nexans through Invexans and Techpack

Nexans market capitalization: US$4.2 billion

Presence: 42 countries

+ on page 38


**Energy**

100% of Enex through Invexans

Book value Enex[1]: US$780 million

Presence: 4 countries

+ on page 42

*(1) Corresponds to the book value of Invexans' Energy segment.*

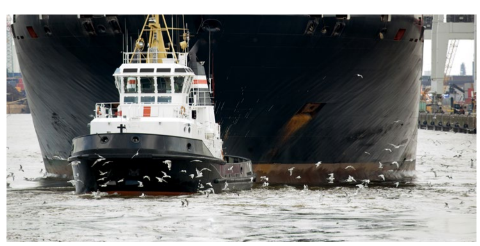

**Transport**

66.5% of CSAV, which owns 30% of Hapag-Lloyd

CSAV market capitalization: US$4.4 billion; Hapag-Lloyd US$55.1 billion

Presence: 137 countries

+ on page 46



**Port Services**

59.7% of SM SAAM

SM SAAM market capitalization: US$650 million

Presence: 14 countries

+ on page 50

Over the last 24 years, Quiñenco has demonstrated its value generation capability, with earnings of US$1.6 billion for its shareholders stemming from transactions at the corporate level for US$4.0 billion.

## RELEVANT FIGURES (*)

*As of December 31, 2021*

Presence in
**138**
countries

Quiñenco group employs
**70,000**
people

Assets under management
**105**
billion US dollars

Aggregate revenues
**44.8**
billion US dollars

Net Asset Value (NAV)
**7.4**
billion US dollars

Companies included in DJSI Chile
**3**
Banco de Chile, CCU and SM SAAM

Local Risk Rating
**AA+ / AA**
ICR and Fitch Ratings

*(*) global presence, personnel employed, managed assets and aggregate revenues consider Quiñenco and its main operating subsidiaries and associates.*

# QUIÑENCO SHARES

The shares of Quiñenco S.A. are traded on the Chilean stock exchanges. The Luksic Group holds an ownership stake of 82.9% and the remaining percentage is held by minority shareholders.

Its market capitalization reached US$3.2 billion as of December 31, 2021.

**1,042**
Total number of shareholders

Number of
**1,662,759,593**
subscribed and paid-in shares

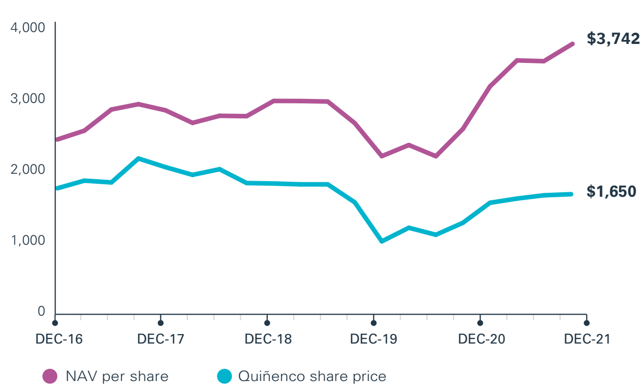
## STOCK MARKET INFORMATION

Quiñenco's shares are traded in Chile on the Santiago Stock Exchange and the Chilean Electronic Exchange.

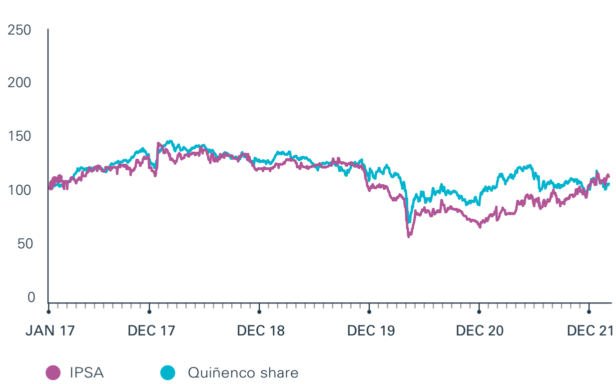
### SUMMARY OF TRANSACTIONS IN 2021

| Period | No. of shares traded | Average price (Ch$ per share) | Total amount traded (ThCh$) | Stock market presence (%) |
|---|---|---|---|---|
| 1st quarter | 22,011,799 | 1,423.32 | 31,329,911 | 75.00% |
| 2nd quarter | 25,857,391 | 1,513.98 | 39,147,669 | 86.11% |
| 3rd quarter | 38,674,181 | 1,483.26 | 57,364,006 | 87.78% |
| 4th quarter | 32,492,147 | 1,633.89 | 53,088,746 | 93.33% |
| **2021** | **119,035,518** | **1,519.97** | **180,930,332** | |

### NAV / SHARE PRICE EVOLUTION




### QUIÑENCO SHARE / IPSA



## SHAREHOLDERS

At the closing of 2021, the subscribed and paid-in capital is divided into 1,662,759,593 shares of a single series. The 12 largest shareholders as of December 31, 2021 are the following:

| Taxpayer No. | Shareholder | No. of shares | (%) |
|---|---|---|---|
| 77.636.320-0 | Andsberg Inversiones SpA* | 686,536,676 | 41.29 |
| 59.039.730-k | Ruana Copper A.G. Agencia Chile* | 280,225,703 | 16.85 |
| 78.306.560-6 | Inmobiliaria e Inversiones Río Claro S.A.* | 179,938,251 | 10.82 |
| 96.536.010-7 | Inversiones Consolidadas Ltda.* | 140,971,280 | 8.48 |
| 84.177.300-4 | BTG Pactual Chile S.A. Corredores de Bolsa | 71,957,763 | 4.33 |
| 97.004.000-5 | Banco de Chile on behalf of non-resident third parties | 63,597,404 | 3.82 |
| 76.884.110-1 | Inversiones Río Claro Ltda.* | 44,442,511 | 2.67 |
| 96.489.000-5 | Credicorp Capital S.A. Corredores de Bolsa | 23,884,586 | 1.44 |
| 96.871.750-2 | Inversiones Salta SpA* | 23,684,851 | 1.42 |
| 76.327.982-0 | Inversiones Alaska Ltda.* | 20,041,305 | 1.21 |
| 99.012.000-5 | Cía. De Seguros de Vida Consorcio Nacional de Seguros S.A. | 12,689,246 | 0.76 |
| 98.000.000-1 | A.F.P. Capital S.A. | 12,318,118 | 0.74 |
| | **Total** | **1,560,287,694** | **93.84** |

**Companies related to the Luksic Group.*

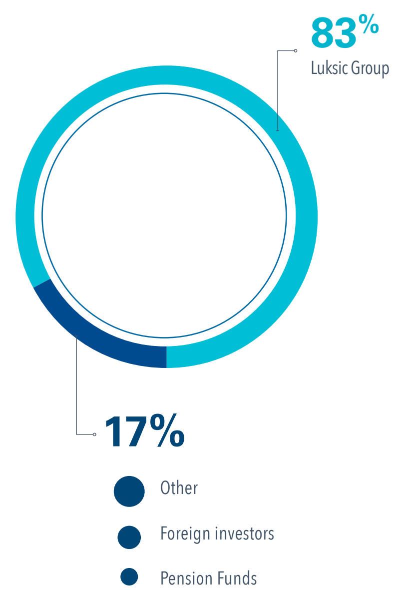
Quiñenco's issued and paid-in shares are 82.9% property of the companies Andsberg Inversiones Ltda., Ruana Copper A.G. Agencia Chile, Inversiones Orengo S.A., Inversiones Consolidadas Ltda., Inversiones Salta SpA., Inversiones Alaska Ltda., Inmobiliaria e Inversiones Río Claro S.A. and Inversiones Río Claro Ltda. The Luksburg Foundation indirectly holds 100% of the social rights of Andsberg Inversiones Ltda., 100% of the social rights of Ruana Copper A.G. Agencia Chile and 99.76% of the shares of Inversiones Orengo S.A.

Mr. Andrónico Mariano Luksic Craig (RUT 6.062.786-K) and his family control 100% of the shares of Inversiones Consolidadas Ltda. and Inversiones Alaska Ltda. The family of Mr. Andrónico Luksic Craig controls 100% of the shares of Inversiones Salta SpA. Inmobiliaria e Inversiones Río Claro S.A. and Inversiones Río Claro Ltda. are indirectly controlled by the Emian Foundation, where the descendants of Mr. Guillermo Antonio Luksic Craig† (RUT 6.578.597-8) hold interests. There is no joint action agreement between the company's controllers.

### DIVIDEND POLICY

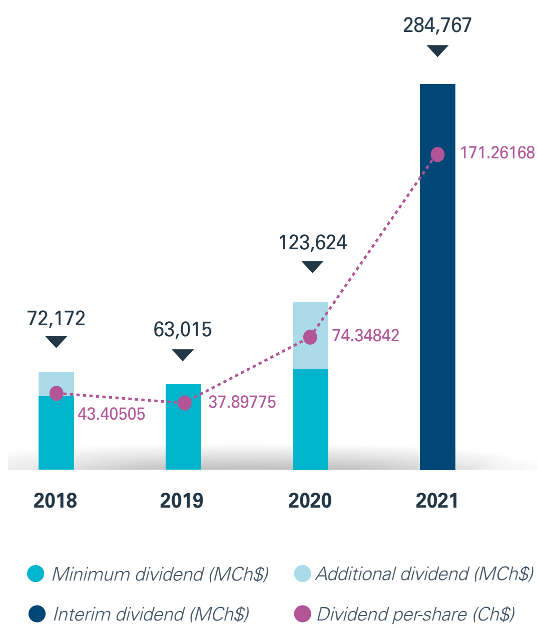
Quiñenco's Board of Directors will inform the Annual Shareholders' Meeting to be held on April 29, 2022, of its agreement to set as dividend policy the distribution of a definite cash dividend of at least 30% of net income for the year.

### SHAREHOLDER STRUCTURE




## DIVIDENDS PAID

*Charged to net income for the period:*



# CORPORATE STATEMENT

## WHAT DRIVES US (PURPOSE)

**"CREATE NEW PATHS, DISCOVER AND STUDY TERRITORIES THAT WILL BE THE SOURCE OF PROGRESS FOR FUTURE GENERATIONS".**

*Andrónico Luksic Abaroa*
*(1926–2005)*

We wish to contribute to the growth and development of people and the community. We want to be relevant actors in the global market, always proud of our origin and committed to the entrepreneurial spirit that drives us.

## WHO WE ARE (IDENTITY)

We are the result of the entrepreneurial spirit, vision and courage of Andrónico Luksic Abaroa. Also, of the hard work and creativity of thousands of people who, in a joint effort with us, have developed companies and contributed to the progress of our country and of those in which we are present.

We have grown together with Chile, following our passion to innovate and explore opportunities. We have diversified along with the best teams and world class partners, always seeking to do the best we can, improving constantly.

We are a business conglomerate open to the world to discover, create and add value to companies and their employees, with a long term view, working in a responsible and serious way.

## WHAT WE DO (MISSION)

Contribute to progress. Develop enterprises. Create value.

We contribute to the progress of all the countries in which we are present, working with a long term view, for the benefit of society, our collaborators and shareholders, generating employment, respecting the community and the environment.

We develop enterprises innovating and managing assets of leading companies in the financial, beverage, manufacturing, transport, port, shipping, fuel distribution and retail sectors.

We create value with hard work and responsibility, facing our challenges directly or through strategic alliances with the best international partners.

## WHAT WE DREAM (VISION)

We want to be the best ambassadors of Chilean entrepreneurship in a global market that is increasingly becoming more demanding and interconnected.

We want to be a business conglomerate capable of adapting to these new times, with the strength to create, innovate and seek challenges.

We want to be a point of reference through our work philosophy and the respect, learning and mutual benefit relationship that we establish with our employees and society.

## WHAT WE BELIEVE (VALUES)

We believe in doing things well, working with excellence, being responsible, showing integrity and awareness of our acts and decisions; respectful of other people, the environment, and the community.

# EXCELLENCE

- Do our best in each assignment we undertake.
- Have a clear vision of where we are headed.
- Lead with high standards. Be austere, rigorous and tenacious.
- Innovate and seek opportunities with determination.
- Have the best teams, with the best talent.

# INTEGRITY

- Always do what is right.
- Honor our commitments.
- Respect the Law and its purpose.
- Be responsible for our acts and decisions.
- Communicate in a timely and honest manner, promoting a culture of transparency.

# RESPECT

- Treat others as we would like to be treated.
- Be concerned about the wellbeing of our collaborators, our most valuable capital.

# CORPORATE GOVERNANCE

Quiñenco's corporate governance practice is led by the Board of Directors, the Directors' Committee, and the Chief Executive Officer.

Quiñenco's Board of Directors is comprised of eight members, who are chosen for three years. There are no alternate directors per the Company's bylaws. The last election of board members was carried out at the Annual Shareholders' Meeting held on April 30, 2020. Mr. Andrónico Luksic Craig was named Chairman of the Board and Mr. Jean Paul Luksic Fontbona, Vice President of the Board on May 7, 2020.

Quiñenco has a permanent commitment to the highest standards of corporate governance, in keeping with its bylaws and the legal standards in force in Chile, especially the Law of Open Stock Corporations and the Securities Law. Further information of the Directors' Committee, its activities and the corporate governance practices adopted by the Company in 2021 are provided in the section Additional corporate information.

A code of ethics has been adopted that is applicable to all employees, with the goal of promoting honest and ethical behavior that avoids conflicts of interest of all types and transmits our principle of transparency and respect for the rights of others. As stipulated in our corporate statement, in Quiñenco, we believe in doing things right, working with excellence; being responsible, honest, and conscious of our actions and decisions; respectful of people, the environment and the community.

Quiñenco maintains open and permanent communication with its investors through various channels, including its website, participation in conferences in Chile and abroad, development of local and international roadshows and numerous meetings with investors and analysts through the year.

## BOARD OF DIRECTORS' TRAINING ACTIVITIES

Due to the restrictions imposed by the Covid-19 pandemic, Quiñenco's Board of Directors' training activities were not carried out during 2021. However, members of the Directors' Committee participated in a seminar organized by the Pontificia Universidad Católica de Chile's Corporate Governance Center on "Changes to Directors' Committees: New Regulation, Good Practices, and Emblematic Cases".

## ORGANIZATIONAL CHART

# BOARD OF DIRECTORS

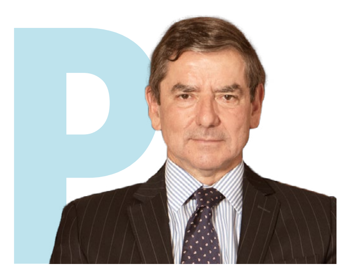
**Andrónico Luksic Craig**
**Chairman**
Company director

**Jean-Paul Luksic Fontbona**
**Vice-Chairman**
B.Sc. Management and Science, London School of Economics, UK

**Nicolás Luksic Puga**
**Director**
Commercial Engineer, Universidad Finis Terrae

**Andrónico Luksic Lederer**
**Director**
B.Sc. Business Management, Babson College, USA

**Hernán Büchi Buc***
**Director**
Civil Mining Engineer, Universidad de Chile



**Pablo Granifo Lavín**
**Director**
Commercial Engineer
Pontificia Universidad Católica de Chile

**Carolina García de la Huerta Aguirre***
**Director**
Journalist,
Pontificia Universidad Católica de Chile

**Matko Koljatic Maroevic***
**Director**
Commercial Engineer,
Universidad Católica de Chile
ICAME Certificate in Marketing Management, Stanford University, USA

**Paola Luksic Fontbona****
**Advisor to the Board**
Entrepreneur

*(*) Member of the Directors' Committee as of December 31, 2021.*
*(** ) On February 26, 2021, Paola Luksic Fontbona was appointed as permanent advisor to the Board of Directors of Quiñenco S.A.*

# MANAGEMENT

**Francisco Pérez Mackenna**
**Chief Executive Officer**
(since July 1, 1998)
Commercial Engineer,
Pontificia Universidad Católica de Chile
MBA, University of Chicago, USA

**Pedro Marín Loyola**
**Performance Control Manager**
(since October 1, 1996)
Commercial Engineer,
Pontificia Universidad Católica de Chile
M.Sc. Finance, London School of Economics, UK

**Andrea Tokman Ramos**
**Chief Economist**
(since April 3, 2014)
Commercial Engineer,
Pontificia Universidad Católica de Chile
PhD in Economics, University of California at Berkeley, USA

**Álvaro Sapag Rajevic**
**Sustainability Manager**
(since April 3, 2014)
Attorney,
Universidad de Chile

**Raúl Requena Martínez**
**Labor Relations Manager**
(since January 4, 2016)

**Arturo Highet García**
**Internal Auditor**
(since May 1, 2021)
Commercial Engineer,
Pontificia Universidad Católica de Chile
Master in Financial Management,
Universidad Adolfo Ibáñez

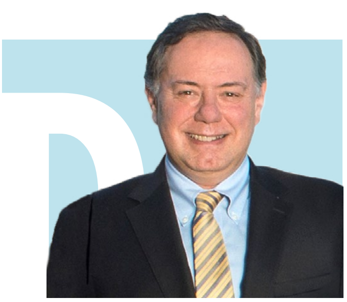
**Pablo Bauer Novoa**
**Attorney**
(since June 12, 2017)
Attorney,
Pontificia Universidad Católica de Chile
Master of Laws, University
of Chicago, USA

**Rodrigo Hinzpeter Kirberg**
**Chief Counsel**
(since April 3, 2014)
Attorney,
Pontificia Universidad
Católica de Chile

**Diego Bacigalupo Aracena**
**Business Development Manager**
(since June 5, 2017)
Industrial Civil Engineer
Pontificia Universidad Católica de Chile
MBA, MIT Sloan School of Management, USA

**Luis Fernando Antúnez Bories***
**Chief Financial Officer**
(since July 15, 1996)
Industrial Civil Engineer,
Pontificia Universidad Católica de Chile, MBA,
Georgia State University, USA

**Mauricio Lob de la Carrera**
**Manager of Corporate Affairs and Social Management**
(since January 2, 2020)
Journalist,
Universidad Diego Portales



**Davor Domitrovic Grubisic**
**Head of Legal and Prevention Manager**
(since April 3, 2014 and June 1, 2016, respectively)
Attorney,
Universidad de Chile

**Pilar Rodríguez Alday**
**Investor Relations Manager**
(since June 2, 2008)
Commercial Engineer,
Pontificia Universidad Católica de Chile

**Óscar Henríquez Vignes**
**General Accountant**
(since October 1, 1996)
Auditor Accountant, Universidad de Chile
Postgraduate degree in Tax Planning,
Universidad Católica de Chile
Master in Tax Management,
Universidad Adolfo Ibáñez

**Valerie de la Harpe Zubiaur**
**Organizational Development Manager**
(since May 14, 2018)
Commercial Engineer,
Pontificia Universidad Católica de Chile

**Eduardo Garnham Léniz****
**Deputy Business Development Manager**
(since March 6, 2017)
Industrial Civil Engineer,
Pontificia Universidad Católica de Chile
M.Sc. in Sustainable Energy Futures Imperial College London, UK

**Juan José Silva Charme**
**Deputy Business Development Manager**
(since July 19, 2021)
Industrial Civil Engineer,
Pontificia Universidad Católica de Chile
MBA, Columbia Business School, USA

**Vicente Mobarec Katunaric**
**Deputy Business Development Manager**
(since August 2, 2021)
Industrial Civil Engineer and M.Sc.,
Pontificia Universidad Católica de Chile
MBA, Stanford University, USA

* *Held the position until December 31, 2021.*
** *Appointed as Chief Financial Officer as of January 3, 2022.*

# CORPORATE STRATEGY

Quiñenco's corporate strategy seeks to maintain leadership by diversifying its investments in the industrial and financial services sectors, strengthening the value creation capability of the existing businesses, while analyzing opportunities to enter new markets or economic sectors.

## Pillars

### 1 STRENGTHEN VALUE CREATION OF CORE BUSINESSES

A fundamental objective of Quiñenco's corporate strategy is to strengthen the capability of existing businesses to create value, working together with the administration of the companies to define long-term strategies, structuring mergers and major acquisitions, promoting the adoption of best practices, and overseeing the operational and financial management.

### 2 CONTROLLED EXPANSION

Quiñenco keeps a controlled and gradual approach to international expansion, taking advantage of its business management experience, the location of the facilities and the strength of its products, services, and distribution networks.

# QUIÑENCO CREATES VALUE FOR ITS SHAREHOLDERS AND FOR SOCIETY THROUGH THE SUSTAINABLE DEVELOPMENT OF THE COMPANIES IT INVESTS IN.

## 3 FORM STRATEGIC ALLIANCES

When deemed convenient, the group seeks to continue forming alliances with world-class partners to capitalize the benefits of strategic relationships. The current partnerships have enabled it to leverage its businesses with experience, knowledge and other competitive advantages resulting from the development of joint businesses.

## 4 ACQUIRE BUSINESSES TO CREATE VALUE IN THE LONG TERM

Upon investing, Quiñenco privileges companies where the development of brands and franchises allows it to generate synergies and economies of scale, by complementing businesses and distribution networks. Among its investment criteria, experience, growth potential, market size and the possibility of establishing alliances with world-class partners are also very relevant, as they contribute knowledge and resources to the development of joint businesses. In addition, from a long-term perspective, the holding also evaluates possible divestments, provided the Company perceives they add value to its shareholders.

# SUSTAINABILITY POLICY

## WE CONTRIBUTE TO THE PROGRESS OF CHILE AND THE WORLD

We work for progress, open to the world to continue undertaking new businesses, discovering new horizons and creating value for companies, their shareholders and collaborators. We want to do things well, always better, with a long-term perspective.

We understand sustainability in its three dimensions: economic, social and environmental. We seek results, contributing to the economic growth and development of the people, the community and the territories where we are present.

This policy establishes Quiñenco's vision of sustainability as the central axis of its business model. It determines the decisions of the directors, managers, executives and employees of the Group, and inspires the relationship with its operating companies. This strategic policy aims to guide the company in the construction of a healthy coexistence between company and society.

We contribute to Chile's development through four strategic pillars: leadership, excellence, sustainable human development, and commitment to the country.

## LEADERSHIP

- We are active shareholders with a vocation for controlling and ensuring good management, always respecting the autonomy of each of the companies where we participate.
- We invest in leading companies in their respective industries or with the potential to become leaders.
- We develop strategic alliances with world-class partners to generate value through cooperation and sharing know-how.
- We seek the best talents to continue developing them and with them, our identity, allowing them to develop in a culture of good practices and continuous improvement.

**Who is involved or affected?**
Directors/ Executives/ Workers/ Shareholders and Investors/ Competitors/ Strategic Partners

## EXCELLENCE

- We manage companies with high standards, aiming to be the best, results-oriented; we act with integrity, obeying our bylaws, respecting the values established in our Code of Ethics and safeguarding strict compliance with the law in its form and spirit.
- Our corporate governance practices seek to do things well, always better, and with integrity, protecting the interests of all our shareholders, especially the minority shareholders.
- We encourage our operating companies to, in the exercise of their autonomy, promote best practices in their relationship with customers, suppliers, investors and shareholders.
- We look for innovative and creative solutions for the development of our businesses.
- We ensure cutting-edge environmental management, aware of the impacts and risks entailed by the activities of our operating companies.

**Who is involved or affected?**
Executives/ Workers/ Strategic Partners/ Regulators/ Authorities/ Future generations/ Communities/ Investors and Shareholders

## SUSTAINABLE HUMAN DEVELOPMENT

- By developing enterprises we contribute to the progress and wellbeing of people, establishing a relationship of mutual learning and benefit.
- We are prone to generating relationships and working conditions of high standards, convinced that people are the determining factor for the progress and success of the companies we participate in.
- The health and safety of our collaborators is a priority for us and our companies' work.
- We ensure that talent and professional effort are recognized and generate opportunities for development. We value and respect social diversity and inclusion.

**Who is involved or affected?**
Workers / Strategic Partners / Suppliers / Contractors / Communities

## COMMITMENT TO THE COUNTRY

- Aware that companies are important players in society, we actively work so that both private sector practices and public policies contribute to the progress of the country and the development of all its inhabitants.
- We recognize the importance of our stakeholders and establish a reciprocal relationship with them, through an open, timely and transparent communication.
- We seek to be the best ambassadors of Chilean entrepreneurship in the world market. We know that our decisions contribute and impact the country's reputation and the opportunities for our fellow citizens.
- We contribute to generate a climate of trust, undertaking our challenges and working together in order to achieve the goals that we have set. We want to be a role model of good practices in Chile.

**Who is involved or affected?**
Society / Opinion Leaders / Media / Trade Associations / Communities / Authorities

# 2021 RESULTS

## CONSOLIDATED RESULTS

### NET INCOME (MCH$)

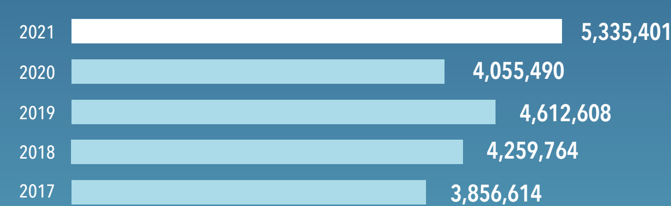
**Ch$1,893,146** million

**+666%**


### CONSOLIDATED REVENUES (MCH$)

**Ch$5,335,401** million

**+32%**

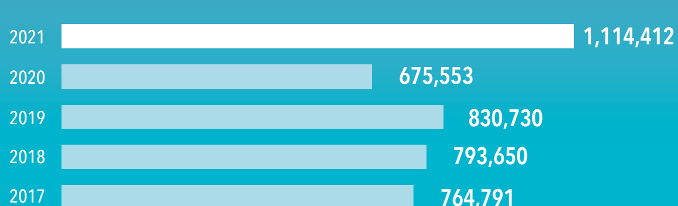



Consolidated Revenues: correspond to the revenues from the Industrial sector plus net operating revenues from the Banking sector.

### OPERATING INCOME (MCH$)

**Ch$1,114,412** million

**+65%**




Operating income: corresponds to operating income from the Industrial sector plus operating income from the Banking sector.

### EARNINGS PER SHARE (CH$)

**Ch$1,138.56**

**+666%**


Quiñenco presents its financial statements according to IFRS. To better understand Quiñenco's results, the financial statements separate the results of banking services (Banking sector) from non-banking businesses (Industrial sector). In addition, and in keeping with IFRS requirements, six business segments have been defined: Manufacturing, Financial, Energy, Transport, Port Services and Other.

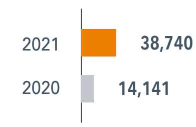
Quiñenco includes the results of approximately 30 companies in its financial statements for each period. Though it consolidates its operations with most of its investments, such as Banco de Chile, CSAV, SM SAAM and Invexans, the profits and losses of other investments that are important to Quiñenco in terms of their size or impact on its financial results during a given period, such as CCU, Nexans and Hapag-Lloyd, are not consolidated with the Company. In these cases, Quiñenco's proportional share of the profit or loss is included in the non-operating results.

## CONTRIBUTION TO NET INCOME BY SEGMENT

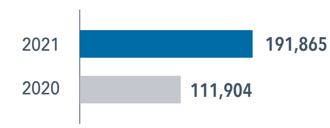
In 2021, Quiñenco recorded net income of Ch$1,893 billion, driven mainly by the outstanding performance of CSAV's main asset, the German shipping company Hapag-Lloyd, in the Transport segment. Also noteworthy is the strong growth of the Financial, Energy, Manufacturing and Port Services contribution as compared to 2020, reversing the impact of the sanitary crisis on global economic activity. In the Other segment, CCU's sound performance in the beverage industry was offset by unfavorable performance at Quiñenco corporate level.

**NET INCOME** | **CONTRIBUTION BY SEGMENT MCH$**

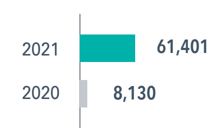
**Manufacturing / Nexans.** The Manufacturing segment, which includes Quiñenco's share in the results of Invexans (Corporate)* and Techpack, reported net income of Ch$38,740 million, which compares favorably against the previous year's contribution, due to the good results of the French cable company Nexans, which achieved net income of €164 million, more than doubling 2020 results. The sound recovery in demand, an organic increase in sales by 8.3%, the selective growth in segments and the favorable impact of the efficiency and transformation plans implemented, boosted the performance of all the business segments, recording a 54.9% increase in operating income. An inventory restatement gain and lower restructuring costs also boosted the upturn in net income.



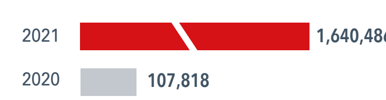

**Financial / Banco de Chile.** In the Financial segment, Banco de Chile recorded a 71.2% increase in results with net income of Ch$792,922 million, mainly due to higher operating revenues from the favorable effect of greater inflation and the reduction of loan loss provisions, reflecting an improvement of delinquency indicators through the year. Similarly, LQIF holding reported losses of Ch$21,993 million, 66.4% up from 2020, mainly due to the negative effect of greater inflation on its readjustable liabilities. All in all, the contribution of the Financial segment to Quiñenco's consolidated results went up by 71.5%.



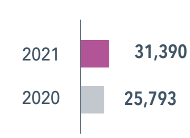

**Energy / Enex.** The contribution of the Energy segment, which includes Enex's operations, went up significantly to Ch$61,401 million, mainly owing to the recovery of sales volumes, particularly in the service station segment, due to lower pandemic restrictions as compared to 2020 and due to inventory revaluation during the year. Total volumes dispatched in 2021 reached 4.4 million cubic meters, 17.8% up from the previous year.



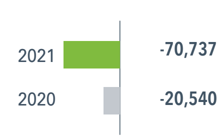

**Transport / CSAV.** The greater contribution of the Transport segment is mainly due to CSAV's share in the results of its main asset, Hapag-Lloyd, which recorded net income of US$10,738 million in 2021. A strong demand for consumer goods in a world still affected by the pandemic-related restrictions led to a sustained disruption of global supply chains pushing up the shipping freight rates. In the case of Hapag-Lloyd, the above translated into a 79.7% increase in average rates and a slight 0.3% rise in the volumes transported, hit by the longer response times of vessels and shipping containers, partly offset by greater transport expenses. Therefore, the EBIT amounted to US$11,111 million, significantly up from 2020. Based on this outstanding performance, CSAV's net income in 2021 totaled Ch$2,492 billion, significantly up from the Ch$174,900 million recorded in the previous period. The growth in the segment contribution also results from Quiñenco's additional stake in CSAV acquired in the second quarter of 2021, completing an ownership stake of 66.5%.




**Port Services / SM SAAM.** In the Port Services segment, SM SAAM's contribution increased by 21.7% in 2021, due to the good performance of its three business divisions, mainly explained by the higher foreign trade activity, a greater stake in Aerosan and the recovery of import volumes in logistics, and the purchase of Intertug, boosting the tug boat segment. These factors offset a non-recurring gain from the increased stake in Aerosan recorded in late 2020, thus SM SAAM's profits in 2021 totaled Ch$59,933 million, 14.5% up from 2020. It is worth mentioning that Quiñenco increased its stake in SM SAAM from 52.2% to 59.7% during 2021.



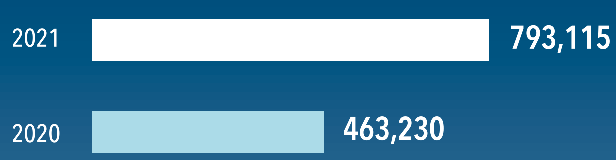

**Other.** IRSA's (CCU) results included in the Other segment recorded a relevant increase up to Ch$58,025 million, reflecting the sound performance of all CCU's operational segments, but particularly the Chile and International Business segments, driven by a recovery in consumption, revenue management and cost efficiency initiatives, in an environment still challenged by the pandemic. At the corporate level, Quiñenco recorded greater losses in 2021, due mostly to the impact of higher inflation on its readjustable liabilities.




*Invexans Corporate includes the participation in Nexans and excludes Enex, which is presented under the Energy segment.*

## CONTRIBUTION TO PROFITS BY SECTOR

BANKING (MCH$)




**Ch$793,115** million

### +71%

The increase in consolidated net income from the Banking sector is mainly due to the 71.2% rise in Banco de Chile's results, driven by greater operating revenues, and a reduction in loan loss provisions, partly offset by a greater income tax expense in 2021.

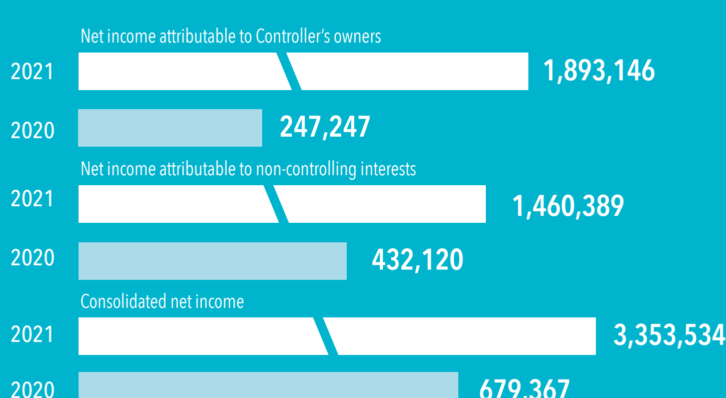
INDUSTRIAL (MCH$)


**Ch$2,560,419** million

### +1,085%

The substantial leap in the consolidated results of the Industrial sector is mainly due to the favorable performance of CSAV, driven by its participation in Hapag-Lloyd, and to a lesser extent, the higher results reported by Enex, IRSA (CCU), Nexans and SM SAAM. These favorable variations were partly offset by lower Quiñenco's results at Quiñenco corporate level.

CONSOLIDATED (MCH$)



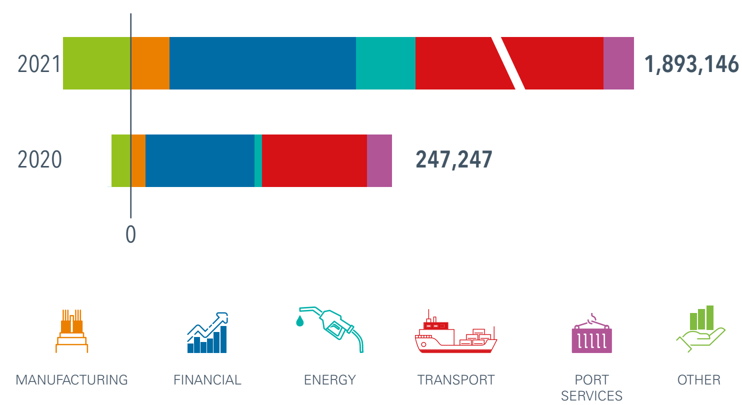

**Ch$1,893,146** million

### +666%

The increase in net income attributable to the controller's owners, or net income, is mainly due to the strong performance of the shipping company Hapag-Lloyd, CSAV's main asset, and the good performance of Banco de Chile, Enex, CCU, Nexans and SM SAAM, which recorded a strong recovery as compared to 2020, which reflected the impact of the pandemic, offset by lower results at Quiñenco corporate level. Upon adding the net income attributable to non-controlling interests, the consolidated profit for the year reached Ch$3,354 billion.

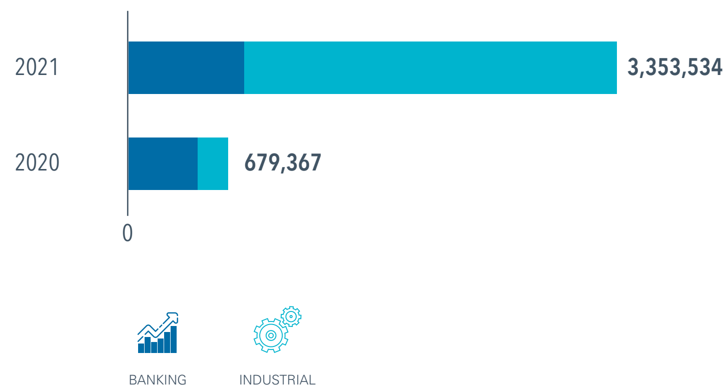
## CONTRIBUTION BY SEGMENT (MCH$)

### TO NET INCOME



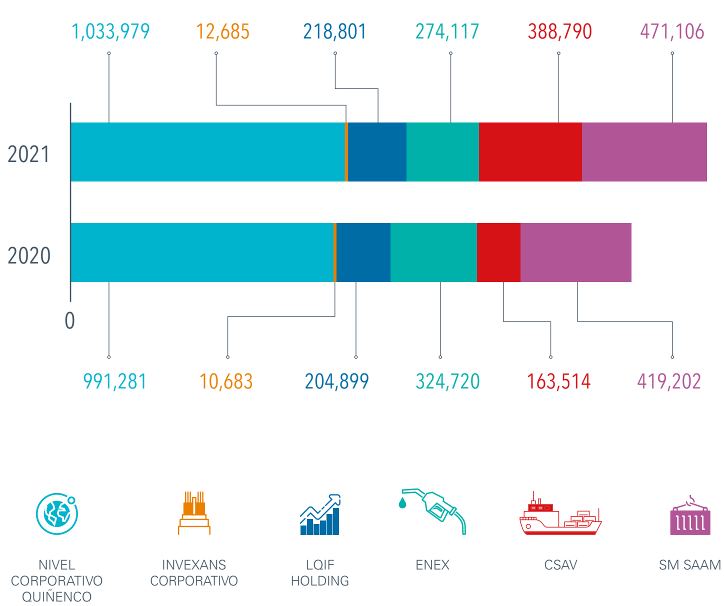

## CONTRIBUTION BY SECTOR (MCH$)

### TO CONSOLIDATED NET INCOME



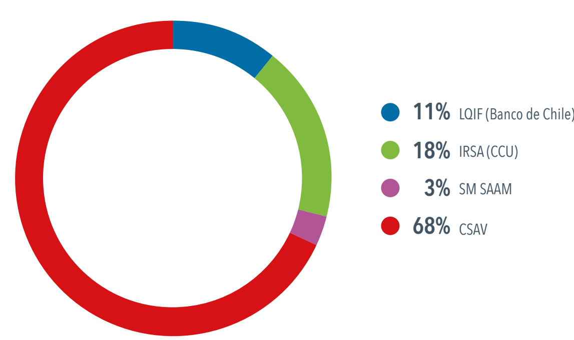

## INDUSTRIAL SECTOR DEBT STRUCTURE(*)

### MCH$ 2,399,478 (MCH$ 2,114,300 IN 2020)




## DIVIDENDS RECEIVED

### MCH$ 481,550 IN 2021 (at corporate level)




The sustained flow of dividends and the funds obtained from the eventual sale of investments have enabled Quiñenco to maintain a low level of indebtedness and a solid financial position, with debt at the corporate level totaling Ch$1,033,979 million at December 2021.

*(*) Does not include IRSA's debt of MCh$182,885 in 2021 (MCh$35,330 in 2020), where Quiñenco holds a 50% ownership stake.*

# BUSINESS ACTIVITIES

## FINANCIAL SERVICES

[ Page 28 ]

## BEVERAGE

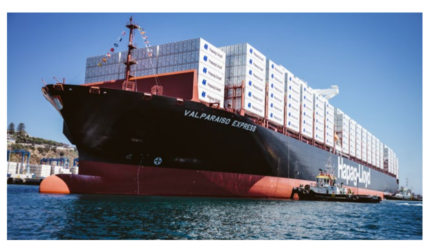
[ Page 34 ]

## MANUFACTURING

[ Page 38 ]

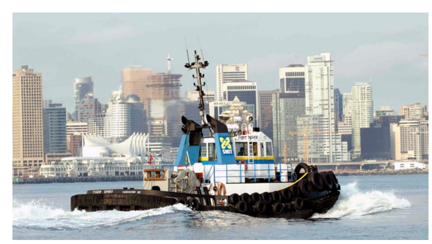

## ENERGY

[ Page 42 ]



## TRANSPORT

[ Page 46 ]



## PORT SERVICES

[ Page 50 ]

## FINANCIAL SERVICES

LQIF
LQ INVERSIONES FINANCIERAS

LQIF's ownership in Banco de Chile

**51.2%**

**LQ Inversiones Financieras S.A.** (LQIF) is the company through which Quiñenco channels its investments in the financial sector. It is a closed stock company created as a Quiñenco subsidiary in 2000. Its main asset since 2001 has been its participation in Banco de Chile. As of the end of 2021, it held 51.2% of both the voting and economic rights in this financial institution.

As part of a strategic alliance, Citigroup acquired a 33.0% stake in LQIF in 2008 through the contribution of its assets in Chile. Banco de Chile and Citibank Chile merged on January 1, 2008. In April 2010, Citigroup increased its stake to 50% after exercising two purchase options for 8.5% of LQIF shares each, pursuant to the Shareholders' Agreement signed with Quiñenco.

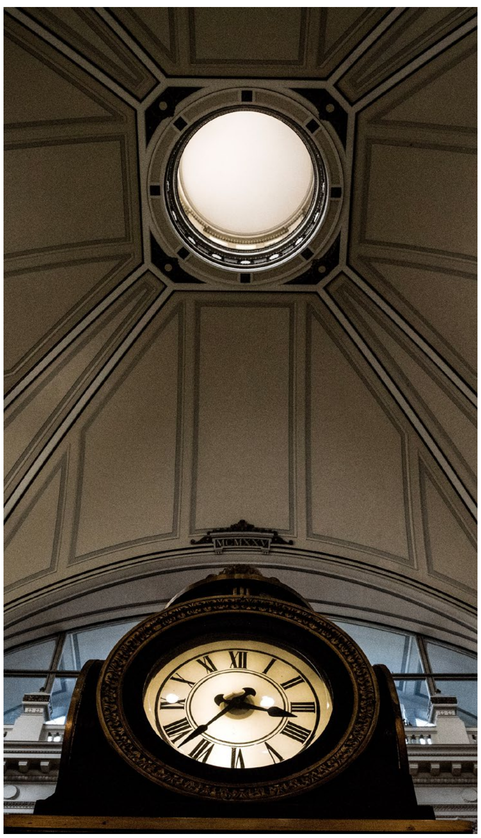
In January 2014, the Board of Directors agreed to hold a secondary offering of Banco de Chile shares to increase the stock's liquidity without altering LQIF's condition as controller. The offer concluded with the sale of 6.7 billion shares at a price of Ch$67 per share, equivalent to 7.2% of the property. In this way, LQIF's stake was reduced to approximately 51%.

During 2017, LQIF acquired close to 200 million Banco de Chile shares on the market, slightly increasing its participation, which reached 51.2% by year-end.

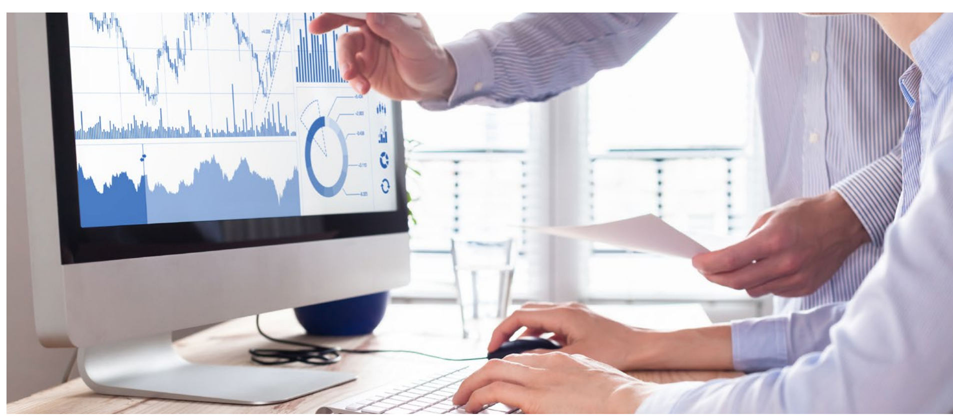
On April 30, 2019, the Subordinated Debt with the Central Bank of Chile was fully paid in advance. Consequently, SM Chile and its subsidiary SAOS S.A. were dissolved and SM Chile's shareholders, including LQIF and its subsidiary Inversiones LQ-SM Limitada, received on June 6, 2019, the shares held by SM Chile in Banco de Chile. Thus, LQIF became the owner of 51.2% of the Bank's social and economic rights.

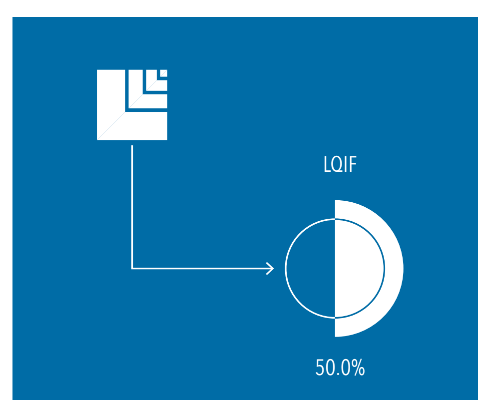
LQIF's 2021 result shows the good performance of its main asset, Banco de Chile, mainly due to the increase in operating revenues driven by the favorable impact of greater inflation and a reduction in loan loss provisions, resulting from improved delinquency indicators for the year. At a corporate level, in turn, LQIF recorded a negative impact due to the effect of the greater inflation rate on readjustable liabilities. Therefore, LQIF's net income amounted to Ch$383,729 million in 2021, 71.5% up from 2020.

The Quiñenco group has a vast and successful experience in the Chilean financial sector, where it has stood out for the following milestones: the merger between Banco Santiago and Banco O'Higgins in 1997; the sale of the resulting institution to Banco Santander Central Hispano (BSCH) in 1999; the acquisition of Banco Edwards in 1999 and Banco de Chile in 2001 and, finally, the merger with Citibank Chile in 2008, thus creating the largest bank in the country controlled by Chilean capital.




BANCO DE CHILE

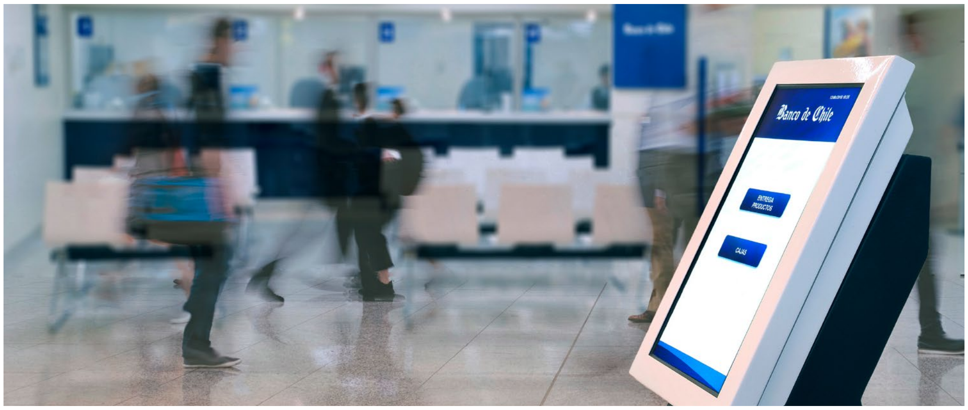



LQIF
50.0%

FINANCIAL SERVICES

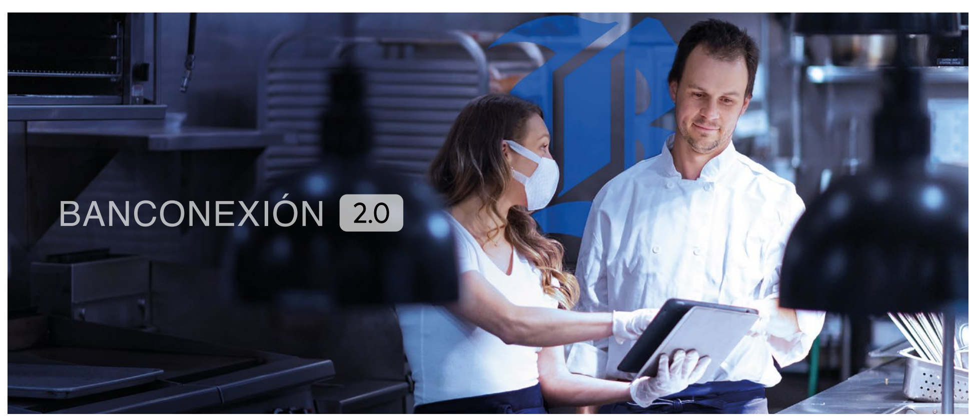
Banco de Chile

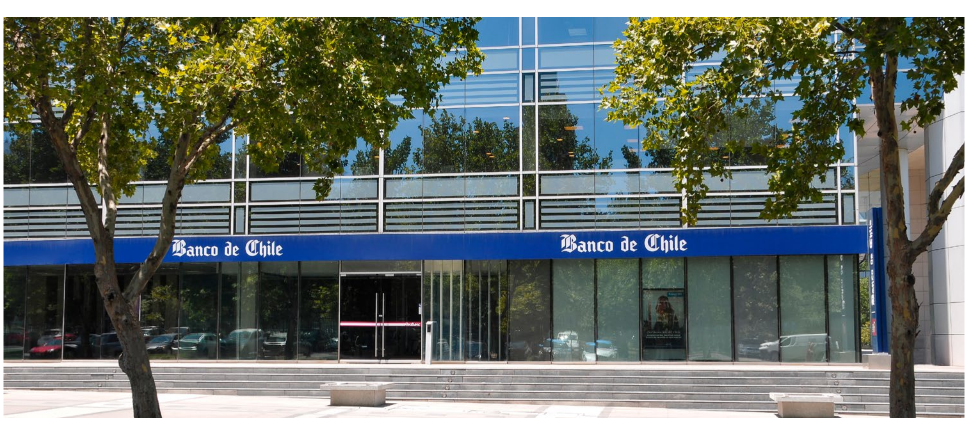
# DIGITAL TRANSFORMATION AND FINANCIAL STRENGTH CONSOLIDATE BANCO DE CHILE'S LEADERSHIP.

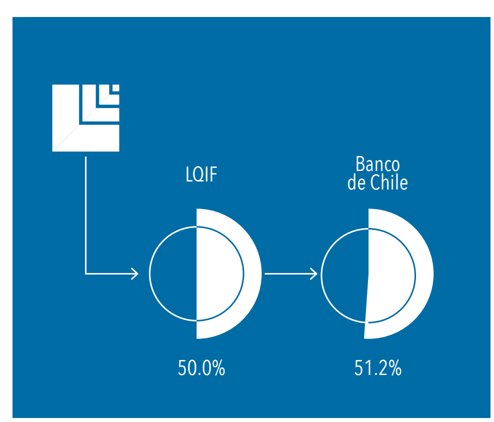



Banco de Chile
HAZTE
FAN
DE LOS BENEFICIOS
DEL CHILE
Sin costos de mantención
ni transferencias
Abre tu cuenta
en cuentafan.cl


citi
BANCO EDWARDS

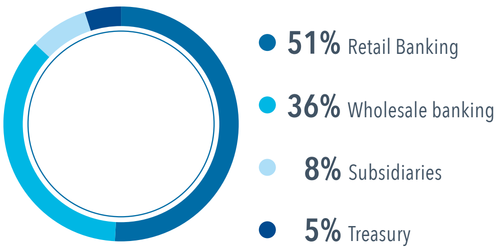

BANCONEXIÓN 2.0


Banco de Chile
Banco de Chile


LQIF
Banco
de Chile
50.0%
51.2%

## CONTRIBUTION TO RESULTS

*(Income before taxes 2021: MCh$ 971,473)*




## BUSINESS SEGMENTS

### RETAIL BANKING

- Personal banking and small and medium sized companies across the country.

### WHOLESALE BANKING

- Local and multi-national corporations and large companies from all industries operating in Chile.

### TREASURY

- Offers several products and services, to both large corporations and individuals, including foreign exchange and derivatives transactions, investment agreements and products.
- Manages the Bank's price and liquidity risks through an optimal financing structure in terms of costs, maturities and diversification, along with management of the Bank's investment portfolio.

### SUBSIDIARIES

- Products and services for retail and wholesale banking customers supplementing the above-mentioned services.

## Banco de Chile

| Founded in 1893 | A (S&P) and A1 (Moody's) risk rating | A rating in MSCI ESG |
|---|---|---|

| Listed in Chile and USA (NYSE) | Included in the Dow Jones Sustainability Chile Index |
|---|---|

**2.3**
million active clients

**74%**
net promoter score

**12,284**
employees

**11,604**
small and medium-sized suppliers

**272**
branches and 1,761 ATMs

Market capitalization:
**US$8**
billion at December 2021

**Banco de Chile** is one of the soundest private banks in Latin America and is among the best banks in online and mobile services in the country. It is a global bank with a broad segmentation in both retail and wholesale banking services.

In 2021, the Bank provided services to 2.3 million customers, reaching a 17.4% market share in consumer loans; 17.1% in commercial loans and 15.8% in housing loans. During this management period, Banco de Chile obtained a return on average capital and reserves of 21%, surpassing the average 17.4% of the whole banking sector.

Banco de Chile led the Chilean financial industry in terms of capitalization and provision coverage for the nonperforming debt portfolio, thus showing its capacity to generate returns in a sustained manner. It also maintained an outstanding position in non-financial aspects; proof of this is its 74% net promoter score and its A category in the MSCI ESG Ratings, improving its score by three notches since the 2020 assessment.

The Bank's business model is underpinned by its contribution to the development of the country and its people, being Sustainability and commitment with Chile among its main strategic drivers, jointly with its Customers, which are at the center of every decision, without leaving aside Efficiency and Productivity.

Banco de Chile has set up a strategic alliance with Citigroup, allowing its customers access to a vast network of global services and products.

## 2021 PERFORMANCE

In 2021, the Bank recorded sound results with a 71.2% increase in net income, though influenced by positive external circumstances, especially the higher inflation. Assuming that the low 2021 delinquency indicators will be temporary, the Board of Directors decided to establish additional provisions of Ch$220 billion, thus totaling Ch$540 billion at the end of the management period. This is equivalent to 1.58% of total loans, and largely exceeds the industry average. In addition, Banco de Chile strengthened its financing base through the issue of a US$500 million bond in the international market pursuant to Rule 144A.

Banco de Chile's favorable capitalization and solvency position enables it to address with confidence the higher demand for equity within the context of Basel III international regulatory framework for banks. At the closing of 2021, the Bank's Regulatory Capital to Risk-Weighted Assets indicator amounted to 17.3%, above the industry average.

### Sustainability

As part of its sustainability-oriented culture, the Bank strengthened its policies and programs on diversity, inclusion and management of the environmental, social and corporate governance risks in the activities relating to suppliers' financing and evaluation. It also adopted the SASB disclosure framework to continue improving the quality of the information it delivers to the market.

Banco de Chile was the first Chilean financial institution to receive the "Covid-19 seal", certification provided by the Safety Mutual of the Chilean Construction Chamber. This recognition certifies that all its branches and buildings meet all the preventative measures established by the sanitary authority during the pandemic.

The Bank has continuously supported entrepreneurs through several initiatives, providing state-backed loans to small and medium sized businesses by approximately Ch$1,500 billion through the FOGAPE Reactiva program. It also conducted the Sixth National Contest Desafío Emprendedor that convened 23,515 participants; it issued a social bond to assist female micro entrepreneurs and granted loans for UF5,000,000 to subsidize the construction of low-income housing.

In 2021, the Bank launched the first version of the "Inspiring Women" ("Mujeres que inspiran") award as an acknowledgment created to directly support female micro entrepreneurs and leaders of social organizations who develop programs on environmental care, inclusion of disabled persons and help for the sanitary emergency.

In terms of environmental sustainability, noteworthy are the following initiatives: the launch of the sustainable banking kit for new clients that includes biodegradable bags and recycled plastic cards as well as green leasing loans and sustainable investment funds.

### Customers

In 2021, the Bank successfully completed the transformation of its service model. Through a more modern and efficient branch network, supplemented by the various online applications and remote channels, Banco de Chile achieved new customer satisfaction levels.

Under this new model, the Bank reinforced its range of digital products and services. Among them, the applications Mi Banconexión and Mi Seguro; digital wallets (Google Pay, Garmin Pay and Fitbit Pay) and an international payment order service.

Through FAN, its first 100% digital debit account, the Bank incorporated more than 700,000 new customers in less than 18 months since it was launched.

### Efficiency

The Bank recorded an efficiency indicator of 39.8% thanks to an almost nil annual growth of its nominal cost base; this results from a strategy focused on automation, process simplification and organizational downsizing, while maintaining service quality.

Banco de Chile led among its peers in efficiency. Its progress in this field enabled the Bank to face nonrecurring expenses, such as collective negotiations and extraordinary workers' benefits, focusing its resources on strategic projects, mainly digital transformation and modernization of the technological and cybersecurity architecture.

## HIGHLIGHTS

- Leadership in the banking industry in financial and non-financial results.
- Successful transformation to a new service model, mainly digital.
- Fast growth of the FAN digital debit account to more than 700,000 customers over 18 months.
- "A" category in the MSCI ESG Ratings.
- Placement of a US$500 million bond in the international market.
- Grant of a social loan with a gender focus.

## ACKNOWLEDGMENTS

- **Best Bank in Attracting and Retaining Talent in the country** (3rd in the general ranking) according to Merco Talento 2021.
- **Best bank in Chile** according to Global Finance.
- **2nd place in best corporate reputation,** Merco 2021.
- **Best bank for financial inclusion according** to The European.
- **COVID-19 seal certification provided by the Safety Mutual** for meeting 100% of the recommended measures.

BEVERAGE

# A SOUND COMMITMENT WITH CIRCULAR ECONOMY AND STEADY GROWTH REFLECT CCU'S NEW OPERATIONAL SCALE.

**CCU** is a multi-category beverage company, with presence in six countries in Latin America. In Chile, it is one of the main industry players in the beer, non-alcoholic beverage, mineral and bottled water, nectars and pisco categories, among others; it manufactures wines and sparkling wines sold in the domestic and foreign markets, exporting to more than 80 countries. At a regional level, it is the second largest beer producer in Argentina and operates in the cider, liquors and wine industries in that country.

CCU structures its operation around three pillars that shape its strategy and are in permanent balance: Growth, Profitability and Sustainability.

## 2021 PERFORMANCE

In 2021, CCU continued implementing its regional plan during the pandemic, with a focus on three priorities: people's safety, operational continuity and financial health.

### Growth

During the year, the company grew its business above the pre-pandemic levels, reaching a consolidated volume of 34.7 million hectoliters, 13.0% up from 2020.

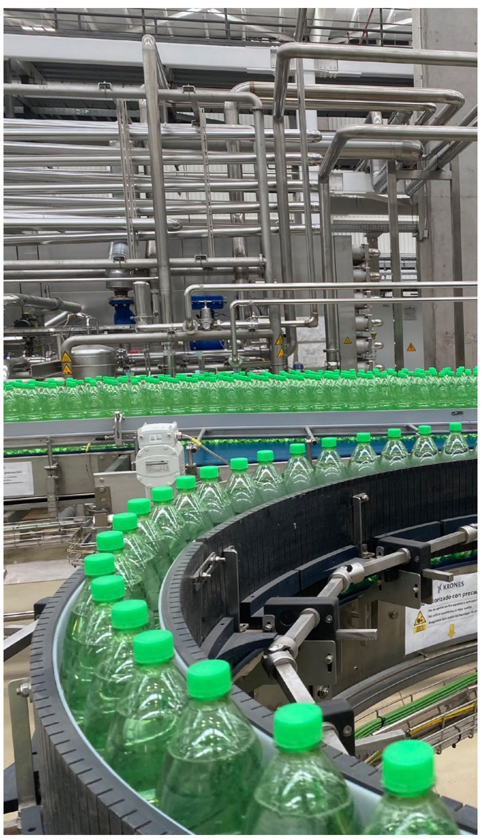
This positive result is mainly due to greater private consumption, the recovery of consumption occasions and a sound sales execution, backed by CCU's strong portfolio of brands in all operating segments.

Sales volumes grew by 16.7% in the Chilean operating segment, achieving 23.9 million hectoliters; 7.3% in International Businesses with 9.4 million hectoliters; and 2.9% in the Wine segment, with 1.6 million hectoliters.

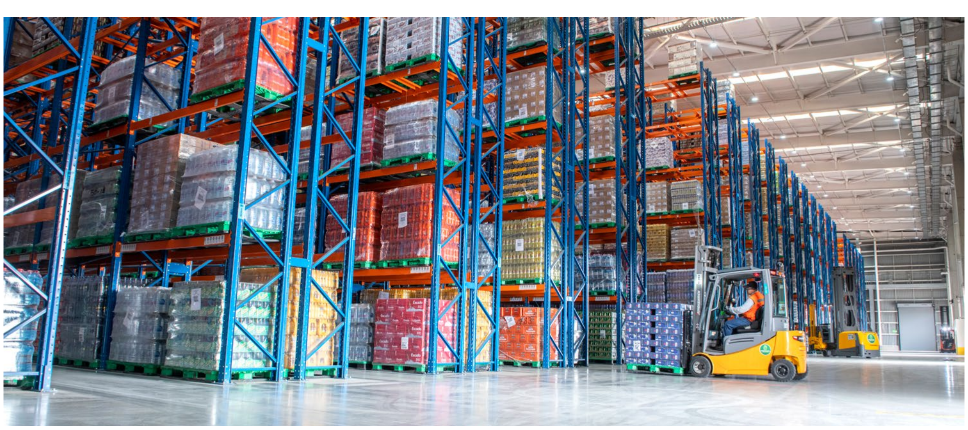
In Colombia, where CCU established a joint partnership with Postobón, the sales volume surpassed 2 million hectoliters, recording an annual expansion of 37.8%, thus enabling the company to continue gaining market share.

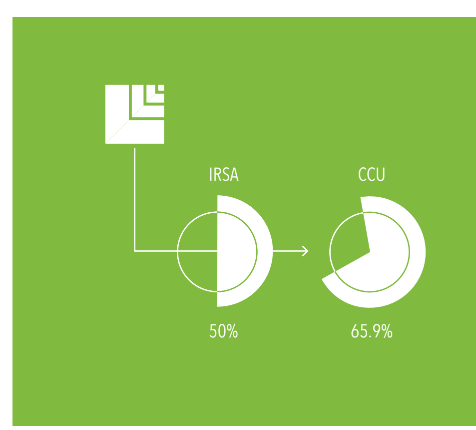
During 2021, CCU developed investment projects totaling Ch$171,854 million, of which approximately 63% were executed in Chile. Among its recent investments in the country, we may highlight the capacity expansion of the Quilicura and Temuco beer manufacturing plants, and the new non-alcoholic beverage manufacturing plant in Renca, designed in keeping with the highest sustainability standards. In Argentina, the company increased the beer production capacity of its Lujan plant by 33%, adding a new canning line of beer.


CRISTAL
LIGHT




CCU




IRSA
CCU
50%
65.9%

## OPERATING SEGMENTS

**CHILE**
CCU is one of the main players in each category of the beverage market where it participates: beer, carbonated soft drinks, waters (mineral, purified and flavored), energy and sports drinks, cold tea, powdered juices, nectars, and juices, pisco and other liquors.

This segment also includes the Strategic Services Units: Transportes CCU Limitada, Comercial CCU S.A., CRECCU S.A. and Fábrica de Envases Plásticos S.A.

**INTERNATIONAL BUSINESS**
It includes operations in Argentina, Bolivia, Uruguay and Paraguay. In Argentina, CCU participates in the beer, cider, liquors and wine categories. In Uruguay: beer, mineral and flavored water, nectars, carbonated soft drinks, wine and energy and sports drinks. In Paraguay: beer, mineral and flavored water, juices, nectars, carbonated soft drinks, wine and sports drinks. In Bolivia: beer, mineral and bottled water, carbonated soft drinks, nonalcoholic beverages and malts.

**WINE**
CCU participates in the wine and sparkling wine business in Chile and Argentina through its subsidiary VSPT; it also exports to more than 80 countries.

VSPT Wine Group in Chile consists of the vineyards San Pedro, Tarapacá, Santa Helena, Misiones de Rengo, Leyda and Viña Mar, and in Argentina of: Finca La Celia and Bodega Graffigna.

**JOINT VENTURES AND PARTNERSHIPS**
Since 2014, CCU and the Colombian company Postobón hold equal shares of Central Cervecera de Colombia S.A.S. ("CCC"), company that manufactures, sells, and distributes beer and non-alcoholic malt beverages in said country. Similarly, CCU and Maltexco hold an equal 50% ownership stake in Cervecería Austral S.A. for the joint manufacture, sale, and distribution of Austral beer in Chile.

## LICENSES AND DISTRIBUTION AGREEMENTS

At the closing of 2021, the company holds licensing and/or distribution agreements with Heineken Brouwerijen B.V., PepsiCo Inc., Seven-up International, Schweppes Holdings Limited, Société des Produits Nestlé S.A., Pernod Ricard Chile S.A., Promarca S.A. (Watt´s), Red Bull Panamá S.A., Stokely Van Camp Inc., and Coors Brewing Company, among others.

**CCU**

Multi-category beverage company

Listed on Chile's stock exchanges since **1920** and on the New York Stock Exchange (NYSE) since 1999

**9,346** employees

**33** productive plants

**44** distribution centers

Total sales volume of **34.7** hectoliters in 2021

In early 2022, and to ensure a sound liquidity base, CCU placed a US$600 million 10-year bond in the international market in favorable financial conditions.

### Profitability

Despite the significant increase in costs of raw materials over the period, CCU grew its EBITDA margin from 16.0% to 17.9% during the year, driven, among other factors, by greater volumes and efficiencies from the ExCCelencia CCU program.

In 2021, the company launched the CCU Transformation Plan which will build on the progress of the ExCCelencia CCU program, with an aim to improve customer experience and the company's profitability through higher margins or lower costs. This plan will be executed on two levels: incremental innovation, focused on the search of efficiencies in seven fields (commercial effectiveness, marketing, revenue management, planning and logistics, procurement, industrial management and administrative expenses) and Disruptive Innovation, aimed at challenging its business model with new ways to operate.

### Sustainability

CCU organizes and communicates the initiatives of its sustainability management plan pursuant to three concepts: people who move us, the planet we care for, and brands that inspire us. Some of the main actions and initiatives completed during 2021 under each concept are listed below:

***People who move us***

- New modules of the CCU Leadership Role program.
- First training for female crane operators in the municipality of Quilicura.
- 88% in the 2021 Global Working Environment Indicator (result of the organizational environment survey applied by CCU and its subsidiaries in the 6 countries where it operates).
- Advisories and financing for groceries as part of its CRECCU program.

***Planet we care for***

- Inauguration of the CCU Renca bottling plant, designed to generate zero waste to sanitary landfills, using 100% recyclable materials and supplying 100% of its electric power from renewable sources.
- Fleet of seven low-tonnage electric trucks (20 more will be added in 2022).
- 15 facilities operating with the goal "zero waste to sanitary landfill".
- Participation in Corfo's EcoImpacta program, a platform posing climate change challenges for entrepreneurs. CCU proposed and delivered financing to the winner of the contest that consisted of seeking innovative water management solutions in Antofagasta, the Metropolitan Region and the regions of O'Higgins, Araucanía and Los Lagos.

***Brands that inspire us***

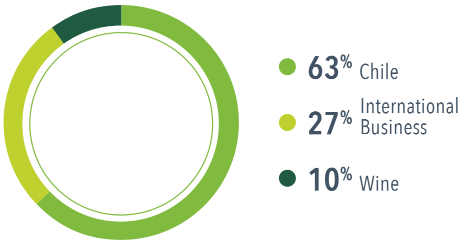
- Bilz & Pap campaign that convened more than 100 thousand families around the recycling of empty bottles in more than 600 clean points across the country during the last Telethon.
- Cristal beer campaign to encourage vaccination, through the granting of more than 10,000 tickets for the national football selection and 10,000 packs of Cristal La Roja. In addition, CCU continued to donate alcohol gel and facial protectors to different institutions.

## ACKNOWLEDGMENTS

- **N°1 among the most responsible companies, and the companies with best corporate governance from the Beverage sector in Chile.** Merco 2020 ranking.
- **Carlos Vial Espantoso Award 2020.** CCU was among the 30 companies distinguished for implementing good labor practices during the pandemic.
- **N°1 in the Most Innovative Companies 2021 ranking, in Chile:** Compañía Pisquera de Chile and Viña San Pedro Tarapacá, in their respective categories.
- CCU was selected to join the **Dow Jones Sustainability Index Chile for the fourth consecutive year and the MILA** Pacific Alliance Index for the third consecutive year.

## DISTRIBUTION OF CONSOLIDATED REVENUES*

*(Total 2021: MCh$2,484,712)*




** Percentages calculated over Revenues, excluding Others /eliminations*

## HIGHLIGHTS

- Recovery to pre-pandemic volumes, with a record of 34.7 million hectoliters.
- Placement of a MUS$600 10-year term bond on the international market.
- Ch$171,854 million investment to expand its capacity in Chile and Argentina.
- Inauguration of CCU Renca bottling plant, designed in keeping with the highest sustainability standards.
- Launching of the CCU Transformation Plan.

## MARKET SHARE

| By operating segment | 2021 |
|---|---|
| Total[(1)] | 31% |
| Chile[(2)] | 46% |
| International Business[(3)] | 18% |
| Wine[(4)] | 19% |

*(1) Weighted average of all categories where CCU participates based on the market shares of each category and weighted based on the internal estimates of market sizes (updated at December 2021). Market share source: Nielsen for Chile and domestic wine. Ernst & Young (EY) for Argentina. ID Retail for Uruguay; CCR for Paraguay (except for waters which correspond to internal estimates); CIESMORI for Bolivia (except for carbonated soft drinks which correspond to internal estimates). Chile's Association of Wine Producers for export. Updated annually.*

*(2) Excludes HOD and powdered juices.*

*(3) Includes beer in Argentina; beer, carbonated soft drinks, nectars, and mineral waters in Uruguay; beer, soft drinks, nectars, and mineral water in Paraguay; beer, malt, and carbonated soft drinks in Bolivia.*

*(4) Including domestic wine and wine exports from Chile. Domestic wine source Nielsen, wine exports according to Chile's Association of Wine Producers; does not include bulk wine.*

MANUFACTURING

# INVEXANS

## NEXANS IS DRIVING CHANGE TOWARDS THE NEW ELECTRIFICATION: SUSTAINABLE, RENEWABLE AND ACCESSIBLE TO ALL.

**Invexans** creates value, by exploring and promoting business opportunities worldwide. Through its subsidiary Invexans Limited, established in the United Kingdom, Invexans explores, analyzes, and develops new businesses and manages its investments; currently: Nexans and Enex.

Invexans is the main shareholder of Nexans, leader in the design and manufacturing of electrification and data network cables worldwide. As of December 31, 2021, Invexans owns 28.4% of Nexans, company listed on Euronext Paris. Quiñenco, parent company of Invexans, adds another 0.5% owned by Tech Pack S.A., whereby the group holds an ownership interest of 28.9%.

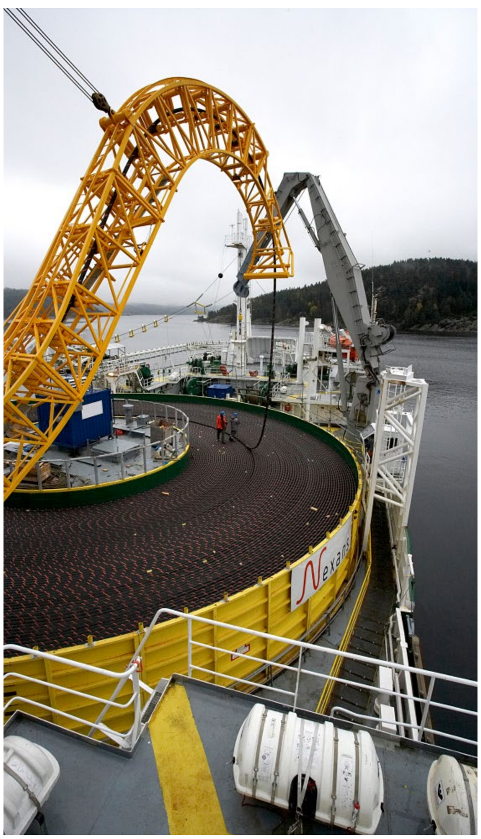
Invexans participates in the French multinational since 2008, after receiving an 8.9% stake in Nexans from the sale of Madeco’s regional cable business, company that gave rise to Invexans. Since 2012 it has held significant influence on the company and is entitled to elect three Board members. One of them is the Chairman of the Strategy and Sustainable Development Committee, and another director also sits on this committee, and on the Compensations, Designations and Corporate Governance Committee and on the Accounting, Auditing and Risk Committee.

Invexans holds 100% ownership in Enex plc, a company incorporated in the United Kingdom. Through its subsidiaries it distributes fuels and operates convenience stores in Chile, the United States and Paraguay. Enex's businesses were added to Invexans' investment portfolio in the second quarter of 2020 and legally came under Enex plc in December of 2021 (Further information on Enex is provided on page 42 of this Annual Report).

Invexans is listed on Chile's stock exchanges.

### NEXANS

Nexans has provided power and data transmission cables for more than 120 years. Currently, the company is a technology leader whose strategic purpose is to become a key player in the transition towards sustainable electrification worldwide. This market accounts for 65% of the global demand for cables and is expected to continue growing, driven mainly by an increased power consumption trend, the demand for sustainable energies, the modernization and protection of the network and the shift of customers' needs from only cables to interconnected systems and solutions.

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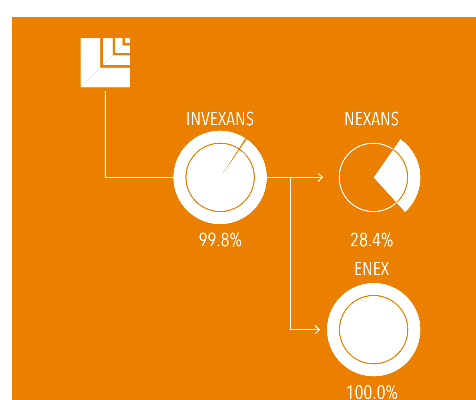
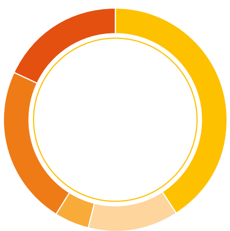

INVEXANS
99.8%
NEXANS
28.4%
ENEX
100.0%

## CONTRIBUTION TO CONSOLIDATED REVENUES

*(Total 2021: €6,054 million*)*



- 43% Construction
- 13% Projects
- 5% Telecommunication
- 23% Industry
- 18% Other

*(*) at constant non-ferrous metal prices*

## NEXANS' BUSINESS AREAS

### CONSTRUCTION

- Low and medium voltage cables and accessories.
- Intelligent power management solutions and power cables for the construction industry.

### INDUSTRY

- Special cables; supply, control and data cables.
- Automotive wire harnesses, pre-assembled kits.

### PROJECTS

- High-voltage cable solutions for power transmission, umbilical cables and accessories.
- Design, engineering and installation of cables for offshore wind farms, interconnections, among others.

### TELECOMMUNICATIONS

- Fiber optic cables and accessories, data cables (LAN).
- Data center, telecommunications infrastructure solutions.

INVEXANS

| International investment company | Listed on the Santiago Stock Exchange and the Chilean Electronic Exchange |
|---|---|
| Nexans' main shareholder | Enex's controller |

enex

Energy and retail group of companies with operations in Chile, United States and Paraguay

Nexans

| One of the main players in the global cable industry | Listed on Euronext Paris |
|---|---|
| French multinational founded in **1897** | Operations in **42** countries |
| Total headcount **25,129** employees | Market capitalization of **US$4.2** billion |

Nexans designs solutions and services for the various markets it covers through its four business units: Projects (offshore wind farm connections, subsea high voltage and onshore interconnection projects); Industry (renewable energies, transport, oil and gas, automation, among others); Construction (public utilities and electric mobility); and Telecommunications, with cables and supplies for data transmission systems and networks.

## 2021 PERFORMANCE

Nexans achieved a sound performance in 2021 with an organic growth of approximately 8.3%, recovering the pre-pandemic levels of activity. It's ability to provide a quick response to the operational challenges enabled it to operate almost seamlessly in 2021 and to meet its high voltage project production schedules.

The company completed its New Nexans 2019-2021 Transformation Plan, during which it implemented an internal program toward the steady reduction of overhead costs. The results outperformed the objectives, both in terms of profitability and cash flow generation, and enabled Nexans to bring its financial debt down to €74 million, its lowest level in 10 years.

In the submarine High-Voltage and Projects segment, Nexans' leadership is reflected in the subscription of significant contracts in various markets, which strengthened its position in the area reaching a portfolio of €2.2 billion.

Aurora, Nexans' new cable laying vessel, which was fully operative in the fourth quarter of 2021, contributed to the good performance of this business unit. This new vessel is equipped with state-of-the-art technology, and a transport and installation capacity that is essential for the company's growth plans. Similarly, the commissioning of Nexans' Charleston plant, the first high voltage subsea cable manufacturing plant in the USA, marked a milestone in that country. Nexans will produce up to 400 kV HVAC and 525 kV HVDC subsea power cables, enabling it to cover offshore wind farm and subsea interconnector requirements. The United States expects to annually inject to the grid 20 GW of capacity in offshore wind farms.

In early 2021, Nexans announced its intention to focus on the electrification value chain (Electrification Pure Player), from power generation to the end user, including power transmission and distribution.

In generation and transmission, it will improve its position in Interconnection and Offshore Wind Farm projects. In distribution, Nexans will reinforce its turnkey solutions, combining cables and accessories with installation, architectural design, intelligent systems and asset management. In the use of energy segment, it will focus its products on ensuring electrical safety for the end user, supporting client's competitiveness through a smooth supply chain for products easy to manage and to install, and intelligent products embedded into a digital ecosystem.

In 2021, Nexans announced its first milestone in mergers and acquisitions, in line with the strategic aim to become a key player in electrification. The company signed a Share Purchase Agreement with Xignux to acquire Centelsa, a Colombian cable manufacturer. The transaction was completed on March 21, 2022, after receiving the regulatory approvals.

### Projects

Nexans' production orders went up by 22% in 2021, driven by the subsea high voltage and onshore interconnection projects which increased by 59%, the highest level ever achieved by the company.

In 2021, Nexans was awarded some of the most relevant projects worldwide.

## HIGHLIGHTS

- Recovery of business activity surpassing pre-pandemic levels.
- Inauguration of the first high voltage subsea cable manufacturing plant in the United States.
- The company was awarded high-tech cable projects.
- Sound progress in efficiency in line with the transformation plan.
- Commissioning of Aurora, Nexans' cable-laying vessel.
- Lowest net debt in the last ten years.

| COUNTRY | PROJECT | NEXANS' PARTICIPATION |
|---|---|---|
| **United Kingdom** | Moray West offshore wind farm | Design, production and installation of 220 kV submarine cables. |
| **Italy** | Tyrrhenian Link (fiber optic cables between Sardinia and Sicily) | Production and installation of 500 km. of a 500 kV fiber optic cable, at a depth of 2,000 meters. |
| **Norway** | Oseberg Field Centre | Production and installation of an electric power cable system that will connect this oil platform with the Norwegian power grid. |
| **Australia** | Jansz-lo Compression | Production and installation of an innovating solution to connect this oil platform to the mainland. |

## ENERGY

# ENEX EXPANDED ITS DISTRIBUTION NETWORK IN THREE COUNTRIES, REPLICATING A SUCCESSFUL CUSTOMER EXPERIENCE MODEL.

**Enex** plc is a holding based in the United Kingdom, with fuel distribution and convenience store operations in Chile, the United States and Paraguay.

Since 2020, the Enex group is part of Invexans, an investment company, subsidiary of Quiñenco, focused on creating value, exploring and promoting business opportunities worldwide.

In Chile, Enex is the second largest fuel distributor with a market share of 21.9% of the total dispatched fuel volumes in 2021, and a 26.8% share of gasoline sold in the service station segment, operated under the Shell license. It is also a relevant player in the lubricant market, where it operates as the exclusive distributor of Shell lubricants in Chile, supplementing its offer with other products, such as Rhenus food grade oils and ACDelco spare parts, among others.

Enex also holds a stake in the property of 14 fuel storage plants along with other industry operators. It owns a 33.3% share of Sociedad de Inversiones de Aviación (SIAV), company that provides aviation fuel storage services at the Santiago international airport, and 50% of Asfaltos Conosur S.A., operator of asphalt storage and dispatch terminals located in Puchuncaví and Mejillones.

In the United States, Enex owns and operates Road Ranger, the fourth largest travel center network in that country.

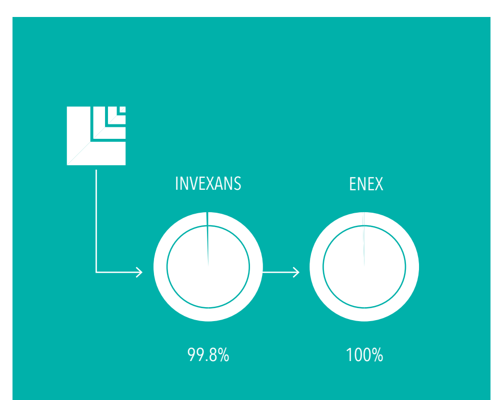
Enex's affiliate company in Paraguay owns a service station network and, since 2020, it operates convenience stores under the Enex and upa! brands, respectively.


enex
upa!


upa!


DAN'S FAMOUS
PIZZA
BIG SLICE
Road Ranger
TEJAS TACO
Wendy's


upa!
Super 93
Super 95
V-Power Gas 97
Diesel Extra
enex
e·pro


INVEXANS
ENEX
99.8%
100%

## REVENUE MIX

*(Total 2021: MCh$2,908,184)*

- 70% Retail
- 27% Industrial Fuels
- 3% Lubricants

## BUSINESS SEGMENTS

**RETAIL:**

- Retail fuel distribution in Chile, under the Shell license.
- Retail fuel distribution to cars and trucks in the United States through the Road Ranger travel center network.
- Retail fuel distribution under the Enex brand in Paraguay.
- Fast charging stations for electric vehicles.
- Operation of convenience stores in different formats, namely the upa! and up¡ta brands in Chile and Paraguay, and Road Ranger in the United States.
- Operation of food franchises and other services, such as toilets, showers and games, and truck scales in the Road Ranger network.

**INDUSTRIAL FUELS**

- Supply to customers from the industrial, transport, mining, aviation and power generation segments, among others.

**LUBRICANTS**

- Macro distributor of Shell lubricants in Chile.
- Distribution of spare parts for cars.

**OTHER SEGMENTS**

- Asphalts (bitumen for paving motorways, urban and rural roads and airports).
- Liquefied Petroleum Gas (LPG).

enex

Operations in Chile, United States and Paraguay

Second largest fuel and lubricant distributor in Chile

Network of **445** service stations operating under the Shell license in Chile.

**185** convenience stores operated with upa! and up¡ta brands in Chile

Network of **42** travel centers in the United States, through Road Ranger

Network of **55** Enex service stations in Paraguay

Network of **15** fast EV charging stations in Chile.

**3,377** employees

## 2021 PERFORMANCE

Despite the complexity of operations in the context of the pandemic, in 2021 Enex had a positive performance driven by the recovery of sales volumes with an 18% increase as compared to the previous year.

It also achieved significant progress in each pillar of its business strategy: customer focus, innovation, and sustainable profitability.

### Customer Focus

In Chile, the retail customer segment added three service stations (two in regions and one in the Metropolitan Region) and 12 convenience stores.

In the industrial segment, Enex was awarded the fuel supply contract for mining company Glencore's Alto Norte and Lomas Bayas mine sites, and extended BHP Spence's contract. In the aviation fuel market, it was awarded and started to operate the 30-year concession contract of the Punta Arenas Airport, and extended the World Fuel Services contract with Latam and Air France. In the lubricant segment, it was awarded a supply contract with Teck Quebrada Blanca.

In the United States, Road Ranger added a travel center located in Monahans, Texas, in August, and was accredited to directly operate Wendy's food chain franchise as part of its network. This adds to the service offering that includes food courts, where we can also find the Subway food chain; fuel supply areas; parking lots for trucks; showers and games (in Illinois) and lockers for package pickup and returns (Amazon Lockers), among others.

In Paraguay, the company inaugurated 8 Enex service stations, adapting Chile's service model and design to the Paraguayan reality. The customer satisfaction indicators backed up the expansion plan developed by the company which could translate in the opening of approximately 40 service stations during 2022.

### Innovation

During 2021, the company added two EV charging stations to its network, completing 15 fast charging stations for electric vehicles in Chile, covering the route between Hijuelas, in the Valparaiso Region, and Chillán in the Ñuble Region.

Enex is focused on meeting the requirements of high power demand fleets, such as taxis and last-mile vehicles. To such end, it subscribed agreements with last-mile delivery and passenger transport companies so that they use their E-Pro cards along the EV charging station network.

At the same time, the company is promoting the distribution of green hydrogen, particularly in the long haul transport market, and is able to offer this clean energy supply service.

Enex is part of the H2Chile association and the Green Hydrogen Strategic Alliance for Biobio with the Universidad de Concepción. It also participates in the Green Hydrogen project of the Quintero Bay and has set up an alliance with Universidad Católica to explore ways to create value for its customers through alternatives associated with this clean fuel.

### Sustainable Profitability

In 2021, Enex obtained the Giro Limpio (Clean Activity) certification in highway cargo transport. This seal implies a commitment to prefer carriers who have obtained this seal, thus contributing to reduce energy consumption and Greenhouse Gas Emissions (GHG) and other local pollutants that affect people's health.

Giro Limpio is a national voluntary program managed by the Sustainable Energy Agency. Enex is the only Chilean fuel and lubricant distribution company which has obtained this seal.

During the year, the company continued reinforcing its commitment with the community, by advancing in the dismantling works of the COMAP plant built in an industrial sector of Antofagasta. The plant, which has remained inactive since 2020, is expected to be completely dismantled by 2022. The above is subject to the granting of permits from the health authority for the storage of non-hazardous waste. Materials such as ferrous lines and tanks were declared within this category by the authority, as they were treated and will be recycled.

## ACKNOWLEDGMENTS

- ProCalidad 2021 Customer Satisfaction Award in the Service Station category.
- Great Place to Work certification in Paraguay.
- Outstanding Partner Award, Giro Limpio program from the Sustainable Energy Agency.

## HIGHLIGHTS

- Incorporation of ENEX plc as a holding company.
- Operational continuity during the pandemic.
- Inauguration of 1 travel center in Texas; 8 service stations in Paraguay and 3 in Chile.
- Inauguration of 12 upa! stores in Chile.
- Glencore joins Enex's customer portfolio.
- Enex was awarded the contract to operate the concession of the Punta Arenas Airport in Chile.
- Enex obtained the Giro Limpio (Clean Activity) certification in highway cargo transport.
- Accreditation to operate directly Wendy’s food franchise in the United States.

## TRANSPORT

# IN AN INDUSTRY ONCE AGAIN IN EQUILIBRIUM, CSAV OVERCAME ITS GREATEST CRISIS EVER.

**Compañía Sud Americana de Vapores S.A.** (CSAV) owns 30% of the German shipping company Hapag-Lloyd's shares as of December 31, 2021, and forms part of the shareholder agreement controlling approximately 74% of the company's ownership. Hapag-Lloyd merged its container ship business with CSAV's in 2014.

The company classifies this investment in its financial statements as a joint venture, based on the significant influence and joint control it has over Hapag-Lloyd.

Hapag-Lloyd operates one of the industry's most modern, ecological and efficient fleets. With a total transport capacity of 1.8 million TEU, it is the fifth largest container ship liner globally. The average size of its 253 ships exceeds by 11% the average size of the 10 main operators globally, and owns around 60% of its fleet.

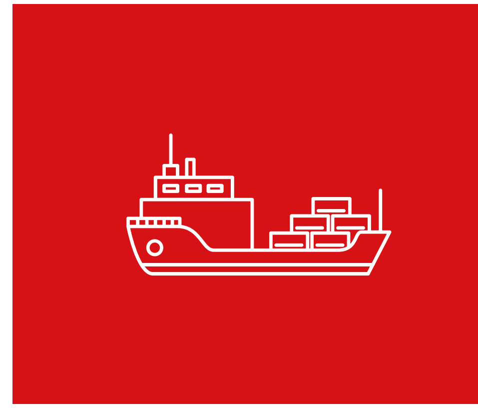
The company offers global coverage through a network connecting the main East-West (Far East, Trans-Pacific and Atlantic) and North-South (Latin America) routes, in addition to internal and emerging routes (intra-Asia, intra-Europe, intra-America, Africa and Oceania). Its services include both the transport of specialized and oversized cargo, chemicals, and reefer cargo within a diversified business portfolio.

Hapag-Lloyd is one of the main members of THE Alliance, one of the largest operational alliances of the shipping industry. With more than 20 million TEU operated, the main operational alliances account for 83% of the current global fleet.

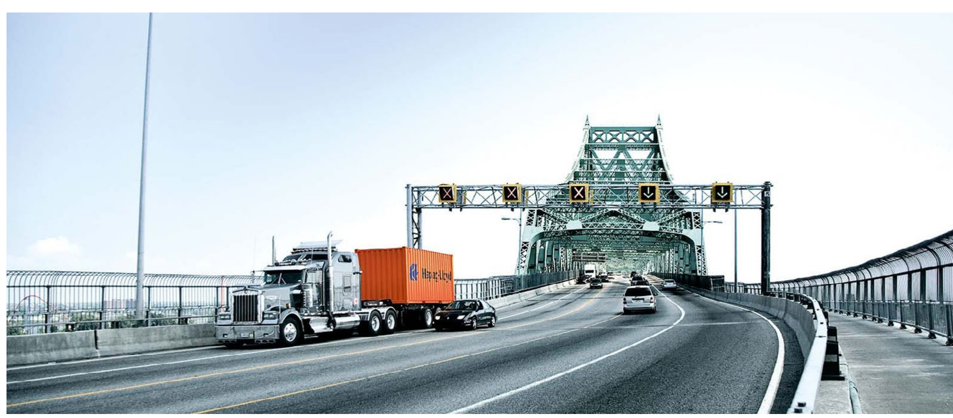
## 2021 PERFORMANCE

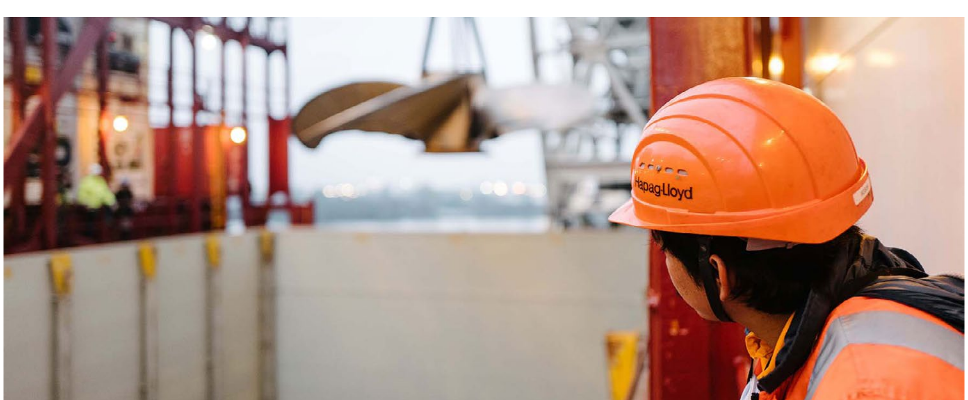
CSAV will turn 150 years in one of the best moments of its history. The excellent performance of Hapag-Lloyd enabled it to achieve a record profit of US$3,210 million in 2021. This figure confirms the successful organizational restructuring started in 2011, after Quiñenco became the company's main shareholder. From 2011 to 2020, the shareholders supported the plan with successive capital increase rounds for a total of approximately US$3.3 billion. In addition, shareholders took on losses of approximately US$2 billion between 2011 and 2017. In 2021, CSAV distributed dividends for the first time in 10 years.

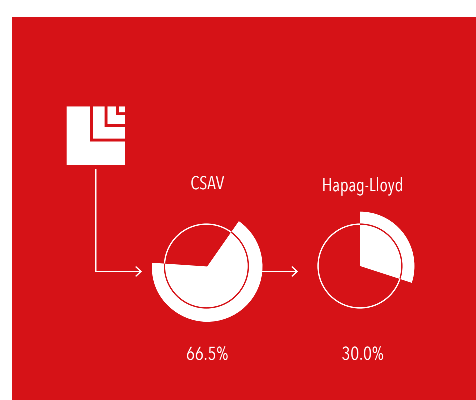

Hapag-Lloyd




Hapag-Lloyd
506

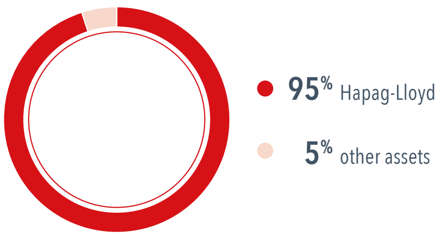



Hapag-Lloyd


CSAV
Hapag-Lloyd
66.5%
30.0%

## SHARE OF ASSETS

*(Total 2021: MUS$6,025)*




## BUSINESS AREAS

### CONTAINER SHIPPING

- Developed through Hapag-Lloyd.
- 253 ships with a total transport capacity of 1.8 million TEU.
- Presence in 137 countries with 421 offices.
- 126 liner services in five continents.
- 11.9 million TEU transported in 2021.

CSAV

Owner of a 30% stake in Hapag-Lloyd

Listed on the Santiago Stock Exchange since 1893

Founded in **1872**

Market capitalization as of December 31, 2021: **US$4.4** billion

Hapag-Lloyd

Founded in 1847

Main member of THE Alliance

Market capitalization as of December 2021: **US$55.1** billion

**14,106** employees

**33,100** customers worldwide

**253** vessels

During the second quarter of 2021, Quiñenco acquired an additional 4.69% ownership stake in the company, totaling 66.45% of CSAV's capital.

CSAV's share price grew by 155% in 2021; in addition, ICR and Feller Rate upgraded the financial solvency and the bond rating of the company. ICR assigned an A- and Feller, a BBB category rating; in both cases with a stable perspective.

### Hapag-Lloyd

The high demand for goods exported from Asia and the congestion of global supply chains boosted the maritime transport rates and hence, Hapag-Lloyd's results exceeded by more than 10 times the previous year's profits, reaching US$10,738 million. The company faced the higher costs and increased complexity of the operations upholding the measures adopted in late 2020: increasing the capacity of high-demand commercial routes; enhancing the service network; deviating the ships to less congested routes and incorporating new vessels, among others. It invested in new vessels and purchased or rented approximately 300,000 TEU of capacity in new container ships, along with doubling the efforts to revamp the older ones.

In 2021, Hapag-Lloyd achieved some of the goals of its 2018-2023 strategic plan in advance. Taking this and the new circumstances into consideration, the company updated its strategy to prepare for the return of the markets to normal conditions. A new pillar was added to the three strategic drivers defined in 2018 (leader in quality, global player, and profitability): Sustainability.

The company is striving to improve significantly its customer satisfaction indicators, simplifying the network and optimizing the fleet, among other measures. In addition, it is aiming to reduce the intensity of CO2e emissions of its fleet by 30% in 2030, taking 2019 as the basis, to achieve carbon neutrality towards 2045.

One of Hapag-Lloyd's objectives is to retain its position as a relevant player of the shipping industry, with a global market share of approximately 10% (excluding intra-Asia) and increase its presence in the emerging markets. As part of this strategy, Hapag-Lloyd expanded its market position in Africa with the purchase of the Dutch container shipping company NileDutch; additionally, in March 2022, it announced its intention to acquire the German shipping company Deutsche Afrika Linien (DAL), a 30% of Wilhelmshaven shipping container terminal, and 50% of the on-dock railyard at the port of JadeWeser.

### Fleet Modernization

In 2021, Hapag-Lloyd ordered six container ships with the flexibility to run on two different fuels, with capacities of more than 23,500 TEU. In total, it will receive twelve of these highly efficient vessels between 2023 and 2025, contributing to the modernization of the fleet. At the same time, it placed purchase or rental orders for another ten vessels with a capacity of 13,000 TEU, totaling orders for a hauling capacity of more than 400,000 TEU.

The above, in addition to the capacity provided by the integration of NileDutch (29,500 TEU) and the purchase of six second-hand ships during the year with a total capacity of 23,800 TEU.

Furthermore, Hapag-Lloyd completed the reconversion of its Brussels Express vessel, of 15,000 TEU, to use both LNG and/or low sulfur fuel.

### Industry in Balance

In 2021, the demand for transport in containers outpaced the supply. Over the past few years, the fleet was growing in line with a long-term approach, reflecting the industry's attempt to control and rationalize its expansion. It is worth mentioning that the orders for new vessels have increased, reaching levels close to 24% of the operational fleet.

The container shipping industry has been strongly affected by the COVID-19 pandemic. In early 2020, we saw a sharp contraction of the global demand, due to the uncertainty and the mobility restriction measures. By mid-2021, with a still uncertain sanitary crisis scenario, the industry recorded an abrupt recovery of the volumes shipped, situation that prevailed throughout 2021. According to Clarksons Research estimates, the volume of containers dispatched dropped 1.3% in 2020 as compared to the previous year and recorded an annual increase of 6% in 2021.

Hapag-Lloyd has been actively engaged in transforming the industry over the past few years. The company initiated the last wave of consolidation in the container shipping segment by merging with CSAV in 2014, followed by merging with the United Arab Shipping Company (UASC) in 2017. As a result, Hapag-Lloyd has captured synergies which have translated in savings of more than US$1 billion since 2014.

## HIGHLIGHTS

### CSAV

- First dividend distribution in 10 years.
- Quiñenco increased its ownership stake in CSAV to 66.5%.
- Improved risk rating.

### Hapag-Lloyd

- Excellent result achieved within a context of increased demand and highly congested ports.
- Commitment to achieve carbon neutrality by 2045.
- Updated its strategy towards 2023, incorporating sustainability as one of its four drivers.
- New fleet renewal investments.

## PORT SERVICES

# SM SAAM STARTED A NEW GROWTH CYCLE AFTER CONCLUDING THE TRANSFORMATION OF ITS OPERATIONAL MODEL.

**SM SAAM** is a regional company based in Chile, offering a wide network of services to foreign trade, with presence in 14 countries, covering from Prince Rupert, in Canada, to the Patagonia in Chile. In 2021 the company celebrated its 60th anniversary, amidst the search of consolidation as the leading player in the foreign trade value chain through the delivery of maritime, port and airport services, with a focus on the customer and high quality standards. The company operates through three business divisions: Tug boats, Port Terminals and Logistics, to provide competitive and exceptional cargo movement services at an international level.

In the tug boat business, SM SAAM is the leading operator in America and one of the largest globally, considering its capacity to serve more than 32,000 vessels annually and its presence in 13 countries with a fleet of 179 tug boats.

Through its Port Terminals Division, SAAM manages and operates the main terminals in Chile and the ports of Guayaquil (Ecuador); Caldera (Costa Rica); Mazatlan (Mexico); Port Everglades, (United States) and Cartagena de Indias (Colombia). With operations in 10 terminals across 6 countries, it transfers 41 million tons and 3.3 million TEU annually.

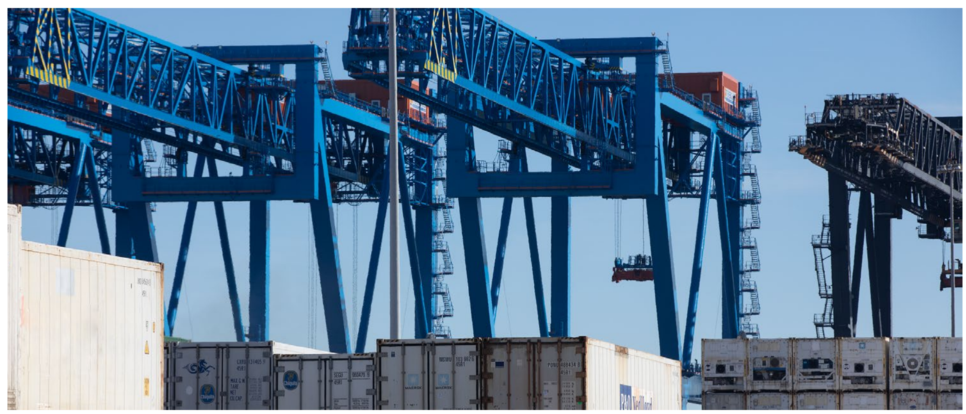
In the logistics business, SM SAAM offers transport and bonded warehousing solutions in Chile, and airport services in Chile, Colombia, and Ecuador, through its subsidiary Aerosan, moving more than 380,000 tons in airports and above 58,000 containers in bonded warehouses.

## 2021 PERFORMANCE

The global trade recovery and the proper execution of its business strategy enabled SM SAAM to obtain excellent results in 2021. Annual profits increased by 43% (reported in US$), without considering 2020 extraordinary effects.

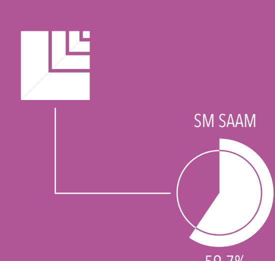
After five years, SM SAAM completed the successful transformation of its operational model. Today, the company is focused on its


ALBATROS




ORLEANS


900651
AEROSAN


SM SAAM
59.7%

## BUSINESS UNITS

### TUG BOATS

**(SAAM TOWAGE)**

- Leader in tug boat operations in the continent.
- 179 tug boats.
- Services in 82 ports and 13 countries.
- +32,000 vessels served annually.
- 84% of tug boats are azimuth-type vessels (can rotate 360° round a vertical axis).
- Services:
  - Port towage.
  - Maritime services for terminals.
  - Special services, such as ocean tug boats and maritime salvage.

### PORT TERMINALS

**(SAAM PORTS)**

- Management and ownership stake in 10 port terminals in six countries.
- 41 million tons of cargo transferred in 2021.
- 3.3 million TEU of containerized cargo transferred.
- Services:
  - Wharfage.
  - Transfer.
  - Terminal logistics.

### LOGISTICS

### (SAAM LOGISTICS CHILE AND AEROSAN)

**SAAM LOGISTICS CHILE**

- Main operator of bonded warehouses in Chile.
- 96,100 m2 of warehouses to accommodate different types of cargo.
- Bonded warehouse services to more than 58,000 containers in 2021.

**AEROSAN**

- Operations in eight airports and three countries.
- 30,000 m2 of airport warehouses.
- More than 380,500 tons of cargo moved.
- More than 5,300 flights serviced during the year.

Regional company based in Chile, founded in 1961

AA rating

Largest tug boat operator in the Americas and one of the global leaders

Fifth largest port operator in South America

Market capitalization:
**US$650**
million as of December 2021

**5,971**
employees

**179**
tug boats

**88**
ports

operations and holds controlling positions in its companies: evidence of the above is that the company currently consolidates 83% of EBITDA generated by the companies where it participates (in 2017, it only consolidated 41%). During this period, SM SAAM's revenues increased by 1.6 times and the assets by 1.2 times. Meanwhile, EBITDA grew 2.3 times and the EBITDA margin jumped from 25% to 36%, boosting the company's profitability.

In 2021, SM SAAM completed the purchase of 70% of Intertug, a company that owns tug boat operations in Colombia, Mexico and Central America. Through the year, the company completed a successful integration of this new subsidiary and progressed in the integration of Aerosan, in which it holds an ownership stake of 100% since 2020.

The operational model that SM SAAM has been applying since 2017, with the centralization of key activities and greater interaction between the different business units, enabled it to effectively respond to the Covid-19 pandemic. The company managed to obtain early access to the vaccines in the various countries where it operates thanks to the coordination with the sanitary authorities and other players in the logistic chain. This measure, among many others, helped the company to strengthen its operational continuity and the relationship with its workers.

In order to reinforce its role as a leading player in the international value chain, in 2021 SM SAAM started implementing its "Build to Grow" strategy with a view towards

2025. The new strategic plan is based on three overarching drivers that will ensure a steady growth and international expansion: sustainability, talent, and systems and & IT.

During the year the company set up the Corporate Sustainability and Communications Management Unit to develop and track a global plan for all its business units. Hence, it will address the challenges of sustainable transformation, safety, talent development and the relationship with stakeholders, integrating the Global Compact Principles and the Sustainable Development Objectives (SDO).

Based on this approach, the company started to measure greenhouse gas emissions scopes 1 and 2 in all its facilities, achieving a 6% reduction thereof, and implemented the +Safety program to prevent accidents, consolidating a cultural change with respect to occupational safety.

The organizational progress achieved enabled the company to successfully close 21 collective negotiations in 2021.

### Performance by Business Unit

SAAM Towage Division's contribution to consolidated EBITDA amounted to 49% -US$137 million-, remaining one of the leading towage companies worldwide.

In 2021, it entered the markets of Colombia, Honduras, El Salvador and Peru, strengthening its presence in Mexico and Central America, and incorporated five state-of-the-art tug boats to its fleet, reinforcing its continental leadership.

The Port Terminals Division increased its volumes by 26% in tons and by 12% in TEU of transferred cargo.

Terminal Portuario de Guayaquil (TPG) moved forward with its investment plan of approximately US$21 million, which contemplates the purchase of seven cutting-edge cranes (arriving to the terminal in 2022). Likewise, San Antonio Terminal Internacional (STI) continued executing its US$47 million investment program with Empresa Portuaria de San Antonio (EPSA) to extend its concession until 2030. It confirmed purchase orders for 26 trailer trucks, which will contribute to strengthen its position as the main port terminal in Chile. In October 2021, this terminal completed 10 years of uninterrupted cargo transfer of 1 million TEU annually, despite the global pandemic crisis.

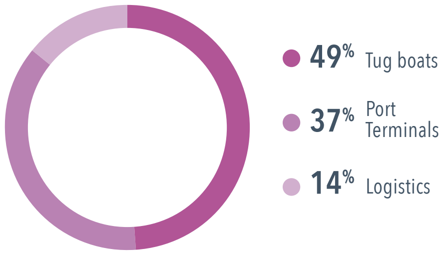
The Logistic Division, in turn, tripled EBITDA recording US$40 million, mainly driven by Aerosan's performance and the higher participation of SM SAAM. Aerosan surpassed pre-pandemic airport cargo volumes, with 380,515 tons. Meanwhile, SAAM Logistics reported an annual growth of 22% in volumes transferred at its bonded warehouses in 2021.

## ACKNOWLEDGEMENTS

- In 2021, SAAM was selected to join the Dow Jones Sustainability Chile Index (DJSI Chile) and the MILA Pacific Alliance Select, for the sixth and fourth consecutive year, respectively.
- ATI, SVTI and ITI received emission quantification and reduction seals from Huella Chile.
- STI, SAAM Logistics (Renca) and SAAM Towage Chile received emission quantification seals from Huella Chile.
- SAAM Towage Canada was recognized with the Blue Circle Award.
- Giro Limpio - Program of the Sustainable Energy Agency - certifies SVTI, the first port terminal in being awarded this distinction, for reducing its GHG emissions and promoting the use of low-carbon fuels in cargo transport.
- Aerosan was distinguished in Bogota by the District Environmental Excellence Program (PREAD) in the category "Environmental Excellence".
- SAAM Towage Costa Rica was recognized for its good environmental management by the Blue Flag Ecological Program (Programa Bandera Azul Ecológica, PBAE) in the Climate Change category.

## DISTRIBUTION OF EBITDA*

*(Total 2021: US$ 268.3 million)*




* *Corresponds to consolidated EBITDA; the percentage calculation excludes the Corporate EBITDA.*

## HIGHLIGHTS

- Successful completion of its operational transformation process.
- Recovery and growth in results.
- Integration of Intertug and Aerosan to SM SAAM's operational model.
- Launch of the new strategy Build to Grow 2021 – 2025.
- Strengthening of sustainability management.
- Tug Boat Division enters Peru and El Salvador.
- Launch of the +Safety Plan

# ADDITIONAL CORPORATE INFORMATION

## GENERAL INFORMATION

Quiñenco S.A.
RUT: 91.705.000-7
Enrique Foster Sur 20, 14th floor
Las Condes
Santiago, Chile
Telephone: (56) 22750 7100
Website: www.quinenco.cl

## SHAREHOLDER SERVICES

DCV Registros S.A.
Avenida Los Conquistadores 1730, 24th floor
Santiago, Chile
Telephone: (56) 22393 9003
atencionaccionistas@dcv.cl

## INVESTOR RELATIONS

Pilar Rodríguez
Investor Relations Manager
Telephone: (56) 22750 7221
prodriguez@lq.cl

## STOCK EXCHANGES (QUINENCO)

Bolsa de Comercio de Santiago
Bolsa Electrónica de Chile

## EXTERNAL AUDITORS

EY Audit SpA
Presidente Riesco 5435, 4th floor
Las Condes
Santiago, Chile
Telephone: (56) 22676 1000

## COMPANY IDENTIFICATION

Open-stock Company incorporated as "Forestal Quiñenco S.A.", by public deed on January 28, 1957, and modified by public deed on April 15, 1957, both in the Valparaíso Notary Office of Mr. Carlos Calderón Cousiño. The incorporation of the Company and the approval of its bylaws were authorized by Decree No. 5,981 of the Ministry of Finance dated July 3, 1957, registered on page 624 No. 430 of the Valparaíso Register of Commerce of 1957, and it was published in the Official Gazette No. 23,806 on July 27, 1957.

The company transferred its domicile to Santiago by a reform of its bylaws, which is set forth in public deed on March 25, 1966, granted before the Valparaíso Notary office of Mr. Rafael Luis Barahona Stahr, modified by public deed on April 13, 1966, granted before the Santiago Notary Office of Mr. Eduardo González Abbott. Such reform was approved by Resolution No. 383 of the Ministry of Finance dated May 18, 1966, which was registered on page 634 No. 387 of the Valparaíso Register of Commerce of 1966 and on page 3,787 No.1,952 of the Santiago Register of Commerce of 1966 and it was published in the Official Gazette No.26,481 on June 11, 1966. The company changed its name to "Quiñenco S.A." and agreed on a new revised text of its bylaws by a reform set forth in public deed on October 11, 1996, granted before the Santiago Notary Office of Mr. René Benavente Cash. An abstract of this reform was registered on page 26,437 No. 20,473 of the Santiago Register of Commerce of 1996 and was published in the Official Gazette on October 29, 1996. The last modification was set forth in public deed on May 5, 2014, granted before the Santiago Notary Office of Mr. Patricio Raby Benavente. An abstract of this reform was registered on page 34,212 No. 21,384 of the Santiago Register of Commerce of 2014 and it was published in the Official Gazette No. 40,853 on May 10, 2014.

# HISTORY

## 1957

- Creation of Forestal Quiñenco S.A. to exploit eucalyptus forests to produce wood props for the underground tunnels.

## 1960-1969

- Purchase of Forestal Colcura S.A.
- Acquisition of Empresas Lucchetti S.A.

## 1970-1979

- Purchase of Hoteles Carrera S.A.

## 1980-1989

- Purchase of shares in Banco O'Higgins and Banco Santiago.
- Acquisition of Manufacturas de Cobre S.A. (Madeco).
- Control over Compañía de Cervecerías Unidas S.A. (CCU) is acquired in alliance with the German group Schörghuber.
- Purchase of a majority stake in the telecommunications company VTR S.A.

## 1990-1999

- Creation of OHCH in alliance with Banco Central Hispanoamericano.
- Strategic alliance with SBC Communications Inc. to boost VTR.
- Quiñenco takes control of Banco Santiago through OHCH.
- Quiñenco is established as the financial and industrial parent company of the Luksic Group.
- Quiñenco raises US$279 million through a Public Share Offering on the New York and Santiago stock exchanges.
- VTR divests Startel S.A., a mobile telephone company, and VTR Larga Distancia S.A.
- Creation of Habitaria S.A. in alliance with the Spanish construction firm Ferrovial Inmobiliaria.
- Quiñenco sells its stake in the bank holding company OHCH, to purchase 51.2% of Banco de A. Edwards and 8% of Banco de Chile.
- Sale of VTR Cable.
- Purchase of a 14.3% ownership stake in Entel S.A.

## 2000-2009

- Creation of LQ Inversiones Financieras S.A. (LQIF), as a subsidiary of Quiñenco.
- Acquisition of 52.7% of the voting rights in Banco de Chile, becoming its controller.
- Sale of 39.4% ownership stake held in Plava Laguna d.d., tourist resort on the coast of Croatia.
- Merger of Banco de Chile and Banco de A. Edwards.
- Quiñenco partners with Heineken, acquiring 50% of IRSA, the company that controls CCU.
- Sale of Hotel Carrera in Santiago.
- Sale of Lucchetti Chile S.A.
- Purchase of Calaf through a joint venture with CCU.
- Acquisition of an ownership stake of 11.4% in Almacenes Paris, which was later sold.
- Delisting of Quiñenco shares from the NYSE and termination of the ADR program.
- Alliance with Citigroup in the financial sector.
- Quiñenco carries out a capital increase of Ch$65 billion.
- Merger of Banco de Chile and Citibank Chile.
- Sale of Madeco's cable unit to Nexans. As part of the operation, Madeco obtains an ownership stake of 8.9% in the French company.
- Sale of Quiñenco's stake in Entel.

## 2010-2014

- Sale of 100% of Telefónica del Sur to GTD Manquehue.
- Citigroup increases its participation in LQIF, the company that controls Banco de Chile, to 50%, after exercising two purchase options for a total of US$1 billion.
- Purchase of Shell's assets in Chile (Enex).
- Madeco signs an agreement with Nexans that allows it to increase its stake to 20%, acquiring significant influence in said company. The agreement was subsequently modified to increase the limit up to 28%, and finally in 2014, the agreement is terminated upon fulfilling the main objective of establishing Invexans as the reference shareholder.
- Purchase of a 20.6% stake in Compañía Sud Americana de Vapores S.A.
- Quiñenco carries out a capital increase of Ch$250 billion.
- Quiñenco increases its stake in CSAV to 37.44% and obtains the same ownership stake in SM SAAM, company resulting from the spin-off of the shipping company in 2012. At a later stage, Quiñenco increases its participation in CSAV to 54.5% and in SM SAAM to 42.4%.
- Quiñenco increases its ownership stake in Madeco to 65.9%.
- Madeco splits to create Invexans, the company that manages the investment in Nexans, and another company called Madeco, for the flexible packaging and profile production units.
- Enex acquires all of Terpel's assets in Chile for US$240 million.
- Quiñenco carries out a capital increase of Ch$350 billion.
- LQIF holds a secondary offering of Banco de Chile shares, reducing its stake in Banco de Chile to 51%.
- Madeco S.A. changes its name to Tech Pack S.A. (Techpack) and shuts down the profile unit.
- Techpack acquires the Chilean flexible packaging company HYC Packaging and sells the Madeco brand to Nexans for US$1 million
- SAAM starts joint operations with the Dutch group Boskalis in the tug boat area for Mexico, Brazil, Panama, and Canada.
- CCU acquires a stake in Bebidas Bolivianas S.A. and establishes a joint venture with the local Postobón Group in Colombia.
- Merger of CSAV and Hapag-Lloyd's container shipping businesses. As part of the transaction, CSAV becomes Hapag-Lloyd's shareholder with an initial stake of 30%. This percentage increased to 34% after a capital increase in the German shipping company.
- Quiñenco launches a public tender offer to purchase 19.55% of Invexans' shares.

## 2015

- Conclusion of the public tender offer to purchase shares, whereby Quiñenco acquires 17.88% of Invexans, reaching a participation of 98.3%.
- Quiñenco increases its stake in CSAV to 55.2% in February, upon completing the capital increase of the shipping company started late 2014.
- Techpack purchases 24% of Alusa S.A.'s capital, thereby consolidating directly and indirectly 100% ownership in this subsidiary.
- CCU sells brands and assets associated with Natur and Calaf products to Empresas Carozzi, and partners with Carozzi to jointly develop the powdered juice business.
- SM SAAM incorporates Terminal Internacional del Sur (TISUR) to its business portfolio. As part of this transaction, SM SAAM reduces its stake in Tramarsa to 35%.
- Hapag-Lloyd AG carries out its initial public offering (IPO) in Germany, raising US$300 million. CSAV subscribes US$30 million, reducing its stake in the German shipping company to 31.35%.

## 2016

- CCU sells its 49% stake in Compañía Pisquera Bauzá, increases its participation in Manantial and in Nutrabien up to 100%, through Foods Cia de Alimentos (Foods CCU) and purchases 51% of Sajonia Brewing Company SRL that produces and sells craft beer in Paraguay.
- Quiñenco purchases SM SAAM shares, reaching an ownership stake of 52.2%.
- Techpack sells its entire flexible packaging business to the Australian group Amcor for a net amount of US$216 million.
- Quiñenco launches a public tender offer for Techpack shares, reaching an ownership stake of 98.98% in said company. After the exercise of withdrawal and purchase rights, Quiñenco reaches 100% of Techpack's ownership at year-end.
- Techpack acquires 0.53% stake in Nexans.

## 2017

- SM SAAM places US$111 million in bonds on the Chilean market for the first time.
- SM SAAM acquires an ownership stake of 51% in two concessions at Puerto Caldera, the largest port on the Pacific coast of Costa Rica and the second largest in terms of domestic cargo moved; the transaction involved the payment of US$48.5 million.
- SAAM sells its stake in Tramarsa, Peru for US$124 million.
- The merger between Hapag-Lloyd and UASC is completed, turning it into the fifth largest container ship liner in the world.
- CCU becomes a shareholder of American Distilling Investments (ADI), manufacturer of BarSol pisco in Peru.
- SAAM increases its stake in Iquique Terminal Internacional (ITI) up to 100%, after purchasing an additional 15%.
- CCU signs an agreement with AB Inbev for a brand transfer in Argentina and payments of up to US$400 million over a three-year period that contemplates the early termination of the Budweiser license in Argentina.
- Hapag-Lloyd and CSAV carry out capital increases of US$414 million and US$294 million in Germany and Chile, respectively. CSAV remains the main shareholder, with 25.5% of Hapag-Lloyd's capital at year-end. Quiñenco participates in CSAV's process, increasing its participation in the shipping company to 56.2%.
- CSAV sells 100% of its subsidiary Norgistics Chile. Through this transaction, CSAV ends its participation in the logistic and freight forwarder business in Chile. The subsidiary Norgistics also starts to shut down operations in Peru, Mexico, and China.

## 2018

- CCU increases its ownership stake in Viña San Pedro Tarapacá (VSPT) to 83.01%, upon completing the public tender offer started in 2017.
- Invexans establishes a subsidiary in the United Kingdom for the analysis, execution, and monitoring of international investments. All of Nexans' shares held by Invexans, equivalent to an ownership stake of 28%, are transferred to this new UK-based company.
- Completion of the brand exchange between CCU and AB InBev, including the early termination of the Budweiser license in Argentina. CCU's subsidiary in Argentina receives a brand portfolio and an upfront cash payment of US$316 million, to which a US$28 million yearly payment for up to a 3-year business transition term will be added.
- CCU increases its participation in Bebidas Bolivianas BBO from 34% to 51%.
- Ideal pertaining to the Bimbo group purchases Alimentos Nutrabien from Foods.
- Enex enters the United States market through the purchase of Road Ranger, the fourth largest highway travel center network in the country, for US$289 million.

## 2019

- SM SAAM sells its minority stake in Terminal Puerto Arica for US$12 million.
- On April 30, 2019, SM Chile fully pays the remaining balance of the Subordinated Debt held by its subsidiary SAOS with the Central Bank of Chile. The profits earned by Banco de Chile enabled SM Chile to pay off the debt seventeen years in advance of the original maturity date. Consequently, the free float of Banco de Chile's shares increased to 44%.
- Through its subsidiary VSPT, CCU acquires wine business assets from Pernod Ricard Argentina, strengthening its position in the Argentine domestic market.
- SM SAAM acquires Boskalis' stake in the tug boat joint ventures in Brazil, Canada, Mexico and Panama for US$194 million, becoming the owner of 100% of the operations and consolidating its regional position.
- Quiñenco acquires a 5.3% stake in CSAV on the stock exchange, reaching a total of 61.5%.
- CSAV increases its participation in the shipping company Hapag-Lloyd to 27.79% at year-end.
- Quiñenco sells its stake in the insurance business through Inversiones Vita, Banchile Vida and SegChile, to the multinational insurance company Chubb. The transaction amounted to approximately Ch$35,900 million.

## 2020

- Invexans merges with Enex's parent company, Inversiones Río Argenta, to strengthen Invexans' portfolio and facilitate Enex's international expansion.
- CSAV discontinues its car carrier operations.
- CSAV increases its ownership stake in the German shipping company Hapag-Lloyd to 30% and raises US$350 million in a capital increase to refinance the investment.
- Quiñenco participates in CSAV's capital increase, rising its stake to 61.76% after subscribing US$219 million.
- SM SAAM reaches 100% ownership in Aerosan after purchasing the other 50% held by American Airlines in US$32 million.

## 2021

- In January 2021, SM SAAM acquires 70% of Intertug, a company with tug boat operations in Colombia, Mexico and Central America, strengthening its position across the Americas. The transaction amounted to US$49.7 million.
- Quiñenco acquires an additional 7.5% interest in SM SAAM during the third and fourth quarters, reaching a 59.7% ownership stake by year-end.
- IRSA increases its participation in CCU from 60% to 65.9%, after successfully completing a Public Tender Offer in Chile and the United States, in addition to other shares previously bought on the stock exchange.
- Quiñenco increases its participation in CSAV through the purchase of a 4.7% on the market, totaling 66.5% of its property.
- After 10 years, Quiñenco receives dividends from CSAV based on the good performance of the German shipping company Hapag-Lloyd.
- Quiñenco announces the payment of an interim dividend of Ch$171.26168 per share in November 2021, totaling approximately Ch$285,000 million based on the favorable results of Hapag-Lloyd during the first half of the year.

## HEADCOUNT OF QUIÑENCO AND SUBSIDIARIES AS OF DECEMBER 31, 2021

| COMPANY | CHILE | | | ABROAD | | | TOTAL |
|---|---|---|---|---|---|---|---|
| | MANAGERS AND MAIN EXECUTIVES | PROFESSIONAL AND TECHNICAL STAFF | OTHER WORKERS | MANAGERS AND MAIN EXECUTIVES | PROFESSIONAL AND TECHNICAL STAFF | OTHER WORKERS | |
| Quiñenco | 14 | 34 | 22 | - | - | - | 70 |
| LQIF and subsidiaries | 808 | 7,631 | 3,849 | 1 | - | - | 12,289 |
| Invexans and subsidiaries | 16 | 696 | 1,988 | 5 | 152 | 525 | 3,382 |
| Techpack and subsidiaries | 1 | 5 | - | - | - | - | 6 |
| CSAV and subsidiaries | 2 | 9 | 2 | - | - | - | 13 |
| SM SAAM and subsidiaries | 41 | 486 | 1,034 | 73 | 1,017 | 3,320 | 5,971 |
| Other subsidiaries | 1 | 3 | 14 | - | - | - | 18 |
| **Total** | **883** | **8,864** | **6,909** | **79** | **1,169** | **3,845** | **21,749** |

## INFORMATION ON DIVERSITY

The distribution of the Board of Directors, managers (general manager and managers reporting to the CEO or to the Board) and all of the Company's personnel, by gender, nationality, age, and seniority (in their positions in the case of directors and in the Company for managers and the organization) as of December 31, 2021:

| GENDER | MEN | WOMEN |
|---|---|---|
| Board of Directors | 7 | 1 |
| Managers | 8 | 1 |
| Organization | 48 | 22 |

| NATIONALITY | CHILEAN | FOREIGN |
|---|---|---|
| Board of Directors | 8 | - |
| Managers | 9 | - |
| Organization | 69 | 1 |

| AGE | UNDER 30 | 30 - 40 | 41 - 50 | 51 - 60 | 61 - 70 | OVER 70 |
|---|---|---|---|---|---|---|
| Board of Directors | - | 1 | 1 | 2 | 2 | 2 |
| Managers | - | 1 | 2 | 4 | 2 | - |
| Organization | 1 | 19 | 13 | 17 | 16 | 4 |

| SENIORITY | LESS THAN 3 YEARS | FROM 3 TO 6 YEARS | MORE THAN 6 AND LESS THAN 9 YEARS | FROM 9 TO 12 YEARS | MORE THAN 12 YEARS |
|---|---|---|---|---|---|
| Board of Directors | 2 | - | 2 | - | 4 |
| Managers | - | 2 | 4 | - | 3 |
| Organization | 10 | 14 | 13 | 7 | 26 |

## SALARY GAP

The salary gap by gender in the Company is as follows:

| AVERAGE GROSS SALARY OF WOMEN / AVERAGE GROSS SALARY OF MEN (%) | |
|---|---|
| Executives | 92% |
| Workers | 113% |

## PROPERTY

The Quiñenco Group's head office is located in Santiago's El Golf district, at Enrique Foster Sur 20, Las Condes, where it owns approximately 2,500 square meters of offices.

## INSURANCE

Quiñenco holds insurance policies with first-class insurance firms for all its significant assets, buildings, machinery, and vehicles, among others. The policies cover damage caused by fire, earthquakes, and other unforeseen events.

## INVESTMENT POLICY

Most of Quiñenco's resources are dedicated to companies directly or indirectly under its control. In some cases, it exercises control together with a strategic partner. This policy does not exclude the possibility of investing in additional companies or taking on businesses related to those it owns to strengthen the group's growth potential.

The head office continually seeks investment opportunities in companies aimed at mass consumption markets with well-known brands and industries where it has experience. In the past, Quiñenco has formed alliances with strategic partners who contribute know-how, financing, and experience to its businesses. The Company does not have an approved investment plan.

## FINANCING POLICY

Quiñenco finances its activities and investments with the dividends and profit distributions of the companies it participates in and from the funds obtained from the sale of assets and/or the issue of debt and equity.

The Company privileges long-term financing to maintain a financial structure that is in line with the liquidity of its assets and whose maturity profiles are compatible with the cash flow generated.

## RISK FACTORS

Quiñenco and its subsidiaries and affiliates face the risks that are inherent to the markets and the economies where they participate, in Chile as well as abroad. These risks are reflected in the prices, costs and sales volumes of the products and services produced and sold.

Quiñenco is exposed to product price risks mainly related to the subsidiaries' inventories.

The Company is domiciled and develops an important part of its business in Chile. For this reason, its operating results and financial position are to a great degree dependent on the general level of domestic economic activity. The Chilean economy is estimated to have grown by 12% in 2021 after the 5.8% contraction in 2020. There is no certainty regarding whether the economy will grow in the future. The factors that could have an adverse effect on the Company's businesses and the results of its operations include future slowdowns in the Chilean economy, a return to high inflation, currency fluctuations, tax reforms, reforms to the Constitution, changes in the regulatory frameworks of the diverse industries that its subsidiaries and affiliates participate in, increased labor costs and shortages in qualified labor.

In addition to its operations in Chile, some of the Company's industrial businesses operate and export to companies that in turn operate in and export to other countries in America and the rest of the world that on various occasions in the past have been characterized by volatile and often unfavorable economic, political, and social conditions. The Company's business, results and assets can be significantly and adversely affected by events related to inflation, interest rates, currency fluctuations, government policy, price and salary controls, currency exchange regulations, taxes, expropriation, social instability and other political, economic, or diplomatic events that might affect the countries where the Company operates.

The current coronavirus/COVID-19 pandemic which was declared by the WHO as an international public health emergency in March 2020 has raised the levels of uncertainty, adversely impacting global economies and markets. A pandemic or epidemic, such as COVID-19, means a risk that the Company, its employees, suppliers, partners, subsidiaries, and affiliates could be prevented from performing their business activities for an indefinite period, including the shutdown of its activities at the request of government authorities, in addition to potential difficulties with the supply chains. Government authorities have adopted sanitary and financial measures to control the spread of the disease and to mitigate its effects on health and on the economy. The scope of this pandemic, the extent, and the nature of its potential impact on the company's businesses and financial standing will depend on still uncertain factors, such as its seriousness, dissemination and length, despite the progress in vaccination. To this date, Quiñenco and its subsidiaries have adopted measures to protect the health of their employees and to ensure the continuity of the operations.

Quiñenco and its operating companies are exposed to information security and especially cybersecurity risks, which could adversely impact the operational continuity of all or part of its businesses, the unauthorized disclosure of confidential information that could bring damage and/or financial loss. Quiñenco and its subsidiaries have implemented cybersecurity plans and/or processes that track and mitigate the risks involved.

Quiñenco believes that its businesses face high levels of competition in the industries where they operate. This can be seen in the prices, costs and sales volumes of the products and services manufactured and sold by Quiñenco's businesses. While the Company expects its businesses to be capable of continuing to successfully compete in their respective sectors, based on past experience and its records, there is no certainty that competition will not continue to grow in the future, including a potential ongoing trend toward consolidation in certain industries. In the case of the shipping business, potential imbalances between supply and demand may generate volatility in rates and results, as has occurred in the container transport sector, which in the past has experienced an installed capacity that surpasses global demand, and at other times, as occurred in 2021, where capacity was well below an increasing demand. Increased competition or sustained imbalances could affect profit margins and the operating results of Quiñenco's businesses, which as a result could have a significant and adverse effect on the flow of dividends that Quiñenco receives from its businesses.

Quiñenco's businesses are also exposed to changes in technology and business models that could affect the competitive position of the companies in their respective industries, adversely impacting their results and market value.

The Company, its subsidiaries and affiliates have historically required significant amounts of capital to finance their operations and to expand their businesses, which makes the management and expansion of its current businesses to be directly related to access to capital. In the past, Quiñenco and its subsidiaries have satisfied their capital needs with flows generated internally and/or by issuing debt or capital. However, there is no certainty regarding the future availability of capital to satisfy the growth needs and expectations of Quiñenco and its subsidiaries and affiliates. The impossibility of obtaining capital would curb Quiñenco's ability to expand existing businesses or to enter into additional businesses, and could have a significant adverse effect on the Company's financial position and results.

As a holding company, Quiñenco's profit level and its capacity to pay debt servicing obligations and dividends mainly depend on the dividends and distributions it receives from its subsidiaries, its equity investments, and affiliated companies. The payment of dividends by said subsidiaries, equity investments and affiliated companies is under certain circumstances subject to restrictions and contingencies. In addition, Quiñenco's profit level has depended on the occasional sale of assets or investments. There is no certainty that Quiñenco will be able to continue counting on the dividends or distributions of its subsidiaries and affiliates or that it will be able to generate profits from the sale of investments, as it has done in the past.

Another risk factor is related to interest rates. Part of the debt owed by Quiñenco or its subsidiaries is subject to variable interest rates, which could have a negative impact on the company at times when said rates increase. There is also another risk related to foreign currency exchange rates, given that a percentage of the debt owned by the Company or its subsidiaries could be exposed to currency fluctuation risks.

A significant number of the Company's businesses are publicly traded, and their capital value can vary depending on fluctuations in the market value. The market value of Quiñenco's investments could be affected by declines on the Chilean stock markets or other stock markets, such as the New York Stock Exchange, where CCU and Banco de Chile shares are traded, or the Paris and Hamburg stock exchanges, where Nexans and Hapag-Lloyd shares are traded, respectively. In addition, Quiñenco and its businesses could see their transaction volumes drop, something that could have a negative effect on the price and liquidity of the shares.

Furthermore, the market value of the shares in Chilean companies is in several ways affected by the economic and market conditions of other countries with emerging and developed markets. While the economic conditions in said countries could differ significantly from the economic conditions in Chile, investors' reactions to events in any of those countries could have an adverse effect on the market value of securities issued in Chile. There can be no certainty that the Chilean stock market will grow or maintain its profits or that the market value of the Company's shares might not be adversely affected by events elsewhere.

## CRIME PREVENTION MODEL LAW NO. 20,393

Quiñenco S.A. has a Crime Prevention Model on Bribery, Asset Laundering, Financing of Terrorism, Receipt or Purchase of Stolen Goods, Incompatible Negotiation, Bribery or Corruption among Private Individuals, Fraudulent Management and Misappropriation pursuant to Law No. 20,393 that provides for the criminal responsibility of legal entities who commit this type of crimes. This prevention model was certified for the first time on December 5, 2012 by the company BH Compliance, which is registered for purposes hereof with the Financial Market Commission.

Such certification remains in effect for all crimes mentioned above, being renewed by BH Compliance on January 4, 2021 for a two-year term.

The Prevention Model especially contemplates a procedure to raise anonymous and informal complaints by a company member or an unrelated third party and may be presented either in writing directly to the Company's offices addressed to the Prevention Manager or to the email encargadodeprevencion@lq.cl.

## DIRECTORS' COMMITTEE

Quiñenco S.A. has convened a Directors' Committee (the "Committee"), in keeping with the provisions of Article 50 bis of Law No.18,046 of Open Stock Corporations.

The Committee was appointed at Regular Board Meeting No.265, held on May 7, 2020, when the following directors were appointed:

- Mr. Matko Koljatic Maroevic, independent director and committee Chairman;
- Ms. Carolina García de la Huerta Aguirre, director related to the controller; and
- Mr. Hernán Büchi Buc, director related to the controller.

The directors Messrs. Matko Koljatic and Hernán Büchi have sat on the Committee for the last three years and Mr. Matko Koljatic Maroevic has acted as independent director and chairman during these three periods.

The members of the Committee received the following payments during 2021, with the respective comparison to the previous year:

In 2021, the directors Hernán Büchi Buc, Matko Koljatic Maroevic and Carolina García de la Huerta Aguirre received the following payments for services rendered on the Directors' Committee: ThCh$251,236, ThCh$251,236 and ThCh$227,829 (ThCh$41,002, ThCh$41,099, and ThCh$5,752 in 2020), respectively. The director, Mr. Fernando Cañas Berkowitz, director until April 2020, received ThCh$23,407 for the same concept in 2021 and ThCh$19,021 in 2020.

The Committee met six times in 2021. The meetings were attended by the CEO, Francisco Pérez Mackenna, and the CFO, Luis Fernando Antúnez Bories. The Chief Counsel, Rodrigo Hinzpeter Kirberg acted as the Holding Secretary of the Committee.

In 2021, the Committee was dedicated to evaluating the matters indicated in Article 50 bis of the Law of Open Stock Corporations, having undertaken the following activities:

1. It examined the reports of the independent external auditors. At Session No.174 held on March 30, 2021, the Committee received the external auditors' report for the year ending on December 31, 2020, the balance sheet, and other financial statements as of that date and which were presented by management. It gave a favorable opinion of them prior to their presentation to shareholders for approval. In Session No.177 of September 9, 2021, the Committee received the audit report on Quiñenco S.A.'s Intermediate Consolidated Financial Statements and those of its subsidiaries through June 30, 2021. In addition, the Committee examined the

Internal Control Report that the independent auditors send to the administration, the company's remuneration system and compensation plans in session No. 179 of December 2, 2021.

2. In session No.174 of March 30, 2021, it proposed the external auditors EY Servicios Profesionales de Auditoría y Asesorías SpA to the Board of Directors to examine the Company's accounting, inventory, balance sheet and other financial statements corresponding to the year 2021 and to give their professional and independent opinion. Likewise, it proposed the company KPMG Auditores Consultores Limitada as an alternative. At the same session, the Committee also proposed hiring the following risk rating agencies: (a) for the local rating, International Credit Rating Compañía Clasificadora de Riesgo Limitada and Fitch Chile Clasificadora de Riesgo Limitada; and (b) Standard & Poor's for the international rating. Lastly, it approved its annual management report for the 2020 management period.

3. In session No. 173 of May 6, 2021, it received information regarding the contracting of EY Servicios Profesionales de Auditoría y Asesorías SpA., for a professional service not considered in the external auditing, which consisted of the following advisory services: (a) the review of the Corporate Income Tax and Retention Record, the provisional payment on profits absorbed from the 2021 tax year, the calculation of the tax on dividends per share, and the drafting of an informative letter for foreign shareholders on the retention of an additional tax, for which it proposed a payment fee of 370 Unidades de Fomento; (b) support and supervision in drafting the Basis for the Presentation of the Financial Statements handbook, a measure adopted by the senior management in light of the observations made by the Financial Market Commission in its review of Quiñenco's financial information consolidation process. This advisory service would include a comprehensive diagnosis of the current accounting policies and guidelines, an analysis of the best international practices on consolidation manuals and reports, the identification of information requiring an adjustment, and the practices observed in companies of similar size and complexity. It would additionally include the review of documentation on the current understanding of major issues, such as the company activities included in the procedure, aspects of control and its determination, functional currency and conversion, related parties' write-offs and treatment of unrealized results, treatment of GAAP differences and accounting policies, among other aspects. The payment fee proposed for this professional service amounted to 260 Unidades de Fomento; and (c) a training session for Quiñenco and its subsidiaries on the new information requirements for the Sworn Statement No. 1951, called Master File, compulsory for the Parent Company or the Controller of a Multinational group of companies with revenues above 750 million Euros; the fee proposed for this professional service amounted to 300 Unidades de Fomento. After analyzing the preceding service proposal, the Directors' Committee informed Quiñenco's Board that it deemed it convenient to engage the above-mentioned external audit company to deliver these services. The Committee added that it did not see any risk of loss of independence and that these advisory services were not among the services forbidden by the law.

4. In session No. 176 of August 5, 2021, the Committee received information regarding the contracting of EY Servicios de Auditoría y Asesorías SpA., for a professional service not considered in the external auditing, consisting of the review of the situation and the structure of Quiñenco's Chilean and foreign subsidiaries, so that after the review, EY would ratify its appropriateness or would propose alternatives. The fee proposed for this service would range from USD16,000 to USD22,000, depending on the time dedicated to the analysis. After discussing the preceding service proposal, the Directors' Committee informed Quiñenco's Board that it deemed it convenient to engage the above-mentioned external audit company to deliver these services. The Committee added that it did not see any risk of loss of independence of the external audit company, and that these advisory services were not among the services forbidden by the law.

5. In session No. 178 of November 4, 2021, it examined and approved the internal audit reports of the 2021 management period. It received information regarding the contracting of EY Servicios de Auditoría y Asesorías SpA. for a professional service not considered in the external auditing, which consisted of checking the application of the Substitute Tax of Final Taxes ("ISFUT"), for Quiñenco and its intermediate subsidiaries pursuant to Law 21,210 and Official Letter 2762 from the Internal Revenue Service, recently issued. The fee

proposed for this service amounted to 350 Unidades de Fomento for Quiñenco and 400 Unidades de Fomento for the intermediate subsidiaries, including the review of the respective tax records. After analyzing the preceding service proposal, the Directors' Committee informed Quiñenco's Board that it deemed it convenient to engage the above-mentioned external audit company to deliver these services. The Committee added that it did not see any risk of loss of independence of the external audit company, and that these advisory services were not among the services forbidden by the law.

During the 2021 management period, the Committee incurred expenses for 60 Unidades de Fomento, for the participation of some of its members in the seminar given by the Center for Corporate Governance of the Pontificia Universidad Católica de Chile on the "Changes in the Operation of Board Committees: New Regulations, Good Practices and Emblematic Cases". It did not contract consulting services nor did it consider it relevant to present any sort of recommendation to the Company's shareholders.

## MATERIAL INFORMATION

Material or essential information reported by Quiñenco S.A., indistinctively the "Company" or "Quiñenco" during the 2021 management period to the Financial Market Commission, hereinafter "CMF" are the following:

1. On April 1, 2021, Quiñenco S.A. informed the CMF that in a session held on that same date the Board of Directors agreed to propose to the Annual Shareholders' Meeting to be held on April 29, 2021, the distribution of a definite dividend of Ch$123,623,548,579 corresponding to 50% of net income attributable to the controller's owners during the 2020 management period (the "net income for the 2020 management period") corresponding to: (a) the minimum compulsory dividend of Ch$74,174,125,822, equivalent to 30% of net income for the 2020 management period and (b) an additional dividend of Ch$49,449,422,757, equivalent to 20% of the net income for the 2020 management period. It was also informed that the definite dividend would amount to Ch$74.34842 (seventy-four point thirty-four thousand eight hundred and forty-two pesos) per share, and payment would be made as of May 11, 2021, to the shareholders registered in the respective registry as of the midnight of the fifth business day prior to such date.

2. On October 7, 2021, Quiñenco S.A. informed the CMF that in a session held on that same date the Board of Directors agreed to distribute an Interim Dividend of Ch$284,767,001,333 charged to the profits for the 2021 management period. This interim dividend amounts to Ch$171.26168 (one hundred and seventy-one point twenty-six thousand one hundred and sixty-eight pesos) per share, and payment would be made as of November 2, 2021, to the shareholders registered in the respective registry as of the midnight of the fifth business day prior to such date.

The dividend distribution proposal informed in point 1 was approved at the Annual Shareholders' Meeting held on April 29, 2021, therefore the corresponding shareholders started to receive their dividends on May 11, 2021. The total dividend amounted to Ch$123,624 million accounting for 50% of net income attributable to the Controller's Owners for 2020, equivalent to Ch$47.34842 per share. The distribution of this dividend, net of the amount provisioned, was deducted from the accumulated earnings in Equity.

The dividend distribution proposal informed in point 2 was paid to the corresponding shareholders as of November 2, 2021. The total dividend amounted to Ch$284,767 million. The distribution of this dividend, net of the amount provisioned, was deducted from the accumulated earnings in Equity, and shall be submitted to shareholders' approval on April 29, 2022.

## BOARD MEMBERS' COMPENSATION

As agreed at the Company's Annual Shareholders' Meeting, the sums paid to Directors in 2021 and 2020 for per diem, participations, and other remunerations, respectively, were as follows:

Andrónico Luksic Craig ThCh$2,506, ThCh$765,732 and ThCh$987,701 in 2021 (ThCh$3,928, ThCh$118,153 and ThCh$954,165 in 2020); Jean-Paul Luksic Fontbona ThCh$4,698, ThCh$765,732 and ThCh$0 in 2021 (ThCh$4,228, ThCh$118,153 and ThCh$0 in 2020); Hernán Büchi Buc ThCh$5,015, ThCh$765,732 and ThCh$0 in 2021 (ThCh$5,130, ThCh$118,153 and ThCh$0 in 2020); Gonzalo Menéndez Duque ThCh$0, ThCh$0 and ThCh$0 in 2021 (ThCh$0, ThCh$75,304 and ThCh$0 in 2020); Matko Koljatic Maroevic ThCh$5,015, ThCh$765,732 and ThCh$0 in 2021 (ThCh$5,130, ThCh$118,153 and ThCh$0 in 2020); Fernando Cañas Berkowitz ThCh$0, ThCh$77,265 and THCH$0 in 2021 (ThCh$1,497, ThCh$118,153 and ThCh$0 in 2020); Nicolás Luksic Puga ThCh$4,385, ThCh$765,732 and ThCh$0 in 2021 (ThCh$4,534, ThCh$118,153 and ThCh$0 in 2020); Andrónico Luksic Lederer ThCh$5,015, ThCh$765,732 and ThCh$0 in 2021 (ThCh$4,830, ThCh$118,153 and ThCh$0 in 2020); Pablo Granifo Lavín ThCh$4,704, ThCh$765,732 and ThCh$0 in 2021 (ThCh$5,130, ThCh$59,076 and ThCh$0 in 2020); and Carolina García de la Huerta Aguirre ThCh$4,694, ThCh$688,467 and ThCh$0 in 2021 (ThCh$3,633, ThCh$0 and ThCh$0 in 2020).

## EXPENDITURES ON CONSULTING SERVICES TO THE BOARD OF DIRECTORS

Expenses for consulting services to the Board of Directors totaled ThCh$92,743 in 2021.

## REMUNERATIONS OF MAIN EXECUTIVES

The remunerations received by the Company's main executives for remunerations and performance bonuses totaled ThCh$15,966,072 (ThCh$7,322,519 in 2020).

## INCENTIVE PLAN

There was no long-term incentive plan for the Company's executives as of December 31, 2021.

## SEVERANCE PAYMENT

In 2021, severance payments made to the company's main executives amounted to ThCh$772,166 (in 2020, no severance payments were made).

## PERCENTAGE OF PROPERTY HELD BY COMPANY BOARD MEMBERS AND MAIN EXECUTIVES

At December 31, 2021, the following Board Members directly held shares in the Company:

| DIRECTOR | % OWNERSHIP |
|---|---|
| Andrónico Luksic Lederer | 0.00001% |
| Pablo Granifo Lavín | 0.0004% |

At December 31, 2021, the following main executives held shares in the Company:

| EXECUTIVE | % OWNERSHIP |
|---|---|
| Luis Fernando Antúnez Bories | 0.008% |
| Oscar Henríquez Vignes | 0,002% |
| Pedro Marín Loyola | 0.001% |

## SUPPLEMENTARY INFORMATION ON BUSINESS ACTIVITIES

### TECHPACK

Techpack S.A. (Techpack), a closed corporation, was formed from the division of Madeco S.A. in 2013. At present, its main assets are financial investments and cash and equivalents.

As of December 31, 2021, Quiñenco controls directly and indirectly 99.97% of Techpack.

Techpack reported losses of Ch$3,817 million in 2021, which compares negatively against the net income of Ch$1,700 million recorded in 2020. This contraction is mainly due to losses from exchange rate differences reported in the current period and lower financial revenues, partly offset by lower losses from discontinued operations.

## SUPPLIERS AND CUSTOMERS

The number of suppliers and customers that represent over 10% of the purchases or revenues by segment for Quiñenco is shown in the table below:

| SEGMENT | MANUFACTURING | FINANCIAL | ENERGY | TRANSPORT | PORT | OTHER |
|---|---|---|---|---|---|---|
| No. of suppliers who represent at least 10% of a segment's purchases | - | - | 2 | - | - | - |
| No. of customers who represent at least 10% of a segment's total revenues | - | - | - | - | 2* | - |

** Corresponds to clients from SM SAAM's Port Terminals segment.*

### MAIN BRANDS

The main brands used by Quiñenco's subsidiaries and associates are detailed below:

**Quiñenco:** Quiñenco, Quinenco.

**Banco de Chile:** Banco de Chile, Banco Edwards, Banco CrediChile and Banchile.

**CCU:** In Chile and abroad, CCU and its subsidiaries own diverse registered trademarks that they sell their products under. Through its subsidiary Cervecera CCU Chile Limitada ("Cervecería CCU"), CCU commercializes, among others, Cristal, Cristal CER0,0°, Escudo, Royal Guard, Morenita, Dorada, Andes, Stones and Bavaria. In addition, under an exclusive license, CCU produces and commercializes premium beers Heineken, Sol, Coors, Polar Imperial, and Patagonia. Also, through its subsidiaries and related companies, it produces and distributes Kunstmann, Austral, D´olbek, Guayacán, Szot, and Mahina. Cervecería CCU is the exclusive distributor of beers Blue Moon, Edelweiss and Birra Moretti in Chile.

In Argentina, it has Schneider, Imperial, Palermo, Bieckert, Santa Fe, Salta, Córdoba, Isenbeck, Diosa, Norte, Iguana and Báltica. It additionally holds exclusive license contracts for the production and commercialization of Miller, Heineken, Amstel, Sol, Warsteiner and Grolsch. Furthermore, CCU imports the brands Kunstmann and Blue Moon. In Bolivia, it owns the brands Real, Capital and Cordillera and commercializes the imported Heineken and Kunstmann beer brands. In Paraguay, it holds a license to distribute beer with the brands Schneider, Heineken, Amstel, Sol, Paulaner and Kunstmann. In connection with craft beers, it owns the brand Sajonia and its varieties, which are produced locally. In Uruguay, it commercializes imported brands from its subsidiaries in Chile and Argentina, in beers it has Heineken, Schneider, Imperial, Kunstmann, Miller and Escudo Silver.

Through the subsidiary Embotelladoras Chilenas Unidas S.A. ("ECUSA"), CCU owns three production plants, one located in Antofagasta and two in Santiago. Most brands, whether own or under license, have extensions and have incorporated their light and /or zero versions, as applicable. Compañía Cervecerías Unidas S.A. ("CCU S.A.") owns the brands Bilz, Pap, Pop Candy, Kem, Kem Xtreme and Nobis. Likewise, under PepsiCo or its related companies' license, the company commercializes the brands Pepsi, 7Up, Mirinda, Gatorade, Adrenaline Red and Lipton IceTea. The license contract subscribed with Schweppes Holdings Limited allows it to sell the brands Crush, Canada Dry Limón Soda, Canada Dry Ginger Ale and Canada Dry Agua Tónica. CCU and Watt's S.A. each hold an ownership stake of 50% in Promarca S.A., owner of the brands Watt's, Yogu Yogu, Shake a Shake and Frugo, and CCU additionally holds licenses over these brands for the production, sale and distribution, in specific packaging, of fruit nectars under the Watt's brand, including its versions Light and Selección, and soft drinks with added fruit juice under the brand Frugo. The company distributes Red Bull in the country and, through the partnership Bebidas Carozzi-CCU SpA., it produces, sells, and distributes powdered juices with the brands Sprim, Fructus, Vivo and Caricia.

Through the subsidiary Aguas CCU-Nestlé Chile S.A. ("Aguas CCU") the company bottles purified, flavored and mineral waters: in purified waters it has the brand Nestlé Pure Life; in the mineral water category in Chile, it holds the brands Cachantun and Porvenir; in carbonated waters in different flavors, it owns MAS and MAS Woman. This company also imports Perrier mineral water. Aguas CCU, through its affiliate Manantial S.A., produces, commercializes, and distributes purified water with the brand Manantial, mainly in large bottles that work with HOD dispensers (home and office delivery). Manantial is bottled in Antofagasta, Santiago, Coronel and Puerto Montt. Through its subsidiary Compañía Pisquera de Chile S.A. ("CPCh"), CCU owns five production plants in the 4th Region, namely Ovalle, Pisco Elqui, Salamanca, Monte Patria and Sotaquí. Each plant fulfills a role in terms of the winemaking process, distillation, and packaging for each brand in their portfolio. In the pisco and cocktails category, CPCh owns the brands Mistral, Campanario, Horcón Quemado, Control C, Tres Erres, Espíritu de Los Andes, La Serena, Hard Fresh, Iceberg, Ruta Cocktail, Sabor Andino Sour and Sol de Cuba, along with their corresponding line extensions. In the rum category, the company owns the brands Sierra Morena and Cabo Viejo. Also, in the liquor segment, CCU owns the Fehrenberg, Kantal and Barsol brands, and is the exclusive distributor in Chile of the brands Pernod Ricard in the traditional channel, including Havana Club rum and the liquors Jameson, Ballantine's, Absolut, Chivas Regal, Beefeater and Ramazotti, among others. In the cider category, CCU owns the brand Cygan, and imports and distributes from CCU Argentina the brands Sidra Villa Pehuenia and Sidra 1888.

Through its subsidiary VSPT, CCU elaborates wine and sparkling wine that are sold in the domestic and foreign markets, being exported to more than 80 countries. VSPT Wine Group is made up of the vineyards San Pedro, Tarapacá, Santa Helena, Misiones de Rengo, Leyda and Viñamar in Chile, in addition to Finca La Celia and Bodega Graffigna in Argentina; it owns production plants in the cities of Molina, Isla de Maipo and Totihue. In Argentina, it owns the wineries Finca La Celia and San Juan, located in the province of Mendoza and San Juan, respectively.

Its main brands are Altaïr, Cabo de Hornos, Sideral, 1865, Castillo de Molina, Epica, Gato (domestic market) and Gato Negro (foreign market) of Viña San Pedro; the Reserva and Gran Reserva line of Viña Tarapacá in its versions Etiqueta Negra and Etiqueta Azul; Reserva, Single Vineyard and Lot of Viña Leyda; Black, Cuvée, Reserva and Varietal of Misiones de Rengo vineyard, as well as its Sparkling line and the most recent brand extension "Misión"; in addition to Alpaca, Reservado and Siglo de Oro Reserva of Viña Santa Helena; in the sparkling wines category, Viñamar in its versions Método Tradicional, Extra Brut, Brut, Brut Unique, Rosé, Moscato, ICE and Zero Alcohol-Free; and, finally, Manquehuito in the coolers category. In Argentina, it holds the brands La Celia, Colón, Graffigna and Santa Silvia.

In Argentina, CCU also participates in the cider business through the control of Sáenz Briones y Cía. S.A.I.C., selling the leading brands Sidra Real, La Victoria, 1888 and Pehuenia. In addition, it owns the brand El Abuelo in the liquor category, and imports other liquors from Chile. It sells and distributes wines Eugenio Bustos and La Celia. Since June 2019, it has incorporated to its wine portfolio the brands Colón and Graffigna owned by the winery Finca La Celia S.A. (Argentine subsidiary of the Chilean VSPT).

CCU also holds important licenses for national and international brands in Chile, which are mentioned in the section Licenses, franchises, royalties, or concessions.

In August 2019, CCU's affiliate, CPCh, announced its decision to engage in the sale of its 40% stake in Americas Distilling Investments LLC, owner of the Peruvian company Bodega San Isidro SRL and the Barsol brand.

**Invexans:** Invexans.

**Techpack:** Techpack.

**Enex:** Enex, Shell, Road Ranger, upa!, up¡ta, Helix, Shell V-Power, Shellcard, Rimula, Pennzoil, Gadus, Spirax, Tellus, Rhenus, ACDelco, Krynex, Enex Gas, Enex Marine, Enex Express, Enex E-pro and MiCopiloto.

**CSAV:** The main brand used by the company is CSAV.

**SM SAAM:** The company and its subsidiaries have their trade name and legal name registered in the Brand Registry, as well as certain services and products.

SAAM maintains 52 trademarks registered under different classes in Chile:

AEP; AQUASAAM; BITACORA; BITACORA UNIDOS A LA CARGA; COSEM; DISTRICENTER; FIT; FLORIDA INTERNATIONAL TERMINAL; IMPSA; LA BITACORA; MUELLAJE DEL MAIPO; SAAM; SAAM AEP; SAAM AGENTES; SAAM CONTENEDORES; SAAM DISTRICENTER; SAAM FLORIDA; SAAM INTERNACIONAL; SAAM LOGISTICA; SAAM PUERTOS; SAAM REMOLQUES; SAAM SERVICIOS DE AVIACIÓN Y TERMINALES; SAAM TOWAGE; SAAM, ALLI DONDE NOS NECESITE; SAAM, DONDE NOS NECESITE; SERVISA; SM SAAM; TRACKER SAAM LOGISTICS; TERMINAL BARRANCAS S.A.; TERMINAL CHINCHORRO S.A.; TERMINAL COLORADO; TERMINAL EL CALICHE; TERMINAL PEÑUELAS S.A.; TERMINAL RENCA, among others.

As of December 31, 2021, there are no proprietary patents or licenses registered for SAAM or its subsidiaries.

## LICENSES, FRANCHISES, ROYALTIES OR CONCESSIONS

The licenses, franchises, royalties and /or concessions held by Quiñenco, its subsidiaries or associates are described below:

**Banco de Chile:** holds a license agreement on the use of the brand "Banchile," granted by Banco de Chile to Chubb Seguros Chile S.A., and Chubb Seguros de Vida Chile S.A. According to this agreement, the Bank authorizes those companies to use the name Banchile in the denomination of insurance products for its distribution through the Bank's channels. The agreement shall be effective for 15 years starting on June 4, 2019.

In addition, there is a Trademark License contract for the use of certain Citigroup Inc. brands subscribed on November 29, 2019, which superseded a previous agreement subscribed on October 22, 2015. Under such contract, Citigroup Inc. grants Banco de Chile the gratuitous and non-exclusive right to use some Citigroup trademarks within the Chilean territory. The contract enforcement is subject to the term of the Cooperation Contract in force between Banco de Chile and Citigroup Inc., which lasts for two years starting on January 1, 2022, successively renewable for a 2-year period, upon the parties' agreement. In the event such renewal is not agreed to, the contract shall be automatically renewed for one additional year.

**CCU:** CCU's main license contracts held directly or through its subsidiaries, are listed below:

| LICENSE | EXPIRATION DATE | LICENSEE | TERRITORY |
|---|---|---|---|
| Aberlour, Absolut, Ballantine's, Beefeater, Blender´s Pride, Borzoi, Chivas Regal, Cuvee MUMM, Dubonnet, Elyx, G.H. MUMM, Havana Club, Jameson, Kahlúa, Level, Long John, Longmorn, Malibu, Martell, Olmeca, Orloff, Passport, Pernod, Perrier Jouet, Ricard, Royale Salute, Sandeman, Scapa, Strathisla, The Glenlivet, Wyborowa, 100 Pipers, for Chile (1) | June 2027 | Pernod Ricard Chile S.A. | Chile |
| Adrenaline, Adrenaline Rush (9) | February 2028 | South Beach Beverage C., Inc. | Chile |
| Amstel for Argentina (2) | July 2022 | Amstel Brouwerij B.V. | Argentina |
| Amstel for Paraguay (1) | September 2024 | Amstel Brouwerij B.V. | Paraguay |
| Austral for Chile (4) | July 2022 | Cervecería Austral S.A. | Chile |
| Blue Moon for Chile (5) | December 2025 | Coors Brewing Company | Chile |
| Coors for Chile (6) | December 2025 | Coors Brewing Company | Chile |
| Crush and Canada Dry (Ginger Ale, Agua Tónica and Limón Soda) for Chile (7) | December 2023 | Schweppes Holding Limited | Chile |
| Fernet Branca, Brancamenta, Punt E Mes, Borghetti, Carpano Rosso and Carpano Bianco | December 2024 | Fratelli Branca Destilerías S.A. | Chile |
| Frugo for Chile | Indefinite | Promarca S.A. | Chile |
| Gatorade for Chile(8) | December 2043 | Stokely Van Camp Inc. | Chile |
| Grolsch for Argentina | May 2028 | Asahi Premium Brands | Argentina |
| Heineken for Bolivia (9) | December 2024 | Heineken Brouwerijen B.V. | Bolivia |
| Heineken for Chile, Argentina and Uruguay(10) | 10 years renewable | Heineken Brouwerijen B.V. | Chile, Argentina and Uruguay |
| Heineken for Colombia (11) | March 2028 | Heineken Brouwerijen B.V. | Colombia |
| Heineken for Paraguay (1) | May 2023 | Heineken Brouwerijen B.V. | Paraguay |
| Kunstmann for Colombia (1) | July 2022 | Cervecería Kunstmann S.A. | Colombia |
| MAS for Uruguay (16) | December 2028 | Aguas CCU-Nestlé Chile S.A. | Uruguay |
| Miller for Argentina (11) | December 2026 | Coors Brewing Company | Argentina |
| Miller and Miller Genuine Draft for Colombia (14) | December 2026 | Coors Brewing Company | Colombia |
| Miller for Uruguay (7) | July 2026 | Coors Brewing Company | Uruguay |
| Nestlé Pure Life for Chile (7) | December 2022 | Nestlé S.A., Societé de Produits Nestlé S.A. and Nestec S.A. | Chile |
| Patagonia for Chile | Indefinite | Cervecería Austral S.A. | Chile |
| Paulaner for Paraguay | April 2022 | Paulaner Brauerei GmbH & Co KG | Paraguay |
| Pepsi, Seven Up and Mirinda for Chile | December 2043 | Pepsico, Inc., Seven-Up International, through Bebidas CCU-PepsiCo SpA | Chile |
| Polar Imperial for Chile | Indefinite | Cervecería Austral S.A. | Chile |
| Red Bull for Chile (12) | Indefinite | Red Bull Panamá S.A. | Chile |
| Sol for Chile and Argentina (10) | 10 years renewable | Heineken Brouwerijen B.V. | Chile and Argentina |
| Sol for Colombia (3) | March 2028 | Heineken Brouwerijen B.V. | Colombia |
| Sol for Paraguay | January 2023 | Heineken Brouwerijen B.V. | Paraguay |
| Té Lipton for Chile | December 2030 | Pepsi Lipton International Limited | Chile |
| Tecate for Colombia (3) | March 2028 | Heineken Brouwerijen B.V. | Colombia |
| Warsteiner for Argentina (15) | May 2028 | Warsteiner Brauerei Haus Cramer KG | Argentina |
| Watt´s for Uruguay | 99 years | Promarca Internacional SpA | Uruguay |
| Watt's (nectars, fruit beverages and others) in rigid containers, except for cardboard in Chile | Indefinite | Promarca S.A. | Chile |
| Watt's for Paraguay (13) | July 2026 | Promarca Internacional Paraguay S.R.L. | Paraguay |

*(1) 3-year term renewable contract.*
*(2) After the initial expiry, automatically renewable under identical conditions (Rolling Contract), every year for a 10-year period, except in the case of notifying non-renewal.*
*(3) The contract shall remain in force as long as Heineken's license contract for Colombia remains in effect.*
*(4) 2-year term renewable license; subject to compliance with the conditions set forth in the contract.*
*(5) After the initial expiry, it will be renewed until December 2025; since 2025 it will be automatically renewed under identical conditions (Rolling Contract), every year for a period of 5 years, subject to compliance with the conditions set forth in the contract.*
*(6) After the initial expiry, automatically renewable under identical conditions (Rolling Contract), every year for a period of 5 years, subject to compliance with the conditions set forth in the contract.*
*(7) 5-year term renewable license; subject to compliance with the conditions set forth in the contract.*
*(8) The license was renewed for as long as the Bebidas CCU-PepsiCo SpA's Shareholders' Agreement remains in force.*
*(9) 10-year term license automatically renewable every year for a period of 5 years, except in the case of notifying non-renewal.*
*(10) 10-year license automatically renewable under identical conditions (Rolling Contract), every year for a period of 10 years, except in the case of notifying non-renewal.*
*(11) After the initial expiry, automatically renewable under identical conditions every year for a 5-year period (Rolling Contract), except in the case of notifying non-renewal.*
*(12) Indefinite contract; notice of termination six months in advance.*
*(13) The sublicense is automatically and successively renewed for two 5-year periods each, in agreement with the terms and conditions set forth in the International Sublicense agreement of December 28, 2018 between Promarca Internacional Paraguay S.R.L. and Bebidas del Paraguay S.A.*
*(14) 5-year term renewable license; subject to compliance with the conditions set forth in the contract.*
*(15) In advance of its expiry, the parties will negotiate its renewal for another 5-year term.*
*(16) 10-year term renewable contract..*

**Enex:** The company holds the license and use of the Shell brand in service stations for the sale of fuels. In addition, Enex is the macro distributor of Shell lubricants in Chile.

By the end of 2019, Enex Chile subscribed a license contract with Enex Paraguay SRL (currently Enex Paraguay SAE) on the use of the commercial brands Enex, upa!, micopiloto, upita (names and labels), for an initial 10-year term, renewable for 5-year periods.

**CSAV:** the company does not hold licenses, franchises, royalties, or concessions. It should be noted that in December 2014, CSAV granted Hapag-Lloyd an indefinite royalty free license to use the brand CSAV, as part of its container shipping business.

**SM SAAM:** operates the following port concessions:

### IQUIQUE TERMINAL INTERNACIONAL (ITI – CHILE)

| | |
|---|---|
| Ownership: | 100% |
| Volume transferred in 2021: | 2,155,443 t / 235,929 TEU |
| End of concession: | 2030 |
| Extension option: | - |

### ANTOFAGASTA TERMINAL INTERNACIONAL (ATI – CHILE)

| | |
|---|---|
| Ownership: | 35% |
| Volume transferred in 2021: | 2,674,974 t / 61,631 TEU |
| End of concession: | 2033 |
| Extension option: | - |

### SAN ANTONIO TERMINAL INTERNACIONAL (STI – CHILE)

| | |
|---|---|
| Ownership: | 50% |
| Volume transferred in 2021: | 12,326,007t / 1,232,900 TEU |
| End of concession: | 2030 |
| Extension option: | Exercised, execution in progress |

### SAN VICENTE TERMINAL INTERNACIONAL (SVTI – CHILE)

| | |
|---|---|
| Ownership: | 50% |
| Volume transferred in 2021: | 3,696,905 t / 298,350 TEU |
| End of concession: | 2029 |
| Extension option: | - |

### PORTUARIA CORRAL (CORRAL- CHILE)

| | |
|---|---|
| Ownership: | 50% |
| Volume transferred in 2021: | 1,108,223 t |
| End of concession: | Private |

### FLORIDA INTERNATIONAL TERMINAL (FIT – USA)

| | |
|---|---|
| Ownership: | 70% |
| Volume transferred in 2021: | 2,057,490 t/ 264,039 TEU |
| End of concession: | 2025 |
| Extension option: | +5 +5 years |

### TERMINAL MARÍTIMA MAZATLÁN (TMAZ - MEXICO)

| | |
|---|---|
| Ownership: | 100% |
| Volume transferred in 2021: | 917,689 t / 42,147 TEU |
| End of concession: | 2032 |
| Extension option: | +12 years |

### PUERTO CALDERA (COSTA RICA)

| | |
|---|---|
| Ownership: | 51% SAAM |
| Volume transferred in 2021: | 6,075,595 t / 270,506 TEU |
| End of concession: | 2026 |
| Extension option: | - |

### TERMINAL PORTUARIO GUAYAQUIL (TPG - ECUADOR)

| | |
|---|---|
| Ownership: | 100% |
| Volume transferred in 2021: | 10,386,578 t / 955,908 TEU |
| End of concession: | 2071 |

### PUERTO BUENAVISTA (PBV – COLOMBIA)

| | |
|---|---|
| Ownership: | 33.30% |
| End of concession: | 2037 |
| Extension option: | - |

# CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2021 AND 2020
AND FOR THE YEARS THEN ENDED

(FIGURES EXPRESSED IN THOUSANDS OF CHILEAN PESOS – THCH$)

# TABLE OF CONTENTS

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**Independent Auditor's Report**
(Translation of financial statements originally issued in Spanish - See Note 2)

To the
Shareholders and Directors of
Quiñenco S.A.:

We have audited the accompanying consolidated financial statements of Quiñenco S.A. and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

**Management's Responsibility for the Consolidated Financial Statements**

The Company's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with instructions and standards of preparation and presentation of financial information issued by the Chilean Commission for the Financial Market ("CMF") as described in Note 2 (b) to the consolidated financial statements. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the consolidated financial statements of the subsidiaries Compañía Sud Americana de Vapores S.A. and SM SAAM S.A., of which the total assets represent, at the aggregate level, 10.16% and 6.4% of the total consolidated assets as of December 31, 2021 and 2020 respectively, and ordinary revenue that represents 16.38% and 17.4% of the consolidated revenue for the years then ended. We did not audit the consolidated financial statements of the associates Inversiones y Rentas S.A. y Nexans S.A., which are investments disclosed in the consolidated financial statements of Quiñenco S.A. through the equity method and which represent a total asset of ThCh$763,506,719 and ThCh$701,140,570 as of December 31, 2021 and 2020, and accrued net profits of ThCh$98,329,242 and ThCh$42,930,479 for the years then ended.

These financial statements were audited by other auditors, whose reports have been provided to us, and our opinion, regarding the included amounts of the subsidiaries and associates mentioned above, is only based on the reports of those auditors. We conduct our audits in accordance with generally accepted auditing standards in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatements.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements of the entity in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the entity. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, based on our audit and the reports of the other auditors, the aforementioned consolidated financial statements present fairly, in all material respects, the financial position of Quiñenco S.A. and its subsidiaries as of December 31, 2021 and 2020, and the results of their operations and their cash flows for the years then ended, in accordance with instructions and standards of preparation and presentation of financial information issued by the Chilean Commission for the Financial Market (“CMF”) as described in Note 2 (b) to the consolidated financial statements.

**Accounting Basis**

The subsidiary Banco de Chile (controlled through LQ Inversiones Financieras S.A.) is regulated by the Chilean Commission for the Financial Market (“CMF”), and therefore, it is required to apply the accounting standards for banking entities in the preparation of their consolidated financial statements. This regulator has instructed that companies that maintain investments in bank subsidiaries may use, for the purposes of preparing their consolidated financial statements, the information provided directly by bank subsidiaries without being subject to conversion adjustments. Consequently, the Company has consolidated the Bank's financial statements without any translation adjustment. In accordance with the foregoing, the Company has chosen to consolidate the financial statements of the subsidiary Banco de Chile, without making any conversion adjustments to International Financial Reporting Standards.

Eduardo Rodríguez B.
EY Audit SpA

Santiago, March 30, 2022

# Consolidated Statements of Financial Position

as of December 31, 2021 and 2020

| ASSETS | NOTE | 12-31-2021 THCH$ | 12-31-2020 THCH$ |
|---|---|---|---|
| **Non-banking sector** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 4 | 644,275,755 | 612,702,842 |
| Other financial assets, current | 5 | 8,697,610 | 154,321,193 |
| Other non-financial assets, current | 6 | 30,815,783 | 30,350,386 |
| Trade and other receivables, current | 7 | 268,353,273 | 165,369,213 |
| Related party receivables, current | 8 | 44,393,825 | 24,867,589 |
| Inventory, current | 9 | 132,546,221 | 114,724,579 |
| Current tax assets | | 27,577,966 | 23,481,463 |
| Total current assets other than assets or groups of assets classified as held-for-sale or held-for-distribution to the owners | | 1,156,660,433 | 1,125,817,265 |
| Non-current assets or disposal groups classified as held for sale | 10 | 12,877,162 | 12,474,296 |
| Non-current assets or disposal groups classified as held for sale or as held for distribution to owners | | 12,877,162 | 12,474,296 |
| Total current assets | | 1,169,537,595 | 1,138,291,561 |
| **Non-current assets** | | | |
| Other financial assets, non-current | 11 | 78,048,990 | 53,404,311 |
| Other non-financial assets, non-current | 12 | 13,391,568 | 11,844,985 |
| Receivables, non-current | 7 | 12,749,751 | 10,876,113 |
| Related party receivables, non-current | 8 | 1,483,082 | 2,847,832 |
| Inventory, non-current | 9 | 1,683,467 | 708,106 |
| Investments accounted for using the equity method | 13 | 5,731,318,346 | 2,755,373,868 |
| Intangible assets other than goodwill | 14 | 389,852,417 | 374,829,138 |
| Goodwill | 15 | 993,359,175 | 964,149,208 |
| Property, plant and equipment | 17 | 1,182,148,802 | 990,804,873 |
| Right-of-use leased assets | 18 | 285,113,283 | 267,035,664 |
| Investment properties | 19 | 18,220,171 | 15,577,768 |
| Non-current tax assets | | - | 3,277,481 |
| Deferred tax assets | 20 | 297,306,537 | 200,752,256 |
| Total non-current assets | | 9,004,675,589 | 5,651,481,603 |
| Total non-banking sector assets | | 10,174,213,184 | 6,789,773,164 |
| **Banking sector assets** | | | |
| Cash and bank deposits | 40.5 | 3,713,732,597 | 2,560,215,717 |
| Transactions pending settlement | 40.5 | 576,457,494 | 582,308,294 |
| Trading instruments | 40.6 | 3,876,696,779 | 4,666,157,612 |
| Resale agreements and securities borrowing | 40.7 | 64,365,192 | 76,407,027 |
| Financial derivative contracts | 40.8 | 2,983,299,159 | 2,618,003,416 |
| Loans and advances to banks | 40.9 | 1,529,312,881 | 2,938,990,560 |
| Loans and receivables from customers | 40.10 | 33,405,534,256 | 30,190,056,149 |
| Investment instruments held for sale | 40.11 | 3,054,809,980 | 1,060,523,460 |
| Investment instruments held to maturity | 40.11 | 782,528,869 | - |
| Investments in other companies | 40.12 | 49,168,007 | 44,648,412 |
| Intangible assets | 40.13 | 72,532,161 | 60,701,387 |
| Property, plant and equipment | 40.14 | 222,319,399 | 217,928,946 |
| Right-of-use leased assets | 40.14 | 100,187,846 | 118,829,326 |
| Current taxes | 40.15 | 845,646 | 22,949,321 |
| Deferred taxes | 40.15 | 439,193,749 | 357,944,803 |
| Other assets | 40.16 | 699,223,291 | 579,459,077 |
| Total banking sector assets | | 51,570,207,306 | 46,095,123,507 |
| **Total assets** | | **61,744,420,490** | **52,884,896,671** |



*The accompanying notes 1 to 41 form an integral part of these consolidated financial statements.*

# Consolidated Statements of Financial Position

as of December 31, 2021 and 2020

| LIABILITIES | NOTE | 12-31-2021 THCH$ | 12-31-2020 THCH$ |
|---|---|---|---|
| **Non-banking sector** | | | |
| **Current liabilities** | | | |
| Other financial liabilities, current | 21 | 436,383,085 | 285,858,580 |
| Lease liabilities, current | 18 | 34,427,031 | 29,073,589 |
| Trade and other payables, current | 22 | 304,769,167 | 189,050,406 |
| Related party payables, current | 8 | 823,145 | 261,997 |
| Other provisions, current | 23 | 19,518,445 | 11,112,849 |
| Current tax liabilities | | 16,663,600 | 6,118,259 |
| Provisions for employee benefits, current | 24 | 34,557,904 | 27,297,050 |
| Other non-financial liabilities, current | 25 | 439,839,327 | 104,428,584 |
| Total current liabilities other than liabilities included in disposal groups classified as held for sale | | 1,286,981,704 | 653,201,314 |
| Liabilities included in disposal groups classified as held for sale | 10 | 3,379 | 165,852 |
| Total current liabilities | | 1,286,985,083 | 653,367,166 |
| **Non-current liabilities** | | | |
| Other financial liabilities, non-current | 21 | 2,041,639,079 | 1,862,362,971 |
| Lease liabilities, non-current | 18 | 242,378,462 | 230,620,072 |
| Trade and other payables, non-current | 22 | - | - |
| Related party payables, non-current | 8 | - | - |
| Other provisions, non-current | 23 | 33,026,957 | 30,309,491 |
| Deferred tax liabilities | 20 | 208,533,849 | 152,292,785 |
| Provisions for employee benefits, non-current | 24 | 23,334,670 | 24,872,682 |
| Other non-financial liabilities, non-current | 26 | 37,189 | 37,055 |
| Total non-current liabilities | | 2,548,950,206 | 2,300,495,056 |
| Total non-banking sector liabilities | | 3,835,935,289 | 2,953,862,222 |
| **Banking liabilities** | | | |
| Demand deposits and other obligations | 40.17 | 18,505,522,651 | 15,076,459,627 |
| Transactions pending settlement | 40.05 | 460,488,902 | 1,301,999,579 |
| Repurchase agreements and securities lending | 40.07 | 95,009,426 | 288,916,522 |
| Time deposits and other borrowings | 40.18 | 9,138,195,429 | 8,899,541,333 |
| Financial derivative contracts | 40.08 | 2,773,199,021 | 2,841,755,467 |
| Obligations with banks | 40.19 | 4,861,866,021 | 3,669,754,175 |
| Debt instruments issued | 40.20 | 9,478,904,159 | 8,593,595,337 |
| Other financial obligations | 40.21 | 274,618,490 | 191,713,727 |
| Lease liabilities | 40.14 | 95,670,160 | 115,017,207 |
| Current taxes | 40.15 | 113,129,064 | 311,166 |
| Deferred taxes | 40.15 | - | - |
| Provisions | 40.22 | 882,339,797 | 621,243,093 |
| Other liabilities | 40.23 | 595,288,274 | 564,804,353 |
| Total banking sector liabilities | | 47,274,231,394 | 42,165,111,586 |
| Total liabilities | | 51,110,166,683 | 45,118,973,808 |
| **Equity** | | | |
| Issued capital | 28 | 1,223,669,810 | 1,223,669,810 |
| Retained earnings | | 3,565,784,533 | 2,291,413,245 |
| Share premium | 28 | 31,538,354 | 31,538,354 |
| Other reserves | 28 | 553,268,218 | (9,036,635) |
| **Equity attributable to owners of the controller** | | **5,374,260,915** | **3,537,584,774** |
| Non-controlling interests | | 5,259,992,892 | 4,228,338,089 |
| Total equity | | 10,634,253,807 | 7,765,922,863 |
| **Total liabilities and equity** | | **61,744,420,490** | **52,884,896,671** |

*The accompanying notes 1 to 41 form an integral part of these consolidated financial statements.*

# Consolidated Statements of Income

for the years ended December 31, 2021 and 2020

| STATEMENT OF INCOME | NOTE | 01-01-2021 12-31-2021 THCH$ | 01-01-2020 12-31-2020 THCH$ |
|---|---|---|---|
| **Non-banking sector** | | | |
| Revenue | 29 a) | 3,478,212,763 | 2,579,304,136 |
| Cost of sales | | (2,919,369,281) | (2,167,966,937) |
| Gross margin | | 558,843,482 | 411,337,199 |
| Other revenue by function | | 6,290,851 | 14,992,772 |
| Distribution costs | | - | - |
| Administrative expenses | | (406,160,715) | (338,198,807) |
| Other expenses by function | 29 b) | (5,535,546) | (3,457,469) |
| Other losses | 29 c) | (8,451,116) | (2,975,097) |
| Operating income | | 144,986,956 | 81,698,598 |
| Finance income | | 7,103,027 | 6,917,322 |
| Finance costs | 29 d) | (87,187,552) | (86,001,736) |
| Impairment losses according to IFRS 9 | | - | - |
| Share of income of associates and joint ventures accounted for using the equity method | 13 | 2,605,290,701 | 290,515,699 |
| Exchange differences | | (14,808,053) | (3,118,415) |
| Loss from indexation adjustments | | (76,459,630) | (28,398,873) |
| Net income before taxes | | 2,578,925,449 | 261,612,595 |
| Income tax expense | 20 | (18,377,628) | (43,421,240) |
| Net income from continuing operations | | 2,560,547,821 | 218,191,355 |
| Net loss from discontinued operations | 10 | (128,732) | (2,054,076) |
| Non-banking sector net income | | 2,560,419,089 | 216,137,279 |
| **Banking sector** | | | |
| Interest and indexation income | 40.25 | 2,382,993,322 | 1,873,018,515 |
| Interest and indexation expense | 40.25 | (814,255,791) | (559,884,563) |
| Net interest and indexation income | 40.25 | 1,568,737,531 | 1,313,133,952 |
| Fee income | 40.26 | 584,320,008 | 562,147,939 |
| Fee expenses | 40.26 | (129,292,043) | (116,178,977) |
| Net fee income | 40.26 | 455,027,965 | 445,968,962 |
| Net gain (loss) from financial operations | 40.27 | 186,566,521 | (11,458,412) |
| Net exchange gain (loss) | 40.28 | (15,961,538) | 156,663,550 |
| Other operating income | 40.33 | 36,079,537 | 34,558,701 |
| Provisions for loan losses | 40.29 | (373,262,168) | (462,680,539) |
| Total net operating revenues | | 1,857,187,848 | 1,476,186,214 |
| Payroll and personnel expenses | 40.30 | (450,952,565) | (457,175,736) |
| Administrative expenses | 40.31 | (324,621,436) | (318,881,650) |
| Depreciation and amortization | 40.32 | (76,798,518) | (73,357,845) |
| Impairment | 40.32 | (1,690,475) | (1,661,667) |
| Other operating expenses | 40.34 | (33,699,676) | (31,255,275) |
| Total operating expenses | | (887,762,670) | (882,332,173) |
| Operating income | | 969,425,178 | 593,854,041 |
| Result of investments in other companies | 40.12 | 2,240,603 | (4,661,375) |
| Interest on subordinated debt with the Chilean Central Bank | | - | - |
| Net income before taxes | | 971,665,781 | 589,192,666 |
| Income tax expense | 40.15 | (178,550,391) | (125,962,872) |
| Net income from continuing operations | | 793,115,390 | 463,229,794 |
| Banking sector net income | | 793,115,390 | 463,229,794 |
| Consolidated net income | | 3,353,534,479 | 679,367,073 |
| | | | |
| Net income attributable to owners of the controller | | 1,893,145,641 | 247,247,112 |
| Net income attributable to non-controlling interests | | 1,460,388,838 | 432,119,961 |
| **Consolidated net income** | | **3,353,534,479** | **679,367,073** |



*The accompanying notes 1 to 41 form an integral part of these consolidated financial statements.*

# Consolidated Statements of Income

for the years ended December 31, 2021 and 2020

| STATEMENT OF COMPREHENSIVE INCOME | 01-01-2021 12-31-2021 THCH$ | 01-01-2020 12-31-2020 THCH$ |
|---|---|---|
| Net income for the year | 3,353,534,479 | 679,367,073 |
| **Components of other comprehensive income that will not be reclassified to the income statement for the year** | | |
| Other comprehensive income (loss) from revaluation of defined-benefit pension plans | 13,387,989 | (9,741,989) |
| Share of other comprehensive income of equity method associates and joint ventures not reclassified to net income for the year, before taxes | 16,681,182 | 10,198,817 |
| Total other comprehensive income that will not be reclassified to net income for the year | 30,069,171 | 456,828 |
| **Components of other comprehensive income that will be reclassified to net income for the year** | | |
| Currency translation differences | | |
| Gain (loss) from currency translation differences | 570,372,762 | (125,026,323) |
| Other comprehensive income (loss) from currency translation differences | 570,372,762 | (125,026,323) |
| **Financial assets held for sale** | | |
| Gain (loss) from new measurements of financial assets held for sale | (27,956,229) | (564,654) |
| Other comprehensive income (loss) on financial assets held for sale | (27,956,229) | (564,654) |
| Cash flow hedges | | |
| Gain (loss) on cash flow hedges | 28,586,941 | 6,189,904 |
| Other comprehensive income (loss) on cash flow hedges | 28,586,941 | 6,189,904 |
| Total other comprehensive income (loss) that will be reclassified to net income for the year | 571,003,474 | (119,401,073) |
| Other components of other comprehensive income (loss) | 601,072,645 | (118,944,245) |
| Total comprehensive income | 3,954,607,124 | 560,422,828 |
| **Comprehensive income attributable to** | | |
| Owners of the controller | 2,494,218,286 | 128,302,867 |
| Non-controlling interests | 1,460,388,838 | 432,119,961 |
| **Total comprehensive income** | **3,954,607,124** | **560,422,828** |

*The accompanying notes 1 to 41 form an integral part of these consolidated financial statements.*

# Consolidated Statements of Cash Flows

for the years ended December 31, 2021 and 2020

| STATEMENT OF CASH FLOWS | NOTE | 01-01-2021 12-31-2021 THCH$ | 01-01-2020 12-31-2020 THCH$ |
|---|---|---|---|
| Cash flow from (used in) operating activities | | | |
| **Non-banking sector** | | | |
| **Proceeds from operating activities** | | | |
| Proceeds from the sale of goods and provision of services | | 3,920,967,051 | 2,908,618,776 |
| Proceeds from premiums and claims, annuities and other policy benefits | | - | - |
| Proceeds from other operating activities | | 4,860,948 | 5,405,541 |
| **Payments for operating activities** | | | |
| Payments to suppliers for goods and services | | (3,346,914,450) | (2,425,393,512) |
| Payments to and on behalf of employees | | (221,373,349) | (206,011,559) |
| Payments for premiums and claims, annuities and other policy obligations | | (6,420,528) | (6,044,345) |
| Other payments for operating activities | | (108,729,253) | (47,267,390) |
| **Net cash flows provided by operating activities** | | **242,390,419** | **229,307,511** |
| Income taxes paid | | (21,853,046) | (20,448,647) |
| Other payments | | 3,078,497 | 864,048 |
| Net cash flows provided by non-banking sector operating activities | | 223,615,870 | 209,722,912 |
| **Banking sector** | | | |
| Consolidated net income for the year | | 793,115,390 | 463,229,794 |
| Charges (credits) to net income not involving cash movements | | | |
| Depreciation and amortization | | 78,488,993 | 75,019,512 |
| Provisions for loan losses | | 439,488,677 | 504,438,964 |
| Adjustment to market value of trading instruments | | 6,121,551 | (908,946) |
| Net income (loss) from investment in companies with significant influence | | (1,793,882) | 5,099,485 |
| Net gain on sales of assets received in lieu of payment | | (3,220,689) | (7,890,936) |
| Gain on sales of property, plant and equipment | | (213,785) | (29,806) |
| Write-off of assets received in lieu of payment | | 1,873,435 | 3,984,144 |
| Other charges not involving cash movements | | 13,561,662 | 28,596,624 |
| Net change in accrued interest, indexation and fees on assets and liabilities | | (500,389,937) | (7,237,915) |
| **Changes in assets and liabilities that affect operating cash flows** | | | |
| Net (increase) decrease in loans and advances to banks | | 1,409,687,302 | (1,800,134,296) |
| Net (increase) decrease in loans and receivables from customers | | (2,905,208,932) | (1,137,532,622) |
| Net (increase) decrease in trading instruments | | (2,627,906) | 226,022,863 |
| Increase (decrease) in demand deposits and other obligations | | 3,404,357,320 | 3,835,300,539 |
| Increase (decrease) in repurchase agreements and securities lending | | (176,368,862) | (33,487,575) |
| Increase (decrease) in time deposits and other borrowings | | 232,238,269 | (1,900,469,846) |
| Increase (decrease) in obligations with banks | | (21,236,278) | 173,577,739 |
| Increase (decrease) in other financial obligations | | 83,136,782 | 52,682,625 |
| Loans from Chilean Central Bank (long-term) | | 3,938,585,000 | 7,524,681,775 |
| Loans repaid to the Chilean Central Bank (long-term) | | (2,700,770,833) | (4,414,081,775) |
| Foreign loans received (long-term) | | 1,725,309,606 | (182,271,229) |
| Foreign loans repaid (long-term) | | (1,749,494,817) | (991,231,444) |
| Repayments of other long-term borrowings | | (206,800) | (16,963,341) |
| Other proceeds (payments) | | (77,255,378) | (36,155,849) |
| Subtotal of net cash flows provided by banking sector operating activities | | 3,987,175,888 | 2,364,238,484 |
| **Total net cash flows provided by operating activities** | | **4,210,791,758** | **2,573,961,396** |



*The accompanying notes 1 to 41 form an integral part of these consolidated financial statements.*

# Consolidated Statements of Cash Flows

for the years ended December 31, 2021 and 2020

| | NOTE | 01-01-2021<br>12-31-2021<br>THCH$ | 01-01-2020<br>12-31-2020<br>THCH$ |
|---|---|---|---|
| Cash flow provided by (used in) investing activities | | | |
| **Non-banking sector** | | | |
| Cash flows provided by the loss of control of subsidiaries or other businesses | | 537,083 | 1,671,205 |
| Cash flows used in obtaining control of subsidiaries or other businesses | | (165,528,953) | (15,374,843) |
| Proceeds from sale of non-controlling interests | | 7,530,845 | - |
| Payments to purchase non-controlling interests | | (36,582,184) | (2,320) |
| Other proceeds from the sale of equity or debt instruments of other entities | | 606,942,983 | 904,878,220 |
| Payments to acquire equity or debt instruments of other entities | | (452,694,786) | (1,016,371,884) |
| Other proceeds from the sale of joint ventures | | - | 3,258 |
| Other payments to acquire interests in joint ventures | | - | (254,258,149) |
| Loans to related parties | | - | - |
| Proceeds from the sale of property, plant and equipment | | 4,000,832 | 7,782,949 |
| Purchases of property, plant and equipment | | (99,317,174) | (98,980,402) |
| Proceeds from sales of intangible assets | | 155,985 | - |
| Purchases of intangible assets | | (1,981,907) | (1,630,128) |
| Dividends received | | 272,362,753 | 82,566,387 |
| Interest received | | 5,875,912 | 11,534,092 |
| Other proceeds (payments) | | 7,109,832 | (16,355,242) |
| Net cash flow provided by (used in) non-banking sector investing activities | | 148,411,221 | (394,536,857) |
| **Banking sector** | | | |
| Net (increase) decrease in investment instruments held for sale | | (2,072,171,232) | 284,690,886 |
| Lease contract payments | | (1,385,574) | (848,922) |
| Purchases of property, plant and equipment | | (34,192,828) | (28,469,765) |
| Sales of property, plant and equipment | | 214,166 | 401,144 |
| Investments in other companies | | (7,846,923) | - |
| Dividends received from investments in other companies | | 1,543,522 | 1,439,443 |
| Sale of assets received in lieu of payment | | 10,824,153 | 21,617,800 |
| Net (increase) decrease in other assets and liabilities | | (260,408,185) | 272,886,941 |
| Other payments | | (786,483,434) | (18,630,508) |
| Subtotal net cash flows provided by (used in) banking sector investing activities | | (3,149,906,335) | 533,087,019 |
| **Total net cash flows provided by (used in) investing activities** | | **(3,001,495,114)** | **138,550,162** |

*The accompanying notes 1 to 41 form an integral part of these consolidated financial statements.*

# Consolidated Statements of Cash Flows

for the years ended December 31, 2021 and 2020

| | NOTE | 01-01-2021 12-31-2021 THCH$ | 01-01-2020 12-31-2020 THCH$ |
|---|---|---|---|
| Cash flows provided by (used in) non-banking sector financing activities | | | |
| **Non-banking sector** | | | |
| Proceeds from share issuances | | - | 100,749,220 |
| Proceeds from issuing other equity instruments | | - | - |
| Payments to acquire or redeem treasury shares | | (259,664) | (779,544) |
| Payments for other interests in equity | | - | - |
| | | | |
| Proceeds from long-term loans | | 133,024,292 | 293,955,316 |
| Proceeds from short-term loans | | 458,146,530 | 292,385,902 |
| Total loan proceeds | 21 k) | 591,170,822 | 586,341,218 |
| Loans from related parties | | - | - |
| Loan repayments | 21 k) | (382,629,802) | (305,807,863) |
| Payments for lease liabilities | | (30,846,168) | (32,327,909) |
| Loan repayments to related parties | | (2,105,818) | - |
| Dividends paid | | (642,339,403) | (167,274,649) |
| Interest paid | | (64,102,172) | (76,733,395) |
| Other payments | | (13,891,799) | (2,796,558) |
| Net cash flows provided by (used in) non-banking sector financing activities | | (545,004,004) | 101,370,520 |
| Banking sector | | | |
| Redemption of mortgage bonds | | (1,632,556) | (2,382,087) |
| Bonds issued | | 1,661,016,258 | 889,134,827 |
| Bonds repaid | | (1,338,020,973) | (1,221,025,540) |
| Dividends paid | | (107,360,806) | (170,852,907) |
| Other proceeds (payments) | | (30,586,399) | (28,704,447) |
| Subtotal net cash flows provided by (used in) banking sector financing activities | | 183,415,524 | (533,830,154) |
| Total net cash flows used in financing activities | | (361,588,480) | (432,459,634) |
| Net increase in cash and cash equivalents before exchange rate effects | | 847,708,164 | 2,280,051,924 |
| Effect of exchange rate fluctuations on cash and cash equivalents | | 383,784,002 | (62,301,561) |
| Net increase in cash and cash equivalents | | 1,231,492,166 | 2,217,750,363 |
| Cash and cash equivalents as of the start of the year | | 6,700,859,091 | 4,483,108,728 |
| **Cash and cash equivalents as of the end of the year** | **4 c)** | **7,932,351,257** | **6,700,859,091** |



*The accompanying notes 1 to 41 form an integral part of these consolidated financial statements.*

# Statement of Changes in Equity

for the years ended December 31, 2021 and 2020

| | COMMON SHARES | | OTHER RESERVES | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | ISSUED CAPITAL | SHARE PREMIUM | REVALUATION SURPLUS | CURRENCY TRANSLATION RESERVES | CASH FLOW HEDGE RESERVES | GAINS OR LOSSES ON REVALUATION OF FINANCIAL ASSETS HELD FOR SALE RESERVE | OTHER MISCELLANEOUS RESERVES | TOTAL OTHER RESERVES | RETAINED EARNINGS (ACCUMULATED LOSSES) | EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER | NON-CONTROLLING INTERESTS | TOTAL EQUITY |
| | THCH$ | THCH$ | THCH$ | THCH$ | THCH$ | THCH$ | THCH$ | THCH$ | THCH$ | THCH$ | THCH$ | THCH$ |
| Opening balance as of 01/01/2021 | 1,223,669,810 | 31,538,354 | 1,031,342 | 127,473,874 | (3,716,062) | 16,679,851 | (150,505,640) | (9,036,635) | 2,291,413,245 | 3,537,584,774 | 4,228,338,089 | 7,765,922,863 |
| Increase (decrease) due to changes in accounting policy or reclassifications | - | - | - | - | - | - | - | - | (1,346,487) | (1,346,487) | (2,008) | (1,348,495) |
| Increase (decrease) for prior period adjustments | - | - | - | - | - | - | - | - | - | - | - | - |
| Restated opening balance | 1,223,669,810 | 31,538,354 | 1,031,342 | 127,473,874 | (3,716,062) | 16,679,851 | (150,505,640) | (9,036,635) | 2,290,066,758 | 3,536,238,287 | 4,228,336,081 | 7,764,574,368 |
| **Changes in equity** | | | | | | | | | | | | |
| Comprehensive income | | | | | | | | | | | | |
| Consolidated net income | - | - | - | - | - | - | - | - | 1,893,145,641 | 1,893,145,641 | 1,460,388,838 | 3,353,534,479 |
| Other comprehensive income (loss) | - | - | - | 570,372,762 | 28,586,941 | (27,956,229) | 30,069,171 | 601,072,645 | - | 601,072,645 | - | 601,072,645 |
| Comprehensive income | - | - | - | 570,372,762 | 28,586,941 | (27,956,229) | 30,069,171 | 601,072,645 | 1,893,145,641 | 2,494,218,286 | 1,460,388,838 | 3,954,607,124 |
| Capital increase | - | - | - | - | - | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | - | - | - | - | (617,393,107) | (617,393,107) | - | (617,393,107) |
| Increase (decrease) for changes in interests in subsidiaries that do not involve loss of control | - | - | - | - | - | - | 7,087,336 | 7,087,336 | - | 7,087,336 | (7,087,336) | - |
| Increases (decreases) due to transfers and other changes | - | - | - | - | - | - | (45,855,128) | (45,855,128) | (34,759) | (45,889,887) | (421,644,691) | (467,534,578) |
| Total changes in equity | - | - | - | 570,372,762 | 28,586,941 | (27,956,229) | (8,698,621) | 562,304,853 | 1,275,717,775 | 1,838,022,628 | 1,031,656,811 | 2,869,679,439 |
| **Closing balance as of 12/31/2021** | **1,223,669,810** | **31,538,354** | **1,031,342** | **697,846,636** | **24,870,879** | **(11,276,378)** | **(159,204,261)** | **553,268,218** | **3,565,784,533** | **5,374,260,915** | **5,259,992,892** | **10,634,253,807** |
| | | | | | | | | | | | | |
| Opening balance as of 01/01/2020 | 1,223,669,810 | 31,538,354 | 1,031,342 | 252,500,197 | (9,905,966) | 17,244,506 | 382,171,046 | 643,041,125 | 1,588,184,889 | 3,486,434,178 | 4,012,957,766 | 7,499,391,944 |
| Increase (decrease) due to changes in accounting policy or reclassifications | - | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) for prior period adjustments | - | - | - | - | - | - | - | - | - | - | - | - |
| Restated opening balance | 1,223,669,810 | 31,538,354 | 1,031,342 | 252,500,197 | (9,905,966) | 17,244,506 | 382,171,046 | 643,041,125 | 1,588,184,889 | 3,486,434,178 | 4,012,957,766 | 7,499,391,944 |
| **Changes in equity** | | | | | | | | | | | | |
| Comprehensive income | | | | | | | | | | | | |
| Consolidated net income | - | - | - | - | - | - | - | - | 247,247,112 | 247,247,112 | 432,119,961 | 679,367,073 |
| Other comprehensive income (loss) | - | - | - | (125,026,323) | 6,189,904 | (564,654) | 456,828 | (118,944,245) | - | (118,944,245) | - | (118,944,245) |
| Comprehensive income | - | - | - | (125,026,323) | 6,189,904 | (564,654) | 456,828 | (118,944,245) | 247,247,112 | 128,302,867 | 432,119,961 | 560,422,828 |
| Shares issued | - | - | - | - | - | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | - | - | - | - | (74,174,134) | (74,174,134) | - | (74,174,134) |
| Increase (decrease) for changes in interests in subsidiaries that do not involve loss of control | - | - | - | - | - | - | 1,829,783 | 1,829,783 | - | 1,829,783 | (1,829,783) | - |
| Increases (decreases) due to transfers and other changes | - | - | - | - | - | - | (534,963,298) | (534,963,298) | 530,155,378 | (4,807,920) | (214,909,855) | (219,717,775) |
| Total changes in equity | - | - | - | (125,026,323) | 6,189,904 | (564,654) | (532,676,687) | (652,077,760) | 703,228,356 | 51,150,596 | 215,380,323 | 266,530,919 |
| **Closing balance as of 12/31/2020** | **1,223,669,810** | **31,538,354** | **1,031,342** | **127,473,874** | **(3,716,062)** | **16,679,852** | **(150,505,641)** | **(9,036,635)** | **2,291,413,245** | **3,537,584,774** | **4,228,338,089** | **7,765,922,863** |

*The accompanying notes 1 to 41 form an integral part of these consolidated financial statements.*

QUIÑENCO S.A.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

## Note 1 – Corporate information

### (a) Company information

Quiñenco S.A. (hereinafter "Quiñenco" or "the Company") is a publicly held corporation, with ID number 91.705.000-7, domiciled at Enrique Foster Sur 20, Floor 14, Las Condes, Santiago. The Company is registered in the Securities Registry under No. 0597 and is subject to the regulatory authority of the Financial Market Commission (hereinafter the "CMF").

These consolidated financial statements have been approved by the Board of the Company at its meeting held on March 30, 2022.

### (b) Description of operations and principal activities

The Company mainly has investments in the industrial and financial services sectors in numerous areas of the economy. The Company provides banking and financial services through the indirect subsidiary Banco de Chile (hereinafter "the Bank"); it produces and sells soft drinks, wine, beer and other beverages through the indirect associate company Compañía Cervecerías Unidas S.A. (hereinafter "CCU"), an investment registered under the equity method through Inversiones y Rentas S.A.; it manufactures cables and it distributes and sells fuels and lubricants and related products and services through the subsidiary Invexans S.A. (hereinafter "Invexans"); it participates in the shipping and port services business through the subsidiaries Compañía Sud Americana de Vapores S.A. (hereinafter "CSAV") and Sociedad Matriz SAAM S.A. (hereinafter "SM SAAM"), respectively.

The Company's businesses are as follows:

**Financial services:** Quiñenco has a direct and indirect shareholding in Banco de Chile, through its 50.00% holding of the share capital, as of December 31, 2021 and 2020, of the subsidiary LQ Inversiones Financieras S.A. (hereinafter "LQIF"). LQIF is a company formed by Quiñenco in 2000 in order to channel its investments in the financial sector. Since 2001, its principal investment is its controlling shareholding in Banco de Chile, one of the largest financial institutions in Chile. Banco de Chile is listed in Chile and on the New York Stock Exchange (NYSE).

As of December 31, 2021 and 2020, LQIF directly holds 46.34% of Banco de Chile and indirectly holds 4.81% through its subsidiary Inversiones LQ-SM Limitada (hereinafter "LQ-SM").

As of December 31, 2021 and 2020, LQIF directly and indirectly holds 51.15% of the political and economic rights in Banco de Chile.

**Beverage:** The Company has an indirect shareholding in CCU through the ownership of 50% of Inversiones y Rentas S.A. (hereinafter "IRSA"). IRSA is a joint venture with the Dutch brewery group Heineken Americas B.V. (hereinafter "Heineken"). As a result, Heineken holds 50% of IRSA and is thus a partner of Quiñenco, being the joint controllers of 65.87% of CCU as of December 31, 2021 and of 60.00% as of December 31, 2020.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 1 – Corporate information (continued)**

**(b) Description of operations and principal activities (continued)**

**Manufacturing:** Quiñenco has a 99.85% interest in the subsidiary Invexans as of December 31, 2021, and 99.73% as of December 31, 2020, and this subsidiary has a 28.37% interest in the French company Nexans. Additionally, Quiñenco has a 0.53% indirect interest in Nexans through its subsidiary Tech Pack S.A. (hereinafter "Tech Pack"). Nexans is a global player in the cable industry, offering a wide range of cables and cabling systems and with an industrial presence in 38 countries and trading activities throughout the world. Nexans is listed on the Euronext exchange in Paris.

The subsidiary Invexans merged with Inversiones Río Argenta in the first half of 2020 and consequently wholly owns Enex Plc. hereinafter "Enex"), which is disclosed in the Energy segment.

Quiñenco also has a 99.97% interest in the subsidiary Tech Pack as of December 31, 2021 and 2020.

**Energy:** Quiñenco has an indirect interest of 100% in the indirect subsidiary Enex as of December 31, 2021 and 2020, whose main activity is the distribution and sale of products and services in the areas of fuels and lubricants for motor vehicles, industry, aviation and shipping, asphalts (bitumen), chemicals and convenience stores. The company markets its products mainly using the Shell brand.

**Transport:** Quiñenco has a 66.45% interest in the subsidiary Compañía Sud Americana de Vapores S.A. as of December 31, 2021, and 61.76% as of December 31, 2020. This company is mainly involved in cargo shipping and its most important asset is a 30.00% interest in the shipping company Hapag-Lloyd A.G.

**Port Services:** Quiñenco has a 59.73% interest in the subsidiary SM SAAM S.A. as of December 31, 2021, and 52.20% as of December 31, 2020. The subsidiary SM SAAM S.A. provides towage, port terminal and logistics services.

**(c) Employees**

The following table shows the number of employees of Quiñenco and its subsidiaries:

| Number of Employees | 12-31-2021 | 12-31-2020 |
|---|---|---|
| Quiñenco | 70 | 69 |
| LQIF and subsidiaries | 12,289 | 13,139 |
| SM SAAM | 5,971 | 5,196 |
| Tech Pack and subsidiaries | 6 | 7 |
| CSAV | 13 | 15 |
| Invexans and subsidiaries | 3,382 | 3,428 |
| Other subsidiaries | 18 | 20 |
| **Total employees** | **21,749** | **21,874** |

**Note 2 – Summary of significant accounting policies**

**(a) Period covered**

These consolidated financial statements cover the following annual periods:

- Consolidated statements of financial position: as of December 31, 2021 and 2020.
- Consolidated statements of comprehensive income: for the years ended December 31, 2021 and 2020.
- Consolidated statements of cash flows and changes in equity: for the years ended December 31, 2021 and 2020.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 2 – Summary of significant accounting policies (continued)**

**(b) Basis of preparation**

The information contained in these consolidated financial statements is the responsibility of the Company's Board of Directors, which expressly states that during the years 2021 and 2020 the instructions and standards for preparation and presentation of financial information issued by the Financial Market Commission (hereinafter "CMF"), which include the application of International Financial Reporting Standards (hereinafter "IFRS") issued by the International Accounting Standards Board (hereinafter "IASB"), have been fully applied, with the following exceptions, as established by the CMF for the preparation of these financial statements.

Banco de Chile is a subsidiary[1] of LQ Inversiones Financieras S.A., so is regulated by the CMF. Article 5 of Law 21,000 created the CMF and Article 5 authorizes it to issue generally applied accounting standards for the entities that it regulates. Corporations Law requires compliance with generally accepted accounting principles.

Under this law, banks should follow the accounting criteria issued by the CMF in its Compendium of Accounting Standards for Banks (hereinafter the "Compendium") and, in all matters not covered by these and which are not contradicted by its instructions, they should follow generally accepted accounting criteria as set out in the technical instructions issued by the Chilean Institute of Accountants, which coincide with IFRS issued by the IASB. In the case of differences between these generally accepted accounting principles and the accounting criteria issued by the CMF, the latter shall prevail.

The banking subsidiaries therefore have partially followed IFRS through application of the Compendium issued by the CMF, generating the following differences:

- Provisions for loan losses: The Bank currently includes prudential criteria established by the CMF in its model. These criteria have given rise, over time, to the establishment of standard models that banking institutions must apply to determine loan portfolio impairment.
  Under IFRS, provisions for loan losses are calculated using an expected credit loss model over the life of the asset, or 12 months if there is a significant increase in credit risk. Accordingly, the CMF model differs from the IFRS model, which could result in adjustments.
- Impaired loans: The present CMF treatment states that interest revenue on impaired loans cannot be recognized in income on an accrual basis. Under IFRS, the financial asset is not charged off, a provision is made for impairment, and interest is generated, based on the interest rate used for discounting the cash flows, not considering therefore the suspension of the recognition of revenue.
- Assets received in lieu of payment: The present treatment considers the lesser of their initial value plus any additions and the net realizable value. Assets that have not been disposed of within a year are gradually charged off over an additional period established by the CMF. Under IFRS assets are not charged-off while they have an economic value.
- Business combinations - goodwill: As established by the CMF, assets originating before December 31, 2008, with respect to goodwill will maintain the original valuation criteria used in 2008, i.e. they will be amortized until their extinction. Goodwill that has been extinguished will not return to assets.
- Financial instruments (IFRS 9): This standard includes new principles-based requirements for classification and measurement and introduces a more prospective model of expected loan losses for impairment accounting and changes to hedge accounting. Application of this standard is mandatory for periods beginning on or after January 1, 2018. However, this regulation has not yet been approved by the CMF, which is required for it to apply to these consolidated financial statements by the banking subsidiary.

[1] For IFRS purposes, "subsidiary" is any Company in which the parent has the capacity and intention of exercising control, which is generally obtained when it owns more than 50% of the capital with voting rights or can choose or appoint most of its directors or managers and is, therefore, equivalent to the concept of subsidiary ("filial") established in Article 86 of Corporations Law 18,046.

**Note 2 – Summary of significant accounting policies (continued)**

**(b) Basis of preparation (continued)**

The Company has complied with CMF Circular 506 issued on February 13, 2009, which allows companies with investments in banking entities to register and value these entities based on financial statements prepared in accordance with standards established by the CMF, without being required to make conversion adjustments to IFRS. The accounting policies used by the banking entities to prepare their financial statements are described in Note 2 bb) onward.

The specific provisions for corporations contained in Law 18,046 and its regulations have also been considered.

Certain accounting practices applied by the Company that conform to IFRS may not conform to generally accepted accounting principles in the United States ("US GAAP") or to generally accepted accounting principles in Chile ("Chilean GAAP").

For comparison purposes, the Company and its subsidiaries have made minor reclassifications to their annual financial statements as of December 31, 2020, which do not affect their interpretation.

For the convenience of the reader these financial statements have been translated from Spanish to English.

**(c) IFRS standards and interpretations of the IFRS Interpretations Committee**

The new standards, interpretations, improvements and amendments to IFRS that have been issued and are in effect as of the date of these financial statements are detailed below. The Company applied these standards and concluded that they did not significantly affect the financial statements.

| | Improvements and Amendments | Mandatory Effective Date |
|---|---|---|
| **IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16** | Financial Instruments: Disclosures, Recognition and Measurement - Interest rate benchmark reform. | January 1, 2021 |
| **IFRS 16** | COVID-19-Related Rent Concessions after June 30, 2021 | April 1, 2021 |

The improvements and modifications to IFRS as well as interpretations that have been published during the period are described below. As of the date of these financial statements, these standards have still not taken effect and the Company has not applied any of them in advance:

| | New Standards and Interpretations | Mandatory Effective Date |
|---|---|---|
| **IFRS 17** | Insurance contracts | January 1, 2023 |

| | Improvements and Amendments | Mandatory Effective Date |
|---|---|---|
| **IFRS 3** | Reference to the Conceptual Framework | January 1, 2022 |
| **IAS 16** | Property, Plant and Equipment: Proceeds before Intended Use | January 1, 2022 |
| **IAS 37** | Onerous Contracts – Cost of Fulfilling a Contract | January 1, 2022 |
| **IAS 1** | Classification of Current and Non-Current Liabilities | January 1, 2023 |
| **IAS 8** | Definition of Accounting Estimates | 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 |
| **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 |

QUIÑENCO S.A.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 2 – Summary of significant accounting policies (continued)**

## (d) Basis of Consolidation

These consolidated financial statements include the assets, liabilities, income and cash flows of the Company and its subsidiaries. The effects of significant transactions with subsidiaries have been eliminated and the interest of the minority investors is shown in the consolidated statement of financial position and consolidated comprehensive income statement in the account Non-controlling interests.

The financial statements of the following subsidiaries have been consolidated:

| ID number | Subsidiary | Country | Functional currency | Ownership interest (*) | | | |
|---|---|---|---|---|---|---|---|
| | | | | 12-31-2021 | | | 12-31-2020 |
| | | | | Direct | Indirect | Total | Total |
| 76.077.048-5 | Inversiones Caboto S.A. | Chile | Ch$ | 99.9999 | 0.0001 | 100.0000 | 100.0000 |
| 76.284.393-5 | Cabletron S.A. | Chile | Ch$ | 99.9800 | 0.0200 | 100.0000 | 100.0000 |
| 77.253.300-4 | Inversiones Rio Bravo S.A. and Subsidiary | Chile | Ch$ | 81.4038 | 18.5962 | 100.0000 | 100.0000 |
| 87.011.000-6 | Inv. O'Higgins Punta Arenas S.A. | Chile | Ch$ | 75.5579 | 0.0000 | 75.5579 | 75.5579 |
| 91.000.000-4 | Industria Nacional de Alimentos S.A. | Chile | Ch$ | 71.9576 | 27.9769 | 99.9345 | 99.9345 |
| 91.527.000-K | Empresa El Peñón S.A. and Subsidiary | Chile | Ch$ | 98.1414 | 0.0000 | 98.1414 | 98.1293 |
| 95.987.000-4 | Inversiones Río Grande S.p.A. and Subsidiaries | Chile | Ch$ | 99.9898 | 0.0102 | 100.0000 | 100.0000 |
| 96.611.550-5 | Unitron S.A. | Chile | Ch$ | 99.9999 | 0.0001 | 100.0000 | 100.0000 |
| 76.724.960-8 | Inversiones Ranquil S.A. | Chile | Ch$ | 99.9975 | 0.0007 | 99.9982 | 99.9982 |
| 96.892.490-7 | Administración y Servicios Generales LQ S.A. | Chile | Ch$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 93.802.000-0 | Hidrosur S.A. | Chile | Ch$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 96.572.580-6 | Inversiones y Bosques S.A. | Chile | Ch$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 93.493.000-2 | Hoteles Carrera S.A. | Chile | Ch$ | 0.0000 | 99.1960 | 99.1960 | 99.1960 |
| 96.635.350-3 | Inmob. e Inv. Hidroindustriales S.A. and subsidiaries | Chile | Ch$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 96.847.140-6 | Inmobiliaria Norte Verde S.A. and subsidiary | Chile | Ch$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 99.568.590-6 | Inversiones Río Azul S.A. | Chile | Ch$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 96.929.880-5 | **LQ Inversiones Financieras S.A. and Subsidiaries** | Chile | Ch$ | 47.3520 | 2.6480 | 50.0000 | 50.0000 |
| 96.999.360-0 | Inversiones LQ-SM Limitada | Chile | Ch$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 97.004.000-5 | **Banco de Chile** | Chile | Ch$ | 0.1097 | 51.1500 | 51.2597 | 51.2597 |
| 96.767.630-6 | Banchile Administradora General de Fondos S.A. | Chile | Ch$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 96.543.250-7 | Banchile Asesoría Financiera S.A. | Chile | Ch$ | 0.0000 | 99.9600 | 99.9600 | 99.9600 |
| 77.191.070-K | Banchile Corredores de Seguros Ltda. | Chile | Ch$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 96.571.220-8 | Banchile Corredores de Bolsa S.A. | Chile | Ch$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 96.932.010-K | Banchile Securitizadora S.A. | Chile | Ch$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 96.645.790-2 | Socofin S.A. | Chile | Ch$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 91.021.000-9 | **Invexans S.A. and Subsidiaries** | Chile | USD | 89.5530 | 10.2980 | 99.8510 | 99.7268 |
| Foreign | Invexans Limited | United Kingdom | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 92.011.000-2 | Enex S.A. | Chile | Ch$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | ENEX Corp. Ltd. | United Kingdom | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 89.467.400-8 | Dicomac Ltda. | Chile | Ch$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 94.625.000-7 | Inversiones Enex S.A. | Chile | Ch$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 76.376.573-3 | Empresa de Soluciones Mineras ESM SpA. | Chile | Ch$ | 0.0000 | 99.9900 | 99.9900 | 99.9900 |
| Foreign | Enex Plc | United Kingdom | USD | 0.0000 | 100.0000 | 100.0000 | 0.0000 |
| Foreign | Enex CL Ltd. | United Kingdom | Ch$ | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | Enex Investments US, Inc. | USA | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | Road Ranger, LLC | USA | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

## Note 2 – Summary of significant accounting policies (continued)

### (d) Basis of Consolidation (continued)

| ID number | Subsidiary | Country | Functional currency | Ownership interest (*) | | | |
|---|---|---|---|---|---|---|---|
| | | | | 12-31-2021 | | | 12-31-2020 |
| | | | | Direct | Indirect | Total | Total |
| 76.275.453-3 | **Tech Pack S.A. and Subsidiaries** | Chile | USD | 80.7634 | 19.2078 | 99.9712 | 99.9712 |
| 91.524.000-3 | Inmobiliaria Techpack S.A. | Chile | USD | 0.0000 | 99.9710 | 99.9710 | 99.9710 |
| 94.262.000-4 | Soinmad S.A. and Subsidiaries | Chile | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 96.619.180-5 | Logística Techpack S.A. | Chile | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | Inmobiliaria Techpack S.A. | Argentina | USD | 0.0000 | 100.0000 | 100.0000 | 0.0000 |
| Foreign | Decker Industrial S.A. | Argentina | USD | 0.0000 | 0.0000 | 0.0000 | 99.7186 |
| Foreign | H.B. San Luis S.A. | Argentina | USD | 0.0000 | 0.0000 | 0.0000 | 100.0000 |
| Foreign | Metacab S.A. | Argentina | USD | 0.0000 | 0.0000 | 0.0000 | 100.0000 |
| 90.160.000-7 | **Compañía Sud Americana de Vapores S.A. and Subsidiaries** | Chile | USD | 25.2126 | 41.2419 | 66.4545 | 61.7596 |
| 96.838.090-7 | Compañía Naviera Rio Blanco S.A. | Chile | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | CSAV Germany Container Holding GmbH | Germany | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | Corvina Shipping Co. S.A. and Subsidiaries | Panama | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | Tollo Shipping Co. S.A. and Subsidiaries | Panama | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | Navibras Comercial Maritima e Afretamentos Ltda. | Brazil | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 76.028.729-6 | Norgistics Holding S.A. and Subsidiaries | Chile | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | Norgistics México S.A. de C.V. | Mexico | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 76.196.718-5 | **Sociedad Matriz SAAM S.A. and Subsidiaries** | Chile | USD | 23.1688 | 36.5592 | 59.7280 | 52.1988 |
| 92.048.000-4 | SAAM S.A. and Subsidiaries | Chile | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 76.729.932-K | SAAM Logistics S.A. and subsidiaries | Chile | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 76.757.003-1 | SAAM Ports S.A. and Subsidiaries | Chile | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 96.973.180-0 | SAAM Internacional S.A. and Subsidiaries | Chile | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 76.002.201-2 | SAAM Puertos S.A. and Subsidiaries | Chile | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 76.708.840-K | Inmobiliaria San Marco Ltda. and Subsidiaries | Chile | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 76.479.537-7 | SAAM Inversiones SpA | Chile | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 96.720.220-7 | Inversiones San Marco Ltda. and subsidiaries | Chile | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 96.885.450-K | Aerosan Airport Services S.A. & subsidiaries | Chile | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| 94.058.000-5 | Servicios Aeroportuarios Aerosan S.A. | Chile | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | SAAM Towage S.A. de C.V. & subsidiaries | Mexico | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | SAAM Towage Brasil S.A. | Brazil | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | SAAM Participacoes Ltda. | Brazil | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | SAAM Towage El Salvador S.A. | El Salvador | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | Concesionaria SAAM Costa Rica S.A. | Costa Rica | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | SAAM Operadora de Puertos Costa Rica S.A. | Costa Rica | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | Ecuaestibas S.A. | Ecuador | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | SAAM Remolcadores Honduras S.A. | Honduras | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | Inversiones Habsburgo S.A. | Panama | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | Inversiones Alaria S.A. II | Panama | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | Saam Remolcadores Panamá S.A. | Panama | USD | 0.0000 | 100.0000 | 100.0000 | 100.0000 |
| Foreign | EOP Crew Management de México S.A. de C.V. | Mexico | USD | 0.0000 | 70.0000 | 70.0000 | - |
| 0-E | Intertug México S.A. de C.V. | Mexico | USD | 0.0000 | 70.0000 | 70.0000 | - |
| 0-E | Baru Offshore de México S.A.P.I. | Mexico | USD | 0.0000 | 70.0000 | 70.0000 | - |
| 0-E | SAAM Towage Colombia S.A.S. | Colombia | USD | 0.0000 | 70.0000 | 70.0000 | - |

**(*)**: These are ownership percentages in the parent companies that are direct subsidiaries of Quiñenco S.A. and the ownership percentages of their own subsidiaries.

**Note 2 – Summary of significant accounting policies (continued)**

**(d) Basis of Consolidation (continued)**

The subsidiaries Invexans, LQIF, CSAV and SM SAAM are registered in the Securities Registry under the numbers 251, 730, 76 and 1091, respectively, and are subject to inspection by the Financial Market Commission.

The company controls a subsidiary if it has:
- Authority over the subsidiary (rights that give it the authority to direct the subsidiary's business).
- Exposure or rights to variable returns from its interest in the subsidiary.
- Ability to influence these returns by exercising its authority over the subsidiary.

The subsidiary LQIF is included in the consolidated financial statements as Quiñenco controls the subsidiary by having the majority of the members of the Board, and in management's opinion this should not change in the short term. The subsidiary Banco de Chile is included in the consolidated financial statements of LQIF and is subject to the regulatory authority of the CMF.

The subsidiary Enex is included in the consolidated financial statements of Invexans S.A. and subsidiary.

**(e) Estimates**

Certain estimates have been used by the management of Quiñenco and its respective subsidiaries in the preparation of the consolidated financial statements, in order to quantify some of the assets, liabilities, revenue, expenses and commitments that appear in them. These estimates basically refer to:

- The valuation of assets and goodwill, to calculate any associated impairment losses.
- The assumptions used in the actuarial calculation of employee obligations.
- The useful lives and residual values of property, plant and equipment and intangible assets other than goodwill.
- The assumptions used to calculate the fair value of financial instruments.
- The assumptions used to calculate estimates of the recoverability of trade and other receivables from customers.
- The assumptions used to calculate estimates of inventory obsolescence.
- The analysis and calculation of impairment losses on financial assets and long-term non-financial assets.
- The probability of occurrence and value of uncertain or contingent liabilities.
- The calculation of the fair value of non-financial assets for assessing impairment.
- The recoverability of deferred tax assets based on estimates of future income. This recoverability depends in the last instance on the Company's capacity to generate taxable income throughout the year in which the deferred tax assets are deductible. In the analysis, the reversal of deferred tax liabilities and the estimates of taxable benefits are taken into account, on the basis of internal projections that are updated to reflect the most recent trends. The determination of the suitable classification of taxable items depends on various factors, including the estimate of the time and recoverable value of the deferred tax assets and the expected timing of the tax payments. The actual flows of receipts and payments of income tax may differ from the estimates made by the Company as a consequence of changes in fiscal law or unforeseen future transactions that might affect the tax balances.

Despite these estimates having been made on the basis of the best information available as of the date of issuance of these consolidated financial statements, it is possible that events may occur in the future that force their modification (upward or downward) in the following periods, which would be made prospectively, recognizing the effects of the change in estimate in the corresponding future consolidated financial statements.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 2 – Summary of significant accounting policies (continued)**

**(f) Presentation of the consolidated financial statements**

**Statement of Financial Position**

The Company and its subsidiaries have determined a mixed presentation format of their consolidated statement of financial position as follows:

**(f1)** Quiñenco, its non-banking subsidiaries and principal associates operate in the businesses of food and beverage, manufacturing, fuels and lubricants, transport and port services, among which there is a similar operating cycle. They have therefore chosen a presentation format based on current value (classified).

**(f2)** The banking subsidiaries have no clearly-defined operating cycle and have chosen a liquidity format as required by the CMF.

Therefore, the assets and liabilities of the banking and non-banking businesses are presented separately.

**Statements of Comprehensive Income**

Quiñenco and its subsidiaries show their consolidated statements of income classified by function. However, as the industrial sector shows differences in the classification of their business compared to the banking sector, the Company groups the industrial businesses together and discloses the banking entities separately.

**Statements of Cash Flows**

The CMF requires banking institutions to prepare the statement of cash flows under the indirect method. Consequently, Quiñenco has chosen to show its consolidated statement of cash flows by a mixed presentation, the direct method for the industrial sector and indirect method for the banking sector.

**(g) Functional currency and foreign currency translation**

These consolidated financial statements are shown in Chilean pesos, which is the Company's functional and presentational currency.

Each subsidiary determines its own functional currency and the items included in the consolidated financial statements are measured using that functional currency.

The functional currency of CCU (associate) and Banco de Chile is the Chilean peso.

The functional currency of the operations of the subsidiaries Invexans, Tech Pack, CSAV and SM SAAM is the US dollar. At the reporting date, the assets and liabilities of these companies are translated to Quiñenco's presentation currency (Chilean pesos) at the exchange rate on the date of the consolidated statement of financial position, but the statements of comprehensive income and cash flows are translated at the average exchange rate of each month, unless this average is not a reasonable approximation of a specific significant transaction. Exchange differences arising from the translation are taken directly to a separate component of equity under Other reserves. Transactions in currencies other than the functional currency are considered to be in foreign currency and are initially recorded at the exchange rate of the functional currency on the transaction date. Monetary assets and liabilities in foreign currency are translated at the exchange rate of the functional currency on the date of the consolidated statement of financial position. All exchange differences are recorded as a charge or credit to comprehensive income.



Net differences in foreign currency arising from investment or hedging operations of a foreign entity are controlled directly in equity until the disposal of the investment when they are shown as a charge or credit to comprehensive income. The income of taxes and credits attributable to these operations are shown as a charge or credit to equity until the disposal of the investment.

**Note 2 – Summary of significant accounting policies (continued)**

**(g) Functional currency and foreign currency translation (continued)**

Any goodwill purchased and adjustment to fair value of the book value of assets and liabilities arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated to Chilean pesos at the closing date of the consolidated financial statements. Non-monetary items measured in terms of historic cost in foreign currency are translated using the exchange rates on the date when the fair value was determined.

Assets and liabilities presented in Unidades de Fomento (UF - Chilean monetary unit indexed to inflation) are valued at the closing value of this currency as of the date of the consolidated statement of financial position, as published by the National Institute of Statistics.

The exchange rate for the US Dollar and the UF with respect to the Chilean peso as of December 31, 2021 and 2020, is as follows:

| | December 31, 2021 Ch$ | December 31, 2020 Ch$ |
|---|---|---|
| US dollar (USD) | 844.69 | 710.95 |
| Euro | 955.64 | 873.30 |
| Argentine peso | 8.22 | 8.45 |
| Brazilian real | 151.68 | 137.33 |
| Colombian peso | 0.21 | 0.21 |
| Unidad de Fomento (UF) | 30,991.74 | 29,070.33 |

**(h) Inventory**

The subsidiaries value inventory at the lower of cost and net realizable value. The cost price (calculated as the weighted average cost for Invexans, and FIFO for SAAM) includes the costs of direct materials and, if appropriate, personnel costs, the indirect costs incurred in transforming the raw materials into finished products and general expenses incurred in transferring the inventory items to their location and present conditions.

The net realizable value represents the estimated sale price less all termination costs and costs to be incurred in the marketing, sale and distribution processes.

Trade discounts, rebates obtained and other similar items are deducted in the determination of the cost price.

Spare parts are valued at historical acquisition cost and recognized in the income statement using the FIFO method. Spare parts with low turnover are mainly used to repair and maintain major assets. These are strategic inventories and given their unpredictable demand, they are classified as non-current inventory.

Subsidiaries evaluate the net realizable value of inventories at the end of each financial period, recording an impairment loss in comprehensive income when they are overstated. When the circumstances that previously caused the reduction have ceased to exist, or when there is clear evidence of an increase in the net realizable value due to a change in financial circumstances or prices of the principal raw materials, the previous estimate is amended.

**(i) Property, plant and equipment**

**(i1) Cost**

The elements of property, plant and equipment are valued initially at cost, which includes the purchase price, import duties and any cost directly attributable to placing the asset in an operating condition for its intended use.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 2 – Summary of significant accounting policies (continued)**

**(i) Property, plant and equipment (continued)**

**(i1) Cost (continued)**

The elements of property, plant and equipment that are built (work in progress) may include the following accrued concepts during the construction period:

(i) Financial expenses related to the external financing directly attributable to the acquisition or production, whether of a specific or generic nature.
Regarding generic financing, the capitalized financial expenses are obtained by applying a capitalization rate that will be determined with the weighted average of all the interest costs of the entity on the loans that have been outstanding during the year.

(ii) Personnel expenses and others of an operational nature effectively used in the construction of the property, plant and equipment.

After initial recognition, property, plant and equipment continues to be measured using the acquisition cost method, less accumulated depreciation and impairment losses.

The costs of expansion, modernization or improvements that represent an increase in productivity, capacity or efficiency or an increased useful life, are capitalized by increasing the value of the assets.

Expenses in repairs, conservation and maintenance are recognized as a charge or credit to comprehensive income at the time they are incurred.

This heading also includes investments in assets acquired under lease agreements with the characteristics of a finance lease. These assets do not legally belong to the Company until it exercises the purchase option.

The resultant gain or loss on the disposal or withdrawal of an asset is calculated as the difference between the proceeds of the disposal and the book value, which is charged or credited to comprehensive income for the year.

**(i2) Depreciation**

Depreciation is calculated using the straight-line method, by distributing the acquisition cost less the estimated residual value over the estimated useful life of each asset, as follows:

| Group of assets | Estimated years of useful life |
|---|---|
| Buildings and infrastructure | 20 to 100 |
| Installations | 5 to 33 |
| Machinery and equipment | 5 to 40 |
| Ships, tug boats, barges and boats | 10 to 30 |
| Transport equipment | 3 to 10 |
| Engines and equipment | 7 |
| Other property, plant and equipment | 2 to 10 |
| Port terminal infrastructure | Concession period |
| Leasehold facilities and property improvements | Lease term |

Land is shown separately from buildings or installations as it is understood that it has an infinite useful life and is therefore not subject to depreciation.

The depreciation of property, plant and equipment under construction starts when the assets are ready to be used.

Port terminal infrastructure includes assets not controllable by the granting entity. The useful lives of these assets may exceed the concession period, when the asset can be transferred to other businesses.

Estimated useful lives are reviewed annually and any change in estimates is recognized prospectively.

**Note 2 – Summary of significant accounting policies (continued)**

**(i) Property, plant and equipment (continued)**

**(i.3) Basis of measurement after initial recognition**

Property, plant and equipment is initially recognized as an asset, and subsequently recognized at cost less accumulated depreciation and any accumulated impairment losses.

**(j) Investment properties**

Investment properties are recognized as the net value of land, buildings and other construction held for exploitation through leases or to obtain a gain on their sale as a consequence of future increases that may occur in the respective market prices. These assets are not used in the businesses and are not intended for own use.

They are initially valued at acquisition cost, which includes the acquisition price or cost of production plus expenses incurred that are directly assignable. They are later valued at cost less accumulated depreciation and possible accumulated impairment.

Assets classified as investment properties are depreciated on a straight-line basis, except for land, which has an indefinite life.

**(k) Non-current assets or disposal groups held for sale**

Non-current assets whose book value is recovered through a sale transaction and not through their continued use are classified as held for sale and discontinued operations. This condition is only considered to be met when the sale is highly probable and the asset is available for sale immediately in its current state. The sale is foreseen to be completed within a year from the date of classification.

These assets are valued at the lower of book value and fair value less associated sale costs, and are presented as current assets.

**(l) Revenue recognition**

Revenue describes the transfer of goods or services committed to customers, in exchange for a payment, which is expected in exchange for those goods or services.

Revenue is recognized in accordance with the guidelines established by IFRS 15, which considers the following steps:

Step 1: Identify the customer contract.
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Assign the transaction price to the performance obligations
Step 5: Recognize revenue when the entity satisfies a performance obligation

Finance income is interest on financial assets. Interest income is recognized using the effective interest method.

Revenue is the gross inflow of financial benefits, from ordinary activities during a period, provided they increase equity but are not related to contributions from shareholders. Revenue is recognized at fair value when it is probable that the financial benefit associated with a transaction will flow to the company and its value can be reliably measured.

Service revenue is also recognized considering the stage of completion of the services provided as of the reporting date, provided that the outcome of the transaction can be reliably valued, it is probable that the financial benefits associated with the transaction will flow to the Company, the stage of completion of the transaction at the end of the reporting period can be reliably measured and the costs incurred for the transaction and the costs to complete the transaction can be reliably measured.

**Note 2 – Summary of significant accounting policies (continued)**

**(m) Investments in subsidiaries (business combinations)**

Business combinations are registered using the acquisition method, in accordance with IFRS 3. This involves recognizing the identifiable assets (including intangible assets not previously recognized) and liabilities (including contingent liabilities and excluding future restructurings) of the business acquired at its fair value.

The acquisition price is measured at fair value, as are the identifiable net assets acquired. Any goodwill arising from the acquisition will be tested annually for impairment (IFRS 3). Any gain on an acquisition is recognized immediately in the statement of income (badwill). Transaction costs are recognized in the statement of income when incurred, except when related to issuing debt or equity securities.

The acquisition price will not include any settlements of pre-existing agreements. These are generally recognized in the statement of income.

Any contingent components of the acquisition price are measured at fair value at the acquisition date. If a contingent liability meets the definition of a financial instrument, then it is classified as equity, it is not revalued and the subsequent settlement is accounted for within equity. Otherwise, other contingent components of the acquisition price are revalued at fair value as of each reporting date and any changes are recognized in the statement of income.

Business combinations acquired prior to March 2001 are shown at their proportional value considering the book values of each subsidiary.

**(n) Investments recognized using the equity method**

The Company and its subsidiaries value their investments in associates[2] using the equity method. An associate is an entity in which the Company has a significant influence.

Under this method, the investment is shown in the consolidated statement of financial position at cost plus changes following the acquisition in proportion to the net equity of the associate, using for this the percentage interest in the capital of the associate. The goodwill in associates is included in the book value of the investment and is not amortized. The charge or credit to income reflects the proportion in the results of the associate.

Equity changes at associates are shown proportionately as a charge or credit to Other reserves and classified according to their origin and disclosed in the statement of changes in equity, if appropriate.

The reporting dates and accounting policies of the associate and of the Company are similar to equivalent transactions and events under similar circumstances.

The results in associates are recognized on an accrual basis according to the percentage interest in the net income of the associate. If the associate has negative equity, a liability is recognized to the extent that the Company intends to continue funding the associated company. Dividends received from associates are recognized as a decrease in the investment, without affecting net income.

Should the significant influence be lost or the investment be sold or become held for sale, the equity method is discontinued, and the recognition of proportional results is suspended.

Investments in associates acquired prior to December 31, 2007 (before IFRS 1) have been valued at their equity value calculated on the book values of the associate.

[2] For IFRS purposes, "associate" is any investment in an entity in which the investor has more than 20% of the capital with voting rights or has significant influence over the entity, and is, therefore, equivalent to the concept of affiliate ("coligada") defined in article 87 of the Corporations Law 18,046.

**Note 2 – Summary of significant accounting policies (continued)**

**(o) Investments in joint ventures**

Joint ventures are contractual agreements whereby two or more parties (partners or shareholders) carry on an economic activity that is subject to a joint control. Joint control exists when decisions relating to operative and financial activities require the unanimous agreement of the parties. A joint-venture entity involves the establishment of a company or other entity in which the group of shareholders have interests according to their ownership.

The income, assets and liabilities of the joint venture are incorporated in the consolidated financial statements using the equity-value method, producing an identical treatment to investments in associates.

Investments in joint ventures acquired prior to December 31, 2007, have been valued at their equity value calculated on the book value of the joint venture.

**(p) Financial instruments – initial recognition and subsequent measurement**

A financial instrument is any contract that simultaneously gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Management determines the classification of its financial assets upon initial recognition.

**(p.1) Non-derivative financial assets**

Quiñenco and its subsidiaries classify their non-derivative financial investments, whether permanent or temporary, excluding equity method investments and non-current assets held for sale, into three categories:

(p.1.1) Amortized cost

This category includes financial assets that meet the following conditions: (i) their business model aims to keep those financial assets to obtain contractual cash flows, and (ii) the contractual terms and conditions of financial assets give rise on specific dates to cash flows that are solely payments of principal and interest (SPPI criterion).

The Company's financial assets that meet the conditions to be valued at amortized cost, as established in IFRS 9, are cash equivalents, receivables, and loans. These assets are recorded at amortized cost, which is initial market value less principal repayments, plus interest accrued but uncharged, calculated using the effective interest method.

The effective interest method is used to calculate the amortized cost of a financial asset or liability (or a group of financial assets or liabilities) and is charged to finance income or costs over the relevant period. The effective interest rate is the discount rate that sets the estimated cash flows receivable or payable over the expected life of the financial instrument (or, when appropriate, over a shorter period) exactly equal to the net book value of the financial asset or liability.

(p.1.2) Financial assets valued at fair value through other comprehensive income

This category includes financial assets that meet the following conditions: (i) their business model aims to keep the financial assets in order to collect the contractual cash flows how to sell them, and (ii) the contractual terms and conditions meet the SPPI criterion.

These investments are recorded in the statement of consolidated financial position at fair value when it can be reliably determined. In the case of interests in unlisted companies or companies with very little liquidity, normally the market value cannot be reliably determined and, thus, when this occurs, they are valued at acquisition cost or a lesser amount if evidence of impairment exists.

Changes in fair value, net of its tax effect, are recorded in the consolidated statement of comprehensive income in "Other comprehensive income", until these investments are sold, when the cumulative amount under this heading is fully charged to the statement of income for the period.

Should the fair value be less than the acquisition cost, if there is objective evidence that the asset has been more than temporarily impaired, the difference is recorded directly in losses for the period.

**Note 2 – Summary of significant accounting policies (continued)**

**(p) Financial instruments – initial recognition and subsequent measurement (continued)**

**(p.1) Non-derivative financial assets (continued)**

(p.1.3) Financial assets at fair value through profit and loss

This category includes the trading portfolio. These are financial assets that have been designated as such upon initial recognition and which are managed and valued using the fair value criterion, and includes financial assets that do not comply with the conditions to be classified in the other two categories.

They are valued in the statement of consolidated financial position, with changes in value recorded directly in income when they occur.

Purchases and sales of financial assets are accounted for using their trade date.

**(p.2) Cash and cash equivalents**

This account within the consolidated statement of financial position includes cash, bank balances, time deposits and other highly-liquid short-term investments (less than 90 days from the investment acquisition date) that can be quickly converted into cash and have a low risk of value fluctuations.

**(p.3) Impairment of financial assets**

The Company and its subsidiaries apply an impairment model that is based on the expected loan losses, in accordance with the requirements of IFRS 9. This model is applied to financial assets measured at amortized cost or at fair value with changes in other comprehensive income, except for investments in equity instruments.

Impairment provisions are measured on the basis of:

- Loan losses expected in the next 12 months, or

- Expected loan losses throughout the life of the asset if there has been a significant increase in the credit risk of a financial instrument from its initial recognition to the reporting date.

The Company and its subsidiaries apply a simplified approach to trade receivables, contractual assets or leasing receivables, so that the impairment loss is always recorded by reference to the expected losses over the life of the asset.

**(p.4) Non-derivative financial liabilities**

The Company and its subsidiaries classified its financial liabilities using the following categories: fair value through profit and loss, derivatives designated as effective hedging instruments and amortized cost.

Management determines the classification of its financial liabilities upon initial recognition. Financial liabilities are derecognized when the obligation is settled, canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of the existing liability are substantially modified, the original liability is derecognized and the new liability recognized with the difference in the respective book values recorded in income. Financial liabilities are initially recognized at fair value and, in the case of loans, include costs directly attributable to the transaction.

Subsequent measurement of financial liabilities depends on their classification.

(p.4.1) Amortized cost

Other financial liabilities are subsequently measured at their amortized cost using the effective interest method. Amortized cost is calculated by taking into account any initial premium or discount on the loan and includes any transaction costs that are an integral part of the effective interest rate. This category includes trade and other payables and loans included in Other current and non-current financial liabilities.

**Note 2 – Summary of significant accounting policies (continued)**

**(p) Financial instruments – initial recognition and subsequent measurement (continued)**

**(p.4) Non-derivative financial liabilities (continued)**

(p.4.2) Fair value through profit and loss

Financial liabilities are classified as at fair value through profit and loss when they are held for trading or designated as such upon initial recognition. Gains and losses from liabilities held for trading are recognized in income. This category includes derivative instruments not designated for hedge accounting.

No financial liabilities have been designated at fair value through profit and loss as of December 31, 2021 and 2020, except for derivative instruments.

**(p.5) Derecognition of financial assets and liabilities**

Financial assets are derecognized when:

- The rights to receive cash flows related to those assets have expired or have been transferred or contractual obligations have been assumed that determine the payment of these flows to one or more receivers.

- The Company has substantially transferred the risks and rewards of ownership, or if these are not substantially transferred or retained, when it does not control the asset.

Transactions where the Company substantially retains all the risks and benefits, which are inherent to owning a financial asset, are recorded as a liability for the consideration received. The costs of the transaction are recorded in the income statement using the effective interest method.

Financial liabilities are derecognized when the obligation arising from those liabilities has been paid, canceled or expired.

**(p.6) Offsetting financial assets and liabilities**

The Company offsets its financial assets and liabilities, and the net amount is presented in the consolidated statement of financial position, only when:

- There is a legally enforceable right to offset the amounts recognized, and

- There is an intention to settle on a net basis, or to recover the asset and settle the liability simultaneously.

These rights can only be legally enforceable within the normal course of business, or if one or all of the counterparties becomes insolvent or bankrupt.

**Note 2 – Summary of significant accounting policies (continued)**

**(p) Financial instruments – initial recognition and subsequent measurement (continued)**

**(p.7) Fair value measurement**

The fair value of an asset or liability is defined as the price that would be received for selling an asset or paid for transferring a liability, in an orderly transaction between market participants at the measurement date.

Fair value measurement assumes that the transaction to sell an asset or transfer a liability occurs in the principal market, which is the market handling the greatest volume for that asset or liability. In the absence of a principal market, it is assumed that the transaction is carried out on the market most advantageous for the entity, which is the market that maximizes the sales value of the asset or minimizes the payment to transfer the liability.

The Company measures fair value using valuation techniques that are appropriate in the circumstances and where sufficient data is available to measure the fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Assets and liabilities measured at fair value can be classified into the following levels based on the hierarchy of input data used in their valuation techniques:

- Level 1: Quoted (unadjusted) price in an active market for identical assets and liabilities.
- Level 2: Inputs other than quoted prices included in level 1 that are observable for assets or liabilities, either directly (as a price) or indirectly (as a derivative of a price). The methods and assumptions used to determine the fair values for level 2, per class of financial assets or liabilities, consider the estimated future cash flows.
- Level 3: Inputs for assets or liabilities that are not based on observable market information (non-observable inputs).

**(p.8) Classification of financial instruments and financial liabilities**

The classification of financial instruments and financial liabilities according to their category and valuation are reported in Note 27 Financial assets and liabilities.

**(q) Current and deferred taxes**

**(q.1) Income taxes**

Income tax assets and liabilities for the current and previous year have been determined considering the amount that is expected to be recovered or paid in accordance with current law or that substantially promulgated at the date of the consolidated statement of financial position in all countries where the Company generates taxable income.

The effects are recognized as a charge or credit to comprehensive income except for items directly recognized in equity accounts which are shown in Other reserves.

**(q.2) Deferred taxes**

Deferred taxes have been determined using the liability method on temporary differences between the tax assets and liabilities and their respective book values.

Deferred tax liabilities are recognized for all taxable temporary differences, with the exception of the following transactions:

- The initial recognition of goodwill.
- Acquired goodwill whose amortization is not deductible for tax purposes.
- The initial recognition of an asset or liability on a transaction that:
  (1) is not a business combination, and
  (2) at the time of the transaction does not affect the accounting or tax income.

**Note 2 – Summary of significant accounting policies (continued)**

**(q) Current and deferred taxes (continued)**

**(q.2) Deferred taxes (continued)**

- Temporary tax differences associated with investments in subsidiaries, associates and interests in joint ventures, where the opportunity of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the near future.

Deferred tax assets are recognized for all deductible temporary differences and tax credits for non-utilized tax losses, provided there is the probability that there will be taxable earnings available with which they can be used, with the following exceptions:

- The initial recognition of an asset or liability on a transaction that:
  (i) is not a business combination, and
  (ii) at the time of the transaction does not affect the accounting or tax income.

With respect to deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets are only shown to the extent that there is a probability that the temporary differences will be reversed in the near future and that there will be available taxable earnings with which they can be used.

As of the date of the consolidated statement of financial position, the book value of deferred tax assets is revised and reduced to the extent that it is probable that there is insufficient available taxable income to permit the recovery of all or part of the asset.

Deferred tax assets and liabilities are measured at the tax rates expected to be applicable in the year the asset is realized or liability liquidated, on the basis of the tax rates and tax laws that have been promulgated or substantially promulgated at the date of the consolidated statement of financial position.

Deferred taxes related to items recognized directly to equity are recognized against equity and not against comprehensive income.

Deferred tax assets and liabilities are offset if there is a legal right to offset tax assets against tax liabilities and the deferred tax is related to the same entity and tax authority.

**(r) Intangible Assets**

**(r.1) Goodwill**

Goodwill represents the difference between the acquisition value of shares or corporate rights in subsidiaries, associates and joint ventures and the fair value of the assets and liabilities, including identifiable contingent liabilities, at the date of acquisition. Goodwill related to acquisitions of associates and joint ventures is included in investments recognized using the equity and joint-ventures method.

Goodwill arising from the acquisition of subsidiaries, joint ventures or associates with a functional currency other than the Chilean peso, is valued in the functional currency of the company acquired, making the translation to Chilean pesos at the exchange rate current on the date of the consolidated statement of financial position.

When the subsidiary LQIF first adopted IFRS, it revalued its investment in the subsidiaries Banco de Chile, SM Chile and SAOS acquired in March 2001, in accordance with IFRS 1, calculating the difference between the acquisition value and fair value of the identifiable assets and liabilities including the identifiable contingent liabilities as of that date.

With the exception of the above, goodwill generated prior to the transition date to IFRS and which corresponds to acquisitions made prior to March 2001, is maintained at the net value recognized at the date of transition from Chilean GAAP to IFRS.

Goodwill is not amortized and at the close of the accounting period it is tested for indications of impairment that may reduce the recoverable value to an amount below the net book cost, in which case an adjustment for impairment is made. Impairment adjustments relating to goodwill cannot be reversed in subsequent years.

As of the date of these consolidated financial statements there are no indications of impairment that warranted making any adjustment.

**Note 2 – Summary of significant accounting policies (continued)**

**(r) Intangible Assets (continued)**

**(r.2) Port concessions**

The subsidiary SM SAAM has port concessions that are recognized under IFRIC12. They are recorded as intangible assets as they have the right to collect income based on use. The cost of these intangible assets includes the mandatory infrastructure defined in the concession contract and the present value of all minimum contract payments, for which a financial liability is recorded for the value of the intangible asset.

These consolidated financial statements contain port concession agreements recorded by indirect subsidiaries Iquique Terminal Internacional S.A., Terminal Marítima Mazatlán S.A. de C.V., Sociedad Portuaria Caldera S.A. and Sociedad Portuaria Granelera de Caldera S.A. The indirect associates that record port concession agreements in their financial statements are Antofagasta Terminal Internacional S.A., San Antonio Terminal Internacional S.A., San Vicente Terminal Internacional S.A. and Puerto Buenavista S.A.

**(r.3) Customer relationships**

The subsidiary SM SAAM has intangible assets called "Customer Relationships" that arose during business combinations. They are amortized over the estimated benefit return period associated with the customer portfolio for each company at the acquisition date. These assets have been amortized since July 1, 2014 (ST Canada) and November 1, 2019 (ST Brazil), November 1, 2020 (Aerosan Airport Services and Servicios Aeroportuarios Aerosan), and January 29, 2021 (Intertug), the date on which these transactions took place.

**(r.4) Intangible assets other than goodwill**

These are mainly trademarks, acquisition rights to customer portfolios and computer software.
Assets with a defined useful life are valued at cost less accumulated amortization and impairment. Useful life has been determined based on the period of time over which financial benefits are expected. The amortization period and method are reviewed annually and any change is treated as a change in an estimate.

The subsidiary LQIF has assigned indefinite useful lives to the brand Banco de Chile and the contract to use the Citibank brand, as it is expected that they will indefinitely contribute to generating net cash flows for the banking business. These assets are tested for impairment every year.

Assets with an indefinite useful life are valued at cost less accumulated impairment and are not amortized.

**(s) Asset impairment**

**(s.1) Financial investments held for sale**

At the date of closing the consolidated statement of financial position, the Company and its subsidiaries evaluate whether there is objective evidence that an investment held for sale has been impaired.

In the case of equity investments classified as held for sale, if there is a significant and prolonged reduction in the fair value of the investment below their acquisition costs, this is evidence of impairment. Should there be an impairment loss measured as the difference between their cost of acquisition and their present fair value, less any impairment previously recognized in comprehensive income, this is transferred from Other reserves to comprehensive income for the year. The reversal of impairment losses for these instruments is recognized directly in Other reserves.

**(s.2) Non-financial assets**

The Company and its subsidiaries regularly evaluate whether there are indications that any of its non-financial assets might be impaired. If there are such indications, the Company makes an estimate of the recoverable amount of the asset.

The recoverable amount of an asset is the higher of the fair value of an asset or cash-generation unit less the costs of sale and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are clearly independent of other assets or disposal groups.

When the book value of an asset exceeds its recoverable amount, the asset is considered impaired and is reduced to its recoverable amount.

In evaluating the value in use, the future estimated cash flows are discounted using a discount rate before tax that reflects current market conditions, the value of money over time and the specific risks of the asset.

**Note 2 – Summary of significant accounting policies (continued)**

**(s) Asset impairment (continued)**

**(s.2) Non-financial assets (continued)**

An appropriate valuation model is used for determining the fair value less sale costs. These calculations are corroborated by valuation multiples, the market prices of the shares for publicly-quoted subsidiaries or other available indicators of fair value.

Losses for impairment of continued operations are shown against comprehensive income in the categories of expenses associated with the function of the impaired asset, except for properties previously re-evaluated where the revaluation was recognized against equity. In this case, the impairment is also recognized as a charge to equity up to the amount of any previous re-evaluation.

Assets other than goodwill are tested every year for indications that the impairment loss previously recognized may no longer exist or have been reduced. The recoverable amount is estimated if such indications exist. An impairment loss previously recognized is reversed only if there have been changes in the estimates used in determining the recoverable amount of the asset since the last time that an impairment loss was recognized. If this is the case, the asset's book value is increased to its recoverable amount. This increased amount cannot exceed the resulting book value, net of depreciation, had an impairment loss never been recognized in previous years. This reversal is recognized as a credit to comprehensive income unless an asset is recorded at the revalued amount, in which case the reversal is dealt with as a revaluation increase.

**(s.3) Goodwill**

Goodwill is reviewed annually to determine whether any indicators of impairment exist, or more often if events or changes in circumstances indicate that the book value may be impaired.

Impairment is determined by evaluating the recoverable amount of the cash-generating unit (or group of cash-generating units) related to the goodwill.

For these purposes, goodwill is assigned from the date of acquisition to each unit or groups of cash-generating units that is expected to benefit from the synergies of the combination, notwithstanding that other assets or liabilities of the Company are assigned to these units or groups of units. Each unit or group of units to which goodwill is assigned:

(i) represents the lowest level within the Company to which the goodwill is monitored for internal management purposes, and

(ii) is no larger than a segment.

A loss for impairment is recognized when the recoverable amount of the cash-generating unit (or group of cash-generating units) is lower than the book value of the cash-generating unit (or group of cash-generating units) to which the goodwill is assigned. Impairment adjustments relating to goodwill cannot be reversed in subsequent years.

**(s.4) Intangible assets with indefinite useful lives**

The impairment of intangible assets with indefinite useful lives is tested annually at the individual level or the level of the cash-generating unit, as the case may be.

**(s.5) Associates and joint ventures**

Following the application of the equity value, the Company and its subsidiaries determine whether it is necessary to book a loss for additional impairment of the investment in its associates and joint ventures. Investments in associates or joint ventures are tested every year for objective evidence that they are impaired. If this were the case, the amount of impairment is calculated as the difference between the fair value of the associate and joint venture and the cost of acquisition and, should the acquisition value be higher, the difference is recognized against comprehensive income.

**Note 2 – Summary of significant accounting policies (continued)**

**(t) Provisions**

**(t.1) General**

Provisions are recognized when:

- The Company has an obligation with respect to a past event,
- It is probable that an outflow of resources will be required including financial benefits to settle the obligation,
- The value of the obligation can be reliably estimated.

Should the provision or part of it be reimbursed, the reimbursement is shown as a separate asset only if its collection is certain.

The charge for any provision is shown net of any reimbursement in the consolidated statement of comprehensive income.

If the effect of the value of money over time is significant, provisions are discounted using a discount rate before tax that reflects the specific risks of the liability. When a discount rate is used, the amount of the provision due to the passage of time is recognized as a financial cost.

**(t.2) Provisions for employee benefits – Termination benefits**

The indirect subsidiary Enex has agreed a termination benefit plan with its personnel for years of service, equivalent to one month's wages for every year worked as from the third year. The provision has been calculated using the actuarial value. The actuarial value involves assumptions being made about discount rates, expected returns on assets, future wage increases, mortality rates and future pension increases. Given the long-term nature of these plans, such estimates are subject to considerable uncertainty.

The subsidiary SM SAAM and subsidiaries have agreed a termination benefit with their personnel based on years of service and have calculated this obligation using the actuarial value method, based on the terms of current agreements and contracts.

**(t.3) Provision for post-retirement fund**

The indirect subsidiary Enex has had a pension fund for its employees since 1987. The cost of the benefit has been determined based on an actuarial calculation using the so-called "aggregate funding" method, made by external professionals. This calculation considers an annual discount rate of 5.65%, which is the rate at which long-term inflation-indexed financial instruments are traded.

**(t.4) Provisions for employee benefits - Personnel vacations**

The Company and its subsidiaries have made provisions for personnel vacations on an accrual basis.

**(t.5) Provisions for employee benefits - Bonuses**

The Company and its subsidiaries recognize a liability for bonuses for their senior executives on an accrual basis, where appropriate.

**(t.6) Provisions for removal of tanks**

The indirect subsidiary Enex has provided for tank removal costs, according to legal obligations imposed by the Superintendency of Electricity and Fuels, which are valued at the present value of tank removal costs based on their capacity, an applicable discount rate and their estimated remaining useful lives.

**(u) Interest-bearing loans**

All loans are initially recognized at the fair value of the payment received less the direct costs attributable to the transaction. Subsequent to initial recognition they are measured at amortized cost using the effective interest method.

Amortized cost is calculated taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest method. Interest accrued at this effective interest rate is included in "Finance costs" in the consolidated statement of income.

**Note 2 – Summary of significant accounting policies (continued)**

## (v) Derivative financial instruments and hedging activities

The Company and its subsidiaries use derivative financial instruments such as interest rate swaps, cross currency swaps and currency forwards to hedge its risks associated with interest and exchange rate fluctuations.

Derivatives are initially recognized at fair value on the date on which the derivative contract is signed and are subsequently re-measured at their fair value. The method for recognizing the loss or gain resulting from changes in the fair value depends on if the derivative has been designated as a hedging instrument and, if so, of the nature of the hedged item. The Company designates certain derivatives as fair value hedges and cash flow hedges.

The Company and its subsidiaries document the relationship between hedge instruments and hedged items at the beginning of the transaction, as well as its risk management objectives and strategy for carrying out diverse hedge transactions. The Company and its subsidiaries also document their assessment, both at inception and subsequently on an ongoing basis, of the effectiveness of the hedge in offsetting movements in the fair values or cash flows of the hedged items.

### (v.1) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the consolidated income statement, together with any change in the fair value of the hedged asset or liability that are attributable to the hedged risk.

### (v.2) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in Other Comprehensive Income within the cash flow hedge reserve. Any loss or gain related to the ineffective portion is recognized immediately in the Income Statement within Financial Expenses and Foreign Currency Exchange Differences, based on their nature. Amounts accumulated in Other reserves are recorded in the consolidated income statement for the period when the hedged item impacts it. For variable interest rate hedges, the amounts recognized in equity are reclassified to Financial Expenses as the associated debts accrue interest. For cross currency and interest swaps, the amounts recognized in Other reserves are reclassified to the income statement as Financial Expenses provided that interest is accrued, together with any exchange differences arising on valuing the debt at closing exchange rates. A hedge is considered highly effective when it meets the requirements of IFRS 9. When a hedge instrument matures, is sold or when it no longer meets hedge accounting requirements, gains or losses accumulated in Other reserves remain in equity and are recognized when the forecast transaction affects the consolidated income statement. When the forecast transaction is not expected to occur, any accumulated gain or loss in Other reserves is immediately recognized in the income statement within Financial Expenses or Foreign Currency Exchange Differences, based on their nature.

### (v.3) Derivatives not designated as hedges

Certain derivatives are not recorded using hedge accounting and are recognized as instruments at fair value through profit and loss. Changes in the fair value of any derivative instrument recorded in this way are recognized immediately in the consolidated income statement.

As of December 31, 2021 and 2020, the Company has derivative instruments and hedges as disclosed in Note 21 i).

### (v.4) Embedded derivatives

The Company evaluates whether there are embedded derivatives in financial and non-financial instrument contracts, which are not already accounted for as assets or liabilities at fair value through profit or loss, to determine if their characteristics and risks are closely related to the host contract. If they are not closely related, embedded derivatives are separated from the host contract and recorded at fair value with changes recognized immediately in the consolidated income statement.

**Note 2 – Summary of significant accounting policies (continued)**

**(w) Cash and cash equivalents**

Cash equivalents relate to short-term and highly-liquid investments that are easily convertible into known amounts of cash, subject to an insignificant risk of change in their value, and mature in no more than three months.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and the cash equivalent as defined above, net of bank overdrafts.

The consolidated statement of cash flows shows the cash movements during the year using the direct method, except for the banking business. The terms used in these cash flow statements are defined as follows:

- Cash flows: Cash inflows and outflows or of other equivalent means, these being investments with a term of less than three months, highly liquid and a low risk of changes in value.
- Operating activities: Activities that constitute the principal source of the Company's revenue, plus other activities that cannot be classified as investment or financing.
- Investment activities: Activities involving the acquisition, sale or disposal by other means of non-current assets and other investments not included in cash and cash equivalents.
- Financing activities: Activities that bring about changes in the size and composition of equity and financial liabilities.

**(x) Earnings per share**

Basic earnings per share is calculated as the ratio of earnings (loss) for the year attributable to the Company to the weighted average number of common shares in circulation during that year, excluding the average number of shares of the Parent company held by any subsidiary company.

**(y) Current and non-current classification**

Except for the banking subsidiaries, balances in the consolidated statement of financial position are classified as a function of their maturities, i.e. current being those maturing in twelve months or less and non-current those maturing in over one year. Should the company have any obligations that mature in less than twelve months but can be refinanced over the long term at the Company's discretion, through unconditionally available credit agreements with long-term maturities, such obligations may be classified as long-term liabilities.

**(z) Minimum dividend**

Article 79 of Chile's Corporations Law establishes that, except if unanimously agreed otherwise by shareholders of all issued shares, listed corporations should distribute a cash dividend to its shareholders on a yearly basis, prorated based on their shares or the proportion established in the company's by-laws if there are preferred shares, of at least 30% of net income for each period, except when accumulated losses from prior years must be absorbed. Considering that to achieve a unanimous agreement is practically impossible given the well-spread composition of the share capital of Quiñenco, the minimum dividend obligation to shareholders is determined at the end of each year, net of the interim dividends that may have been approved during the year and are recognized under the heading Other current liabilities as a charge to an account included in equity called Retained earnings (accumulated losses). Interim and final dividends are deducted from "equity" as soon as they are approved by the competent entity, which in the first case is normally the Company's Board of Directors and in the second case is shareholders at the General Shareholders' Meeting.

**(aa) Segment reporting**

Operating segments are defined as the components of a company on which the information in the financial statements is available and is constantly evaluated by the principal organ that takes decisions on the assignment of funds and evaluation of performance. The Company operates in six business segments: Manufacturing, Financial, Energy, Transport, Port Services and Other (Quiñenco and others). The associate CCU is presented in the Other segment.

**Note 2 – Summary of significant accounting policies (continued)**

**The main accounting policies of the Financial Banking Institutions regulated by the Financial Market Commission are presented below.**

**(bb) Legal provisions**

Decree Law 3,538 of 1980, in accordance with the text replaced by Article 1 of Law 21,000 that "Establishes the Financial Market Commission", provides in Article 5, paragraph 6, that the Financial Market Commission may "set the standards for the preparation and presentation of the reports, balance sheets, statements of position and other financial statements of the audited entities and determine the principles in accordance with which they must keep their accounts".

According to regulations, banks must use the accounting principles mandated by the CMF and any matter not addressed therein, as long as it does not contradict its instructions, should adhere to generally accepted accounting principles in technical standards issued by the Chilean Association of Accountants, which coincide with IFRS issued by the IASB. If differences arise between these generally accepted accounting principles and the accounting criteria issued by the CMF, the latter shall prevail.

**(cc) Basis of consolidation**

The financial statements of Banco de Chile as of December 31, 2021 and 2020, have been consolidated with those of its subsidiaries using the global integration method (line by line). These consist of the preparation of the individual financial statements of Banco de Chile and of the companies in the consolidation, and include the adjustments and reclassifications necessary for standardizing their accounting policies and valuation criteria with those used by Banco de Chile. The consolidated financial statements have been prepared using uniform accounting policies for similar transactions and other events in equivalent circumstances.

Transactions and significant balances (asset, liabilities, equity, revenue, expenses and cash flows) from transactions between Banco de Chile 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 de Chile is not directly or indirectly the owner, and is shown separately in the consolidated equity and results of Banco de Chile.

**(cc1) Subsidiaries**

The consolidated financial statements as of December 31, 2021 and 2020, incorporate the financial statements of the Bank and the controlled companies (subsidiaries) in accordance with IFRS 10 “Consolidated financial statements.” Control is achieved when the Bank is exposed, or is entitled, to variable returns from its involvement in the investee and has the ability to influence those returns through its power over it. Specifically, a company controls a subsidiary when it has rights that give it the ability to direct the subsidiary’s business.

When the Bank has less than the majority of voting rights in an investee, but these voting rights are sufficient to give it the practical ability to unilaterally direct the investee's relevant activities, the Bank is determined to have control. The Bank considers all relevant factors and circumstances in evaluating whether voting rights are sufficient to obtain control, including:

- The voting rights held by the Bank, compared to the number and distribution of the rights held by other vote holders.
- Potential voting rights held by the Bank, other vote holders or other parties.
- Rights from other contractual agreements.
- Any additional facts and circumstances that indicate that the Bank can direct the business when such decisions have to be taken, including the voting-pattern behavior at previous shareholders’ meetings.

**Note 2 – Summary of significant accounting policies (continued)**

**(cc) Basis of Consolidation (continued)**

**(cc1) Subsidiaries (continued)**

The Bank reevaluates whether or not it has control in any subsidiary if the facts and circumstances indicate that there have been changes in one or more of the elements of control listed above.

The entities that the Bank controls and consolidates are detailed as follows:

**Interests of the subsidiary Banco de Chile in its subsidiaries**

| Chilean ID number | Entity | Country | Functional currency | Ownership interest | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Direct | | Indirect | | Total | |
| | | | | 2021 % | 2020 % | 2021 % | 2020 % | 2021 % | 2020 % |
| 96.767.630-6 | Banchile Administradora General de Fondos S.A. | Chile | Ch$ | 99.98 | 99.98 | 0.02 | 0.02 | 100.00 | 100.00 |
| 96.543.250-7 | Banchile Asesoría Financiera S.A. | Chile | Ch$ | 99.96 | 99.96 | — | — | 99.96 | 99.96 |
| 77.191.070-K | Banchile Corredores de Seguros Ltda. | Chile | Ch$ | 99.83 | 99.83 | 0.17 | 0.17 | 100.00 | 100.00 |
| 96.571.220-8 | Banchile Corredores de Bolsa S.A. | Chile | Ch$ | 99.70 | 99.70 | 0.30 | 0.30 | 100.00 | 100.00 |
| 96.932.010-K | Banchile Securitizadora S.A. in liquidation (*) | Chile | Ch$ | 99.01 | 99.01 | 0.99 | 0.99 | 100.00 | 100.00 |
| 96.645.790-2 | Socofin S.A. | Chile | Ch$ | 99.00 | 99.00 | 1.00 | 1.00 | 100.00 | 100.00 |

(*) This company is being liquidated. See Note 40.3 b).

**(cc2) Associates and joint arrangements**

***Associates***

These are entities in which the Bank has the capacity to exercise a significant influence, although not control. Normally, this ability requires an interest of between 20% and 50% of the voting rights. Other factors considered in determining whether there is significant influence over an entity include representation on the Board of Directors and any material transactions. Such factors could determine whether there is significant influence over an entity, despite holding less than 20% of the voting rights.

Investments in associates with significant influence, are recognized using the equity method. According to the equity method, investments are initially recorded at cost and subsequently increased or decreased to reflect the Bank's share of the associate's net profit or loss and other movements in the associate's equity. Any goodwill arising from the acquisition of a company is included in the investment's book value, net of accumulated impairment losses.

***Joint arrangements***

Joint arrangements are contractual agreements through which two or more parties undertake an economic activity that is subject to joint control. Joint control exists when decisions on important activities require the unanimous consent of both parties.

According to IFRS 11 "Joint Arrangements", an entity must choose whether its joint arrangement is either a "Joint operation" or a "Joint venture".

Investments defined as a "Joint operation" are recognized by recording the assets, liabilities, revenue and expenses relating to its interest in a joint operation.

An interest classified as a "Joint venture" is recognized using the equity method.

The following are investments that have been defined as joint ventures:

- Artikos S.A.
- Servipag Ltda.

**Note 2 – Summary of significant accounting policies (continued)**

**(cc) Basis of Consolidation (continued)**

**(cc3) Shares or rights in other companies**

The Company has no control or significant influence over these companies. These interests are recorded at acquisition value (historical cost) less any impairment losses.

**(cc4) Special purpose entities**

In accordance with current regulations, the Bank must continuously analyze its consolidation perimeter, bearing in mind that the key criteria is the degree of control that the Bank has over a given entity, and not its ownership interest in its equity.

As of December 31, 2021 and 2020, the Bank does not control and has not created any special purpose entities.

**(cc5) Fund management**

The Bank and its subsidiaries manage and administer assets held in mutual investment funds and other means of investments on behalf of investors, receiving remuneration in accordance with the service provided and market conditions. The resources managed belong to third parties and are not included in the consolidated statement of financial position.

As established in IFRS 10, for the purposes of consolidation it is necessary to assess the role that the Bank and its subsidiaries play with respect to the funds managed, to determine whether this role is as agent or principal. This evaluation must take into account the following elements:

- Scope of its decision-making authority over the investee.
- Rights held by other parties.
- Fees it is entitled to in accordance with the fee agreement.
- Decision-maker's exposure to variability of returns from other interests that it holds in the investee.

The Bank and its subsidiaries manage on behalf and for the benefit of investors, acting solely as agent. They do not control the funds in that category, when exercising their authority to take decisions, as established in the regulations. Therefore, as of December 31, 2021 and 2020, it acts as agent and no funds are consolidated.

**(dd) Non-controlling interests**

Non-controlling interests represent the proportion of earnings and net assets that the Bank does not control. They are presented in the consolidated statement of income and the consolidated statement of financial position separately from the Bank's owners' equity.

**(ee) Estimates and judgments**

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the value of assets, liabilities, income and expenses. Actual results may differ from these estimates. These estimates refer to:

1. Provisions for loan losses (Notes 40.9, 40.10 and 40.29)
2. Useful life of intangible assets, property, plant and equipment and right-of-use leased assets (Notes 40.13 and 40.14)
3. Current and deferred taxes (Note 40.15)
4. Provisions (Note 40.22)
5. Contingencies and commitments (Note 40.24).
6. Fair value of financial assets and liabilities (Note 40.36).

Significant estimates and assumptions are reviewed regularly by the Bank's management, in order to quantify certain assets, liabilities, revenue, expenses and commitments. Revisions to accounting estimates are recognized in the year they are revised.

These estimates have not significantly changed during the year ended December 31, 2021.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 2 – Summary of significant accounting policies (continued)**

**(ff) Valuation of assets and liabilities**

Asset and liability valuation is the process of determining the monetary value of elements in the financial statements that are included in the consolidated statement of financial position and consolidated statement of comprehensive income. Therefore, a particular valuation method is required.

Various valuation methods are employed to various degrees and in various combinations in the consolidated financial statements. These methods are as follows.

**(ff1) Initial recognition**

The Bank and its subsidiaries recognize loans and receivables from customers, trading and investment instruments, deposits, debt instruments issued, subordinated loans and other assets or liabilities on the trade date. Purchases and sales of financial assets made regularly are shown on the date of trading on which the Bank is committed to buy or sell the asset.

**(ff2) Classification**

The assets, liabilities and income have been classified in accordance with instructions issued by the CMF.

**(ff3) Derecognition of financial assets and liabilities**

The Bank and its subsidiaries derecognize financial assets from their statements 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.

When the Bank transfers a financial asset, it assesses to what extent it has retained the risks and rewards of ownership. In this case:

(a) If the risks and rewards inherent in ownership of the financial asset are substantially transferred, it is de-recognized and any rights and obligations created or retained in the transfer will be shown separately, as assets or liabilities.

(b) If the risks and rewards inherent in ownership of a financial asset are substantially retained, it will continue to recognize it.

(c) If all the risks and rewards inherent in ownership of a financial asset are not substantially transferred or retained, it will determine whether control over the financial assets has been retained. In this case:

  (i) If the Bank has not retained control, the financial asset will be derecognized and any rights or obligations created or retained upon transfer will be recognized separately as assets or liabilities.

  (ii) If the Bank has retained control, the financial asset will continue to be recognized in the statement of financial position for an amount equal to its exposure to changes that a financial liability may experience and recognize a financial liability associated with the financial asset transferred.

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.

**Note 2 – Summary of significant accounting policies (continued)**

**(ff) Valuation of assets and liabilities (continued)**

**(ff4) Offsetting**

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if, and only if, the Bank has the legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize an asset and settle the liability simultaneously.

Revenue and expenses are shown net only when permitted by accounting principles, or in the case of gains and losses arising from a group of similar transactions such as the Bank's trading and exchange activities.

**(ff5) Valuation at amortized cost**

Amortized cost is understood to be the cost of a financial asset or liability corrected for capital reimbursements, plus or less accumulated amortization (calculated using the effective interest method) of any difference between the initial amount and the repayment amount at maturity, and less any reduction through impairment.

**(ff6) Measurement of fair value**

Fair value is the amount that would be received for selling an asset or paid for transferring a liability in an orderly transaction between participants in the main (or most advantageous) market as of the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. The most objective and usual benchmark for the fair value is the price paid for it in an active, transparent and deep market ("quoted price" or "market price").

When available, the Bank determines the fair value of an instrument by using prices quoted on an active market for that instrument. A market is called active if the prices quoted are easily and regularly available, represent actual transactions and occur regularly on an independent basis.

If the market for a financial instrument were not active, the Bank determines the fair value by using a valuation technique. The valuation techniques include the use of recent market transactions between interested and duly-informed parties acting in conditions of mutual independence, if available, and references to fair value of another substantially-equal financial instrument, discounted cash flows and option price-setting models.

The valuation technique chosen makes the maximum use possible of information obtained in the market, using the least possible amount of data estimated by the Bank, incorporates all the factors that market participants would consider for setting the price, and be consistent with the economic methodologies generally accepted for calculating the price of financial instruments. The variables used for the valuation technique fairly represent market expectations and reflect the risk-return factors inherent to the financial instrument. The valuation technique is regularly revised by the Bank to prove its validity by using prices of any other recent and observable market transaction in the same instrument or that are based on any observable and available market data.

The best evidence of the fair value of a financial instrument, when initially recognizing it, is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument can be better shown through comparison with other real market transactions observed for the same instrument (i.e. without modifying or presenting a different form of it) or through a valuation technique whose variables include just observable market data. However, when the transaction price provides the best evidence of fair value at its initial recognition, the financial instrument is initially valued at the transaction price and any difference between that price and the value obtained initially from the valuation model is shown later in the income statement.

**Note 2 – Summary of significant accounting policies (continued)**

**(ff) Valuation of assets and liabilities (continued)**

**(ff6) Measurement of fair value (continued)**

The Bank generally has financial assets and liabilities that compensate market risks, and it uses average market prices as a basis for establishing their fair value.

Subsequently, these estimated fair values are adjusted by other factors, such as uncertainties in the risk or liquidity model, to the degree that the Bank believes that another market participant takes them into account in determining the price of a transaction.

The Bank's fair value disclosures are included in Note 40.36.

**(gg) Functional currency**

The items included in the consolidated financial statements of Banco de Chile and its subsidiaries are valued using the currency of the principal economic environment in which the entity operates (the functional currency). The functional and presentational currency of these consolidated financial statements of Banco de Chile is the Chilean peso, which is the currency of the primary economic environment in which the Bank operates, and is also the currency that influences the costs and revenue structure.

**(hh) Foreign currency transactions**

Transactions in a currency other than the functional currency are considered to be in foreign currency and are initially recognized at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate of the functional currency on the date of the statement of financial position. All differences are recognized as a charge or credit to the income statement.

As of December 31, 2021, the Bank and its subsidiaries applied the accounting representation exchange rate according to CMF instructions, so assets in US dollars are shown at their equivalent value in Chilean pesos calculated at the market exchange rate of Ch$852.63 per US$1 (Ch$711.90 per US$1 in 2020).

The balance of ThCh$15,961,538 is the net exchange loss (net exchange gain of ThCh$156,663,550 in 2020) and is shown in the consolidated income statement. It includes the effects of exchange rate changes on the assets and liabilities in foreign currency or indexed to the exchange rate, and the result of the exchange transactions of the Bank and its subsidiaries.

**(ii) Operating segments**

The Bank discloses segment information in accordance with IFRS 8. The operating segments of the Bank are based on its business units and these are defined as follows.

(i) Business transactions that generate revenue and expenses (including revenue and expenses from transactions with other components of the same entity).

(ii) Whose operating results are reviewed regularly by senior decision makers, in order to assign resources to segments and evaluate their performance.

(iii) Differentiated financial information for each segment is available.

**Note 2 – Summary of significant accounting policies (continued)**

**(jj) Statement of cash flows**

The consolidated cash flow statement indicates changes in cash and cash equivalents arising from operating activities, investing activities and financing activities during the period.

The indirect method has been used to prepare the statement of cash flows.

The following concepts have been used in preparing the statement of cash flows.

(i) Cash and cash equivalents are the heading "Cash and bank deposits", plus (minus) the net balance of transactions in the course of collection in the statement of consolidated financial position, plus highly-liquid trading and securities held for sale with insignificant risk of changing value, maturing in no more than three months from the date of acquisition, and repurchase agreements with similar conditions. They also include investments in fixed-income mutual funds that are shown under Trading instruments, in accordance with instructions issued by the CMF.

(ii) Operating activities: the normal activities performed by the Bank, and others that cannot be qualified as investing or financing activities.

(iii) Investing activities: the acquisition and disposal by other means of long-term assets and other investments not included in cash and cash equivalents.

(iv) Financing activities: activities that produce changes in the size and composition of equity and liabilities that do not form part of operating or investing activities.

**(kk) Trading instruments**

Trading instruments 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.

Trading instruments are measured at fair value Their accrued interest and indexation, gains or losses arising from adjustments in their valuation to fair value, plus trading profits, are included in "Net gain (loss) from financial operations" in the consolidated income statement.

**(ll) Repurchase agreements and securities lending**

Resale agreements are a form of investment. Under these agreements, financial instruments are bought, which are included as assets in "Investments under resale agreements and securities borrowing" and are valued according to the agreed interest rate by the amortized cost method. Under current regulations, the Bank does not recognize as own portfolio those instruments bought under resale agreements.

Resale agreements are also a form of financing. Investments that are sold are subject to a repurchase obligation and serve as a guarantee for the loan forming part of their respective headings "Instruments for trading" or "Investment instruments held for sale". The repurchase obligation of the investment is classified as the liability "Repurchase agreements and security lending", which is valued according to the agreed interest rate.

As of December 31, 2021 and 2020, there were no securities lending transactions.

**Note 2 – Summary of significant accounting policies (continued)**

**(mm) Financial derivative contracts**

A "Financial Derivative" is a financial instrument whose value changes in response to changes in an observable market variable (such as an interest rate, exchange rate, the price of a financial instrument or a market index, including credit ratings), whose initial investment is very small relative to other financial instruments with a similar response to changes in market conditions and which is generally settled at a future date.

The Bank has financial derivative contracts to hedge exposures to currency and interest-rate risks. These are initially recognized in the statement of financial position at cost (including transaction costs) and later at their fair value. Derivative contracts are reported as an asset when their fair value is positive and as a liability when it is negative, under the heading "Financial derivative contracts".

Changes in the fair value of the financial derivative contracts held for trading are included in "Net income (loss) from financial operations" in the consolidated income statement.

In addition, the Bank includes in the valuation of derivatives the "Credit valuation adjustment (CVA)" to reflect the counterparty risk in the determination of fair value, and the Bank's own credit risk, known as "Debit valuation adjustment (DVA)".

Certain derivatives included in other financial instruments are treated as separate derivatives when their risk and characteristics are not closely related to those of the principal contract and this is not recognized at its fair value with its unrealized gains and losses included in the income statement.

At inception, a derivative contract must be designated by the Bank as a derivative instrument for trading or hedging purposes.

If a derivative instrument is classified as a hedging instrument, it can be:

(1) A hedge of the fair value of assets or liabilities or firm commitments, or
(2) A cash-flow hedge related to existing assets or liabilities or expected transactions.

A hedge relationship for hedge accounting purposes must meet all of the following requirements:

(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 in a reasonable manner; and
(d) The hedge is highly effective with respect to the hedged risk on an ongoing basis and throughout the entire hedge relationship.

The Bank shows and values individual hedges (in which there is a specific relationship between hedged items and the hedging instruments) according to their classification, using the following criteria.

**Fair value hedge:** changes in the fair value of a derivative hedge instrument, designated as hedge of fair value, are recognized in income under the line "Net interest and indexation income" and/or "Net exchange differences", depending on the risk hedged. The item hedged is also shown at fair value in relation to the risk being hedged. Gains or losses attributable to the risk hedged are recognized in income under the line "Net interest and indexation income" and adjust the book value of the item hedged.

**Cash flow hedge:** changes in the fair value of a hedge instrument, designated as a cash-flow hedge are recognized in Valuation accounts in consolidated other comprehensive income provided the hedge is effective and is reclassified to income under the line "Net interest and indexation income" and/or "Net exchange differences" when the item hedged affects the Bank's income statement as a result of interest rate risk or exchange rate risk respectively. Should the hedge not be effective, the changes in fair value are recognized directly in the income statement for the year under the line "Net gain (loss) from financial operations".

**Note 2 – Summary of significant accounting policies (continued)**

**(mm) Financial derivative contracts (continued)**

If the hedging instrument no longer meets the criteria for cash flow hedge accounting, or it has expired, or been sold, suspended or executed, the hedge is discontinued prospectively. The accumulated gains or losses previously recognized to equity remain there until the projected transactions occur, when they are recognized in the consolidated income statement (under the line "Net interest and indexation income" and/or "Net exchange differences", depending on the type of risk hedged) unless it is foreseen that the transaction is not going to be carried out, in which case they are immediately recognized in the consolidated income statement (under the line "Net interest and indexation income" and/or "Net exchange differences", depending on the type of risk hedged).

**(nn) Loans and receivables from customers**

Originated and acquired loans and receivables from customers are non-derivative financial assets with fixed or defined payments that are not quoted on an active market and that the Bank has no intention of selling immediately or in the short term.

**(nn.1) Valuation method**

Loans and receivables from customers are valued initially at cost and income plus incremental transaction costs, and later measured at their amortized cost using the effective interest method less any impairment, except when the Bank defines specific loans as hedged items, which are valued at fair value through profit and loss, as described in Note 2 (ah).

**(nn.2) Lease agreements**

Receivables under lease agreements, included in Loans and receivables from customers, relate to the regular rental lease payments that meet the requirements for being classified as finance leases and are shown net of non-accrued interest at the close of each year.

**(nn.3) Factoring transactions**

They are valued at the amounts disbursed by the Bank in exchange for invoices or other credit-representative commercial instruments, with or without liability of the assignor, received at a discount. The difference between the disbursement and the nominal value of the invoices is recorded in the income statement as interest income using the effective interest rate method over the financing period.

In those cases where instruments are assigned without the assignor's responsibility, the Bank bears the insolvency risk of the party obliged to pay.

**(nn.4) Impaired portfolio**

The impaired portfolio is comprised of the following assets, as provided in Chapter B-1 of the CMF Compendium of Accounting Standards for Banks:

a) Debtors subject to individual evaluation, including loans in the “Default Portfolio” and those in categories B3 and B4 of the “Substandard Portfolio”, as defined in Note 2 nn 5.1.1.
b) Debtors subject to group evaluation including all loans in the “Default Portfolio”, as defined in Note 2 nn 5.2.2.

**(nn.5) Provisions for loan losses**

The Bank continually evaluates the entire portfolio of loans and contingent loans, with the objective of establishing sufficient provisions to cover the expected losses associated with the characteristics of these debtors and their loans, based on their payment history and subsequent recovery.

The provisions required to cover risks of losses on loans have been constituted according to CMF regulations. Loans are shown net of such provisions, and contingent loan provisions are shown as a liability under the heading Provisions.

Provisions for loan losses are constituted using models based on individual and group debtor analysis, as required by the CMF. These models and any change to their design and application are approved by the Bank's Board of Directors.

**Note 2 – Summary of significant accounting policies (continued)**

**(nn.5) Provisions for loan losses (continued)**

**(nn.5.1) Provisions by individual evaluation**

The individual analysis of debtors is necessary in the case of companies whose size, complexity or level of exposure with the entity requires knowing and analyzing them in detail.

Naturally, the analysis of debtors should be focused on their credit quality, defined by their capacity and willingness to meet their credit obligations, through sufficient and reliable information, and analyzing their credits in terms of guarantees, term, interest rates, currency, indexation, etc.

For provisioning purposes, the Bank should evaluate the credit quality of its debtors and their credit and contingent liabilities should be grouped by category, following the assignment of one of the following three portfolio conditions: Normal, Substandard and Default.

**(nn.5.1.1) Normal and substandard portfolios**

Normal portfolio: consists of those debtors whose payment capacity enables them to meet their obligations and commitments and it is not foreseen that this economic-financial situation will change. Loans in this portfolio are classified in categories A1 through A6.

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. Loans in this portfolio are classified in categories B1 through B4.

As a result of an individual debtor analysis, the Bank classifies debtors into the following categories and subsequently assigns a probability of default and loss given default that result in the following expected loss percentages:

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

**Note 2 – Summary of significant accounting policies (continued)**

**(nn) Loans and receivables from customers (continued)**

**(nn.5) Provisions for loan losses (continued)**

**(nn.5.1) Provisions by individual evaluation (continued)**

**(nn.5.1.1) Normal and substandard portfolios (continued)**

**Provisions for normal and substandard portfolios**

To determine the amount of provisions to be made for the normal and substandard portfolios, the exposure subject to provisions first has to be estimated, to which are applied the respective percentage losses (expressed in decimals) comprising the probability of default (PD) and loss given default (LGD) established for the category in which the debtor and/or its qualified guarantor is grouped, as the case may be.

The exposure subject to provisions corresponds to loans plus contingent credits, less amounts recoverable through the liquidation of collateral or financial guarantees that support transactions. Also, in special cases, the substitution of credit risk of the direct debtor for the credit quality of the co-signer or guarantor may be allowed. Loan is defined as the book value of the loans and receivables of the respective debtor while contingent loans are calculated by applying No. 3 of Chapter B-3 of the Compendium of Accounting Standards.

For real guarantees, the Bank must demonstrate that the value assigned to that deduction reasonably reflects the value that it will obtain from disposing of the assets or capital instruments. Also, in special cases, the substitution of credit risk of the direct debtor for the credit quality of the co-signer or guarantor may be allowed. In no case may the guaranteed securities be discounted from the amount of the exposure, as this procedure is only applicable in the case of financial or real guarantees.

For calculation purposes, the following must be considered:

Debtor provision = (PE-GE) x (PD debtor /100)x(LGD debtor/100)+GE x (PD guarantee /100)x(LGD guarantee /100)

Where:
PE = Provisioned exposure, (Loans + Contingent loans) - Financial or real guarantees

GE = Guaranteed exposure

However, the Bank should maintain a minimum provision of 0.50% of all loans and contingent credits of the normal portfolio.

**Note 2 – Summary of significant accounting policies (continued)**

**(nn) Loans and receivables from customers (continued)**

**(nn.5) Provisions for loan losses (continued)**

**(nn.5.1) Provisions by individual evaluation (continued)**

**(nn.5.1.2) Default portfolio**

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 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.

Provisioning percentages are used for recording provisions for the default portfolio, to be applied to the amount of exposure, which equates to the sum of loans and contingent credits of the same debtor.

Provisions are recognized for the default portfolio based on a provision percentage applied to the amount of the exposure, which is equal to the sum of the loans and contingent loans of the same debtor. In order to apply this percentage, first an expected loss rate must be estimated, minus the exposure of amounts recoverable by executing real and financial guarantees that support these transactions and, if there is concrete information to justify it, also minus the present value of the recoveries that can be obtained through collections, net of related collections expenses. That expected loss rate must fit into one of the six categories defined based on the range of losses effectively expected by the Bank for all loans of the same debtor.

These categories, their range of loss based on the Bank's estimates and the provision percentages that are applied to the exposed amounts, are described in the following table:

| Portfolio | Scale of Risk | Range of Expected Loss | Provision (%) |
|---|---|---|---|
| Default portfolio | C1 | Under 3% | 2 |
| | C2 | Between 3% and 20% | 10 |
| | C3 | Between 20% and 30% | 25 |
| | C4 | Between 30% and 50% | 40 |
| | C5 | Between 50% and 80% | 65 |
| | C6 | Over 80% | 90 |

For calculation purposes, the following must be considered:

Rate of Expected Loss = (E-R)/E
Provision = E × (PP/100)

Where:
E = Amount of exposure
R = Recoverable amount
PP = Provisioning percentage (according to the category in which the expected loss rate is grouped).

**Note 2 – Summary of significant accounting policies (continued)**

**(nn) Loans and receivables from customers (continued)**

**(nn.5) Provisions for loan losses (continued)**

**(nn.5.1) Provisions by individual evaluation (continued)**

**(nn.5.1.2) Default portfolio (continued)**

All loans due from the debtor must be held in the Default Portfolio until their payment capacity and behavior recovers, notwithstanding that each particular loan that complies with the conditions indicated in point (6) of this letter must be charged off. In order to remove a debtor from the default portfolio, the circumstances that led it to being classified as such under these rules must no longer exist and all the following conditions must be met:

- The debtor has no obligation to the Bank that is more than 30 calendar days past due.
- The debtor has not been granted any new refinancing to pay his obligations.
- At least one of the payments made was on the principal.
- If the debtor has any loan with partial payments within a period of less than six months, it has already made two payments.
- If the debtor must pay for one or more loans in monthly installments, at least four consecutive installments have been paid.
- The debtor has no direct unpaid debts based on information compiled by the CMF, except for insignificant amounts.

**(nn 5.2) Provisions by group evaluation**

Group evaluations are used to analyze a large number of credit operations whose individual amounts are small and consist of individuals and small businesses. These evaluations and the criteria for applying them should be congruent with those made in granting the credits. Group evaluations require the grouping of credits of similar characteristics like the type of debtor and the agreed terms, in order to establish by technically-justified estimates and following prudent criteria both the payment behavior of the group in question and of the recoveries of unpaid credits, and then the making of the necessary provisions to cover the portfolio risk.

Banks can use alternative methods for determining the provisions for retail loans evaluated as a group.

Under the first method, experience is relied on to explain the payment behavior of each homogeneous group of debtors and of recoveries through collecting guarantees and recovery actions, to estimate directly a percentage of expected losses to be applied to the amount of credits of the respective group.

Under the second, banks segment debtors into homogeneous groups, as indicated above, associating to each one a certain probability of default and a percentage of recovery based on a justified historical analysis. Provisions are calculated by multiplying the amount of the respective group's total credits by the estimated percentages of default and of loss given default.

Under both methods, estimated losses should reflect the type of portfolio and the term of the transactions.

The Bank has chosen the second method for calculating its provisions.

**Note 2 – Summary of significant accounting policies (continued)**

**(nn) Loans and receivables from customers (continued)**

**(nn.5) Provisions for loan losses (continued)**

**(nn 5.2) Provisions by group evaluation (continued)**

In the case of consumer loans, guarantees are not considered for the purpose of estimating the expected loss.

The Bank must recognize minimum provisions in accordance with the CMF standard method, if any. Provisions will be constituted for the higher value produced by the respective standard method and the internal method.

The Bank should distinguish between provisions for the normal portfolio and for the default portfolio, and which cover the risks of the contingent credits associated with those portfolios.

**(nn.5.2.1) Standard method for group portfolio provisions**

The standard methods presented below establish the variables and parameters that determine the provisioning factor for each portfolio that the CMF has defined as representative, according to the common characteristics shared by their transactions.

- **Residential mortgage portfolio**

The CMF has established that the provision is represented by the expected loss on residential mortgage loans and will depend on the arrears for each loan and the relationship at each month end between the outstanding loan principal and the value of the mortgage guarantee (loan-to-value ratio or LTV) that protects each loan, as shown in the following table:

| Provisioning factor according to delinquency status and LTV | | | | | | |
|---|---|---|---|---|---|---|
| | | Days past due at month end | | | | |
| LTV Range | Description | 0 | 1-29 | 30-59 | 60-89 | Default portfolio |
| LTV ≤ 40% | PD (%) | 1.0916 | 21.3407 | 46.0536 | 75.1614 | 100.0000 |
| | LGD (%) | 0.0225 | 0.0441 | 0.0482 | 0.0482 | 0.0537 |
| | EL (%) | 0.0002 | 0.0094 | 0.0222 | 0.0362 | 0.0537 |
| 40% < LTV ≤ 80% | PD (%) | 1.9158 | 27.4332 | 52.0824 | 78.9511 | 100.0000 |
| | LGD (%) | 2.1955 | 2.8233 | 2.9192 | 2.9192 | 3.0413 |
| | EL (%) | 0.0421 | 0.7745 | 1.5204 | 2.3047 | 3.0413 |
| 80% < LTV ≤ 90% | PD (%) | 2.5150 | 27.9300 | 52.5800 | 79.6952 | 100.0000 |
| | LGD (%) | 21.5527 | 21.6600 | 21.9200 | 22.1331 | 22.2310 |
| | EL (%) | 0.5421 | 6.0496 | 11.5255 | 17.6390 | 22.2310 |
| LTV > 90% | PD (%) | 2.7400 | 28.4300 | 53.0800 | 80.3677 | 100.0000 |
| | LGD (%) | 27.2000 | 29.0300 | 29.5900 | 30.1558 | 30.2436 |
| | EL (%) | 0.7453 | 8.2532 | 15.7064 | 24.2355 | 30.2436 |

Where:
PD = Probability of default
LGD = Loss given default
EL = Expected loss
LTV = Loan to value ratio (Outstanding loan principal / Value of the mortgage guarantee)

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 2 – Summary of significant accounting policies (continued)**

**(nn) Loans and receivables from customers (continued)**

**(nn.5) Provisions for loan losses (continued)**

**(nn 5.2) Provisions by group evaluation (continued)**

**(nn.5.2.1) Standard method for group portfolio provisions (continued)**

If the same debtor has more than one residential mortgage loan with the Bank and one loan is more than 90 days past due, all loans will be classified within the default portfolio and provisions will be calculated for each loan based on its respective LTV percentages.

- **Commercial portfolio**

The Bank calculates the provisions on the commercial portfolio using the standard methods applicable to commercial leases or other commercial lending as described below. Subsequently, the appropriate provisioning factor will be assigned based on the parameters for each method.

**a) Commercial lease transactions**

The provision factor should be applied to the present value of the commercial lease transactions, including the purchase option, and will depend on the days past due for each transaction, the asset being leased and the relationship between the present value of each transaction at each month end and the value of the leased asset (LTV), described as follows.

| Probability of Default (PD) according to days past due and asset (%) | | |
|---|---|---|
| | Asset | |
| Days past due at month end | Real estate | Non-real estate |
| 0 | 0.79 | 1.61 |
| 1-29 | 7.94 | 12.02 |
| 30-59 | 28.76 | 40.88 |
| 60-89 | 58.76 | 69.38 |
| Default portfolio | 100.00 | 100.00 |

| Loss Given Default (LGD) applicable by LTV band and asset type (%) | | |
|---|---|---|
| LTV = Present transaction value / Leased asset value | | |
| LTV band | Real estate | Non-real estate |
| LTV ≤ 40% | 0.05 | 18.2 |
| 40% < LTV ≤ 50% | 0.05 | 57.00 |
| 50% < LTV ≤ 80% | 5.10 | 68.40 |
| 80% < LTV ≤ 90% | 23.20 | 75.10 |
| LTV > 90% | 36.20 | 78.90 |

The LTV ratio will be calculated using the appraisal value expressed in UF for real estate and in Chilean pesos for non-real estate, recognized at the time the loan is granted, after taking into account any potential situation that may cause a temporary increase in the asset value at that time.

**Note 2 – Summary of significant accounting policies (continued)**

**(nn) Loans and receivables from customers (continued)**

**(nn.5) Provisions for loan losses (continued)**

**(nn 5.2) Provisions by group evaluation (continued)**

**(nn.5.2.1) Standard method for group portfolio provisions (continued)**

**Commercial portfolio (continued)**

**b) Generic commercial loans and factoring**

The provision factor applied to the loan and the contingent loan exposure (as indicated in number 3 of Chapter B-3) for factored invoices and other commercial loans, other than those indicated above, will depend on each transaction's days past due and the relationship at each month end between the debtor's obligations to the Bank and the value of the collateral that protects them (LTV), as indicated in the following tables.

| Probability of Default (PD) according to days past due and LTV range (%) | | | |
|---|---|---|---|
| Days past due at month end | With guarantee | | Without guarantee |
| | LTV ≤ 100% | LTV > 100% | |
| 0 | 1.86 | 2.68 | 4.91 |
| 1-29 | 11.60 | 13.45 | 22.93 |
| 30-59 | 25.33 | 26.92 | 45.30 |
| 60-89 | 41.31 | 41.31 | 61.63 |
| Default portfolio | 100.00 | 100.00 | 100.00 |

| Loss Given Default (LGD) applicable by LTV band (%) | | | |
|---|---|---|---|
| Guarantees (with/without) | LTV range | Generic commercial loans or factoring without recourse to the transferor | Factoring with recourse to the transferor |
| With guarantee | LTV ≤ 60% | 5.0 | 3.2 |
| | 60% < LTV ≤ 75% | 20.3 | 12.8 |
| | 75% < LTV ≤ 90% | 32.2 | 20.3 |
| | 90% < LTV | 43.0 | 27.1 |
| Unsecured | | 56.9 | 35.9 |

The guarantees used to calculate the LTV ratio for this method may be specific or general, including those that are simultaneously specific and general. A guarantee can only be considered if the Bank has first priority and it only guarantees a specific debtor's loans, not shared with other debtors, according to the respective contract clauses.

**Note 2 – Summary of significant accounting policies (continued)**

**(nn) Loans and receivables from customers (continued)**

**(nn.5) Provisions for loan losses (continued)**

**(nn 5.2) Provisions by group evaluation (continued)**

**(nn.5.2.1) Standard method for group portfolio provisions (continued)**

**Commercial portfolio (continued)**

**b) Generic commercial loans and factoring (continued)**

Invoices assigned under factoring will not be considered for the purposes of calculating the LTV. Excess guarantees are associated with the residential mortgage loans referred to in numeral 3.1.1 Residential mortgage portfolio of Chapter B-1, calculated as the difference between 80% of the commercial value of the house, in accordance with the conditions established therein, and the residential mortgage loan it guarantees.

The LTV ratio is calculated as follows.

i. Transactions with specific guarantees: when the debtor has granted specific guarantees for generic commercial loans and factored invoices, the LTV ratio is calculated independently for each guaranteed transaction, and separates the loan value, the contingent loan exposure and the collateral value.

ii. Transactions with general guarantees: when the debtor has granted general or general and specific guarantees, the Bank calculates the LTV jointly for all generic commercial loans, factored invoices and anything not included in point i) above, and separates the loan value, the contingent loan exposure and the general or general and specific guarantees that protect the loans included in the numerator of this ratio, according to the scope of the remaining contract clauses.

The guarantees used in the LTV ratio in items i) and ii), other than those associated with excess guarantees from housing loans referred to in the residential mortgage portfolio, must be calculated according to:

- The latest appraisal or fair value guarantee valuation, depending on the collateral. The criteria in Chapter 7-12 (Fair Value of Financial Instruments) of the Updated Compilation of Standards should be used to calculate fair value.
- Potential situations that could cause temporary increases in guarantee values.
- Limitations to the coverage in their respective clauses.

**Note 2 – Summary of significant accounting policies (continued)**

**(nn) Loans and receivables from customers (continued)**

**(nn.5) Provisions for loan losses (continued)**

**(nn 5.2) Provisions by group evaluation (continued)**

**(nn.5.2.2) Default portfolio**

The default portfolio includes all loans and 100% of contingent loans of debtors with interest or principal payments more than 90 days past due as of month end. It also includes debtors to which loans were made to cover other loans more than 60 days past due, as well as debtors that have undergone forced restructuring or received partial debt relief.

The following may be excluded from the default portfolio: a) residential mortgage loans that are less than 90 days past due unless the debtor has another loan of the same type that is more days past due and b) student loans (Law 20,027) that do not yet present the default conditions contained in Ruling 3,454 dated December 10, 2008.

All loans due from the debtor must be held in the Default Portfolio until their payment capacity and behavior recovers, notwithstanding that each particular loan that complies with the conditions indicated in point (6) of this letter must be charged off. In order to remove a debtor from the default portfolio, once the circumstances that led it to be classified as such according to these rules no longer exist, at least the following copulative conditions must be met:

- The debtor has no obligation to the Bank that is more than 30 calendar days past due.
- The debtor has not been granted any new refinancing to pay its obligations.
- At least one of the payments made was on the principal. This condition does not apply in the case of debtors who only have loans to finance higher education in accordance with Law 20.027.
- If the debtor has any loan with partial payments within a period of less than six months, it has already made two payments.
- If the debtor must pay monthly installments for one or more loans, it has paid four consecutive installments.
- The debtor does not have any direct outstanding debt in the information disclosed by the CMF, except for insignificant amounts.

**(nn.5.3) Provisions related to FOGAPE-guaranteed COVID-19 loans**

On July 17, 2020, the CMF requested specific provisions for loans with the FOGAPE COVID-19 guarantee. Their expected losses must be calculated by estimating the risk of each transaction, without considering the substitution of the credit quality of the guarantee, according to the individual or group analysis method, in accordance with the provisions of Chapter B-1 of the CNC. This procedure must be performed on an aggregate basis, grouping together all those transactions to which the same deductible percentage is applicable.

The deductible will be applied by the Fund Manager, which must be borne by each financial institution and does not depend on each particular transaction, but is based on the total balances guaranteed by the Fund, for each group of companies having the same coverage, according to their net sales size.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 2 – Summary of significant accounting policies (continued)**

**(nn) Loans and receivables from customers (continued)**

**(nn.5.4) Provisions related to FOGAPE-guaranteed reactivation loans**

The Bank determines the provisions for FOGAPE-guaranteed reactivation loans by substituting the debtors' credit quality with that of FOGAPE for all these loans, up to the amount covered by this guarantee. Naturally, the option to attribute the risk to FOGAPE can happen while the guarantee remains in force, without considering the capitalized interest, as provided in Article 17 of the Fund's Regulations.

Likewise, provisions on the loans not covered by this guarantee must be differentiated by the degree of delinquency of the refinanced loan and the grace period, which must consider the cumulative consecutive grace periods between the refinanced loan and other previous measures. Therefore, the following situations should be taken into consideration:

- Refinancing with arrears less than 60 days and grace periods of less than 180 days.

When the Bank refinances a loan and is the lender, the calculation of arrears and expected loss parameters remain constant when the loan is refinanced depending on whether the standard or internal method is used for the group portfolio, as long as payment is not due.

The risk category of debtors evaluated on an individual basis is maintained at refinancing, which does not prevent them from being reclassified to a different category if their payment capacity deteriorates.

- Refinancing with arrears between 60 and 89 days or grace periods greater than 180 days and less than 360 days.

The provisions described in the preceding paragraph apply, and at least one of the following conditions must also be met:

i. The Bank's lending policies consider at least the following aspects:
   a. A robust procedure to classify viable debtors, which includes at least the sector and its solvency and liquidity situation.
   b. Efficient mechanisms for monitoring the debtor's situation, with formally defined internal governance.

ii. Interest is charged during the grace months, in accordance with the guidelines in Article 15(a) of the Regulations, or there is a payment demand on another loan with the bank. If the debtor in the latter case does not comply, the carry forward rules in paragraphs 2.2 and 3.2 of Chapter B-1 of the CNC apply, depending on whether the loan is subject to individual or group evaluation, respectively.

- Refinancing with grace periods of more than 360 days.

The Bank must apply the provisions in Chapter B-1 of the CNC, and treat the transaction as a forced renegotiation. Therefore, it must apply the provisions that correspond to the non-performing portfolio.

**(nn.6) Loan charge-offs**

As a general rule, charge-offs are made when the contractual rights to the cash flows expire. In the case of loans, the respective asset balances are charged off even when this does not occur.

Charge-offs refer to derecognizing the asset for the respective transaction in the statement of financial position, including that part that might not yet be due in the case of a loan with partial repayments, or a lease transaction.

Charge-offs should always use the provisions for loan losses whatever the reason for the charge-off.

**Note 2 – Summary of significant accounting policies (continued)**

**(nn) Loans and receivables from customers (continued)**

**(nn.6) Loan charge-offs (continued)**

**(nn.6.1) Charge-off of loans and receivables**

Loans and receivables other than lease transactions should be charged-off in the following circumstances, whichever occurs first:

a) The Bank concludes that it will obtain no cash flow from the asset, based on all available information.
b) When a credit without enforceable title passes more than 90 days recognized as an asset.
c) When the period of limitations of actions expires through the statute of limitations for demanding recovery by executive judgment or when the enforcement of the title by court resolution is rejected or abandoned.
d) When the period of default of transactions reaches the term for charge-off as follows.

| Loan description | Term |
|---|---|
| Consumer loans with or without collateral | 6 months |
| Other transactions without collateral | 24 months |
| Commercial loans with collateral | 36 months |
| Residential mortgage loans | 48 months |

The term represents the time elapsed since the date on which payment of all or part of the obligation in default became due.

**(nn.6.2) Write-off of lease transactions**

Assets relating to lease transactions should be charged off in the following circumstances, whichever occurs first:

a) The Bank concludes that there is no possibility of recovery of the lease income and that the value of the asset cannot be considered for the recovery of the contract, whether because it is not in the possession of the lessee, due to its present condition, because of the expenses involved in its recovery, transfer and maintenance, due to technological obsolescence or there is no information about its present whereabouts or condition.

b) When actions expire through the statute of limitations for demanding recovery by executive judgment or when the enforcement of the title by court resolution is rejected or abandoned.

c) When the period of default of a contract reaches the term for write-off according to the following:

| Contract description | Term |
|---|---|
| Consumer lease | 6 months |
| Other non-real estate lease transactions | 12 months |
| Real estate leases (commercial or residential) | 36 months |

The term relates to the time since the due date of payment of a lease installment in default.

**Note 2 – Summary of significant accounting policies (continued)**

**(nn) Loans and receivables from customers (continued)**

**(nn.7) Recovery of charged-off loans**

Subsequent payments received with respect to charged-off loans are shown directly as income in the consolidated statement of comprehensive income, under provisions for loan losses.

In the event of the recovery of assets, this income will be recognized in the income statement at the value it is incorporated into assets. The same criterion follows if the assets leased are recovered after the write-off of a lease operation, by their incorporation into assets.

Any restructuring of a charged-off loan does not generate income while the transaction continues in a state of default, treating the effective payments received as recoveries of charged-off loans, as indicated above.

A restructured loan can only therefore be returned to assets if its ceases to be impaired, recognizing also the return to assets as a recovery of charged-off loans.

The same approach should be followed in the event that a loan is granted to pay a charged-off loan.

**(oo) Investment instruments**

Investment instruments are classified into two categories. Investments held to maturity and Instruments held for sale. Investments held to maturity include only those instruments for which there is the capacity and intention of holding them until their maturity. All other investment securities are considered available for sale.

Investment instruments held to maturity 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.

A financial asset classified as held for sale is initially recognized at cost plus transaction costs directly attributable to its acquisition. Instruments held for sale are later valued at their fair value according to market prices or valuations obtained by the use of models. Unrealized gains or losses arising from changes in their fair value are shown as a credit or charge to equity accounts (Other comprehensive income). When these investments are disposed of or impaired, the amount of the accumulated adjustments to fair value are transferred to income and reported under Net gain (loss) from financial operations.

Interest and indexation adjustments on investment instruments held to maturity and on those held for sale are included in Interest and indexation income.

The Bank may reclassify financial assets from instruments held for sale to investments held to maturity, due to a change in the Bank's intention and ability to hold them to maturity. The recorded fair value of the financial asset at the reclassification date will be converted to its new amortized cost and any gain or loss from that asset that had previously been recognized in other comprehensive income will be taken to the statement of income over the remaining life of the investment held to maturity using the effective interest rate method.

Investment instruments that are subject to hedge accounting rules are adjusted according to hedge accounting rules, in accordance with Note 2 (mm).

**Note 2 – Summary of significant accounting policies (continued)**

**(pp) Intangible assets**

Intangible assets are identified as non-monetary assets (separate from other assets) without physical substance that arise as a result of a legal transaction or are developed internally by the consolidated entities. They are assets whose cost can be estimated reliably and for which the entities consider it probable that future economic benefits will accrue to the Bank or its subsidiaries. Intangible assets are recognized initially at acquisition cost and are subsequently measured at their cost less any accumulated amortization or any accumulated impairment.

Software or computer programs acquired by the Bank and its subsidiaries are recognized at cost less accumulated amortization and the accumulated losses for impairment.

Subsequent expenses in programs are capitalized only when the future economic benefits integrated in the specific related asset increase. All other expenses are recorded as an expense as incurred.

Amortization is recorded in income using the straight-line amortization method based on the estimated useful life of the software, from the date on which it is available for use. The estimated useful life of software is a maximum of 6 years.

**(qq) Property, plant and equipment**

Property, plant and equipment includes the amount of land, properties, movable assets, vehicles, computer equipment and other installations owned by the consolidated entities and are used in the entity's business. These assets are valued at their historic cost less the corresponding accumulated depreciation and impairments. This cost includes expenses that have been directly attributed to the asset's acquisition.

Depreciation is recognized in the income statement on a straight-line basis over the estimated useful lives of each part of an item of fixed assets.

The estimated average useful lives for 2021 and 2020 are:

| | | |
|---|---|---|
| - | Buildings | 50 years |
| - | Installations | 10 years |
| - | Equipment | 5 years |
| - | Furniture | 5 years |

Conservation and maintenance expenses of the assets of own use are charged to the income of the year in which they are incurred.

**(rr) Current and deferred taxes**

The income tax provision for the Bank and its subsidiaries has been calculated in accordance with the law.

The Bank and its subsidiaries recognize, when appropriate, deferred tax assets and liabilities for the future estimate of the tax effects attributable to timing differences between the book values of assets and liabilities and their values for tax purposes. Deferred tax assets and liabilities are measured on the basis of the tax rate which, under current taxation law, should be applied in the year in which deferred tax liabilities are settled. The future effects of changes in tax law or taxation rates are booked in deferred taxes from the date on which the law approving these changes is published.

Deferred tax assets are recognized only when it is likely that future tax profits will be sufficient to recover deductions for temporary differences. Deferred taxes are presented in the consolidated statement of financial position in accordance with IAS 12 "Income Taxes" as instructed by the CMF.

**Note 2 – Summary of significant accounting policies (continued)**

**(ss) Non-current assets held for sale and discontinued operations**

The Bank classifies and measures investments in companies in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" when it expects to recover the book value primarily by selling these investments. The Bank performs this reclassification by ensuring that it complies with the requirements established for this purpose:
- The asset must be available for immediate sale in its present condition and its sale must be highly probable.
- A highly probable sale requires that the appropriate management level must be committed to a plan to sell the asset or disposal group, and it must have initiated that plan to find a buyer.
- The sale is expected to be completed within one year of the classification date.

The Bank will recognize any impairment loss on non-current assets held for sale as a reduction in the value of such assets to fair value less their selling costs.

As of December 31, 2021, the Bank classified its investment in Nexus S.A. into this category, which is held at book value, since this is lower than its fair value less selling costs (See Notes 40.3 (i), 40.12 (a) and 40.16 (a)).

**(tt) Assets received in lieu of payment**

Assets received or awarded in lieu of payment of loans and receivables from customers are recognized, in the case of payments in kind, at the price agreed between the parties or, where no such agreement exists, for the amount that the Bank is awarded them at a court auction.

Assets received in lieu of payment are classified in Other assets, are recognized at the lower of adjudication cost and fair value less regulatory charge offs and are shown net of provisions. The CMF requires a charge off if the asset is not sold within one year of its reception.

**(uu) Investment properties**

Investment properties are real estate assets held to earn rental income or for capital appreciation or both, but are not held for sale in the ordinary course of business or used for administrative purposes. Investment properties are valued at cost less the corresponding accumulated depreciation and impairments and are shown in Other assets.

**(vv) Debt instruments issued**

Financial instruments issued by the Bank are classified in the statement of financial position as Debt instruments issued, in which the Bank has an obligation to provide cash or another financial asset to the bearer, or to meet the obligation by an exchange of the agreed amount of cash.

The obligation is valued at amortized cost using the effective interest method. The amortized cost is calculated taking into account any discount, premium or cost directly related to the issue.

**(ww) Provisions, contingent assets and liabilities**

Provisions are liabilities involving uncertainty about their amount or maturity. Provisions are recognized in the consolidated statement of financial position when all the following requirements are met:
(i) it is a current obligation as a result of past events,
(ii) as of the date of the financial statements it is probable that the Bank or its subsidiaries will have to expend resources to settle the obligation,
(iii) the amount of these resources can be reliably measured.

A contingent asset or liability is a right or obligation from past events whose existence will only be confirmed if one or more uncertain future events occur and which are outside the control of the Bank.

Contingent loans are transactions or commitments in which the Bank assumes a credit risk by committing to make a payment or disbursement, upon occurrence of a future event, to third parties that must be recovered from its customers.

**Note 2 – Summary of significant accounting policies (continued)**

**(ww) Provisions, contingent assets and liabilities (continued)**

The following are classified as contingent loans in complementary information:

(i) Guarantees: Guarantees include stand-by letters of credit. They also include guarantees of payment by buyers in factoring transactions.

(ii) Confirmed foreign letters of credit: This includes foreign letters of credit confirmed by the Bank.

(iii) Documentary letters of credit: This includes documentary letters of credit issued by the Bank that have not yet been negotiated.

(iv) Performance bonds granted against promissory notes.

(v) Unrestricted lines of credit: The unused amount of credit lines from which customers may draw without prior approval by the Bank (for example, credit cards or checking account overdrafts).

(vi) Other loan commitments: Amounts not drawn under committed loans that have to be disbursed at an agreed future date or on the occurrence of events previously contracted with the customer, as happens with lines of credit linked to the progress of construction or similar projects.

(vii) Other contingent loans: Any other kind of commitment by the entity that might give rise to an effective loan on the occurrence of future events. These are generally infrequent transactions like the pledge of instruments to guarantee the payment of loan transactions between third parties or transactions with derivatives contracted on behalf of third parties that might imply a payment obligation and are not covered by deposits.

Credit risk exposure on contingent liabilities:

To calculate the provisions for contingent liabilities, as indicated in Chapter B-3 of the Compendium of Accounting Standards for Banks issued by the CMF, the amount of exposure to be considered is equivalent to the percentage of the amounts of contingent liabilities as indicated below:

| Contingent liability | Exposure |
|---|---|
| a) Guarantees | 100% |
| b) Confirmed foreign letters of credit | 20% |
| c) Documentary letters of credit issued | 20% |
| d) Performance bonds (*) | 50% |
| e) Unrestricted lines of credit | 35% |
| f) Other credit commitments: | |
| - Tertiary education loans under Law 20,027 | 15% |
| - Other | 100% |
| g) Other contingent liabilities | 100% |

However, with respect to transactions with customers that have past due loans as indicated in Chapter B-1 of the CMF Compendium of Accounting Standards, this exposure will always be the equivalent of 100% of the contingent liabilities.

**(xx) Provision for minimum dividends**

In accordance with the CMF Compendium of Accounting Standards, the Bank shows in liabilities the part of net income for the year to be distributed in compliance with the Corporations Law, its bylaws, agreements or dividend policies. A provision is therefore made against a complementary equity account of retained earnings.

The provision for minimum dividends is calculated using the distributable net income. According to the Bank's bylaws, this is calculated by deducting from or adding to net income the indexation adjustment on share capital and reserves due to changes in the consumer price index.

**Note 2 – Summary of significant accounting policies (continued)**

**(yy) Employee benefits**

**(yy.1) Employee vacations**

The annual cost of employee vacations and benefits is recorded on an accrual basis.

**(yy.2) Short-term benefits**

The entity offers its employees an annual incentives plan for compliance with objectives and individual contribution to results, consisting of a certain number or portion of monthly salaries, and the provision is made on the basis of the estimated amount to be distributed.

**(yy.3) Termination benefits**

The Bank has agreed with part of its personnel the payment of an indemnity to those completing 30 or 35 years of service should they retire from the institution. This obligation includes the accrued proportional part for those personnel who will be able to exercise the right to this benefit and who have still not acquired it at the end of the year.

The obligations under this defined benefits plan are valued according to the projected credit-unit method, including as variables the personnel turnover rate, expected salary growth, and the probability of use of this benefit, discounted at the current rate for long-term operations (5.70% as of December 31, 2021 and 2.31% as of December 31, 2020).

The discount rate used is the rate on Chilean Central Bank 10-year bonds in pesos (BCP).

Actuarial gains and losses resulting from actuarial changes are recognized in Other comprehensive income. There are no other additional costs that should be recognized by the Bank.

**(zz) Earnings per share**

Basic earnings per share is determined by dividing net income (loss) for the year attributable to the Bank's owners by the average weighted number of shares in circulation during that year.

Diluted earnings per share is determined in a similar manner as basic earnings per share, but the average weighted number of shares in circulation is adjusted to account for the dilutive effect of stock options, warrants and convertible debt. As of December 31, 2021 and 2020, no such adjustments have been made.

**(aaa) Interest and indexation income and expenses**

Interest and indexation income and expenses are recognized in the income statement using the effective interest method. The effective interest rate is the discount rate that exactly equates the estimated cash inflows and outflows over the expected life of the financial instrument (or, when appropriate, in a shorter period) with the net book value of the financial asset or liability. To calculate the effective interest rate, the Bank determines cash flows by taking into account all contractual conditions of the financial instrument, excluding future credit losses.

The calculation of the effective interest rate includes all the commissions and other concepts paid or received that form part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the purchase or issuance of a financial asset or liability.

In the case of the impaired portfolio and the current portfolio with a high risk of non-payment, a prudent policy has been followed of suspending the accrual of interest and indexation in the income accounts; these are recognized as and when they are received.

As of December 31, 2021, when a loan or one of its installments is 90 days or more past due, the Bank suspends the accrual of interest and indexation in the income accounts.

**Note 2 – Summary of significant accounting policies (continued)**

**(aaa) Interest and indexation income and expenses (continued)**

The Bank suspended accruals until 2020 in the following cases:

Individually-evaluated loans

- Loans classified in categories C5 and C6: The accrual is suspended by the mere fact of being in the impaired portfolio.
- Loans classified in categories C3 and C4: The accrual is suspended for having been three months in the impaired portfolio.

Group-evaluated loans

- Any loan, except those with collateral above 80%: The accrual is suspended when the loan or one of its installments is past due more than six months.

However, recognizing income on loans subject to individual evaluation can be continued for the accrual of interest and indexation, which is being paid normally and corresponds to obligations whose flows are independent, such as project financing.

Suspending recognition on an accrual basis means that while loans are in the impaired portfolio, the respective assets included in the Consolidated Statement of Financial Position will not accrue interest, undergo indexation or incur commissions and no income will be recorded for these concepts in the Consolidated Statement of Income unless it is effectively received.

**(bbb) Fee income and expenses**

Fee income and expenses are recognized in the consolidated income statement using the criteria set out in IFRS 15 "Revenue from contracts with customers."

Under IFRS 15 revenue is recognized in accordance with the terms of customer contracts. Revenue is recognized as it meets the performance obligations by transferring goods or services committed to the customer.

Under IFRS 15 revenue is recognized using various criteria depending on its nature. The most significant criteria are:

- Fees earned from an individual event are recognized once the event has taken place.
- Fees that arise from transactions or services that are extended over time, during the life of such transactions or services.
- Fees on commitments and other fees related to loan transactions are deferred (together with the incremental costs related directly to the placement) and recognized as an adjustment to the effective interest rate of the placement. In the case of loan commitments, when there is uncertainty about the date of effective placement, the fees are recognized in the year of the commitment originating them on a straight-line basis.

Fees recognized by the Bank are primarily:

- Fees for lines of credit and overdrafts: accrued during the period related to the availability of credit lines and current account overdrafts.
- Fees for guarantees and letters of credit: accrued in the period related to the guarantees covering payments for actual or contingent obligations of third parties.
- Fees for card services: accrued for the period that the credit cards, debit cards and other cards were used.
- Fees for account management: includes fees to maintain current accounts and deposit accounts.
- Fees on collections and payments: includes fees for collection and payment services provided by the Bank.
- Fees for brokerage and securities management: includes fees for securities brokerage, placement, management and custody services.

**Note 2 – Summary of significant accounting policies (continued)**

**(bbb) Fee income and expenses (continued)**

- Fees for brokering insurance: includes the commissions on insurance policies sold.
- Fees for investments in mutual funds and other fees: includes mutual fund management.
- Other fees: includes fees on foreign currency exchange services, financial consulting, distribution channel use, brand use, placement of financial products, cash transfers, recognition of payments associated with strategic alliances, and other fees.

Fee expenses include:

- Fees payable for card transactions: includes fees for operating credit and debit cards.
- Interbank transactions: fees paid to the automated clearing house for transactions.
- Fees for securities transactions: includes securities deposit, custody and brokerage.
- Other fees: includes fees for collection, payments and other online services.

**(ccc) Identification and measurement of impairment**

**Financial assets other than loans and receivables**

A financial asset is revised every year and fundamentally on the date of its closing to determine whether there is objective evidence to show that an event that causes a loss has occurred after initial recognition of the asset, which impacts the estimated future cash flows of the financial asset, and can be reliably calculated.

A loss for impairment relating to financial assets (other than loans and receivables) recognized at amortized cost is calculated as the difference between the book value of the asset and the present value of the estimated cash flows, discounted at the effective interest rate.

An impairment loss relating to a financial asset held for sale is calculated by reference to its fair value. In this case, objective evidence includes a significant and prolonged drop in the fair value of the investment below the original investment cost.

If there is evidence of impairment, any amounts previously recognized in equity, net gains (losses) not recognized in the statement of income, are removed from equity and recognized in the statement of income for the year, shown as Net gains (losses) relating to financial assets held for sale. This amount is the difference between cost (net of any reimbursement and amortization) and the present fair value of the asset, less any impairment loss on that investment previously recognized in the statement of income.

When the fair values of debt instruments held for sale recover to at least their amortized cost, they are no longer treated as impaired instruments and any subsequent changes in their fair value are recognized in equity.

All impairment losses are recognized in the income statement. Any accumulated loss in relation to a financial asset held for sale recognized previously against equity is transferred to the income statement.

An impairment loss can only be reversed if it can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the statement of income up to the amount previously recognized as impaired. In the case of financial assets recognized at amortized cost, and those held for sale, the reversal is recognized in the income statement.

**Non-financial assets**

The book value of the non-financial assets of the Bank and its subsidiaries, excluding investment properties and deferred tax assets, is revised throughout the year and fundamentally on the date of its closing to determine whether there are indications of impairment. If there are, then the recoverable amount from the assets is estimated.

**Note 2 – Summary of significant accounting policies (continued)**

**(ccc) Identification and measurement of impairment (continued)**

Losses for impairment recognized in previous years are evaluated on each reporting date to detect any indication that the loss has diminished or disappeared. An impairment loss is reversed if there has been a change in the estimations used to determine the recoverable amount. Provided the reversal does not exceed the book value.

The Bank evaluates whether there are indications that an asset might be impaired at each reporting date and continually. If there are, the Bank estimates the recoverable amount from the asset. The recoverable amount of an asset is the difference between the fair value less the costs of sale and the value of the asset in use. When the book value of the asset exceeds the recoverable amount, the asset is considered to be impaired and the difference between both values is written off to reflect the asset at its recoverable value. In evaluating the value in use, the estimated cash flows are discounted to their present value, using a discount rate that reflects current conditions in the money market at the time and the specific risks of the asset. An appropriate evaluation model is used to determine the fair value less the cost of sale. These calculations are checked against multiple valuations, share prices and other indicators of fair value.

Impairment losses related to goodwill cannot be reversed in future years.

**(ddd) Finance and operating leases**

**(ddd.1) 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 calculated on the book value of these assets, by systematically charging a proportion of their value over their estimated useful life. Lease revenue is recognized on a straight-line basis over the term of the lease.

**(ddd.2) The Bank as lessee**

A contract is or contains a lease if it grants the right to control the use of an identified asset during a period of time in exchange for consideration.

A right-of-use asset is valued at cost at the beginning of the lease agreement, which is the initial value of the lease liability plus other expenses.

The lease liability is the present value of unpaid future lease payments, discounted using the Bank's incremental financing rate.

Right-of-use leased assets are measured using the cost model, less accumulated depreciation and accumulated impairment losses. Depreciation for right-of-use leased assets is recognized in the income statement on a straight-line basis from the start to the end of the lease term.

The monthly change in the UF for contracts in that monetary unit must be treated as a new measurement. Therefore, that adjustment amends the value of the lease liability and simultaneously the right-of-use leased asset under that lease contract.

**Note 2 – Summary of significant accounting policies (continued)**

**(ddd) Finance and operating leases (continued)**

**(ddd.2) The Bank as lessee (continued)**

After the beginning date, the lease liability is measured by reducing the book value to reflect lease payments and changes to the lease contract.

According to IFRS 16 "Leases", the Bank does not apply this standard to contracts whose duration is 12 months or less and those that contain a low value underlying asset. In these cases, lease payments are recognized as a lease expense.

**(eee) Fiduciary activities**

The Bank provides trust commissions and other fiduciary services that result in the investment of assets on behalf of customers. The assets held in a fiduciary capacity are not reported in the financial statements as they are not assets of the Bank. Commitments arising from these activities are disclosed in Note 40.24 (a).

**(fff) Customer loyalty program**

The Bank has a loyalty program that provides incentives to its customers, enabling them to acquire goods and/or services in exchange for prize points called “dólares premio” (prize dollars) which are granted as a function of purchases made with the Bank’s credit cards and compliance with certain conditions established in the program. The exchange of the “dólares premios” is made by a third party. These benefit programs are fully provisioned to meet their future performance obligations, in accordance with IFRS 15.

**(ggg) Additional provisions**

In accordance with the rules issued by the CMF, banks may establish additional provisions beyond those resulting from applying their portfolio evaluation models, in order to safeguard against the risk of unpredictable economic fluctuations that may affect the macroeconomic environment or a specific economic sector.

These provisions are designed to guard against the risk of macroeconomic fluctuations and should anticipate the reversal of expansionary economic cycles that could lead to future economic conditions deteriorating and thus function as a countercyclical mechanism to accumulate additional provisions when the scenario is favorable and release them or allocate them to specific provisions when external conditions deteriorate.

As a result, additional provisions must always correspond to general provisions on commercial, residential mortgage or consumer loans, or on identified segments, and in no case may they be used to offset deficiencies in the models used by the Bank.

As of December 31, 2021 the balance of additional provisions was ThCh$540,251,877 (ThCh$320,251,877 as of December 31, 2020), which are presented in "Provisions" in the consolidated statement of financial position. See Notes on Material Events and Provisions.

**(hhh) Reclassifications**

There have been no other significant reclassifications during 2021.

**Note 3 – Changes in accounting policies**

The consolidated financial statements as of December 31, 2021, do not include any changes in accounting policies and estimates from the previous year.

## Note 4 – Cash and cash equivalents

(a) As of December 31, 2021 and 2020, these are detailed as follows.

| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| Cash balances | 1,821,261 | 2,892,036 |
| Bank balances | 220,202,758 | 230,198,738 |
| Time deposits up to 90 days | 379,177,615 | 372,668,933 |
| Investments under repurchase agreements | 43,074,121 | 6,943,135 |
| **Total** | **644,275,755** | **612,702,842** |

As indicated in Note 2 f) and w), the consolidated statement of cash flows includes the banking subsidiaries, which are shown separately in that statement. The previous detail does not include the cash and cash equivalents of the banking subsidiaries. Similarly, the balances that Quiñenco and its subsidiaries keep in checking accounts, time deposits and other investments with Banco de Chile, amounting to ThCh$37,217,728 as of December 31, 2021 (ThCh$71,817,191 as of December 31, 2020), have been eliminated in the preparation of these consolidated financial statements.

(b) Cash and cash equivalents by currency are detailed as follows:

| | Currency | | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|---|---|
| Cash and cash equivalents | Ch$ | (Chilean pesos) | 229,346,707 | 248,127,186 |
| Cash and cash equivalents | USD | (US dollars) | 395,108,435 | 348,860,450 |
| Cash and cash equivalents | EUR | (Euros) | 198,281 | 1,736,875 |
| Cash and cash equivalents | ARS | (Argentine peso) | 784 | - |
| Cash and cash equivalents | BRL | (Brazilian reals) | 1,602,377 | 3,104,009 |
| Cash and cash equivalents | OTHER | (Other currencies) | 18,019,171 | 10,874,322 |
| **Total** | | | **644,275,755** | **612,702,842** |

(c) Reconciliation between cash and cash equivalents shown in the consolidated statement of financial position and that shown in the consolidated statement of cash flows.

| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| **Cash and cash equivalents in non-banking sector** | 644,275,755 | 612,702,842 |
| **Discontinued companies** | - | 40,924 |
| **Cash and cash equivalents in banking sector** | | |
| Cash | 1,073,600,066 | 615,842,169 |
| Deposits in the Chilean Central Bank | 1,545,472,133 | 641,889,962 |
| Deposits with banks in Chile | 129,857,733 | 14,505,550 |
| Deposits abroad | 964,802,665 | 1,287,978,036 |
| Transactions pending settlement, net | 115,968,592 | (719,691,285) |
| Highly liquid financial instruments | 3,418,005,581 | 4,212,718,557 |
| Repurchase agreements | 40,368,732 | 34,872,336 |
| **Cash and cash equivalents in the consolidated statement of cash flows** | **7,932,351,257** | **6,700,859,091** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

## Note 4 – Cash and cash equivalents (continued)

(d) Significant unavailable cash balances

As of December 31, 2021 and 2020, there were no restrictions on cash and cash equivalents.

The funds held in cash and cash equivalents with the Chilean Central Bank meet the banking sector regulations for reserve requirements that the Bank must hold on an average monthly basis.

(e) Changes in liabilities produced by financing activities.

The Company has not entered into any significant investing or financing transactions that do not require the use of cash or cash equivalents.

## Note 5 – Other financial assets, current

As of December 31, 2021 and 2020, these are detailed as follows:

| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| Time deposits at more than 90 days | 7,934,791 | 149,009,358 |
| Investments in mutual funds | 230,665 | 3,209,556 |
| Hedging assets | 440,083 | 2,102,279 |
| Guarantees for financial transactions | 92,071 | - |
| **Total** | **8,697,610** | **154,321,193** |

These do not include time deposits maturing in more than 90 days held by Quiñenco and its subsidiaries with Banco de Chile. There were none as of December 31, 2021 (ThCh$18,929,240 as of December 31, 2020, which were eliminated on consolidation).

### (a) Hedging assets

The fair value of current hedging assets is detailed as follows:

| Hedge classification | Hedge description | Hedged risk | Hedged item | Current | | Fair values | |
|---|---|---|---|---|---|---|---|
| | | | | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
| Forward | Cash flow hedge instruments | Exchange rate fluctuations | US dollars | 48,147 | 317,084 | 48,147 | 317,084 |
| Derivatives | Cash flow hedge instruments | Rate Interest | US dollars | 391,936 | 1,785,195 | 391,936 | 1,785,195 |
| | **Total hedging assets** | | | **440,083** | **2,102,279** | **440,083** | **2,102,279** |

## Note 6 – Other non-financial assets, current

As of December 31, 2021 and 2020, these are detailed as follows:

| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| Dividends receivable | - | 2,802,509 |
| Advance payments to suppliers | 12,460,022 | 12,002,129 |
| VAT recoverable | 18,333,997 | 15,539,945 |
| Other | 21,764 | 5,803 |
| **Total** | **30,815,783** | **30,350,386** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 7 – Trade and other receivables**

As of December 31, 2021 and 2020, these are detailed as follows:

| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| Trade receivables | 259,348,651 | 154,411,878 |
| Other receivables | 40,200,668 | 35,821,883 |
| Impaired receivables provision | (18,446,295) | (13,988,435) |
| **Total** | **281,103,024** | **176,245,326** |
| **Less: Other receivables, non-current (1)** | (12,749,751) | (10,876,113) |
| **Trade and other receivables, current** | **268,353,273** | **165,369,213** |

(1) The balance of Other non-current receivables mainly consists of loans to entities abroad with various interest rates and collection periods, which are duly documented by these debtors.

The maturities of current trade and other receivables are detailed as follows:

| | **12-31-2021** | | | | **12-31-2020** | | | |
|---|---|---|---|---|---|---|---|---|
| Overdue ranges | Number of customers in non-renegotiated portfolio | Gross non-renegotiated portfolio (ThCh$) | Number of customers in renegotiated portfolio | Gross renegotiated portfolio (ThCh$) | Number of customers in non-renegotiated portfolio | Gross non-renegotiated portfolio (ThCh$) | Number of customers in renegotiated portfolio | Gross renegotiated portfolio (ThCh$) |
| Not yet due | 7,193 | 253,961,446 | - | - | 6,418 | 143,230,940 | - | - |
| 1 - 30 days | 3,093 | 14,629,187 | - | - | 3,497 | 24,190,074 | - | - |
| 31 - 60 days | 845 | 4,311,298 | - | - | 747 | 4,063,790 | - | - |
| 61 - 90 days | 276 | 4,110,262 | - | - | 389 | 2,460,598 | - | - |
| 91 - 120 days | 353 | 1,303,357 | - | - | 409 | 1,404,838 | - | - |
| 121 - 150 days | 314 | 1,584,639 | - | - | 253 | 717,348 | - | - |
| 151 - 180 days | 220 | 1,606,600 | - | - | 193 | 252,388 | - | - |
| 181 - 210 days | 294 | 132,616 | - | - | 253 | 1,294,640 | - | - |
| 211 - 250 days | 331 | 456,977 | - | - | 336 | 674,692 | - | - |
| Over 250 days | 3,656 | 17,452,937 | - | - | 4,389 | 11,944,453 | - | - |
| **Total** | **16,575** | **299,549,319** | **-** | **-** | **16,884** | **190,233,761** | **-** | **-** |

| Unsecured portfolio | **12-31-2021** | | **12-31-2020** | |
|---|---|---|---|---|
| | Number of customers | Portfolio ThCh$ | Number of customers | Portfolio ThCh$ |
| Documents receivable rejected | 546 | 2,261,235 | - | - |
| Documents receivable under legal collection procedures | - | - | - | - |

| Provisions | | | | | | | |
|---|---|---|---|---|---|---|---|
| **12-31-2021** | | | | **12-31-2020** | | | |
| Non-renegotiated portfolio ThCh$ | Renegotiated portfolio | Charge offs for period ThCh$ | Recoveries for period ThCh$ | Non-renegotiated portfolio ThCh$ | Renegotiated portfolio | Charge offs for period ThCh$ | Recoveries for period ThCh$ |
| (18,446,295) | - | 42,235 | - | (13,988,435) | - | 1,277,577 | - |

As of December 31, 2021 and 2020, the Company had no customers in the securitized portfolio category. There are no significant changes in the loss adjustment disclosed in accordance with paragraph 35H of IFRS 7.

**Note 7 – Trade and other receivables (continued)**

**Impairment of trade and other receivables**

The impairment is mainly attributable to Banco de Chile in the banking sector (see notes 40.10 and 40.22 to these consolidated financial statements), and mainly attributable to SM SAAM and Enex in the non-banking sector.

**SM SAAM**

Credit risk is the risk of financial loss arising from a customer or counterparty to a financial instrument not fulfilling its contractual obligations. This is especially applicable to SM SAAM and its subsidiaries' trade receivables. When granting credit to customers, a credit assessment is performed by a credit committee in order to reduce the risk of non-payment. Credit granted to customers is regularly reviewed, in accordance with the controls defined in the company's policies, and to monitor the status of accounts pending collection.

SM SAAM's services are provided to customers under market conditions, which include simple credit that currently does not exceed 90 days at SAAM Logistics, 30 days at SAAM Puertos and 60 days at SAAM S.A. These transactions are not concentrated in significant customers. In fact, the company's customers are well fragmented, which distributes this risk.

SM SAAM has defined customer categories with respect to their arrears based on defined default criteria, which further define the corresponding collection measures and when they are exhausted, legal collection. Default is based on the customers' inability to pay their obligations on the dates they fall due, according to the credit terms granted by SM SAAM. When the credit period expires, the company will classify the debtor within the established default ranges and apply the expected loss percentages defined by the company.

SM SAAM applies the simplified approach offered by IFRS 9 to measure expected credit losses using an expected loss provision over the life of the instrument for all receivables.

Expected credit losses are measured by grouping receivables by their shared credit risk characteristics and days past due. Therefore, SM SAAM has concluded that the expected loss rates for receivables are a reasonable approximation of the loss rates for these assets.

The expected loss rates for 2021 were evaluated as of September 30, 2021, based on the payment profiles of receivables as of March 31, 2021 within the 6-month period following that date and considering the credit losses within the current period. Historical loss rates are adjusted to reflect current and prospective information on various macroeconomic and customer-specific factors that affect their ability to settle receivables, such as the status of the country, industry, inflation, bankruptcy, and other factors. SM SAAM analyses the specific market situation of each customer when necessary and has determined specific events that could affect creditworthiness, resulting in higher risk factors where appropriate.

The estimation techniques and assumptions have not been amended during the year.

**Note 7 – Trade and other receivables (continued)**

On this basis, impairment provision for receivables as of December 31, 2021 and 2020 were as follows.

| Segment | Category | Range | Average % Expected Loss SAAM S.A. | Average % Expected Loss SAAM Puertos S.A. | Average % Expected Loss SAAM Logistics S.A. |
|---|---|---|---|---|---|
| **Bucket 1** | A1 | Not yet due | 0.25 | 0.16 | 0.15 |
| | A2 | 1-30 days | 1.64 | 1.66 | 2.05 |
| | A3 | 31-60 days | 4.85 | 3.41 | 4.47 |
| | A4 | 61-90 days | 8.6 | 5.41 | 7.55 |
| **Bucket 2** | B1 | 91-120 days | 16.38 | 25.66 | 14.8 |
| | B2 | 121-180 days | 26.52 | 32.91 | 23.87 |
| | B3 | 181-240 days | 48.81 | 43.41 | 35.73 |
| **Bucket 3** | C1 | 241-300 days | 72.1 | 71.16 | 59.7 |
| | C2 | 301-360 days | 84.45 | 84.66 | 75.82 |
| | C3 | Over 360 days | 100 | 100 | 100 |

Note: The entire expected loss is applied directly to documents in judicial collection, rejected checks and other related documents.

Currently, the expected loss percentages due to the impairment of receivables are separately calculated by each company within the SAAM Group. This is because each company has different criteria for granting credit and managing collections.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor does not suggest a payment plan, cannot meet contractual payments for a period exceeding 360 days, the results of external and judicial collection, and other indicators.

Impairment losses on receivables and contractual assets are presented as net impairment losses in operating income. Subsequent recoveries of previously eliminated receivables are credited against the same line.

There are no financial assets that have been eliminated or contractually amended during the period and are pending collection.

**Note 7 – Trade and other receivables (continued)**

The book value of SM SAAM's financial assets represents the current exposure to credit risk. Provisions for receivables as of December 31, 2021 and 2020 were as follows.

| **Impairment provision for receivables** | | **12-31-2021 ThCh$** | | | **12-31-2020 ThCh$** | |
|---|---|---|---|---|---|---|
| | **Current** | **Non-current** | **Total** | **Current** | **Non-current** | **Total** |
| Trade receivables | 100,154,049 | - | 100,154,049 | 56,801,351 | - | 56,801,351 |
| Impairment of trade receivables | (16,834,672) | - | (16,834,672) | (4,113,557) | - | (4,113,557) |
| **Trade receivables, net** | **83,319,377** | **-** | **83,319,377** | **52,687,794** | **-** | **52,687,794** |
| Other receivables | 12,935,583 | 12,749,751 | 25,685,334 | 10,092,646 | 10,876,113 | 20,968,759 |
| Impairment of other receivables | - | - | - | - | - | - |
| **Other receivables, net** | **12,935,583** | **12,749,751** | **25,685,334** | **10,092,646** | **10,876,113** | **20,968,759** |
| **Total trade and other receivables** | **96,254,960** | **12,749,751** | **109,004,711** | **62,780,440** | **10,876,113** | **73,656,553** |

| **Movement in impairment provision** | **12-31-2021 ThCh$** | **12-31-2020 ThCh$** |
|---|---|---|
| Opening balance as of January 1 | 4,113,557 | 3,461,425 |
| Increases in provisions | 996,319 | 747,204 |
| Reductions for business combination | 10,107,806 | 1,598,099 |
| Receivables written-off | (38,057) | (1,422,379) |
| Effect of exchange rates | 1,655,047 | (270,792) |
| **Closing balance as of December 31** | **16,834,672** | **4,113,557** |

There is no longer any possibility of recovering receivables written-off during the current year.

**Enex, a subsidiary of Invexans**

The indirect subsidiary Enex S.A. has taken on credit insurance, in order to cover the risk of unpaid receivables from its domestic and international bunkering business sales. The policy has been maintained.

Credit insurance segments customers according to the coverage granted by the insurance company and the evaluation method for granting such coverage. As of December 31, 2021, coverage was distributed as follows:

| **Coverage** | **Amount** | **Number of customers** |
|---|---|---|
| Specified debtor | > UF 1,200 | 693 |
| Unspecified debtor | < UF 1,200 | 1,958 |

**Specified debtors** are those whose credit limit is higher than the segmentation established in the policy, which will be approved, limited or rejected after an exhaustive evaluation by an expert credit analyst at the insurance company.

**Unspecified debtors** are those whose credit limit is below the segmentation and with whom the insured may carry out transactions under the policy, without the need for prior credit classification by a risk underwriter.



Forty-two percent of credit granted by Enex (credit lines) is to customers outside the scope of coverage, such as large mining companies, large energy generators, service stations, and other companies, and 58% is to other covered customers, whose average coverage is 89% of their credit limit.

**Note 7 – Trade and other receivables (continued)**

**Enex, a subsidiary of Invexans (continued)**

Impairment losses on trade receivables are recognized when there is objective evidence that Enex will no longer be able to collect all amounts in accordance with their original terms. Some indicators that a receivable may not be collectible are financial difficulties, initiation of bankruptcy proceedings, financial restructuring and arrears arising for our industrial and retail customers. The estimated impairment loss is the "Expected Credit Losses," using the simplified approach established in IFRS 9 and a risk analysis is performed to determine whether the portfolio is impaired, in accordance with three years' historical experience of the uncollectibility of the portfolio, which is adjusted according to macroeconomic variables, in order to obtain sufficient prospective information for the estimate and considers other age factors covering all debts exceeding 180 days in arrears, and those cases where partial losses are estimated on a case-by-case basis, in accordance with the policy. Additionally, Enex has credit insurance for individually significant receivables. Other impairment losses are recorded in the consolidated income statement by function.

On this basis, the provision for losses as of December 31, 2021 and 2020, was as follows.

| Range in days | Factor |
|---|---|
| 0-30 | 0.002% |
| 31-60 | 2.507% |
| 61-90 | 5.190% |
| 91-120 | 43.328% |
| 121-150 | 43.171% |
| 150-180 | 60.320% |
| Over 181 | 100.000% |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

## Note 8 – Related party balances and transactions

### (a) Related party receivables and payables

| | Chilean ID number | Country | Transaction | Relationship | Currency | Current assets | | Non-current assets | | Current liabilities | | Non-current liabilities | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 12-31-2021 | 12-31-2020 | 12-31-2021 | 12-31-2020 | 12-31-2021 | 12-31-2020 | 12-31-2021 | 12-31-2020 |
| | | | | | | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Minera Los Pelambres S.A. | 96.790.240-3 | Chile | Invoices | Common shareholder | Ch$ | 8,806,021 | 5,733,811 | - | - | - | - | - | - |
| Comercial CCU S.A. | 99.554.560-8 | Chile | Invoices | Subsidiary of joint venture | Ch$ | 4,797 | 4,977 | - | - | 207,502 | 131,526 | - | - |
| Sociedad Nacional de Oleoductos | 81,095,400-0 | Chile | Invoices | Associate of subsidiary | Ch$ | - | - | - | - | 75,814 | 15,641 | - | - |
| Sociedad de Inversiones de Aviación Ltda. | 82.040.600-1 | Chile | Invoices | Associate of subsidiary | Ch$ | - | - | - | - | 174,479 | - | - | - |
| Asfaltos Cono Sur S.A. | 96.973.920-8 | Chile | Invoices | Joint venture of subsidiary | Ch$ | 89,612 | 83,181 | - | - | - | - | - | - |
| Ferrocarril Antofagasta Bolivia S.A. | 81.148.200-5 | Chile | Invoices | Common shareholder | Ch$ | 1,662,834 | 756,451 | - | - | - | - | - | - |
| Minera Antucoya | 76.079.669-7 | Chile | Invoices | Common shareholder | Ch$ | 4,479 | 2,333,337 | - | - | - | - | - | - |
| Minera Centinela | 76.727.040-2 | Chile | Invoices | Common shareholder | Ch$ | 22,148,089 | 9,751,390 | - | - | - | - | - | - |
| Nexans Brasil S.A. (1) | Foreign | Brazil | Legal settlement | Associate of subsidiary | USD | 160,820 | - | - | - | - | 80,714 | - | - |
| Hapag Lloyd Chile SpA | 76.380.217-5 | Chile | Services | Associate of subsidiary | Ch$ | 2,256,167 | 1,960,800 | - | - | 183,298 | - | - | - |
| Hapag Lloyd AG | Foreign | Germany | Services | Joint venture of subsidiary | USD | 4,650,018 | 2,131,429 | - | - | - | - | - | - |
| Hapag Lloyd Aktiengesellschaft | Foreign | Germany | Services | Associate of subsidiary | USD | 233,134 | - | - | - | - | - | - | - |
| Hapag Lloyd Ecuador | Foreign | Ecuador | Services | Associate of subsidiary | USD | 698,559 | 407,374 | - | - | - | - | - | - |
| Hapag Lloyd AG Mexico S.A. de C.V. | Foreign | Mexico | Services | Associate of subsidiary | USD | 163,026 | 241,011 | - | - | - | - | - | - |
| CSAV Austral SpA | 89.602.300-4 | Chile | Current account | Associate of subsidiary | USD | 334,497 | 239,590 | - | - | - | - | - | - |
| Transportes Fluviales Corral S.A. | 96.657.210-8 | Chile | Services | Associate of subsidiary | Ch$ | 57,116 | 22,039 | - | - | - | - | - | - |
| Iquique Terminal Internacional S.A. | 96.915.330-0 | Chile | Current account | Associate of subsidiary | USD | 34,292 | 23,461 | - | - | - | - | - | - |
| Antofagasta Terminal Internacional S.A. | 99.511.240-K | Chile | Services | Associate of subsidiary | Ch$ | 167,319 | 111,619 | - | - | - | - | - | - |
| San Antonio Terminal Internacional S.A. | 96.908.970-K | Chile | Services | Associate of subsidiary | Ch$ | 366,026 | 593,644 | - | - | 138,529 | 25,594 | - | - |
| San Antonio Terminal Internacional S.A. | 96.908.970-K | Chile | Dividends | Associate of subsidiary | Ch$ | 2,046,684 | 329,170 | - | - | - | - | - | - |
| Lng Tugs Chile S.A. | 76.028.651-6 | Chile | Services | Associate of subsidiary | USD | 97,984 | 76,783 | - | - | - | - | - | - |
| San Vicente Terminal Internacional S.A. | 96.908.930-0 | Chile | Services | Associate of subsidiary | USD | 98,829 | - | 1,474,829 | 2,843,800 | - | - | - | - |
| Other | - | - | Invoices | | Ch$ | 313,522 | 67,522 | 8,253 | 4,032 | 43,523 | 8,522 | - | - |
| Total | | | | | | 44,393,825 | 24,867,589 | 1,483,082 | 2,847,832 | 823,145 | 261,997 | - | - |

(1) The recognition of loans related to lawsuits in Brazil arising from the sales contract of the Cable Unit. For legal purposes (Law 18045 and 18046) Nexans Brasil S.A. is not related to the Company.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 8 – Related party balances and transactions (continued)**

**(b) Significant transactions with related parties**

The criterion of the parent company is to classify the rights with its associates with respect to dividends as Other assets, in view of the related entity's nature but not quality.

Transactions between related parties are carried out at market prices. No guarantees have been provided or received for related party receivables or payables. Significant items when disclosing transactions with related parties are those that exceed UF 10,000 or 1% of the equity, whichever is lower.

| Chilean ID number | Company | Relationship | Description | 12-31-2021 Transaction amount ThCh$ | 12-31-2021 Effect on net income ThCh$ | 12-31-2020 Transaction amount ThCh$ | 12-31-2020 Effect on net income ThCh$ |
|---|---|---|---|---|---|---|---|
| 96.790.240-3 | Minera Los Pelambres S.A. | Common shareholder | Sales of products and services | 54,831,133 | 54,831,133 | 35,811,316 | 5,874,002 |
| 76.079.669-7 | Minera Antucoya | Common shareholder | Sales of products and services | 1,823,634 | 1,823,634 | 10,550,521 | 1,423,450 |
| 76.727.040-2 | Minera Centinela S.A. | Common shareholder | Sales of products and services | 117,146,946 | 117,146,946 | 60,259,199 | 7,064,389 |
| 81.148.200-5 | Ferrocarril Antofagasta Bolivia | Common shareholder | Products sold | 13,270,229 | 13,270,229 | 8,076,378 | 212,994 |
| 99.501.760-1 | Ecusa S.A. | Subsidiary of joint venture | Services | 503,188 | 503,188 | 98,677 | 97,209 |
| 96.973.920-8 | Asfaltos Cono Sur S.A. | Associate of subsidiary | Purchases of products and services | 483,718 | (483,718) | 43,019 | (40,084) |
| 82.040.600-1 | Sociedad Inversiones de Aviación S.A. | Associate of subsidiary | Services received | 1,242,929 | (1,242,929) | 307,210 | (304,275) |
| 81.095.400-0 | Sociedad Nacional de Oleoductos S.A. | Associate of subsidiary | Services received | 431,436 | (431,436) | 423,363 | (421,896) |
| 81.095.400-0 | Sociedad Nacional de Oleoductos S.A. | Associate of subsidiary | Dividends received | 2,931,398 | 2,931,398 | 2,800,494 | 2,800,494 |
| 76.380.217-5 | Hapag Lloyd Chile SpA | Associate of subsidiary | Port operations | 6,146,125 | 6,146,125 | 5,477,388 | 5,477,388 |
| 76.380.217-5 | Hapag Lloyd Chile SpA | Associate of subsidiary | Port equipment services income | 722,312 | 722,312 | 795,488 | 795,488 |
| 76.380.217-5 | Hapag Lloyd Chile SpA | Associate of subsidiary | Leasehold property | 402,834 | 402,834 | 520,421 | 520,421 |
| 76.380.217-5 | Hapag Lloyd Chile SpA | Associate of subsidiary | Fleet services income | 936,951 | 936,951 | 1,063,025 | 1,063,025 |
| 76.380.217-5 | Hapag Lloyd Chile SpA | Associate of subsidiary | Documentation services | 1,828,234 | 1,828,234 | 899,970 | 899,970 |
| Foreign | Hapag Lloyd A.G. Germany | Joint venture of subsidiary | Port operations | 8,727,878 | 8,727,878 | 7,007,415 | 7,007,415 |
| Foreign | Hapag Lloyd A.G. Germany | Joint venture of subsidiary | Fleet services | 1,178,990 | 1,178,990 | 1,082,022 | 1,082,022 |
| Foreign | Hapag Lloyd A.G. Germany | Joint venture of subsidiary | Cold storage | 2,862,610 | 2,862,610 | 1,810,229 | 1,810,229 |
| Foreign | Hapag Lloyd Ecuador S.A. | Associate of subsidiary | Warehousing and maintenance services income | 659,822 | 659,822 | 717,918 | 717,918 |
| Foreign | Hapag Lloyd Ecuador S.A. | Associate of subsidiary | Port operation services income | 512,691 | 512,691 | 367,270 | 367,270 |
| 99.511.240-K | Antofagasta Terminal Internacional S.A. | Associate of subsidiary | Port terminal services income | 405,354 | 405,354 | 198,933 | 45,901 |
| 96.915.330-0 | Iquique Terminal Internacional S.A. | Associate of subsidiary | Port terminal services | 483,510 | (483,510) | 250,628 | (21,666) |
| 96.908.970-K | San Antonio Terminal Internacional S.A. | Associate of subsidiary | Port terminal services | 1,445,014 | (1,445,014) | 1,873 | (1,873) |
| 96.908.970-K | San Antonio Terminal Internacional S.A. | Associate of subsidiary | Purchase of products | 604,365 | (604,365) | 261,205 | (261,205) |
| 96.908.930-0 | San Vicente Terminal Internacional S.A. | Associate of subsidiary | Port terminal services | 786,391 | (786,391) | 463,558 | (5,009) |
| 76.028.651-6 | LNG Tugs Chile S.A. | Associate of subsidiary | Fleet services income | 1,109,135 | 1,109,135 | 1,066,191 | 1,066,191 |
| 89.602.300-4 | CSAV Austral SpA | Associate of subsidiary | Fleet services income | 867,688 | 867,688 | 832,690 | 832,690 |
| 93.857.000-0 | Cía. de Inversiones Adriático | Common shareholder | Services | 357,134 | 357,134 | 344,004 | 344,004 |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 8 – Related party balances and transactions (continued)**

**(c) Remuneration and benefits received by senior management of the Parent Company**

These are detailed for each year as follows.

| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| Wages and salaries | 5,041,091 | 4,128,692 |
| Fees (allowances and profit sharing) | 7,122,339 | 1,305,478 |
| Short-term benefits | 16,143,577 | 5,883,710 |
| Total | 28,307,007 | 11,317,880 |

**Note 9 – Inventory**

As of December 31, 2021 and 2020, these are detailed as follows:

| Inventory, current | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| Raw materials | 276,214 | 209,730 |
| Fuel and lubricants | 107,773,997 | 96,702,708 |
| Production supplies | 11,276,612 | 7,603,610 |
| Others (1) | 13,219,398 | 10,208,531 |
| Total | 132,546,221 | 114,724,579 |

(1) Mainly inventory in transit.

| Inventory, non-current | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| Spare parts | 1,683,467 | 708,106 |
| Total | 1,683,467 | 708,106 |

The costs of inventory recognized as expenses in the consolidated statement of comprehensive income as of December 31 each year are:

| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| Inventory costs recognized as expenses | 2,562,815,323 | 1,817,373,967 |
| Total | 2,562,815,323 | 1,817,373,967 |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 10 – Non-current assets or disposal groups classified as held for sale and discontinued operations**

As of December 31, 2021 and 2020, these are as follows.

| | Invexans | | Tech Pack | | SM SAAM | | CSAV | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 12-31-2021 | 12-31-2020 | 12-31-2021 | 12-31-2020 | 12-31-2021 | 12-31-2020 | 12-31-2021 | 12-31-2020 | 12-31-2021 | 12-31-2020 |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Non-current assets held for sale | 2,843,979 | 2,393,691 | - | 2,217,755 | 8,619,217 | 7,723,050 | 1,413,966 | 98,822 | 12,877,162 | 12,433,318 |
| Assets from discontinued operations | - | - | - | 40,978 | - | - | - | - | - | 40,978 |
| **Total assets held for sale** | **2,843,979** | **2,393,691** | **-** | **2,258,733** | **8,619,217** | **7,723,050** | **1,413,966** | **98,822** | **12,877,162** | **12,474,296** |
| Non-current liabilities held for sale | - | - | - | - | - | - | 3,379 | 124,416 | 3,379 | 124,416 |
| Liabilities from discontinued operations | - | - | - | 41,436 | - | - | - | - | - | 41,436 |
| **Total liabilities held for sale** | **-** | **-** | **-** | **41,436** | **-** | **-** | **3,379** | **124,416** | **3,379** | **165,852** |

## (a) Non-current assets held for sale

As of December 31, 2021 and 2020, these are as follows.

| | Invexans | | Tech Pack | | SM SAAM | | CSAV | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 12-31-2021 | 12-31-2020 | 12-31-2021 | 12-31-2020 | 12-31-2021 | 12-31-2020 | 12-31-2021 | 12-31-2020 | 12-31-2021 | 12-31-2020 |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Properties | 2,843,979 | 2,393,691 | - | 2,217,197 | 8,094,664 | 6,935,317 | 1,295,709 | - | 12,234,352 | 11,546,205 |
| Machinery, vehicles and equipment | - | - | - | - | 521,173 | 770,670 | - | - | 521,173 | 770,670 |
| Other assets | - | - | - | 558 | 3,380 | 17,063 | 118,257 | 98,822 | 121,637 | 116,443 |
| **Total assets** | **2,843,979** | **2,393,691** | **-** | **2,217,755** | **8,619,217** | **7,723,050** | **1,413,966** | **98,822** | **12,877,162** | **12,433,318** |

### (a.1) Invexans

The subsidiary Invexans has reclassified various properties associated with the Manufacturing segment as asset groups held for sale. The assets held for sale by Invexans are mainly properties that the company or its subsidiaries used for production or for complementary purposes. Currently these assets are a property in Quilpué that was used by Armat S.A. (former subsidiary) to manufacture coin blanks.

### (a.2) Tech Pack

The subsidiary Tech Pack has reclassified various properties associated with the Manufacturing segment as asset groups held for sale:

Lomas de Zamora in Argentina was sold in June 2021. It belonged to the subsidiaries Decker and Metacab, which are discontinued operations that were dedicated to processing metals. The property in Rancagua and properties in Temuco are owned by the subsidiaries Alumco and Indalum, which are discontinued operations, though in the past they produced and marketed fencing solutions.

All these assets come from discontinued operations or sold companies, so they do not now fulfill a productive function within the subsidiary and it has been decided to sell them to release these resources.

The gain or loss is included in the consolidated income statement under Other gains (losses).

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 10 – Non-current assets or disposal groups classified as held for sale and discontinued operations (continued)**

**(a) Non-current assets held for sale (continued)**

**(a.3) SM SAAM**

Part of property, plant and equipment associated with the Port Terminals Division of the subsidiary SM SAAM is presented as a group of assets classified as held for sale, in accordance with the commitment signed by Management.

**(b) Discontinued operations**

**(b.1) Tech Pack**

1) As of September 30, 2013, this subsidiary's Board of Directors suspended its operations at Decker Industrial S.A. a subsidiary that manufactured copper pipes in Argentina, as part of its strategic business development plan and due to various internal and external factors. At a subsequent Board meeting held on December 16, 2013, of Madeco Mills SA, a subsidiary of Tech Pack S.A., the Board agreed to terminate its production and commercial activities related to the manufacture and sale of copper pipes, as of that date.

On September 17, 2020, at an Extraordinary Shareholders' Meeting of Madeco Mills, the shareholders agreed to liquidate all its assets in accordance with the law and the Company's bylaws, all of the above effective as of October 31, 2020. In addition, it agreed to increase the share capital of Madeco Mills S.A. to US$23,445,246.36 by placing 8,014,284 new shares equivalent to US$3,300,000.

2) The total shareholding of Decker Industrial S.A. and subsidiaries was sold during the first half of 2021.

As of December 31, 2021 and 2020, the net loss for the year of the discontinued operation is classified as Gain (loss) on discontinued operations, net of taxes, as established in IFRS 5.

The summary of the effects of discontinued operations on the statement of income is as follows:

| | 12-31-2021<br>ThCh$ | 12-31-2020<br>ThCh$ |
|---|---|---|
| Revenue | - | - |
| Expenses | (128,324) | (1,607,252) |
| Net loss before taxes | **(128,324)** | **(1,607,252)** |
| Income tax benefit | - | 470,127 |
| Loss on discontinued operations, net of taxes | **(128,324)** | **(1,137,125)** |
| Loss on AMCOR transaction, net of taxes | (5,954) | (16,173) |
| Net loss on discontinued operations, net of taxes | **(134,278)** | **(1,153,298)** |

| **Statement of Cash Flows** | **12-31-2021**<br>**ThCh$** | **12-31-2020**<br>**ThCh$** |
|---|---|---|
| Cash flows provided by (used in) operating activities | (148,426) | (457,531) |
| Cash flows provided by (used in) investing activities | (35,617) | (123,946) |
| Cash flows provided by (used in) financing activities | 136,730 | 578,608 |
| Effect of exchange rate fluctuations on cash and cash equivalents | 6,389 | (2,264) |
| Cash and cash equivalents, opening balance | 40,924 | 46,057 |
| **Net cash flows for the year** | **-** | **40,924** |

**Note 10 – Non-current assets or disposal groups classified as held for sale and discontinued operations (continued)**

**(b) Discontinued operations (continued)**

**(b.2) CSAV**

CSAV discontinued its freight forwarder and logistics services business unit operated by the subsidiary Norgistics during the last quarter of 2017, given this unit's inability to sustain enough business volume to make its operation profitable and develop it within CSAV's business context. On January 23, 2020, CSAV announced the orderly closure of its car carrier business and the termination of services. This decision was made to focus all economic and management efforts on developing its main asset—its interest in the German shipping company Hapag-Lloyd AG (company in which CSAV is one of the main shareholders).

The result of discontinued operations at the subsidiary CSAV was as follows:

| | 12-31-2021 | 12-31-2020 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Revenue | 38,782 | 13,323,430 |
| Expenses | (33,236) | (13,757,390) |
| Net income (loss) before taxes | **5,546** | **(433,960)** |
| Income tax expense | - | (35,604) |
| Net income (loss) from discontinued operations | **5,546** | **(469,564)** |

| **Statement of Cash Flows** | **12-31-2021** | **12-31-2020** |
|---|---|---|
| | **ThCh$** | **ThCh$** |
| Cash flows provided by (used in) operating activities | (38,098) | 7,041,289 |
| Cash flows provided by (used in) investing activities | - | - |
| Cash flows provided by (used in) financing activities | - | (6,008,011) |
| Effect of exchange rate fluctuations on cash and cash equivalents | 3,632 | 46,967 |
| Cash and cash equivalents, opening balance | - | - |
| **Net cash flows for the year** | **(34,466)** | **1,080,245** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 10 – Non-current assets or disposal groups classified as held for sale and discontinued operations (continued)**

**(b) Discontinued operations (continued)**

**b.3 Inversiones Vita S.A., Banchile Seguros de Vida S.A. and Segchile Seguros Generales S.A.**

In a share purchase agreement signed on September 14, 2019, by Quiñenco's indirect subsidiary, Inmobiliaria Norte Verde S.A., that subsidiary agreed to sell all of its shares in the subsidiaries Inversiones Vita S.A., Banchile Seguros de Vida S.A. and Segchile Seguros Generales S.A., which together represent 66.3% of their share capital.

This transaction was completed when various suspensive conditions were fulfilled on December 30, 2019, resulting in the sale of these shares under the share agreement described in the previous paragraph. The price received by Inmobiliaria Norte Verde S.A. was ThCh$35,898,596, for all the shares it owns in those companies. The effect on the income statement was the net amount after deducting the book value of the investments in these subsidiaries, other deductions related to transaction costs and taxes, and the currency translation reserves in Other comprehensive income as of the sale date of ThCh$1,605,751. This resulted in a pre-tax gain of ThCh$23,095,558. The income tax on this transaction was ThCh$8,806,183.

Accordingly, the activities and transactions of the insurance business must be considered discontinued operations and be presented separately in the consolidated income statement, in accordance with IFRS 5. The discontinued operation's results and net cash flows from operating, investing and financing activities must also be detailed separately in this note.

The discontinued operation's results and net cash flows for the years ended December 31, 2021 and 2020, are as follows.

| | 12-31-2021<br>ThCh$ | 12-31-2020<br>ThCh$ |
|---|---|---|
| Revenue | - | - |
| Expenses | - | - |
| Net income (loss) before taxes | - | - |
| Income tax benefit (expense) | - | - |
| Loss on discontinued operations, net of taxes | - | - |
| Non-controlling interests | - | - |
| Subtotal | - | - |
| Price adjustment on sale of Inv. Vita S.A., Banchile S.A. and Segchile S.A., net of taxes | - | (431,214) |
| Loss on discontinued operations, net of taxes | **-** | **(431,214)** |

| **Statement of Cash Flows** | **12-31-2021**<br>**ThCh$** | **12-31-2020**<br>**ThCh$** |
|---|---|---|
| Cash flows provided by (used in) operating activities | - | (431,214) |
| Cash flows provided by (used in) investing activities | - | - |
| Cash flows provided by (used in) financing activities | - | - |
| Effect of exchange rate fluctuations on cash and cash equivalents | - | - |
| Cash and cash equivalents, opening balance | - | - |
| **Net cash flows for the year** | **-** | **(431,214)** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

## Note 11 – Other financial assets, non-current

As of December 31, 2021 and 2020, these are detailed as follows:

| | 12-31-2021<br>ThCh$ | 12-31-2020<br>ThCh$ |
|---|---|---|
| Equity instruments (shares) | 76,817,836 | 40,482,128 |
| Hedge assets | 38,856 | 11,426,389 |
| Other | 1,192,298 | 1,495,794 |
| **Total** | **78,048,990** | **53,404,311** |

## Note 12 – Other non-financial assets, non-current

As of December 31, 2021 and 2020, these are detailed as follows:

| | 12-31-2021<br>ThCh$ | 12-31-2020<br>ThCh$ |
|---|---|---|
| Court deposits Ficap Brasil | 7,755,086 | 6,906,906 |
| Other recoverable taxes | 4,291,673 | 3,370,404 |
| Rentals paid in advance | 14,360 | 13,508 |
| Other | 1,330,449 | 1,554,167 |
| **Total** | **13,391,568** | **11,844,985** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

## Note 13 – Investments recognized using the equity method

### (a) Summary of financial information of significant subsidiaries[3]

Summarized financial information for significant subsidiaries as of December 31, 2021, is as follows:

| Company | Country | Functional currency | Percentage interest % | Current assets ThCh$ | Non-current assets ThCh$ | Banking assets ThCh$ | Current liabilities ThCh$ | Non-current liabilities ThCh$ | Banking liabilities ThCh$ | Revenue ThCh$ | Operating expenses ThCh$ | Net income (loss) for the year ThCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TECH PACK | Chile | USD | 99.97% | 95,325,063 | 80,272,265 | - | 182,072 | 17,762 | - | 22,195 | - | (3,817,299) |
| INVEXANS | Chile | USD | 99.85% | 453,733,154 | 1,460,174,148 | - | 311,985,520 | 504,253,476 | - | 2,908,240,033 | (2,547,618,737) | 103,545,206 |
| LQIF | Chile | Ch$ | 50.00% | 237,085 | 845,637,954 | 51,702,438,886 | 15,681,799 | 254,833,639 | 47,311,890,404 | 1,856,995,818 | (887,762,670) | 383,729,481 |
| SM SAAM S.A. | Chile | USD | 55.94% | 446,746,406 | 1,106,826,027 | - | 212,878,774 | 617,460,788 | - | 569,681,296 | (383,782,260) | 59,932,882 |
| CSAV | Chile | USD | 66.45% | 21,455,971 | 5,067,976,976 | - | 834,458,237 | 130,632,998 | - | - | - | 2,491,574,776 |
| **Total** | | | | **1,017,497,679** | **8,560,887,370** | **51,702,438,886** | **1,375,186,402** | **1,507,198,663** | **47,311,890,404** | **5,334,939,342** | **(3,819,163,667)** | **3,034,965,046** |

Summarized financial information for significant subsidiaries as of December 31, 2020, is as follows:

| Company | Country | Functional currency | Percentage interest % | Current assets ThCh$ | Non-current assets ThCh$ | Banking assets ThCh$ | Current liabilities ThCh$ | Non-current liabilities ThCh$ | Banking liabilities ThCh$ | Revenue ThCh$ | Operating expenses ThCh$ | Net income (loss) for the year ThCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TECH PACK | Chile | USD | 99.97% | 109,214,415 | 38,923,436 | - | 547,799 | 500,583 | - | 22,628 | - | 1,700,004 |
| INVEXANS (1) | Chile | USD | 99.73% | 371,068,717 | 1,302,005,692 | - | 300,678,143 | 458,020,265 | - | 1,433,673,574 | - | 8,904,187 |
| LQIF | Chile | Ch$ | 50.00% | 3,216,994 | 846,059,030 | 46,095,132,038 | 5,207,920 | 251,546,640 | 42,256,172,220 | 1,476,065,212 | (882,332,173) | 223,808,998 |
| SM SAAM S.A. | Chile | USD | 52.20% | 349,710,617 | 908,430,581 | - | 178,910,567 | 472,877,017 | - | 462,303,616 | (313,421,720) | 52,361,510 |
| CSAV | Chile | USD | 61.76% | 58,438,669 | 2,100,028,282 | - | 95,917,744 | 126,470,895 | - | - | - | 174,899,861 |
| **Total** | | | | **891,649,412** | **5,195,447,021** | **46,095,132,038** | **581,262,173** | **1,309,415,400** | **42,256,172,220** | **3,372,065,030** | **(1,195,753,893)** | **461,674,560** |

(1) The indirect subsidiary Enex has been included in the consolidated financial statements of Invexans with effect from the second quarter of 2020.

[3] Significant subsidiaries are determined by following the same criterion used in establishing the Company's Operating Segments (Note 34).

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 13 – Investments recognized using the equity method (continued)**

**(b) Interest in joint ventures**

In accordance with paragraph 21 of IFRS 12, the following shows summarized financial information of the significant interests in joint ventures as of December 31, 2021 and December 31, 2020:

| | | | | | | 12-31-2021 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Company** | **Country** | **Book value** | **Percentage interest** | **Current assets** | **Non-Current assets** | **Current liabilities** | **Non-Current liabilities** | **Revenue** | **Operating expenses** | **Net income (loss) for the year** |
| | | **ThCh$** | **%** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** |
| Hapag Lloyd A.G. (1) | Germany | 4,855,952,183 | 30.00 | 4,392,148,953 | 10,927,814,503 | 14,611,815,905 | 5,696,239,658 | 20,456,993,414 | (10,824,904,459) | 8,334,553,757 |
| Inversiones y Rentas S.A. (2) | Chile | 362,523,960 | 50.00 | 1,094,008,529 | 1,782,515,230 | 777,937,140 | 809,343,462 | 2,484,712,280 | (1,291,559,797) | 116,049,041 |
| Asfaltos Cono Sur S.A. | Chile | 4,610,780 | 50.00 | 434,171 | 10,887,209 | 2,323,742 | - | 1,939,166 | (2,609,335) | (670,169) |
| Enex Paraguay | Paraguay | 10,352,537 | 50.00 | 21,103,735 | 24,171,649 | 15,817,665 | 17,972,469 | 35,905,878 | (36,855,852) | (949,974) |
| Transportes y Servicios Aéreos S.A. | Chile | 144,004 | 50.00 | 298,701 | - | 8,713 | 1,114 | - | - | (884) |
| Inmobiliaria Carriel Ltda. | Chile | - | 50.00 | 9,292 | - | 9,292 | - | - | (8,068) | (16,122) |
| Inmobiliaria Sepbío Ltda. | Chile | 151,925 | 50.00 | 486,541 | 2,637,122 | 1,582,949 | 1,248,452 | 194,110 | (19,671) | 704 |
| Muellaje del Maipo S.A. | Chile | 69,823 | 50.00 | 9,929,331 | 951,966 | 7,218,721 | 3,540,940 | 16,513,887 | (16,139,210) | (65,326) |
| Portuaria Corral S.A. | Chile | 3,971,003 | 50.00 | 5,833,428 | 4,971,001 | 2,194,505 | 1,048,260 | 6,986,365 | (3,410,346) | 2,994,984 |
| San Antonio Terminal Internacional S.A. | Chile | 35,419,949 | 50.00 | 46,223,971 | 155,080,016 | 22,548,155 | 126,504,998 | 84,616,236 | (59,131,227) | 12,482,730 |
| San Vicente Terminal Internacional S.A. | Chile | 8,977,178 | 50.00 | 18,351,735 | 114,366,803 | 24,063,529 | 80,784,462 | 39,325,956 | (38,540,921) | (4,923,242) |
| Servicios Portuarios Reloncaví Ltda. | Chile | 3,383,999 | 50.00 | - | - | - | - | 9,360,312 | (8,078,673) | 645,166 |
| Servicios Portuarios y Extraportuarios Bío Ltda. | Chile | (6,495) | 50.00 | 3,378 | - | 16,894 | - | - | - | (1,451) |
| Transportes Fluviales Corral S.A. | Chile | 1,345,318 | 50.00 | 2,795,079 | 3,632,167 | 1,882,814 | 1,292,376 | 5,217,892 | (4,051,998) | 523,525 |
| Equimac S.A. | Colombia | 1,981,036 | 50.00 | 5,007,322 | 79,401 | 456,133 | - | 348,506 | - | 2,229,350 |
| **Total** | | **5,288,877,200** | | **5,596,634,166** | **13,027,107,067** | **15,467,876,157** | **6,737,976,191** | **23,142,114,002** | **(12,285,309,557)** | **8,462,852,089** |

There are no contingent liabilities or investment commitments to report, which relate to interests in joint ventures. The method used to recognize accounting interests in jointly controlled entities is the equity method, which is the same treatment as investments in associates.

(1) Quiñenco has an interest in Hapag Lloyd AG, through its subsidiary Compañía Sud Americana de Vapores (CSAV), over which it has significant influence and joint control through a shareholder agreement with the other controlling shareholders: the City of Hamburg and Kühne Maritime.

(2) Quiñenco has a joint venture relating to its investment in Compañía Cervecerías Unidas S.A. (CCU), recognized using the equity method in Inversiones y Rentas S.A. (IRSA). The Company has an indirect interest in CCU through its 50% holding in IRSA, which is a joint venture with the Dutch brewery group Heineken Americas B.V. (Heineken). As a result, Heineken holds 50% of IRSA and is therefore a partner of Quiñenco, being the joint controllers of 65.87% of CCU.

QUIÑENCO S.A.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

## Note 13 – Investments recognized using the equity method (continued)

### (b) Interest in joint ventures (continued)

| | | | | 12-31-2020 | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Company | Country | Book value | Percentage interest | Current assets | Non-Current assets | Current liabilities | Non-Current liabilities | Revenue | Operating expenses | Net income (loss) for the year |
| | | ThCh$ | % | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Hapag Lloyd A.G. (1) | Germany | 1,946,661,437 | 30.00 | 2,226,616,485 | 11,025,648,635 | 3,310,268,514 | 4,074,661,336 | 11,476,899,246 | (9,457,770,934) | 832,773,590 |
| Inversiones y Rentas S.A. (2) | Chile | 391,686,404 | 50.00 | 962,819,042 | 1,592,467,371 | 523,043,905 | 617,995,670 | 1,857,593,678 | (984,035,922) | 55,164,829 |
| Asfaltos Cono Sur S.A. | Chile | 4,857,709 | 50.00 | 553,119 | 12,108,189 | 2,508,232 | 439,367 | 1,989,238 | (2,460,598) | (471,360) |
| Enex Paraguay | Paraguay | 9,227,874 | 50.00 | 2,976,699 | 10,246,532 | 1,622,434 | 729,619 | 17,198,025 | (15,884,273) | 1,256,092 |
| Transportes y Servicios Aéreos S.A. | Chile | 144,879 | 50.00 | 295,909 | - | 5,119 | 1,033 | - | - | (524) |
| Aerosan Airport Services S.A. (3) | Chile | - | 50.00 | - | - | - | - | 16,607,672 | (13,834,252) | (1,810) |
| Inmobiliaria Carriel Ltda. | Chile | 8,531 | 50.00 | 478,469 | - | 461,407 | - | - | (68,311) | 1,283,644 |
| Inmobiliaria Sepbío Ltda. | Chile | 147,167 | 50.00 | 261,630 | 2,607,765 | 1,232,076 | 1,342,985 | 202,511 | (21,342) | 11,403 |
| Muellaje del Maipo S.A. | Chile | 81,048 | 50.00 | 3,600,962 | 64,696 | 3,249,042 | 254,520 | 13,899,711 | (13,681,105) | 13,320 |
| Portuaria Corral S.A. | Chile | 3,800,739 | 50.00 | 5,288,758 | 5,521,238 | 2,533,115 | 675,403 | 8,295,799 | (3,440,295) | 3,032,652 |
| San Antonio Terminal Internacional S.A. | Chile | 27,223,697 | 50.00 | 26,843,338 | 124,143,956 | 18,028,981 | 78,510,919 | 64,876,569 | (55,055,643) | 2,446,479 |
| San Vicente Terminal Internacional S.A. | Chile | 10,039,325 | 50.00 | 15,648,720 | 102,793,417 | 55,519,507 | 42,549,647 | 33,856,039 | (37,669,197) | (10,172,056) |
| Servicios Aeroportuarios Aerosan S.A. (3) | Chile | - | 50.00 | - | - | - | - | 16,199,209 | (10,974,138) | 3,132,527 |
| Servicios Portuarios Reloncaví Ltda. | Chile | 3,191,455 | 50.00 | 5,847,565 | 4,645,347 | 3,118,227 | 991,775 | 9,300,323 | (14,137,690) | 1,149,949 |
| Servicios Portuarios y Extraportuarios Bío Bío Ltda. | Chile | (5,688) | 50.00 | 3,554 | - | 14,930 | - | - | - | (3,016) |
| Transportes Fluviales Corral S.A. | Chile | 1,352,227 | 50.00 | 2,458,465 | 3,076,281 | 1,429,010 | 1,374,977 | 5,677,479 | (3,721,816) | 1,183,542 |
| Equimac S.A. | Colombia | 1,778,797 | 50.00 | 107,353 | 3,461,616 | 11,375 | - | - | - | (171,532) |
| **Total** | | **2,400,195,601** | | **3,253,800,068** | **12,886,785,043** | **3,923,045,874** | **4,819,527,251** | **13,522,595,499** | **(10,612,755,516)** | **890,627,729** |

There are no contingent liabilities or investment commitments to report, which relate to interests in joint ventures. The method used to recognize accounting interests in jointly controlled entities is the equity method, which is the same treatment as investments in associates.

(1) Quiñenco has an interest in Hapag Lloyd AG, through its subsidiary Compañía Sud Americana de Vapores (CSAV), over which it has significant influence and joint control through a shareholder agreement with the other controlling shareholders: the City of Hamburg and Kühne Maritime.

(2) Quiñenco has a joint venture relating to its investment in Compañía Cervecerías Unidas S.A. (CCU), recognized using the equity method in Inversiones y Rentas S.A. (IRSA). The Company has an indirect interest in CCU through its 50% holding in IRSA, which is a joint venture with the Dutch brewery group Heineken Americas B.V. (Heineken). As a result, Heineken holds 50% of IRSA and is therefore a partner of Quiñenco, being the joint controllers of 60% of CCU.

(3) The remaining 50% interest in this company was acquired in October 2020, leaving it wholly owned. The results are as of October 2020.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

## Note 13 – Investments recognized using the equity method (continued)

### (c) Interest in associates

(i) As of December 31, 2021, summarized financial information on significant interests in associates and joint ventures is as follows, in accordance with IFRS 12.

| Company | Country | Book value | Percentage interest | Current assets | Non-Current assets | Current liabilities | Non-Current liabilities | Revenue | Operating expenses | Finance income | Finance costs | Net income (loss) for the year | Cash & equivalents | Depreciation & amortization | Income tax expense | Other comprehend-sive income | Total Comprehen-sive income |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | ThCh$ | % | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Nexans S.A. (1) | France | 400,982,759 | 28.88 | 3,376,947,295 | 2,018,919,171 | 2,765,174,650 | 1,253,891,861 | 6,925,032,163 | (6,549,455,686) | 6,678,688 | (75,238,087) | 139,843,099 | 929,249,382 | (159,918,492) | (202,073,948) | 99,133,060 | 238,976,159 |
| Hapag-Lloyd A.G. | Germany | 4,855,952,183 | 30.000 | 4,392,148,953 | 10,927,814,503 | 14,611,815,905 | 5,696,239,658 | 20,456,993,414 | (10,824,904,459) | 19,557,228 | (244,786,300) | 8,334,553,757 | 7,383,751,204 | (1,343,497,052) | (56,295,043) | 45,924,597 | 8,380,478,354 |
| Inv. y Rentas S.A. | Chile | 362,523,960 | 50.00 | 1,094,008,529 | 1,782,515,230 | 777,937,140 | 809,343,462 | 2,484,712,280 | (1,291,559,797) | 14,312,418 | (38,853,146) | 116,049,041 | 268,202,907 | (124,116,739) | (82,692,108) | 70,883,598 | 186,932,639 |
| **Total** | | **5,619,458,902** | | **8,863,104,777** | **14,729,248,904** | **18,154,927,695** | **7,759,474,981** | **29,866,737,857** | **(18,665,919,942)** | **40,548,334** | **(358,877,533)** | **8,590,445,897** | **8,581,203,493** | **(1,627,532,283)** | **(341,061,099)** | **215,941,255** | **8,806,387,152** |

(ii) As of December 31, 2020, summarized financial information on significant interests in associates and joint ventures is as follows, in accordance with IFRS 12.

| Company | Country | Book value | Percentage interest | Current assets | Non-Current assets | Current liabilities | Non-Current liabilities | Revenue | Operating expenses | Finance income | Finance costs | Net income (loss) for the year | Cash & equivalents | Depreciation & amortization | Income tax expense | Other Comprehen-sive income | Total Comprehen-sive income |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | ThCh$ | % | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Nexans S.A. (1) | France | 310,094,216 | 28.90 | 2,871,522,073 | 1,769,901,233 | 2,388,798,399 | 1,160,018,815 | 4,679,272,288 | (4,492,707,574) | 5,115,942 | (45,249,909) | 55,768,184 | 996,889,824 | (122,634,888) | (138,049,516) | (45,912,378) | 9,855,806 |
| Hapag-Lloyd A.G. | Germany | 1,946,661,437 | 30.000 | 2,226,616,485 | 11,025,648,635 | 3,310,268,514 | 4,074,661,336 | 11,476,899,246 | (9,457,770,934) | 15,296,928 | (312,248,171) | 832,773,590 | 594,611,564 | (1,244,673,422) | (41,184,157) | (11,567,371) | 821,206,219 |
| Inv. y Rentas S.A. | Chile | 391,686,404 | 50.00 | 962,819,042 | 1,592,467,371 | 523,043,905 | 617,995,670 | 1,857,593,678 | (984,035,922) | 3,463,200 | (30,308,542) | 55,164,829 | 399,196,053 | (96,959,401) | (35,080,785) | (30,224,076) | 24,940,753 |
| **Total** | | **2,648,442,057** | | **6,060,957,600** | **14,388,017,239** | **6,222,110,818** | **5,852,675,821** | **18,013,765,212** | **(14,934,514,430)** | **23,876,070** | **(387,806,622)** | **943,706,603** | **1,990,697,441** | **(1,464,267,711)** | **(214,314,458)** | **(87,703,825)** | **856,002,778** |

(1) Relates to the latest information published by the company. These financial statements include the effects of the fair values that Invexans S.A. controls.

QUIÑENCO S.A.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

## Note 13 – Investments recognized using the equity method (continued)

### (d) Movements in investments in associates and joint ventures:

Movements during 2021 are as follows:

| Company | Business | Country | Functional currency | Percentage interest % | Balance as of 01-01-2021 ThCh$ | Share of gain (loss) ThCh$ | Dividends ThCh$ | Other increases (decreases) ThCh$ | Balance as of 12-31-2021 ThCh$ |
|---|---|---|---|---|---|---|---|---|---|
| Inversiones y Rentas S.A. | Investments | Chile | Ch$ | 50.00 | 391,686,404 | 58,024,521 | (87,235,792) | 48,827 | 362,523,960 |
| Nexans S.A. (1) and (2) | Manufacturing | France | EUR | 28.88 | 310,094,216 | 40,304,721 | (7,695,808) | 58,279,630 | 400,982,759 |
| Hapag-Lloyd A.G. (3) | Transport | Germany | EUR | 30.00 | 1,946,661,437 | 2,499,023,637 | (174,754,549) | 585,021,658 | 4,855,952,183 |
| Transportes y Servicios Aéreos S.A. | Transport | Chile | Ch$ | 50.00 | 144,879 | (442) | - | - | 144,437 |
| Inmobiliaria El Norte y El Rosal S.A. | Real estate | Chile | Ch$ | 50.00 | 23,865 | (3,063) | - | - | 20,802 |
| Asfaltos Cono Sur S.A. | Bitumen | Chile | Ch$ | 50.00 | 4,857,709 | (335,084) | - | (23,806) | 4,498,819 |
| Sociedad Inversiones Aviación SIAV Ltda. | Fuel & lubricants | Chile | Ch$ | 33.33 | 2,074,017 | 905,088 | - | (794,737) | 2,184,368 |
| Enex Paraguay | Fuel distribution | Paraguay | PYG | 50.00 | 9,227,874 | (475,382) | - | 1,496,132 | 10,248,624 |
| Antofagasta Terminal Internacional S.A. | Port services | Chile | USD | 35.00 | - | - | - | - | - |
| Inmobiliaria Carriel Ltda. | Real estate | Chile | Ch$ | 50.00 | 8,531 | (8,061) | - | (470) | - |
| Inmobiliaria Sepbío Ltda. | Real estate | Chile | Ch$ | 50.00 | 147,167 | 352 | - | (1,388) | 146,131 |
| LNG Tugs Chile S.A. | Port services | Chile | USD | 35.00 | 125,127 | 26,199 | (19,109) | 24,895 | 157,112 |
| Muellaje ATI S.A. (4) | Port services | Chile | Ch$ | 0.50 | (5,688) | 1,576 | - | (2,646) | (6,758) |
| Muellaje del Maipo S.A. | Port services | Chile | USD | 50.00 | 81,048 | (32,663) | - | 12,433 | 60,818 |
| Muellaje STI S.A. (4) | Port services | Chile | Ch$ | 0.50 | 711 | - | - | 2,668 | 3,379 |
| Muellaje SVTI S.A. (4) | Port services | Chile | Ch$ | 0.50 | 2,844 | - | - | 535 | 3,379 |
| Portuaria Corral S.A. | Port services | Chile | Ch$ | 50.00 | 3,800,739 | 1,497,492 | (1,527,235) | 9,836 | 3,780,832 |
| San Antonio Terminal Internacional S.A. | Port services | Chile | USD | 50.00 | 27,223,697 | 6,241,365 | (12,231,793) | 4,892,148 | 26,125,417 |
| San Vicente Terminal Internacional S.A. | Port services | Chile | USD | 50.00 | 27,751,933 | (2,461,621) | - | 9,542,170 | 34,832,482 |
| Servicios Portuarios Reloncaví Ltda. | Port services | Chile | Ch$ | 50.00 | 3,191,455 | 327,798 | (630,428) | (2,888,825) | - |
| Servicios Portuarios y Extraportuarios Bío Bío Ltda. | Port services | Chile | Ch$ | 50.00 | (5,688) | (726) | - | (344) | (6,758) |
| Transbordadora Austral Broom S.A. | Port services | Chile | Ch$ | 25.00 | 20,514,463 | 345,464 | - | 1,900,247 | 22,760,174 |
| Transportes Fluviales Corral S.A. | Port services | Chile | Ch$ | 50.00 | 1,352,227 | 261,763 | - | 12,038 | 1,626,028 |
| Equimac S.A. | Port services | Colombia | USD | 50.00 | 1,778,797 | 1,114,675 | (920,698) | 342,521 | 2,315,295 |
| Puerto Buenavista S.A. | Port services | Colombia | Ch$ | 33.30 | 2,880,058 | 44,816 | - | 39,989 | 2,964,863 |
| Luckymont S.A. | Port services | Uruguay | USD | 49.00 | 1,756,046 | 488,276 | (1,009,094) | (1,235,228) | - |
| **Total** | | | | | **2,755,373,868** | **2,605,290,701** | **(286,024,506)** | **656,678,283** | **5,731,318,346** |

(1) The goodwill related to the acquisition of the associate Nexans S.A. is part of the value of the investment. The amount shown of ThCh$400,982,759 is ThCh$393,018,198 in equity and ThCh$7,964,561 in goodwill.
(2) The market value of CSAV's investment in HLAG was €1,082,646,967 as of December 31, 2021 and €747,196,655 as of December 31, 2020, equivalent to ThCh$1,034,620,747 and ThCh$637,132,797, respectively.
(3) The market value of CSAV's investment in HLAG was €14,605,943,526 as of December 31, 2021 and €4,845,798,592 as of December 31, 2020, equivalent to ThCh$13,958,023,871 and ThCh$4,156,468,771, respectively.
(4) These include investments whose direct share is less than 20%, as the sum of direct and indirect shares exceeds 20% or because it has representation on the Board of Directors.

QUIÑENCO S.A.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

## Note 13 – Investments recognized using the equity method (continued)

### (d) Movements in investments in associates and joint ventures (continued)

Movements during 2020 are as follows:

| Company | Business | Country | Functional currency | Percentage interest % | Balance as of 01-01-2020 ThCh$ | Share of gain (loss) ThCh$ | Dividends ThCh$ | Other increases (decreases) ThCh$ | Balance as of 12-31-2020 ThCh$ |
|---|---|---|---|---|---|---|---|---|---|
| Inversiones y Rentas S.A. | Investments | Chile | Ch$ | 50.00 | 397,729,035 | 27,582,415 | (13,147,017) | (20,478,029) | 391,686,404 |
| Nexans S.A. (1) and (2) | Manufacturing | France | EUR | 29.22 | 300,963,776 | 15,348,064 | - | (6,217,624) | 310,094,216 |
| Foods Compañía de Alimentos CCU S.A. | Food | Chile | Ch$ | 50.00 | 1,709,806 | (359,256) | - | (1,350,550) | - |
| Hapag-Lloyd A.G. (3) | Transport | Germany | EUR | 30.00 | 1,623,555,087 | 244,901,911 | - | 78,204,439 | 1,946,661,437 |
| Transportes y Servicios Aéreos S.A. | Transport | Chile | Ch$ | 50.00 | 145,141 | (262) | - | - | 144,879 |
| Inmobiliaria El Norte y El Rosal S.A. | Real estate | Chile | Ch$ | 50.00 | 26,486 | (2,621) | - | - | 23,865 |
| Asfaltos Cono Sur S.A. | Bitumen | Chile | Ch$ | 50.00 | 5,100,816 | (243,107) | - | | 4,857,709 |
| Sociedad Inversiones Aviación SIAV Ltda. | Fuel & lubricants | Chile | Ch$ | 33.33 | 2,592,496 | 966,560 | - | (1,485,039) | 2,074,017 |
| Enex Paraguay | Fuel distribution | Paraguay | PYG | 50.00 | 8,937,116 | 693,982 | - | (403,224) | 9,227,874 |
| Aerosán Airport Services S.A. | Port services | Chile | USD | 50.00 | 6,352,310 | (905) | - | (6,351,405) | - |
| Antofagasta Terminal Internacional S.A. | Port services | Chile | USD | 35.00 | - | - | - | - | - |
| Inmobiliaria Carriel Ltda. | Real estate | Chile | Ch$ | 50.00 | 130,281 | 641,822 | (765,888) | 2,316 | 8,531 |
| Inmobiliaria Sepbío Ltda. | Real estate | Chile | Ch$ | 50.00 | 140,763 | 5,702 | - | 702 | 147,167 |
| LNG Tugs Chile S.A. | Port services | Chile | USD | 35.00 | 124,291 | 5,148 | - | (4,312) | 125,127 |
| Muellaje ATI S.A. (4) | Port services | Chile | Ch$ | 0.50 | (5,990) | 26 | - | 276 | (5,688) |
| Muellaje del Maipo S.A. | Port services | Chile | USD | 50.00 | 78,618 | 6,660 | - | (4,230) | 81,048 |
| Muellaje STI S.A. (4) | Port services | Chile | Ch$ | 0.50 | 1,497 | - | - | (786) | 711 |
| Muellaje SVTI S.A. (4) | Port services | Chile | Ch$ | 0.50 | 3,744 | (877) | - | (23) | 2,844 |
| Portuaria Corral S.A. | Port services | Chile | Ch$ | 50.00 | 4,199,684 | 1,516,326 | (1,961,983) | 46,713 | 3,800,740 |
| San Antonio Terminal Internacional S.A. | Port services | Chile | USD | 50.00 | 30,231,875 | 1,223,240 | (3,763,441) | (467,977) | 27,223,697 |
| San Vicente Terminal Internacional S.A. | Port services | Chile | USD | 50.00 | 34,200,945 | (5,086,028) | - | (1,362,984) | 27,751,933 |
| Servicios Aeroportuarios Aerosan S.A. | Port services | Chile | USD | 50.00 | 6,244,492 | 1,566,264 | - | (7,810,756) | - |
| Servicios Logísticos Ltda. (4) | Port services | Chile | Ch$ | 0.50 | 20,963 | 2,465 | - | (23,429) | (1) |
| Servicios Portuarios Reloncaví Ltda. | Port services | Chile | Ch$ | 50.00 | 3,662,835 | 574,975 | (1,011,276) | (35,079) | 3,191,455 |
| Servicios Portuarios y Extraportuarios Bío Ltda. | Port services | Chile | Ch$ | 50.00 | (4,492) | (1,508) | - | 312 | (5,688) |
| Transbordadora Austral Broom S.A. | Port services | Chile | Ch$ | 25.00 | 21,208,061 | (5,903) | - | (687,695) | 20,514,463 |
| Transportes Fluviales Corral S.A. | Port services | Chile | Ch$ | 50.00 | 1,258,632 | 591,674 | - | (498,079) | 1,352,227 |
| Equimac S.A. | Port services | Colombia | USD | 50.00 | 1,953,463 | (85,766) | - | (88,900) | 1,778,797 |
| Puerto Buenavista S.A. | Port services | Colombia | Ch$ | 33.30 | 3,230,064 | (41,951) | - | (308,055) | 2,880,058 |
| Luckymont S.A. | Port services | Uruguay | USD | 49.00 | 1,721,353 | 716,649 | (596,227) | (85,729) | 1,756,046 |
| **Total** | | | | | **2,455,513,148** | **290,515,699** | **(21,245,832)** | **30,590,853** | **2,755,373,868** |

(1) The goodwill related to the acquisition of the associate Nexans S.A. is part of the value of the investment. The amount shown of ThCh$310,094,216 is ThCh$305,597,178 in equity and ThCh$4,497,038 in goodwill.
(2) The market value of Invexans' investment in Nexans was €747,196,655 as of December 31, 2020, and €548,448,650 as of December 31, 2019, equivalent to ThCh$652,526,838 and ThCh$637,132,797 respectively.
(3) The market value of CSAV's investment in HLAG was €4,845,798,592 as of December 31, 2020, and €3,706,738,850 as of December 31, 2019, equivalent to ThCh$4,231,836,267 and ThCh$4,156,468,771, respectively.
(4) These include investments whose direct share is less than 20%, as the sum of direct and indirect shares exceeds 20% or because it has representation on the Board of Directors.

**Note 13 – Investments recognized using the equity method (continued)**

**(e) CSAV's investment in Hapag-Lloyd A.G.**

CSAV has a 30% interest as of December 31, 2021, in Hapag-Lloyd AG (HLAG), headquartered in Hamburg, Germany, making it one of its main shareholders. In addition, with respect to its investment in HLAG, the Company is party to a joint control agreement with the two other shareholders of this German company: the City of Hamburg, through its holding company HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH (HGV), which holds 13.86% of the share capital; and German businessman Klaus Michael Kühne, through Kühne Maritime GmbH (KM), who owns 29.77%; together, they hold approximately 73.63% of HLAG. By virtue of the above, based on CSAV's shareholding in HLAG and the existence and characteristics of the aforementioned joint control agreement, in accordance with IFRS 11, CSAV's investment in HLAG has been defined as a joint venture that must be accounted for using the equity method in accordance with IAS 28. This definition has remained unchanged since the date on which CSAV acquired its original interest in HLAG during the business combination of its container shipping business and HLAG in 2014.

**Note 14 – Intangible assets other than goodwill**

| **Intangible assets, net** | **12-31-2021 ThCh$** | **12-31-2020 ThCh$** |
|---|---|---|
| Intangible assets with finite life, net | 193,246,661 | 180,097,734 |
| Intangible assets with indefinite life, net (1) | 196,605,756 | 194,731,404 |
| **Intangible assets, net** | **389,852,417** | **374,829,138** |

(1) Intangible assets with an indefinite useful life are the Banco de Chile brand and the contracts to use the Citibank, which are not amortized because they are trademarks without expiration and they are expected to generate net cash flows indefinitely for the business. They also include the brand Road Ranger acquired during the Road Ranger Group purchase by the subsidiary Enex in 2018. Intangible assets with indefinite useful lives are valued at acquisition cost less accumulated impairment and are not amortized. However, these assets are subject to an annual impairment test.

| **Method used to express the amortization of identifiable intangible assets** | **Useful life** | **Minimum useful life** | **Maximum useful life** |
|---|---|---|---|
| Useful life for port concessions, tug boats and others | Years | 5 | 20 |
| Useful life for computer programs | Years | 3 | 6 |
| Useful life for other identifiable intangible assets | Years | 5 | 10 |

(a) Intangible assets as of December 31, 2021 and 2020, are detailed as follows:

| **As of December 31, 2021** | **Gross Asset ThCh$** | **Accumulated Amortization/ Impairment ThCh$** | **Net Asset ThCh$** |
|---|---|---|---|
| Patents, trademarks and other rights | 199,415,000 | (2,809,244) | 196,605,756 |
| Port concessions, tug boats and others | 303,508,541 | (164,663,956) | 138,844,585 |
| Computer programs | 19,789,516 | (15,501,494) | 4,288,022 |
| Other intangible assets | 299,755,849 | (249,641,795) | 50,114,054 |
| Total | **822,468,906** | **(432,616,489)** | **389,852,417** |

| **As of December 31, 2020** | **Gross Asset ThCh$** | **Accumulated Amortization/ Impairment ThCh$** | **Net Asset ThCh$** |
|---|---|---|---|
| Patents, trademarks and other rights | 196,461,326 | (1,729,922) | 194,731,404 |
| Port concessions, tug boats and others | 258,195,912 | (121,745,873) | 136,450,039 |
| Computer programs | 16,340,049 | (12,808,998) | 3,531,051 |
| Other intangible assets | 286,219,330 | (246,102,686) | 40,116,644 |
| Total | **757,216,617** | **(382,387,479)** | **374,829,138** |

**Notes to the Consolidated Financial Statements** QUIÑENCO S.A.
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 14 – Intangible assets other than goodwill (continued)**

(b) Movement of identifiable intangible assets

Movements in identifiable intangible assets during 2021 were as follows.

| **Movements** | **Patents, trademarks and other rights** | **Port, towage and other concessions** | **Computer programs** | **Other intangible assets** | **Total** |
|---|---|---|---|---|---|
| | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** |
| Opening balance | 194,731,404 | 136,450,039 | 3,531,051 | 40,116,644 | 374,829,138 |
| Additions | 162,121 | 417,860 | 1,837,156 | - | 2,417,137 |
| Acquisitions through business combinations | - | - | 81,441 | 8,797,902 | 8,879,343 |
| Divestments | (761) | - | (277,051) | - | (277,812) |
| Retirements | - | - | (761) | - | (761) |
| Amortization | (1,179,632) | (21,033,326) | (1,376,350) | (4,514,262) | (28,103,570) |
| Increase (decrease) in currency translation | 2,929,919 | 22,767,391 | 579,305 | 5,713,770 | 31,990,385 |
| Other increases (decreases) | (37,295) | 242,621 | (86,769) | - | 118,557 |
| **Closing balance** | **196,605,756** | **138,844,585** | **4,288,022** | **50,114,054** | **389,852,417** |

Movements in identifiable intangible assets during 2020 were as follows.

| **Movements** | **Patents, trademarks and other rights** | **Port, towage and other concessions** | **Computer programs** | **Other intangible assets** | **Total** |
|---|---|---|---|---|---|
| | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** |
| Opening balance | 196,805,065 | 163,216,546 | 3,783,300 | 35,642,970 | 399,447,881 |
| Additions | 53,033 | 512,911 | 2,375,483 | - | 2,941,427 |
| Acquisitions through business combinations | - | 2,231,048 | 75,195 | 9,484,112 | 11,790,355 |
| Retirements | - | - | (430,592) | - | (430,592) |
| Amortization | (403,886) | (21,540,369) | (2,332,806) | (3,293,556) | (27,570,617) |
| Increase (decrease) in currency translation | (1,344,137) | (7,578,651) | 214,028 | (1,717,674) | (10,426,434) |
| Other increases (decreases) | (378,671) | (391,446) | (153,557) | 792 | (922,882) |
| **Closing balance** | **194,731,404** | **136,450,039** | **3,531,051** | **40,116,644** | **374,829,138** |

The subsidiary TechPack recognizes the amortization of identifiable intangible assets under Administrative expenses in the consolidated statement of comprehensive income. The subsidiary LQIF recognizes the amortization of its intangible assets under Other expenses by function.

## Note 15 – Goodwill

Movements in goodwill during 2021 and 2020 were as follows.

| Movements | Banco de Chile and SM-Chile | Merger Banco de Chile - Citibank | Merger Citigroup Chile II S.A. LQIF | Enex | SM SAAM | Other | Total |
|---|---|---|---|---|---|---|---|
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| **As of December 31, 2021** | | | | | | | |
| Opening balances as of 1/1/2021 | **514,466,490** | **108,438,209** | **31,868,173** | **266,830,910** | **42,472,864** | **72,562** | **964,149,208** |
| Acquisitions through business combinations (1) | - | - | - | - | 13,355,548 | - | 13,355,548 |
| Increase (decrease) in currency translation | - | - | - | 13,568,159 | 2,286,260 | - | 15,854,419 |
| **Closing balances as of 12/31/2021** | **514,466,490** | **108,438,209** | **31,868,173** | **280,399,069** | **58,114,672** | **72,562** | **993,359,175** |
| **As of December 31, 2020** | | | | | | | |
| Opening balances as of 1/1/2020 | 514,466,490 | 108,438,209 | 31,868,173 | 270,664,817 | 18,861,510 | 896,475 | 945,195,674 |
| Acquisitions through business combinations (2) | - | - | - | - | 24,563,550 | - | 24,563,550 |
| Increase (decrease) in currency translation | - | - | - | (3,833,907) | (952,196) | - | (4,786,103) |
| Other increases (decreases) | - | - | - | - | - | (823,913) | (823,913) |
| **Closing balances as of 12/31/2020** | **514,466,490** | **108,438,209** | **31,868,173** | **266,830,910** | **42,472,864** | **72,562** | **964,149,208** |

(1) On January 29, 2021, SM SAAM's subsidiary SAAM S.A. acquired a 70% interest in International Tug S.A.S. (Intertug Colombia), Intertug México S.A. de C.V., Baru Offshore de México, S.A.P.I. de C.V. and EOP Crew Management de México S.A. de C.V.
(2) On October 28, 2020, SM SAAM acquired American Airlines Inc.'s interest in Aerosan. It now owns 100% of that company.

The indirect subsidiary Enex has goodwill associated with two cash generating units (CGUs).

- Enex S.A.
- Road Ranger

Goodwill is the excess acquisition cost over the fair value of the Company's share of the net identifiable assets of the acquired company on the acquisition date. Goodwill related to acquiring subsidiaries is not amortized, but is tested for impairment annually or whenever there are indications of impairment. Gains and losses on the sale of an entity include the book value of any goodwill relating to the entity sold.

The indirect subsidiary Enex tests goodwill for impairment at least once a year.

Movements in purchased goodwill at Enex during the years ended December 31, 2021 and 2020, are detailed as follows:

| | 12-31-2021 | 12-31-2020 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Enex S.A. | 135,311,736 | 135,312,270 |
| Inversiones Enex S.A. | 2,534 | 3,554 |
| Enex Trading S.A. | 7,037,957 | 7,037,694 |
| Gaspeza | 342,944 | 342,678 |
| Petrans S.A. | 52,005,874 | 52,005,282 |
| **Subtotal Enex S.A.** | **194,701,045** | **194,701,478** |
| **Road Ranger, LLC** | **85,698,024** | **72,129,432** |
| **Total** | **280,399,069** | **266,830,910** |

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

QUIÑENCO S.A.

### Note 16 – Transactions with non-controlling interests

- **Shareholding increase in Invexans**

  The subsidiary Invexans S.A. merged with the subsidiary Río Argenta S.A. during the second quarter of 2020, whereby the former absorbed the latter by incorporation. This required a capital increase at Invexans that increased Quiñenco's interest in Invexans to 99.73%. This transaction has been recognized as a charge to Other reserves, as the counterparties are non-controlling interests.

- **Shareholding increase in CSAV**

  Quiñenco and its subsidiaries Norte Verde and Rio Bravo participated in the capital increase of CSAV during the third quarter of 2020, which increased its interest in the subsidiary to 61.76%. These transactions have been recognized as a credit to Other reserves, as the counterparties are non-controlling interests.
  During the first half of 2021, Quiñenco acquired 2,409,394,428 shares in CSAV, increasing its direct and indirect interest in CSAV from 61.76% to 66.45%. This transaction has been recognized as a charge to Other reserves, as the counterparties are non-controlling interests.

- **Shareholding increase in SM SAAM**

  During the third and fourth quarters of 2021, Quiñenco acquired 733,102,683 shares in SM SAAM, increasing its direct and indirect shareholding in that company from 52.20% to 59.73%. These transactions have been recognized as a credit to Other reserves, as the counterparties are non-controlling interests.

The net accounting effects of these transactions with non-controlling interests on only Quiñenco's interest as of December 31, 2021 and 2020, are as follows.

| | Shareholding increase in CSAV | Shareholding increase in SM SAAM | Total |
|---|---|---|---|
| | **12-31-2021** | **12-31-2021** | **12-31-2021** |
| | ThCh$ | ThCh$ | ThCh$ |
| Equity value | (1,857,840) | 8,945,176 | 7,087,336 |
| **Net effect on equity** | **(1,857,840)** | **8,945,176** | **7,087,336** |

| | Shareholding increase in Invexans | Shareholding increase in CSAV | Total |
|---|---|---|---|
| | **12-31-2020** | **12-31-2020** | **12-31-2020** |
| | ThCh$ | ThCh$ | ThCh$ |
| Equity value | (350,851) | 2,180,634 | 1,829,783 |
| **Net effect on equity** | **(350,851)** | **2,180,634** | **1,829,783** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 17 – Property, plant and equipment**

**(a) Property, plant and equipment is detailed as follows.**

As of December 31, 2021 and 2020, these are detailed as follows.

| As of December 31, 2021 | Gross asset ThCh$ | Accumulated depreciation ThCh$ | Net asset ThCh$ |
|---|---|---|---|
| Construction in progress | 53,913,184 | - | 53,913,184 |
| Land | 185,720,228 | - | 185,720,228 |
| Buildings | 256,039,860 | (77,459,184) | 178,580,676 |
| Plant and equipment | 469,919,630 | (217,702,799) | 252,216,831 |
| IT equipment | 25,989,507 | (21,610,357) | 4,379,150 |
| Fixtures and fittings | 27,881,907 | (20,846,184) | 7,035,723 |
| Vessels | 795,351,464 | (306,197,081) | 489,154,383 |
| Motor vehicles | 20,530,333 | (15,718,668) | 4,811,665 |
| Other property, plant and equipment | 21,694,082 | (15,357,120) | 6,336,962 |
| **Total** | **1,857,040,195** | **(674,891,393)** | **1,182,148,802** |

| As of December 31, 2020 | Gross asset ThCh$ | Accumulated depreciation ThCh$ | Net asset ThCh$ |
|---|---|---|---|
| Construction in progress | 40,871,805 | - | 40,871,805 |
| Land | 166,242,056 | - | 166,242,056 |
| Buildings | 214,135,671 | (57,985,992) | 156,149,679 |
| Plant and equipment | 422,697,455 | (184,656,466) | 238,040,989 |
| IT equipment | 24,316,992 | (19,601,871) | 4,715,121 |
| Fixtures and fittings | 26,571,342 | (18,727,301) | 7,844,041 |
| Vessels | 595,439,230 | (230,709,955) | 364,729,275 |
| Motor vehicles | 20,059,970 | (13,794,995) | 6,264,975 |
| Other property, plant and equipment | 18,455,493 | (12,508,561) | 5,946,932 |
| **Total** | **1,528,790,014** | **(537,985,141)** | **990,804,873** |

Property, plant and equipment are assets used in company businesses, where there is no intention to dispose of them. These assets are valued using the cost method, and are not revalued. As of December 31, 2021 and 2020, property, plant and equipment represents less than 3% of total consolidated assets. Accordingly, presenting the fair value of these assets is not considered important information for the users of these consolidated financial statements, which is recommended but not required by paragraph 79 of IAS 16.

QUIÑENCO S.A.

**Notes to the Consolidated Financial Statements**

## (Translation of financial statements originally issued in Spanish – See Note 2)

### Note 17 – Property, plant and equipment (continued)

### (b) Movement

Movements in 2021 are detailed as follows:

| | | Construction in progress | Land | Buildings, net | Plant and equipment, net | Computer equipment, net | Fixtures and fittings, net | Vessels, net | Motor vehicles, net | Other property, plant and equipment, net | Property, plant and equipment, net |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Opening balance as of January 1, 2021 | | 40,871,805 | 166,242,056 | 156,149,679 | 238,040,989 | 4,715,121 | 7,844,041 | 364,729,275 | 6,264,975 | 5,946,932 | 990,804,873 |
| Movements | Additions | 53,605,189 | 1,233,935 | 6,956,258 | 14,352,668 | 684,157 | 59,352 | 21,696,011 | 63,174 | 615,255 | 99,265,999 |
| | Acquisitions through business combinations | - | 363,820 | 531,269 | 261,068 | 8,372 | - | 49,084,513 | - | 75,352 | 50,324,394 |
| | Divestments | (761) | - | - | (159,837) | - | (1,300) | (1,199,541) | (6,850) | (1,236) | (1,369,525) |
| | Transfers to (from) non-current assets and disposal groups held for sale | - | (344,031) | (1,039,116) | (54,040) | 2,283 | - | - | 15,223 | - | (1,419,681) |
| | Transfers to (from) property, plant and equipment | (43,513,439) | 2,643,880 | 2,641,266 | 13,897,235 | 320,479 | 1,349,815 | 22,097,126 | 521,692 | 666,778 | 624,832 |
| | Disposals | (26,640) | (473,871) | (97,815) | (764,421) | (2,522) | (845) | - | (43,255) | (15,640) | (1,425,009) |
| | Depreciation expense | - | - | (10,456,316) | (24,240,144) | (1,814,823) | (2,171,933) | (42,145,775) | (2,434,170) | (1,754,995) | (85,018,156) |
| | Increases (decreases) in exchange differences | 3,022,642 | 16,054,439 | 23,896,296 | 14,645,813 | 469,128 | (42,562) | 74,834,928 | 431,721 | 796,144 | 134,108,549 |
| | Other increases (decreases) | (45,612) | - | (845) | (3,762,500) | (3,045) | (845) | 57,846 | (845) | 8,372 | (3,747,474) |
| **Closing balance as of December 31, 2021** | | **53,913,184** | **185,720,228** | **178,580,676** | **252,216,831** | **4,379,150** | **7,035,723** | **489,154,383** | **4,811,665** | **6,336,962** | **1,182,148,802** |

Movements in 2020 are detailed as follows:

| | | Construction in progress | Land | Buildings, net | Plant and equipment, net | Computer equipment, net | Fixtures and fittings, net | Vessels, net | Motor vehicles, net | Other property, plant and equipment, net | Property, plant and equipment, net |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Opening balance as of January 1, 2020 | | 37,565,437 | 167,324,399 | 141,517,371 | 241,755,368 | 5,299,322 | 11,146,456 | 396,758,951 | 7,972,552 | 7,239,102 | 1,016,578,958 |
| Movements | Additions | 45,541,904 | 772,254 | 7,467,076 | 10,903,298 | 844,714 | 759,152 | 16,760,648 | 282,485 | 348,436 | 83,679,967 |
| | Acquisitions through business combinations | 1,131,888 | - | 8,353,808 | 4,218,063 | 117,938 | - | - | 95,775 | 85,485 | 14,002,957 |
| | Divestments | - | (158,407) | - | (55,407) | - | (323,232) | (453,547) | (45,301) | (63,414) | (1,099,308) |
| | Transfers to (from) non-current assets and disposal groups held for sale | - | (53,824) | (32,453) | (57,782) | - | - | (349,856) | - | - | (493,915) |
| | Transfers to (from) property, plant and equipment | (41,653,164) | 3,283,781 | 11,494,275 | 11,155,951 | 699,661 | 593,693 | 12,324,122 | 1,528,095 | 573,586 | - |
| | Disposals | (49,075) | - | (8,075) | (632,509) | (109,523) | (67,447) | (792) | (24,732) | (124,419) | (1,016,572) |
| | Depreciation expense | - | - | (8,774,450) | (21,636,527) | (2,385,963) | (2,874,351) | (38,348,323) | (2,385,625) | (1,563,614) | (77,968,853) |
| | Increases (decreases) in exchange differences | (6,687,878) | (6,180,061) | (11,140,738) | (10,592,554) | (375,104) | (342,976) | (19,776,514) | (189,124) | 3,755,289 | (51,529,660) |
| | Other increases (decreases) | 5,022,693 | 1,253,914 | 7,272,865 | 2,983,088 | 624,076 | (1,047,254) | (2,185,414) | (969,150) | (4,303,519) | 8,651,299 |
| **Closing balance as of December 31, 2020** | | **40,871,805** | **166,242,056** | **156,149,679** | **238,040,989** | **4,715,121** | **7,844,041** | **364,729,275** | **6,264,975** | **5,946,932** | **990,804,873** |

**Note 18 – Right-of-use assets and lease liabilities**

The Company and its subsidiaries adopted IFRS 16 "Leases" on January 1, 2019, recognizing assets and liabilities at the present value of all future payments under lease contracts. These flows are discounted at an incremental borrowing rate according to the lease term and the nature of the right-of-use asset. Right-of-use assets recognized at the initial application date are depreciated over the shorter of the non-cancelable period of the lease contract or the useful life of the asset.

**(a) Right-of-use leased assets**

Movements in right-of-use leased assets subject to IFRS 16 for 2021 by class of underlying asset are as follows:

| | ENEX ThCh$ | SM SAAM ThCh$ | CSAV ThCh$ | Total ThCh$ |
|---|---|---|---|---|
| Balance as of January 1, 2021 | 213,826,744 | 53,208,920 | - | 267,035,664 |
| Additions | 9,146,303 | 8,395,264 | - | 17,541,567 |
| Acquisitions through business combinations | - | 86,008 | - | 86,008 |
| Contract amendments | 7,941,775 | - | - | 7,941,775 |
| Amortization for the year | (19,984,659) | (13,047,290) | - | (33,031,949) |
| Increase (decrease) in currency translation | 5,884,021 | 9,008,984 | - | 14,893,005 |
| Debt revaluation adjustment | 11,300,263 | - | - | 11,300,263 |
| Other | - | (653,050) | - | (653,050) |
| **Balance as of December 31, 2021** | **228,114,447** | **56,998,836** | **-** | **285,113,283** |

Movements in right-of-use leased assets subject to IFRS 16 for 2020 by class of underlying asset are as follows:

| | ENEX ThCh$ | SM SAAM ThCh$ | CSAV ThCh$ | Total ThCh$ |
|---|---|---|---|---|
| Balance as of January 1, 2020 | 208,438,124 | 21,251,488 | 6,424,189 | 236,113,801 |
| Additions | 16,612,356 | 2,849,508 | - | 19,461,864 |
| Acquisitions through business combinations | 11,305,139 | 27,523,081 | | 38,828,220 |
| Transfer from other non-financial assets | - | 12,335,204 | - | 12,335,204 |
| Amortization for the year | (15,507,425) | (6,488,171) | - | (21,995,596) |
| Amortization of discontinued operations | - | - | (6,636,072) | (6,636,072) |
| Increase (decrease) in currency translation | (8,986,190) | (4,149,793) | - | (13,135,983) |
| Debt revaluation adjustment | 2,717,871 | - | - | 2,717,871 |
| Other | (753,131) | (112,397) | 211,883 | (653,645) |
| **Balance as of December 31, 2020** | **213,826,744** | **53,208,920** | **-** | **267,035,664** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 18 – Right-of-use assets and lease liabilities (continued)**

**(b) Lease liabilities**

A maturity analysis of lease liabilities is as follows:

As of December 31, 2021

| Company | Total debt ThCh$ | **Current debt as of 12/31/2021 ThCh$** | Up to 3 months ThCh$ | 3 to 12 months ThCh$ | **Non-current 12-31-2021 ThCh$** | 1 to 3 years ThCh$ | 3 to 5 years ThCh$ | Over 5 years ThCh$ |
|---|---|---|---|---|---|---|---|---|
| Enex | 232,034,654 | **21,064,035** | 5,222,719 | 15,841,316 | **210,970,619** | 39,567,814 | 38,370,043 | 133,032,762 |
| SM SAAM | 44,770,839 | **13,362,996** | 3,529,960 | 9,833,036 | **31,407,843** | 17,964,600 | 6,223,678 | 7,219,565 |
| Total | 276,805,493 | **34,427,031** | | | **242,378,462** | | | |

As of December 31, 2020

| Company | Total debt ThCh$ | **Current debt as of 12/31/2020 ThCh$** | Up to 3 months ThCh$ | 3 to 12 months ThCh$ | **Non-current debt as of 12/31/2020 ThCh$** | 1 to 3 years ThCh$ | 3 to 5 years ThCh$ | Over 5 years ThCh$ |
|---|---|---|---|---|---|---|---|---|
| Enex | 215,440,601 | **19,261,058** | 4,872,851 | 14,388,207 | **196,179,543** | 35,492,756 | 34,202,383 | 126,484,404 |
| SM SAAM | 44,253,060 | **9,812,531** | 2,447,802 | 7,364,729 | **34,440,529** | 17,523,495 | 8,866,257 | 8,050,777 |
| Total | 259,693,661 | **29,073,589** | | | **230,620,072** | | | |

As of December 31, 2021 and 2020, the liquidity risk associated with these maturities is covered by the operating cash flows of the respective subsidiaries. There are no restrictions associated with these leases.

Subsidiaries have specific contracts that contain renewal options and it is reasonably certain that this option will be exercised indefinitely, or for an indicated period. The lease term used to measure the asset and liability is the shorter of that period or the useful life of the asset.

**Note 19 – Investment properties**

(a) Investment properties as of December 31, 2021 and 2020, are detailed as follows.

| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| Land | 4,510,030 | 3,892,090 |
| Buildings | 13,710,141 | 11,685,678 |
| **Total** | **18,220,171** | **15,577,768** |

(b) Movements

Movements in investment properties during 2021 and 2020 are detailed as follows.

| **As of December 31, 2021** | **Land** | **Buildings** | **Total** |
|---|---|---|---|
| Movements | **ThCh$** | **ThCh$** | **ThCh$** |
| Opening balance, net | 3,892,090 | 11,685,678 | 15,577,768 |
| Additions | 386,973 | 499,952 | 886,925 |
| Transfers to (from) non-current assets and disposal groups held for sale | - | 135,240 | 135,240 |
| Divestments | - | (2,344) | (2,344) |
| Depreciation expense | - | (203,137) | (203,137) |
| Increase (decrease) in exchange differences | 230,967 | 1,594,752 | 1,825,719 |
| **Closing balance, net** | **4,510,030** | **13,710,141** | **18,220,171** |

| **As of December 31, 2020** | **Land** | **Buildings** | **Total** |
|---|---|---|---|
| Movements | **ThCh$** | **ThCh$** | **ThCh$** |
| Opening balance, net | 3,957,126 | 13,263,283 | 17,220,409 |
| Additions | - | 78,430 | 78,430 |
| Divestments | - | (855,984) | (855,984) |
| Depreciation expense | - | (230,784) | (230,784) |
| Increase (decrease) in exchange differences | (65,036) | (569,267) | (634,303) |
| **Closing balance, net** | **3,892,090** | **11,685,678** | **15,577,768** |

(c) Revenue from rentals and direct operating expenses of investment properties during 2021 and 2020 are detailed as follows.

| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| Revenue from rental of investment properties | 795,056 | 982,800 |
| Direct operating expenses | (403,049) | (425,514) |

(d) The fair values of investment properties do not vary significantly from their book values.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 20 – Current and deferred taxes**

**(a) Deferred taxes**

Deferred tax assets and liabilities as of December 31, 2021 and 2020, are detailed as follows.

| Deferred taxes | 12-31-2021 Asset ThCh$ | 12-31-2021 Liabilities ThCh$ | 12-31-2020 Asset ThCh$ | 12-31-2020 Liabilities ThCh$ |
|---|---|---|---|---|
| Depreciation | - | 45,056,610 | - | 44,767,522 |
| Amortization | - | 5,017,459 | - | 13,757,592 |
| Provisions | 18,879,394 | - | 11,723,423 | - |
| Post-employment benefits | 1,287,308 | - | 2,422,207 | 263,052 |
| Revaluations of property, plant and equipment | 8,566,359 | 41,773,634 | 843,511 | 24,515,135 |
| Intangible assets | - | 54,450,143 | - | 48,362,462 |
| Leasing obligations | 11,312,933 | 14,546,406 | 4,609,800 | - |
| Port and towage concession assets | 6,786,239 | - | 5,922,924 | - |
| Revaluations of financial instruments | 135,150 | 6,828,474 | 220,395 | 3,533,148 |
| Tax losses | 233,879,490 | - | 148,371,103 | - |
| Unrealized gains (losses) | 9,255,268 | 11,836,641 | 9,771,297 | - |
| Tax credits | 3,051,020 | - | 4,510,267 | - |
| Fair value adjustments | - | 22,332,739 | - | - |
| Deferred tax assets related to others | 4,153,376 | - | 12,357,329 | - |
| Deferred tax liabilities related to others | - | 6,691,743 | - | 17,093,874 |
| **Total** | **297,306,537** | **208,533,849** | **200,752,256** | **152,292,785** |

**(b) Income tax benefit (expense)**

This account is detailed as follows.

| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| Current tax expense | (56,091,264) | (42,968,219) |
| Fair value adjustments | 1,094,394 | 981,976 |
| Tax loss benefits | 19,941,397 | 33,356,146 |
| Adjustment for deferred tax assets and liabilities | 18,410,339 | (35,436,845) |
| Other | (1,732,494) | 645,702 |
| **Net income tax benefit (expense)** | **(18,377,628)** | **(43,421,240)** |

**(c) Reconciliation of applicable taxation**

The reconciliation of the income tax expense from the financial result before tax is as follows:

| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| Income tax expense using the statutory rate (27% 2021-2020) | **(696,309,871)** | **(70,635,401)** |
| Tax effect of rates in other jurisdictions | (2,727,442) | (2,480,650) |
| Tax effect of non-taxable revenue | 702,864,693 | 41,536,254 |
| Tax effect of expenses disallowed for tax purposes | (20,147,710) | (15,062,422) |
| Tax effect of a tax benefit previously unrecognized in the statement of net income | 452,800 | 441,207 |
| Tax rate effect of reassessment of unrecognized deferred tax assets | (63,215) | 594,521 |
| Other increases in charge for statutory taxes | (2,465,955) | 2,058,469 |
| Income tax benefit from discontinued operations | 19,072 | 126,782 |
| **Income tax expense using the effective rate** | **(18,377,628)** | **(43,421,240)** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 21 – Other current and non-current financial liabilities**

As of December 31, 2021 and 2020, these are as follows.

| | Current | | Non-current | |
|---|---|---|---|---|
| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
| Bank loans | 374,188,689 | 164,125,366 | 556,285,774 | 485,035,267 |
| Bonds payable | 56,062,791 | 117,591,219 | 1,406,717,940 | 1,343,801,115 |
| Concession liabilities | 3,574,728 | 2,762,041 | 29,914,696 | 26,605,882 |
| Finance leases | 2,395,541 | 1,346,539 | 3,827,290 | 2,400,878 |
| Hedging liabilities | 161,336 | 33,415 | 28,244,539 | 4,519,829 |
| Options | - | - | 16,648,840 | - |
| **Total** | **436,383,085** | **285,858,580** | **2,041,639,079** | **1,862,362,971** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 21 – Other current and non-current financial liabilities (continued)**

(a) Interest-bearing bank loans as of December 31, 2021, are detailed as follows:

(a.1) Book values

| Debtor ID number | Debtor Name | Debtor Country | Creditor | Currency | Repayment | Effective Rate | Nominal Rate | Current 12-31-2021 ThCh$ | Up to 3 months ThCh$ | 3 to 12 months ThCh$ | Non-current 12-31-2021 ThCh$ | 1 to 2 years ThCh$ | 2 to 3 years ThCh$ | 3 to 4 years ThCh$ | 4 to 5 years ThCh$ | Over 5 years ThCh$ | Total outstanding debt ThCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 90.160.000-7 | Compañía Sud Americana de Vapores S.A. | Chile | Banco Itau Chile | USD | Semi-annual | 2.65% | Libor+2.5% | 8,471,396 | 4,247,946 | 4,223,450 | 4,214,159 | 4,214,159 | - | - | - | - | 12,685,555 |
| 90.160.000-7 | Compañía Sud Americana de Vapores S.A. | Chile | Banco Security | USD | At maturity | 4.17% | 4.17% | 37,167 | - | 37,167 | 29,511,779 | 29,511,779 | - | - | - | - | 29,548,946 |
| 90.160.000-7 | Compañía Sud Americana de Vapores S.A. | Chile | The Bank of Nova Scotia | USD | At maturity | 1.63% | 1.63% | 130,939,620 | - | 130,939,620 | - | - | - | - | - | - | 130,939,620 |
| 90.160.000-7 | Compañía Sud Americana de Vapores S.A. | Chile | Banco Itau Chile | USD | At maturity | 1.70% | 1.70% | 130,959,893 | - | 130,959,893 | - | - | - | - | - | - | 130,959,893 |
| 76.196.718-5 | Sociedad Matriz SAAM S.A. | Chile | Banco Santander | USD | Semi-annual | 1.88% | Libor+1.11% | 10,981 | - | 10,981 | 25,064,486 | - | 25,064,486 | - | - | - | 25,075,467 |
| 76.196.718-5 | Sociedad Matriz SAAM S.A. | Chile | Banco Santander | USD | Semi-annual | 1.90% | Libor+1.15% | 6,758 | - | 6,758 | 14,620,739 | - | 14,620,739 | - | - | - | 14,627,497 |
| 76.196.718-5 | Sociedad Matriz SAAM S.A. | Chile | Banco Santander | USD | Semi-annual | 1.90% | Libor+1.15% | 3,379 | - | 3,379 | 8,354,829 | - | 8,354,829 | - | - | - | 8,358,208 |
| 92.048.000-4 | SAAM S.A. | Chile | Banco Scotiabank | USD | Semi-annual | 2.03% | Libor+1.46% | 8,488,290 | - | 8,488,290 | 63,040,904 | 8,446,900 | 8,446,900 | 46,147,104 | - | - | 71,529,194 |
| Foreign | Florida International Terminal, LLC. | USA | Banco Crédito e Inversiones | USD | Semi-annual | 3.35% | Libor+3.00% | 806,679 | 429,103 | 377,576 | 1,490,033 | 754,308 | 735,725 | - | - | - | 2,296,712 |
| Foreign | Florida International Terminal, LLC. | USA | Bank of America | USD | Monthly | 2.93% | 2.89% | 184,142 | 45,613 | 138,529 | 792,319 | 189,211 | 195,123 | 201,036 | 206,949 | - | 976,461 |
| Foreign | Florida International Terminal, LLC. | USA | Bank of America | USD | Monthly | 3.01% | 2.97% | 92,916 | 25,341 | 67,575 | 445,152 | 103,897 | 107,276 | 110,654 | 123,325 | - | 538,068 |
| 96.915.330-0 | Iquique Terminal Internacional S.A. | Chile | Banco Crédito e Inversiones | USD | Quarterly | 4.04% | 3.47% | 986,598 | 494,144 | 492,454 | - | - | - | - | - | - | 986,598 |
| Foreign | Ecuaestibas S.A. | Ecuador | Banco Crédito e Inversiones | USD | Semi-annual | 3.36% | 3.09% | 603,109 | - | 603,109 | 2,365,132 | 591,283 | 591,283 | 591,283 | 591,283 | - | 2,968,241 |
| Foreign | Inarpi S.A. | Ecuador | Banco Estado | USD | Semi-annual | 3.38% | 3.21% | 1,633,630 | 833,709 | 799,921 | 799,921 | 799,921 | - | - | - | - | 2,433,551 |
| Foreign | Inarpi S.A. | Ecuador | Banco Estado | USD | Semi-annual | 4.10% | 3.95% | 1,612,513 | - | 1,612,513 | 5,543,701 | 1,583,794 | 1,583,794 | 1,583,794 | 792,319 | - | 7,156,214 |
| Foreign | Inarpi S.A. | Ecuador | Banco Santander Madrid | USD | Semi-annual | 2.12% | Libor+1.80% | 1,610,824 | - | 1,610,824 | 4,764,051 | 1,588,017 | 1,588,017 | 1,588,017 | - | - | 6,374,875 |
| Foreign | Inarpi S.A. | Ecuador | Banco Estado | USD | Semi-annual | 4.28% | 4.07% | 2,890,529 | 1,482,431 | 1,408,098 | 4,223,450 | 2,815,352 | 1,408,098 | - | - | - | 7,113,979 |
| Foreign | Inarpi S.A. | Ecuador | Banco Crédito e Inversiones | USD | Semi-annual | 1.90% | Libor+1.6% | 6,869,019 | 3,490,259 | 3,378,760 | 13,515,040 | 6,757,520 | 6,757,520 | - | - | - | 20,384,059 |
| Foreign | Inarpi S.A. | Ecuador | Banco Santander Madrid | USD | Semi-annual | 3.26% | Libor+1.6% | 398,694 | - | 398,694 | 2,738,483 | 391,091 | 391,091 | 391,091 | 391,091 | 1,174,119 | 3,137,177 |
| Foreign | Sociedad Portuaria de Caldera S.A. | Costa Rica | Banco Davivienda | USD | Monthly | 4.00% | 4.00% | 956,189 | 239,047 | 717,142 | 3,825,601 | 989,977 | 1,028,832 | 1,069,378 | 737,414 | - | 4,781,790 |
| Foreign | Sociedad Portuaria Granelera de Caldera S.A. | Costa Rica | Banco Davivienda | USD | Monthly | 4.00% | 4.00% | 3,165,899 | 791,475 | 2,374,424 | 12,658,524 | 3,277,397 | 3,404,945 | 3,539,251 | 2,436,931 | - | 15,824,423 |
| Foreign | SAAM Towage México S.A. de C.V. | Mexico | Corpbanca New York Branch | USD | Semi-annual | 3.32% | Libor+3.00% | 5,154,298 | 2,620,228 | 2,534,070 | - | - | - | - | - | - | 5,154,298 |
| Foreign | SAAM Towage México S.A. de C.V. | Mexico | Corpbanca New York Branch | USD | Semi-annual | 2.90% | 2.90% | 2,594,043 | - | 2,594,043 | 10,136,280 | 2,534,070 | 2,534,070 | 2,534,070 | 2,534,070 | - | 12,730,323 |
| Foreign | SAAM Towage México S.A. de C.V. | Mexico | Santander México | USD | At maturity | 3.10% | 3.10% | 844,690 | 844,690 | - | - | - | - | - | - | - | 844,690 |
| Foreign | SAAM Towage México S.A. de C.V. | Mexico | Santander México | USD | At maturity | 3.10% | 3.10% | 844,690 | 844,690 | - | - | - | - | - | - | - | 844,690 |
| Foreign | SAAM Towage El Salvador S.A. de C.V. | El Salvador | Banco Crédito e Inversiones | USD | At maturity | 1.75% | Libor+1.52% | 1,560,142 | - | 1,560,142 | 11,228,465 | 1,434,284 | 1,430,905 | 7,862,375 | 500,901 | - | 12,788,607 |
| Foreign | SAAM Towage Canada Inc. | Canada | Scotiabank Canada | CAD | Monthly | 1.90% | BA+1.45% | 1,222,267 | 305,778 | 916,489 | 9,672,545 | 1,221,422 | 8,451,123 | - | - | - | 10,894,812 |
| | | | **SUBTOTAL** | | | | | **312,948,355** | | | **229,005,593** | | | | | | **541,953,948** |

**Note 21 – Other current and non-current financial liabilities (continued)**

(a) Interest-bearing bank loans as of December 31, 2021, are detailed as follows: (continued)

(a.1) Book values (continued)

| Debtor ID number | Debtor Name | Debtor Country | Creditor | Currency | Repayment | Effective Rate | Nominal Rate | Current 12-31-2021 ThCh$ | Up to 3 months ThCh$ | 3 to 12 months ThCh$ | Non-current 12-31-2021 ThCh$ | 1 to 2 years ThCh$ | 2 to 3 years ThCh$ | 3 to 4 years ThCh$ | 4 to 5 years ThCh$ | Over 5 years ThCh$ | Total outstanding debt ThCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 0-E | SAAM Towage Canada Inc. | Canada | Scotiabank Canada | CAD | Monthly | 1.90% | BA+1.45% | 843,846 | 211,173 | 632,673 | 10,955,629 | 843,845 | 10,111,784 | - | - | - | 11,799,475 |
| Foreign | SAAM Towage Panama Inc. | Panama | Banco Rabobank | USD | Semi-annual | 5.71% | 3.45% | 397,849 | 397,849 | - | - | - | - | - | - | - | 397,849 |
| 96.885.450-K | Aerosan Airport Services S.A. | Chile | Banco Santander | USD | Monthly | 4.67% | 4.20% | 843,846 | 211,173 | 632,673 | 353,080 | 353,080 | - | - | - | - | 1,196,926 |
| Foreign | Intertug Colombia | Colombia | Banco de Occidente | USD | At maturity | 1.78% | Libor+2.63% | 1,274,637 | 1,274,637 | - | - | - | - | - | - | - | 1,274,637 |
| Foreign | Intertug Colombia | Colombia | Banco Scotiabank | USD | At maturity | 2.87% | Libor+1.67% | 21,153,572 | 21,153,572 | - | - | - | - | - | - | - | 21,153,572 |
| Foreign | Aerosan SAS | Colombia | Banco Caja Social | COP | Quarterly | 5.40% | DTF+3.50% | 398,694 | 150,355 | 248,339 | - | - | - | - | - | - | 398,694 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | USD | Monthly | 3.70% | 3.70% | 1,077,825 | 278,748 | 799,077 | 4,619,610 | 1,065,999 | 1,065,999 | 1,065,999 | 1,065,999 | 355,614 | 5,697,435 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | USD | Monthly | 3.70% | 3.70% | 1,294,065 | 334,497 | 959,568 | 5,542,012 | 1,278,861 | 1,278,861 | 1,278,861 | 1,278,861 | 426,568 | 6,836,077 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | BRL | Monthly | 8.79% | TJLP+3.70% | 306,623 | 82,780 | 223,843 | 1,295,753 | 299,020 | 299,020 | 299,020 | 299,020 | 99,673 | 1,602,376 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | USD | Monthly | 2.58% | 2.58% | 944,364 | 248,339 | 696,025 | 9,966,496 | 928,314 | 928,314 | 928,314 | 928,314 | 6,253,240 | 10,910,860 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | USD | Monthly | 3.58% | 3.58% | 672,373 | 179,919 | 492,454 | 7,081,880 | 656,324 | 656,324 | 656,324 | 656,324 | 4,456,584 | 7,754,253 |
| Foreign | SAAM Towage Brasil | Brazil | Caterpillar | USD | Monthly | 3.80% | 3.80% | 347,168 | 87,848 | 259,320 | 513,571 | 345,478 | 130,927 | 37,166 | - | - | 860,739 |
| Foreign | SAAM Towage Brasil | Brazil | Caterpillar | USD | Monthly | 3.80% | 3.80% | 423,189 | 107,276 | 315,913 | 627,605 | 420,656 | 161,336 | 45,613 | - | - | 1,050,794 |
| Foreign | SAAM Towage Brasil | Brazil | Caterpillar | BRL | Monthly | 8.89% | TJLP+3.80% | 97,139 | 25,341 | 71,798 | 142,753 | 96,295 | 36,322 | 10,136 | - | - | 239,892 |
| Foreign | SAAM Towage Brasil | Brazil | Banco Do Brasil | USD | Monthly | 3.50% | 3.50% | 1,027,987 | 272,835 | 755,152 | 6,134,983 | 1,007,715 | 1,007,715 | 1,007,715 | 1,007,715 | 2,104,123 | 7,162,970 |
| Foreign | SAAM Towage Brasil | Brazil | Banco Do Brasil | USD | Monthly | 3.60% | 3.60% | 697,713 | 185,832 | 511,881 | 4,246,260 | 682,511 | 682,510 | 682,510 | 682,510 | 1,516,219 | 4,943,973 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | USD | Monthly | 4.38% | 4.38% | 362,371 | 92,071 | 270,300 | 240,738 | 240,738 | - | - | - | - | 603,109 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | USD | Monthly | 3.68% | 3.68% | 1,015,316 | 274,524 | 740,792 | 9,855,845 | 987,444 | 987,443 | 987,443 | 987,443 | 5,906,072 | 10,871,161 |
| Foreign | SAAM Towage Brasil | Brazil | Banco Do Brasil | USD | Monthly | 5.50% | 5.50% | 2,996,115 | 764,444 | 2,231,671 | 3,967,509 | 2,975,843 | 991,666 | - | - | - | 6,963,624 |
| 91.021.000-9 | Invexans S.A. | Chile | Banco Scotiabank | USD | Maturity | 1.47% | 1.47% | 8,474,279 | - | 8,474,279 | - | - | - | - | - | - | 8,474,279 |
| 91.021.000-9 | Invexans S.A. | Chile | Banco Scotiabank | USD | Semi-annual | 1.45% | 1.45% | 4,185 | 4,185 | - | 4,206,525 | 2,103,263 | 2,103,262 | - | - | - | 4,210,710 |
| 92.011.000-2 | Empresa Nacional de Energía Enex S.A. | Chile | Status | Ch$ | Maturity | 1.50% | 1.45% | 406,297 | 406,297 | - | 57,216,766 | 28,608,383 | 28,608,383 | - | - | - | 57,623,063 |
| 92.011.000-2 | Empresa Nacional de Energía Enex S.A. | Chile | Scotiabank | Ch$ | Maturity | 2.20% | 1.11% | 304,089 | 304,089 | - | 34,499,674 | 17,249,837 | 17,249,838 | - | - | - | 34,803,763 |
| 92.011.000-2 | Empresa Nacional de Energía Enex S.A. | Chile | Scotiabank | Ch$ | Maturity | 1.40% | 1.30% | 170,627 | 170,627 | - | 20,000,570 | 20,000,570 | - | - | - | - | 20,171,197 |
| Foreign | Road Ranger, LLC | USA | Scotiabank | USD | Maturity | 1.62% | 1.47% | 315,069 | 315,069 | - | 61,343,922 | 30,671,961 | 30,671,961 | - | - | - | 61,658,991 |
| Foreign | Road Ranger, LLC | USA | Citibank | USD | Maturity | 1.75% | 1.75% | 15,204,420 | 15,204,420 | - | - | - | - | - | - | - | 15,204,420 |
| Foreign | Enex Corp Ltd | UK | Scotiabank | USD | Maturity | 1.63% | 1.64% | 186,676 | 186,676 | - | 84,469,000 | 42,234,500 | 42,234,500 | - | - | - | 84,655,676 |
| | | | **SUBTOTAL** | | | | | **61,240,334** | | | **327,280,181** | | | | | | **388,520,515** |
| | | | **TOTAL** | | | | | **374,188,689** | | | **556,285,774** | | | | | | **930,474,463** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 21 – Other current and non-current financial liabilities (continued)**

(a) Interest-bearing bank loans as of December 31, 2021, are detailed as follows: (continued)

(a.2) Undiscounted values

| Debtor ID number | Debtor Name | Debtor Country | Creditor | Currency | Repayment | Effective Rate | Nominal Rate | Current 12-31-2021 ThCh$ | Up to 3 months ThCh$ | 3 to 12 months ThCh$ | Non-current 12-31-2021 ThCh$ | 1 to 2 years ThCh$ | 2 to 3 years ThCh$ | 3 to 4 years ThCh$ | 4 to 5 years ThCh$ | Over 5 years ThCh$ | Total debt undiscounted ThCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 90.160.000-7 | Compañía Sud Americana de Vapores S.A. | Chile | Banco Itau Chile | USD | Semi-annual | 2.65% | Libor+2.5% | 8,817,719 | 4,394,922 | 4,422,797 | 4,327,347 | 4,327,347 | - | - | - | - | 13,145,066 |
| 90.160.000-7 | Compañía Sud Americana de Vapores S.A. | Chile | Banco Security | USD | At maturity | 4.17% | 4.17% | 1,250,141 | - | 1,250,141 | 30,187,531 | 30,187,531 | - | - | - | - | 31,437,672 |
| 90.160.000-7 | Compañía Sud Americana de Vapores S.A. | Chile | The Bank of Nova Scotia | USD | At maturity | 1.63% | 1.63% | 132,355,618 | - | 132,355,618 | - | - | - | - | - | - | 132,355,618 |
| 90.160.000-7 | Compañía Sud Americana de Vapores S.A. | Chile | Banco Itau Chile | USD | At maturity | 1.70% | 1.70% | 132,416,971 | - | 132,416,971 | - | - | - | - | - | - | 132,416,971 |
| 76.196.718-5 | Sociedad Matriz SAAM S.A. | Chile | Banco Santander | USD | Semi-annual | 1.88% | Libor+1.11% | 379,266 | - | 379,266 | 26,106,834 | 382,645 | 25,724,189 | - | - | - | 26,486,100 |
| 76.196.718-5 | Sociedad Matriz SAAM S.A. | Chile | Banco Santander | USD | Semi-annual | 1.90% | Libor+1.15% | 221,309 | - | 221,309 | 15,228,916 | 222,998 | 15,005,918 | - | - | - | 15,450,225 |
| 76.196.718-5 | Sociedad Matriz SAAM S.A. | Chile | Banco Santander | USD | Semi-annual | 1.90% | Libor+1.15% | 126,704 | - | 126,704 | 8,701,996 | 127,548 | 8,574,448 | - | - | - | 8,828,700 |
| 92.048.000-4 | SAAM S.A. | Chile | Banco Scotiabank | USD | Semi-annual | 2.03% | Libor+1.46% | 19,202,338 | - | 19,202,338 | 65,248,079 | 9,463,907 | 55,784,172 | - | - | - | 84,450,417 |
| Foreign | Florida International Terminal, LLC. | USA | Banco Crédito e Inversiones | USD | Semi-annual | 3.35% | Libor+3.00% | 836,244 | 429,103 | 407,141 | 1,569,434 | 796,543 | 772,891 | - | - | - | 2,405,678 |
| Foreign | Florida International Terminal, LLC. | USA | Bank of America | USD | Monthly | 2.93% | 2.89% | 209,483 | 52,371 | 157,112 | 841,312 | 210,328 | 210,328 | 210,328 | 210,328 | - | 1,050,795 |
| Foreign | Florida International Terminal, LLC. | USA | Bank of America | USD | Monthly | 3.01% | 2.97% | 105,586 | 28,719 | 76,867 | 472,183 | 115,723 | 115,723 | 115,723 | 125,014 | - | 577,769 |
| 96.915.330-0 | Iquique Terminal Internacional S.A. | Chile | Banco Crédito e Inversiones | USD | Quarterly | 4.04% | 3.47% | 998,424 | 501,746 | 496,678 | - | - | - | - | - | - | 998,424 |
| Foreign | Ecuaestibas S.A. | Ecuador | Banco Crédito e Inversiones | USD | Semi-annual | 3.36% | 3.09% | 679,131 | - | 679,131 | 2,530,691 | 660,548 | 641,964 | 623,381 | 604,798 | - | 3,209,822 |
| Foreign | Inarpi S.A. | Ecuador | Banco Estado | USD | Semi-annual | 3.38% | 3.21% | 1,665,729 | 839,622 | 826,107 | 799,921 | 799,921 | - | - | - | - | 2,465,650 |
| Foreign | Inarpi S.A. | Ecuador | Banco Estado | USD | Semi-annual | 4.10% | 3.95% | 1,853,250 | - | 1,853,250 | 5,987,163 | 1,789,898 | 1,726,546 | 1,663,195 | 807,524 | - | 7,840,413 |
| Foreign | Inarpi S.A. | Ecuador | Banco Santander Madrid | USD | Semi-annual | 2.12% | Libor+1.80% | 1,707,118 | - | 1,707,118 | 4,930,456 | 1,675,020 | 1,643,767 | 1,611,669 | - | - | 6,637,574 |
| Foreign | Inarpi S.A. | Ecuador | Banco Estado | USD | Semi-annual | 4.28% | 4.07% | 3,076,361 | 1,551,696 | 1,524,665 | 4,397,456 | 2,960,638 | 1,436,818 | - | - | - | 7,473,817 |
| Foreign | Inarpi S.A. | Ecuador | Banco Crédito e Inversiones | USD | Semi-annual | 1.90% | Libor+1.6% | 7,086,950 | 3,556,990 | 3,529,960 | 13,814,060 | 6,967,003 | 6,847,057 | - | - | - | 20,901,010 |
| Foreign | Inarpi S.A. | Ecuador | Banco Santander Madrid | USD | Semi-annual | 3.26% | Libor+1.6% | 448,530 | - | 448,530 | 2,981,756 | 446,841 | 439,239 | 432,481 | 424,879 | 1,238,316 | 3,430,286 |
| Foreign | Sociedad Portuaria de Caldera S.A. | Costa Rica | Banco Davivienda | USD | Monthly | 4.00% | 4.00% | 1,120,904 | 280,437 | 840,467 | 4,106,883 | 1,120,059 | 1,120,059 | 1,120,059 | 746,706 | - | 5,227,787 |
| Foreign | Sociedad Portuaria Granelera de Caldera S.A. | Costa Rica | Banco Davivienda | USD | Monthly | 4.00% | 4.00% | 3,707,344 | 926,625 | 2,780,719 | 13,593,595 | 3,707,344 | 3,707,344 | 3,707,344 | 2,471,563 | - | 17,300,939 |
| Foreign | SAAM Towage México S.A. de C.V. | Mexico | Corpbanca New York Branch | USD | Semi-annual | 3.32% | Libor+3.00% | 5,206,669 | 2,672,599 | 2,534,070 | - | - | - | - | - | - | 5,206,669 |
| Foreign | SAAM Towage México S.A. de C.V. | Mexico | Corpbanca New York Branch | USD | Semi-annual | 2.90% | 2.90% | 2,906,578 | - | 2,906,578 | 10,507,944 | 2,681,891 | 2,646,414 | 2,608,403 | 2,571,236 | - | 13,414,522 |
| Foreign | SAAM Towage México S.A. de C.V. | Mexico | Santander México | USD | At maturity | 3.10% | 3.10% | 847,224 | 847,224 | - | - | - | - | - | - | - | 847,224 |
| Foreign | SAAM Towage México S.A. de C.V. | Mexico | Santander México | USD | At maturity | 3.10% | 3.10% | 847,224 | 847,224 | - | - | - | - | - | - | - | 847,224 |
| Foreign | SAAM Towage El Salvador S.A. de C.V. | El Salvador | Banco Crédito e Inversiones | USD | At maturity | 1.75% | Libor+1.52% | 1,958,836 | - | 1,958,836 | 12,142,419 | 1,780,607 | 1,733,304 | 8,120,005 | 508,503 | - | 14,101,255 |
| Foreign | SAAM Towage Canada Inc. | Canada | Scotiabank Canada | CAD | Monthly | 1.90% | BA+1.45% | 1,466,381 | 364,061 | 1,102,320 | 9,898,922 | 1,250,141 | 8,648,781 | - | - | - | 11,365,303 |
| | | | SUBTOTAL | | | | | 331,498,032 | | | 238,374,898 | | | | | | 569,872,930 |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 21 – Other current and non-current financial liabilities (continued)**

(a) Interest-bearing bank loans as of December 31, 2021, are detailed as follows: (continued)

(a.2) Undiscounted values (continued)

| Debtor ID number | Debtor Name | Debtor Country | Creditor | Currency | Repayment | Effective Rate | Nominal Rate | Current 12-31-2021 ThCh$ | Up to 3 months ThCh$ | 3 to 12 months ThCh$ | Non-current 12-31-2021 ThCh$ | 1 to 2 years ThCh$ | 2 to 3 years ThCh$ | 3 to 4 years ThCh$ | 4 to 5 years ThCh$ | Over 5 years ThCh$ | Total debt undiscounted ThCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 0-E | SAAM Towage Canada Inc. | Canada | Scotiabank Canada | CAD | Monthly | 1.90% | BA+1.45% | 1,314,338 | 325,206 | 989,132 | 11,405,005 | 878,478 | 10,526,527 | - | - | - | 12,719,343 |
| Foreign | SAAM Towage Panama Inc. | Panama | Banco Rabobank | USD | Semi-annual | 5.71% | 3.45% | 402,072 | 402,072 | - | - | - | - | - | - | - | 402,072 |
| 96.885.450-K | Aerosan Airport Services S.A. | Chile | Banco Santander | USD | Monthly | 4.67% | 4.20% | 876,788 | 222,153 | 654,635 | 355,614 | 355,614 | - | - | - | - | 1,232,402 |
| Foreign | Intertug Colombia | Colombia | Banco de Occidente | USD | At maturity | 1.78% | Libor+2.63% | 1,274,637 | 1,274,637 | - | - | - | - | - | - | - | 1,274,637 |
| Foreign | Intertug Colombia | Colombia | Banco Scotiabank | USD | At maturity | 2.87% | Libor+1.67% | 21,153,572 | 21,153,572 | - | - | - | - | - | - | - | 21,153,572 |
| Foreign | Aerosan SAS | Colombia | Banco Caja Social | COP | Quarterly | 5.40% | DTF+3.50% | 413,053 | 155,423 | 257,630 | - | - | - | - | - | - | 413,053 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | USD | Monthly | 3.70% | 3.70% | 1,261,967 | 318,448 | 943,519 | 5,001,410 | 1,220,577 | 1,180,877 | 1,141,176 | 1,100,631 | 358,149 | 6,263,377 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | USD | Monthly | 3.70% | 3.70% | 1,513,685 | 381,800 | 1,131,885 | 6,002,366 | 1,464,692 | 1,417,390 | 1,369,242 | 1,321,095 | 429,947 | 7,516,051 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | BRL | Monthly | 8.79% | TJLP+3.70% | 439,239 | 111,499 | 327,740 | 1,570,279 | 409,675 | 381,800 | 353,080 | 324,361 | 101,363 | 2,009,518 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | USD | Monthly | 2.58% | 2.58% | 1,202,838 | 301,554 | 901,284 | 11,377,975 | 1,176,653 | 1,153,002 | 1,128,506 | 1,104,855 | 6,814,959 | 12,580,813 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | USD | Monthly | 3.58% | 3.58% | 928,314 | 233,134 | 695,180 | 8,482,377 | 902,129 | 878,478 | 854,826 | 831,175 | 5,015,769 | 9,410,691 |
| Foreign | SAAM Towage Brasil | Brazil | Caterpillar | USD | Monthly | 3.80% | 3.80% | 372,508 | 94,605 | 277,903 | 531,309 | 358,993 | 135,150 | 37,166 | - | - | 903,817 |
| Foreign | SAAM Towage Brasil | Brazil | Caterpillar | USD | Monthly | 3.80% | 3.80% | 453,599 | 114,878 | 338,721 | 649,566 | 437,549 | 165,559 | 46,458 | - | - | 1,103,165 |
| Foreign | SAAM Towage Brasil | Brazil | Caterpillar | BRL | Monthly | 8.89% | TJLP+3.80% | 113,188 | 28,719 | 84,469 | 153,734 | 104,742 | 38,856 | 10,136 | - | - | 266,922 |
| Foreign | SAAM Towage Brasil | Brazil | Banco Do Brasil | USD | Monthly | 3.50% | 3.50% | 1,244,228 | 313,380 | 930,848 | 6,820,872 | 1,208,751 | 1,174,119 | 1,136,953 | 1,101,476 | 2,199,573 | 8,065,100 |
| Foreign | SAAM Towage Brasil | Brazil | Banco Do Brasil | USD | Monthly | 3.60% | 3.60% | 851,447 | 214,551 | 636,896 | 4,746,313 | 826,107 | 801,611 | 776,270 | 751,774 | 1,590,551 | 5,597,760 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | USD | Monthly | 4.38% | 4.38% | 385,179 | 97,984 | 287,195 | 244,960 | 244,960 | - | - | - | - | 630,139 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | USD | Monthly | 3.68% | 3.68% | 1,438,507 | 361,527 | 1,076,980 | 11,993,753 | 1,392,049 | 1,350,659 | 1,307,580 | 1,265,346 | 6,678,119 | 13,432,260 |
| Foreign | SAAM Towage Brasil | Brazil | Banco Do Brasil | USD | Monthly | 5.50% | 5.50% | 3,188,705 | 806,679 | 2,382,026 | 4,074,785 | 3,074,672 | 1,000,113 | - | - | - | 7,263,490 |
| 91.021.000-9 | Invexans S.A. | Chile | Banco Scotiabank | USD | Maturity | 1.47% | 1.47% | 8,708,108 | 130,246 | 8,577,862 | - | - | - | - | - | - | 8,708,108 |
| 91.021.000-9 | Invexans S.A. | Chile | Banco Scotiabank | USD | Semi-annual | 1.45% | 1.45% | 99,345 | - | 99,345 | 4,322,795 | 4,322,795 | - | - | - | - | 4,422,140 |
| 92.011.000-2 | Empresa Nacional de Energía Enex S.A. | Chile | Status | Ch$ | Maturity | 1.50% | 1.45% | 409,675 | 409,675 | - | 57,884,072 | 57,884,072 | - | - | - | - | 58,293,747 |
| 92.011.000-2 | Empresa Nacional de Energía Enex S.A. | Chile | Scotiabank | Ch$ | Maturity | 2.20% | 1.11% | 305,778 | 305,778 | - | 34,691,418 | 34,691,418 | - | - | - | - | 34,997,196 |
| 92.011.000-2 | Empresa Nacional de Energía Enex S.A. | Chile | Scotiabank | Ch$ | Maturity | 1.40% | 1.30% | 173,161 | 173,161 | - | 20,374,767 | 20,374,767 | - | - | - | - | 20,547,928 |
| Foreign | Road Ranger, LLC | USA | Scotiabank | USD | Maturity | 1.62% | 1.47% | 330,274 | 330,274 | - | 62,131,173 | 62,131,173 | - | - | - | - | 62,461,447 |
| Foreign | Road Ranger, LLC | USA | Citibank | USD | Maturity | 1.75% | 1.75% | 15,204,420 | 15,204,420 | - | - | - | - | - | - | - | 15,204,420 |
| Foreign | Enex Corp Ltd | UK | Scotiabank | USD | Maturity | 1.63% | 1.64% | 266,077 | 266,077 | - | 84,469,000 | 84,469,000 | - | - | - | - | 84,735,077 |
| | | | **SUBTOTAL** | | | | | 64,324,702 | | | 337,283,543 | | | | | | 401,608,245 |
| | | | **TOTAL** | | | | | 395,822,734 | | | 575,658,441 | | | | | | 971,481,175 |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 21 – Other current and non-current financial liabilities (continued)**

(b) Interest-bearing bank loans as of December 31, 2020, are detailed as follows:

(b.1) Book values

| Debtor ID number | Debtor Name | Debtor Country | Creditor | Currency | Repayment | Effective Rate | Nominal Rate | Current 12-31-2020 ThCh$ | Up to 3 months ThCh$ | 3 to 12 months ThCh$ | Non-current 12-31-2020 ThCh$ | 1 to 2 years ThCh$ | 2 to 3 years ThCh$ | 3 to 4 years ThCh$ | 4 to 5 years ThCh$ | Over 5 years ThCh$ | Total outstanding debt ThCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 91.021.000-9 | Invexans S.A. | Chile | Banco Scotiabank | USD | At maturity | 1.47% | 1.20% | 9,790 | - | 9,790 | 3,535,756 | 1,767,878 | 1,767,878 | - | - | - | 3,545,546 |
| 90.160.000-7 | Compañía Sud Americana de Vapores S.A. | Chile | Banco Itau Chile | USD | Semi-annual | 4.30% | Libor+2.5% | 7,214,721 | 3,659,971 | 3,554,750 | 10,565,428 | 7,109,500 | 3,455,928 | - | - | - | 17,780,149 |
| 90.160.000-7 | Compañía Sud Americana de Vapores S.A. | Chile | Banco Security | USD | Semi-annual | 5.28% | 5.28% | 36,258 | - | 36,258 | 24,808,600 | 24,808,600 | - | - | - | - | 24,844,858 |
| 90.160.000-7 | Compañía Sud Americana de Vapores S.A. | Chile | Banco BTG Pactual Chile | USD | Semi-annual | 5.70% | 5.70% | 2,866,550 | - | 2,866,550 | 11,373,067 | 11,373,067 | - | - | - | - | 14,239,617 |
| 92.048.000-4 | SAAM S.A. | Chile | Banco Scotiabank | USD | Semi-annual | 2.03% | Libor + 1.46% | 7,171,353 | - | 7,171,353 | 60,019,109 | 6,962,333 | 6,962,333 | 46,094,443 | - | - | 67,190,462 |
| 76.729.932-K | SAAM Logistics S.A. | Chile | Banco de Chile | Ch$ | Semi-annual | 2.01% | 1.71% | 39,102 | 39,102 | - | 13,896,940 | 3,473,702 | 3,473,702 | 6,949,536 | - | - | 13,936,042 |
| Foreign | Florida International Terminal, LLC. | USA | Banco Crédito e Inversiones | USD | Semi-annual | 3.35% | Libor + 3% | 676,824 | 364,717 | 312,107 | 1,904,634 | 634,878 | 634,878 | 634,878 | - | - | 2,581,458 |
| Foreign | Iquique Terminal Internacional S.A. | Chile | Banco Crédito e Inversiones | USD | Quarterly | 4.04% | 3.47% | 1,655,803 | 418,039 | 1,237,764 | 827,546 | 827,546 | - | - | - | - | 2,483,349 |
| Foreign | Inarpi S.A. | Ecuador | Banco Estado | USD | Semi-annual | 3.38% | 3.21% | 1,394,884 | 721,614 | 673,270 | 2,020,520 | 1,347,250 | 673,270 | - | - | - | 3,415,404 |
| Foreign | Inarpi S.A. | Ecuador | Banco Estado | USD | Semi-annual | 4.10% | 3.95% | 1,362,891 | 29,860 | 1,333,031 | 5,997,573 | 1,333,031 | 1,333,031 | 1,333,031 | 1,333,031 | 665,449 | 7,360,464 |
| Foreign | Inarpi S.A. | Ecuador | Banco Santander Madrid | USD | Semi-annual | 2.12% | Libor + 1.8% | 1,361,469 | 24,883 | 1,336,586 | 5,346,344 | 1,336,586 | 1,336,586 | 1,336,586 | 1,336,586 | - | 6,707,813 |
| Foreign | Inarpi S.A. | Ecuador | Banco Estado | USD | Semi-annual | 4.28% | 4.07% | 2,457,755 | 1,272,601 | 1,185,154 | 5,925,768 | 2,369,596 | 2,369,596 | 1,186,576 | - | - | 8,383,523 |
| Foreign | Inarpi S.A. | Ecuador | Banco Crédito e Inversiones | USD | Semi-annual | 1.90% | Libor + 1.6% | 5,821,970 | 2,978,170 | 2,843,800 | 17,062,800 | 5,687,600 | 5,687,600 | 5,687,600 | - | - | 22,884,770 |
| Foreign | Sociedad Portuaria de Caldera S.A. | Costa Rica | Banco San José | USD | Monthly | 5.19% | 5.00% | 199,777 | 49,056 | 150,721 | 1,078,511 | 209,730 | 221,105 | 232,481 | 244,567 | 170,628 | 1,278,288 |
| Foreign | Sociedad Portuaria de Caldera S.A. | Costa Rica | Banco San José | USD | Monthly | 5.19% | 5.00% | 540,322 | 87,447 | 452,875 | 2,914,185 | 568,049 | 597,198 | 629,191 | 661,184 | 458,563 | 3,454,507 |
| Foreign | Sociedad Portuaria Granelera de Caldera S.A. | Costa Rica | Banco San Jose | USD | Quarterly | 5.38% | 5.00% | 2,062,466 | 501,220 | 1,561,246 | 12,847,577 | 2,174,085 | 2,286,415 | 2,402,300 | 2,527,427 | 3,457,350 | 14,910,043 |
| Foreign | Sociedad Portuaria Granelera de Caldera S.A. | Costa Rica | Banco Davivienda Costa Rica | USD | Monthly | 5.70% | Libor + 5.35% | 68,251 | 68,251 | - | - | - | - | - | - | - | 68,251 |
| Foreign | Sociedad Portuaria Granelera de Caldera S.A. | Costa Rica | Banco San José | USD | Quarterly | 5.25% | Libor + 3.35% | 546,010 | 133,659 | 412,351 | 671,137 | 575,870 | 95,267 | - | - | - | 1,217,147 |
| Foreign | SAAM Towage México S.A. de C.V. | Mexico | Corpbanca New York Branch | USD | Semi-annual | 3.32% | Libor + 3% | 2,140,670 | 7,820 | 2,132,850 | 4,265,700 | 4,265,700 | - | - | - | - | 6,406,370 |
| Foreign | SAAM Towage México S.A. de C.V. | Mexico | Santander México | USD | Monthly | 3.10% | 3.09% | 710,950 | 710,950 | - | - | - | - | - | - | - | 710,950 |
| Foreign | SAAM Towage México S.A. de C.V. | Mexico | Santander México | USD | Monthly | 3.10% | 3.10% | 710,950 | 710,950 | - | - | - | - | - | - | - | 710,950 |
| Foreign | SAAM Towage Canada Inc. | Canada | Scotiabank Canada | CAD | Monthly | 1.90% | BA + 1.45% | 1,020,924 | 255,231 | 765,693 | 9,144,950 | 1,020,924 | 8,124,026 | - | - | - | 10,165,874 |
| Foreign | SAAM Towage Canada Inc. | Canada | Scotiabank Canada | CAD | Monthly | 1.90% | BA + 1.45% | 705,263 | 176,316 | 528,947 | 9,812,532 | 705,262 | 9,107,270 | - | - | - | 10,517,795 |
| Foreign | SAAM Towage Panama Inc. | Panama | Banco Rabobank | USD | Semi-annual | 5.71% | 3.45% | 671,137 | - | 671,137 | 332,725 | 332,725 | - | - | - | - | 1,003,862 |
| | | | **SUBTOTAL** | | | | | **41,446,090** | | | **204,351,402** | | | | | | **245,797,492** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

## Note 21 – Other current and non-current financial liabilities (continued)

(b) Interest-bearing bank loans as of December 31, 2020, are detailed as follows: (continued)

(b.1) Book values (continued)

| Debtor ID number | Debtor Name | Debtor Country | Creditor | Currency | Repayment | Effective Rate | Nominal Rate | Current 12-31-2020 ThCh$ | Up to 3 months ThCh$ | 3 to 12 months ThCh$ | Non-current 12-31-2020 ThCh$ | 1 to 2 years ThCh$ | 2 to 3 years ThCh$ | 3 to 4 years ThCh$ | 4 to 5 years ThCh$ | Over 5 years ThCh$ | Total outstanding debt ThCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 96.885.450-K | Aerosan Airport Services S.A. | Chile | Banco Santander | USD | Monthly | 4.67% | 4.20% | 710,950 | 181,292 | 529,658 | 1,009,549 | 710,950 | 298,599 | - | - | - | 1,720,499 |
| 96.885.450-K | Aerosan Airport Services S.A. | Chile | Banco Crédito e Inversiones | USD | Semi-annual | 2.97% | 2.10% | 427,992 | - | 427,992 | - | - | - | - | - | - | 427,992 |
| 94.058.000-5 | Servicios Aeroportuarios Aerosan S.A. | Chile | Banco Crédito e Inversiones | USD | Semi-annual | 2.97% | 2.10% | 641,988 | - | 641,988 | - | - | - | - | - | - | 641,988 |
| Foreign | Aerosan SAS | Colombia | Banco Caja Social | COP | Quarterly | 5.40% | DTF + 3.5% | 518,283 | 130,104 | 388,179 | 387,468 | 387,468 | - | - | - | - | 905,751 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | USD | Monthly | 3.70% | 3.70% | 909,305 | 236,746 | 672,559 | 4,784,694 | 897,219 | 897,219 | 897,219 | 897,219 | 1,195,818 | 5,693,999 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | USD | Monthly | 3.70% | 3.70% | 1,091,308 | 283,669 | 807,639 | 5,740,920 | 1,076,378 | 1,076,378 | 1,076,378 | 1,076,378 | 1,435,408 | 6,832,228 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | BRL | Monthly | 8.79% | TJLP+3.70% | 277,982 | 75,361 | 202,621 | 1,441,096 | 270,161 | 270,161 | 270,161 | 270,161 | 360,452 | 1,719,078 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | USD | Monthly | 2.58% | 2.58% | 789,866 | 204,043 | 585,823 | 9,169,833 | 781,334 | 781,334 | 781,334 | 781,334 | 6,044,497 | 9,959,699 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | USD | Monthly | 3.58% | 3.58% | 566,627 | 152,143 | 414,484 | 6,513,012 | 552,408 | 552,408 | 552,408 | 552,408 | 4,303,380 | 7,079,639 |
| Foreign | SAAM Towage Brasil | Brazil | Caterpillar | USD | Monthly | 3.80% | 3.80% | 292,912 | 74,650 | 218,262 | 723,037 | 290,779 | 290,779 | 110,197 | 31,282 | - | 1,015,949 |
| Foreign | SAAM Towage Brasil | Brazil | Caterpillar | USD | Monthly | 3.80% | 3.80% | 356,897 | 91,002 | 265,895 | 882,288 | 354,053 | 354,053 | 135,791 | 38,391 | - | 1,239,185 |
| Foreign | SAAM Towage Brasil | Brazil | Caterpillar | BRL | Monthly | 8.89% | TJLP+3.80% | 88,868 | 23,461 | 65,407 | 215,418 | 86,736 | 86,736 | 32,704 | 9,242 | - | 304,286 |
| Foreign | SAAM Towage Brasil | Brazil | Banco Do Brasil | USD | Monthly | 3.50% | 3.50% | 868,070 | 232,481 | 635,589 | 6,011,792 | 848,163 | 848,163 | 848,163 | 848,163 | 2,619,140 | 6,879,862 |
| Foreign | SAAM Towage Brasil | Brazil | Banco Do Brasil | USD | Monthly | 3.60% | 3.60% | 588,666 | 157,831 | 430,835 | 4,148,396 | 574,448 | 574,449 | 574,448 | 574,448 | 1,850,603 | 4,737,062 |
| Foreign | Tug Brasil Apoio Maritimo | Brazil | BNDES | USD | Monthly | 4.38% | 4.38% | 305,708 | 78,205 | 227,503 | 506,198 | 303,576 | 202,622 | - | - | - | 811,906 |
| Foreign | Tug Brasil Apoio Maritimo | Brazil | BNDES | USD | Monthly | 3.68% | 3.68% | 887,976 | 241,012 | 646,964 | 9,464,877 | 862,382 | 862,383 | 862,382 | 862,382 | 6,015,348 | 10,352,853 |
| Foreign | Tug Brasil Apoio Maritimo | Brazil | BNDES | USD | Monthly | 5.50% | 5.50% | 130,103 | 33,415 | 96,688 | 482,735 | 128,682 | 128,682 | 128,682 | 96,689 | - | 612,838 |
| Foreign | Tug Brasil Apoio Maritimo | Brazil | Banco Do Brasil | USD | Monthly | 3.75% | 3.75% | 2,528,849 | 650,519 | 1,878,330 | 5,844,009 | 2,504,677 | 2,504,677 | 834,655 | - | - | 8,372,858 |
| Foreign | SAAM Towage Brasil | Brazil | Banco Santander Brasil | USD | At maturity | 3.50% | 3.50% | 2,198,257 | - | 2,198,257 | - | - | - | - | - | - | 2,198,257 |
| 91.021.000-9 | Invexans S.A. | Chile | Banco Scotiabank | USD | At maturity | 1.59% | 1.47% | 29,738 | 29,738 | - | 7,107,459 | 3,553,730 | 3,553,729 | - | - | - | 7,137,197 |
| 92.011.000-2 | Empresa Nacional de Energía Enex S.A. | Chile | Status | Ch$ | At maturity | 2.78% | 1.68% | 158,542 | 100,955 | 57,587 | 110,000,318 | 27,721,718 | 27,721,718 | 21,999,993 | 21,999,993 | 10,556,896 | 110,158,860 |
| 92.011.000-2 | Empresa Nacional de Energía Enex S.A. | Chile | Scotiabank | Ch$ | At maturity | 1.99% | 0.82% | 15,642 | - | 15,642 | 19,999,734 | 9,999,867 | 9,999,867 | - | - | - | 20,015,376 |
| 92.011.000-2 | Empresa Nacional de Energía Enex S.A. | Chile | Scotiabank | Ch$ | At maturity | 2.34% | 1.13% | 40,524 | 40,524 | - | 34,500,271 | 17,250,136 | 17,250,135 | - | - | - | 34,540,795 |
| 92.011.000-2 | Empresa Nacional de Energía Enex S.A. | Chile | Scotiabank | Ch$ | At maturity | 0.40% | 0.40% | 30,061,099 | 61,142 | 29,999,957 | - | - | - | - | - | - | 30,061,099 |
| 92.011.000-2 | Empresa Nacional de Energía Enex S.A. | Chile | Santander | Ch$ | At maturity | 1.60% | 1.60% | 349,787 | 349,787 | - | - | - | - | - | - | - | 349,787 |
| Foreign | Road Ranger, LLC | USA | Citibank | USD | At maturity | 2.86% | 2.80% | 6,398,550 | 6,398,550 | - | - | - | - | - | - | - | 6,398,550 |
| Foreign | Road Ranger, LLC | USA | Scotiabank | USD | At maturity | 2.36% | 1.85% | 183,425 | 183,425 | - | 51,750,761 | 25,875,381 | 25,875,380 | - | - | - | 51,934,186 |
| Foreign | Enex Corp Ltd | UK | Scotiabank | USD | Monthly | 1.65% | 1.40% | 71,261,362 | 166,362 | 71,095,000 | - | - | - | - | - | - | 71,261,362 |
| | | | SUBTOTAL | | | | | 122,679,276 | | | 280,683,865 | | | | | | 403,363,141 |
| | | | TOTAL | | | | | 164,125,366 | | | 485,035,267 | | | | | | 649,160,633 |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

## Note 21 – Other current and non-current financial liabilities (continued)

(b) Interest-bearing bank loans as of December 31, 2020, are detailed as follows: (continued)

(b.2) Undiscounted values

| Debtor ID number | Debtor Name | Debtor Country | Creditor | Currency | Repayment | Effective Rate | Nominal Rate | Current 12-31-2020 ThCh$ | Up to 3 months ThCh$ | 3 to 12 months ThCh$ | Non-current 12-31-2020 ThCh$ | 1 to 2 years ThCh$ | 2 to 3 years ThCh$ | 3 to 4 years ThCh$ | 4 to 5 years ThCh$ | Over 5 years ThCh$ | Total debt undiscounted ThCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 91.021.000-9 | Invexans S.A. | Chile | Banco Scotiabank | USD | At maturity | 1.47% | 1.20% | 83,616 | - | 83,616 | 3,721,981 | 1,860,991 | 1,860,990 | - | - | - | 3,805,597 |
| 90.160.000-7 | Compañía Sud Americana de Vapores S.A. | Chile | Banco Itau Chile | USD | Semi-annual | 4.30% | Libor+2.5% | 7,830,403 | 3,954,304 | 3,876,099 | 11,170,447 | 7,528,250 | 3,642,197 | - | - | - | 19,000,850 |
| 90.160.000-7 | Compañía Sud Americana de Vapores S.A. | Chile | Banco Security | USD | Semi-annual | 5.28% | 5.28% | 1,330,898 | - | 1,330,898 | 26,214,148 | 26,214,148 | - | - | - | - | 27,545,046 |
| 90.160.000-7 | Compañía Sud Americana de Vapores S.A. | Chile | Banco BTG Pactual Chile | USD | Semi-annual | 5.70% | 5.70% | 3,663,525 | - | 3,663,525 | 11,702,948 | 11,702,948 | - | - | - | - | 15,366,473 |
| 92.048.000-4 | SAAM S.A. | Chile | Banco Scotiabank | USD | Semi-annual | 2.03% | Libor + 1.46% | 8,249,153 | 2,068,865 | 6,180,288 | 63,122,407 | 8,128,291 | 6,972,287 | 48,021,829 | - | - | 71,371,560 |
| 76.729.932-K | SAAM Logistics S.A. | Chile | Banco de Chile | Ch$ | Semi-annual | 2.01% | 1.71% | 243,145 | 39,102 | 204,043 | 14,391,761 | 3,699,784 | 3,637,931 | 7,054,046 | - | - | 14,634,906 |
| Foreign | Florida International Terminal, LLC. | USA | Banco Crédito e Inversiones | USD | Semi-annual | 3.35% | Libor + 3% | 715,216 | - | 715,216 | 2,015,543 | 693,176 | 671,848 | 650,519 | - | - | 2,730,759 |
| Foreign | Iquique Terminal Internacional S.A. | Chile | Banco Crédito e Inversiones | USD | Quarterly | 4.04% | 3.47% | 1,724,053 | 436,523 | 1,287,530 | 840,343 | 840,343 | - | - | - | - | 2,564,396 |
| Foreign | Inarpi S.A. | Ecuador | Banco Estado | USD | Semi-annual | 3.38% | 3.21% | 1,445,362 | 728,724 | 716,638 | 2,086,638 | 1,401,993 | 684,645 | - | - | - | 3,532,000 |
| Foreign | Inarpi S.A. | Ecuador | Banco Estado | USD | Semi-annual | 4.10% | 3.95% | 1,613,146 | - | 1,613,146 | 6,598,327 | 1,559,824 | 1,505,792 | 1,453,182 | 1,399,861 | 679,668 | 8,211,473 |
| Foreign | Inarpi S.A. | Ecuador | Banco Santander Madrid | USD | Semi-annual | 2.12% | Libor + 1.8% | 1,468,112 | - | 1,468,112 | 5,595,178 | 1,440,385 | 1,412,658 | 1,384,931 | 1,357,204 | - | 7,063,290 |
| Foreign | Inarpi S.A. | Ecuador | Banco Estado | USD | Semi-annual | 4.28% | 4.07% | 2,686,680 | 1,354,360 | 1,332,320 | 6,291,197 | 2,589,991 | 2,491,880 | 1,209,326 | - | - | 8,977,877 |
| Foreign | Inarpi S.A. | Ecuador | Banco Crédito e Inversiones | USD | Semi-annual | 1.90% | Libor + 1.6% | 6,102,795 | 3,059,218 | 3,043,577 | 17,655,732 | 5,998,285 | 5,885,244 | 5,772,203 | - | - | 23,758,527 |
| Foreign | Sociedad Portuaria de Caldera S.A. | Costa Rica | Banco San José | USD | Monthly | 5.19% | 5.00% | 260,207 | 65,407 | 194,800 | 1,214,304 | 260,208 | 260,208 | 260,208 | 260,208 | 173,472 | 1,474,511 |
| Foreign | Sociedad Portuaria de Caldera S.A. | Costa Rica | Banco San José | USD | Monthly | 5.19% | 5.00% | 702,419 | 175,605 | 526,814 | 3,279,614 | 703,130 | 703,130 | 703,130 | 703,130 | 467,094 | 3,982,033 |
| Foreign | Sociedad Portuaria Granelera de Caldera S.A. | Costa Rica | Banco San Jose | USD | Quarterly | 5.38% | 5.00% | 2,782,658 | 695,309 | 2,087,349 | 14,619,975 | 2,782,658 | 2,782,658 | 2,782,658 | 2,782,658 | 3,489,343 | 17,402,633 |
| Foreign | Sociedad Portuaria Granelera de Caldera S.A. | Costa Rica | Banco Davivienda Costa Rica | USD | Monthly | 5.70% | Libor + 5.35% | 68,251 | 68,251 | - | - | - | - | - | - | - | 68,251 |
| Foreign | Sociedad Portuaria Granelera de Caldera S.A. | Costa Rica | Banco San José | USD | Quarterly | 5.25% | Libor + 3.35% | 600,041 | 150,010 | 450,031 | 731,568 | 731,568 | - | - | - | - | 1,331,609 |
| Foreign | SAAM Towage México S.A. de C.V. | Mexico | Corpbanca New York Branch | USD | Semi-annual | 3.32% | Libor + 3% | 2,237,360 | - | 2,237,360 | 4,372,343 | 4,372,343 | - | - | - | - | 6,609,703 |
| Foreign | SAAM Towage México S.A. de C.V. | Mexico | Santander México | USD | Monthly | 3.10% | 3.09% | 713,083 | 713,083 | - | - | - | - | - | - | - | 713,083 |
| Foreign | SAAM Towage México S.A. de C.V. | Mexico | Santander México | USD | Monthly | 3.10% | 3.10% | 713,083 | 713,083 | - | - | - | - | - | - | - | 713,083 |
| Foreign | SAAM Towage Canada Inc. | Canada | Scotiabank Canada | CAD | Monthly | 1.90% | BA + 1.45% | 1,205,060 | 256,653 | 948,407 | 9,560,856 | 1,185,865 | 1,084,910 | 7,290,081 | - | - | 10,765,916 |
| Foreign | SAAM Towage Canada Inc. | Canada | Scotiabank Canada | CAD | Monthly | 1.90% | BA + 1.45% | 900,773 | 178,448 | 722,325 | 10,713,306 | 887,266 | 835,366 | 8,990,674 | - | - | 11,614,079 |
| Foreign | SAAM Towage Panama Inc. | Panama | Banco Rabobank | USD | Semi-annual | 5.71% | 3.45% | 695,309 | - | 695,309 | 338,412 | 338,412 | - | - | - | - | 1,033,721 |
| | | | **SUBTOTAL** | | | | | **48,034,348** | | | **216,237,028** | | | | | | **264,271,376** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 21 – Other current and non-current financial liabilities (continued)**

(b) Interest-bearing bank loans as of December 31, 2020, are detailed as follows: (continued)

(b.2) Undiscounted values (continued)

| Debtor ID number | Debtor Name | Debtor Country | Creditor | Currency | Repayment | Effective Rate | Nominal Rate | Current 12-31-2020 ThCh$ | Up to 3 months ThCh$ | 3 to 12 months ThCh$ | Non-current 12-31-2020 ThCh$ | 1 to 2 years ThCh$ | 2 to 3 years ThCh$ | 3 to 4 years ThCh$ | 4 to 5 years ThCh$ | Over 5 years ThCh$ | Total debt undiscounted ThCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 96.885.450-K | Aerosan Airport Services S.A. | Chile | Banco Santander | USD | Monthly | 4.67% | 4.20% | 763,561 | 189,824 | 573,737 | 1,037,987 | 738,677 | 299,310 | - | - | - | 1,801,548 |
| 96.885.450-K | Aerosan Airport Services S.A. | Chile | Banco Crédito e Inversiones | USD | Semi-annual | 2.97% | 2.10% | 430,836 | - | 430,836 | - | - | - | - | - | - | 430,836 |
| 94.058.000-5 | Servicios Aeroportuarios Aerosan S.A. | Chile | Banco Crédito e Inversiones | USD | Semi-annual | 2.97% | 2.10% | 646,254 | - | 646,254 | - | - | - | - | - | - | 646,254 |
| Foreign | Aerosan SAS | Colombia | Banco Caja Social | COP | Quarterly | 5.40% | DTF + 3.5% | 543,166 | 271,583 | 271,583 | 363,295 | 363,295 | - | - | - | - | 906,461 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | USD | Monthly | 3.70% | 3.70% | 1,094,863 | 275,849 | 819,014 | 5,271,694 | 1,062,159 | 1,027,323 | 993,908 | 960,493 | 1,227,811 | 6,366,557 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | USD | Monthly | 3.70% | 3.70% | 1,313,836 | 331,303 | 982,533 | 6,326,743 | 1,274,733 | 1,232,787 | 1,192,974 | 1,152,450 | 1,473,799 | 7,640,579 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | BRL | Monthly | 8.79% | TJLP+3.70% | 398,132 | 100,955 | 297,177 | 1,756,047 | 376,804 | 354,053 | 332,725 | 311,396 | 381,069 | 2,154,179 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | USD | Monthly | 2.58% | 2.58% | 1,025,190 | 252,387 | 772,803 | 10,587,467 | 1,012,393 | 989,642 | 970,447 | 949,829 | 6,665,156 | 11,612,657 |
| Foreign | SAAM Towage Brasil | Brazil | BNDES | USD | Monthly | 3.58% | 3.58% | 798,397 | 199,777 | 598,620 | 7,919,983 | 780,623 | 759,295 | 739,388 | 719,481 | 4,921,196 | 8,718,380 |
| Foreign | SAAM Towage Brasil | Brazil | Caterpillar | USD | Monthly | 3.80% | 3.80% | 324,193 | 81,759 | 242,434 | 760,717 | 313,529 | 302,154 | 113,752 | 31,282 | - | 1,084,910 |
| Foreign | SAAM Towage Brasil | Brazil | Caterpillar | USD | Monthly | 3.80% | 3.80% | 395,288 | 99,533 | 295,755 | 928,500 | 381,780 | 368,272 | 139,346 | 39,102 | - | 1,323,788 |
| Foreign | SAAM Towage Brasil | Brazil | Caterpillar | BRL | Monthly | 8.89% | TJLP+3.80% | 106,642 | 27,016 | 79,626 | 236,746 | 100,244 | 93,134 | 34,126 | 9,242 | - | 343,388 |
| Foreign | SAAM Towage Brasil | Brazil | Banco Do Brasil | USD | Monthly | 3.50% | 3.50% | 1,077,800 | 271,583 | 806,217 | 6,788,151 | 1,047,229 | 1,017,369 | 988,221 | 956,939 | 2,778,393 | 7,865,951 |
| Foreign | SAAM Towage Brasil | Brazil | Banco Do Brasil | USD | Monthly | 3.60% | 3.60% | 737,255 | 185,558 | 551,697 | 4,711,466 | 716,638 | 695,309 | 674,692 | 653,363 | 1,971,464 | 5,448,721 |
| Foreign | Tug Brasil Apoio Maritimo | Brazil | BNDES | USD | Monthly | 4.38% | 4.38% | 341,256 | 86,736 | 254,520 | 530,369 | 324,193 | 206,176 | - | - | - | 871,625 |
| Foreign | Tug Brasil Apoio Maritimo | Brazil | BNDES | USD | Monthly | 3.68% | 3.68% | 1,291,085 | 324,904 | 966,181 | 11,723,566 | 1,255,538 | 1,215,014 | 1,178,755 | 1,141,786 | 6,932,473 | 13,014,651 |
| Foreign | Tug Brasil Apoio Maritimo | Brazil | BNDES | USD | Monthly | 5.50% | 5.50% | 149,299 | 37,680 | 111,619 | 414,484 | 144,323 | 139,346 | 130,815 | - | - | 563,783 |
| Foreign | Tug Brasil Apoio Maritimo | Brazil | Banco Do Brasil | USD | Monthly | 3.75% | 3.75% | 2,779,104 | 703,130 | 2,075,974 | 6,114,170 | 2,684,547 | 2,587,858 | 841,765 | - | - | 8,893,274 |
| Foreign | SAAM Towage Brasil | Brazil | Banco Santander Brasil | USD | At maturity | 3.50% | 3.50% | 2,255,844 | - | 2,255,844 | - | - | - | - | - | - | 2,255,844 |
| 91.021.000-9 | Invexans S.A. | Chile | Banco Scotiabank | USD | At maturity | 1.59% | 1.47% | 219,248 | 109,624 | 109,624 | 10,994,027 | 3,664,676 | 3,664,675 | - | - | 3,664,676 | 11,213,275 |
| 92.011.000-2 | Empresa Nacional de Energía Enex S.A. | Chile | Status | Ch$ | At maturity | 2.78% | 1.68% | 162,097 | 103,088 | 59,009 | 110,559,835 | 27,825,161 | 27,825,161 | 22,176,309 | 22,176,308 | 10,556,896 | 110,721,932 |
| 92.011.000-2 | Empresa Nacional de Energía Enex S.A. | Chile | Scotiabank | Ch$ | At maturity | 1.99% | 0.82% | 17,063 | - | 17,063 | 19,999,734 | 9,999,867 | 9,999,867 | - | - | - | 20,016,797 |
| 92.011.000-2 | Empresa Nacional de Energía Enex S.A. | Chile | Scotiabank | Ch$ | At maturity | 2.34% | 1.13% | 248,122 | 186,980 | 61,142 | 34,661,656 | 17,330,828 | 17,330,828 | - | - | - | 34,909,778 |
| 92.011.000-2 | Empresa Nacional de Energía Enex S.A. | Chile | Scotiabank | Ch$ | At maturity | 0.40% | 0.40% | 30,062,521 | 62,564 | 29,999,957 | - | - | - | - | - | - | 30,062,521 |
| 92.011.000-2 | Empresa Nacional de Energía Enex S.A. | Chile | Santander | Ch$ | At maturity | 1.60% | 1.60% | 349,787 | 349,787 | - | - | - | - | - | - | - | 349,787 |
| Foreign | Road Ranger, LLC | USA | Citibank | USD | At maturity | 2.86% | 2.80% | 6,398,550 | 6,398,550 | - | - | - | - | - | - | - | 6,398,550 |
| Foreign | Road Ranger, LLC | USA | Scotiabank | USD | At maturity | 2.36% | 1.85% | 194,089 | 194,089 | - | 52,257,669 | 26,128,835 | 26,128,834 | - | - | - | 52,451,758 |
| Foreign | Enex Corp Ltd | UK | Scotiabank | USD | Monthly | 1.65% | 1.40% | 71,262,073 | 167,073 | 71,095,000 | - | - | - | - | - | - | 71,262,073 |
| | | | **SUBTOTAL** | | | | | **125,385,551** | | | **293,944,306** | | | | | | **419,329,857** |
| | | | **TOTAL** | | | | | **173,419,899** | | | **510,181,334** | | | | | | **683,601,233** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 21 – Other current and non-current financial liabilities (continued)**

(c) Bonds payable as of December 31, 2021, are detailed as follows:

(c.1) Book values

| Debtor ID number | Debtor name | Debtor country | Registration number | Series | Maturity | Currency | Repayment | Effective rate | Nominal rate | Current debt ThCh$ | Up to 3 months ThCh$ | 3 to 12 months ThCh$ | Non-current debt ThCh$ | 1 to 2 years ThCh$ | 2 to 3 years ThCh$ | 3 to 4 years ThCh$ | 4 to 5 years ThCh$ | Over 5 years ThCh$ | Total debt ThCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 96.929.880-5 | LQIF | Chile | 385 | Series C | 2039 | CLF | Annual | 4.93% | 4.85% | 2,834,463 | - | 2,834,463 | 92,860,394 | - | - | - | - | 92,860,394 | 95,694,857 |
| 96.929.880-5 | LQIF | Chile | 597 | Series D | 2033 | CLF | Annual | 3.84% | 3.50% | 12,558,674 | - | 12,558,674 | 110,547,195 | 9,887,339 | 10,131,815 | 9,944,450 | 9,973,005 | 70,610,586 | 123,105,869 |
| 90.160.000-7 | CSAV | Chile | 955 | Series C | 2026 | USD | Semi-annual | 5.35% | 5.35% | 640,275 | - | 640,275 | 84,015,401 | - | - | - | 84,015,401 | - | 84,655,676 |
| 76.196.718-5 | SM SAAM S.A. | Chile | 794 | Series C | 2026 | CLF | Semi-annual | 2.80% | 2.80% | 53,215 | - | 53,215 | 44,240,639 | - | - | - | 44,240,639 | - | 44,293,854 |
| 76.196.718-5 | SM SAAM S.A. | Chile | 794 | Series E | 2026 | CLF | Semi-annual | 1.30% | 1.30% | 21,118 | - | 21,118 | 37,269,412 | - | - | - | - | 37,269,412 | 37,290,530 |
| 76.196.718-5 | SM SAAM S.A. | Chile | 1037 | Series H | 2030 | CLF | Semi-annual | 1.25% | 1.25% | 266,077 | 266,077 | - | 43,494,777 | - | - | - | - | 43,494,777 | 43,760,854 |
| 91.705.000-7 | Quiñenco | Chile | 715 | Series J | 2032 | CLF | Annual | 3.90% | 3.85% | 2,098,693 | - | 2,098,693 | 92,427,583 | - | - | - | - | 92,427,583 | 94,526,276 |
| 91.705.000-7 | Quiñenco | Chile | 715 | Series O | 2035 | CLF | Annual | 3.36% | 3.40% | 1,117,592 | - | 1,117,592 | 73,692,970 | - | - | - | - | 73,692,970 | 74,810,562 |
| 91.705.000-7 | Quiñenco | Chile | 427 | Series C | 2032 | CLF | Annual | 4.24% | 4.00% | 236,896 | - | 236,896 | 71,272,202 | - | - | - | - | 71,272,202 | 71,509,098 |
| 91.705.000-7 | Quiñenco | Chile | 714 | Series V | 2025 | CLF | Annual | 1.72% | 1.80% | 12,920,006 | - | 12,920,006 | 37,069,021 | 12,396,696 | 12,396,696 | 12,275,629 | - | - | 49,989,027 |
| 91.705.000-7 | Quiñenco | Chile | 819 | Series W | 2047 | CLF | Annual | 3.03% | 2.90% | 2,634,722 | - | 2,634,722 | 150,633,824 | - | - | - | - | 150,633,824 | 153,268,546 |
| 91.705.000-7 | Quiñenco | Chile | 596 | Series F | 2032 | CLF | Annual | 3.97% | 3.85% | 15,826,479 | - | 15,826,479 | 125,562,294 | 12,678,440 | 12,678,440 | 12,678,440 | 12,678,440 | 74,848,534 | 141,388,773 |
| 91.705.000-7 | Quiñenco | Chile | 930 | Series X | 2032 | CLF | Annual | 1.22% | 1.60% | 289,369 | - | 289,369 | 31,900,422 | - | - | - | - | 31,900,422 | 32,189,791 |
| 91.705.000-7 | Quiñenco | Chile | 930 | Series Y | 2047 | CLF | Annual | 1.66% | 2.40% | 1,302,163 | - | 1,302,163 | 104,556,052 | - | - | - | - | 104,556,052 | 105,858,215 |
| 91.705.000-7 | Quiñenco | Chile | 820 | Series S | 2044 | CLF | Annual | 3.15% | 3.15% | 401,194 | - | 401,194 | 154,010,250 | - | - | - | - | 154,010,250 | 154,411,444 |
| 91.705.000-7 | Quiñenco | Chile | 820 | Series R | 2039 | CLF | Annual | 3.20% | 3.15% | 2,861,855 | - | 2,861,855 | 153,165,504 | - | - | - | - | 153,165,504 | 156,027,359 |
| | | | | | | TOTAL | | | | 56,062,791 | | | 1,406,717,940 | | | | | | 1,462,780,731 |

## Note 21 – Other current and non-current financial liabilities (continued)

(c) Bonds payable as of December 31, 2021, are detailed as follows: (continued)

(c.2) Undiscounted values

| Debtor ID number | Debtor name | Debtor country | Registration number | Series | Maturity | Currency | Repayment | Effective rate | Nominal rate | Current debt ThCh$ | Up to 3 months ThCh$ | 3 to 12 months ThCh$ | Non-current debt ThCh$ | 1 to 2 years ThCh$ | 2 to 3 years ThCh$ | 3 to 4 years ThCh$ | 4 to 5 years ThCh$ | Over 5 years ThCh$ | Total debt ThCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 96.929.880-5 | LQIF | Chile | 385 | Series C | 2039 | CLF | Annual | 4.93% | 4.85% | 4,509,301 | - | 4,509,301 | 149,341,446 | 4,509,298 | 4,509,298 | 4,509,298 | 4,509,298 | 131,304,254 | 153,850,747 |
| 96.929.880-5 | LQIF | Chile | 597 | Series D | 2033 | CLF | Annual | 3.84% | 3.50% | 14,486,056 | - | 14,486,056 | 135,781,268 | 14,129,005 | 13,771,954 | 13,414,904 | 13,057,853 | 81,407,552 | 150,267,324 |
| 90.160.000-7 | CSAV | Chile | 955 | Series C | 2026 | USD | Semi-annual | 5.35% | 5.35% | 4,460,132 | - | 4,460,132 | 96,734,363 | 4,460,132 | 25,577,382 | 45,022,083 | 21,674,767 | - | 101,194,496 |
| 76.196.718-5 | SM SAAM S.A. | Chile | 794 | Series C | 2026 | CLF | Semi-annual | 2.80% | 2.80% | 1,206,217 | - | 1,206,217 | 48,213,215 | 1,206,217 | 1,206,217 | 1,206,217 | 44,594,564 | - | 49,419,432 |
| 76.196.718-5 | SM SAAM S.A. | Chile | 794 | Series E | 2026 | CLF | Semi-annual | 1.30% | 1.30% | 482,318 | - | 482,318 | 40,806,129 | 482,318 | 482,318 | 482,318 | 482,318 | 38,876,857 | 41,288,447 |
| 76.196.718-5 | SM SAAM S.A. | Chile | 1037 | Series H | 2030 | CLF | Semi-annual | 1.25% | 1.25% | 562,564 | 281,282 | 281,282 | 47,888,012 | 562,564 | 562,564 | 562,564 | 562,564 | 45,637,756 | 48,450,576 |
| 91.705.000-7 | Quiñenco | Chile | 715 | Series J | 2032 | CLF | Annual | 3.90% | 3.85% | 3,579,546 | - | 3,579,546 | 134,139,999 | 3,579,546 | 3,579,546 | 3,579,546 | 3,579,546 | 119,821,815 | 137,719,545 |
| 91.705.000-7 | Quiñenco | Chile | 715 | Series O | 2035 | CLF | Annual | 3.36% | 3.40% | 2,502,583 | - | 2,502,583 | 106,138,962 | 2,502,583 | 2,502,583 | 2,502,583 | 2,502,583 | 96,128,630 | 108,641,545 |
| 91.705.000-7 | Quiñenco | Chile | 427 | Series C | 2032 | CLF | Annual | 4.24% | 4.00% | 2,882,232 | - | 2,882,232 | 93,672,535 | 2,882,232 | 2,882,232 | 2,882,232 | 2,882,232 | 82,143,607 | 96,554,767 |
| 91.705.000-7 | Quiñenco | Chile | 714 | Series V | 2025 | CLF | Annual | 1.72% | 1.80% | 13,289,258 | - | 13,289,258 | 38,528,932 | 13,066,118 | 12,842,977 | 12,619,837 | - | - | 51,818,190 |
| 91.705.000-7 | Quiñenco | Chile | 819 | Series W | 2047 | CLF | Annual | 3.03% | 2.90% | 4,493,802 | - | 4,493,802 | 289,307,892 | 4,493,802 | 4,493,802 | 4,493,802 | 4,493,802 | 271,332,684 | 293,801,694 |
| 91.705.000-7 | Quiñenco | Chile | 596 | Series F | 2032 | CLF | Annual | 3.97% | 3.85% | 18,047,759 | - | 18,047,759 | 154,119,105 | 17,559,639 | 17,071,520 | 17,071,520 | 16,095,280 | 86,321,146 | 172,166,864 |
| 91.705.000-7 | Quiñenco | Chile | 930 | Series X | 2032 | CLF | Annual | 1.22% | 1.60% | 495,868 | - | 495,868 | 34,710,749 | 495,868 | 495,868 | 495,868 | 495,868 | 32,727,277 | 35,206,617 |
| 91.705.000-7 | Quiñenco | Chile | 930 | Series Y | 2047 | CLF | Annual | 1.66% | 2.40% | 2,231,405 | - | 2,231,405 | 136,487,622 | 2,231,405 | 2,231,405 | 2,231,405 | 2,231,405 | 127,562,002 | 138,719,027 |
| 91.705.000-7 | Quiñenco | Chile | 820 | Series S | 2044 | CLF | Annual | 3.15% | 3.15% | 4,881,199 | - | 4,881,199 | 252,582,681 | 4,881,199 | 4,881,199 | 4,881,199 | 4,881,199 | 233,057,885 | 257,463,880 |
| 91.705.000-7 | Quiñenco | Chile | 820 | Series R | 2039 | CLF | Annual | 3.20% | 3.15% | 4,881,199 | - | 4,881,199 | 230,617,285 | 4,881,199 | 4,881,199 | 4,881,199 | 4,881,199 | 211,092,489 | 235,498,484 |
| | | | | | | | | | | **82,991,439** | | | **1,989,070,195** | | | | | | **2,072,061,635** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

## Note 21 – Other current and non-current financial liabilities (continued)

(d) Bonds payable as of December 31, 2020, are detailed as follows.

(d.1) Book values

| Debtor ID number | Debtor name | Debtor country | Registration number | Series | Maturity | Currency | Repayment | Effective rate | Nominal rate | Current debt ThCh$ | Up to 3 months ThCh$ | 3 to 12 months ThCh$ | Non-current debt ThCh$ | 1 to 2 years ThCh$ | 2 to 3 years ThCh$ | 3 to 4 years ThCh$ | 4 to 5 years ThCh$ | Over 5 years ThCh$ | Total debt ThCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 96.929.880-5 | LQIF | Chile | 385 | Series C | 2039 | CLF | Annual | 4.93% | 4.85% | 2,658,299 | - | 2,658,299 | 87,089,152 | - | - | - | - | 87,089,152 | 89,747,451 |
| 96.929.880-5 | LQIF | Chile | 597 | Series D | 2033 | CLF | Annual | 3.84% | 3.50% | 2,295,097 | - | 2,295,097 | 112,856,934 | - | - | - | - | 112,856,934 | 115,152,031 |
| 90.160.000-7 | CSAV | Chile | 839 | Series B | 2021 | USD | At maturity | 5.20% | 5.20% | 35,484,225 | - | 35,484,225 | - | - | - | - | - | - | 35,484,225 |
| 90.160.000-7 | CSAV | Chile | 955 | Series C | 2026 | USD | Semi-annual | 5.35% | 5.35% | 539,612 | - | 539,612 | 70,625,773 | - | - | - | - | 70,625,773 | 71,165,385 |
| 76.196.718-5 | SM SAAM S.A. | Chile | 793 | Series B | 2021 | CLF | Semi-annual | 2.60% | 2.60% | 40,935,790 | - | 40,935,790 | - | - | - | - | - | - | 40,935,790 |
| 76.196.718-5 | SM SAAM S.A. | Chile | 794 | Series C | 2026 | CLF | Semi-annual | 2.80% | 2.80% | 49,767 | - | 49,767 | 41,550,762 | - | - | - | - | 41,550,762 | 41,600,529 |
| 76.196.718-5 | SM SAAM S.A. | Chile | 794 | Series E | 2026 | CLF | Semi-annual | 1.30% | 1.30% | 19,907 | - | 19,907 | 34,958,833 | - | - | - | - | 34,958,833 | 34,978,740 |
| 76.196.718-5 | SM SAAM S.A. | Chile | 1037 | Series H | 2030 | CLF | Semi-annual | 1.25% | 1.25% | 249,543 | 249,543 | - | 40,797,155 | - | - | - | - | 40,797,155 | 41,046,698 |
| 91.705.000-7 | Quiñenco | Chile | 595 | Series I | 2021 | CLF | Annual | 3.71% | 3.70% | 9,900,319 | - | 9,900,319 | - | - | - | - | - | - | 9,900,319 |
| 91.705.000-7 | Quiñenco | Chile | 715 | Series J | 2032 | CLF | Annual | 3.90% | 3.85% | 1,968,579 | - | 1,968,579 | 86,632,073 | - | - | - | - | 86,632,073 | 88,600,652 |
| 91.705.000-7 | Quiñenco | Chile | 715 | Series O | 2035 | CLF | Annual | 3.36% | 3.40% | 1,048,304 | - | 1,048,304 | 69,133,169 | - | - | - | - | 69,133,169 | 70,181,473 |
| 91.705.000-7 | Quiñenco | Chile | 427 | Series C | 2032 | CLF | Annual | 4.24% | 4.00% | 222,209 | - | 222,209 | 66,736,627 | - | - | - | - | 66,736,627 | 66,958,836 |
| 91.705.000-7 | Quiñenco | Chile | 714 | Series V | 2025 | CLF | Annual | 1.72% | 1.80% | 12,241,716 | - | 12,241,716 | 46,357,792 | 11,628,132 | 11,628,132 | 11,628,132 | 11,473,396 | - | 58,599,508 |
| 91.705.000-7 | Quiñenco | Chile | 819 | Series W | 2047 | CLF | Annual | 3.03% | 2.90% | 2,471,376 | - | 2,471,376 | 141,108,138 | - | - | - | - | 141,108,138 | 143,579,514 |
| 91.705.000-7 | Quiñenco | Chile | 596 | Series F | 2032 | CLF | Annual | 3.97% | 3.85% | 2,952,868 | - | 2,952,868 | 129,475,243 | 11,892,409 | 11,892,409 | 11,892,409 | 11,892,409 | 81,905,607 | 132,428,111 |
| 91.705.000-7 | Quiñenco | Chile | 930 | Series X | 2032 | CLF | Annual | 1.22% | 1.60% | 271,429 | - | 271,429 | 30,007,756 | - | - | - | - | 30,007,756 | 30,279,185 |
| 91.705.000-7 | Quiñenco | Chile | 930 | Series Y | 2047 | CLF | Annual | 1.66% | 2.40% | 1,221,432 | - | 1,221,432 | 98,517,318 | - | - | - | - | 98,517,318 | 99,738,750 |
| 91.705.000-7 | Quiñenco | Chile | 820 | Series S | 2044 | CLF | Annual | 3.15% | 3.15% | 376,321 | - | 376,321 | 144,412,444 | - | - | - | - | 144,412,444 | 144,788,765 |
| 91.705.000-7 | Quiñenco | Chile | 820 | Series R | 2039 | CLF | Annual | 3.20% | 3.15% | 2,684,426 | - | 2,684,426 | 143,541,946 | - | - | - | - | 143,541,946 | 146,226,372 |
| | | | | | | TOTAL | | | | 117,591,219 | | | 1,343,801,115 | | | | | | 1,461,392,334 |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 21 – Other current and non-current financial liabilities (continued)**

(d) Bonds payable as of December 31, 2020, are detailed as follows: (continued)

(d.2) Undiscounted values

| Debtor ID number | Debtor name | Debtor country | Registration number | Series | Maturity | Currency | Repayment | Effective rate | Nominal rate | Current debt ThCh$ | Up to 3 months ThCh$ | 3 to 12 months ThCh$ | Non-current debt ThCh$ | 1 to 2 years ThCh$ | 2 to 3 years ThCh$ | 3 to 4 years ThCh$ | 4 to 5 years ThCh$ | Over 5 years ThCh$ | Total debt undiscounted ThCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 96.929.880-5 | LQIF | Chile | 385 | Series C | 2039 | CLF | Annual | 4.93% | 4.85% | 4,229,733 | - | 4,229,733 | 144,312,386 | 4,229,733 | 4,229,733 | 4,229,733 | 4,229,733 | 127,393,454 | 148,542,119 |
| 96.929.880-5 | LQIF | Chile | 597 | Series D | 2033 | CLF | Annual | 3.84% | 3.50% | 4,018,973 | - | 4,018,973 | 140,951,128 | 13,587,957 | 13,253,042 | 12,918,128 | 12,583,213 | 88,608,788 | 144,970,101 |
| 90.160.000-7 | CSAV | Chile | 839 | Series B | 2021 | USD | At maturity | 5.20% | 5.20% | 36,460,360 | - | 36,460,360 | - | - | - | - | - | - | 36,460,360 |
| 90.160.000-7 | CSAV | Chile | 955 | Series C | 2026 | USD | Semi-annual | 5.35% | 5.35% | 3,753,816 | - | 3,753,816 | 85,172,094 | 3,753,958 | 3,753,958 | 21,527,566 | 37,893,635 | 18,242,977 | 88,925,910 |
| 76.196.718-5 | SM SAAM S.A. | Chile | 793 | Series B | 2021 | CLF | Semi-annual | 2.60% | 2.60% | 41,749,828 | - | 41,749,828 | - | - | - | - | - | - | 41,749,828 |
| 76.196.718-5 | SM SAAM S.A. | Chile | 794 | Series C | 2026 | CLF | Semi-annual | 2.80% | 2.80% | 1,131,832 | - | 1,131,832 | 46,357,493 | 1,131,832 | 1,131,832 | 1,131,832 | 1,131,832 | 41,830,165 | 47,489,325 |
| 76.196.718-5 | SM SAAM S.A. | Chile | 794 | Series E | 2026 | CLF | Semi-annual | 1.30% | 1.30% | 452,164 | - | 452,164 | 38,726,868 | 452,164 | 452,164 | 452,164 | 452,164 | 36,918,212 | 39,179,032 |
| 76.196.718-5 | SM SAAM S.A. | Chile | 1037 | Series H | 2030 | CLF | Semi-annual | 1.25% | 1.25% | 527,524 | 263,762 | 263,762 | 45,445,346 | 527,525 | 527,525 | 527,525 | 527,525 | 43,335,246 | 45,972,870 |
| 91.705.000-7 | Quiñenco | Chile | 595 | Series I | 2021 | CLF | Annual | 3.71% | 3.70% | 10,048,644 | - | 10,048,644 | - | - | - | - | - | - | 10,048,644 |
| 91.705.000-7 | Quiñenco | Chile | 715 | Series J | 2032 | CLF | Annual | 3.90% | 3.85% | 3,357,623 | - | 3,357,623 | 129,181,278 | 3,357,623 | 3,357,623 | 3,357,623 | 3,357,623 | 115,750,786 | 132,538,901 |
| 91.705.000-7 | Quiñenco | Chile | 715 | Series O | 2035 | CLF | Annual | 3.36% | 3.40% | 2,347,429 | - | 2,347,429 | 101,906,041 | 2,347,429 | 2,347,429 | 2,347,429 | 2,347,429 | 92,516,325 | 104,253,470 |
| 91.705.000-7 | Quiñenco | Chile | 427 | Series C | 2032 | CLF | Annual | 4.24% | 4.00% | 2,703,541 | - | 2,703,541 | 90,568,614 | 2,703,541 | 2,703,541 | 2,703,541 | 2,703,541 | 79,754,450 | 93,272,155 |
| 91.705.000-7 | Quiñenco | Chile | 714 | Series V | 2025 | CLF | Annual | 1.72% | 1.80% | 12,674,664 | - | 12,674,664 | 48,605,592 | 12,465,358 | 12,256,051 | 12,046,745 | 11,837,438 | - | 61,280,256 |
| 91.705.000-7 | Quiñenco | Chile | 819 | Series W | 2047 | CLF | Annual | 3.03% | 2.90% | 4,215,198 | - | 4,215,198 | 275,586,729 | 4,215,198 | 4,215,198 | 4,215,198 | 4,215,198 | 258,725,937 | 279,801,927 |
| 91.705.000-7 | Quiñenco | Chile | 596 | Series F | 2032 | CLF | Annual | 3.97% | 3.85% | 5,036,435 | - | 5,036,435 | 161,492,951 | 16,928,844 | 16,470,986 | 16,013,128 | 16,013,128 | 96,066,865 | 166,529,386 |
| 91.705.000-7 | Quiñenco | Chile | 930 | Series X | 2032 | CLF | Annual | 1.22% | 1.60% | 465,125 | - | 465,125 | 33,023,894 | 465,125 | 465,125 | 465,125 | 465,125 | 31,163,394 | 33,489,019 |
| 91.705.000-7 | Quiñenco | Chile | 930 | Series Y | 2047 | CLF | Annual | 1.66% | 2.40% | 2,093,064 | - | 2,093,064 | 130,118,798 | 2,093,064 | 2,093,064 | 2,093,064 | 2,093,064 | 121,746,542 | 132,211,862 |
| 91.705.000-7 | Quiñenco | Chile | 820 | Series S | 2044 | CLF | Annual | 3.15% | 3.15% | 4,578,577 | - | 4,578,577 | 241,501,767 | 4,578,577 | 4,578,577 | 4,578,577 | 4,578,577 | 223,187,459 | 246,080,344 |
| 91.705.000-7 | Quiñenco | Chile | 820 | Series R | 2039 | CLF | Annual | 3.20% | 3.15% | 4,578,577 | - | 4,578,577 | 220,898,170 | 4,578,577 | 4,578,577 | 4,578,577 | 4,578,577 | 202,583,862 | 225,476,747 |
| | | | | | | | | | | **144,423,107** | | | **1,933,849,149** | | | | | | **2,078,272,256** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**



**Note 21 – Other current and non-current financial liabilities (continued)**

(e) Concession liabilities

Financial liabilities for concession contracts as of December 31, 2021, are detailed as follows:

(e.1) Book values

| Terminal | Debtor ID number | Debtor Name | Debtor Country | Currency | Up to 3 months ThCh$ | 3 to 12 months ThCh$ | Total Current ThCh$ | 1 to 3 years ThCh$ | 3 to 5 years ThCh$ | Over 5 years ThCh$ | Total Non-current ThCh$ | Total debt ThCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Empresa Portuaria Iquique | 96.915.330-0 | Iquique Terminal Internacional SA | Chile | USD | 194,279 | 601,418 | 795,697 | 1,750,198 | 1,986,711 | 4,476,011 | 8,212,920 | 9,008,617 |
| Administración Portuaria Integral de Mazatlán | Foreign | Terminal Marítima Mazatlán S.A. de C.V. | Mexico | MXN | 225,533 | 693,490 | 919,023 | 5,412,774 | 4,718,438 | 11,570,564 | 21,701,776 | 22,620,799 |
| Instituto Costarricence de Puerto Pacífico | Foreign | Sociedad Portuaria de Caldera S.A. | Costa Rica | USD | 1,592,241 | - | 1,592,241 | - | - | - | - | 1,592,241 |
| Instituto Costarricence de Puerto Pacífico | Foreign | Sociedad Portuaria Granelera de Caldera S.A. | Costa Rica | USD | 188,366 | - | 188,366 | - | - | - | - | 188,366 |
| Instituto Costarricence de Puerto Pacífico | Foreign | Concesionaria SAAM Costa Rica S.A. | Costa Rica | USD | 79,401 | - | 79,401 | - | - | - | - | 79,401 |
| | | | | | | | 3,574,728 | | | | 29,914,696 | 33,489,424 |

(e.2) Undiscounted values

| Terminal | Debtor ID number | Debtor Name | Debtor Country | Currency | Up to 3 months ThCh$ | 3 to 12 months ThCh$ | Total Current ThCh$ | 1 to 3 years ThCh$ | 3 to 5 years ThCh$ | Over 5 years ThCh$ | Total Non-current ThCh$ | Total debt ThCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Empresa Portuaria Iquique | 96.915.330-0 | Iquique Terminal Internacional SA | Chile | USD | 337,876 | 1,013,628 | 1,351,504 | 2,703,008 | 2,703,008 | 5,068,140 | 10,474,156 | 11,825,660 |
| Administración Portuaria Integral de Mazatlán | Foreign | Terminal Marítima Mazatlán S.A. de C.V. | Mexico | MXN | 268,611 | 697,714 | 966,325 | 6,523,541 | 7,130,028 | 41,921,965 | 55,575,534 | 56,541,859 |
| Instituto Costarricence de Puerto Pacífico | Foreign | Sociedad Portuaria de Caldera S.A. | Costa Rica | USD | 1,592,241 | - | 1,592,241 | - | - | - | - | 1,592,241 |
| Instituto Costarricence de Puerto Pacífico | Foreign | Sociedad Portuaria Granelera de Caldera S.A. | Costa Rica | USD | 188,366 | - | 188,366 | - | - | - | - | 188,366 |
| Instituto Costarricence de Puerto Pacífico | Foreign | Concesionaria SAAM Costa Rica S.A. | Costa Rica | USD | 79,401 | - | 79,401 | - | - | - | - | 79,401 |
| | | | | | | | 4,177,837 | | | | 66,049,690 | 70,227,527 |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 21 – Other current and non-current financial liabilities (continued)**

(f) Concession liabilities

Financial liabilities for concession contracts as of December 31, 2020, are detailed as follows:

(f.1) Book values

| Terminal | Debtor ID number | Debtor Name | Debtor Country | Currency | Up to 3 months ThCh$ | 3 to 12 months ThCh$ | Total Current ThCh$ | 1 to 3 years ThCh$ | 3 to 5 years ThCh$ | Over 5 years ThCh$ | Total Non-current ThCh$ | Total debt ThCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Empresa Portuaria Iquique | 96.915.330-0 | Iquique Terminal Internacional SA | Chile | USD | 153,565 | 474,915 | 628,480 | 1,382,798 | 1,569,778 | 4,629,706 | 7,582,282 | 8,210,762 |
| Administración Portuaria Integral de Mazatlán | Foreign | Terminal Marítima Mazatlán S.A. de C.V. | Mexico | MXN | 184,847 | 533,923 | 718,770 | 4,210,246 | 4,140,573 | 10,672,781 | 19,023,600 | 19,742,370 |
| Instituto Costarricence de Puerto Pacífico | Foreign | Sociedad Portuaria de Caldera S.A. | Costa Rica | USD | 1,210,748 | - | 1,210,748 | - | - | - | - | 1,210,748 |
| Instituto Costarricence de Puerto Pacífico | Foreign | Sociedad Portuaria Granelera de Caldera S.A. | Costa Rica | USD | 147,878 | - | 147,878 | - | - | - | - | 147,878 |
| Instituto Costarricence de Puerto Pacífico | Foreign | Concesionaria SAAM Costa Rica S.A. | Costa Rica | USD | 56,165 | - | 56,165 | - | - | - | - | 56,165 |
| | | | | | | | 2,762,041 | | | | 26,605,882 | 29,367,923 |

(f.2) Undiscounted values

| Terminal | Debtor ID number | Debtor Name | Debtor Country | Currency | Up to 3 months ThCh$ | 3 to 12 months ThCh$ | Total Current ThCh$ | 1 to 3 years ThCh$ | 3 to 5 years ThCh$ | Over 5 years ThCh$ | Total Non-current ThCh$ | Total debt ThCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Empresa Portuaria Iquique | 96.915.330-0 | Iquique Terminal Internacional SA | Chile | USD | 284,380 | 853,140 | 1,137,520 | 2,275,040 | 2,275,040 | 5,687,600 | 10,237,680 | 11,375,200 |
| Administración Portuaria Integral de Mazatlán | Foreign | Terminal Marítima Mazatlán S.A. de C.V. | Mexico | MXN | 186,980 | 570,893 | 757,873 | 5,373,360 | 5,878,846 | 27,549,313 | 38,801,519 | 39,559,392 |
| Instituto Costarricence de Puerto Pacífico | Foreign | Sociedad Portuaria de Caldera S.A. | Costa Rica | USD | 1,210,748 | - | 1,210,748 | - | - | - | - | 1,210,748 |
| Instituto Costarricence de Puerto Pacífico | Foreign | Sociedad Portuaria Granelera de Caldera S.A. | Costa Rica | USD | 147,878 | - | 147,878 | - | - | - | - | 147,878 |
| Instituto Costarricence de Puerto Pacífico | Foreign | Concesionaria SAAM Costa Rica S.A. | Costa Rica | USD | 56,165 | - | 56,165 | - | - | - | - | 56,165 |
| | | | | | | | 3,310,184 | | | | 49,039,199 | 52,349,383 |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 21 – Other current and non-current financial liabilities (continued)**

(g) Finance leases as of December 31, 2021, are detailed as follows.

(g.1) Book values

| Debtor ID number | Debtor Name | Debtor Country | Creditor | Currency | Repayment | Effective Rate | Nominal Rate | Current debt ThCh$ | Up to 3 months ThCh$ | 3 to 12 months ThCh$ | Non-current debt ThCh$ | 1 to 2 years ThCh$ | 2 to 3 years ThCh$ | 3 to 4 years ThCh$ | 4 to 5 years ThCh$ | Over 5 years ThCh$ | Total debt ThCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 96.915.330-0 | ITI SA | Chile | BCI | USD | Monthly | 2.86% | 2.86% | 449,375 | 110,654 | 338,721 | 1,248,451 | 467,958 | 487,386 | 293,107 | - | - | 1,697,826 |
| Foreign | FIT LLC | USA | Wells Fargo Equipment Finance, Inc. | USD | Monthly | 3.74% | 3.74% | 285,505 | 105,586 | 179,919 | 18,583 | 18,583 | - | - | - | - | 304,088 |
| Foreign | FIT LLC | USA | TD Bank | USD | Monthly | 3.65% | 3.30% | 266,922 | 159,646 | 107,276 | - | - | - | - | - | - | 266,922 |
| 94.058.000-5 | SAA S.A. | Chile | Banco Bice | USD | Monthly | 3.73% | 3.73% | 38,011 | 9,292 | 28,719 | 125,859 | 39,700 | 40,545 | 42,235 | 3,379 | - | 163,870 |
| 94.058.000-5 | SAA S.A. | Chile | Banco Bice | USD | Monthly | 3.68% | 3.68% | 47,303 | 11,826 | 35,477 | 150,355 | 48,147 | 49,837 | 52,371 | - | - | 197,658 |
| Foreign | Aerosan SAS | Colombia | Itaú | USD | Monthly | 6.39% | 6.21% | 94,605 | 23,651 | 70,954 | 430,792 | 114,878 | 114,878 | 114,878 | 86,158 | - | 525,397 |
| Foreign | Aerosan SAS | Colombia | CSI | USD | Monthly | 8.47% | 8.16% | 7,602 | 1,689 | 5,913 | - | - | - | - | - | - | 7,602 |
| Foreign | Aerosan SAS | Colombia | Banco de Occidente | USD | Monthly | 9.73% | 9.49% | 26,186 | 6,758 | 19,428 | 52,370 | 26,185 | 26,185 | - | - | - | 78,556 |
| Foreign | Intertug Colombia | Colombia | Bancolombia Panama | USD | Monthly | 4.85% | 4.79% | 565,098 | 291,418 | 273,680 | 850,603 | 821,039 | 29,564 | - | - | - | 1,415,701 |
| Foreign | Intertug Colombia | Colombia | Bancolombia Panama | USD | Monthly | 4.60% | 4.55% | 614,934 | 316,759 | 298,175 | 950,277 | 894,527 | 55,750 | - | - | - | 1,565,211 |
| | | | | | | | | **2,395,541** | | | **3,827,290** | | | | | | **6,222,831** |

(g.2) Undiscounted values

| Debtor ID number | Debtor Name | Debtor Country | Creditor | Currency | Repayment | Effective Rate | Nominal Rate | Current debt ThCh$ | Up to 3 months ThCh$ | 3 to 12 months ThCh$ | Non-current debt ThCh$ | 1 to 2 years ThCh$ | 2 to 3 years ThCh$ | 3 to 4 years ThCh$ | 4 to 5 years ThCh$ | Over 5 years ThCh$ | Total debt ThCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 96.915.330-0 | ITI SA | Chile | BCI | USD | Monthly | 2.86% | 2.86% | 490,388 | 122,597 | 367,791 | 1,389,162 | 490,388 | 490,388 | 408,386 | - | - | 1,879,550 |
| Foreign | FIT LLC | USA | Wells Fargo Equipment Finance, Inc. | USD | Monthly | 3.74% | 3.74% | 415,693 | 103,923 | 311,770 | 71,447 | 71,447 | - | - | - | - | 487,140 |
| Foreign | FIT LLC | USA | TD Bank | USD | Monthly | 3.65% | 3.30% | 563,459 | 150,202 | 413,257 | - | - | - | - | - | - | 563,459 |
| 94.058.000-5 | SAA S.A. | Chile | Banco Bice | USD | Monthly | 3.73% | 3.73% | 51,149 | 12,990 | 38,159 | 166,440 | 51,150 | 51,150 | 51,150 | 12,990 | - | 217,589 |
| 94.058.000-5 | SAA S.A. | Chile | Banco Bice | USD | Monthly | 3.68% | 3.68% | 41,407 | 10,555 | 30,852 | 138,023 | 41,407 | 41,407 | 41,407 | 13,802 | - | 179,430 |
| Foreign | Aerosan SAS | Colombia | Itaú | USD | Monthly | 6.39% | 6.21% | 47,903 | 12,179 | 35,724 | 168,876 | 42,219 | 42,219 | 42,219 | 42,219 | - | 216,779 |
| Foreign | Aerosan SAS | Colombia | CSI | USD | Monthly | 8.47% | 8.16% | 2,436 | 812 | 1,624 | 8,119 | 8,119 | - | - | - | - | 10,555 |
| Foreign | Aerosan SAS | Colombia | Banco de Occidente | USD | Monthly | 9.73% | 9.49% | 582,944 | - | 582,944 | 854,119 | 558,587 | 295,532 | - | - | - | 1,437,063 |
| Foreign | Intertug Colombia | Colombia | Bancolombia Panama | USD | Monthly | 4.85% | 4.79% | 632,470 | - | 632,470 | 949,111 | 607,301 | 341,810 | - | - | - | 1,581,581 |
| Foreign | Intertug Colombia | Colombia | Bancolombia Panama | USD | Monthly | 4.60% | 4.55% | 19,486 | 19,486 | - | - | - | - | - | - | - | 19,486 |
| | | | | | | | | **3,036,661** | | | **4,030,013** | | | | | | **7,066,674** |

## Note 21 – Other current and non-current financial liabilities (continued)

(h) Finance leases as of December 31, 2020, are detailed as follows:

(h.1) Book values

| Debtor ID number | Debtor Name | Debtor Country | Creditor | Currency | Repayment | Effective Rate | Nominal Rate | Current debt ThCh$ | Up to 3 months ThCh$ | 3 to 12 months ThCh$ | Non-current debt ThCh$ | 1 to 2 years ThCh$ | 2 to 3 years ThCh$ | 3 to 4 years ThCh$ | 4 to 5 years ThCh$ | Over 5 years ThCh$ | Total debt ThCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 96.915.330-0 | ITI SA | Chile | BCI | USD | Monthly | 2.86% | 2.86% | 363,296 | 89,580 | 273,716 | 1,428,298 | 378,225 | 393,866 | 410,218 | 245,989 | - | 1,791,594 |
| Foreign | Florida International Terminal, LLC. | USA | Wells Fargo Equipment Finance, Inc. | USD | Monthly | 3.74% | 3.74% | 524,681 | 128,682 | 395,999 | 224,660 | 224,660 | - | - | - | - | 749,341 |
| Foreign | Florida International Terminal, LLC. | USA | TD Bank | USD | Monthly | 3.65% | 3.30% | 338,412 | 82,470 | 255,942 | 249,544 | 234,614 | 14,930 | - | - | - | 587,956 |
| 94.058.000-5 | Serv. Aeroportuarios Aerosan S.A. | Chile | Banco Bice | USD | Monthly | 3.68% | 3.68% | 43,368 | 10,664 | 32,704 | 193,380 | 48,345 | 48,345 | 48,345 | 48,345 | - | 236,748 |
| 94.058.000-5 | Serv. Aeroportuarios Aerosan S.A. | Chile | Banco Bice | USD | Monthly | 3.68% | 3.68% | 30,571 | 7,110 | 23,461 | 139,348 | 34,126 | 34,126 | 34,126 | 34,126 | 2,844 | 169,919 |
| Foreign | Aerosan SAS | Colombia | Itaú | COP | Monthly | 3.39% | 6.21% | 39,813 | 9,953 | 29,860 | 159,252 | 39,813 | 39,813 | 39,813 | 39,813 | - | 199,065 |
| Foreign | Aerosan SAS | Colombia | CSI | COP | Monthly | 8.47% | 8.16% | 6,398 | 1,422 | 4,976 | 6,396 | 6,396 | - | - | - | - | 12,794 |
| | | | | | | | | **1,346,539** | | | **2,400,878** | | | | | | **3,747,417** |

(h.2) Undiscounted values

| Debtor ID number | Debtor Name | Debtor Country | Creditor | Currency | Repayment | Effective Rate | Nominal Rate | Current debt ThCh$ | Up to 3 months ThCh$ | 3 to 12 months ThCh$ | Non-current debt ThCh$ | 1 to 2 years ThCh$ | 2 to 3 years ThCh$ | 3 to 4 years ThCh$ | 4 to 5 years ThCh$ | Over 5 years ThCh$ | Total debt ThCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 96.915.330-0 | ITI SA | Chile | BCI | USD | Monthly | 2.86% | 2.86% | 429,413 | 107,353 | 322,060 | 1,537,785 | 429,414 | 429,414 | 429,414 | 249,543 | - | 1,967,198 |
| Foreign | Florida International Terminal, LLC. | USA | Wells Fargo Equipment Finance, Inc. | USD | Monthly | 3.74% | 3.74% | 543,877 | 169,917 | 373,960 | 241,012 | 241,012 | - | - | - | - | 784,889 |
| Foreign | Florida International Terminal, LLC. | USA | TD Bank | USD | Monthly | 3.65% | 3.30% | 543,876 | 135,791 | 408,085 | 226,793 | 226,793 | - | - | - | - | 770,669 |
| 94.058.000-5 | Serv. Aeroportuarios Aerosan S.A. | Chile | Banco Bice | USD | Monthly | 3.68% | 3.68% | 52,610 | 13,508 | 39,102 | 208,307 | 51,899 | 51,899 | 51,899 | 52,610 | - | 260,917 |
| 94.058.000-5 | Serv. Aeroportuarios Aerosan S.A. | Chile | Banco Bice | USD | Monthly | 3.68% | 3.68% | 35,547 | 8,531 | 27,016 | 148,587 | 36,258 | 36,258 | 36,258 | 36,969 | 2,844 | 184,134 |
| Foreign | Aerosan SAS | Colombia | Itaú | COP | Monthly | 3.39% | 6.21% | 77,493 | 12,797 | 64,696 | 68,962 | 68,962 | - | - | - | - | 146,455 |
| Foreign | Aerosan SAS | Colombia | CSI | COP | Monthly | 8.47% | 8.16% | 7,821 | 2,133 | 5,688 | 6,399 | 6,399 | - | - | - | - | 14,220 |
| | | | | | | | | **1,690,637** | | | **2,437,845** | | | | | | **4,128,482** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

## Note 21 – Other current and non-current financial liabilities (continued)

(i) Hedge liabilities as of December 31, 2021 and 2020, are detailed as follows:

| Hedge description | Company | Hedged risk | Current 12-31-2021 ThCh$ | Current 12-31-2020 ThCh$ | Non-current 12-31-2021 ThCh$ | Non-current 12-31-2020 ThCh$ | Fair values 12-31-2021 ThCh$ | Fair values 12-31-2020 ThCh$ |
|---|---|---|---|---|---|---|---|---|
| Swap | Invexans S.A. | Interest rate | - | - | 174,645 | 343,709 | 174,645 | 343,709 |
| Swap | SM SAAM S.A. | Exchange rate | 161,336 | 33,415 | 28,069,894 | 4,176,120 | 28,231,230 | 4,209,535 |
| | | **TOTAL** | **161,336** | **33,415** | **28,244,539** | **4,519,829** | **28,405,875** | **4,553,244** |

(j) Details of other non-financial liabilities as of December 31, 2021, are as follows:

| Company | Debtor ID number | Creditor | Debtor country | Currency | Operation | Under 90 days ThCh$ | 90 days to 1 year ThCh$ | **Total current ThCh$** | 1 to 3 years ThCh$ | 3 to 5 years ThCh$ | Over 5 years ThCh$ | **Total Non-current ThCh$** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAAM S.A. | 97.036.000-K | Clear Ocean Investment S.A. / Bellomare Ventures Inc. | Chile | USD | Option | - | - | - | 16,648,840 | - | - | 16,648,840 |
| | | | | | | | **Total** | | **16,648,840** | | | **16,648,840** |

This financial liability recognized by the subsidiary SAAM S.A. is a purchase option at the expected value of the remaining 30% of Intertug. If the option is not exercised, the value of this liability will change in accordance with the expected strike price in the following period.

These options are treated as an equity instrument. Since there is no payment, then there are no accounting entries for changes in the premium value. This applies to periods after registering the option and prior to exercising it.

SM SAAM has deemed it prudent not to register the fair value of the option for accounting purposes. Therefore, the acquisition of the remaining 30% in the future will be accounted for in accordance with IFRS 10. If there are transactions with minority interests that do not result in changes in control of the subsidiary, the difference between the amount paid or received and the minority interest is recorded directly in equity, in accordance with IFRS 10.

**Note 21 – Other current and non-current financial liabilities (continued)**

(k) Balances of other financial liabilities are reconciled as follows.

| | | Cash flows from financing activities | | | | Changes with no effect on cash flow | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Liabilities from financing activities** | **Balance as of 01/01/2021** | **Source** | **Used** | **Interest paid** | **Total** | **Exchange differences and indexation** | **Finance costs** | **Other changes** | **Balance as of 12/31/2021** |
| | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** |
| Bank loans and leases | 652,908,050 | 591,170,822 | (280,861,831) | (15,460,442) | **294,848,549** | 91,597,272 | 6,105,826 | (108,762,403) | **936,697,294** |
| Bonds payable | 1,461,392,333 | - | (101,767,971) | (48,641,730) | **(150,409,701)** | 25,446,730 | 26,956,112 | 99,395,257 | **1,462,780,731** |
| **Total** | **2,114,300,383** | **591,170,822** | **(382,629,802)** | **(64,102,172)** | **144,438,848** | **117,044,002** | **33,061,938** | **(9,367,146)** | **2,399,478,025** |

**Note 21 – Other current and non-current financial liabilities (continued)**

(l) Service Concession Agreements

The subsidiary SM SAAM has the following Service Concession Agreements.

**Iquique Terminal Internacional S.A. (Chile)**

Empresa Portuaria Iquique (EPI) through the "Concession Contract for Wharf 2 at the Port of Iquique", dated May 3, 2000, granted the indirect subsidiary Iquique Terminal Internacional S.A. (ITI) an exclusive concession to develop, maintain and operate the wharf, including the right to collect from wharf users basic rates for basic services, and special rates for special services.

The original term of the contract was 20 years from the date the wharf was provided on July 1, 2000. The Company extended the term for an additional 10 years, in order to carry out the infrastructure projects stipulated in the concession contract.

The wharf and all the assets described in the concession contract, which are required or useful to continually operate the wharf or provide services, shall be immediately transferred to EPI when the concession terminates, in good working order and free of encumbrances.

**Terminal Marítima Mazatlán S.A. de C.V (Mexico)**

Administración Portuaria Integral de Mazatlan (API) signed a "Partial Rights Assignment Contract" on April 16, 2012, which granted the indirect subsidiary Terminal Marítimo Mazatlan S.A. de C.V. (concessionaire) the exclusive right to use an area of water and land in the port of Mazatlán de Sinaloa, to construct works in that area and provide port services.

The concession contract is for 20 years, and can extended to July 26, 2044.

When the concession terminates, the area and all works and improvements permanently attached to it by the concessionaire to operate the area will be transferred to API free of charge and free of encumbrances. The concessionaire will execute, at its own expense, any required repairs when the concession terminates, or if it fails to do so, it will compensate API for any damage to the area or the described assets as a result of improper handling or inadequate maintenance.

**Florida International Terminal (FIT), LLC (USA)**

On April 18, 2005, the indirect subsidiary Florida International Terminal (FIT) was awarded the container terminal operating concession at Port Everglades Florida USA, for an initial period of 10 years, renewable for 2 periods of 5 years each. As from July 1, 2015, FIT renegotiated the contract and lengthened it by 10 years, with the option to extend it for 2 periods of 5 years each. The terminal covers 15 hectares and has the capacity to move 170,000 containers per year through its yards. FIT customers will have docking priority at a specialized wharf with guaranteed use of reach stackers for container loading and unloading.

**SAAM Towage Mexico S.A. de C.V. (Formerly SAAM Remolques S.A. de C.V. Mexico)**

Administración Portuaria Integral of Lázaro Cárdenas, Veracruz, Tampico, Altamira and Tuxpan has signed contracts to partially assign rights and obligations to the indirect subsidiary SAAM Towage Mexico S.A. de C.V., to provide port and offshore towage services in the ports, free of all encumbrances and without any limitations.

On February 14, November 1 and December 26, 2015, the company renewed the concessions in the ports of Lázaro Cárdenas, Veracruz and Tuxpan, for 8, 10 and 8 years, respectively, which may be extended for an additional 8 years each.

On January 16, 2016, and May 21, 2016, the concessions in the ports of Altamira and Tampico were renewed for 8 years, both extendable for an additional 8 years each.

**Note 21 – Other current and non-current financial liabilities (continued)**

(l) Service Concession Agreements (continued)

**Saam Remolques S.A. de C.V. (Mexico) (continued)**

**Concesionaria SAAM Costa Rica S.A. (Costa Rica)**

On August 11, 2006, the indirect subsidiary, Concesionaria SAAM Costa Rica S.A. was awarded the International Public Tender 03- 2001, the "Public Towage Service Management Concession for the Pacific Coast" by the Instituto Costarricense de Puertos del Pacifico. The contract was countersigned by the Comptroller General of the Republic in Ruling 10711, which allowed it to begin operations on December 12, 2006. The concession term is 20 years, which can be extended for an additional 5 years.

**Inarpi S.A. (Ecuador)**

On September 25, 2003, the indirect subsidiary Inarpi S.A. signed a contract for "Commercialization, operation and management services of the Multipurpose Terminal" with Fertilizantes Granulados Fertigran S.A., which granted the company the exclusive right to commercialize, operate and manage the Multipurpose Terminal in the port of Guayaquil, Ecuador

The contract term is 40 years, which was extended until July 2056 in 2016, and then in 2020 until July 2071. At the end of this period, all investments and improvements mutually agreed with Fertilizantes Granulados Fertigran S.A. will remain at the Multipurpose Terminal.

**Sociedad Portuaria Granelera de Caldera (Costa Rica)**

On February 8, 2017, SM SAAM acquired 51% of the shares of Compañía Portuaria Granelera de Caldera S.A., hereinafter SPGC. Its main activities include providing bulk cargo loading and unloading services, as well as the design, planning, financing, construction, maintenance and operation of the new Bulk Terminal at Puerto Caldera, under the public works concession with public services regime, as established in the “Public Works Concession Contract with Public Services for the Construction and Operation of the Bulk Terminal at Puerto Caldera”, signed on April 19, 2006, with the Instituto Costarricense de Puertos del Pacífico (INCOP).

The contract term is 20 years, and expires on August 11, 2026, with the option to extend the concession for up to 30 additional years. When the concession terminates, all the infrastructure works and all the rights to the acquired assets must be delivered to INCOP free of encumbrances.

**Sociedad Portuaria de Caldera S.A.**

On February 8, 2017, SM SAAM acquired 51% of the shares of Compañía Sociedad Portuaria de Caldera S.A., (hereinafter SPC or the Company). Its main activities include providing services related to commercial calls by any vessel requesting berths at berth one, two and three at the Port of Caldera in Costa Rica, as well as services in relation to general cargo, containers, vehicles, cargo extraction and on chassis, and in the port facilities, such as, loading and unloading, mooring, unmooring, docking, wharfage, stowage, unstowage, transfer and storage of cargo, as well as attending vessels and ships, under the public service management concession regime, as established in the "Puerto Caldera Terminal Public Service Management Concession Contract", signed on March 30, 2006 with the Instituto Costarricense de Puertos del Pacífico (INCOP).

The contract term is 20 years, and expires on August 11, 2026, with the option to extend the concession for up to 5 additional years. When the concession terminates, all the infrastructure works and all the rights to the acquired assets must be delivered to INCOP free of encumbrances.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

## Note 22 – Trade and other payables

As of December 31, 2021 and 2020, these are detailed as follows.

| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| Trade payables | 275,175,845 | 174,005,463 |
| Other payables | 29,593,322 | 15,044,943 |
| **Total** | **304,769,167** | **189,050,406** |

Current trade and other payables as of December 31, 2021, are detailed as follows.

**Trade payables not yet due**

| | Amounts due by payment terms | | | | | | |
|---|---|---|---|---|---|---|---|
| **Supplier** | **Up to 30 days ThCh$** | **31 - 60 days ThCh$** | **61 - 90 days ThCh$** | **91- 120 days ThCh$** | **121 to 365 days ThCh$** | **Over 365 days ThCh$** | **Total 12-31-2021 ThCh$** |
| Products | 185,893,459 | 630,983 | 118,257 | - | - | - | 186,642,699 |
| Services | 98,827,746 | 531,310 | 184,142 | 542,291 | - | - | 100,085,489 |
| Other | 4,297,030 | - | - | - | - | 10,518,924 | 14,815,954 |
| **Total** | **289,018,235** | **1,162,293** | **302,399** | **542,291** | **-** | **10,518,924** | **301,544,142** |

**Trade payables past due**

| | Amount past due by range in days | | | | | | |
|---|---|---|---|---|---|---|---|
| **Supplier** | **Up to 30 days ThCh$** | **31 - 60 days ThCh$** | **61 - 90 days ThCh$** | **91 - 120 days ThCh$** | **121 - 180 days ThCh$** | **Over 181 days ThCh$** | **Total 12-31-2021 ThCh$** |
| Products | 1,250,141 | 326,895 | 81,090 | 34,632 | 6,758 | 70,109 | 1,769,625 |
| Services | - | 557,495 | 352,236 | 201,036 | 317,603 | - | 1,428,370 |
| Other | - | 24,496 | - | - | 1,689 | 845 | 27,030 |
| **Total** | **1,250,141** | **908,886** | **433,326** | **235,668** | **326,050** | **70,954** | **3,225,025** |

Current trade and other payables as of December 31, 2020, are detailed as follows.

**Trade payables not yet due**

| | Amounts due by payment terms | | | | | | |
|---|---|---|---|---|---|---|---|
| **Supplier** | **Up to 30 days ThCh$** | **31 - 60 days ThCh$** | **61 - 90 days ThCh$** | **91- 120 days ThCh$** | **121 to 365 days ThCh$** | **Over 365 days ThCh$** | **Total 12-31-2020 ThCh$** |
| Products | 118,548,067 | 620,659 | 157,120 | 6,399 | - | - | 119,332,245 |
| Services | 51,767,920 | 759,295 | 419,461 | 1,744,671 | 16,927 | - | 54,708,274 |
| Other | 1,228,122 | - | - | - | - | 9,272,209 | 10,500,331 |
| **Total** | 171,544,109 | **1,379,954** | **576,581** | **1,751,070** | **16,927** | **9,272,209** | **184,540,850** |

**Trade payables past due**

| | Amount past due by range in days | | | | | | |
|---|---|---|---|---|---|---|---|
| **Supplier** | **Up to 30 days ThCh$** | **31 - 60 days ThCh$** | **61 - 90 days ThCh$** | **91 - 120 days ThCh$** | **121 - 180 days ThCh$** | **Over 181 days ThCh$** | **Total 12-31-2020 ThCh$** |
| Products | - | - | - | - | - | - | - |
| Services | 1,411,947 | 1,902,502 | 612,128 | 453,586 | 100,955 | 7,820 | 4,488,938 |
| Other | 17,063 | - | - | - | 1,422 | 2,133 | 20,618 |
| **Total** | **1,429,010** | **1,902,502** | **612,128** | **453,586** | **102,377** | **9,953** | **4,509,556** |



As of December 31, 2021 and 2020, there are no confirming transactions.

Overdue supplier balances are due to disputed invoices and other reasons.

## Note 23 – Other provisions

### (a) Composition

As of December 31, 2021 and 2020, these are detailed as follows.

| | Current | | Non-current | |
|---|---|---|---|---|
| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
| Restructuring expenses | - | - | 2,667,885 | 3,252,868 |
| Profit sharing and bonuses | 10,801,738 | 3,030,533 | - | - |
| Legal claims | 178,230 | 231,058 | 6,475,394 | 6,416,324 |
| Other provisions (1) (2) | 8,538,477 | 7,851,258 | 23,883,678 | 20,640,299 |
| **Total** | **19,518,445** | **11,112,849** | **33,026,957** | **30,309,491** |

### (b) Other provisions

(1) Other current provisions as of December 31, 2021 and 2020, are detailed as follows:

| | Current | |
|---|---|---|
| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
| Brand agreements | 4,210,780 | 2,801,144 |
| Service station maintenance and operational services | 1,468,071 | 1,628,786 |
| Contingencies | 1,527,435 | 1,833,454 |
| Commissions and insurance | 83,624 | 24,883 |
| Fees and consultancies | 191,459 | 154,537 |
| General, audit, annual report and other expenses | 76,054 | 60,862 |
| Municipal taxes | 9,579 | 299,936 |
| Other | 971,475 | 1,047,656 |
| **Total** | **8,538,477** | **7,851,258** |

(2) Other non-current provisions as of December 31, 2021 and 2020, are detailed as follows:

| | Non-current | |
|---|---|---|
| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
| Contingencies | 13,121,483 | 7,526,116 |
| Tank removal | 10,762,195 | 13,114,183 |
| **Total** | **23,883,678** | **20,640,299** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 23 – Other provisions (continued)**

**(c) Movements**

Movements in other provisions for the year ended December 31, 2021, are as follows.

| Movements | Restructuring ThCh$ | Legal claims ThCh$ | Other provisions ThCh$ | Total ThCh$ |
|---|---|---|---|---|
| Opening balance as of January 1, 2021 | 3,252,868 | 6,647,382 | 31,522,090 | 41,422,340 |
| Additional provisions | - | 19,028 | 15,745,048 | 15,764,076 |
| Increase (decrease) in provisions | 154,864 | - | 20,759,609 | 20,914,473 |
| Acquisitions through business combinations | - | - | 4,262,328 | 4,262,328 |
| Provisions used | (739,847) | (961,044) | (30,955,433) | (32,656,324) |
| Reversal of unused provisions | - | (228,339) | - | (228,339) |
| Increase (decrease) in currency translation | - | 1,176,597 | 1,480,785 | 2,657,382 |
| Other increases (decreases) | - | - | 409,466 | 409,466 |
| Changes in provisions | (584,983) | 6,242 | 11,701,803 | 11,123,062 |
| Closing balance as of December 31, 2021 | **2,667,885** | **6,653,624** | **43,223,893** | **52,545,402** |

Movements in other provisions for the year ended December 31, 2020, are as follows.

| Movements | Restructuring ThCh$ | Legal claims ThCh$ | Onerous contracts ThCh$ | Other provisions ThCh$ | Total ThCh$ |
|---|---|---|---|---|---|
| Opening balance as of January 1, 2020 | 2,806,469 | 10,310,150 | 3,386,147 | 29,869,196 | 46,371,962 |
| Additional provisions | - | 568,319 | - | 14,340,927 | 14,909,246 |
| Increase (decrease) in provisions | 446,678 | 231,059 | - | 4,097,914 | 4,775,651 |
| Provisions used | - | (3,478,021) | - | (14,418,089) | (17,896,110) |
| Increase (decrease) in discontinued operations | - | (221,105) | (3,215,627) | 38,391 | (3,398,341) |
| Reclassified to liabilities held for sale (discontinued operations) | - | (19,907) | - | (37,680) | (57,587) |
| Increase (decrease) in currency translation | (279) | (743,113) | (170,520) | (2,707,883) | (3,621,795) |
| Other increases (decreases) | - | - | - | 339,314 | 339,314 |
| Changes in provisions | 446,399 | (3,662,768) | (3,386,147) | 1,652,894 | (4,949,622) |
| Closing balance as of December 31, 2020 | **3,252,868** | **6,647,382** | **-** | **31,522,090** | **41,422,340** |

**Note 23 – Other provisions (continued)**

**(d) Description of main provisions**

Legal claims: Provisions for legal claims are mainly estimates of disbursements for legal claims associated with cargo transported and for lawsuits and other legal proceedings. These include those resulting from investigations by antitrust authorities into the car carrier business.

Profit sharing and bonuses: Provisions for profit sharing and bonuses relate to estimates of the Company and some of its subsidiaries of profit sharing and bonuses for performance.

Restructuring expenses: Provisions for restructuring expenses contemplate future expenses to be incurred through reductions in personnel as a result of unification of functions in several companies, and reorganizations.

Other provisions: Amounts have been recognized as Other provisions with respect to concepts of contingencies, fees and consultancies received, which as of the closing date are pending payment. These include general, annual report and external audit expenses contracted but not yet paid.

**Note 24 – Provisions for employee benefits**

**(a) Composition**

As of December 31, 2021 and 2020, these are detailed as follows.

| | Current | | Non-current | |
|---|---|---|---|---|
| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
| Personnel vacations | 11,382,990 | 9,933,867 | - | - |
| Remuneration | 19,748,006 | 15,167,058 | - | - |
| Termination benefits and retirement fund | 3,426,908 | 2,132,139 | 23,317,668 | 24,859,078 |
| Other benefits | - | 63,986 | 17,002 | 13,604 |
| **Total** | **34,557,904** | **27,297,050** | **23,334,670** | **24,872,682** |

**Note 24 – Provisions for employee benefits (continued)**

**(b) Termination benefits**

As of December 31, 2021 and 2020, the subsidiaries Enex and SM SAAM have collective agreements with their personnel which establish remuneration and/or short and long-term benefits.

The cost of these benefits is charged to income in Personnel expenses. The liability recorded under post-employment benefit plans is derived from employee benefit obligations and is valued using the actuarial method using actuarial assumptions such as personnel turnover and expected retirement age. The actuarial assumptions used by the subsidiaries Enex and SM SAAM as of December 31, 2021 and 2020, are detailed as follows.

**(b.1) Enex**

Enex has negotiated collective agreements with its employees that establish short-term and long-term employee benefits, and the main features are as follows:

i) Short-term benefits are generally based on mixed plans or agreements intended to compensate employees, such as covering the risks of employee disability and death.
ii) Long-term benefits are plans or agreements intended to cover post-employment benefits that arise when the employment relationship terminates.

The cost of these benefits is charged to income in Personnel expenses.

The liability recorded under post-employment benefit plans is derived from employee benefit obligations and is valued using the actuarial method, where the following actuarial assumptions were used as of December 31, 2021 and 2020:

| **Provision for Termination Benefits** | **12-31-2021** | **12-31-2020** |
|---|---|---|
| Mortality table | M95H-M95M | M95H-M95M |
| Annual interest rate | 5.65% | 2.65% |
| Voluntary employee turnover rate | Turnover statistics for the last few years | Turnover statistics for the last few years |
| Involuntary employee turnover rate (business need) | Turnover statistics for the last few years | Turnover statistics for the last few years |
| Salary increase | 3.50% | 3.50% |
| Retirement age | | |
| Men | 65 | 65 |
| Women | 60 | 60 |

| **Provision for Post-Employment Benefits** | **12-31-2021** | **12-31-2020** |
|---|---|---|
| Mortality table | RV-2014 | RV-2014 |
| Annual interest rate | 2.42% | 0.02% |

**Note 24 – Provisions for employee benefits (continued)**

**(b) Termination benefits (continued)**

**(b.1) Enex (continued)**

**Sensitivity analysis on actuarial variables**

The method used to quantify the effect on the provisions for termination and post-employment benefits includes an increase and decrease of 10% in the actuarial variables used to calculate these provisions.

The actuarial variables used by Enex and its subsidiaries, to measure this liability and for the sensitivity analysis are detailed as follows:

**12-31-2021**

**Provision for Termination Benefits:**

| Actuarial assumptions | -10% | Actual | +10% |
|---|---|---|---|
| Mortality table | 36% | M95H-M95M at 40% | 44% |
| Annual interest rate (in pesos) | 5.09% | 5.6% | 6.23% |
| Leaving rate (annual) by Art. 159 | 2.25% | 2.5% | 2.75% |
| Leaving rate (annual) by Art. 161 | 4.50% | 5.0% | 5.50% |
| Salary increment (in pesos) | 3.15% | 3.5% | 3.85% |
| Average annual future inflation | 2.70% | 3.0% | 3.30% |

| Effect of the change in actuarial variables | -10% | +10% |
|---|---|---|
| Book value as of 12-31-2021 | 4,563,860 | 4,563,860 |
| Actuarial change | (30,409) | 27,875 |
| **Book value after the actuarial change** | **4,533,451** | **4,591,735** |

**Provision for Post-Employment Benefits:**

| Actuarial assumptions | +10% | Actual | -10% |
|---|---|---|---|
| Mortality table | 90% | Tables at 100% CB-2014, RV-2014-M B-2014-M | 110% |
| Annual interest rate (in pesos) | 2.18% | 2.42% | 2.66% |

| Effect of the change in actuarial variables | -10% | +10% |
|---|---|---|
| Book value as of 12-31-2021 | 6,988,121 | 6,988,121 |
| Actuarial change | (474,716) | 412,209 |
| **Book value after the actuarial change** | **6,513,405** | **7,400,330** |

**Note 24 – Provisions for employee benefits (continued)**

**(b) Termination benefits (continued)**

**(b.1) Enex (continued)**

**12-31-2020**

**Provision for Termination Benefits**

| **Actuarial assumptions** | **-10%** | **Actual** | **+10%** |
|---|---|---|---|
| Mortality table | 36% | M95H-M95M at 40% | 44% |
| Annual interest rate (in pesos) | 2.39% | 2.65% | 2.92% |
| Leaving rate (annual) by Art. 159 | 2.25% | 2.50% | 2.75% |
| Leaving rate (annual) by Art. 161 | 4.50% | 5.00% | 5.50% |
| Salary increment (in pesos) | 3.15% | 3.50% | 3.85% |
| Average annual future inflation | 2.70% | 3.00% | 3.30% |

| **Effect of the change in actuarial variables** | **-10%** | **+10%** |
|---|---|---|
| Book value as of 12-31-2020 | 6,095,685 | 6,095,685 |
| Actuarial change | (145,745) | 137,213 |
| **Book value after the actuarial change** | **5,949,940** | **6,232,898** |

**Provision for Post-Employment Benefits:**

| **Actuarial assumptions** | **+10%** | **Actual** | **-10%** |
|---|---|---|---|
| Mortality table | 90% | Tables at 100% CB-2014, RV-2014-M B-2014-M | 110% |
| Annual interest rate (in pesos) | 0.02% | 0.02% | 0.02% |

| **Effect of the change in actuarial variables** | **-10%** | **+10%** |
|---|---|---|
| Book value as of 12-31-2020 | 8,481,634 | 8,481,634 |
| Actuarial change | 469,227 | (410,929) |
| **Book value after the actuarial change** | **8,950,861** | **8,070,705** |

**(b.2) SM SAAM**

The defined obligation is for termination benefits that will be paid to all employees under the collective agreements between SM SAAM and its employees. The obligations that Iquique Terminal Internacional S.A. recognizes for the legal indemnity that it will have to pay to all of its employees at the end of the concession, as well as the obligation of the Mexican subsidiaries where workers are legally entitled to such indemnity, have also been included.

The actuarial valuation is based on the following parameters and percentages.

i) Discount rate of 5.65%.
ii) Salary increase rate between 4.10% and 5.25%.
iii) Average group employee turnover between 0.62% and 8.47% for voluntary terminations, and between 1.85% and 13.05% for dismissals.
iv) Mortality table RV-2014.

**Note 24 – Provisions for employee benefits (continued)**

**(b) Termination benefits (continued)**

**(b.2) SM SAAM (continued)**

**Sensitivity analysis of actuarial variables**

The method used to quantify the effect on the provisions for termination benefits includes an increase and decrease of 10% in the actuarial variables used to calculate these provisions.

The actuarial variables used by SM SAAM to measure this liability and for the sensitivity analysis are detailed as follows.

| Actuarial assumptions | +10% | Actual | -10% |
|---|---|---|---|
| Discount rate | 6.22% | 5.65% | 5.09% |
| Salary increment | 5.15% | 4.69% | 4.22% |
| Employee turnover due to resignation (*) | 0.68% - 9.32% | 0.62% - 8.47% | 0.56% - 7.62% |
| Employee turnover due to business needs (*) | 2.04% -14.36% | 1.85% -13.05% | 1.67% - 11.75% |

(*) Employee turnover includes the variables for each company.

The analysis results using these variables are detailed as follows.

| Effect of +10% change in actuarial variables | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| Book value | 15,192,595 | 12,413,898 |
| Actuarial change | (37,295) | (48,283) |
| Book value after the actuarial change | **15,155,300** | **12,365,615** |

| Effect of -10% change in actuarial variables | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| Book value | 15,192,595 | 12,413,898 |
| Actuarial change | 62,413 | 87,068 |
| Book value after the actuarial change | **15,255,008** | **12,500,966** |

**(c) Reconciliation of present value obligation defined benefit plan**

| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| **Present value of defined benefit plan obligation, opening balance** | **26,991,217** | **21,958,896** |
| Current service costs for defined benefit plan obligation | (293,622) | 2,255,401 |
| Interest costs for defined benefit plan obligation | 2,569,222 | 2,891,654 |
| Actuarial gains (losses) on defined benefit plan obligation | (1,997,331) | 1,929,598 |
| Increase (decrease) in foreign currency translation | 1,090,957 | 272,696 |
| Contributions paid for defined benefit plan obligation | (315,096) | (1,296,386) |
| Reductions in defined benefit plan obligation | - | (157,745) |
| Business combinations | (1,300,771) | (862,897) |
| **Present value of defined benefit plan obligation, closing balance** | **26,744,576** | **26,991,217** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 24 – Provisions for employee benefits (continued)**

**(d) Presentation in the statement of financial position**

| Post-employment benefits | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| Termination benefit liabilities, current | 3,426,908 | 2,132,139 |
| Termination benefit liabilities, non-current | 23,317,668 | 24,859,078 |
| **Total termination benefit liabilities** | **26,744,576** | **26,991,217** |

**Note 25 – Other non-financial liabilities, current**

As of December 31, 2021 and 2020, these are detailed as follows.

| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| Dividends payable to Quiñenco shareholders | 283,365,521 | 74,251,345 |
| Dividends payable to minority shareholders of subsidiaries | 146,875,834 | 21,211,849 |
| Sales advances and revenue in process | 6,846,213 | 6,498,083 |
| Other | 2,751,759 | 2,467,307 |
| **Total** | **439,839,327** | **104,428,584** |

**Note 26 – Other non-financial liabilities, non-current**

As of December 31, 2021 and 2020, these are detailed as follows.

| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| Payables to deceased shareholders | 37,189 | 37,055 |
| **Total** | **37,189** | **37,055** |

**Note 27 – Classes of financial assets and liabilities**

Financial assets as of December 31, 2021 and 2020, are detailed as follows.

| Description of financial assets | Category and valuation of financial asset | Current 12-31-2021 ThCh$ | Current 12-31-2020 ThCh$ | Non-Current 12-31-2021 ThCh$ | Non-Current 12-31-2020 ThCh$ | Fair value 12-31-2021 ThCh$ | Fair value 12-31-2020 ThCh$ |
|---|---|---|---|---|---|---|---|
| **Cash and cash equivalents** | **Financial assets at fair value** | **644,275,755** | **612,702,842** | **-** | **-** | **644,275,755** | **612,702,842** |
| Equity instruments (investments in shares) | Financial assets at fair value | - | - | 76,817,836 | 40,482,128 | 76,817,836 | 40,482,128 |
| Financial investments more than 90 days for current assets and more than one year for non-current assets | Financial assets at fair value | 8,257,527 | 152,218,914 | 1,192,298 | 1,495,794 | 9,449,825 | 153,714,708 |
| Foreign exchange hedges | Fair value hedge instrument | 440,083 | 2,102,279 | 38,856 | 11,426,389 | 478,939 | 13,528,668 |
| **Other current and non-current financial assets** | | **8,697,610** | **154,321,193** | **78,048,990** | **53,404,311** | **86,746,600** | **207,725,504** |
| **Trade and other receivables** | **Financial asset at amortized cost** | **268,353,273** | **165,369,213** | **12,749,751** | **10,876,113** | **281,103,024** | **176,245,326** |
| **Related party receivables** | **Financial asset at amortized cost** | **44,393,825** | **24,867,589** | **1,483,082** | **2,847,832** | **45,876,907** | **27,715,421** |
| **Total financial assets** | | **965,720,463** | **957,260,837** | **92,281,823** | **67,128,256** | **1,058,002,286** | **1,024,389,093** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 27 – Classes of financial assets and liabilities (continued)**

Financial liabilities as of December 31, 2021 and 2020, are detailed as follows.

| | | Current | | Non-Current | | Fair value | |
|---|---|---|---|---|---|---|---|
| | | 12-31-2021 | 12-31-2020 | 12-31-2021 | 12-31-2020 | 12-31-2021 | 12-31-2020 |
| **Description of financial liability** | **Category and valuation of financial liability** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** |
| Bank loans, bonds payable and other loans | Financial liabilities at amortized cost | 433,826,208 | 284,478,626 | 2,009,567,250 | 1,855,442,264 | 2,449,703,154 | 2,515,277,292 |
| Finance lease obligations | Lease liabilities at amortized cost | 2,395,541 | 1,346,539 | 3,827,290 | 2,400,878 | 6,222,831 | 4,467,610 |
| Interest rate and exchange rate hedges | Derivatives | 161,336 | 33,415 | 28,244,539 | 4,519,829 | 28,405,875 | 4,553,244 |
| **Other current & non-current financial liabilities** | | **436,383,085** | **285,858,580** | **2,041,639,079** | **1,862,362,971** | **2,484,331,860** | **2,524,298,146** |
| **Trade payables, social security withholdings, taxes and other payables** | **Non-financial liabilities at amortized cost** | **304,769,167** | **189,050,406** | **-** | **-** | **304,769,167** | **191,311,938** |
| **Lease liabilities** | **Non-financial liabilities at amortized cost** | **34,427,031** | **29,073,589** | **242,378,462** | **230,620,072** | **276,805,493** | **258,973,468** |
| **Related party payables** | **Financial liability at amortized cost** | **823,145** | **261,997** | **-** | **-** | **823,145** | **261,997** |
| **Total financial liabilities** | | **776,402,428** | **504,244,572** | **2,284,017,541** | **2,092,983,043** | **3,066,729,665** | **2,974,845,549** |

## Note 28 – Equity

### (a) Capital and number of shares

The capital of the Company as of December 31, 2021, is composed as follows.

**Number of shares**

| Series | Number of subscribed shares | Number of paid-in shares | Number of shares with voting rights |
|---|---|---|---|
| Single | 1,662,759,593 | 1,662,759,593 | 1,662,759,593 |

**Share capital**

| | Subscribed Share capital | Paid-in Share capital |
|---|---|---|
| | ThCh$ | ThCh$ |
| Issued capital | 1,223,669,810 | 1,223,669,810 |
| Share premium | 31,538,354 | 31,538,354 |
| | **1,255,208,164** | **1,255,208,164** |

### (b) Controlling shareholders

82.9% of the issued and paid-in shares of Quiñenco S.A. are held by the companies Andsberg Inversiones SpA., Ruana Copper A.G. Agencia Chile, Inversiones Orengo S.A., Inversiones Consolidadas S.A., Inversiones Salta SpA., Inversiones Alaska Ltda., Inmobiliaria e Inversiones Río Claro S.A. and Inversiones Río Claro Ltda. The Luksburg Foundation indirectly controls 100% of the shares of Andsberg Inversiones SpA., 100% of the social rights in Ruana Copper A. G. Agencia Chile and 99.76% of the shares of Inversiones Orengo S.A.

Andrónico Luksic Craig and family control all the shares of Inversiones Consolidadas S.A. and Inversiones Alaska Ltda. Andrónico Luksic Craig's family holds 100% of Inversiones Salta SpA. Inmobiliaria e Inversiones Río Claro S.A. and Inversiones Río Claro Ltda. are indirectly controlled by the Emian Foundation, in which the heirs of Guillermo Luksic Craig† have interests. There is no shareholder agreement between the controllers of the Company.

### (c) Dividend policy

Article 79 of Chile's Corporations Law establishes that, except if unanimously agreed otherwise by shareholders of all issued shares, listed corporations should distribute a cash dividend to its shareholders on a yearly basis, prorated based on their shares or the proportion established in the company's by-laws if there are preferred shares, of at least 30% of net income for each period, except when accumulated losses from prior years must be absorbed.

The following dividends have been distributed between January 1, 2020 and December 31, 2021.

| Dividend No. | Type | Date agreed | Date paid | Dividend per share Ch$ |
|---|---|---|---|---|
| 44 | Final | 04-30-2020 | 05-15-2020 | 37.8978 |
| 45 and 46 | Final | 04-29-2021 | 05-11-2021 | 74.3484 |
| 47 | Interim | 10-07-2021 | 11-02-2021 | 171.2617 |

The Company's dividend policy calculates dividends based on net distributable income, which in turn is based on the total net income attributable to owners of the controller.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 28 – Equity (continued)**

**(d) Other reserves**

Other reserves as of December 31, 2021, are detailed as follows.

| **Other Reserves** | **12-31-2021** |
|---|---|
| | **ThCh$** |
| Revaluation surplus reserves | 1,031,342 |
| Translation adjustment reserve (1) | 697,846,636 |
| Cash flow hedge reserve | 24,870,879 |
| Held for sale reserves | (11,276,378) |
| Other miscellaneous reserves | (159,204,261) |
| **Total other reserves** | **553,268,218** |

As of December 31, 2021, the detail of Other miscellaneous reserves is as follows.

| | **12-31-2021** |
|---|---|
| | **ThCh$** |
| Effect of sale of LQIF-D shares | 131,642,239 |
| Other reserves from the equity of subsidiary LQIF | 140,816,176 |
| Effect of changes in interest in Banco de Chile | 78,652,952 |
| Capital revaluation reserves and other adjustments (ruling 456) | (73,627,503) |
| Effect of changes in interest in Invexans | 52,454,210 |
| Dilution effect of non-concurrence capital increase CCU | 40,399,427 |
| Effect of changes in interest in CSAV | 6,507,586 |
| Effect of changes in interest in Tech Pack | 19,389,665 |
| Effect of sale of investments in Banchile and Inv. Vita | (1,605,751) |
| Other reserves from the equity of subsidiary SM SAAM | (7,398,127) |
| Effect of changes in interest in SM SAAM | 11,203,586 |
| Effect of changes in interest in CCU (2) | (36,812,240) |
| Other reserves from the equity of other subsidiaries (3) | (520,236,407) |
| Other effects | (590,074) |
| **Total other miscellaneous reserves** | **(159,204,261)** |

(1) The exchange differences in the consolidated statement of comprehensive income relate mainly to translating the US dollar functional currency of the subsidiaries Invexans, Tech Pack, Compañía Sud Americana de Vapores (CSAV) and SM SAAM to Chilean pesos in the consolidated statement of financial position.
(2) During the first half of 2021, the joint venture Inversiones y Rentas S.A. acquired 21,67,548 shares in CCU S.A., which increased its interest from 60.00% to 65.87%. The effect on equity of this transaction was recognized in Other reserves as of December 31, 2021, totaling ThCh$(36,812,240).
(3) Includes ThCh$(540,070,427) from the capital reduction by absorbing all the accumulated losses, agreed by shareholders at the extraordinary shareholders' meeting of the subsidiary Compañía Sud Americana de Vapores S.A., held on May 19, 2020.

## Note 29 – Revenue and expenses

### (a) Revenue

These are detailed for each year as follows.

| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| Goods sold | 2,880,494,137 | 2,072,796,533 |
| Services provided | 597,718,626 | 506,507,603 |
| **Total** | **3,478,212,763** | **2,579,304,136** |

### (b) Other expenses

These are detailed for each year as follows.

| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| Amortization of intangible assets | (2,210,619) | (176,927) |
| Amortization of intangible assets | (400,720) | (400,720) |
| Impairment of property, plant and equipment | (157,554) | - |
| Non-operational fees | (225,294) | (25,329) |
| Taxes on the temporary import of assets | - | (512,120) |
| Lawsuit expenses Brazil | (100,204) | (132,050) |
| Unrecoverable VAT and additional taxes | (1,577,822) | (774,116) |
| Employment litigation | (123,303) | (178,886) |
| Other miscellaneous operating expenses | (740,030) | (1,257,321) |
| **Total** | **(5,535,546)** | **(3,457,469)** |

### (c) Other gains (losses)

These are detailed for each year as follows.

| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| **Other gains** | | |
| Gain on sale of non-controlling interests | 1,109,728 | 444,167 |
| Reversal of provision and expenses for the Brazil litigation | 292,201 | - |
| Reversal of contingency provision | 768,617 | - |
| Gain (loss) on sale of assets | 2,027,611 | (564,964) |
| Gain on sale of obsolete inventories | 93,619 | 429,009 |
| **Total other gains** | **4,291,776** | **308,212** |
| **Other losses** | | |
| Directors' allowances, profit sharing and remuneration | (10,681,094) | (1,507,910) |
| Gain (loss) on sale of property, plant and equipment | - | (506,955) |
| Third-party consultancy | (2,724,070) | (718,077) |
| Donations | (178,085) | (246,559) |
| Other gains (losses) | 840,357 | (303,808) |
| **Total other losses** | **(12,742,892)** | **(3,283,309)** |
| **Total other gains (losses), net** | **(8,451,116)** | **(2,975,097)** |

**Note 29 – Revenue and expenses (continued)**

**(d) Finance costs**

These are detailed for each year as follows.

| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| Interest on bank loans and bonds issued | (68,150,923) | (69,299,993) |
| Interest paid on lease contracts | (7,778,132) | (7,367,445) |
| Interest on other financial instruments | (4,330,069) | (3,406,097) |
| Bank fees, stamp taxes and other finance costs | (6,928,428) | (5,928,201) |
| **Total** | **(87,187,552)** | **(86,001,736)** |

**Note 30 – Personnel expenses**

For the years ended December 31, 2021 and 2020, these are as follows.

| | 12-31-2021 ThCh$ | 12-31-2020 ThCh$ |
|---|---|---|
| Wages and salaries | (195,908,876) | (166,407,581) |
| Short-term employee benefits | (37,117,859) | (29,561,408) |
| Post-employment benefit obligation expense | (9,612,579) | (9,932,104) |
| Termination benefits | (2,888,950) | (1,054,626) |
| Other personnel expenses | (10,366,652) | (7,519,917) |
| Total | (255,894,916) | (214,475,636) |

**Note 31 – Earnings per share**

Basic earnings per share are calculated by dividing the result available to shareholders by the weighted average number of shares in circulation during the period.

For the years ended December 31, 2021 and 2020, these are calculated as follows:

| | 12-31-2021 | 12-31-2020 |
|---|---|---|
| Net income attributable to owners of the controller ThCh$ | 1,893,145,641 | 247,247,112 |
| Basic earnings available to common shareholders ThCh$ | 1,893,145,641 | 247,247,112 |
| Basic weighted average number of shares | 1,662,759,593 | 1,662,759,593 |
| **Basic earnings per share ThCh$** | **1.138556439** | **0.148696849** |

**Note 32 – Environment**

The Parent company has no environmental expenses as Quiñenco is an investment company.

As of December 31, 2021, the subsidiaries Invexans, Tech Pack and CSAV have no environmental expenses.

As of December 31, 2021, the subsidiary Enex disbursed ThCh$841,514 (ThCh$774,756 as of December 31, 2020) to control atmospheric emissions, change fuel tanks in the service station network, clean soil and underground water in order to mitigate the risk of harming people and the environment, and waste removal.

Ports, tug boats and logistics services are subject to a variety of environmental laws. Violations of such laws may result in administrative sanctions, which may include closing down facilities, revoking operating licenses or imposing penalties and fines when companies behave with negligence or recklessness in relation to environmental issues. More stringent environmental laws and regulations could require additional investment to comply with these regulations, which would consequently affect investment plans. SM SAAM and its subsidiaries have civil liability insurance in favor of third parties to mitigate the risk of damage and/or contamination fines associated with its fleet of tugs.

The Company has no commitments for future payments in relation to the environment, however, it is constantly evaluating such projects.

**Note 33 – Financial risk management policy**

**Financial risks**

***Credit risk***
Surplus corporate cash is invested with first-class Chilean and foreign financial entities under limits established for each entity, and which have a credit rating of at least the levels pre-established for each type of instrument.

The subsidiary TechPack manages the risk associated with financial assets in accordance with its investment policy. The company's cash surpluses are invested in accordance with its investment policy in low-risk fixed income instruments with institutions with strong credit ratings and diversified investment portfolios, subject to diversification limits by institution. Issuers and institutions that are subject to credit limits and investment limits are regularly reviewed to assess potential changes in their solvency that could affect the company.

At the corporate level, the subsidiary Invexans manages the risk associated with financial assets or liabilities in accordance with its policies. Cash surpluses are invested in accordance with investment policy, in low-risk instruments (primarily time deposits) with institutions having strong credit ratings and within the limits established for each institution. Management selects institutions with strong credit ratings for its financial hedges.

At the subsidiary Invexans' energy segment, Enex manages customer credit risk in accordance with its credit policy and its authorizations manual. Sales with credit are controlled by the management system by blocking purchase orders. The Finance and Administration Department at Enex approves customer credit lines, with the support and recommendation of commercial areas, in accordance with a credit evaluation model that takes into account both commercial and technical aspects. When considered appropriate, guarantees and other requirements are requested in support of the credit. Should the credit granted be insufficient to meet commercial needs, the case is taken to the credit committee.

Enex's financial investments are limited to fixed-income instruments, such as repurchase agreements and time deposits, with financial entities that are evaluated at least once a year, with exposure limits assigned by entity according to reports and opinions issued by prestigious and experienced credit rating agencies, in line with Enex's current treasury policy.

**Note 33 – Financial risk management policy (continued)**

The subsidiary LQ Inversiones Financieras has no receivables subject to credit risk. Cash surpluses are invested under market conditions in fixed-income instruments, according to the maturities of its financial commitments and operating expenses.

The subsidiary CSAV has no direct customers.

The subsidiary CSAV has an investment policy to manage its financial assets, which include time deposits, repurchase agreements and derivative contracts, whereby its checking accounts and investments are held in financial institutions with investment grade credit ratings. It may also contract financial hedges to cover its interest rate and exchange rate risks within its risk control policy. As of December 31, 2021, CSAV had no hedging contracts.

Credit granted to customers at the subsidiary SM SAAM is initially evaluated by a Committee and regularly reviewed, in order to apply the corresponding policies and to monitor the status of receivables pending collection.

Cash surpluses at the subsidiary SM SAAM can be invested in low-risk financial instruments.

See Note 27 Classes of financial assets and liabilities, for details of the balances of financial assets.

***Liquidity risk***

Quiñenco finances its activities and investments with dividend and profit distributions from the companies in which it holds an interest and with funds obtained from the sale of assets and/or by issuing debt and shares.

Quiñenco prefers long-term financing in order to maintain a financial structure in line with the liquidity of its assets and whose maturities are compatible with cash flow generation.

The subsidiary Invexans regularly estimates its liquidity requirements at the corporate level for each period by evaluating its forecast revenue, commercial and financial expenses, and its available cash. Invexan's financing policy seeks funding sources with a balanced structure between short and long term, low risk exposure and aligned with the company's investment income (mainly dividends).

At Invexans' energy segment, Enex regularly updates its short-term cash flow projections based on information received from its commercial departments. Enex has credit lines available with its principal banks in order to cover unexpected cash deficits.

The capital management policy at Techpack aims to ensure the liquidity and availability of resources, and ensure that it has sufficient liquidity.

LQIF distributes dividends based on available cash flow taking into account the Company's actual and forecast costs, including financial obligations. The main source of funds to pay interest and capital on the financial obligations of LQIF are the dividends received from its direct and indirect shareholdings in Banco de Chile. Consequently, its ability to meet the scheduled payments of interest and principal depends entirely on the ability of Banco de Chile to generate positive net income from its operations, and the agreements approved annually at shareholders meetings regarding the distribution of dividends.

CSAV is not directly exposed to the container shipping business, but indirectly as one of the main shareholders of Hapag-Lloyd. This limits liquidity risk to the expected flow of dividends or any additional capital required by this joint venture. CSAV has specific long-term borrowing to finance its investment in Hapag-Lloyd. CSAV has sufficient liquidity to cover its obligations.

The subsidiary SM SAAM estimates its forecast liquidity needs for each year, covering receipts such as customer receivables and dividends, payments such as commercial and financial liabilities, and available cash balances. SM SAAM ensures that financing has a balanced short and long-term structure, a low risk exposure and repayments match the company's cash flows.

See Note 21 on Other current and non-current financial liabilities for details of the balances and maturities of financial debt.

**Note 33 – Financial risk management policy (continued)**

***Market risk***

Market risk exposure refers to exposure to financial assets and liabilities[4]

Exchange rate risk

As of December 31, 2021, the net exposure to exchange rate risk at the corporate level is an asset equivalent to Ch$73 million. A 5% change in the exchange rate of currencies other than the functional currency would have an estimated effect on comprehensive income before taxes of Ch$4 million.

Exposure to exchange rate risk at the subsidiary Invexans derives from financial asset and liability positions held in currencies other than its functional currency, which is the US dollar, and the related appreciations/depreciations between both currencies. The Board and management at Invexans regularly review its net exposure to exchange rate risk, based on projecting the financial effects of changes in currencies other than the functional currency that would be generated by assets or liabilities held in those currencies at the time of evaluation. Should significant and adverse effects be forecast for Invexans, financial derivatives may be contracted (primarily cross currency swaps) in order to mitigate these potential risks. As of December 31, 2021, the net exposure to exchange rate risk at Invexans at the corporate is an asset equivalent to Ch$39,606 million. The estimated effect on comprehensive income before taxes of a 5% change in the exchange rate of currencies other than the functional currency on this exposure would be Ch$1,980 million. As of December 31, 2021, the net exposure to exchange rate risk in the energy segment is a liability equivalent to Ch$222,914 million. The estimated effect on comprehensive income before taxes of a 5% change in the exchange rate of currencies other than the functional currency on this exposure would be Ch$11,146 million.

Exposure to exchange rate risk at the subsidiary Techpack arises from exchange differences on potential mismatches in asset and liability positions denominated in a currency other than the functional currency (US dollar). The Board and management of Techpack and its subsidiaries and associates regularly review their net exposure to exchange rate risk, based on projecting the financial effects of changes in currencies other than the functional currency that would be generated by assets or liabilities held in those currencies at the time of evaluation. Should significant and adverse effects be projected for Techpack, financial derivatives may be contracted (primarily cross currency swaps) in order to mitigate these potential risks. As of December 31, 2021, Techpack's net exposure to exchange rate risk is an asset equivalent to Ch$388 million. The estimated effect on comprehensive income before taxes of a 5% change in the exchange rate of currencies other than the functional currency on this exposure would be Ch$19 million.

The subsidiary LQIF has no exposure to exchange rate risk as it has no foreign currency assets or liabilities as of December 31, 2021 and 2020.

CSAV has assets and liabilities primarily denominated in its functional currency, the US dollar. However, it also has assets and liabilities in other currencies. The company reduces the risk of exchange-rate fluctuations by regularly converting any balance in local currency that exceeds payment needs in that currency to US dollars. As of December 31, 2021, the net exposure to exchange rate risk of CSAV is a liability equivalent to Ch$1,936 million. The estimated effect on comprehensive income before taxes of a 5% change in the exchange rate of the USD dollar against other currencies would be Ch$97 million.

The major currencies to which the subsidiary SM SAAM is exposed, other than the functional currency (US dollar), are the Chilean peso, Mexican peso, Canadian dollar and Brazilian real. Usually SM SAAM mitigates volatility in its results, caused by net positions of assets and liabilities in foreign currencies, using hedging instruments. As of December 31, 2021, the net exposure to exchange rate risk at SM SAAM is a liability equivalent to Ch$117,168 million. The estimated effect on comprehensive income before taxes of a 5% change in the exchange rate of the USD dollar against other currencies would be Ch$5,858 million.

[4] This exposure is measured on a consolidated basis, where any balances between subsidiaries have already been eliminated in consolidation. In some cases these individual balances may affect consolidated financial results with a corresponding equal effect on equity.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 33 – Financial risk management policy (continued)**

***Market risk (continued)***

Exchange rate risk (continued)

Exchange differences produced by translating to Chilean pesos balances in the functional currencies of consolidated entities or associates whose functional currency is other than the Chilean peso, are recognized as a credit or charge to equity, until they are settled when they are recognized in net income.

Note 35 contains the detail of assets and liabilities by currency, which includes the financial assets and liabilities described here.

Interest rate risk

As of December 31, 2021, at the corporate level Quiñenco has financial assets at fair value through profit and loss of Ch$161,940 million, which are subject to interest rate risk. A change of 10 basis points in the interest rate would generate an effect on finance income for the year of Ch$10 million.

At the corporate level Quiñenco has all its financial obligations at fixed interest rates, which implies a low exposure to interest-rate risk.

Invexans Corporate has all of its financial obligations at protected interest rates.

Invexans Energy segment has all of its financial obligations at variable interest rates.

As of December 31, 2021, TechPack has no financial obligations that expose it to interest rate risks.

LQIF holding has all its financial obligations at fixed interest rates, which implies a low exposure to interest rate risk.

CSAV has 96.7% of its obligations at fixed rates and 3.3% at variable rates.

SM SAAM has 53.9% of its obligations at fixed rates, 24.3% at protected rates and 21.8% at variable rates.

The consolidated interest-rate structure is as follows: As can be seen, the consolidated interest-rate risk is low, as 83.8% of debt is structured with fixed or protected interest rates.

| **Consolidated financial liabilities by interest rate type** | **12-31-2021** | **12-31-2020** |
|---|---|---|
| Fixed interest rate | 78.5% | 77.1% |
| Protected interest rate | 5.3% | 5.3% |
| Variable interest rate | 16.2% | 17.6% |
| **Total** | **100.0%** | **100.0%** |

As of December 31, 2021, the consolidated exposure to variable interest rates was a liability of Ch$389,285 million. A 100-basis-point change in the interest rate would generate an effect on finance costs for the 12-month period of Ch$3,893 million.

## Note 34 - Segment reporting

### General information

General Information Quiñenco is structured on the basis of the industrial and financial businesses where its financial resources are invested, and has defined six business segments: Manufacturing, Financial, Energy, Transport, Port Services and Other.

The Manufacturing segment includes Tech Pack, Invexans and their subsidiaries (excluding Enex).
The Financial segment includes LQIF and its subsidiaries.
The Energy segment includes Enex and its subsidiaries.
The Transport segment includes CSAV and its subsidiaries.
The Port Services segment includes SM SAAM and subsidiaries.
The Other segment includes Quiñenco corporate, CCU, others and eliminations.

With the exception of the subsidiaries Tech Pack, Invexans, CSAV, SM SAAM, and the associate CCU, all the group's businesses are mainly carried out in Chile.

In order to determine segment reporting, those exceeding 10% of the consolidated revenue and the particular information characteristics of the group have been considered.

Quiñenco, as an investment company, defines its revenue as sales of goods and services at its subsidiaries and the net revenue of the banking sector (Banco de Chile).

### Geographical area

Revenue from external customers by geographical area as of December 31, 2021 and 2020, is as follows.

| | 12-31-2021<br>ThCh$ | 12-31-2020<br>ThCh$ |
|---|---|---|
| Chile | 2,693,060,241 | 1,974,628,436 |
| South America | 225,772,470 | 176,691,659 |
| Central America | 79,843,298 | 72,933,157 |
| North America | 479,536,754 | 355,050,884 |
| **Total revenue from external customers** | **3,478,212,763** | **2,579,304,136** |

Non-current assets by geographical area as of December 31, 2021 and 2020, are detailed as follows.

| | 12-31-2021<br>ThCh$ | 12-31-2020<br>ThCh$ |
|---|---|---|
| Chile | 576,856,933 | 577,245,347 |
| Rest of America | 1,013,364,457 | 803,966,432 |
| **Total non-current assets (*)** | **1,590,221,390** | **1,381,211,779** |

(*) Includes balances of property, plant and equipment, investment properties and intangible assets other than goodwill.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 34 – Segment reporting (continued)**

Net income attributable to owners of the controller for each segment consists of the final contribution from each segment and the companies they comprise, to Quiñenco's net income.

As of December 31, 2021, the results by segment are as follows.

| | Segments December 2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| **Income Statement** | **Manufacturing** | **Financial** | **Energy** | **Transport** | **Port Services** | **Other** | **Total** |
| **Non-Banking Businesses** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** |
| Revenue | 78,317 | - | 2,908,183,911 | - | 569,681,296 | 269,239 | 3,478,212,763 |
| Cost of sales | - | - | (2,535,365,058) | - | (383,782,260) | (221,963) | (2,919,369,281) |
| Gross margin | 78,317 | - | 372,818,853 | - | 185,899,036 | 47,276 | 558,843,482 |
| Other revenue by function | 4,332,003 | - | - | 385,097 | 1,573,751 | - | 6,290,851 |
| Administrative expenses | (4,136,538) | (1,030,830) | (275,060,522) | (18,558,023) | (78,687,019) | (28,687,783) | (406,160,715) |
| Other expenses by function | (100,204) | (400,720) | (2,769,530) | - | (2,265,092) | - | (5,535,546) |
| Other gains (losses) | 1,050,902 | 620 | 150,760 | 98,634 | 3,403,121 | (13,155,153) | (8,451,116) |
| **Operating income (loss)** | 1,224,480 | (1,430,930) | 95,139,561 | (18,074,292) | 109,923,797 | (41,795,660) | 144,986,956 |
| Finance income | 994,966 | 39,447 | 2,228,962 | 115,524 | 1,527,012 | 2,197,116 | 7,103,027 |
| Finance costs | (476,264) | (9,089,016) | (13,060,232) | (9,313,852) | (22,145,265) | (33,102,923) | (87,187,552) |
| Share of income (loss) of associates and joint ventures accounted for using the equity method | 40,304,721 | - | 94,691 | 2,499,023,637 | 7,846,705 | 58,020,947 | 2,605,290,701 |
| Exchange differences | (4,287,440) | - | (6,254,659) | (5,952,596) | 1,654,166 | 32,476 | (14,808,053) |
| Gain (loss) from indexation adjustments | 1,491,791 | (13,211,371) | - | - | 29,349 | (64,769,399) | (76,459,630) |
| **Net income (loss) before taxes** | 39,252,254 | (23,691,870) | 78,148,323 | 2,465,798,421 | 98,835,764 | (79,417,443) | 2,578,925,449 |
| Income tax benefit (expense) | (202,602) | 1,699,193 | (16,746,868) | 25,748,358 | (36,699,841) | 7,824,132 | (18,377,628) |
| **Net income (loss) from continuing operations** | 39,049,652 | (21,992,677) | 61,401,455 | 2,491,546,779 | 62,135,923 | (71,593,311) | 2,560,547,821 |
| Net income (loss) from discontinued operations | (134,278) | - | - | 5,546 | - | - | (128,732) |
| **Net income (loss) from non-banking sector** | **38,915,374** | **(21,992,677)** | **61,401,455** | **2,491,552,325** | **62,135,923** | **(71,593,311)** | **2,560,419,089** |
| **Banking sector** | | | | | | | |
| Total operating income | - | 1,856,995,818 | - | - | - | 192,030 | 1,857,187,848 |
| Total operating expenses | - | (887,762,670) | - | - | - | | (887,762,670) |
| Operating income | - | 969,233,148 | - | - | - | 192,030 | 969,425,178 |
| Result of investments in other companies | - | 2,240,603 | - | - | - | - | 2,240,603 |
| Net income before taxes | - | 971,473,751 | - | - | - | 192,030 | 971,665,781 |
| Income tax expense | - | (178,550,391) | - | - | - | - | (178,550,391) |
| Net income from continuing operations | - | 792,923,360 | - | - | - | 192,030 | 793,115,390 |
| Net income from banking sector | - | 792,923,360 | - | - | - | 192,030 | 793,115,390 |
| **Consolidated net income (loss)** | **38,915,374** | **770,930,683** | **61,401,455** | **2,491,552,325** | **62,135,923** | **(71,401,281)** | **3,353,534,479** |
| Net income (loss) attributable to owners of the controller | **38,739,802** | **191,864,741** | **61,401,455** | **1,640,486,243** | **31,390,192** | **(70,736,792)** | **1,893,145,641** |
| Net income (loss) attributable to non-controlling interests | 175,572 | 579,065,942 | - | 851,066,082 | 30,745,731 | (664,489) | 1,460,388,838 |
| **Consolidated net income (loss)** | **38,915,374** | **770,930,683** | **61,401,455** | **2,491,552,325** | **62,135,923** | **(71,401,281)** | **3,353,534,479** |

## Note 34 – Segment reporting (continued)

Depreciation, amortization and cash flows by segment for the year ended December 31, 2021, are as follows.

| | Manufacturing ThCh$ | Financial ThCh$ | Energy ThCh$ | Transport ThCh$ | Port Services ThCh$ | Other ThCh$ | Total ThCh$ |
|---|---|---|---|---|---|---|---|
| Depreciation and amortization | (9,172) | (435,230) | (48,124,368) | (130,134) | (96,485,616) | (1,172,292) | (146,356,812) |
| Cash flows from non-banking sector | | | | | | | |
| Operating cash flows | 7,019,824 | 573,273 | 135,242,410 | (14,829,066) | 130,858,125 | (35,248,696) | 223,615,870 |
| Investing cash flows | (23,530,954) | 2,971,568 | (58,656,435) | 159,099,699 | (38,014,294) | 106,541,637 | 148,411,221 |
| Financing cash flows | (259,664) | (114,394,135) | (94,519,206) | (187,631,959) | (81,019,137) | (67,179,903) | (545,004,004) |
| Cash flows from banking sector | | | | | | | |
| Operating cash flows | - | 3,952,576,425 | - | - | - | 34,599,463 | 3,987,175,888 |
| Investing cash flows | - | (3,149,906,335) | - | - | - | - | (3,149,906,335) |
| Financing cash flows | - | 183,173,837 | - | - | - | 241,687 | 183,415,524 |

Assets and liabilities by segment as of December 31, 2021, are as follows.

| | Manufacturing ThCh$ | Financial ThCh$ | Energy ThCh$ | Transport ThCh$ | Port Services ThCh$ | Other ThCh$ | Total ThCh$ |
|---|---|---|---|---|---|---|---|
| Current assets | 115,439,038 | 237,085 | 433,619,179 | 21,727,916 | 446,746,406 | 151,767,971 | 1,169,537,595 |
| Non-current assets | 560,712,799 | 845,637,954 | 1,016,057,328 | 5,069,923,370 | 1,175,725,067 | 336,619,071 | 9,004,675,589 |
| Banking assets | - | 51,702,438,886 | - | - | - | (132,231,580) | 51,570,207,306 |
| **Total assets** | **676,151,837** | **52,548,313,925** | **1,449,676,507** | **5,091,651,286** | **1,622,471,473** | **356,155,462** | **61,744,420,490** |
| Current liabilities | 9,060,719 | 15,681,799 | 303,106,873 | 834,458,237 | 212,878,774 | (88,201,319) | 1,286,985,083 |
| Non-current liabilities | 15,222,758 | 254,833,639 | 489,048,480 | 131,248,638 | 639,177,887 | 1,019,418,804 | 2,548,950,206 |
| Banking liabilities | - | 47,311,890,404 | - | - | - | (37,659,010) | 47,274,231,394 |
| **Total liabilities** | **24,283,477** | **47,582,405,842** | **792,155,353** | **965,706,875** | **852,056,661** | **893,558,475** | **51,110,166,683** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

## Note 34 – Segment reporting (continued)

Net income attributable to owners of the controller for each segment consists of the final contribution from each segment and the companies they comprise, to Quiñenco's net income.

For the year ended December 31, 2020, the results by segment are as follows.

| | Segments December 2020 | | | | | | |
|---|---|---|---|---|---|---|---|
| **Income Statement** | **Manufacturing** | **Financial** | **Energy** | **Transport** | **Port Services** | **Other** | **Total** |
| **Non-Banking Businesses** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** |
| Revenue | 77,563 | - | 2,116,662,138 | - | 462,303,616 | 260,819 | 2,579,304,136 |
| Cost of sales | - | - | (1,854,320,119) | - | (313,421,720) | (225,098) | (2,167,966,937) |
| Gross margin | 77,563 | - | 262,342,019 | - | 148,881,896 | 35,721 | 411,337,199 |
| Other revenue by function | 862,473 | - | 3,383,335 | 565,176 | 10,181,788 | - | 14,992,772 |
| Administrative expenses | (4,121,403) | (1,104,159) | (242,066,523) | (8,256,551) | (64,743,732) | (17,906,439) | (338,198,807) |
| Other expenses by function | (132,050) | (400,720) | (659,867) | - | (2,264,832) | - | (3,457,469) |
| Other gains (losses) | (345,249) | | (3,535,591) | 217,989 | 3,388,873 | (2,701,119) | (2,975,097) |
| **Operating income (loss)** | (3,658,666) | (1,504,879) | 19,463,373 | (7,473,386) | 95,443,993 | (20,571,837) | 81,698,598 |
| Finance income | 2,279,788 | 404,980 | 926,033 | 211,565 | 2,402,074 | 692,882 | 6,917,322 |
| Finance costs | (320,548) | (9,028,515) | (14,471,617) | (18,538,805) | (21,168,498) | (22,473,753) | (86,001,736) |
| Share of income (loss) of associates and joint ventures accounted for using the equity method | 15,124,812 | - | 1,417,435 | 244,901,911 | 1,628,013 | 27,443,528 | 290,515,699 |
| Exchange differences | 674,541 | - | 452,674 | (1,147,722) | (3,505,009) | 407,101 | (3,118,415) |
| Gain (loss) from indexation adjustments | 989,907 | (5,216,776) | - | - | 119,954 | (24,291,958) | (28,398,873) |
| **Net income (loss) before taxes** | 15,089,834 | (15,345,190) | 7,787,898 | 217,953,563 | 74,920,527 | (38,794,037) | 261,612,595 |
| Income tax benefit (expense) | (49,387) | 2,132,058 | 342,406 | (42,630,820) | (21,575,705) | 18,360,208 | (43,421,240) |
| **Net income (loss) from continuing operations** | 15,040,447 | (13,213,132) | 8,130,304 | 175,322,743 | 53,344,822 | (20,433,829) | 218,191,355 |
| Net income (loss) from discontinued operations | (1,153,298) | - | - | (469,564) | - | (431,214) | (2,054,076) |
| **Net income (loss) from non-banking sector** | 13,887,149 | (13,213,132) | 8,130,304 | 174,853,179 | 53,344,822 | (20,865,043) | 216,137,279 |
| **Banking sector** | | | | | | | |
| Total operating income | - | 1,476,065,212 | - | - | - | 121,002 | 1,476,186,214 |
| Total operating expenses | - | (882,332,173) | - | - | - | | (882,332,173) |
| Operating income | - | 593,733,039 | - | - | - | 121,002 | 593,854,041 |
| Result of investments in other companies | - | (4,661,375) | - | - | - | - | (4,661,375) |
| Net income before taxes | - | 589,071,664 | - | - | - | 121,002 | 589,192,666 |
| Income tax expense | - | (125,962,872) | - | - | - | | (125,962,872) |
| Net income from continuing operations | - | 463,108,792 | - | - | - | 121,002 | 463,229,794 |
| Net income from banking sector | - | 463,108,792 | - | - | - | 121,002 | 463,229,794 |
| **Consolidated net income (loss)** | 13,887,149 | 449,895,660 | 8,130,304 | 174,853,179 | 53,344,822 | (20,744,041) | 679,367,073 |
| Net income (loss) attributable to owners of the controller | 14,141,108 | 111,904,499 | 8,130,304 | 107,818,354 | 25,792,681 | (20,539,834) | 247,247,112 |
| Net income (loss) attributable to non-controlling interests | (253,959) | 337,991,161 | - | 67,034,825 | 27,552,141 | (204,207) | 432,119,961 |
| **Consolidated net income (loss)** | 13,887,149 | 449,895,660 | 8,130,304 | 174,853,179 | 53,344,822 | (20,744,041) | 679,367,073 |

**Note 34 – Segment reporting (continued)**

Depreciation, amortization and cash flows by segment for the year ended December 31, 2020, are as follows.

| | Manufacturing ThCh$ | Financial ThCh$ | Energy ThCh$ | Transport ThCh$ | Port Services ThCh$ | Other ThCh$ | Total ThCh$ |
|---|---|---|---|---|---|---|---|
| Depreciation and amortization | (8,972) | (437,651) | (54,310,458) | (130,497) | (85,069,747) | (1,993,646) | (141,950,971) |
| Cash flows from non-banking sector | | | | | | | |
| Operating cash flows | (2,067,655) | 1,366,107 | 110,899,864 | (5,642,509) | 133,573,321 | (28,406,216) | 209,722,912 |
| Investing cash flows | 72,515,072 | (1,674,806) | (4,106,354) | (200,490,377) | (53,237,215) | (207,543,177) | (394,536,857) |
| Financing cash flows | 3,006,256 | (179,543,977) | 9,140,250 | 229,061,439 | (7,480,203) | 47,186,755 | 101,370,520 |
| Cash flows from banking sector | | | | | | | |
| Operating cash flows | - | 2,372,091,392 | - | - | - | (7,852,908) | 2,364,238,484 |
| Investing cash flows | - | 533,087,019 | - | - | - | - | 533,087,019 |
| Financing cash flows | - | (534,214,771) | - | - | - | 384,617 | (533,830,154) |

Assets and liabilities by segment as of December 31, 2020, are as follows.

| | Manufacturing ThCh$ | Financial ThCh$ | Energy ThCh$ | Transport ThCh$ | Port Services ThCh$ | Other ThCh$ | Total ThCh$ |
|---|---|---|---|---|---|---|---|
| Current assets | 118,281,610 | 3,216,994 | 357,241,711 | 58,438,669 | 349,710,617 | 251,401,960 | 1,138,291,561 |
| Non-current assets | 392,650,802 | 846,059,030 | 951,978,111 | 2,101,921,398 | 976,766,710 | 382,105,552 | 5,651,481,603 |
| Banking assets | - | 46,095,132,038 | - | - | - | (8,531) | 46,095,123,507 |
| **Total assets** | **510,932,412** | **46,944,408,062** | **1,309,219,822** | **2,160,360,067** | **1,326,477,327** | **633,498,981** | **52,884,896,671** |
| Current liabilities | 4,570,679 | 5,207,920 | 296,670,193 | 96,127,886 | 178,910,567 | 71,879,921 | 653,367,166 |
| Non-current liabilities | 18,398,719 | 251,546,640 | 439,047,173 | 126,996,172 | 492,255,208 | 972,251,144 | 2,300,495,056 |
| Banking liabilities | - | 42,256,172,220 | - | - | - | (91,060,634) | 42,165,111,586 |
| **Total liabilities** | **22,969,398** | **42,512,926,780** | **735,717,366** | **223,124,058** | **671,165,775** | **953,070,431** | **45,118,973,808** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

## Note 35 – Effect of changes in foreign exchange rates

### (a) Non-banking sector assets by local and foreign currency as of December 31, 2021, are detailed as follows.

| Assets<br>Non-banking sector | US dollars | Chilean Pesos | Unidad de Fomento | Euros | Argentinean Pesos | Colombian Pesos | Brazilian Reals | Other currencies | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Current assets** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** |
| Cash and cash equivalents | 395,108,435 | 229,346,707 | - | 198,281 | 784 | 1,602,377 | - | 18,019,171 | 644,275,755 |
| Other financial assets, current | 8,417,953 | 230,665 | - | - | - | - | - | 48,992 | 8,697,610 |
| Other non-financial assets, current | 10,396,247 | 14,075,914 | - | - | - | 1,794,122 | - | 4,549,500 | 30,815,783 |
| Trade and other receivables, current | 59,802,516 | 185,500,011 | - | - | - | 7,510,139 | - | 15,540,607 | 268,353,273 |
| Related party receivables, current | 6,471,159 | 37,922,666 | - | - | - | - | - | - | 44,393,825 |
| Inventory, current | 28,746,491 | 102,473,567 | - | - | - | - | - | 1,326,163 | 132,546,221 |
| Current tax assets | 19,092,529 | 5,747,797 | - | - | - | - | - | 2,737,640 | 27,577,966 |
| **Total current assets other than assets or disposal groups classified as held for sale or held for distribution to owners** | **528,035,330** | **575,297,327** | **-** | **198,281** | **784** | **10,906,638** | **-** | **42,222,073** | **1,156,660,433** |
| Non-current assets or disposal groups classified as held for sale | 12,462,419 | 375,042 | - | - | - | - | - | 39,701 | 12,877,162 |
| **Non-current assets or disposal groups classified as held for sale or as held for distribution to owners** | **12,462,419** | **375,042** | **-** | **-** | **-** | **-** | **-** | **39,701** | **12,877,162** |
| **Total current assets** | **540,497,749** | **575,672,369** | **-** | **198,281** | **784** | **10,906,638** | **-** | **42,261,774** | **1,169,537,595** |
| **Non-current assets** | | | | | | | | | |
| Other financial assets, non-current | 36,947,940 | 40,457,396 | - | - | - | 603,953 | - | 39,701 | 78,048,990 |
| Other non-financial assets, non-current | 2,191,970 | 668,861 | - | 845 | - | 10,303,515 | - | 226,377 | 13,391,568 |
| Receivables, non-current | 12,032,609 | 717,142 | - | - | - | - | - | - | 12,749,751 |
| Related party receivables, non-current | 1,474,829 | 8,253 | - | - | - | - | - | - | 1,483,082 |
| Inventory, non-current | 1,682,622 | 845 | - | - | - | - | - | - | 1,683,467 |
| Investments accounted for using the equity method | 63,491,124 | 400,643,656 | - | 5,256,934,942 | - | - | - | 10,248,624 | 5,731,318,346 |
| Intangible assets other than goodwill | 171,192,635 | 193,035,266 | - | - | - | - | - | 25,624,516 | 389,852,417 |
| Goodwill | 143,812,696 | 849,546,479 | - | - | - | - | - | - | 993,359,175 |
| Property, plant and equipment | 809,450,656 | 295,351,572 | - | - | - | - | - | 77,346,574 | 1,182,148,802 |
| Right-of-use leased assets | 105,765,323 | - | 179,347,960 | - | - | - | - | - | 285,113,283 |
| Investment properties | 12,491,594 | 5,728,577 | - | - | - | - | - | - | 18,220,171 |
| Non-current tax assets | - | - | - | - | - | - | - | - | - |
| Deferred tax assets | 245,560,112 | 43,258,135 | - | - | - | - | - | 8,488,290 | 297,306,537 |
| **Total non-current assets** | **1,606,094,110** | **1,829,416,182** | **179,347,960** | **5,256,935,787** | **-** | **10,907,468** | **-** | **121,974,082** | **9,004,675,589** |
| **Total non-banking assets** | **2,146,591,859** | **2,405,088,551** | **179,347,960** | **5,257,134,068** | **784** | **21,814,106** | **-** | **164,235,856** | **10,174,213,184** |

## Note 35 – Effect of changes in foreign exchange rates (continued)

### (b) Non-banking sector liabilities by domestic and foreign currency as of December 31, 2021, are detailed as follows:

| **Liabilities** | | **Chilean** | **Unidad de** | | **Argentinean** | **Colombian** | **Brazilian** | **Other** | |
|---|---|---|---|---|---|---|---|---|---|
| **Non-banking sector** | **US dollars** | **Pesos** | **Fomento** | **Euros** | **Pesos** | **Pesos** | **Reals** | **currencies** | **Total** |
| **Current liabilities** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** |
| Other financial liabilities, current | 376,291,964 | 881,013 | 55,422,516 | - | - | 403,762 | 398,694 | 2,985,136 | 436,383,085 |
| Lease liabilities, current | 18,066,230 | - | 16,360,801 | - | - | - | - | - | 34,427,031 |
| Trade and other payables, non-current | 84,348,336 | 210,892,781 | 1,005,143 | 113,273 | 548 | 1,893,147 | - | 6,515,939 | 304,769,167 |
| Related party payables, current | - | 823,145 | - | - | - | - | - | - | 823,145 |
| Other short-term provisions | 11,419,028 | 7,835,819 | 110,989 | 71,674 | - | - | - | 80,935 | 19,518,445 |
| Current tax liabilities | 5,317,324 | 6,200,425 | - | - | - | 1,018,696 | - | 4,127,155 | 16,663,600 |
| Provisions for employee benefits, current | 7,828,587 | 18,194,569 | - | - | - | 2,727,504 | - | 5,807,244 | 34,557,904 |
| Other non-financial liabilities, current | 146,764,162 | 292,015,079 | - | - | - | - | - | 1,060,086 | 439,839,327 |
| **Total current liabilities other than liabilities included in asset disposal groups classified as held for sale** | **650,035,631** | **536,842,831** | **72,899,449** | **184,947** | **548** | **6,043,109** | **398,694** | **20,576,495** | **1,286,981,704** |
| Liabilities included in disposal groups classified as held for sale | - | 845 | - | - | - | - | - | 2,534 | 3,379 |
| **Total current liabilities** | **650,035,631** | **536,843,676** | **72,899,449** | **184,947** | **548** | **6,043,109** | **398,694** | **20,579,029** | **1,286,985,083** |
| **Non-current liabilities** | | | | | | | | | |
| Other financial liabilities, non-current | 563,451,074 | 111,717,010 | 1,322,702,539 | - | - | 1,438,506 | - | 42,329,950 | 2,041,639,079 |
| Lease liabilities, non-current | 77,868,328 | - | 164,510,134 | - | - | - | - | - | 242,378,462 |
| Trade and other payables, non-current | - | - | - | - | - | - | - | - | - |
| Related party payables, non-current | - | - | - | - | - | - | - | - | - |
| Other long-term provisions | 10,957,319 | 13,481,689 | - | - | - | 8,587,949 | - | - | 33,026,957 |
| Deferred tax liabilities | 83,398,777 | 109,700,896 | - | - | - | - | - | 15,434,176 | 208,533,849 |
| Provisions for employee benefits, non-current | 4,134,758 | 18,985,361 | - | - | - | - | - | 214,551 | 23,334,670 |
| Other non-financial liabilities, non-current | 1,689 | 35,500 | - | - | - | - | - | - | 37,189 |
| **Total non-current liabilities** | **739,811,945** | **253,920,456** | **1,487,212,673** | **-** | **-** | **10,026,455** | **-** | **57,978,677** | **2,548,950,206** |
| **Total non-banking liabilities** | **1,389,847,576** | **790,764,132** | **1,560,112,122** | **184,947** | **548** | **16,069,564** | **398,694** | **78,557,706** | **3,835,935,289** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

## Note 35 – Effect of changes in foreign exchange rates (continued)

### (c) Non-banking sector assets by local and foreign currency as of December 31, 2020, are detailed as follows.

| Assets<br>Non-banking sector | US dollars | Chilean Pesos | Unidad de Fomento | Euros | Argentinean Pesos | Colombian Pesos | Brazilian Reals | Other currencies | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Current assets** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** |
| Cash and cash equivalents | 348,860,450 | 248,127,186 | - | 1,736,875 | - | 3,104,009 | - | 10,874,322 | 612,702,842 |
| Other financial assets, current | 15,459,408 | 138,861,785 | - | - | - | - | - | - | 154,321,193 |
| Other non-financial assets, current | 9,072,419 | 14,151,404 | 2,134,983 | - | - | 1,087,043 | - | 3,904,537 | 30,350,386 |
| Trade and other receivables, current | 34,953,878 | 111,714,832 | - | 105,606 | - | 6,540,740 | - | 12,054,157 | 165,369,213 |
| Related party receivables, current | 3,119,648 | 21,747,941 | - | - | - | - | - | - | 24,867,589 |
| Inventory, current | 17,327,983 | 95,011,358 | - | - | - | 1,613,146 | - | 772,092 | 114,724,579 |
| Current tax assets | 18,432,090 | 2,591,619 | - | - | - | - | - | 2,457,754 | 23,481,463 |
| **Total current assets other than assets or disposal groups classified as held for sale or held for distribution to owners** | **447,225,876** | **632,206,125** | **2,134,983** | **1,842,481** | **-** | **12,344,938** | **-** | **30,062,862** | **1,125,817,265** |
| Non-current assets or disposal groups classified as held for sale | 12,057,937 | 375,382 | - | - | 40,977 | - | - | - | 12,474,296 |
| **Non-current assets or disposal groups classified as held for sale or as held for distribution to owners** | **12,057,937** | **375,382** | **-** | **-** | **40,977** | **-** | **-** | **-** | **12,474,296** |
| **Total current assets** | **459,283,813** | **632,581,507** | **2,134,983** | **1,842,481** | **40,977** | **12,344,938** | **-** | **30,062,862** | **1,138,291,561** |
| **Non-current assets** | | | | | | | | | |
| Other financial assets, non-current | 11,922,632 | 40,592,281 | - | - | - | 889,398 | - | - | 53,404,311 |
| Other non-financial assets, non-current | 1,823,586 | 1,060,558 | - | - | - | 8,740,446 | - | 220,395 | 11,844,985 |
| Receivables, non-current | 10,532,724 | 260,208 | - | - | - | 83,181 | - | - | 10,876,113 |
| Related party receivables, non-current | 2,843,800 | 4,032 | - | - | - | - | - | - | 2,847,832 |
| Inventory, non-current | 706,684 | 1,422 | - | - | - | - | - | - | 708,106 |
| Investments accounted for using the equity method | 58,716,649 | 430,673,692 | - | 2,256,755,653 | - | - | - | 9,227,874 | 2,755,373,868 |
| Intangible assets other than goodwill | 157,503,042 | 193,069,193 | - | - | - | - | - | 24,256,903 | 374,829,138 |
| Goodwill | 114,602,296 | 849,546,912 | - | - | - | - | - | - | 964,149,208 |
| Property, plant and equipment | 636,429,743 | 288,858,244 | - | - | - | - | - | 65,516,886 | 990,804,873 |
| Right-of-use leased assets | 97,279,289 | 4,027,531 | 165,728,844 | - | - | - | - | - | 267,035,664 |
| Investment properties | 9,734,158 | 5,843,610 | - | - | - | - | - | - | 15,577,768 |
| Non-current tax assets | - | 3,277,481 | - | - | - | - | - | - | 3,277,481 |
| Deferred tax assets | 157,737,014 | 26,907,248 | - | - | - | 8,033,024 | - | 8,074,970 | 200,752,256 |
| **Total non-current assets** | **1,259,831,617** | **1,844,122,412** | **165,728,844** | **2,256,755,653** | **-** | **17,746,049** | **-** | **107,297,028** | **5,651,481,603** |
| **Total non-banking assets** | **1,719,115,430** | **2,476,703,919** | **167,863,827** | **2,258,598,134** | **40,977** | **30,090,987** | **-** | **137,359,890** | **6,789,773,164** |

## Note 35 – Effect of changes in foreign exchange rates (continued)

### (d) Non-banking liabilities by domestic and foreign currency as of December 31, 2020, are detailed as follows:

| **Liabilities** | | **Chilean** | **Unidad de** | | **Argentinean** | **Colombian** | **Brazilian** | **Other** | |
|---|---|---|---|---|---|---|---|---|---|
| **Non-banking sector** | **US dollars** | **Pesos** | **Fomento** | **Euros** | **Pesos** | **Pesos** | **Reals** | **currencies** | **Total** |
| **Current liabilities** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** |
| Other financial liabilities, current | 169,710,589 | 30,758,541 | 82,013,149 | - | - | 366,850 | 564,494 | 2,444,957 | 285,858,580 |
| Lease liabilities, current | 13,624,645 | 130,104 | 15,318,840 | - | - | - | - | - | 29,073,589 |
| Trade and other payables, non-current | 29,201,944 | 147,866,274 | 673,949 | 97,400 | - | 1,251,983 | - | 9,958,856 | 189,050,406 |
| Related party payables, current | 80,714 | 181,283 | - | - | - | - | - | - | 261,997 |
| Other short-term provisions | 5,266,434 | 5,594,476 | 100,069 | 81,349 | - | - | - | 70,521 | 11,112,849 |
| Current tax liabilities | 2,290,682 | 1,311,525 | - | - | - | 553,830 | - | 1,962,222 | 6,118,259 |
| Provisions for employee benefits, current | 5,086,499 | 14,038,181 | - | - | - | 2,106,545 | - | 6,065,825 | 27,297,050 |
| Other non-financial liabilities, current | 14,413,089 | 89,273,263 | - | - | - | 711 | - | 741,521 | 104,428,584 |
| **Total current liabilities other than liabilities included in asset disposal groups classified as held for sale** | **239,674,596** | **289,153,647** | **98,106,007** | **178,749** | **-** | **4,279,919** | **564,494** | **21,243,902** | **653,201,314** |
| Liabilities included in disposal groups classified as held for sale | 124,416 | 384 | - | - | 41,052 | - | - | - | 165,852 |
| **Total current liabilities** | **239,799,012** | **289,154,031** | **98,106,007** | **178,749** | **41,052** | **4,279,919** | **564,494** | **21,243,902** | **653,367,166** |
| **Non-current liabilities** | | | | | | | | | |
| Other financial liabilities, non-current | 299,973,881 | 178,397,263 | 1,343,801,115 | - | - | 1,656,514 | 553,116 | 37,981,082 | 1,862,362,971 |
| Lease liabilities, non-current | 76,164,052 | 36,969 | 154,419,051 | - | - | - | - | - | 230,620,072 |
| Trade and other payables, non-current | - | - | - | - | - | - | - | - | - |
| Related party payables, non-current | - | - | - | - | - | - | - | - | - |
| Other long-term provisions | 5,707,507 | 16,952,846 | - | - | - | 7,649,138 | - | - | 30,309,491 |
| Deferred tax liabilities | 54,641,416 | 84,068,669 | - | - | - | - | - | 13,582,700 | 152,292,785 |
| Provisions for employee benefits, non-current | 2,843,800 | 21,877,450 | - | - | - | - | - | 151,432 | 24,872,682 |
| Other non-financial liabilities, non-current | - | 37,055 | - | - | - | - | - | - | 37,055 |
| **Total non-current liabilities** | **439,330,656** | **301,370,252** | **1,498,220,166** | **-** | **-** | **9,305,652** | **553,116** | **51,715,214** | **2,300,495,056** |
| **Total non-banking liabilities** | **679,129,668** | **590,524,283** | **1,596,326,173** | **178,749** | **41,052** | **13,585,571** | **1,117,610** | **72,959,116** | **2,953,862,222** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 36 – Contingencies**

**(a) Lawsuits**

**a.1** CSAV is a defendant in litigation and arbitrations relating to cargo transport seeking compensation for damage and injury. Most of the potential contingencies are covered by insurance. There are provisions covering the estimated value of the proportion not covered by insurance, and the respective deductibles.

HLAG is now legally and financially liable for all legal contingencies related to the operations of the container shipping business, including legal expenses and potential disbursements, even when CSAV is party to the claim, in accordance with the merger agreement between CSAV and HLAG.

In relation to the investigations into antitrust violations by the discontinued car carrier business, the following transpired between December 31, 2019 and December 31, 2021:

(i) On January 27, 2015, the Chilean National Economic Prosecutor's Office (FNE) issued a summons against several shipping companies, including CSAV, for violating letter a) of article 3 of Decree Law 211 of 1973, regarding the Defense of Free Competition ("DL 211"), in the car carrier business (the "Summons"). As indicated in the Summons and set forth in article 39 bis of DL 211, because CSAV is cooperating with the FNE's investigation, it is exempt from fines relating to the practices referred to in the Summons. On April 24, 2019, the Antitrust Court (Tribunal de Defensa de la Libre Competencia, TDLC) ruled on the case, and CSAV was declared exempt from the fine, because it was entitled to the leniency benefit and had demonstrated that it met the requirements for eligibility. Some of the parties to the case filed appeals before the Chilean Supreme Court against the TDLC ruling from April 24, 2019, which in turn ruled on the appeals on August 14, 2020, increasing the fine imposed on one of the shipping companies penalized by the TDLC and fining the remaining shipping companies that were not penalized by that court, except for CSAV, since the court confirmed the company's immunity and exempted it from paying the fine.

(ii) On April 17, 2019, the South African Fair Competition Commission filed an injunction against CSAV for alleged anti-competitive behavior when negotiating a contract to transport vehicles from South Africa to Europe in 2011. The injunction is currently before the South African Competition Tribunal. Therefore, an estimate of any potential financial impact on CSAV cannot be made at this time.

(iv) During the second half of 2020, CSAV was notified of a class action suit brought against it and the shipping lines MOL, WWL/Eukor, K-Line and NYK, before the United Kingdom Competition Appeal Tribunal. That lawsuit was filed following the European Commission's ruling in February 2018. Class certification is still pending and there are no deadlines that apply to the Company to present its defense, so the proceedings are at a very preliminary stage. Given that, the economic impact for CSAV of the potential outcome of the case cannot be estimated.

(iv) In addition, CSAV is currently party to proceedings in the TDLC brought by the Regional Senior Consumer Association of the Bío Bío Region. The Company has not been served any notice of the suit and, therefore, its economic impact on CSAV cannot be estimated. It was filed after the judgments from the TDLC and the Supreme Court referred to in letter (i) above.

**Note 36 – Contingencies (continued)**

**(a) Lawsuits (continued)**

**a.2** Enex is party to civil lawsuits for breach of contract, damages and to enforce performance of supply and transaction contracts, brought by Combustibles Surenergy Limitada and others against Enex, based on alleged breaches of fuel supply and transaction contracts. The damages demanded amount to Ch$3,889,266,189 plus court costs. The case is being processed by the Ninth Civil Court of Santiago under case number 2342-16. The initial ruling was unfavorable for Enex, with Enex ordered to pay: a) Ch$2,008,218,176 plus indexation and interest, for consequential damages; b) Ch$5,589,501 per month until it refunds the performance guarantees and promissory notes paid; c) Ch$205,157,904 for loss of profits; and d) court costs. Enex filed an appeal against the first ruling, which was fully accepted by the Santiago Court of Appeals, and the plaintiffs were ordered to pay the court costs. The plaintiffs filed an appeal against the Appeals Court ruling before the Supreme Court, which has not yet ruled (Supreme Court case number 18118-2019).

**a.2.1** Arbitral claim brought by Constructora Geometra Limitada for alleged breach of the construction contract for a service station located on the western side of the concessionary north-south highway operated by Autopista Central S.A. at kilometer 29 in San Bernardo. The lawsuit is being processed by the arbitrator Luis Absalón Valencia under the case number CAM 32112017, and the amount claimed is Ch$1,700,000,000 for consequential damage and lost profits. The discussion stage is complete. The evidential stage has expired. However, the testimony of approximately 20 witnesses is pending.

**a.2.2** Six labor lawsuits filed against Enex S.A. by Natalia Jara Navarro, Ana Karina Pinto Miranda, Patricia Cárcamo Mery, Javier Sepúlveda Olea, Saúl Caqueo Cayo and Giovanni Mell Ortíz. The amount of each suit is Ch$1,000,000,000 plus indexation, interest and court costs. The cases are being processed before the Iquique Labor Court under case numbers T-185-2019, T-186-2019, T-187-2019, T-184-2019, T-189-2019 and T-190-2019, respectively. Pending ruling.

**a.3** The tax contingencies of Invexans deriving from the sale of the cable unit to Nexans are detailed in Note 36 c.1.

**a.4** The subsidiary SM SAAM has pending litigation and lawsuits for compensation for damages arising from its operations. The amounts below the deductible have been provisioned and the Company also has insurance policies to cover any potential loss contingencies.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 36 – Contingencies (continued)**

**(b) Financial contingencies**

**b.1** As of December 31, 2021, Quiñenco and its group companies comply with the financial covenants related to bond issues. Quiñenco's principal financial covenants are as follows.

- To maintain unencumbered assets over unsecured debt at book value of at least 1.3 times. As of December 31, 2021, the ratio of unencumbered assets to unsecured debt at book value is 4.6 times, as follows:

| **Quiñenco individual** | **ThCh$** |
|---|---|
| Total assets | 6,882,218,203 |
| Encumbered assets | - |
| **Unencumbered assets** | **6,882,218,203** |
| Total current liabilities | 339,165,308 |
| Other short-term provisions | (4,880,997) |
| Provisions for employee benefits, current | (1,075,139) |
| Total non-current liabilities | 1,168,791,980 |
| Other long-term provisions | (2,865,899) |
| **Unencumbered liabilities** | **1,499,135,253** |

- To maintain an individual financial debt ratio over total capitalization of no more than 0.50. As of December 31, 2021 the financial debt over total capitalization at book value is 0.18, as follows.

| **Financial debt** | **ThCh$** |
|---|---|
| Other financial liabilities, current | 39,688,969 |
| Related party payables, current | 1,490 |
| Other financial liabilities, non-current | 994,290,122 |
| Related party payables, non-current | 171,635,959 |
| **Financial debt** | **1,205,616,540** |
| **Capitalization** | |
| Equity attributable to owners of the controller | 5,374,260,915 |
| Financial debt | 1,205,616,540 |
| **Capitalization** | **6,579,877,455** |

- To maintain a consolidated financial debt ratio over total capitalization of no more than 0.64. As of December 31, 2021, consolidated financial debt over total capitalization at book value is 0.23, as follows.

| **Financial debt** | **ThCh$** |
|---|---|
| Other financial liabilities, current | 436,383,085 |
| Related party payables, current | 823,145 |
| Other financial liabilities, non-current | 2,041,639,079 |
| Related party payables, non-current | - |
| **Financial debt** | **2,478,845,309** |
| **Capitalization** | |
| Equity attributable to owners of the controller | 5,374,260,915 |
| Financial debt | 2,478,845,309 |
| Non-controlling interests (i) | 3,129,040,340 |
| **Capitalization** | **10,982,146,564** |

(i) This is: Non-controlling interests in Quiñenco of ThCh$5,259,992,892 less non-controlling interests in LQIF of ThCh$2,130,952,552.

- Minimum equity of MCh$909,759. As of December 31, 2021, the equity attributable to owners of the controller is MCh$5,374,261.
- The Luksic Group must maintain control of Quiñenco.

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 36 – Contingencies (continued)**

**(b) Financial contingencies (continued)**

**b.2** Quiñenco participated in the sale of the insurance business, through its subsidiary Inversiones Vita S.A., and its insurance subsidiaries Banchile Seguros de Vida S.A. and Seg Chile Seguros Generales S.A, on March 2, 2020. The acquiring companies are related to the Chubb insurance group, and they issued a price adjustment notice to the sellers, which resulted in a negative adjustment to the sale price of UF27,643 for Quiñenco through its subsidiary Inmobiliaria Norte Verde S.A. After a joint review and discussion of the equity adjustments on which the price adjustment notice was based and the additional information and reports provided by the purchasers, the selling and purchasing companies reached an agreement on the final amount of the price adjustment on May 7, 2020, and on the adjusted price for the sale, which in the case of Inmobiliaria Norte Verde S.A. meant a negative price adjustment and a disbursement of UF 14,483.3.

**b.3** The subsidiary LQIF is subject to certain financial covenants contained in the bond-issuance indenture and other loan agreements. The principal restrictions as of December 31, 2021, are as follows.

- LQIF should maintain a leverage ratio in its quarterly financial statements of no more than 0.40, measured as the ratio of total adjusted liabilities over total adjusted assets, equivalent to the balances of non-banking service accounts plus the investment in companies (equity value), and restoring balances eliminated in the consolidation. The leverage ratio as of December 31, 2021, was 0.083.

- The Company should maintain at least 60% of the total adjusted assets in the quarterly financial statements in shares or rights in financial or related companies, such as insurance, pension funds, banking or financial services throughout the contract term. As of December 31, 2021, the investments in the financial area reached 69.0%.

- During three months prior to payment of coupons on these issues, it can pay or lend to related parties provided it keeps an easily-liquidated reserve throughout this period equivalent to at least the payment to bond-holders as of that date.

- LQIF should retain its control of Banco de Chile, and the present controller of the company should remain as such.

**b.4** As of December 31, 2021, Tech Pack has contingencies related to its normal business.

The Share Purchase Agreement signed on April 18, 2016 was finalized on May 31, 2016. As a result, Tech Pack S.A. sold all of its shares in Alusa S.A. and Inversiones Alusa S.A. to Amcor. Tech Pack S.A. committed in that contract to keeping its liability for tax obligations and rights in the companies that it sold as of the sale date, and in accordance with the terms and conditions of that contract.

During 2021, expenses of ThUS$8 were incurred (ThUS$22 during 2020), mainly for legal advice related to this transaction.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 36 – Contingencies (continued)**

**(b) Financial contingencies (continued)**

**b.5** Invexans S.A. (legal successor of Madeco S.A.)

Invexans signed loan agreements with Banco Scotiabank for US$10 million in September 2019 and US$5 million in November 2020.

In addition to the usual obligations for such loans, it must maintain total leverage of no more than one, and minimum equity of US$250 million in the annual consolidated financial statements. Quiñenco S.A. should also maintain control.

Invexans is complying with all the restrictions in these agreements.

**b.6** Enex Corp. Ltd.:

Enex Corp. Ltd. and its subsidiaries signed bank loan agreements with Banco Estado, Chile and Scotiabank where Enex S.A. is the guarantor. As of December 31, 2021, the financial covenants associated with these bank loans are as follows:

- Maintain Net Financial Debt to Equity ratio less than or equal to 0.75. For these purposes, Net Financial Debt is defined as the sum of "Other Current Financial Liabilities" and "Other Non-Current Financial Liabilities," net of "Cash and Cash Equivalents". As of December 31, 2021, the Net Financial Debt to Equity ratio is 0.27.

- Financial expense coverage ratio greater than or equal to 2.5. For these purposes, the Financial Expense Coverage ratio is defined as EBITDA divided by "Finance Costs," both measured over the past 12 months. As of December 31, 2021, the Financial Expense Coverage ratio is 16.62.

**b.6.1** Enex S.A.:

Maintain the following financial ratios throughout the term of the Loan, which will be measured semi-annually as of June and December of each year based on the combined financial statements of Enex S.A. and Enex Investments US, Inc.:

- Financial expense coverage ratio greater than or equal to 2.5. For these purposes, the Financial Expense Coverage ratio is defined as EBITDA divided by "Finance Costs," both measured over the past 12 months. As of December 31, 2021, the Financial Expense Coverage ratio is 20.49.

- Maintain Net Financial Debt to Equity ratio less than or equal to 0.75. For these purposes, Net Financial Debt is defined as the sum of "Other Current Financial Liabilities" and "Other Non-Current Financial Liabilities," net of "Cash and Cash Equivalents". As of December 31, 2021, the Net Financial Debt to Equity ratio is 0.15.

Covenants of Enex Investments US, Inc.:

- Enex S.A. (guarantor of Road Ranger LLC, Inc.) must maintain the following financial ratios throughout the term of the loan, which will be measured semi-annually as of June and December of each year based on the combined financial statements of Enex S.A. and Enex Investments US, Inc.

- Financial expense coverage ratio greater than or equal to 2.5. For these purposes, the Financial Expense Coverage ratio is defined as EBITDA divided by "Finance Costs," both measured over the past 12 months. As of December 31, 2021, the Financial Expense Coverage ratio is 20.49.

- Maintain Net Financial Debt to Equity ratio less than or equal to 0.75. For these purposes, Net Financial Debt is defined as the sum of "Other Current Financial Liabilities" and "Other Non-Current Financial Liabilities," net of "Cash and Cash Equivalents". As of December 31, 2021, the Net Financial Debt to Equity ratio is 0.15.

**Note 36 – Contingencies (continued)**

**(b) Financial contingencies (continued)**

**b.7** CSAV

The financing agreements at CSAV and its subsidiaries have the following covenants:

**b.7.1**. Loan with Banco Itaú Chile:

a) Restrict consolidated borrowing to keep Total Liabilities over Total Equity to no more than 1.3. As of December 31, 2021 CSAV's borrowing ratio was 0.23.
b) Maintain unencumbered assets over 130% of consolidated financial liabilities. As of December 31, 2021 this ratio was 10.04.
c) Quiñenco S.A. should have control over the issuer or should have at least 37.4% of the subscribed and paid capital of the issuer.
d) Maintain minimum consolidated total assets of ThUS$1,614,302. As of December 31, 2021, total assets were ThUS$6,025,208.

**b.7.2** Loan with Banco Security:

a) Restrict consolidated borrowing to keep Total Liabilities over Total Equity to no more than 1.3. As of December 31, 2021, CSAV's borrowing ratio was 0.23.
b) Maintain unencumbered assets over 130% of consolidated financial liabilities. As of December 31, 2021, this ratio was 10.04.
c) Maintain total minimum consolidated assets of ThUS$1,614,302. As of December 31, 2021, total assets were ThUS$6,025,208.

**b.7.3** Series C bearer bonds for ThUS$100,000, CMF Securities Registry 955:

a) Restrict consolidated borrowing to keep Total Liabilities over Total Equity to no more than 1.3. As of December 31, 2021, CSAV's borrowing ratio was 0.23.
b) Maintain unencumbered assets over 130% of consolidated financial liabilities. As of December 31, 2021, this ratio was 10.04.
c) Maintain total minimum consolidated assets of ThUS$1,614,302. As of December 31, 2021, total assets were ThUS$6,025,208.

QUIÑENCO S.A.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

## Note 36 – Contingencies (continued)

### (b) Financial contingencies (continued)

### b.8 SM SAAM

The subsidiary SM SAAM and its subsidiaries have the following contractual provisions governing its management and financial indicators.

| Company | Financial Entity | Name | Condition | 12-31-2021 | 12-31-2020 |
|---|---|---|---|---|---|
| Sociedad Matriz SAAM S.A. | Public bonds | Net financial debt to equity<br>Net financial expense coverage ratio<br>Guarantees over total assets | ≤ 1.2 each quarter<br>> 2.75 each quarter<br>< 5% | 0.46<br>9.85<br>0% | 0.45<br>9.00<br>0% |
| Sociedad Matriz SAAM S.A. | Santander | Net financial debt to equity<br>Net financial expense coverage ratio<br>Guarantees over total assets | ≤ 1.2 each quarter<br>> 2.75 each quarter<br>< 5% | 0.46<br>9.85<br>0% | -<br>-<br>- |
| SAAM S.A. | Scotiabank | Net financial debt to equity<br>Net Financial Debt/EBITDA ratio | ≤ 1.2 each quarter<br>≤ 4.5 each quarter | 0.33<br>1.22 | 0.20<br>0.81 |
| SAAM Towage Mexico S.A.de C.V (formerly SAAM Remolques S.A. de CV) | Banco Corpbanca NY | Net Financial Debt/EBITDA ratio<br>Interest coverage ratio, EBITDA/financial expense | ≤ 3 as of December 31 each year<br>> 3 each quarter | 0.92<br>53.42 | 1.11<br>- |
| SAAM Towage Canada Inc | Banco Scotiabank Canada | Debt over net tangible assets<br>Consolidated EBITDA over financial expenses and debt repayments | < 2.5 each quarter<br>≥ 1.25 each quarter | 1.57<br>2.77 | 1.77<br>6.09 |
| Sociedad Portuaria Caldera S.A. | Banco Davivienda | Borrowing ratio, Total liabilities / Total assets<br>Debt servicing coverage | < 83%<br>≥ 1.2 | N/A<br>N/A | 66%<br>5.9 |
| Sociedad Portuaria Caldera S.A. | BAC San José | Borrowing ratio, Total liabilities / Equity<br>Debt servicing coverage | ≤ 3.5 as of December 31 each year<br>> 1.25 every quarter | N/A<br>N/A | 1.7<br>5.9 |
| Sociedad Portuaria Granelera de Caldera S.A. | BAC San José | Borrowing ratio, Total liabilities / Equity<br>Debt servicing coverage | < 3.5 every quarter<br>> 1.25 every quarter | N/A<br>N/A | 1.7<br>2.1 |
| Sociedad Portuaria Granelera de Caldera S.A. | Banco Davivienda | Borrowing ratio, Total liabilities / Total assets<br>Debt servicing coverage | < 83% every quarter<br>> 1.2 every quarter | N/A<br>N/A | 73%<br>2.1 |
| Sociedad Portuaria Caldera S.A. | Banco Davivienda | Borrowing ratio, Total liabilities / Equity<br>Debt servicing coverage | < 3.5 every quarter<br>> 1.25 every quarter | 1.41<br>15.0 | -<br>- |
| Sociedad Portuaria Granelera de Caldera S.A. | Banco Davivienda | Borrowing ratio, Total liabilities / Equity<br>Debt servicing coverage | < 3.5 every quarter<br>> 1.25 every quarter | 1.36<br>2.7 | -<br>- |
| Florida International Terminal | BCI Miami | Ratio, Financial debt / EBITDA<br>Borrowing ratio, Total liabilities / Equity<br>Net Financial Debt/EBITDA ratio<br>Minimum equity | < 3.0<br>< 5.0<br>< 3.0<br>Minimum equity of ThUS$7,000 | 1.3<br>2.6<br>1.4<br>10,580,778 | -<br>2.7<br>1.6<br>- |
| Florida International Terminal (1) | Bank of America | Fixed charges coverage | > 1.5 | 1.03 | - |
| Inarpi | BCI Miami | Finance expense coverage ratio<br>Net Financial Debt/EBITDA<br>Guarantor's minimum equity | ≥ 3 as of December 31 each year<br>≤ 4.5 as of December 31 each year<br>SAAM Puertos must have minimum equity of ThUS$140,000 as of December 31 each year | 13.98<br>1.55<br>208,875 | 11.81<br>2.12<br>207,995 |
| SAAM Towage Brasil | BNDES | Total liabilities / Total assets | < 80% | 37.7% | 42.1% |
| SAAM Towage Brasil | Caterpillar | Total liabilities / Total assets | < 80% | 37.7% | 42.1% |
| Intertug Colombia | Banco Scotiabank | Financial debt / EBITDA ratio<br>Ratio of unencumbered assets / unsecured debt | ≤ 3.5 each quarter<br>≥ 1.25 each quarter | 2.49<br>2.51 | -<br>- |
| Ecuaestibas | BCI | Minimum equity | Minimum shareholders' equity at SAAM S.A. of ThUS$285,000 | 433,467,145 | - |
| Intertug Mexico (2) | Mexico API | Minimum equity | Minimum of 30 million Mexican pesos (US$1,460,686 as of December 31, 2021) | 3,103,677 | - |

(1) There is a Covenant waiver for the first year, since delayed committed dividends had already been distributed during the renegotiations.
(2) Intertug Mexico's concession contract is subject to a covenant related to compliance with minimum equity conditions.

S/M: No measurement at intermediate dates.
N/A Not applicable, the loan was repaid.

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 36 – Contingencies (continued)**

**(c) Taxation contingencies**

**c.1 Lawsuits following the acquisition of Ficap S.A.**

Sale of the Cable Unit to Nexans

On September 30, 2008, the sale of the company's cable unit to Nexans was completed. This cable unit had operations in Chile, Peru, Brazil, Argentina and Colombia. In addition to the usual declarations and assurances, the following covenants and restrictions were agreed: i) to maintain assets of not less than US$250 million during the term of the declarations and assurances, and indemnities derived therefrom; and, ii) to grant Nexans the same collateral that it may grant to its creditors in the future.

Nexans is entitled to be indemnified for the taxes in Brazil accrued until the date of sale, with Invexans liable for 90% and the remaining 10% to be covered by Nexans, limited to: i) US$2.8 million for lawsuits at the time of sale; and, ii) US$24 million for subsequent lawsuits. Invexans' general liability is limited to US$147 million.

Invexans has to respond to the following process in Brazil regarding tax payments arising prior to September 30, 2008.

On July 19, 2006, Ficap S.A., a former Invexans cables subsidiary and now Nexans Brasil S.A. ("Nexans Brasil – ex Ficap"), received an assessment from the Brazilian Federal Tax Authority for the tax years 2001 to 2005, which rejected the amortization of the goodwill that arose when it was acquired by Madeco. This assessment was paid by Invexans at the end of 2014 under a tax amnesty program in Brazil.

In applying the same criteria for taxable years 2006 and following, Nexans Brasil -ex Ficap made court deposits in order to avoid paying interest and fines on the additional income tax that it would have had to pay if the law were to be interpreted as indicated by the tax authorities in that assessment.

Simultaneously, Nexans Brasil - ex Ficap initiated a legal action in order to obtain a judgment recognizing its right to amortize the goodwill.

In accordance with the agreement with Nexans, Invexans retains the right to receive those deposits if they are returned by the courts. Invexans also has control over these cases.

The amount claimed by the Brazilian tax authorities for the tax years 2006 and following is largely guaranteed by those deposits.

**c.2 HIDROSUR S.A.**

On November 15, 2010, Hidrosur S.A. sold its shares in Inversiones Río Bravo S.A., to the related company Inversiones Ranquil S.A.

This sale generated a tax loss, which was fully recognized by the SII.

However, the SII issued a Resolution reporting that the tax regime applicable to that loss was inappropriate, as this was a transaction subject to the corporate income tax regime and not to the general regime, as selling shares was not a regular transaction for Hidrosur S.A.

Hidrosur S.A. filed a tax claim before the Tax Courts of the Metropolitan Region and subsequent administrative proceedings, requesting that the SII Resolution be entirely annulled.

A first instance judgment was issued during the subsequent court proceedings filed against the Resolution, which rejected the claim. This ruling was appealed, which is currently being processed and its result has no impact on the financial statements.

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 37 – Guarantees**

The Company has received no guarantees from third parties as of December 31, 2021 and 2020.

**Note 38 – Sanctions**

Neither the Company nor its directors or managers received any sanctions from the CMF or any other regulatory authority during 2021 and 2020.

**Note 39 – Subsequent events**

There were no events of a financial or other nature between December 31, 2021, and the date of issuance of these consolidated financial statements that could significantly affect their interpretation.

**Note 40 – Additional notes**

In accordance with the regulations issued by the Financial Market Commission, the Notes to the consolidated financial statements of Banco de Chile and subsidiaries are disclosed as follows.

**Note 40.1 – Corporate information**

Banco de Chile has been authorized to operate as a commercial bank since September 17, 1996. In accordance with Article 25 of Law 19,396, it is the legal successor to Banco de Chile resulting from the merger of Banco Nacional de Chile, Banco Agrícola and Banco de Valparaíso, which was constituted by public deed dated October 28, 1893, granted before the Notary Public of Santiago, Mr. Eduardo Reyes Lavalle, authorized by Supreme Decree dated November 28, 1893.

The Bank is incorporated under the laws of the Republic of Chile and regulated by the Financial Market Commission (CMF). Since 2001, it has been regulated by the United States Securities and Exchange Commission (hereinafter the "SEC") because it is listed on the New York Stock Exchange (hereinafter the "NYSE") through an American Depositary Receipt (hereinafter "ADR") program.

Banco de Chile offers a wide range of banking services to its customers, who range from individuals to large corporations. Banco de Chile also provides international banking and treasury services and services provided by subsidiaries, which include securities brokerage, mutual and investment fund management, insurance brokerage and financial advisory services.

**Note 40.2 – Accounting changes**

During the year ended December 31, 2021, no significant accounting changes have occurred that affect the presentation of these Consolidated Financial Statements.

**Note 40.3 – Material information on the banking subsidiaries**

(a) On January 28, 2021, the Board of Directors of Banco de Chile agreed to call an Annual General Shareholders' Meeting for March 25, 2021, in order to propose the following distribution of earnings for the year ended December 31, 2020, and other matters:

   i. Deduct and retain from net distributable income for the year an indexation adjustment on the share capital and reserves for the change in the Consumer Price Index between November 2019 and November 2020, amounting to Ch$95,989,016,547, which will be added to retained earnings for previous years.

   ii. Distribute a dividend of 60% of the remaining net distributable income, which is a dividend of Ch$2.18053623438 per share payable for each of the Bank's 101,017,081,114 shares, and retain the remaining 40%.

   Consequently, the proposed dividend will be 47.6% of net income for the year ended December 31, 2020.

(b) An Extraordinary Shareholders' Meeting of Banchile Securitizadora S.A. was held on February 4, 2021, at which shareholders agreed to dissolve the subsidiary, as previously approved by the Financial Market Commission.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

QUIÑENCO S.A.

**Note 40 – Additional notes (continued)**

**Note 40.3 – Material information on the banking subsidiaries (continued)**

(c) At an Annual General Shareholders' Meeting held on March 25, 2021, shareholders appointed Mr. Raúl Anaya Elizalde as a director of Banco de Chile. He will hold this position until the Board of Directors is reappointed. At the Annual General Shareholders' Meeting on the same date, shareholders approved dividend 209 of Ch$2.18053623438 per share, payable from earnings for 2020.

(d) On April 7, 2021, the subsidiary Banchile Administradora General de Fondos S.A. reported as a Material Event that on that date Mr. Paul Javier Fürst Gwinner resigned from his position as Director.

(e) On July 30, 2021, the subsidiary Banchile Securitizadora S.A. reported as a Material Event that on the same date, Mrs. Claudia Bazaes Aracena resigned from her position of Chief Executive Officer and left the company.

(f) On July 30, 2021, the Financial Market Commission authorized the subsidiary Banchile Securitizadora S.A. to go into liquidation and to use the corporate name "Banchile Securitizadora S.A. in liquidation".

(g) On August 16, 2021, the subsidiary Banchile Securitizadora S.A. reported as a Material Event that at the first meeting of the Liquidation Committee of "Banchile Securitizadora S.A. in liquidation", composed of Mr. Juan Alberdi Monforte and Mr. Luis Claro Jullian, it was agreed to elect Mr. Juan Alberdi Monforte as Chairman of the Liquidation Committee. Consequently, the Board of Directors was replaced by the Liquidation Committee as of that date.

(h) On August 27, 2021, the Board of Directors of the subsidiary Banchile Asesoría Financiera S.A. appointed Mr. Ashwin Kumar Natarajan as interim Chief Executive Officer to replace Mr. Pedro Jottar Awad, who resigned as Chief Executive Officer.

(i) On August 31, 2021, Banco de Chile reported that an amendment to the Deposit Agreement agreed between Banco de Chile and JPMorgan Chase Bank relating to its American Depositary Receipts (ADRs) Program has been filed and published with the US Securities and Exchange Commission (SEC). The amendment refers to matters related to the international exchange transactions under that Program, the applicable jurisdiction and a review of regulatory references.

(j) On August 30, 2021, Banco de Chile reported that it and Citigroup Inc. had agreed to extend the term of their Cooperation Agreement, their Global Connectivity Agreement and their Amended and Restated Trademark License Agreement. The first two were signed on October 22, 2015, and the latter on November 29, 2019. Therefore, these contracts were extended from January 1, 2022 to January 1, 2024, and the parties may agree before August 31, 2023, on a two-year extension with effect from January 1, 2024. In the absence of such an agreement, the contracts will be automatically extended only once for one year from January 1, 2024 until January 1, 2025. The same renewal procedure may be used in the future as many times as agreed by the parties.

Together with the above and on the same date, Banco de Chile and Citigroup Inc. signed an amendment to the Global Connectivity Agreement and an Amended and Restated Master Services Agreement, agreeing that the duration of the latter will be the same as the Cooperation Agreement referred to in the previous paragraph. On August 26, 2021, at Banco de Chile Ordinary Board Meeting 2,952, the Board approved this extension and Agreement, under the terms in Articles 146 onwards of Corporate Law.

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40 – Additional notes (continued)**

**Note 40.3 – Material information on the banking subsidiaries (continued)**

(k) On November 30, 2021, Banco de Chile reported that on November 29, 2021, it signed an agreement for it and the other banking shareholders of "Operadora de Tarjetas de Crédito Nexus S.A." (hereinafter "Nexus") a banking support company to sell all their shares in Nexus to Minsait Payments Systems Chile S.A. a subsidiary of the Spanish company Indra Sistemas S.A., subject to the fulfillment or waiver of several conditions precedent, which include authorization from the CMF to sell all the shares in Nexus S.A. together with approval by the National Economic Prosecutor's Office. After all the conditions have been met including these authorizations, the shares will be transferred on the Closing Date, in accordance with the contract terms and conditions.

(l) A COVID-19 pandemic was declared by the World Health Organization ("WHO") in March 2020, and on June 25, 2021, the Chilean Government extended the State of Emergency, which maintained various public health measures, including mobility restrictions and quarantines in Chile. Subsequently, it terminated the State of Emergency on September 30, 2021, and as mobility and capacity restrictions were relaxed the economy has gradually reopened. Furthermore, the vaccination campaign has progressed, which mitigated the effects of the pandemic. As of the date of issuance of these Financial Statements, more than 89% of the population have received all their scheduled vaccinations, which includes a first booster dose with effect from August and a second booster dose in January 2022.

The government and the Central Bank of Chile have continued with their counter-cyclical measures, which have contributed to gradual economic recovery. The government has implemented direct measures totaling almost 10 GDP points, complemented by indirect measures that include the resources to finance FOGAPE-COVID loans and the employment protection law. Law 21,307 was published in the Official Gazette on February 3, 2021, which amends the Guarantee Fund for Small and Medium-Sized Entrepreneurs (FOGAPE) in order to reactivate the economy. It amended Decree Law 3,472 dated 1980 issued by the Ministry of Finance, which created the Guarantee Fund for Small Entrepreneurs (FOGAPE Reactiva). From the date the program began until December 31, 2021, the Bank had processed 27,087 transactions that totaled ThCh$1,285,479,000.

The Chilean Central Bank introduced various non-conventional measures, including the Credit Facility Conditional on Increased Lending (FCIC), a special financing line for banking companies complemented with a "Liquidity Credit Line" (LCL) and bond purchases in the financial market. As of December 31, 2021, the Bank had used ThCh$4,348,460,000 of these financing facilities (ThCh$3,110,600,000 as of December 31, 2020). The FCIC required the Bank to provide guarantees in favor of the Chilean Central Bank that total approximately ThCh$3,665,592,000, comprised of commercial loans in the high credit quality individual portfolio of ThCh$3,024,118,000, and fixed income securities totaling approximately ThCh$641,474,000. The guarantee provided for the LCL is the Bank's reserves.

The Chilean Congress also approved three reforms to the Political Constitution of the Republic that allowed individuals to withdraw up to 10% of their personal pension funds, which totaled over US$55,000 million as of the fourth quarter. During 2020, a Law was approved that established an Emergency Family Income (IFE), which is a benefit for vulnerable families that totaled over US$25,000 million. The combination of these resources generated significant increases in the price of goods and services, increases in long-term interest rates, increases in liquidity held by individuals and legal entities and decreases in delinquency within the banking industry, compared to prior to the pandemic. The Chilean Central Bank increased the Monetary Policy Rate by 350 basis points during the second half of the year, bringing it to 4.0% at year-end, as a result of the significant increase in the inflation rate.

Although the impact of the pandemic on our operating results has been significant and its effects will persist, its magnitude will depend on the duration and extent of its consequent effects, and the impact on structural variables, such as economic growth, investment and employment. The Bank has also created additional provisions of ThCh$220,000,000 during the current year, in accordance with current policy, bringing the total to ThCh$540,251,877 as of December 31, 2021.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 40 – Additional notes (continued)**

**Note 40.4 – Segment reporting**

For management purposes, the Bank is organized into four segments, based on its products and services and its target customers, which are defined as follows:

Retail: This segment focuses on individuals and small and medium-sized businesses (SMEs) with annual sales up to UF 70,000, where the products are focused primarily on consumer loans, commercial loans, checking accounts, credit cards, credit lines and mortgage loans.

Wholesale: This segment focuses on corporate clients and large companies, whose annual revenue exceeds UF 70,000, where the products focus primarily on commercial loans, checking accounts and cash-management services, debt instruments, foreign trade, derivative contracts and leases.

Treasury: This segment includes revenue associated with managing the Bank's investment portfolio and its finance and exchange operations.

Transactions with customers carried out by the Treasury are shown in the above respective segments. These products are generally highly transaction-focused and include foreign exchange transactions, derivative contracts and financial instruments.

Subsidiaries: This segment includes companies and corporations controlled by the Bank, where results are obtained individually by the company, but their management is related to the previously mentioned segments. The companies that comprise this segment are:

**Entity**

- Banchile Administradora General de Fondos S.A.
- Banchile Asesoría Financiera S.A.
- Banchile Corredores de Seguros Ltda.
- Banchile Corredores de Bolsa S.A.
- Banchile Securitizadora S.A. in liquidation (*)
- Socofin S.A.

(*) Company in liquidation. See Note No. 40.3 f).

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 40 – Additional notes (continued)**

**Note 40.4 – Segment reporting (continued)**

The financial information used to measure the performance of the Bank's business segments is not comparable with similar information from other financial companies because it is based on internal reporting policies. The accounting policies described in the summary of accounting principles are applied to all business segments. The Bank obtains most of its revenue from interest, indexation adjustments, fees, financial transactions and foreign exchange transactions, less provisions for loan losses and operational expenses. Management is mainly based on these concepts in its evaluation of segment performance and decision-making regarding goals and the allocation of resources to each unit. Although the segment results are reconciled with those of the Bank as a whole, this is not necessarily the case at the level of various items, since management is measured and controlled on an individual basis and not on a consolidated basis, by applying the following criteria:

- The net interest margin of loans and deposits is measured by aggregating the net financial margins of each of the Bank's individual loan and deposit transactions. The volume of each transaction and its contribution margin are used for this purpose, which is the difference between the customer's effective rate and the internal transfer price established according to the term and currency of each transaction. Net margin includes interest income and adjustments from accounting hedges.

- Provisions for loan losses are calculated by customer, based on the characteristics of each transaction. Additional provisions have been allocated to business segments based on the credit risk-weighted assets held by each segment.

- Capital and its financial impacts on income have been assigned to each segment in accordance with their risk-weighted assets.

- Operating expenses are shown at each of the Bank's functional areas. Expenses are allocated from functional areas to business segments using various allocation criteria to the corresponding expenditure headings.

Taxes are managed on a corporate basis and are not allocated to business segments.

There were no transactions with a customer or counterparty that exceeded 10% of the Bank's total revenue for the years ended December 31, 2021 and 2020.

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

### Note 40 – Additional notes (continued)

### Note 40.4 – Segment reporting (continued)

The following table shows the results for 2021 and 2020 by each segment:

| | Retail | | Wholesale | | Treasury | | Subsidiaries | | Subtotal | | Consolidation adjustments | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ |
| Net interest and indexation income | 1,084,192,014 | 940,073,480 | 478,807,846 | 377,315,249 | 6,478,419 | (3,602,298) | (1,198,815) | (1,922,409) | 1,568,279,464 | 1,311,864,022 | 458,067 | 1,269,930 | 1,568,737,531 | 1,313,133,952 |
| Net fee income | 250,469,170 | 265,340,038 | 61,670,980 | 55,598,735 | (1,863,642) | (1,969,270) | 160,507,433 | 143,862,521 | 470,783,941 | 462,832,024 | (15,755,976) | (16,863,062) | 455,027,965 | 445,968,962 |
| Gains (losses) from financial and foreign exchange transactions | 16,908,604 | 2,652,343 | 67,676,811 | 34,978,773 | 52,057,904 | 75,143,834 | 34,068,082 | 33,439,932 | 170,711,401 | 146,214,882 | (106,418) | (1,009,744) | 170,604,983 | 145,205,138 |
| Other operating income | 25,252,547 | 23,580,922 | 13,316,678 | 13,183,581 | — | — | 2,770,833 | 2,550,570 | 41,340,058 | 39,315,073 | (5,260,521) | (4,756,372) | 36,079,537 | 34,558,701 |
| Total revenue | 1,376,822,335 | 1,231,646,783 | 621,472,315 | 481,076,338 | 56,672,681 | 69,572,266 | 196,147,533 | 177,930,614 | 2,251,114,864 | 1,960,226,001 | (20,664,848) | (21,359,248) | 2,230,450,016 | 1,938,866,753 |
| Provisions for loan losses (*) | (259,231,129) | (325,852,738) | (114,299,111) | (136,447,601) | — | — | 268,072 | (380,200) | (373,262,168) | (462,680,539) | — | — | (373,262,168) | (462,680,539) |
| Payroll and personnel expenses | (288,821,397) | (295,298,784) | (82,989,068) | (85,470,703) | (2,156,601) | (2,022,784) | (77,002,932) | (74,400,051) | (450,969,998) | (457,192,322) | 17,433 | 16,586 | (450,952,565) | (457,175,736) |
| Administrative expenses | (252,765,832) | (249,479,852) | (59,033,625) | (58,439,861) | (1,359,637) | (1,413,837) | (32,301,499) | (31,011,766) | (345,460,593) | (340,345,316) | 20,839,157 | 21,463,666 | (324,621,436) | (318,881,650) |
| Depreciation and amortization | (62,720,640) | (59,730,921) | (8,114,378) | (7,316,790) | (365,103) | (312,306) | (5,598,397) | (5,997,828) | (76,798,518) | (73,357,845) | — | — | (76,798,518) | (73,357,845) |
| Other operating expenses | (21,011,952) | (21,909,214) | (13,678,509) | (9,808,188) | (20,536) | (20,707) | (679,442) | (1,178,831) | (35,390,439) | (32,916,940) | 288 | (2) | (35,390,151) | (32,916,942) |
| Total operating expenses | (625,319,821) | (626,418,771) | (163,815,580) | (161,035,542) | (3,901,877) | (3,769,634) | (115,582,270) | (112,588,476) | (908,619,548) | (903,812,423) | 20,856,878 | 21,480,250 | (887,762,670) | (882,332,173) |
| Income from investments in companies | (228,115) | (6,674,785) | 1,886,314 | 1,548,327 | 83,677 | (7,389) | 498,727 | 472,472 | 2,240,603 | (4,661,375) | — | — | 2,240,603 | (4,661,375) |
| Net income (loss) before taxes | 492,043,270 | 272,700,489 | 345,243,938 | 185,141,522 | 52,854,481 | 65,795,243 | 81,332,062 | 65,434,410 | 971,473,751 | 589,071,664 | 192,030 | 121,002 | 971,665,781 | 589,192,666 |
| Income tax expense | | | | | | | | | | | | | (178,550,391) | (125,962,872) |
| Net income after taxes | | | | | | | | | | | | | 793,115,390 | 463,229,794 |

(*) As of December 31, 2021 and 2020, the Retail and Wholesale segments include additional provisions based on their risk-weighted assets.

The following table shows the total assets and liabilities as of December 31, 2021 and 2020, for each segment.

| | Retail | | Wholesale | | Treasury | | Subsidiaries | | Subtotal | | Consolidation adjustments | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ |
| Assets | 20,458,337,358 | 18,800,918,920 | 12,806,598,370 | 10,811,000,000 | 17,412,053,145 | 15,400,138,859 | 954,858,218 | 830,910,444 | 51,631,847,091 | 45,842,968,223 | (501,679,180) | (128,735,840) | 51,262,399,491 | 45,714,237,914 |
| Current and deferred taxes | | | | | | | | | | | | | 440,039,395 | 380,894,124 |
| Total assets | | | | | | | | | | | | | 51,570,207,306 | 46,095,123,507 |
| Liabilities | 16,794,544,286 | 13,848,124,292 | 10,530,748,818 | 10,143,939,191 | 19,640,220,525 | 17,844,349,547 | 770,228,251 | 660,868,771 | 47,735,741,880 | 42,497,281,801 | (574,639,550) | (332,481,381) | 47,366,294,280 | 42,368,551,345 |
| Current and deferred taxes | | | | | | | | | | | | | 113,129,064 | 311,166 |
| Total liabilities | | | | | | | | | | | | | 47,274,231,394 | 42,165,111,586 |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 40 – Additional notes (continued)**

**Note 40.5 – Cash and cash equivalents**

(a) Cash and cash equivalents and their reconciliation to the statement of cash flows for each year are as follows:

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| Cash and bank deposits: | | |
| Cash (*) | 1,073,600,066 | 615,842,169 |
| Deposits in the Chilean Central Bank (*) | 1,545,472,133 | 641,889,962 |
| Deposits with banks in Chile | 129,857,733 | 14,505,550 |
| Deposits abroad | 964,802,665 | 1,287,978,036 |
| Subtotal – cash and deposits in banks | 3,713,732,597 | 2,560,215,717 |
| Transactions pending settlement, net | 115,968,592 | (719,691,285) |
| Highly liquid financial instruments (**) | 3,418,005,581 | 4,212,718,557 |
| Repurchase agreements (**) | 40,368,732 | 34,872,336 |
| Total cash and cash equivalents | 7,288,075,502 | 6,088,115,325 |

(*) The funds in cash and with the Chilean Central Bank reflect average monthly reserve requirements.

(**) Trading instruments, investment instruments held for sale and investments under resale agreements that meet the definition of cash and cash equivalents.

(b) Transactions pending settlement:

Transactions pending settlement are transactions for which the only remaining step is settlement, which will increase or decrease funds with the Chilean Central Bank or in foreign banks, normally occurring within 24 to 48 business hours, detailed as follows:

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| **Assets** | | |
| Documents payable by other banks (clearing) | 123,051,081 | 123,267,882 |
| Funds receivable | 453,406,413 | 459,040,412 |
| Subtotal – assets | 576,457,494 | 582,308,294 |
| **Liabilities** | | |
| Funds payable | (460,488,902) | (1,301,999,579) |
| Subtotal – liabilities | (460,488,902) | (1,301,999,579) |
| Transactions pending settlement, net | 115,968,592 | (719,691,285) |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 40 – Additional notes (continued)**

**Note 40.6 – Trading instruments**

Instruments classified as financial instruments for trading are detailed as follows:

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| **Instruments of the State and the Chilean Central Bank** | | |
| Chilean Central Bank bonds | 1,144,825 | 3,185,576 |
| Chilean Central Bank promissory notes | 3,295,955,468 | 4,006,490,346 |
| Other Chilean Government and Central Bank instruments | 175,022,464 | 149,616,004 |
| **Instruments issued by Chilean institutions** | | |
| Bonds from other Chilean companies | 278 | 5,396,231 |
| Bonds from banks in Chile | 51,484,182 | 5,494,439 |
| Deposits with banks in Chile | 214,336,602 | 93,905,484 |
| Other instruments issued in Chile | 3,062,160 | 1,003,237 |
| **Instruments issued by foreign institutions** | | |
| Foreign sovereign or central bank instruments | — | — |
| Other foreign instruments | — | 163,604 |
| **Investments in mutual funds** | | |
| Funds managed by related parties | 135,690,800 | 400,902,691 |
| Funds managed by third parties | — | — |
| Total | 3,876,696,779 | 4,666,157,612 |

Instruments of the State and the Chilean Central Bank include instruments sold under repurchase agreements to customers and financial institutions, amounting to ThCh$217,614,133 as of December 31, 2020. As of December 31, 2021, there were no instruments sold under repurchase agreements. Repurchase agreements had an average maturity of 4 days as of December 31, 2020. These also include instruments that meet the technical reserve requirements and total ThCh$3,288,800,000 as of December 31, 2021 (ThCh$2,986,000,000 as of December 31, 2020).

Instruments issued by Chilean Institutions include instruments sold under repurchase agreements to customers and financial institutions, amounting to ThCh$84,968,729 as of December 31, 2021 (ThCh$52,809,170 as of December 31, 2020). Repurchase agreements have an average maturity of 12 days as of December 31, 2021 (9 days as of December 31, 2020).

The Bank also has investments in its own mortgage-funding notes amounting to ThCh$3,831,844 as of December 31, 2021 (ThCh$5,155,790 as of December 31, 2020), which are shown deducted from Debt instruments issued.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

## Note 40 – Additional notes (continued)

## Note 40.7 – Resale/repurchase agreements and securities borrowing/lending

(a) Repurchase agreement rights: The Bank grants financing to its customers through resale operations and securities borrowing, where it receives financial instruments in guarantee. As of December 31, 2021 and 2020, these transactions are detailed as follows:

| | Up to 1 month | | 1 to 3 months | | More than 3 months and up to 12 months | | 1 to 3 years | | 3 to 5 years | | Over 5 years | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ |
| **Instruments of the State and the Chilean Central Bank** | | | | | | | | | | | | | | |
| Chilean Central Bank bonds | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Chilean Central Bank promissory notes | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Other instruments of the State and the Chilean Central Bank | — | 10,005,814 | — | — | — | — | — | — | — | — | — | — | — | 10,005,814 |
| Subtotal | — | 10,005,814 | — | — | — | — | — | — | — | — | — | — | — | 10,005,814 |
| **Instruments issued by Chilean institutions** | | | | | | | | | | | | | | |
| Deposit promissory notes from banks in Chile | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Mortgage bonds from banks in Chile | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Bonds from banks in Chile | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Deposits with banks in Chile | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Bonds from other Chilean companies | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Other instruments issued in Chile | 37,763,007 | 29,088,701 | 14,012,917 | 20,591,203 | 12,589,268 | 16,721,309 | — | — | — | — | — | — | 64,365,192 | 66,401,213 |
| Subtotal | 37,763,007 | 29,088,701 | 14,012,917 | 20,591,203 | 12,589,268 | 16,721,309 | — | — | — | — | — | — | 64,365,192 | 66,401,213 |
| **Instruments issued by foreign institutions** | | | | | | | | | | | | | | |
| Foreign sovereign or central bank instruments | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Other foreign instruments | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Subtotal | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| **Investments in mutual funds** | | | | | | | | | | | | | | |
| Funds managed by related parties | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Funds managed by third parties | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Subtotal | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Total | 37,763,007 | 39,094,515 | 14,012,917 | 20,591,203 | 12,589,268 | 16,721,309 | — | — | — | — | — | — | 64,365,192 | 76,407,027 |

### Instruments purchased

The Bank and its subsidiaries have received financial instruments that they can sell or give in guarantee should the owner of these instruments cease to make payments or be declared bankrupt. As of December 31, 2021, the fair value of the instruments received was ThCh$65,531,210 (ThCh$82,585,122 as of December 31, 2020).

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

QUIÑENCO S.A.

## Note 40 – Additional notes (continued)

## Note 40.7 – Resale/repurchase agreements and securities borrowing/lending (continued)

(b) Obligations under repurchase agreements: The Bank obtains financing by selling financial instruments and committing to purchase them at future dates, plus interest at a prefixed rate. As of December 31, 2021 and 2020, these repurchase agreements are detailed as follows:

| | Up to 1 month | | 1 to 3 months | | More than 3 months and up to 12 months | | 1 to 3 years | | 3 to 5 years | | Over 5 years | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ |
| **Instruments of the State and the Chilean Central Bank** | | | | | | | | | | | | | | |
| Chilean Central Bank bonds | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Chilean Central Bank promissory notes | — | 183,082,788 | — | — | — | — | — | — | — | — | — | — | — | 183,082,788 |
| Other instruments of the State and the Chilean Central Bank | 350,894 | 47,763,466 | — | — | — | — | — | — | — | — | — | — | 350,894 | 47,763,466 |
| Subtotal | 350,894 | 230,846,254 | — | — | — | — | — | — | — | — | — | — | 350,894 | 230,846,254 |
| **Instruments issued by Chilean institutions** | | | | | | | | | | | | | | |
| Deposit promissory notes from banks in Chile | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Mortgage bonds from banks in Chile | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Bonds from banks in Chile | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Deposits with banks in Chile | 84,996,568 | 57,648,332 | — | 43,066 | 51,609 | — | — | — | — | — | — | — | 85,048,177 | 57,691,398 |
| Bonds from other Chilean companies | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Other instruments issued in Chile | 2,320,255 | 378,870 | 3,952 | — | — | — | — | — | — | — | — | — | 2,324,207 | 378,870 |
| Subtotal | 87,316,823 | 58,027,202 | 3,952 | 43,066 | 51,609 | — | — | — | — | — | — | — | 87,372,384 | 58,070,268 |
| **Instruments issued by foreign institutions** | | | | | | | | | | | | | | |
| Foreign sovereign or central bank instruments | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Other foreign instruments | — | — | — | — | 7,286,148 | — | — | — | — | — | — | — | 7,286,148 | — |
| Subtotal | — | — | — | — | 7,286,148 | — | — | — | — | — | — | — | 7,286,148 | — |
| **Investments in mutual funds** | | | | | | | | | | | | | | |
| Funds managed by related parties | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Funds managed by third parties | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Subtotal | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Total | 87,667,717 | 288,873,456 | 3,952 | 43,066 | 7,337,757 | — | — | — | — | — | — | — | 95,009,426 | 288,916,522 |

## Instruments sold

The fair value of financial instruments given in guarantee by the Bank and its subsidiaries in sale transactions with repurchase agreements as of December 31, 2021, amounts to ThCh$85,322,416 (ThCh$288,523,364 as of December 31, 2020). In the event that the Bank and its subsidiaries go into receivership or bankruptcy, the counterparty is authorized to sell or pledge these investments.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

## Note 40 – Additional notes (continued)

## Note 40.8 – Financial derivative contracts and hedge accounting

(a) As of December 31, 2021 and 2020, the Bank has the following portfolio of derivative instruments.

| | Notional contract value by final maturity | | | | | | | Fair value | |
|---|---|---|---|---|---|---|---|---|---|
| **As of December 31, 2021** | **Up to 1 month ThCh$** | **1 to 3 months ThCh$** | **More than 3 months and up to 12 months ThCh$** | **1 to 3 years ThCh$** | **3 to 5 years ThCh$** | **Over 5 years ThCh$** | **Total ThCh$** | **Asset ThCh$** | **Liabilities ThCh$** |
| **Derivatives held for fair value hedges** | | | | | | | | | |
| Currency and rate swaps | — | — | 1,787,991 | — | — | — | 1,787,991 | — | 607,800 |
| Interest rate swaps | — | — | — | — | — | — | — | — | — |
| Subtotal derivative hedges at fair value | — | — | 1,787,991 | — | — | — | 1,787,991 | — | 607,800 |
| **Cash flow hedge derivatives** | | | | | | | | | |
| Currency forwards | — | 3,099,174 | — | — | — | — | 3,099,174 | — | 88,393 |
| Currency and rate swaps | — | — | 35,705,845 | 322,894,093 | 108,758,700 | 895,311,968 | 1,362,670,606 | 277,803,145 | — |
| Subtotal cash flow hedge derivatives | — | 3,099,174 | 35,705,845 | 322,894,093 | 108,758,700 | 895,311,968 | 1,365,769,780 | 277,803,145 | 88,393 |
| **Trading derivatives** | | | | | | | | | |
| Currency forwards | 6,289,327,276 | 5,532,322,611 | 8,429,176,125 | 1,320,406,211 | 74,865,042 | 18,757,860 | 21,664,855,125 | 742,545,311 | 505,179,317 |
| Interest rate swaps | 1,255,464,338 | 4,110,202,755 | 10,616,344,357 | 11,611,770,644 | 6,939,951,423 | 10,277,576,507 | 44,811,310,024 | 825,525,228 | 831,337,844 |
| Currency and rate swaps | 288,582,197 | 771,915,974 | 3,659,285,782 | 5,055,449,240 | 3,769,368,650 | 5,253,836,945 | 18,798,438,788 | 1,132,716,669 | 1,432,800,529 |
| Currency call options | 19,681,155 | 41,273,742 | 53,073,579 | 2,972,484 | — | — | 117,000,960 | 4,509,465 | 2,726,450 |
| Currency put options | 11,951,957 | 34,859,309 | 43,990,963 | 2,631,432 | — | — | 93,433,661 | 199,341 | 458,688 |
| Subtotal trading derivatives | 7,865,006,923 | 10,490,574,391 | 22,801,870,806 | 17,993,230,011 | 10,784,185,115 | 15,550,171,312 | 85,485,038,558 | 2,705,496,014 | 2,772,502,828 |
| Total | 7,865,006,923 | 10,493,673,565 | 22,839,364,642 | 18,316,124,104 | 10,892,943,815 | 16,445,483,280 | 86,852,596,329 | 2,983,299,159 | 2,773,199,021 |

| | Notional contract value by final maturity | | | | | | | Fair value | |
|---|---|---|---|---|---|---|---|---|---|
| **As of December 31, 2020** | **Up to 1 month ThCh$** | **1 to 3 months ThCh$** | **More than 3 months and up to 12 months ThCh$** | **1 to 3 years ThCh$** | **3 to 5 years ThCh$** | **Over 5 years ThCh$** | **Total ThCh$** | **Asset ThCh$** | **Liabilities ThCh$** |
| **Derivatives held for fair value hedges** | | | | | | | | | |
| Currency and rate swaps | — | — | — | 5,031,408 | — | — | 5,031,408 | — | 1,646,041 |
| Interest rate swaps | — | — | — | — | — | 29,508,255 | 29,508,255 | — | 4,872,675 |
| Subtotal derivative hedges at fair value | — | — | — | 5,031,408 | — | 29,508,255 | 34,539,663 | — | 6,518,716 |
| **Cash flow hedge derivatives** | | | | | | | | | |
| Currency and rate swaps | — | — | 164,329,596 | 171,925,326 | 213,810,792 | 667,390,509 | 1,217,456,223 | 51,062,136 | 65,171,586 |
| Subtotal cash flow hedge derivatives | — | — | 164,329,596 | 171,925,326 | 213,810,792 | 667,390,509 | 1,217,456,223 | 51,062,136 | 65,171,586 |
| **Trading derivatives** | | | | | | | | | |
| Currency forwards | 7,320,774,570 | 5,754,020,724 | 7,753,967,030 | 823,354,636 | 60,193,323 | 26,340,300 | 21,738,650,583 | 551,963,414 | 637,185,817 |
| Interest rate swaps | 1,516,969,282 | 2,797,326,996 | 10,330,399,389 | 12,705,904,330 | 6,658,094,841 | 10,180,750,486 | 44,189,445,324 | 1,167,415,317 | 1,189,827,903 |
| Currency and rate swaps | 439,244,491 | 809,124,041 | 3,459,602,887 | 5,892,574,128 | 3,442,029,785 | 4,850,643,809 | 18,893,219,141 | 845,831,458 | 940,646,333 |
| Currency call options | 10,581,266 | 25,381,947 | 34,294,313 | 1,657,303 | — | — | 71,914,829 | 268,861 | 305,638 |
| Currency put options | 9,604,895 | 20,470,497 | 26,893,221 | 427,140 | — | — | 57,395,753 | 1,462,230 | 2,099,474 |
| Subtotal trading derivatives | 9,297,174,504 | 9,406,324,205 | 21,605,156,840 | 19,423,917,537 | 10,160,317,949 | 15,057,734,595 | 84,950,625,630 | 2,566,941,280 | 2,770,065,165 |
| Total | 9,297,174,504 | 9,406,324,205 | 21,769,486,436 | 19,600,874,271 | 10,374,128,741 | 15,754,633,359 | 86,202,621,516 | 2,618,003,416 | 2,841,755,467 |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 40 – Additional notes (continued)**

**Note 40.8 – Financial derivative contracts and hedge accounting (continued)**

(b) Fair value hedges

The Bank uses cross-currency and interest-rate swaps to cover its exposure to changes in the fair value of the hedged financial instruments or loans attributable to interest rates. 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, 2021 and 2020, are detailed as follows:

| | 2021<br>ThCh$ | 2020<br>ThCh$ |
|---|---|---|
| **Hedged item** | | |
| Commercial loans | 1,787,991 | 5,031,408 |
| Corporate bonds | — | 29,508,255 |
| **Fair value hedge instrument** | | |
| Cross-currency swaps | 1,787,991 | 5,031,408 |
| Interest rate swaps | — | 29,508,255 |

(c) Cash flow hedges

(c.1) The Bank uses cross-currency swap derivative instruments to hedge the risk of variability of cash flows attributable to changes in interest rates and fluctuations in exchange rates with respect to bonds issued abroad in US dollars, Hong Kong dollars, Swiss francs, Japanese yen, Peruvian soles, Australian dollars, Euros and Norwegian kroner. 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.

These cross-currency swap contracts are also used to hedge the risk of changes in the Unidad de Fomento (UF) on asset flows denominated in UF 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.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

## Note 40 – Additional notes (continued)

## Note 40.8 – Financial derivative contracts and hedge accounting (continued)

(c) Cash flow hedges (continued)

(c.2) The cash flows of due to banks and bonds issued abroad subject to this hedge and the cash flows of the asset part of the derivative instrument are detailed as follows.

| | Up to 1 month | | 1 to 3 months | | 3 to 12 months | | 1 to 3 years | | 3 to 5 years | | Over 5 years | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ |
| Hedged item | | | | | | | | | | | | | | |
| Cash outflows | | | | | | | | | | | | | | |
| Corporate bond EUR | — | — | — | — | (1,625,891) | (1,473,038) | (3,251,783) | (2,946,076) | (47,853,743) | (44,037,442) | (56,380,590) | (51,870,646) | (109,112,007) | (100,327,202) |
| Corporate bond HKD | — | — | — | — | (15,897,259) | (13,351,854) | (105,827,848) | (90,987,730) | (91,271,027) | (78,368,569) | (309,895,998) | (269,894,186) | (522,892,132) | (452,602,339) |
| Corporate bond PEN | — | — | (841,474) | (774,596) | (841,474) | (774,596) | (3,365,898) | (3,098,382) | (3,365,898) | (3,098,382) | (43,382,683) | (41,483,892) | (51,797,427) | (49,229,848) |
| Corporate bond CHF | (63,679) | — | — | — | (958,114) | (828,589) | (249,008,253) | (94,331,505) | (764,142) | (121,181,755) | (121,520,760) | — | (372,314,948) | (216,341,849) |
| Corporate bond USD | — | — | — | — | (1,814,397) | (1,514,923) | (3,628,793) | (3,029,846) | (3,628,793) | (3,029,846) | (46,260,293) | (40,139,771) | (55,332,276) | (47,714,386) |
| Obligation USD | — | (202,447) | — | (76,411) | (426,955) | (157,454,571) | (60,047,179) | — | — | — | — | — | (60,474,134) | (157,733,429) |
| Corporate bond JPY | — | — | (129,534) | — | (39,208,101) | (2,115,100) | (4,248,716) | (38,109,696) | (4,248,716) | (3,472,347) | (242,021,383) | (191,351,114) | (289,856,450) | (235,048,257) |
| Corporate bond AUD | — | — | (1,219,753) | (970,080) | (4,794,210) | (3,928,156) | (12,024,257) | (9,796,473) | (12,022,780) | (9,798,915) | (264,900,590) | (206,990,503) | (294,961,590) | (231,484,127) |
| Corporate bond NOK | — | — | — | — | (2,646,113) | (2,274,809) | (5,292,226) | (4,549,618) | (5,292,226) | (4,549,618) | (80,514,125) | (71,491,145) | (93,744,690) | (82,865,190) |
| Hedge instrument | | | | | | | | | | | | | | |
| Cash inflows | | | | | | | | | | | | | | |
| Cross-currency swap EUR | — | — | — | — | 1,625,891 | 1,473,038 | 3,251,783 | 2,946,076 | 47,853,743 | 44,037,442 | 56,380,590 | 51,870,646 | 109,112,007 | 100,327,202 |
| Cross-currency swap HKD | — | — | — | — | 15,897,259 | 13,351,854 | 105,827,848 | 90,987,730 | 91,271,027 | 78,368,569 | 309,895,998 | 269,894,186 | 522,892,132 | 452,602,339 |
| Cross-currency swap PEN | — | — | 841,474 | 774,596 | 841,474 | 774,596 | 3,365,898 | 3,098,382 | 3,365,898 | 3,098,382 | 43,382,683 | 41,483,892 | 51,797,427 | 49,229,848 |
| Cross-currency swap CHF | 63,679 | — | — | — | 958,114 | 828,589 | 249,008,253 | 94,331,505 | 764,142 | 121,181,755 | 121,520,760 | — | 372,314,948 | 216,341,849 |
| Cross-currency swap USD | — | — | — | — | 1,814,397 | 1,514,923 | 3,628,793 | 3,029,846 | 3,628,793 | 3,029,846 | 46,260,293 | 40,139,771 | 55,332,276 | 47,714,386 |
| Cross-currency swap USD | — | 202,447 | — | 76,411 | 426,955 | 157,454,571 | 60,047,179 | — | — | — | — | — | 60,474,134 | 157,733,429 |
| Cross-currency swap JPY | — | — | 129,534 | — | 39,208,101 | 2,115,100 | 4,248,716 | 38,109,696 | 4,248,716 | 3,472,347 | 242,021,383 | 191,351,114 | 289,856,450 | 235,048,257 |
| Cross-currency swap AUD | — | — | 1,219,753 | 970,080 | 4,794,210 | 3,928,156 | 12,024,257 | 9,796,473 | 12,022,780 | 9,798,915 | 264,900,590 | 206,990,503 | 294,961,590 | 231,484,127 |
| Cross-currency swap NOK | — | — | — | — | 2,646,113 | 2,274,809 | 5,292,226 | 4,549,618 | 5,292,226 | 4,549,618 | 80,514,125 | 71,491,145 | 93,744,690 | 82,865,190 |
| Net cash flows | — | — | — | — | — | — | — | — | — | — | — | — | — | — |

QUIÑENCO S.A.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

## Note 40 – Additional notes (continued)

## Note 40.8 – Financial derivative contracts and hedge accounting (continued)

(c) Cash flow hedges (continued)

(c.3) The cash flows of underlying assets and cash flows of the liability part of the derivative instrument are detailed as follows.

| | Up to 1 month | | 1 to 3 months | | 3 to 12 months | | 1 to 3 years | | 3 to 5 years | | Over 5 years | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ |
| **Hedged item** | | | | | | | | | | | | | | |
| Cash inflows | | | | | | | | | | | | | | |
| Cash flow in CHF | 536,667 | 160,003 | 4,031,162 | 280,174 | 59,853,215 | 186,115,821 | 370,885,524 | 213,672,793 | 144,431,664 | 246,243,826 | 968,899,680 | 741,653,900 | 1,548,637,912 | 1,388,126,517 |
| **Hedge instrument** | | | | | | | | | | | | | | |
| Cash outflows | | | | | | | | | | | | | | |
| Cross-currency swap HKD | (170,579) | (160,003) | — | — | (9,629,520) | (9,034,527) | (75,574,778) | (72,727,779) | (79,357,603) | (76,072,958) | (214,067,066) | (206,514,189) | (378,799,546) | (364,509,456) |
| Cross-currency swap PEN | — | — | (51,165) | (47,993) | (52,013) | (48,788) | (206,639) | (193,562) | (206,356) | (193,828) | (33,974,100) | (31,964,572) | (34,490,273) | (32,448,743) |
| Cross-currency swap JPY | — | — | (341,200) | — | (40,029,115) | (4,194,582) | (8,387,823) | (40,526,224) | (8,376,348) | (6,596,308) | (252,362,121) | (201,851,767) | (309,496,607) | (253,168,881) |
| Cross-currency swap USD | — | — | — | — | (1,103,658) | (165,635,300) | (57,935,938) | (1,311,336) | (1,401,850) | (1,316,740) | (39,367,705) | (37,584,476) | (99,809,151) | (205,847,852) |
| Cross-currency swap CHF | (366,088) | — | — | — | (5,281,314) | (3,929,338) | (220,166,355) | (91,921,860) | (4,387,064) | (114,408,995) | (115,104,082) | — | (345,304,903) | (210,260,193) |
| Cross-currency swap EUR | — | — | — | — | (2,028,342) | (1,912,040) | (4,070,026) | (3,805,180) | (46,164,693) | (44,463,779) | (47,638,370) | (45,438,835) | (99,901,431) | (95,619,834) |
| Cross-currency swap AUD | — | — | (539,623) | (232,181) | (1,064,315) | (737,532) | (3,212,269) | (1,939,426) | (3,207,875) | (1,942,083) | (197,125,135) | (152,709,261) | (205,149,217) | (157,560,483) |
| Cross-currency swap NOK | — | — | — | — | (664,938) | (623,714) | (1,331,696) | (1,247,426) | (1,329,875) | (1,249,135) | (69,261,101) | (65,590,800) | (72,587,610) | (68,711,075) |
| Forward UF | — | — | (3,099,174) | — | — | — | — | — | — | — | — | — | (3,099,174) | — |
| Net cash flows | — | — | — | — | — | — | — | — | — | — | — | — | — | — |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 40 – Additional notes (continued)**

**Note 40.8 – Financial derivative contracts and hedge accounting (continued)**

(c) Cash flow hedges (continued)

UF assets hedged are revalued monthly as the UF changes, which is the equivalent of reinvesting the assets monthly until the hedge matures.

(c.4) The unrealized results in 2021 from derivative contracts that form the hedging instruments in this cash flow hedging strategy have been recorded with a credit to equity of ThCh$182,376,099 (credit to equity of ThCh$10,358,155 as of December 31, 2020). The net effect of taxes is a net credit to equity of ThCh$133,134,552 (net credit to equity of ThCh$7,561,453 in 2020).

The accumulated balance for this concept as of December 31, 2021, is a credit to equity of ThCh$111,694,557 (charge of ThCh$70,681,542 in 2020).

(c.5) The effect of the cash flow hedge derivatives, which offsets the effect of the instruments hedged, is a credit to income of ThCh$123,100,363 in 2021 (charge to income of ThCh$39,447,381 in 2020).

(c.6) As of December 31, 2021 and 2020, there is no ineffeciency 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 components of rate and indexation are completely offset.

(c.7) As of December 31, 2021 and 2020, the Bank has no net investment hedges in foreign businesses.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

QUIÑENCO S.A.

**Note 40 – Additional notes (continued)**

**Note 40.9 – Loans and advances to banks**

(a) As of December 31, 2021 and 2020, loans and advances to banks are as follows:

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| **Banks in Chile** | | |
| Interbank liquidity loans | 160,017,778 | 260,002,167 |
| Provisions on loans to banks in Chile | (57,606) | (140,101) |
| Subtotal | 159,960,172 | 259,862,066 |
| **Banks abroad** | | |
| Interbank commercial loans | 158,307,730 | 185,857,689 |
| Foreign trade finance between other countries | 497,792 | 166,972 |
| Foreign trade finance for Chilean exports | 121,007,869 | 113,595,834 |
| Provisions for loans to foreign banks | (460,682) | (525,057) |
| Subtotal | 279,352,709 | 299,095,438 |
| **Chilean Central Bank** | | |
| Deposits with the Chilean Central Bank | 1,090,000,000 | 2,380,033,056 |
| Subtotal | 1,090,000,000 | 2,380,033,056 |
| Total | 1,529,312,881 | 2,938,990,560 |

(b) Movements in provisions for loans and advances to banks during 2021 and 2020 are detailed as follows.

| Description | Banks in Chile ThCh$ | Banks Abroad ThCh$ | Total ThCh$ |
|---|---|---|---|
| Balance as of January 01, 2020 | 54,003 | 704,203 | 758,206 |
| Provisions recognized | 86,098 | — | 86,098 |
| Provisions released | — | (179,146) | (179,146) |
| Balance as of December 31, 2020 | 140,101 | 525,057 | 665,158 |
| Provisions recognized | — | — | — |
| Provisions released | (82,495) | (64,375) | (146,870) |
| Balance as of December 31, 2021 | 57,606 | 460,682 | 518,288 |

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

## Note 40 – Additional notes (continued)

## Note 40.10 - Loans and receivables from customers

### (a.1) Loans and receivables from customers

As of December 31, 2021 and 2020, the loan portfolio is detailed as follows:

| | 2021 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Assets before provisions | | | | Provisions | | | |
| | Normal Portfolio ThCh$ | Substandard Portfolio ThCh$ | Default Portfolio ThCh$ | Total ThCh$ | Individual Provisions ThCh$ | Group Provisions ThCh$ | Total ThCh$ | Net Assets ThCh$ |
| **Commercial loans** | | | | | | | | |
| Commercial loans | 15,326,529,693 | 140,133,771 | 378,850,111 | 15,845,513,575 | (183,166,178) | (146,404,078) | (329,570,256) | 15,515,943,319 |
| Foreign trade loans | 1,245,586,998 | 7,255,437 | 18,403,473 | 1,271,245,908 | (42,662,187) | (2,780,919) | (45,443,106) | 1,225,802,802 |
| Checking account debtors | 138,600,624 | 3,521,076 | 1,888,167 | 144,009,867 | (2,287,285) | (2,097,163) | (4,384,448) | 139,625,419 |
| Factoring transactions | 482,827,845 | 2,923,964 | 503,945 | 486,255,754 | (9,731,037) | (957,474) | (10,688,511) | 475,567,243 |
| Student loans | 55,345,615 | — | 2,601,564 | 57,947,179 | — | (4,308,296) | (4,308,296) | 53,638,883 |
| Commercial lease transactions (1) | 1,550,953,653 | 43,173,674 | 17,935,801 | 1,612,063,128 | (5,408,638) | (4,818,226) | (10,226,864) | 1,601,836,264 |
| Other loans and receivables | 96,857,763 | 657,813 | 14,048,599 | 111,564,175 | (8,502,722) | (3,941,102) | (12,443,824) | 99,120,351 |
| Subtotal | 18,896,702,191 | 197,665,735 | 434,231,660 | 19,528,599,586 | (251,758,047) | (165,307,258) | (417,065,305) | 19,111,534,281 |
| **Residential mortgage loans** | | | | | | | | |
| Loans with mortgage bonds | 5,721,931 | — | 333,753 | 6,055,684 | — | (18,343) | (18,343) | 6,037,341 |
| Endorsable mortgage loans | 16,941,337 | — | 842,044 | 17,783,381 | — | (56,955) | (56,955) | 17,726,426 |
| Other residential mortgage loans | 9,896,876,573 | — | 273,163,640 | 10,170,040,213 | — | (28,639,389) | (28,639,389) | 10,141,400,824 |
| Loans from the ANAP | — | — | — | — | — | — | — | — |
| Residential leases | — | — | — | — | — | — | — | — |
| Other loans and receivables | 142,753,294 | — | 10,017,912 | 152,771,206 | — | (2,015,816) | (2,015,816) | 150,755,390 |
| Subtotal | 10,062,293,135 | — | 284,357,349 | 10,346,650,484 | — | (30,730,503) | (30,730,503) | 10,315,919,981 |
| **Consumer loans** | | | | | | | | |
| Installment consumer loans | 2,684,317,166 | — | 190,963,752 | 2,875,280,918 | — | (227,104,665) | (227,104,665) | 2,648,176,253 |
| Checking account debtors | 168,993,004 | — | 3,630,461 | 172,623,465 | — | (6,745,943) | (6,745,943) | 165,877,522 |
| Credit card debtors | 1,179,592,108 | — | 19,533,721 | 1,199,125,829 | — | (35,638,169) | (35,638,169) | 1,163,487,660 |
| Consumer leases (1) | 509,526 | — | — | 509,526 | — | (9,988) | (9,988) | 499,538 |
| Other loans and receivables | 7,425 | — | 1,162,881 | 1,170,306 | — | (1,131,285) | (1,131,285) | 39,021 |
| Subtotal | 4,033,419,229 | — | 215,290,815 | 4,248,710,044 | — | (270,630,050) | (270,630,050) | 3,978,079,994 |
| Total | 32,992,414,555 | 197,665,735 | 933,879,824 | 34,123,960,114 | (251,758,047) | (466,667,811) | (718,425,858) | 33,405,534,256 |

(1) The Bank finances its customers' purchases, including real estate and other personal property, through finance lease agreements. As of December 31, 2021, ThCh$810,611,102 are real estate finance leases, and ThCh$801,961,552 are personal property finance leases.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

## Note 40 – Additional notes (continued)

## Note 40.10 - Loans and receivables from customers (continued)

### (a.1) Loans and receivables from customers (continued)

| | 2020 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Assets before provisions | | | | Provisions | | | |
| | Normal Portfolio ThCh$ | Substandard Portfolio ThCh$ | Default Portfolio ThCh$ | Total ThCh$ | Individual Provisions ThCh$ | Group Provisions ThCh$ | Total ThCh$ | Net Assets ThCh$ |
| **Commercial loans** | | | | | | | | |
| Commercial loans | 13,818,088,446 | 136,071,623 | 438,534,849 | 14,392,694,918 | (197,777,178) | (139,717,794) | (337,494,972) | 14,055,199,946 |
| Foreign trade loans | 941,825,092 | 7,347,147 | 17,791,176 | 966,963,415 | (33,441,421) | (2,374,235) | (35,815,656) | 931,147,759 |
| Checking account debtors | 111,887,688 | 3,616,661 | 4,973,422 | 120,477,771 | (2,788,942) | (6,761,714) | (9,550,656) | 110,927,115 |
| Factoring transactions | 369,656,998 | 3,617,328 | 600,724 | 373,875,050 | (8,511,987) | (837,182) | (9,349,169) | 364,525,881 |
| Student loans | 55,058,086 | — | 2,448,737 | 57,506,823 | — | (4,201,054) | (4,201,054) | 53,305,769 |
| Commercial lease transactions (1) | 1,513,776,352 | 44,967,713 | 33,347,723 | 1,592,091,788 | (7,504,294) | (6,168,745) | (13,673,039) | 1,578,418,749 |
| Other loans and receivables | 72,768,243 | 454,502 | 16,206,185 | 89,428,930 | (6,891,831) | (6,318,916) | (13,210,747) | 76,218,183 |
| Subtotal | 16,883,060,905 | 196,074,974 | 513,902,816 | 17,593,038,695 | (256,915,653) | (166,379,640) | (423,295,293) | 17,169,743,402 |
| **Residential mortgage loans** | | | | | | | | |
| Loans with mortgage bonds | 8,645,885 | — | 692,335 | 9,338,220 | — | (44,056) | (44,056) | 9,294,164 |
| Endorsable mortgage loans | 22,885,152 | — | 1,219,972 | 24,105,124 | — | (80,539) | (80,539) | 24,024,585 |
| Other residential mortgage loans | 8,894,325,784 | — | 305,814,812 | 9,200,140,596 | — | (32,427,063) | (32,427,063) | 9,167,713,533 |
| Loans from the ANAP | 2,068 | — | — | 2,068 | — | — | — | 2,068 |
| Residential leases | — | — | — | — | — | — | — | — |
| Other loans and receivables | 146,174,364 | — | 8,893,566 | 155,067,930 | — | (1,212,131) | (1,212,131) | 153,855,799 |
| Subtotal | 9,072,033,253 | — | 316,620,685 | 9,388,653,938 | — | (33,763,789) | (33,763,789) | 9,354,890,149 |
| **Consumer loans** | | | | | | | | |
| Installment consumer loans | 2,418,658,067 | — | 299,469,273 | 2,718,127,340 | — | (236,407,986) | (236,407,986) | 2,481,719,354 |
| Checking account debtors | 153,854,999 | — | 4,868,704 | 158,723,703 | — | (10,186,373) | (10,186,373) | 148,537,330 |
| Credit card debtors | 1,052,342,150 | — | 25,102,629 | 1,077,444,779 | — | (42,788,678) | (42,788,678) | 1,034,656,101 |
| Consumer leases (1) | 301,844 | — | — | 301,844 | — | (2,968) | (2,968) | 298,876 |
| Other loans and receivables | 9,607 | — | 666,907 | 676,514 | — | (465,577) | (465,577) | 210,937 |
| Subtotal | 3,625,166,667 | — | 330,107,513 | 3,955,274,180 | — | (289,851,582) | (289,851,582) | 3,665,422,598 |
| Total | 29,580,260,825 | 196,074,974 | 1,160,631,014 | 30,936,966,813 | (256,915,653) | (489,995,011) | (746,910,664) | 30,190,056,149 |

(1) The Bank finances its customers' purchases, including real estate and other personal property, through finance lease agreements. As of December 31, 2020, ThCh$802,827,559 are real estate finance leases, and ThCh$789,566,073 are personal property finance leases.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

## Note 40 – Additional notes (continued)

## Note 40.10 - Loans and receivables from customers (continued)

### (a.2) Impaired portfolio

As of December 31, 2021 and 2020, the details of the normal and impaired portfolios are as follows.

| | Assets before provisions | | | | | | Provisions | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Normal Portfolio | | Impaired Portfolio | | Total | | Individual Provisions | | Group Provisions | | Total | | Net Assets | |
| | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ |
| Commercial loans | 19,049,281,045 | 17,039,307,920 | 479,318,541 | 553,730,775 | 19,528,599,586 | 17,593,038,695 | (251,758,047) | (256,915,653) | (165,307,258) | (166,379,640) | (417,065,305) | (423,295,293) | 19,111,534,281 | 17,169,743,402 |
| Residential mortgage loans | 10,062,293,135 | 9,072,033,253 | 284,357,349 | 316,620,685 | 10,346,650,484 | 9,388,653,938 | — | — | (30,730,503) | (33,763,789) | (30,730,503) | (33,763,789) | 10,315,919,981 | 9,354,890,149 |
| Consumer loans | 4,033,419,229 | 3,625,166,667 | 215,290,815 | 330,107,513 | 4,248,710,044 | 3,955,274,180 | — | — | (270,630,050) | (289,851,582) | (270,630,050) | (289,851,582) | 3,978,079,994 | 3,665,422,598 |
| Total | 33,144,993,409 | 29,736,507,840 | 978,966,705 | 200,458,973 | 34,123,960,114 | 30,936,966,813 | (251,758,047) | (256,915,653) | (466,667,811) | (489,995,011) | (718,425,858) | (746,910,664) | 33,405,534,256 | 30,190,056,149 |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 40 – Additional notes (continued)**

**Note 40.10 - Loans and receivables from customers (continued)**

**(b) Provisions for loan losses**

Movements in provisions for loan losses during 2021 and 2020 are detailed as follows.

| | Commercial | | Residential mortgage | Consumer | |
|---|---|---|---|---|---|
| | Individual ThCh$ | Group ThCh$ | Group ThCh$ | Group ThCh$ | Total ThCh$ |
| Balance as of January 01, 2020 | 176,942,139 | 150,830,765 | 28,047,379 | 329,597,733 | 685,418,016 |
| Charge-offs | (10,828,879) | (53,317,236) | (8,878,076) | (243,536,074) | (316,560,265) |
| Loans sold or assigned | (330,792) | — | — | — | (330,792) |
| New provisions | 91,133,185 | 68,866,111 | 14,594,486 | 203,789,923 | 378,383,705 |
| Provisions released | — | — | — | — | — |
| Balance as of December 31, 2020 | 256,915,653 | 166,379,640 | 33,763,789 | 289,851,582 | 746,910,664 |
| | | | | | |
| Balance as of January 01, 2021 | 256,915,653 | 166,379,640 | 33,763,789 | 289,851,582 | 746,910,664 |
| Charge-offs | (26,530,591) | (57,605,032) | (10,711,687) | (146,374,759) | (241,222,069) |
| Loans sold or assigned | (14,481,881) | — | — | — | (14,481,881) |
| New provisions | 35,854,866 | 56,532,650 | 7,678,401 | 127,153,227 | 227,219,144 |
| Provisions released | — | — | — | — | — |
| Balance as of December 31, 2021 | 251,758,047 | 165,307,258 | 30,730,503 | 270,630,050 | 718,425,858 |

Apart from these provisions for loan losses, country-risk provisions are also made to cover foreign transactions as well as additional provisions agreed upon by the Board, which are shown in liabilities in Provisions (Note 40.22).

**Complementary disclosures**

1. The Bank and its subsidiaries engaged in portfolio sales during 2021. The effect on income of these transactions as a whole does not exceed 5% of net income before taxes, as described in Note 40.10 (f).

2. As of December 31, 2021, Banco de Chile and its subsidiaries has eliminated its entire sold loan portfolio, as all or substantially all the risks and benefits associated with these financial assets have been transferred (see Note 40.10 (f)).

3. As of December 31, 2021 Commercial loans include transactions that guarantee obligations with the Chilean Central Bank under the Credit Facility Conditional on Increased Lending (FCIC) program of approximately ThCh$3,024,118,000 (ThCh$2,021,688,000 as of December 31, 2020).

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

### Note 40 – Additional notes (continued)

### Note 40.10 - Loans and receivables from customers (continued)

#### (c) Finance lease contracts

The cash flows receivable by the Bank under finance lease contracts have the following maturities.

| | Total receivable | | Deferred interest | | Net receivable (*) | |
|---|---|---|---|---|---|---|
| | 2021<br>ThCh$ | 2020<br>ThCh$ | 2021<br>ThCh$ | 2020<br>ThCh$ | 2021<br>ThCh$ | 2020<br>ThCh$ |
| Up to 1 year | 525,719,707 | 521,444,670 | (53,311,702) | (52,437,734) | 472,408,005 | 469,006,936 |
| 1 to 2 years | 385,117,662 | 373,303,565 | (38,653,449) | (37,958,287) | 346,464,213 | 335,345,278 |
| 2 to 3 years | 260,002,348 | 245,666,524 | (25,227,752) | (25,084,336) | 234,774,596 | 220,582,188 |
| 3 to 4 years | 166,416,225 | 161,492,480 | (17,014,793) | (17,433,013) | 149,401,432 | 144,059,467 |
| 4 to 5 years | 116,649,799 | 110,742,500 | (12,038,445) | (12,840,713) | 104,611,354 | 97,901,787 |
| Over 5 years | 327,071,377 | 350,679,977 | (25,624,115) | (28,994,130) | 301,447,262 | 321,685,847 |
| Total | 1,780,977,118 | 1,763,329,716 | (171,870,256) | (174,748,213) | 1,609,106,862 | 1,588,581,503 |

(*) Net receivable does not include delinquent contracts of ThCh$3,465,792 as of December 31, 2021 (ThCh$3,812,129 as of December 31, 2020).

The Bank has finance lease transactions mainly related to real estate, industrial machinery, vehicles and transport equipment. These leases have an average life of 2 to 15 years.

#### (d) Loans by economic sector

As of December 31, 2021 and 2020, the portfolio before provisions by the customer's economic sector, is as follows:

| | Loans | | | | Total | | | |
|---|---|---|---|---|---|---|---|---|
| | in Chile | | Abroad | | | | | |
| | 2020<br>ThCh$ | 2020<br>ThCh$ | 2020<br>ThCh$ | 2020<br>ThCh$ | 2020<br>ThCh$ | % | 2020<br>ThCh$ | % |
| **Commercial loans** | | | | | | | | |
| Services | 3,178,083,229 | 3,049,345,164 | 4,201,958 | 1,681,155 | 3,182,285,187 | 9.29 | 3,051,026,319 | 9.86 |
| Commerce | 3,050,896,518 | 2,536,445,504 | 1,722,507 | 7,340,704 | 3,052,619,025 | 8.91 | 2,543,786,208 | 8.22 |
| Construction | 2,608,832,555 | 2,452,387,558 | 7,793,035 | — | 2,616,625,590 | 7.64 | 2,452,387,558 | 7.93 |
| Financial services | 2,492,061,077 | 2,349,359,754 | — | 1,448,354 | 2,492,061,077 | 7.27 | 2,350,808,108 | 7.60 |
| Agriculture and livestock | 1,833,467,468 | 1,646,103,215 | — | — | 1,833,467,468 | 5.35 | 1,646,103,215 | 5.32 |
| Transport and telecommunications | 1,769,838,953 | 1,453,727,396 | — | — | 1,769,838,953 | 5.17 | 1,453,727,396 | 4.70 |
| Manufacturing | 1,750,227,924 | 1,346,600,773 | — | — | 1,750,227,924 | 5.11 | 1,346,600,773 | 4.35 |
| Mining | 400,133,676 | 470,292,509 | — | — | 400,133,676 | 1.17 | 470,292,509 | 1.52 |
| Electricity, gas and water | 340,378,444 | 395,592,613 | — | — | 340,378,444 | 0.99 | 395,592,613 | 1.28 |
| Fishing | 144,711,108 | 135,400,635 | — | — | 144,711,108 | 0.42 | 135,400,635 | 0.44 |
| Other | 2,078,472,994 | 1,747,313,361 | — | — | 2,078,472,994 | 6.08 | 1,747,313,361 | 5.65 |
| Subtotal | 19,647,103,946 | 17,582,568,482 | 13,717,500 | 10,470,213 | 19,660,821,446 | 57.40 | 17,593,038,695 | 56.87 |
| **Residential mortgage loans** | 10,346,650,484 | 9,388,653,938 | — | — | 10,346,650,484 | 30.20 | 9,388,653,938 | 30.35 |
| **Consumer loans** | 4,248,710,044 | 3,955,274,180 | — | — | 4,248,710,044 | 12.40 | 3,955,274,180 | 12.78 |
| Total | 34,242,464,474 | 30,926,496,600 | 13,717,500 | 10,470,213 | 34,256,181,974 | 100.00 | 30,936,966,813 | 100.00 |

#### (e) Purchase of loan portfolio

No loan portfolios were acquired during the years ended December 31, 2021 and 2020.

## Note 40 – Additional notes (continued)

### Note 40.10 - Loans and receivables from customers (continued)

#### (f) Sale or assignment of loans

During 2021 and 2020 the following loans from the loan portfolio were sold or assigned.

| | 2021 | | | |
|---|---|---|---|---|
| | Loan value ThCh$ | Provisions ThCh$ | Sale value ThCh$ | Gain (loss) (*) ThCh$ |
| Sale of valid loans | 23,781,821 | (14,481,881) | 14,003,582 | 4,703,642 |
| Sale of charged-off loans | — | — | — | — |
| Total | 23,781,821 | (14,481,881) | 14,003,582 | 4,703,642 |

| | 2020 | | | |
|---|---|---|---|---|
| | Loan value ThCh$ | Provisions ThCh$ | Sale value ThCh$ | Gain (loss) (*) ThCh$ |
| Sale of valid loans | 43,956,783 | (330,792) | 43,888,816 | 262,825 |
| Sale of charged-off loans | — | — | — | — |
| Total | 43,956,783 | (330,792) | 43,888,816 | 262,825 |

(*) See Note 40.27

#### (g) Securitization of own assets

There were no own asset securitization transactions during 2021 and 2020.

## Note 40 – Additional notes (continued)

### Note 40.11 – Investment instruments

Investment instruments designated as held for sale and held to maturity as of December 31, 2021 and 2020, are detailed as follows.

| | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|
| | Held for sale ThCh$ | Held to maturity ThCh$ | Total ThCh$ | Held for sale ThCh$ | Held to maturity ThCh$ | Total ThCh$ |
| **Instruments of the State and the Chilean Central Bank** | | | | | | |
| Chilean Central Bank bonds | 102,396 | — | 102,396 | 108,668 | — | 108,668 |
| Chilean Central Bank promissory notes | — | — | — | — | — | — |
| Other instruments of the State and the Chilean Central Bank | 2,488,747,621 | 782,528,869 | 3,271,276,490 | 163,490,943 | — | 163,490,943 |
| **Instruments issued by Chilean institutions** | | | | | | |
| Deposit promissory notes from banks in Chile | — | — | — | — | — | — |
| Mortgage bonds from banks in Chile | 111,656,405 | — | 111,656,405 | 128,762,954 | — | 128,762,954 |
| Bonds from banks in Chile | 2,411,233 | — | 2,411,233 | 15,886,940 | — | 15,886,940 |
| Deposits with banks in Chile | 424,418,903 | — | 424,418,903 | 685,392,705 | — | 685,392,705 |
| Bonds from other Chilean companies | 27,473,422 | — | 27,473,422 | 34,538,859 | — | 34,538,859 |
| Promissory notes from other companies in Chile | — | — | — | — | — | — |
| Other instruments issued in Chile | — | — | — | 32,342,391 | — | 32,342,391 |
| **Instruments issued by foreign institutions** | | | | | | |
| Foreign sovereign or central bank instruments | — | — | — | — | — | — |
| Other instruments | — | — | — | — | — | — |
| Total | 3,054,809,980 | 782,528,869 | 3,837,338,849 | 1,060,523,460 | — | 1,060,523,460 |

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

QUIÑENCO S.A.

**Note 40 – Additional notes (continued)**

**Note 40.11 – Investment instruments (continued)**

Instruments issued by the State and the Chilean Central Bank include instruments sold under repurchase agreements to customers and financial institutions of ThCh$350,811 as of December 31, 2021 (ThCh$13,267,730 as of December 31, 2020). Repurchase agreements had an average maturity of 4 days in December 2021 (5 days in December 2020). Instruments provided as collateral for the FCIC program total approximately ThCh$456,057,000 as of December 31, 2021. These also include instruments that meet the technical reserve requirements and total ThCh$2,336,780,000 as of December 31, 2021 (ThCh$64,000,000 as of December 31, 2020).

These also include instruments that guarantee margins for offset hedging transactions through Comder Contraparte Central S.A. of ThCh$33,598,800 as of December 31, 2021 (ThCh$36,145,700 as of December 31, 2020).

Instruments from Other Chilean institutions include instruments pledged as collateral within the FCIC program that total approximately ThCh$185,417,000 as of December 31, 2021 (ThCh$350,154,000 as of December 31, 2020).

As of December 31, 2021, the portfolio of instruments held for sale includes an accumulated unrealized loss of ThCh$109,129,560 (accumulated unrealized gain of ThCh$800,815 as of December 31, 2020) recorded as a revaluation adjustment in equity.

During 2021 and 2020, there was no evidence that investment instruments were impaired.

Gross realized gains and losses on the sale of instruments held for sale are shown in Net gain (loss) from financial transactions, as of December 31, 2021 and 2020 (Note 40.27), The annual movements are as follows.

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| Unrealized gain (loss) | (109,488,267) | 19,709,066 |
| Realized loss (reclassified to income) | (442,108) | (22,735,214) |
| Subtotal | (109,930,375) | (3,026,148) |
| Income tax on other comprehensive income | 4,118,260 | 816,122 |
| Net effect on equity | (105,812,115) | (2,210,026) |

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

### Note 40 – Additional notes (continued)

### Note 40.12 – Investments in companies

(a) Investments in companies are ThCh$49,168,007 as of December 31, 2021, (ThCh$44,648,412 as of December 31, 2020) detailed as follows:

| | | | | | | Investment | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Percentage interest | | Equity of the company | | Asset | | Investment income | |
| Company | Shareholder | 2021 % | 2020 % | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ |
| **Associates** | | | | | | | | | |
| Transbank S.A. (*) | Banco de Chile | 26.16 | 26.16 | 84,897,735 | 67,336,445 | 22,206,198 | 17,612,795 | (3,253,520) | (4,360,369) |
| Administrador Financiero del Transantiago S.A. | Banco de Chile | 20.00 | 20.00 | 19,157,994 | 19,170,899 | 3,947,127 | 3,950,834 | 385,093 | 388,847 |
| Redbanc S.A. | Banco de Chile | 38.13 | 38.13 | 9,934,927 | 8,662,892 | 3,842,481 | 3,306,682 | 538,975 | (242,516) |
| Sociedad Operadora de Tarjetas de Crédito Nexus S.A. (**) | Banco de Chile | 33.33 | 33.33 | 10,728,006 | 8,181,556 | 3,663,244 | 2,787,248 | 875,997 | 603,350 |
| Centro de Compensación Automatizado S.A. | Banco de Chile | 26.81 | 26.81 | 6,317,169 | 5,525,595 | 1,787,932 | 1,564,088 | 314,880 | 276,070 |
| Sociedad Interbancaria de Depósitos de Valores S.A. | Banco de Chile | 12.33 | 12.33 | 12,609,214 | 12,248,397 | 1,541,372 | 1,510,475 | 32,188 | (23,717) |
| Sociedad Imerc OTC S.A. | Banco de Chile | 15.00 | 15.00 | 6,637,955 | 6,435,844 | 1,025,074 | 979,609 | 58,760 | 28,465 |
| Soc. Operadora de la Cámara de Compensación de Pagos de Alto Valor S.A. | Banco de Chile | 29.63 | 29.63 | — | 8,625,648 | — | 2,555,780 | 1,404,869 | (2,681,685) |
| Subtotal associates | | | | 150,283,000 | 136,187,276 | 38,013,428 | 34,267,511 | 357,242 | (6,011,555) |
| **Joint ventures** | | | | | | | | | |
| Servipag Ltda. | Banco de Chile | 50.00 | 50.00 | 14,929,961 | 13,267,910 | 7,464,980 | 6,630,836 | 831,026 | 359,490 |
| Artikos Chile S.A. | Banco de Chile | 50.00 | 50.00 | 2,526,564 | 2,547,156 | 1,444,966 | 1,439,352 | 605,614 | 552,580 |
| Subtotal joint ventures | | | | 17,456,525 | 15,815,066 | 8,909,946 | 8,070,188 | 1,436,640 | 912,070 |
| Subtotal | | | | 167,739,525 | 152,002,342 | 46,923,374 | 42,337,699 | 1,793,882 | (5,099,485) |
| **Investments at cost (1)** | | | | | | | | | |
| Bolsa de Comercio de Santiago S.A. | Banchile Corredores de Bolsa | | | | | 1,645,820 | 1,645,820 | 399,690 | 373,680 |
| Banco Latinoamericano de Comercio Exterior S.A. (Bladex) | Banco de Chile | | | | | 308,858 | 308,858 | 45,853 | 54,471 |
| Bolsa Electrónica de Chile S.A. | Banchile Corredores de Bolsa | | | | | 257,033 | 257,033 | — | 9,259 |
| Sociedad de Telecomunicaciones Financieras Interbancarias Mundiales (Swift) | Banco de Chile | | | | | 24,935 | 91,015 | — | — |
| CCLV Contraparte Central S.A. | Banchile Corredores de Bolsa | | | | | 7,987 | 7,987 | 1,178 | 700 |
| Subtotal | | | | | | 2,244,633 | 2,310,713 | 446,721 | 438,110 |
| Total | | | | | | 49,168,007 | 44,648,412 | 2,240,603 | (4,661,375) |

(1) Net income from investments at cost is income recognized on a received basis (dividends).

(*) On April 22, 2021, at an Extraordinary Shareholders' Meeting shareholders unanimously approved a capital increase of ThCh$30,000,000 through the issuance of 152,905,194 shares. As of December 31, 2021, Banco de Chile had fully subscribed and paid for 39,994,508 shares totaling ThCh$7,847,000.

(**) As of December 31, 2021, this investment is disclosed under "Other assets" and under "Non-current assets held for sale". See Note 40.3 k)

QUIÑENCO S.A.

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

### Note 40 – Additional notes (continued)

### Note 40.12 - Investments in companies (continued)

(b) Associates

| | 2021 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Centro de Compensación Automatizado S.A. ThCh$** | **Soc. Operadora de la Cámara de Compensación de Pagos de Alto Valor S.A. ThCh$** | **Soc. Operadora de Tarjetas de Crédito Nexus S.A. ThCh$** | **Sociedad Interbancaria de Depósitos de Valores S.A. ThCh$** | **Redbanc S.A. ThCh$** | **Transbank S.A. ThCh$** | **Administrador Financiero del Transantiago S.A. ThCh$** | **Company Imerc OTC S.A. ThCh$** | **Total ThCh$** |
| Current assets | 10,501,062 | 5,258,785 | 108,074 | 12,006,146 | 1,197,304,664 | 53,740,945 | 27,627,832 | 1,306,547,508 | 10,501,062 |
| Non-current assets | 2,745,966 | 2,310,223 | 6,566,955 | 16,404,198 | 120,282,643 | 695,726 | 8,012,682 | 157,018,393 | 2,745,966 |
| **Total assets** | **13,247,028** | **7,569,008** | **6,675,029** | **28,410,344** | **1,317,587,307** | **54,436,671** | **35,640,514** | **1,463,565,901** | **13,247,028** |
| Current liabilities | 2,125,609 | 835,671 | 357,860 | 9,490,170 | 1,230,001,770 | 35,189,292 | 21,178,561 | 1,299,178,933 | 2,125,609 |
| Non-current liabilities | 393,413 | 95,382 | — | 8,985,247 | 2,687,802 | 89,385 | 1,844,177 | 14,095,406 | 393,413 |
| **Total liabilities** | **2,519,022** | **931,053** | **357,860** | **18,475,417** | **1,232,689,572** | **35,278,677** | **23,022,738** | **1,313,274,339** | **2,519,022** |
| Equity | 10,728,006 | 6,637,955 | 6,317,169 | 9,934,927 | 84,897,735 | 19,157,994 | 12,609,214 | 150,283,000 | 10,728,006 |
| Non-controlling interests | — | — | — | — | — | — | 8,562 | 8,562 | — |
| **Total liabilities and equity** | **13,247,028** | **7,569,008** | **6,675,029** | **28,410,344** | **1,317,587,307** | **54,436,671** | **35,640,514** | **1,463,565,901** | **13,247,028** |
| Revenue | 5,675,030 | 3,897,642 | 9,712 | 43,191,566 | 821,362,038 | 4,032,966 | 7,209,844 | 885,378,798 | 5,675,030 |
| Operating expenses | (2,377,191) | (3,652,538) | (42,947) | (41,066,493) | (757,772,762) | (2,181,832) | (6,863,548) | (813,957,311) | (2,377,191) |
| Other income (expenses) | 87,188 | 134,036 | 1,207,836 | (336,623) | (83,000,664) | 295,877 | (4,934) | (81,617,284) | 87,188 |
| **Net income (loss) before taxes** | **3,385,027** | **379,140** | **1,174,601** | **1,788,450** | **(19,411,388)** | **2,147,011** | **341,362** | **(10,195,797)** | **3,385,027** |
| Income tax benefit (expense) | (756,775) | 12,597 | — | (375,078) | 6,972,679 | (221,547) | 30,677 | 5,662,553 | (756,775) |
| **Net income (loss) for the year** | **2,628,252** | **391,737** | **1,174,601** | **1,413,372** | **(12,438,709)** | **1,925,464** | **372,039** | **(4,533,244)** | **2,628,252** |

| | 2020 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Centro de Compensación Automatizado S.A. ThCh$** | **Soc. Operadora de la Cámara de Compensación de Pagos de Alto Valor S.A. ThCh$** | **Soc. Operadora de Tarjetas de Crédito Nexus S.A. ThCh$** | **Sociedad Interbancaria de Depósitos de Valores S.A. ThCh$** | **Redbanc S.A. ThCh$** | **Transbank S.A. ThCh$** | **Administrador Financiero del Transantiago S.A. ThCh$** | **Company Imerc OTC S.A. ThCh$** | **Total ThCh$** |
| Current assets | 7,438,043 | 5,190,047 | 10,687,380 | 139,780 | 7,123,074 | 893,292,818 | 49,238,774 | 22,795,833 | 995,905,749 |
| Non-current assets | 3,696,253 | 1,967,684 | 8,522,968 | 5,699,812 | 18,360,763 | 112,844,743 | 602,242 | 5,391,632 | 157,086,097 |
| **Total assets** | **11,134,296** | **7,157,731** | **19,210,348** | **5,839,592** | **25,483,837** | **1,006,137,561** | **49,841,016** | **28,187,465** | **1,152,991,846** |
| Current liabilities | 2,534,376 | 515,832 | 6,956,843 | 313,997 | 6,996,568 | 937,138,260 | 30,670,117 | 13,842,775 | 998,968,768 |
| Non-current liabilities | 418,364 | 206,055 | 3,627,857 | — | 9,824,377 | 1,662,856 | — | 2,087,871 | 17,827,380 |
| **Total liabilities** | **2,952,740** | **721,887** | **10,584,700** | **313,997** | **16,820,945** | **938,801,116** | **30,670,117** | **15,930,646** | **1,016,796,148** |
| Equity | 8,181,556 | 6,435,844 | 8,625,648 | 5,525,595 | 8,662,892 | 67,336,445 | 19,170,899 | 12,248,397 | 136,187,276 |
| Non-controlling interests | — | — | — | — | — | — | — | 8,422 | 8,422 |
| **Total liabilities and equity** | **11,134,296** | **7,157,731** | **19,210,348** | **5,839,592** | **25,483,837** | **1,006,137,561** | **49,841,016** | **28,187,465** | **1,152,991,846** |
| Revenue | 4,519,240 | 3,623,436 | 45,136,816 | 10,201 | 36,111,054 | 463,087,240 | 3,835,799 | 6,044,254 | 562,368,040 |
| Operating expenses | (2,065,847) | (3,494,649) | (44,325,573) | (41,542) | (36,683,374) | (417,400,768) | (2,194,619) | (6,267,693) | (512,474,065) |
| Other income (expenses) | (42,481) | 67,416 | (13,339,477) | 1,060,078 | (363,989) | (68,834,312) | 808,689 | 90,685 | (80,553,391) |
| **Net income (loss) before taxes** | **2,410,912** | **196,203** | **(12,528,234)** | **1,028,737** | **(936,309)** | **(23,147,840)** | **2,449,869** | **(132,754)** | **(30,659,416)** |
| Income tax benefit (expense) | (600,680) | (6,439) | 3,477,660 | 1,098 | 292,021 | 6,477,474 | (505,636) | (59,111) | 9,076,387 |
| **Net income (loss) for the year** | **1,810,232** | **189,764** | **(9,050,574)** | **1,029,835** | **(644,288)** | **(16,670,366)** | **1,944,233** | **(191,865)** | **(21,583,029)** |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 40 – Additional notes (continued)**

**Note 40.12 - Investments in companies (continued)**

(c) Joint ventures

The Bank has a 50% interest in Artikos S.A. and Servipag Ltda., two jointly controlled companies. The Bank's interests in both companies are recognized using the equity method in the consolidated financial statements.

Summarized financial information for these jointly-controlled companies is as follows.

| | Artikos S.A. | | Servipag Ltda. | |
|---|---|---|---|---|
| | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ |
| Current assets | 2,067,288 | 1,856,003 | 65,127,674 | 71,710,988 |
| Non-current assets | 2,277,386 | 1,798,735 | 15,721,173 | 16,102,392 |
| **Total assets** | **4,344,674** | **3,654,738** | **80,848,847** | **87,813,380** |
| Current liabilities | 1,167,470 | 1,107,582 | 61,078,932 | 70,887,144 |
| Non-current liabilities | 650,640 | — | 4,839,954 | 3,658,326 |
| **Total liabilities** | **1,818,110** | **1,107,582** | **65,918,886** | **74,545,470** |
| Equity | 2,526,564 | 2,547,156 | 14,929,961 | 13,267,910 |
| **Total liabilities and equity** | **4,344,674** | **3,654,738** | **80,848,847** | **87,813,380** |
| Revenue | 3,976,565 | 3,632,073 | 39,309,362 | 40,138,466 |
| Operating expenses | (2,630,992) | (2,534,485) | (37,047,339) | (38,841,187) |
| Other income (expenses) | 7,398 | 4,465 | (230,587) | (31,238) |
| **Net income before taxes** | **1,352,971** | **1,102,053** | **2,031,436** | **1,266,041** |
| Income tax benefit (expense) | (141,743) | 3,107 | (369,385) | (289,820) |
| **Net income for the year** | **1,211,228** | **1,105,160** | **1,662,051** | **976,221** |

(d) Movements in investments in other companies accounted for using the equity method in 2021 and 2020 are as follows.

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| Opening book value | 42,337,699 | 48,441,989 |
| Acquisition of investments | 7,846,923 | — |
| Share of income (loss) from investments with significant influence and joint control | 1,793,882 | (5,099,485) |
| Dividends received | (1,096,801) | (1,001,333) |
| Non-current assets, Nexus | (3,960,649) | — |
| Other | 2,320 | (3,472) |
| Closing book value | 46,923,374 | 42,337,699 |

(e) There was no impairment of these investments during the years ended December 31, 2021 and 2020.

QUIÑENCO S.A.

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

### Note 40 – Additional notes (continued)

### Note 40.13 – Intangible assets

a) As of December 31, 2021 and 2020, these are as follows.

| | Average useful life | | Average amortization remaining | | Gross balance | | Accumulated amortization | | Net balance | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 Years | 2020 Years | 2021 Years | 2020 Years | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ |
| **Intangible assets** | | | | | | | | | | |
| Software and computer programs | 6 | 6 | 4 | 4 | 209,424,789 | 180,662,629 | (136,892,628) | (119,961,242) | 72,532,161 | 60,701,387 |
| Total | | | | | 209,424,789 | 180,662,629 | (136,892,628) | (119,961,242) | 72,532,161 | 60,701,387 |

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40 – Additional notes (continued)**

**Note 40.13 – Intangible assets (continued)**

b) Movements in intangible assets during the years ended December 31, 2021 and 2020, are detailed as follows.

| | Software and computer programs | |
|---|---|---|
| | **2021 ThCh$** | **2020 ThCh$** |
| **Gross balance** | | |
| Balance as of January 1 | 180,662,629 | 163,479,025 |
| Acquisitions | 30,221,797 | 18,630,508 |
| Disposals / derecognitions | (352,409) | (387,185) |
| Reclassification | (89,187) | (16,161) |
| Impairment (*) (**) | (1,018,041) | (1,043,558) |
| Balance as of December 31 | 209,424,789 | 180,662,629 |
| **Accumulated amortization** | | |
| Balance as of January 1 | (119,961,242) | (105,171,853) |
| Amortization for the year (**) | (17,831,208) | (15,865,254) |
| Disposals / derecognitions | 352,409 | 661,698 |
| Reclassification | (2,004) | (34) |
| Impairment (*) (**) | 549,417 | 414,201 |
| Balance as of December 31 | (136,892,628) | (119,961,242) |
| Net balance | 72,532,161 | 60,701,387 |

(*) Excludes provisions for write-offs of property, plant and equipment of ThCh$1,178,372 in 2021.

(**) See Note 40.32 on depreciation, amortization and impairment.

(c) As of December 31, 2021 and 2020, the Bank has the following commitments to technological developments.

| **Description** | **Commitment** | |
|---|---|---|
| | **2021 ThCh$** | **2020 ThCh$** |
| Software and licenses | 7,097,445 | 3,829,504 |

QUIÑENCO S.A.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

## Note 40 – Additional notes (continued)

## Note 40.14 - Property, plant and equipment, right-of-use leased assets and lease liabilities

(a) As of December 31, 2021 and 2020, property, plant and equipment is detailed as follows.

| | Average useful life | | Average depreciation remaining | | Gross balance | | Accumulated depreciation | | Net balance | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 Years | 2020 Years | 2021 Years | 2020 Years | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ |
| ThCh$ | | | | | | | | | | |
| Land and buildings | 26 | 26 | 19 | 20 | 311,278,100 | 304,951,274 | (148,645,367) | (142,543,766) | 162,632,733 | 162,407,508 |
| Equipment | 5 | 5 | 3 | 4 | 243,755,824 | 222,623,011 | (191,336,584) | (175,143,447) | 52,419,240 | 47,479,564 |
| Other | 7 | 7 | 4 | 4 | 56,582,338 | 55,897,791 | (49,314,912) | (47,855,917) | 7,267,426 | 8,041,874 |
| Total | | | | | 611,616,262 | 583,472,076 | (389,296,863) | (365,543,130) | 222,319,399 | 217,928,946 |

(b) Movements in property, plant and equipment for the years ended December 31, 2021 and 2020, are as follows:

| | 2021 | | | |
|---|---|---|---|---|
| | Land and buildings ThCh$ | Equipment ThCh$ | Other ThCh$ | Total ThCh$ |
| **Gross balance** | | | | |
| Balance as of January 01, 2021 | 304,951,274 | 222,623,011 | 55,897,791 | 583,472,076 |
| Additions | 9,476,539 | 22,366,915 | 2,349,374 | 34,192,828 |
| Derecognitions and sales during the year | (3,132,374) | (1,232,414) | (1,627,724) | (5,992,512) |
| Impairment (*) | (17,339) | (1,688) | (37,103) | (56,130) |
| Balance as of December 31, 2021 | 311,278,100 | 243,755,824 | 56,582,338 | 611,616,262 |
| **Accumulated depreciation** | | | | |
| Balance as of January 01, 2021 | (142,543,766) | (175,143,447) | (47,855,917) | (365,543,130) |
| Reclassification | — | — | 16,422 | 16,422 |
| Depreciation for the year (*) (**) | (8,894,642) | (17,408,959) | (3,107,721) | (29,411,322) |
| Derecognitions and sales during the year | 2,793,041 | 1,215,822 | 1,619,653 | 5,628,516 |
| Impairment (*) | — | — | 12,651 | 12,651 |
| Balance as of December 31, 2021 | (148,645,367) | (191,336,584) | (49,314,912) | (389,296,863) |
| Balance as of December 31, 2021 | 162,632,733 | 52,419,240 | 7,267,426 | 222,319,399 |

| | 2020 | | | |
|---|---|---|---|---|
| | Land and buildings ThCh$ | Equipment ThCh$ | Other ThCh$ | Total ThCh$ |
| **Gross balance** | | | | |
| Balance as of January 01, 2020 | 301,620,003 | 207,603,446 | 55,520,053 | 564,743,502 |
| Reclassification | — | — | 194 | 194 |
| Additions | 6,302,008 | 20,658,220 | 1,509,537 | 28,469,765 |
| Derecognition and sales during the year | (2,903,079) | (5,605,898) | (1,105,079) | (9,614,056) |
| Impairment (***) | (67,658) | (32,757) | (26,914) | (127,329) |
| Balance as of December 31, 2021 | 304,951,274 | 222,623,011 | 55,897,791 | 583,472,076 |
| **Accumulated depreciation** | | | | |
| Balance as of January 01, 2020 | (136,395,323) | (162,561,704) | (45,523,884) | (344,480,911) |
| Depreciation for the year (**) | (8,843,880) | (17,273,249) | (3,371,401) | (29,488,530) |
| Derecognitions and sales during the year | 2,695,437 | 4,691,378 | 1,026,958 | 8,413,773 |
| Impairment (***) | — | 128 | 12,410 | 12,538 |
| Balance as of December 31, 2021 | (142,543,766) | (175,143,447) | (47,855,917) | (365,543,130) |
| Balance as of December 31, 2020 | 162,407,508 | 47,479,564 | 8,041,874 | 217,928,946 |

(*) See Note 40.32 on depreciation, amortization and impairment.
(**) Excludes depreciation for the year on investment properties that are included in Other assets of ThCh$356,746 (ThCh$356,745 in 2020).
(***) Excludes provisions for write-offs of property, plant and equipment of ThCh$916,170 in December 2020.

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

### Note 40 – Additional notes (continued)

### Note 40.14 - Property, plant and equipment, right-of-use leased assets and lease liabilities (continued)

(c) As of December 31, 2021 and 2020, right-of-use leased assets are detailed as follows.

| | Gross balance | | Accumulated depreciation | | Net balance | |
|---|---|---|---|---|---|---|
| | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ |
| **Category** | | | | | | |
| Buildings | 124,979,055 | 123,215,318 | (46,743,163) | (33,560,285) | 78,235,892 | 89,655,033 |
| Spaces occupied by ATMs | 42,051,451 | 40,444,528 | (25,566,614) | (16,496,547) | 16,484,837 | 23,947,981 |
| Leasehold improvements | 26,066,051 | 26,580,483 | (20,598,934) | (21,354,171) | 5,467,117 | 5,226,312 |
| Total | 193,096,557 | 190,240,329 | (92,908,711) | (71,411,003) | 100,187,846 | 118,829,326 |

(d) Movements in right-of-use leased assets during the year ended December 31, 2021 and 2020, were as follows

| | 2021 | | | |
|---|---|---|---|---|
| | Buildings ThCh$ | Spaces occupied by ATMs ThCh$ | Leasehold improvements ThCh$ | Total ThCh$ |
| **Gross balance** | | | | |
| Balance as of January 01, 2021 | 123,215,318 | 40,444,528 | 26,580,483 | 190,240,329 |
| Additions | 12,123,254 | 2,867,147 | 1,385,574 | 16,375,975 |
| Disposals | (10,467,602) | (1,054,664) | (1,900,006) | (13,422,272) |
| Revaluation | — | (205,560) | — | (205,560) |
| Other | 108,085 | — | — | 108,085 |
| Balance as of December 31, 2021 | 124,979,055 | 42,051,451 | 26,066,051 | 193,096,557 |
| **Accumulated depreciation** | | | | |
| Balance as of January 01, 2021 | (33,560,285) | (16,496,547) | (21,354,171) | (71,411,003) |
| Depreciation for the year (*) | (18,243,872) | (10,094,911) | (860,459) | (29,199,242) |
| Derecognitions | 5,063,503 | 1,024,844 | 1,615,696 | 7,704,043 |
| Other | (2,509) | — | — | (2,509) |
| Balance as of December 31, 2021 | (46,743,163) | (25,566,614) | (20,598,934) | (92,908,711) |
| Balance as of December 31, 2021 | 78,235,892 | 16,484,837 | 5,467,117 | 100,187,846 |

(*) See Note 40.32 on depreciation, amortization and impairment.

| | 2020 | | | |
|---|---|---|---|---|
| | Buildings ThCh$ | Spaces occupied by ATMs ThCh$ | Leasehold improvements ThCh$ | Total ThCh$ |
| **Gross balance** | | | | |
| Balance as of January 01, 2020 | 130,853,588 | 41,959,204 | 27,253,317 | 200,066,109 |
| Additions | 7,906,823 | 1,319,352 | 848,922 | 10,075,097 |
| Derecognitions | (15,538,114) | (1,197,220) | (1,521,756) | (18,257,090) |
| Revaluation | (6,979) | (1,636,808) | — | (1,643,787) |
| Balance as of December 31, 2020 | 123,215,318 | 40,444,528 | 26,580,483 | 190,240,329 |
| **Accumulated depreciation** | | | | |
| Balance as of January 01, 2020 | (18,721,517) | (9,091,611) | (21,588,309) | (49,401,437) |
| Depreciation for the year (*) | (18,867,424) | (7,773,618) | (1,006,274) | (27,647,316) |
| Derecognitions | 4,028,656 | 368,682 | 1,240,468 | 5,637,806 |
| Other | — | — | (56) | (56) |
| Balance as of December 31, 2020 | (33,560,285) | (16,496,547) | (21,354,171) | (71,411,003) |
| Balance as of December 31, 2020 | 89,655,033 | 23,947,981 | 5,226,312 | 118,829,326 |

(*) See Note 40.32 on depreciation, amortization and impairment. Does not include an impairment provision of ThCh$1,349.

QUIÑENCO S.A.

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40 – Additional notes (continued)**

**Note 40.14 - Property, plant and equipment, right-of-use leased assets and lease liabilities (continued)**

(e) As of December 31, 2021 and 2020, the future maturities of lease liabilities are as follows.

| | 2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| **Lease related to:** | **Under 1 month ThCh$** | **1 to 3 months ThCh$** | **3 to 12 months ThCh$** | **1 to 3 years ThCh$** | **3 to 5 years ThCh$** | **Over 5 years ThCh$** | **Total ThCh$** |
| Buildings | 1,785,442 | 3,554,542 | 13,515,973 | 28,024,685 | 21,529,654 | 27,733,057 | 96,143,353 |
| ATMs | 962,084 | 1,920,736 | 8,221,333 | 6,113,870 | 116,010 | 107,687 | 17,441,720 |
| Total | 2,747,526 | 5,475,278 | 21,737,306 | 34,138,555 | 21,645,664 | 27,840,744 | 113,585,073 |

| | December 2020 | | | | | | |
|---|---|---|---|---|---|---|---|
| **Lease related to:** | **Under 1 month ThCh$** | **1 to 3 months ThCh$** | **3 to 12 months ThCh$** | **1 to 3 years ThCh$** | **3 to 5 years ThCh$** | **Over 5 years ThCh$** | **Total ThCh$** |
| Buildings | 1,645,668 | 3,371,067 | 14,501,421 | 28,663,336 | 20,868,531 | 30,864,777 | 99,914,800 |
| ATMs | 823,964 | 1,644,359 | 7,229,324 | 14,467,405 | 419,267 | 483,142 | 25,067,461 |
| Total | 2,469,632 | 5,015,426 | 21,730,745 | 43,130,741 | 21,287,798 | 31,347,919 | 124,982,261 |

The Bank and its subsidiaries have lease contracts with specific renewal options and it is reasonably certain that these options will be exercised. Therefore, the lease period used to value the asset and liability is an estimate of future renewals.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40 – Additional notes (continued)**

**Note 40.14 - Property, plant and equipment, right-of-use leased assets and lease liabilities (continued)**

(f) Movements during 2021 and 2020 in lease liabilities and cash flows are as follows:

| **Lease liabilities** | **Cash flow for the year ThCh$** |
|---|---|
| Balances as of January 1, 2020 | 146,012,685 |
| Liabilities for new lease contracts | 5,767,985 |
| Interest expense | 2,531,906 |
| Capital and interest payments | (28,704,447) |
| Revaluation | (1,643,787) |
| Contracts withdrawn | (12,337,996) |
| Other | 3,390,861 |
| Balances as of December 31, 2020 | 115,017,207 |
| | |
| Balances as of January 1, 2021 | 115,017,207 |
| Liabilities for new lease contracts | 8,283,107 |
| Interest expense | 1,978,164 |
| Capital and interest payments | (30,586,399) |
| Revaluation | (205,560) |
| Contracts withdrawn | (5,523,653) |
| Other | 6,707,294 |
| Balances as of December 31, 2021 | 95,670,160 |

(g) Future cash flow related to short-term leases as of December 31, 2021 are ThCh$5,568,470 (ThCh$6,812,714 as of December 31, 2020).

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 40 – Additional notes (continued)**

**Note 40.15 – Current and deferred taxes**

(a) Income taxes

The Bank and its subsidiaries have provided for corporate income taxes for each year in accordance with current tax laws. This provision is disclosed as the net amount of recoverable or payable taxes in the statement of financial position as of December 31, 2021 and 2020, as follows.

| | **2021 ThCh$** | **2020 ThCh$** |
|---|---|---|
| Income tax expense | 299,396,986 | 153,084,483 |
| Less: | | |
| Monthly provisional tax payments | (182,903,399) | (172,683,641) |
| Training expense credits | (2,000,000) | (1,900,000) |
| Other | (2,210,169) | (1,138,997) |
| Total | 112,283,418 | (22,638,155) |
| Income tax rate | 27% | 27% |

| | **2021 ThCh$** | **2020 ThCh$** |
|---|---|---|
| Current tax assets | 845,646 | 22,949,321 |
| Current tax liabilities | (113,129,064) | (311,166) |
| Total net taxes | (112,283,418) | 22,638,155 |

(b) Income Tax Expense

The tax expense for the years ended December 31, 2021 and 2020 is detailed as follows.

| | **2021 ThCh$** | **2020 ThCh$** |
|---|---|---|
| **Income tax expense** | | |
| Current year taxes | 250,155,439 | 161,869,403 |
| Prior years taxes | 3,014,316 | 812,779 |
| Subtotal | 253,169,755 | 162,682,182 |
| **Credit for deferred taxes** | | |
| Creation and reversal of temporary differences | (77,255,378) | (36,155,849) |
| Subtotal | (77,255,378) | (36,155,849) |
| Other | 2,636,014 | (563,461) |
| Net income tax expense | 178,550,391 | 125,962,872 |

**Note 40 – Additional notes (continued)**

**Note 40.15 – Current and deferred taxes (continued)**

(c) Reconciliation of effective tax rate

The reconciliation between the income tax rate and the effective rate applied to the income tax expense for the years ended December 31, 2021 and 2020, is as follows.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Tax rate % | ThCh$ | Tax rate % | ThCh$ |
| Tax on financial net income | 27.00 | 262,349,761 | 27.00 | 159,082,020 |
| Additions or deductions | 0.25 | 2,382,289 | (0.99) | (5,848,125) |
| Taxation indexation | (8.85) | (85,969,172) | (5.66) | (33,346,886) |
| Other additions or deductions | (0.02) | (212,487) | 1.03 | 6,075,863 |
| Effective rate and income tax expense | 18.38 | 178,550,391 | 21.38 | 125,962,872 |

The effective rate for income tax for the year 2021 is 18.38% (21.38% as of December 2020).

QUIÑENCO S.A.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40 – Additional notes (continued)**

**Note 40.15 – Current and deferred taxes (continued)**

(d) Effect of deferred taxes on net income and equity

The Bank and its subsidiaries have recognized deferred taxes in their consolidated financial statements. The effects of deferred taxes on assets, liabilities and net income as of December 31, 2021, are as follows.

| | | Recognized in | | |
|---|---|---|---|---|
| | **Balances as of 12.31.2020 ThCh$** | **Investment income ThCh$** | **Equity ThCh$** | **Balances as of 12.31.2021 ThCh$** |
| **Debtor differences** | | | | |
| Provisions for loan losses | 268,482,055 | 48,812,879 | — | 317,294,934 |
| Personnel provisions | 16,233,073 | (1,929,266) | — | 14,303,807 |
| Vacation provisions | 9,164,033 | 828,683 | — | 9,992,716 |
| Accrued interest and indexation on impaired portfolio | 4,570,241 | 503,072 | — | 5,073,313 |
| Provisions for termination benefits | 537,819 | (68,480) | (124,692) | 344,647 |
| Credit card related expenses provision | 7,958,651 | 1,815,476 | — | 9,774,127 |
| Accrued expenses provision | 14,082,579 | (1,767,147) | — | 12,315,432 |
| Revaluation of investments held for sale | — | — | 3,895,838 | 3,895,838 |
| Leasing | 28,835,328 | 23,183,263 | — | 52,018,591 |
| Income received in advance | 16,087,954 | (3,720,126) | — | 12,367,828 |
| Other adjustments | 26,905,205 | 16,947,547 | — | 43,852,752 |
| Total debtor differences | 392,856,938 | 84,605,901 | 3,771,146 | 481,233,985 |
| **Creditor differences** | | | | |
| Depreciation and indexation on property, plant and equipment | 17,255,984 | (809,856) | — | 16,446,128 |
| Revaluation of investments held for sale | 222,422 | — | (222,422) | — |
| Transitory assets | 5,378,335 | 1,579,217 | — | 6,957,552 |
| Accrued loans effective rate | 2,779,188 | (342,626) | — | 2,436,562 |
| Prepaid expenses | 2,233,834 | 3,434,259 | — | 5,668,093 |
| Other adjustments | 7,042,372 | 3,489,529 | — | 10,531,901 |
| Total creditor differences | 34,912,135 | 7,350,523 | (222,422) | 42,040,236 |
| Net total | 357,944,803 | 77,255,378 | 3,993,568 | 439,193,749 |

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)



**Note 40 – Additional notes (continued)**

**Note 40.15 – Current and deferred taxes (continued)**

(e) In compliance with Joint Circular 47 of the Internal Revenue Service (SII) and Circular 3,478 issued by the CMF dated August 18, 2009, the movements and effects of applying Article 31 number 4 of the Income Tax Law are as follows.

As required, the information relates just to the Bank lending services and not the transactions of the subsidiaries consolidated in these consolidated financial statements.

| **(e.1) Loans and advances to banks, and loans and receivables from customers as of 12.31.2021** | **2021** | | | | |
|---|---|---|---|---|---|
| | | | **Assets at tax value** | | |
| | **Assets at book value (*) ThCh$** | **Assets at tax value ThCh$** | **Secured past due portfolio ThCh$** | **Unsecured past due portfolio ThCh$** | **Total past due portfolio ThCh$** |
| Loans and advances to banks | 1,529,312,881 | 1,529,831,169 | — | — | — |
| Commercial loans | 17,262,706,745 | 18,124,404,867 | 33,449,687 | 63,603,621 | 97,053,308 |
| Consumer loans | 3,977,570,467 | 5,098,856,004 | 503,106 | 10,156,174 | 10,659,280 |
| Residential mortgage loans | 10,315,919,981 | 10,345,097,660 | 8,877,509 | 362,973 | 9,240,482 |
| Total | 33,085,510,074 | 35,098,189,700 | 42,830,302 | 74,122,768 | 116,953,070 |

| **(e.1) Loans and advances to banks, and loans and receivables from customers as of 12.31.2020** | **2020** | | | | |
|---|---|---|---|---|---|
| | | | **Assets at tax value** | | |
| | **Assets at book value (*) ThCh$** | **Assets at tax value ThCh$** | **Secured past due portfolio ThCh$** | **Unsecured past due portfolio ThCh$** | **Total past due portfolio ThCh$** |
| Loans and advances to banks | 2,938,990,560 | 2,939,655,718 | — | — | — |
| Commercial loans | 15,199,425,048 | 16,053,548,220 | 46,808,682 | 72,439,932 | 119,248,614 |
| Consumer loans | 3,665,123,722 | 4,885,119,302 | 166,095 | 12,627,274 | 12,793,369 |
| Residential mortgage loans | 9,354,890,149 | 9,386,654,267 | 11,030,380 | 122,003 | 11,152,383 |
| Total | 31,158,429,479 | 33,264,977,507 | 58,005,157 | 85,189,209 | 143,194,366 |

(*) According to the Circular in reference and the SII instructions, the value of the assets in the financial statements is shown on an individual basis (only Banco de Chile) net of provisions for loan losses and excludes lease and factoring transactions.

# Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

QUIÑENCO S.A.

### Note 40 – Additional notes (continued)

### Note 40.15 – Current and deferred taxes (continued)

| | 2021 | | | | |
|---|---|---|---|---|---|
| **(e.2) Provisions for the past due portfolio** | **Balance as of 01.01.2021 ThCh$** | **Charge-offs against provisions ThCh$** | **New provisions ThCh$** | **Provisions released ThCh$** | **Balance as of 12.31.2021 ThCh$** |
| Commercial loans | 72,439,932 | (59,081,139) | 215,637,617 | (165,392,789) | 63,603,621 |
| Consumer loans | 12,627,274 | (144,809,711) | 150,834,428 | (8,495,817) | 10,156,174 |
| Residential mortgage loans | 122,003 | (4,870,038) | 34,588,659 | (29,477,651) | 362,973 |
| Total | 85,189,209 | (208,760,888) | 401,060,704 | (203,366,257) | 74,122,768 |

| | 2020 | | | | |
|---|---|---|---|---|---|
| **(e.2) Provisions for the past due portfolio** | **Balance as of 01.01.2020 ThCh$** | **Charge-offs against provisions ThCh$** | **New provisions ThCh$** | **Provisions released ThCh$** | **Balance as of 31.12.2020 ThCh$** |
| Commercial loans | 76,814,252 | (47,121,925) | 176,451,812 | (133,704,207) | 72,439,932 |
| Consumer loans | 29,643,334 | (239,881,658) | 248,045,057 | (25,179,459) | 12,627,274 |
| Residential mortgage loans | 155,197 | (2,931,452) | 25,655,605 | (22,757,347) | 122,003 |
| Total | 106,612,783 | (289,935,035) | 450,152,474 | (181,641,013) | 85,189,209 |

| **(e.3) Direct charge-offs and recoveries** | **2021 ThCh$** | **2020 ThCh$** |
|---|---|---|
| Direct charge-offs (Article 31 number 4, paragraph 2) | 26,712,052 | 19,111,418 |
| Debt relief that releases provisions | 1,737,936 | 1,984,685 |
| Recoveries or re-negotiation of charged-off loans | 66,226,509 | 41,758,427 |

| **(e.4) Application of Article 31 number 4 paragraphs 1 and 3 of Income Tax Law** | **2021 ThCh$** | **2020 ThCh$** |
|---|---|---|
| Charge-offs, paragraph 1 | — | — |
| Relief, paragraph 3 | 1,737,936 | 1,984,685 |

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40 – Additional notes (continued)**

**Note 40.16 – Other assets**

(a) Composition

As of December 31, 2021 and 2020, these are detailed as follows.

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| **Leased assets (*)** | 94,460,198 | 85,626,459 |
| **Assets received in lieu of payment (**)** | | |
| Assets awarded in judicial auctions | 11,628,527 | 5,570,853 |
| Assets received in lieu of payment | 953,546 | 99,000 |
| Provisions for assets received in lieu of payment | (78,980) | (52,074) |
| Subtotal | 12,503,093 | 5,617,779 |
| **Other assets** | | |
| Derivative margin deposits | 293,377,945 | 232,732,070 |
| Document brokering (***) | 79,064,149 | 84,992,939 |
| Recoverable taxes | 65,301,914 | 8,690,811 |
| Prepaid expenses | 45,731,058 | 29,653,713 |
| Other accounts and notes receivable | 34,373,068 | 63,796,055 |
| Investment properties | 12,702,706 | 12,832,917 |
| Recoverable VAT | 12,476,171 | 10,776,969 |
| Fees receivable | 9,481,827 | 11,809,549 |
| Servipag funds available | 8,734,795 | 11,385,442 |
| Non-current assets held for sale (****) | 3,960,649 | |
| Transactions pending settlement | 2,955,243 | 1,825,393 |
| Recovered leased assets for sale | 1,917,492 | 714,948 |
| Lease guarantees | 903,702 | 2,013,789 |
| Receivables on selling assets received in lieu of payment | 693,535 | 2,469,285 |
| Materials and supplies | 607,549 | 783,712 |
| Other | 19,978,197 | 13,737,247 |
| Subtotal | 592,260,000 | 488,214,839 |
| Total | 699,223,291 | 579,459,077 |

(*) Relates to property, plant and equipment under finance leases.

(**) Assets received in lieu of payment relate to customers with past due debts. The assets acquired by the Bank in lieu of payment should at no time exceed 20% of the Bank's regulatory capital. These assets currently represent 0.0169% (0.0024% in 2020) of the Bank's regulatory capital.

(***) This mainly includes simultaneous transactions by the subsidiary Banchile Corredores de Bolsa S.A.

(****) The interest in Sociedad Operadora de Tarjetas de Crédito Nexus S.A. has been reclassified as a non-current asset. See Note 40.3 k).

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 40 – Additional notes (continued)**

**Note 40.16 – Other assets (continued)**

(b) Movements in the provision for assets received in lieu of payment during 2021 and 2020 are detailed as follows.

| Provisions for assets received in lieu of payment | ThCh$ |
|---|---|
| Balance as of January 01, 2020 | 188,330 |
| Provisions used | (1,087,751) |
| New provisions | 951,495 |
| Provisions released | — |
| Balance as of December 31, 2020 | 52,074 |
| | |
| Balance as of January 01, 2021 | 52,074 |
| Provisions used | (137,682) |
| New provisions | 164,588 |
| Provisions released | — |
| Balance as of December 31, 2021 | 78,980 |

**Note 40.17 – Demand deposits and other obligations**

As of December 31, 2021 and 2020, these are detailed as follows.

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| Current accounts | 15,317,067,303 | 12,414,211,672 |
| Other deposits and demand accounts | 1,636,176,701 | 1,230,345,371 |
| Other demand obligations | 1,552,278,647 | 1,431,902,584 |
| Total | 18,505,522,651 | 15,076,459,627 |

**Note 40.18 – Deposits and term obligations**

As of December 31, 2021 and 2020, these are detailed as follows.

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| Time deposits | 8,317,355,506 | 8,442,535,781 |
| Time savings accounts | 448,256,832 | 342,550,091 |
| Other term payables | 372,583,091 | 114,455,461 |
| Total | 9,138,195,429 | 8,899,541,333 |

**Note 40 – Additional notes (continued)**

**Note 40.19 - Obligations to banks**

(a) As of December 31, 2021 and 2020, these are detailed as follows.

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| **Banks in Chile** | | |
| Banco do Brasil | — | 7,100,049 |
| Banco Scotiabank | — | 1,257,154 |
| Subtotal banks in Chile | — | 8,357,203 |
| **Banks abroad** | | |
| **Foreign trade financing** | | |
| Wells Fargo Bank | 145,070,494 | 85,733,823 |
| Citibank N.A. USA | 70,589,625 | 114,524,550 |
| Bank of America | 43,924,998 | 20,474,538 |
| Sumitomo Mitsui Banking | 42,640,984 | 11,394,158 |
| Bank of New York Mellon | 17,054,668 | 21,388,822 |
| Standard Chartered Bank | 4,989,576 | 715,446 |
| Commerzbank AG | 1,781,840 | 21,687,108 |
| Bank of Tokyo | 412,434 | 40,314 |
| The Bank of Nova Scotia | — | 121,085,368 |
| Zürcher Kantonalbank | — | 39,116,208 |
| **Borrowings and other obligations** | | |
| Wells Fargo Bank | 133,692,432 | 106,965,217 |
| Citibank N.A. United Kingdom | 48,120,166 | 232,709 |
| Citibank N.A. USA | 4,173,427 | — |
| Commerzbank AG | 567,776 | — |
| Standard Chartered Bank | 211,179 | — |
| Deutsche Bank Trust Company Americas | — | 7,333,346 |
| Other | 176,028 | 105,365 |
| Subtotal foreign banks | 513,405,627 | 550,796,972 |
| **Chilean Central Bank (*)** | 4,348,460,394 | 3,110,600,000 |
| Total | 4,861,866,021 | 3,669,754,175 |

(*) Financing provided by the Central Bank to provide liquidity to the economy and support the flow of credit to households and companies includes the Credit Facility Conditional on Increased Lending (FCIC) program and the Liquidity Credit Line (LCL).

QUIÑENCO S.A.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

## Note 40 – Additional notes (continued)

## Note 40.20 – Debt instruments issued

As of December 31, 2021 and 2020, these are detailed as follows.

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| Mortgage bonds | 4,115,911 | 6,786,386 |
| Bonds | 8,557,278,734 | 7,700,402,227 |
| Subordinated bonds | 917,509,514 | 886,406,724 |
| Total | 9,478,904,159 | 8,593,595,337 |

During 2021, Banco de Chile placed bonds amounting to ThCh$1,661,016,258, consisting of short-term bonds of ThCh$698,435,286, and long-term bonds of ThCh$962,580,972, detailed as follows:

### Commercial papers

| Counterparty | Currency | Amount ThCh$ | Annual interest rate % | Issue date | Maturity date |
|---|---|---|---|---|---|
| Wells Fargo Bank | USD | 72,240,000 | 0.23 | 01-20-2021 | 04-20-2021 |
| Wells Fargo Bank | USD | 36,736,000 | 0.38 | 02-09-2021 | 02-04-2022 |
| Citibank N.A. | USD | 36,736,000 | 0.28 | 02-09-2021 | 08-02-2021 |
| Wells Fargo Bank | USD | 35,700,000 | 0.26 | 02-25-2021 | 08-24-2021 |
| Citibank N.A. | USD | 71,400,000 | 0.23 | 02-25-2021 | 06-01-2021 |
| Wells Fargo Bank | USD | 35,700,000 | 0.26 | 02-25-2021 | 08-26-2021 |
| Citibank N.A. | USD | 36,294,500 | 0.34 | 03-04-2021 | 09-03-2021 |
| Citibank N.A. | USD | 72,589,000 | 0.34 | 03-04-2021 | 09-07-2021 |
| Wells Fargo Bank | USD | 18,147,250 | 0.25 | 03-04-2021 | 06-01-2021 |
| Wells Fargo Bank | USD | 78,814,000 | 0.25 | 09-08-2021 | 06-01-2022 |
| Citibank N.A. | USD | 78,873,000 | 0.23 | 09-10-2021 | 03-10-2022 |
| Wells Fargo Bank | USD | 39,436,500 | 0.25 | 09-10-2021 | 06-08-2022 |
| Citibank N.A. | USD | 78,413,000 | 0.23 | 09-13-2021 | 03-17-2022 |
| Wells Fargo Bank | USD | 4,283,070 | 0.28 | 09-15-2021 | 09-14-2022 |
| Citibank N.A. | USD | 3,072,966 | 0.28 | 09-22-2021 | 09-16-2022 |
| Total as of December 31, 2021 | | 698,435,286 | | | |

### Bonds

| Series | Currency | Amount ThCh$ | Term in years | Annual interest rate % | Issue date | Maturity date |
|---|---|---|---|---|---|---|
| BCHIER1117 | UF | 109,888,728 | 6 | 3.68 | 10-22-2021 | 10-22-2027 |
| BCHICD0815 | UF | 58,658,286 | 9 | 3.59 | 10-25-2021 | 10-25-2030 |
| BCHIEU0917 | UF | 109,363,218 | 7 | 3.70 | 10-25-2021 | 10-25-2028 |
| Total as of December 31, 2021 | | 277,910,232 | | | | |
| | | | | | | |
| JPY BOND | JPY | 36,097,000 | 10 | 0.70 | 08-17-2021 | 08-17-2031 |
| AUD BOND | AUD | 31,202,567 | 10 | Rate BBSW +1.38 | 08-12-2021 | 08-12-2031 |
| CHF BOND | CHF | 115,483,173 | 5 | 0.32 | 10-14-2021 | 10-14-2026 |
| USD BOND | USD | 82,543,000 | 5 | 2.22 | 11-17-2021 | 11-17-2026 |
| USD BOND | USD | 419,345,000 | 10 | 2.99 | 12-07-2021 | 12-07-2031 |
| Subtotal other currencies | | 684,670,740 | | | | |
| Total as of December 31, 2021 | | 962,580,972 | | | | |

**Note 40 – Additional notes (continued)**

**Note 40.20 – Debt instruments issued (continued)**

**Subordinated bonds**

No subordinated bonds were issued during the year ended December 31, 2021.

During 2020, Banco de Chile placed bonds amounting to ThCh$889,134,827, consisting of short-term bonds of ThCh$634,951,928, and long-term bonds of ThCh$254,182,899, detailed as follows:

**Commercial papers**

| Counterparty | Currency | Amount ThCh$ | Annual interest rate % | Issue date | Maturity date |
|---|---|---|---|---|---|
| Citibank N.A. | USD | 23,078,100 | 2.00 | 01-07-2020 | 07-07-2020 |
| Citibank N.A. | USD | 38,371,000 | 1.95 | 01-09-2020 | 04-09-2020 |
| Citibank N.A. | USD | 34,886,250 | 1.91 | 01-13-2020 | 04-13-2020 |
| Citibank N.A. | USD | 11,628,750 | 1.87 | 01-14-2020 | 04-14-2020 |
| Citibank N.A. | USD | 31,667,200 | 1.91 | 01-29-2020 | 07-31-2020 |
| Citibank N.A. | USD | 7,916,800 | 1.91 | 01-29-2020 | 07-31-2020 |
| Citibank N.A. | USD | 27,708,800 | 1.86 | 01-29-2020 | 05-29-2020 |
| Citibank N.A. | USD | 10,350,470 | 1.85 | 01-30-2020 | 06-01-2020 |
| Citibank N.A. | USD | 19,719,750 | 1.85 | 02-03-2020 | 06-03-2020 |
| Citibank N.A. | USD | 31,390,800 | 1.55 | 04-08-2020 | 06-05-2020 |
| Citibank N.A. | USD | 21,263,000 | 1.30 | 04-13-2020 | 05-12-2020 |
| Citibank N.A. | USD | 12,757,800 | 1.30 | 04-13-2020 | 05-13-2020 |
| Citibank N.A. | USD | 34,020,800 | 1.30 | 04-13-2020 | 05-13-2020 |
| Citibank N.A. | USD | 25,592,700 | 1.55 | 04-16-2020 | 06-16-2020 |
| Citibank N.A. | USD | 25,592,700 | 1.55 | 04-16-2020 | 06-18-2020 |
| Citibank N.A. | USD | 34,157,600 | 1.61 | 04-17-2020 | 08-21-2020 |
| Wells Fargo Bank | USD | 42,697,000 | 1.60 | 04-17-2020 | 08-21-2020 |
| Wells Fargo Bank | USD | 42,857,500 | 1.50 | 04-22-2020 | 08-14-2020 |
| Wells Fargo Bank | USD | 42,943,000 | 1.45 | 04-24-2020 | 01-29-2021 |
| Wells Fargo Bank | USD | 4,175,100 | 1.30 | 04-29-2020 | 10-29-2020 |
| Citibank N.A. | USD | 32,833,600 | 0.45 | 05-18-2020 | 07-20-2020 |
| Citibank N.A. | USD | 5,089,208 | 0.45 | 05-18-2020 | 07-20-2020 |
| Wells Fargo Bank | USD | 74,254,000 | 0.45 | 12-07-2020 | 12-06-2021 |
| Total as of December 31, 2020 | | 634,951,928 | | | |

QUIÑENCO S.A.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 40 – Additional notes (continued)**

**Note 40.20 – Debt instruments issued (continued)**

**Bonds**

| Series | Currency | Amount ThCh$ | Term in years | Annual interest rate % | Issue date | Maturity date |
|---|---|---|---|---|---|---|
| BCHIEM0817 | UF | 93,096,192 | 7 | 0.80 | 01-06-2020 | 01-06-2027 |
| BCHIEL0717 | UF | 123,957,083 | 8 | 0.72 | 02-04-2020 | 02-04-2028 |
| Subtotal UF | | 217,053,275 | | | | |
| AUD BOND | AUD | 37,129,624 | 15 | 2.65 | 03-02-2020 | 03-02-2035 |
| Subtotal other currencies | | 37,129,624 | | | | |
| Total as of December 31, 2020 | | 254,182,899 | | | | |

**Subordinated bonds**

No subordinated bonds were issued during the year ended December 31, 2020.

The Bank has not defaulted on its payments of principal and interest on its debt instruments during 2021 and 2020. Neither has there been any non-compliance with covenants or other commitments associated with its debt instruments.

**Note 40 – Additional notes (continued)**

**Note 40.21 – Other financial obligations**

As of December 31, 2021 and 2020, these are detailed as follows.

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| Other obligations in Chile | 274,395,136 | 191,258,354 |
| Public-sector obligations | 223,354 | 455,373 |
| Total | 274,618,490 | 191,713,727 |

**Note 40.22 - Provisions**

(a) Provisions as of December 31, 2020 and 2019, are detailed as follows.

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| Provision for minimum dividends | 158,223,699 | 107,602,494 |
| Personnel remuneration and benefits provisions | 106,963,629 | 111,243,487 |
| Provisions for contingent credit risks | 68,606,911 | 76,190,508 |
| Provisions for contingencies: | | |
| Additional provisions (*) | 540,251,877 | 320,251,877 |
| Country risk provisions | 7,335,947 | 5,447,247 |
| Other contingent provisions | 957,734 | 507,480 |
| Total | 882,339,797 | 621,243,093 |

(*) As of December 31, 2021, additional provisions of ThCh$220,000,000 have been established (ThCh$107,000,000 as of December 31, 2020). See Note 40.22 (b).

QUIÑENCO S.A.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

## Note 40 – Additional notes (continued)

## Note 40.22 – Provisions (continued)

(b) Movements in provisions during 2021 and 2020 are detailed as follows.

| | Minimum dividends ThCh$ | Benefits and staff remuneration ThCh$ | Credit risk contingencies ThCh$ | Additional provisions ThCh$ | Country risk and other contingencies ThCh$ | Total ThCh$ |
|---|---|---|---|---|---|---|
| Balance as of January 01, 2020 | 146,775,021 | 109,074,376 | 57,042,201 | 213,251,877 | 4,832,991 | 530,976,466 |
| New provisions | 107,602,494 | 82,954,012 | 19,148,307 | 107,000,000 | 1,121,736 | 317,826,549 |
| Provisions used | (146,775,021) | (80,784,901) | — | — | — | (227,559,922) |
| Provisions released | — | — | — | — | — | — |
| Balance as of December 31, 2020 | 107,602,494 | 111,243,487 | 76,190,508 | 320,251,877 | 5,954,727 | 621,243,093 |
| New provisions | 158,223,699 | 108,176,349 | — | 220,000,000 | 2,425,252 | 488,825,300 |
| Provisions used | (107,602,494) | (112,456,207) | — | — | (86,298) | (220,144,999) |
| Provisions released | — | — | (7,583,597) | — | — | (7,583,597) |
| Balance as of December 31, 2021 | 158,223,699 | 106,963,629 | 68,606,911 | 540,251,877 | 8,293,681 | 882,339,797 |

(c) Provisions for personnel benefits and payroll

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| Vacation accrual | 53,069,285 | 43,941,352 |
| Provisions for performance bonuses | 37,010,060 | 33,992,491 |
| Provision for other employee benefits | 10,437,915 | 25,728,470 |
| Provisions for termination benefits | 6,446,369 | 7,581,174 |
| Total | 106,963,629 | 111,243,487 |

(d) Termination benefits

(i) Movements in provisions for termination benefits

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| Balance as of January 1 | 7,581,174 | 7,565,593 |
| Increases in the provision | 589,643 | 527,399 |
| Payments | (1,201,359) | (602,868) |
| Effect of change in actuarial factors | (523,089) | 91,050 |
| Balance as of December 31 | 6,446,369 | 7,581,174 |

(ii) Net cost of benefits

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| Increase (decrease) in provision | 225,994 | 366,560 |
| Interest cost of benefit obligations | 363,649 | 160,839 |
| Effect of change in actuarial factors | (523,089) | 91,050 |
| Net cost of benefits | 66,554 | 618,449 |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 40 – Additional notes (continued)**

**Note 40.22 – Provisions (continued)**

(d) Termination benefits (continued)

(iii) Factors used to calculate the provision

The principal assumptions used to calculate termination benefits for Banco de Chile's plan are as follows.

| | **As of December 31, 2021 %** | **As of December 31, 2020 %** |
|---|---|---|
| Discount rate | 5.70 | 2.31 |
| Salary increment | 3.94 | 4.04 |
| Probability of payment | 99.99 | 99.99 |

The most recent actuarial valuation of the provision for termination benefits was in November 2021.

(e) Movement in provision for performance bonuses

| | **2021 ThCh$** | **2020 ThCh$** |
|---|---|---|
| Balance as of January 1 | 43,941,352 | 51,050,991 |
| Provisions recognized | 49,651,946 | 34,137,612 |
| Provisions used | (40,524,013) | (41,247,251) |
| Balance as of December 31 | 53,069,285 | 43,941,352 |

(f) Movement in vacation accrual

| | **2021 ThCh$** | **2020 ThCh$** |
|---|---|---|
| Balance as of January 1 | 33,992,491 | 27,608,905 |
| Provisions recognized | 11,293,727 | 11,512,390 |
| Provisions used | (8,276,158) | (5,128,804) |
| Balance as of December 31 | 37,010,060 | 33,992,491 |

(g) Provisions for share-based employee benefits

As of December 31, 2021 and 2020, the Bank and its subsidiaries have no share compensation plan.

(h) Provisions for contingent loans

As of December 31, 2021, the Bank and its subsidiaries had provisions for contingent loans of ThCh$68,606,911 (ThCh$76,190,508 as of December 31, 2020). See Note 40.24 (d).

QUIÑENCO S.A.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

## Note 40 – Additional notes (continued)

## Note 40.23 – Other liabilities

As of December 31, 2021 and 2020, these are detailed as follows.

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| Accounts and notes payable | 220,421,090 | 273,143,502 |
| Income received in advance (*) | 68,690,519 | 76,228,445 |
| Dividends payable | 4,698,898 | 3,994,841 |
| | | |
| **Other liabilities** | | |
| Document broking transactions (**) | 159,591,496 | 137,546,639 |
| Co-branding | 61,237,968 | 2,724,545 |
| VAT payable | 35,936,992 | 29,213,005 |
| Securities being settled | 18,144,470 | 16,518,902 |
| Transactions pending settlement | 4,791,425 | 724,831 |
| Insurance payables | 396,884 | 1,802,219 |
| Other | 21,378,532 | 22,907,424 |
| Total | 595,288,274 | 564,804,353 |

(*) On June 4, 2019, Banco de Chile received ThCh$149,061,000 from the insurance companies in connection with the Strategic Alliance Framework Agreement, which was recorded for accounting purposes in accordance with IFRS 15. The related income is recognized over time based on compliance with the associated performance obligation.

(**) Includes mainly the financing of simultaneous transactions carried out by the subsidiary Banchile Corredores de Bolsa S.A.

**Note 40 – Additional notes (continued)**

**Note 40.24 - Contingencies and commitments**

a) Commitments and responsibilities recorded in memorandum accounts

In order to meet its customers' needs, the Bank has acquired several irrevocable commitments and contingent obligations. Although these obligations cannot be shown in the statement of financial position, they involve credit risks and are therefore part of the Bank's overall risk.

The Bank and its subsidiaries record in memorandum accounts the following balances related to such commitments and business-related liabilities.

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| **Contingent liabilities** | | |
| Guarantees and surety bonds | 439,669,088 | 224,078,696 |
| Confirmed foreign letters of credit | 91,269,760 | 58,298,636 |
| Documentary letters of credit opened | 358,754,669 | 343,663,316 |
| Performance bonds | 2,366,953,457 | 2,214,369,689 |
| Committed lines of credit | 8,651,193,239 | 7,650,382,302 |
| Other credit commitments | 78,950,947 | 107,706,705 |
| **Transactions on behalf of third parties** | | |
| Documents for collection | 152,297,642 | 157,670,633 |
| Third-party funds managed by the Bank: | | |
| Financial assets managed on behalf of third parties | 9,675,912 | 16,023,935 |
| Other assets managed on behalf of third parties | — | — |
| Financial assets acquired in Bank's name | 107,210,185 | 80,787,512 |
| Other assets acquired in Bank's name | — | — |
| **Securities custody** | | |
| Securities held in custody with the Bank | 2,459,854,367 | 2,023,313,348 |
| Securities deposited in other entities | 17,833,361,368 | 18,467,801,287 |
| Total | 32,549,190,634 | 31,344,096,059 |

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40 – Additional notes (continued)**

**Note 40.24 - Contingencies and commitments (continued)**

b) Lawsuits and legal proceedings

b.1) Normal court contingencies for the industry

There are legal proceedings against the Bank with respect to its business as of the date of issuance of these consolidated financial statements. As of December 31, 2021, the Bank has provisions for legal contingencies of ThCh$473,284 (ThCh$244,000 as of December 31, 2020), which form part of "Provisions" in the statement of financial position.

The estimated completion dates of the respective lawsuits are as follows.

| | December 2021 | | | | | |
|---|---|---|---|---|---|---|
| | **2022 ThCh$** | **2023 ThCh$** | **2024 ThCh$** | **2025 ThCh$** | **2026 ThCh$** | **Total ThCh$** |
| Legal contingencies | 28,843 | 294,841 | 149,600 | — | — | 473,284 |

b.2) Contingencies for significant legal proceedings.

As of December 31, 2021 and 2020, there are no significant legal proceedings that affect or could affect these consolidated financial statements.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40 – Additional notes (continued)**

**Note 40.24 - Contingencies and commitments (continued)**

c) Business guarantees

c.1) Subsidiary Banchile Administradora General de Fondos S.A.

In compliance with article 12 of Law 20,712, Banchile Administradora General de Fondos S.A., has designated Banco de Chile as the representative of the beneficiaries of the guarantees it has established and in that role the Bank has issued performance bonds totaling UF 4,149,200, maturing January 07, 2022 (UF 3,778,100, maturing January 08, 2021 in 2020). The company took out guarantee insurance policies for real estate funds with Mapfre Seguros Generales S.A., for a guaranteed total of UF 839,700.

As of December 31, 2021 and 2020, there were no guaranteed mutual funds.

c.2) Subsidiary Banchile Corredores de Bolsa S.A.

In order to ensure the correct and full compliance with all its obligations as a stockbroker in accordance with Article 30 onward of the Securities Market Law 18,045, Banchile Corredores de Bolsa S.A. contracted an insurance guarantee for UF 20,000 with Mapfre Seguros Generales S.A. that expires on April 22, 2022, whereby the Santiago Stock Exchange was appointed as the creditors' representative.

| **Securities in guarantee** | **2021 ThCh$** | **2020 ThCh$** |
|---|---|---|
| Shares in guarantee of simultaneous sales transactions on: | | |
| Santiago Exchange | 38,279,114 | 47,684,164 |
| Chilean Electronic Exchange | 12,839,280 | 20,226,750 |
| Fixed-income securities to guarantee CCLV system: | | |
| Santiago Exchange | 9,989,594 | 9,999,800 |
| Fixed-income securities to guarantee loans of shares: | | |
| Santiago Exchange | 2,344,480 | — |
| Shares to guarantee equity lending and short selling: | | |
| Santiago Exchange | — | 2,857,735 |
| Total | 63,452,468 | 80,768,449 |

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40 – Additional notes (continued)**

**Note 40.24 - Contingencies and commitments (continued)**

c) Business guarantees (continued)

c.2) Subsidiary Banchile Corredores de Bolsa S.A. (continued)

The company has granted a pledge over one million shares of the Santiago Exchange in favor of that institution, as recorded in public deed dated September 13, 1990, signed before the Santiago public notary Mr. Raúl Perry Pefaur, and over one hundred thousand shares in the Chilean Electronic Exchange in favor of that institution, as recorded in a contract entered into by both parties on May 16, 1990, in accordance with the internal regulations of the stock exchanges in which it participates, and to guarantee that the broker operates correctly.

Banchile Corredores de Bolsa S.A. has an integral insurance policy with Chubb Seguros Chile S.A. expiring on May 2, 2022, that covers employee fidelity, physical losses, falsification or adulteration, and currency fraud with a cover of US$20,000,000.

A performance bond for UF 286,600 was granted for the benefit of investors with portfolio management contracts. This performance bond is in UF for a fixed term and not endorsable, expiring on January 7, 2022.

A cash guarantee was granted for US$122,494.32 to cover obligations contracted with Pershing, for operations made through this broker.

The Company has granted a performance bond 722852-3 for UF 500 to guarantee the bid submitted in the fixed-income tender. Beneficiary: Mutual de Seguridad de la Cámara Chilena de Construcción, Chilean ID number 70.285.100-9 until March 15, 2022.

c.3) Subsidiary Banchile Corredores de Seguros Ltda

In accordance with Article 58 letter D of D.F.L. 251 as of December 31, 2021 the entity has two insurance policies for the period April 15, 2021 to April 14, 2022 covering potential damages due to breaches of the law, regulations and complementary rules that regulate insurance brokers, and especially when non-compliance results from acts, mistakes or omissions of the brokers, its representatives, agents or dependents that participate in the broking.

The policies are as follows.

| Insured Item | Amount Insured (UF) |
|---|---|
| Responsibility for errors and omissions | 500 |
| Civil liability | 60,000 |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 40 – Additional notes (continued)**

**Note 40.24 - Contingencies and commitments (continued)**

d) Provisions for contingent credits

Provisions established for credit risks on contingent transactions are detailed as follows.

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| Provisions for unrestricted credit lines | 30,303,070 | 27,596,207 |
| Provisions for performance bonds | 29,949,645 | 40,403,829 |
| Provisions for guarantees and surety bonds | 6,742,822 | 7,059,752 |
| Provisions for letters of credit | 1,585,078 | 1,074,078 |
| Provisions for other credit commitments | 26,296 | 56,642 |
| Total | 68,606,911 | 76,190,508 |

e) In relation to Resolution 270 dated October 30, 2014, by which the Superintendency of Securities and Insurance (currently the Financial Market Commission) fined Banchile Corredores de Bolsa S.A. UF 50,000 for breaches of the second paragraph of Article 53 of Securities Market Law, the company filed an appeal with the Court requesting that this fine be waived. On December 10, 2019, a ruling was issued reducing the fine to UF 7,500. This sentence has been the subject of various appeals filed by both parties, which are pending before the Santiago Court of Appeals.

The company has not made any provision, as its legal advisors believe that there are solid arguments that support the appeal filed by Banchile Corredores de Bolsa S.A.

QUIÑENCO S.A.

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40 – Additional notes (continued)**

**Note 40.25 – Interest and indexation income and expense**

Interest and indexation income and expenses for 2021 and 2020 are detailed as follows:

| | 2021 | | | | 2020 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Interest ThCh$** | **Indexation ThCh$** | **Prepaid fees ThCh$** | **Total ThCh$** | **Interest ThCh$** | **Indexation ThCh$** | **Prepaid fees ThCh$** | **Total ThCh$** |
| Commercial loans | 514,482,598 | 396,729,554 | 5,194,677 | 916,406,829 | 589,909,870 | 164,271,186 | 5,929,510 | 760,110,566 |
| Consumer loans | 433,429,794 | 4,216,310 | 6,022,208 | 443,668,312 | 525,346,630 | 1,806,196 | 6,116,220 | 533,269,046 |
| Residential mortgage loans | 279,927,141 | 633,827,217 | 3,911,906 | 917,666,264 | 272,567,603 | 243,013,975 | 4,852,303 | 520,433,881 |
| Investment instruments | 41,726,852 | 39,712,025 | — | 81,438,877 | 29,740,071 | 6,570,439 | — | 36,310,510 |
| Repurchase agreements | 1,756,454 | — | — | 1,756,454 | 1,405,724 | — | — | 1,405,724 |
| Loans and advances to banks | 14,523,860 | — | — | 14,523,860 | 10,797,099 | — | — | 10,797,099 |
| Other interest and indexation income | 5,744,399 | 1,788,327 | — | 7,532,726 | 8,819,087 | 1,872,602 | — | 10,691,689 |
| Total | 1,291,591,098 | 1,076,273,433 | 15,128,791 | 2,382,993,322 | 1,438,586,084 | 417,534,398 | 16,898,033 | 1,873,018,515 |

Interest and indexation income recognized as received on the impaired portfolio during 2021 amounted to ThCh$5,407,639 (ThCh$3,811,150 in 2020).

a) Suspended interest and indexation income as of December 31, 2020 and 2019, are detailed as follows:

| | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|
| | **Interest ThCh$** | **Indexation ThCh$** | **Total ThCh$** | **Interest ThCh$** | **Indexation ThCh$** | **Total ThCh$** |
| Commercial loans | 11,593,850 | 2,395,282 | 13,989,132 | 12,007,657 | 1,366,093 | 13,373,750 |
| Residential mortgage loans | 1,692,169 | 2,200,116 | 3,892,285 | 2,001,012 | 1,501,979 | 3,502,991 |
| Consumer loans | 862,220 | 39,755 | 901,975 | 35,400 | — | 35,400 |
| Total | 14,148,239 | 4,635,153 | 18,783,392 | 14,044,069 | 2,868,072 | 16,912,141 |

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

QUIÑENCO S.A.

### Note 40 – Additional notes (continued)

### Note 40.25 – Interest and indexation income and expense (continued)

b) Interest and indexation expense for the years ended December 31, 2020 and 2019, excluding hedge results, is detailed as follows:

| | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|
| | Interest ThCh$ | Indexation ThCh$ | Total ThCh$ | Interest ThCh$ | Indexation ThCh$ | Total ThCh$ |
| Savings accounts and time deposits | 43,819,205 | 59,373,393 | 103,192,598 | 82,431,174 | 28,030,056 | 110,461,230 |
| Debt instruments issued | 204,920,141 | 448,970,337 | 653,890,478 | 214,274,900 | 189,713,152 | 403,988,052 |
| Other financial obligations | 11,765 | 18,694 | 30,459 | 394,704 | 17,862 | 412,566 |
| Repurchase agreements | 940,467 | — | 940,467 | 1,851,522 | 1,853 | 1,853,375 |
| Obligations with banks | 23,382,176 | — | 23,382,176 | 27,830,395 | — | 27,830,395 |
| Demand deposits | 543,824 | 27,822,786 | 28,366,610 | 374,593 | 11,184,404 | 11,558,997 |
| Lease liabilities | 1,978,164 | — | 1,978,164 | 2,531,906 | — | 2,531,906 |
| Other interest or indexation expense | 299,098 | 2,175,741 | 2,474,839 | 629,426 | 618,616 | 1,248,042 |
| Total | 275,894,840 | 538,360,951 | 814,255,791 | 330,318,620 | 229,565,943 | 559,884,563 |

c) As of December 31, 2021 and 2020, the Bank uses cross-currency and interest-rate swaps to hedge its position in the fair value of corporate bonds and commercial loans, and cross-currency swaps for hedging the risk of changes in obligation flows with banks abroad and bonds issued in foreign currency.

| | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|
| | Revenue ThCh$ | Expenses ThCh$ | Total ThCh$ | Revenue ThCh$ | Expenses ThCh$ | Total ThCh$ |
| Accounting hedge fair value gain | 6,075,249 | — | 6,075,249 | 2,951,006 | — | 2,951,006 |
| Accounting hedge fair value loss | (5,512,463) | — | (5,512,463) | (9,391,503) | — | (9,391,503) |
| Accounting cash flow hedge gain | 192,589,762 | 234,985,667 | 427,575,429 | 55,544,032 | 96,015,594 | 151,559,626 |
| Accounting cash flow hedge loss | (298,650,532) | (205,032,508) | (503,683,040) | (109,876,763) | (63,974,739) | (173,851,502) |
| Result adjustment hedged element | (5,429,144) | — | (5,429,144) | (2,051,390) | — | (2,051,390) |
| Total | (110,927,128) | 29,953,159 | (80,973,969) | (62,824,618) | 32,040,855 | (30,783,763) |

d) The summary of interest and indexation for 2021 and 2020 is as follows:

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| Interest and indexation income | 2,382,993,322 | 1,873,018,515 |
| Interest and indexation expense | (814,255,791) | (559,884,563) |
| Total net interest and indexation | 1,568,737,531 | 1,313,133,952 |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 40 – Additional notes (continued)**

**Note 40.26 - Fee income and expense**

The fee income and expense shown in the consolidated income statements is as follows:

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| **Fee income** | | |
| Credit and debit card services | 183,293,484 | 156,785,913 |
| Investments in mutual funds or others | 108,347,921 | 92,514,049 |
| Collections and payments | 74,271,521 | 64,476,190 |
| Account administration | 50,792,899 | 50,272,089 |
| Insurance sales commission | 38,057,409 | 33,049,231 |
| Distribution channel and customer access income | 30,517,953 | 75,074,468 |
| Guarantees and letters of credit | 30,129,884 | 27,825,172 |
| Securities trading and brokerage | 23,333,515 | 21,227,154 |
| Brand income | 22,615,715 | 19,835,290 |
| Financial consultancy income | 4,947,667 | 4,487,366 |
| Credit lines and overdrafts | 4,395,511 | 4,567,552 |
| Other fee income | 13,616,529 | 12,033,465 |
| Total fee income | 584,320,008 | 562,147,939 |
| | | |
| **Fee expenses** | | |
| Card transactions | (87,255,193) | (79,893,214) |
| Interbank transactions | (31,368,303) | (24,843,073) |
| Securities transactions | (4,759,287) | (4,411,841) |
| Collections and payments | (4,211,166) | (4,927,444) |
| Sales force | (229,279) | (244,148) |
| Other fees | (1,468,815) | (1,859,257) |
| Total fee expenses | (129,292,043) | (116,178,977) |

**Note 40 – Additional notes (continued)**

**Note 40.27 – Net financial operating income**

The net gain (loss) on financial transactions is detailed as follows.

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| Trading derivatives | 144,021,445 | (96,771,885) |
| Trading financial instruments | 36,457,232 | 57,930,679 |
| Sale of loan portfolio (Note 40.10 (f)) | 4,703,642 | 262,825 |
| Sale of investments held for sale | 1,243,700 | 27,090,341 |
| Net gain (loss) from other transactions | 140,502 | 29,628 |
| Total | 186,566,521 | (11,458,412) |

**Note 40.28 – Net exchange gain (loss)**

Net exchange gains (losses) are detailed as follows.

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| Gains (losses) from hedge accounting | 199,207,974 | (17,155,505) |
| Exchange differences, net | 15,107,066 | (2,650,076) |
| Foreign currency indexation | (230,276,578) | 176,469,131 |
| Total | (15,961,538) | 156,663,550 |

QUIÑENCO S.A.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

## Note 40 – Additional notes (continued)

## Note 40.29 – Provisions for loan losses

Movements in provisions during 2021 and 2020 are detailed as follows:

| | Loans and advances to banks | | Loans and receivables from customers: Commercial loans | | Loans and receivables from customers: Residential mortgage loans | | Loans and receivables from customers: Consumer loans | | Subtotal | | Contingent loans | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ |
| New provisions | | | | | | | | | | | | | | |
| - Individual provisions | — | — | (35,854,866) | (91,133,185) | — | — | — | — | (35,854,866) | (91,133,185) | (3,350,421) | (11,705,865) | (39,205,287) | (102,839,050) |
| - Group provisions | — | — | (56,532,650) | (68,866,111) | (7,678,401) | (14,594,486) | (127,153,227) | (203,789,923) | (191,364,278) | (287,250,520) | — | (7,442,442) | (191,364,278) | (294,692,962) |
| Total new provisions | — | — | (92,387,516) | (159,999,296) | (7,678,401) | (14,594,486) | (127,153,227) | (203,789,923) | (227,219,144) | (378,383,705) | (3,350,421) | (19,148,307) | (230,569,565) | (397,532,012) |
| Released provisions | | | | | | | | | | | | | | |
| - Individual provisions | 146,870 | 93,048 | — | — | — | — | — | — | — | — | — | — | 146,870 | 93,048 |
| - Group provisions | — | — | — | — | — | — | — | — | — | — | 10,934,018 | — | 10,934,018 | — |
| Total released provisions | 146,870 | 93,048 | — | — | — | — | — | — | — | — | 10,934,018 | — | 11,080,888 | 93,048 |
| Net provisions | 146,870 | 93,048 | (92,387,516) | (159,999,296) | (7,678,401) | (14,594,486) | (127,153,227) | (203,789,923) | (227,219,144) | (378,383,705) | 7,583,597 | (19,148,307) | (219,488,677) | (397,438,964) |
| Additional provisions | — | — | (220,000,000) | (107,000,000) | — | — | — | — | (220,000,000) | (107,000,000) | — | — | (220,000,000) | (107,000,000) |
| Recovery of charged-off assets | — | — | 14,646,569 | 8,598,734 | 7,355,546 | 3,376,589 | 44,224,394 | 29,783,102 | 66,226,509 | 41,758,425 | — | — | 66,226,509 | 41,758,425 |
| Net provisions for loan losses | 146,870 | 93,048 | (297,740,947) | (258,400,562) | (322,855) | (11,217,897) | (82,928,833) | (174,006,821) | (380,992,635) | (443,625,280) | 7,583,597 | (19,148,307) | (373,262,168) | (462,680,539) |

In management's opinion, the provisions for loan losses cover all possible losses that might arise from the non-recovery of assets, according to the information examined by the Bank.

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

### Note 40 – Additional notes (continued)

### Note 40.30 - Payroll and personnel expenses

Payroll and personnel expenses for the years 2021 and 2020 are detailed as follows.

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| Staff remuneration | 261,933,185 | 258,918,485 |
| Bonuses, incentives and variable remuneration | 96,358,464 | 95,676,712 |
| Legal bonuses | 29,737,970 | 28,167,057 |
| Meals and health benefits | 24,893,025 | 27,387,564 |
| Termination benefits | 16,222,303 | 22,993,989 |
| Training expenses | 2,055,084 | 1,832,490 |
| Other personnel expenses | 19,752,534 | 22,199,439 |
| Total | 450,952,565 | 457,175,736 |

### Note 40.31 - Administrative expenses

Administrative expenses for 2021 and 2020 are detailed as follows.

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| **General administrative expenses** | | |
| Data processing and communications | 109,025,784 | 99,762,997 |
| Maintenance and repair of property, plant and equipment | 42,106,274 | 48,218,104 |
| External professional and consultancy fees | 18,275,300 | 14,650,252 |
| Security and transportation of valuables | 13,228,516 | 10,786,723 |
| Insurance premiums | 8,092,561 | 11,093,963 |
| Office supplies | 7,620,550 | 8,273,425 |
| External financial reporting services | 6,296,395 | 5,911,965 |
| Postal and courier delivery services | 4,718,237 | 4,218,079 |
| Lighting, heating and other services | 4,444,820 | 5,556,206 |
| Legal and notary costs | 4,431,639 | 4,181,746 |
| Short-term and low-value lease contracts | 3,824,194 | 4,729,383 |
| External document custody services | 3,198,791 | 2,818,339 |
| Personnel travel and entertainment expenses | 3,094,473 | 3,359,299 |
| Other expenses for lease liabilities | 3,070,284 | 2,683,507 |
| Donations | 2,702,570 | 2,779,943 |
| Other general administrative expenses | 3,538,488 | 4,494,476 |
| Subtotal | 237,668,876 | 233,518,407 |
| **Subcontracted services** | | |
| External technological development expenses | 10,163,553 | 11,371,393 |
| Data processing | 9,406,546 | 9,332,806 |
| Technology certification and testing | 7,362,313 | 6,062,338 |
| Credit assessments | 4,957,556 | 12,241,425 |
| Other | 1,467,979 | 2,434,688 |
| Subtotal | 33,357,947 | 41,442,650 |
| **Directors' expenses** | | |
| Directors' remuneration | 2,888,818 | 2,795,152 |
| Other board expenses | 9,507 | 30,060 |
| Subtotal | 2,898,325 | 2,825,212 |
| **Marketing expenses** | | |
| Publicity and advertising | 30,652,236 | 23,561,093 |
| Subtotal | 30,652,236 | 23,561,093 |
| **Taxes, property taxes and contributions** | | |
| Contribution to the Banking Regulator | 11,967,706 | 11,408,303 |
| Property taxes | 4,851,633 | 4,053,517 |
| Municipal taxes | 1,439,823 | 1,283,920 |
| Other taxes | 1,784,890 | 788,548 |
| Subtotal | 20,044,052 | 17,534,288 |
| Total | 324,621,436 | 318,881,650 |

**Note 40 – Additional notes (continued)**

**Note 40.32 – Depreciation, amortization and impairment**

(a) Depreciation and amortization during 2021 and 2020 are detailed as follows.

| | 2021<br>ThCh$ | 2020<br>ThCh$ |
|---|---|---|
| **Depreciation and amortization** | | |
| Depreciation of property, plant and equipment (Note 40.14 (b)) | 29,768,068 | 29,845,275 |
| Depreciation of right-of-use leased assets (Note 40.14 (d)) | 29,199,242 | 27,647,316 |
| Amortization of intangible assets (Note 40.13 (b)) | 17,831,208 | 15,865,254 |
| Total | 76,798,518 | 73,357,845 |

(b) As of December 31, 2021 and 2020, impairment expenses are detailed as follows:

| | 2021<br>ThCh$ | 2020<br>ThCh$ |
|---|---|---|
| **Impairment** | | |
| Impairment of intangible assets (Note 40.13 (b)) | 1,646,996 | 629,357 |
| Impairment of property, plant and equipment (Note 40.14 (b)) | 43,479 | 1,030,961 |
| Impairment of right-of-use leased assets (Note 40.14 (d)) | — | 1,349 |
| Total | 1,690,475 | 1,661,667 |

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

### Note 40 – Additional notes (continued)

### Note 40.33 – Other operating income

Other operating income of the Bank and its subsidiaries during 2021 and 2020 is detailed as follows.

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| **Income from assets received in lieu of payment** | | |
| Gain on sales of assets received in lieu of payment | 5,415,904 | 7,890,936 |
| Other income | 230,683 | 86,704 |
| Subtotal | 5,646,587 | 7,977,640 |
| **Release of provisions for contingencies** | | |
| Country risk provisions | — | — |
| Other contingent provisions | — | — |
| Subtotal | — | — |
| **Other income** | | |
| Provisions released and expenses recovered | 9,689,727 | 6,496,094 |
| Rental from investment property | 5,965,030 | 5,747,947 |
| Income from tax management | 5,182,654 | 1,568,630 |
| Correspondent bank rebates | 3,117,046 | 1,565,250 |
| Monthly tax prepayments indexation | 2,800,316 | 2,841,085 |
| Income on sale of leased assets | 1,213,958 | 1,955,885 |
| Other card income | 345,565 | 458,572 |
| Gain on sale of property, plant and equipment | 261,278 | 316,178 |
| Custody and trust services | 214,166 | 29,806 |
| Insurance claims | 161,387 | 4,414,334 |
| Other | 1,481,823 | 1,187,280 |
| Subtotal | 30,432,950 | 26,581,061 |
| Total | 36,079,537 | 34,558,701 |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 40 – Additional notes (continued)**

**Note 40.34 – Other operating expenses**

Other operating expenses of the Bank and its subsidiaries during 2021 and 2020 are detailed as follows.

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| **Provisions and expenses for assets received in lieu of payment** | | |
| Write-offs of assets received in lieu of payment | 1,873,435 | 3,984,144 |
| Maintenance of assets received in lieu of payment | 812,694 | 1,021,493 |
| Provisions for assets received in lieu of payment | 205,496 | 1,019,582 |
| Subtotal | 2,891,625 | 6,025,219 |
| **Provisions for contingencies** | | |
| Country risk provisions | 1,888,700 | 1,115,536 |
| Other provisions | 398,044 | 6,200 |
| Subtotal | 2,286,744 | 1,121,736 |
| **Other expenses** | | |
| Write-offs for operating risks | 13,957,073 | 10,625,172 |
| Operating lease expenses | 5,345,370 | 5,429,968 |
| Card administration | 2,614,042 | 1,804,262 |
| Correspondent bank costs | 2,098,442 | 2,598,648 |
| Write-offs of recovered leased assets | 1,037,893 | 597,129 |
| Mortgage-protection insurance | 256,537 | 330,757 |
| Contributions to other entities | 233,022 | 586,494 |
| Civil lawsuits | 148,506 | 195,451 |
| Loss on sale of property, plant and equipment | 381 | — |
| Other | 2,830,041 | 1,940,439 |
| Subtotal | 28,521,307 | 24,108,320 |
| Total | 33,699,676 | 31,255,275 |

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40 – Additional notes (continued)**

**Note 40.35 – Transactions with Related Parties**

The Bank and its subsidiaries consider as related parties any individuals or legal entities who are related by ownership or management to the Bank, directly or through third parties, in accordance with the provisions of the Compendium of Accounting Standards and Chapter 124 of the Updated Compilation of Standards of the CMF.

Therefore, the Bank has defined related parties as individuals or legal entities having an interest either directly or through third parties in the ownership of the Bank that exceeds 5% of shares as well as persons without an ownership interest that have authority and responsibility in the planning, management and control of the Bank's activities or those of its subsidiaries. Companies are also considered related when their related parties have an interest in the Bank that exceeds 5%, or where they hold the position of Director, CEO or equivalent.

(a) Loans with related parties

Loans, receivables and contingent loans with related parties are as follows.

| | Production and service companies (*) | | Investment and trading companies (**) | | Individuals (***) | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ |
| **Loans and receivables** | | | | | | | | |
| Commercial loans | 356,282,185 | 122,716,391 | 114,306,396 | 164,212,710 | 13,570,756 | 12,444,972 | 484,159,337 | 299,374,073 |
| Residential mortgage loans | — | — | — | — | 65,637,316 | 61,130,853 | 65,637,316 | 61,130,853 |
| Consumer loans | — | — | — | — | 10,660,478 | 8,742,666 | 10,660,478 | 8,742,666 |
| Gross loans | 356,282,185 | 122,716,391 | 114,306,396 | 164,212,710 | 89,868,550 | 82,318,491 | 560,457,131 | 369,247,592 |
| Provisions for loan losses | (3,224,280) | (1,264,268) | (571,104) | (801,974) | (431,844) | (389,667) | (4,227,228) | (2,455,909) |
| Net loans | 353,057,905 | 121,452,123 | 113,735,292 | 163,410,736 | 89,436,706 | 81,928,824 | 556,229,903 | 366,791,683 |
| **Contingent loans** | | | | | | | | |
| Guarantees and surety bonds | 8,618,705 | 7,276,586 | 12,253,024 | 9,468,606 | — | — | 20,871,729 | 16,745,192 |
| Letters of credit | 86,573 | 2,884,747 | — | — | — | — | 86,573 | 2,884,747 |
| Performance bonds | 26,872,350 | 25,129,000 | 21,851,584 | 35,733,134 | — | — | 48,723,934 | 60,862,134 |
| Committed lines of credit | 77,964,833 | 46,887,342 | 14,398,444 | 14,308,395 | 21,831,333 | 20,305,813 | 114,194,610 | 81,501,550 |
| Other contingent loans | — | — | — | — | — | — | — | — |
| Gross contingent loans | 113,542,461 | 82,177,675 | 48,503,052 | 59,510,135 | 21,831,333 | 20,305,813 | 183,876,846 | 161,993,623 |
| Provisions for contingent loans | (274,204) | (217,687) | (51,951) | (54,762) | (22,132) | (50,534) | (348,287) | (322,983) |
| Net contingent loans | 113,268,257 | 81,959,988 | 48,451,101 | 59,455,373 | 21,809,201 | 20,255,279 | 183,528,559 | 161,670,640 |
| **Amounts covered by collateral** | | | | | | | | |
| Mortgages | 14,092,935 | 15,575,348 | 50,649,804 | 54,891,022 | 139,377,636 | 82,776,579 | 204,120,375 | 153,242,949 |
| Warrants | — | — | — | — | — | — | — | — |
| Pledges | — | — | — | — | — | — | — | — |
| Others (****) | 27,784,891 | 33,473,929 | 17,365,586 | 12,117,258 | 6,306,432 | 6,581,819 | 51,456,909 | 52,173,006 |
| Total collateral | 41,877,826 | 49,049,277 | 68,015,390 | 67,008,280 | 145,684,068 | 89,358,398 | 255,577,284 | 205,415,955 |

(*) For these purposes, productive companies are those that meet the following conditions:
i) they are involved in production activities and generate a separate revenue flow,
ii) less than 50% of their assets are trading or investment instruments.
Service companies are entities whose main purpose is providing services to third parties

(**) Investment and trading companies include those legal entities which do not meet the conditions for productive or service companies and are profit-oriented.

(***) Individuals include key members of management, being those who directly or indirectly have authority and responsibility for planning, managing and controlling the organization's business, including directors. This category also includes members of their family who have influence or who are influenced by the individuals in their interactions with the organization.

(****) These guarantees relate mainly to guarantees and surety bonds, government guarantees and other financial guarantees.

QUIÑENCO S.A.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40 – Additional notes (continued)**

**Note 40.35 – Related party transactions (continued)**

(b) Other assets and liabilities with related parties

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| **Assets** | | |
| Cash and bank balances | 288,797,985 | 261,385,886 |
| Transactions pending settlement | 76,772,426 | 35,832,818 |
| Trading instruments | 16,097 | 96,302 |
| Financial derivative contracts | 319,120,060 | 252,748,272 |
| Investment instruments | 15,044,965 | 31,548,036 |
| Other assets | 29,247,926 | 96,362,236 |
| Total | 728,999,459 | 677,973,550 |
| | | |
| **Liabilities** | | |
| Demand deposits | 224,675,165 | 239,138,898 |
| Transactions pending settlement | 75,141,889 | 37,798,573 |
| Repurchase agreements | 531,230 | 24,500,082 |
| Time deposits and other borrowings | 238,406,814 | 338,732,003 |
| Financial derivative contracts | 313,354,078 | 355,099,448 |
| Obligations with banks | 122,883,218 | 114,757,259 |
| Lease liabilities | 10,256,102 | 10,354,130 |
| Other liabilities | 56,196,344 | 14,698,661 |
| Total | 1,041,444,840 | 1,135,079,054 |

(c) Income and expenses from related party transactions (*)

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Revenue ThCh$ | Expenses ThCh$ | Revenue ThCh$ | Expenses ThCh$ |
| **Description** | | | | |
| Interest and indexation income and expense | 19,421,407 | 491,817 | 15,789,778 | 257,835 |
| Fees and services income and expense | 98,914,890 | 29,279,653 | 96,994,133 | 39,987,929 |
| Net financial operating income | | | | |
| Derivative contracts (**) | 105,963,792 | 56,188,606 | 12,218,587 | 46,593,181 |
| Other financial transactions | 48,279 | 23,405 | 39,793 | 329 |
| Release or new credit-risk provisions | — | 1,732,643 | — | 1,225,579 |
| Operational support costs | — | 117,911,736 | — | 119,258,534 |
| Other income and expenses | 465,719 | 37,342 | 468,591 | 3,512 |

(*) This does not constitute an operational statement of comprehensive income of related party transactions since assets with these parties are not necessarily equal to liabilities and each item reflects the total revenue and expense and is not related to matched transactions.

(**) The income and expense arising from derivative transactions is presented net for each related counterparty. Additionally, this line includes transactions with local banks that have been novated to Comder Contraparte Central S.A. (related entity) for clearing purposes, which generated a net gain of ThCh$29,955,587 as of December 31, 2021 (net gain of ThCh$4,996,925 as of December 31, 2020)

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40 – Additional notes (continued)**

**Note 40.35 – Related party transactions (continued)**

(d) Contracts with related parties

During the year ended December 31, 2021, the Bank has negotiated, renewed or amended the contractual terms of the following contracts with related parties that are not normal business transactions with customers in general, for amounts greater than UF 1,000.

| Company name | Service description |
|---|---|
| Depósitos Central de Valores S.A. | Custodial services |
| Sistemas Oracle de Chile S.A. | Licensing services, support renewal, and hardware and software implementation |
| Universidad del Desarrollo | Entrepreneurial programs |
| Artikos S.A. | Electronic billing services |
| Transbank S.A. | Credit card transaction processing services |
| Servipag Ltda. | Collection services |
| Centro de Compensación Automatizado S.A. | Electronic transfer services |
| Ionix SpA | Technical assistance, licensing and platform support services |
| Canal 13 S.A. | Advertising services |
| Nexus S.A. | Credit card processing services |
| Santiago Exchange | Custodian information services |
| Redbanc S.A. | Electronic transfer services (TEF) |
| Citigroup Inc. | Cooperation Agreement, Global Connectivity and Trademark License Agreement |
| Combanc S.A. | Clearing house services |
| Libertad y Desarrollo Foundation | Subscription to monthly reports |

(e) Payments to directors and senior management

| | 2021 ThCh$ | 2020 ThCh$ |
|---|---|---|
| Staff remuneration | 4,232,895 | 3,918,381 |
| Short-term benefits | 3,533,933 | 3,641,504 |
| Termination costs | 314,056 | 1,549,715 |
| Board remuneration and fees (*) | 2,888,818 | 2,795,122 |
| Total | 10,969,702 | 11,904,722 |

(*) Includes fees paid to the members of the Advisory Committee of Banchile Corredores de Seguros Ltda. totaling ThCh$13,790 (ThCh$13,809 in 2020).

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 40 – Additional notes (continued)**

**Note 40.35 – Related party transactions (continued)**

(e) Payments to directors and senior management (continued)

Travel and other expenses were ThCh$9,507 in 2021 (ThCh$30,060 in 2020).

Senior executives

| | No. of executives | |
|---|---|---|
| | **2021** | **2020** |
| **Position** | | |
| Bank Chief Executive Officer | 1 | 1 |
| Subsidiary Chief Executive Officers | 5 | 6 |
| Bank Division Managers | 14 | 14 |
| Bank and subsidiary Directors | 18 | 18 |
| Total | 38 | 39 |

**Note 40.36 – Fair value of financial assets and liabilities**

The Bank and its subsidiaries have defined a framework of valuations and controls related to the process of measurement of fair value.

This includes the function of product control, which is independent of the principal management and reports to the Divisional Manager for Financial Management and Control. The Financial Control, Treasury and Capital Department through the Financial Risk Control and Reporting Department is responsible for independently verifying the results of trading and investment transactions and all measurements of fair value.

The Bank and its subsidiaries take into account at least the following aspects in order to achieve suitable measurements and controls.

(i) Standard industry valuation.

The standard industry model is used to value financial instruments: quota value, share price, discounted cash flows and valuation of options using the Black-Scholes-Merton valuation model, as appropriate. The entry parameters for the valuation are rates, prices and volatility for various maturities and market factors that are traded on the domestic and international markets, and are provided by principal market sources.

(ii) Prices quoted on active markets.

The fair value of instruments quoted on active markets is determined using the daily quotations through electronic information systems (Santiago Stock Exchange, Bloomberg, LVA, Risk America, etc.). This represents the value at which these instruments are regularly traded in the financial markets.

**Note 40 – Additional notes (continued)**

**Note 40.36 – Fair value of financial assets and liabilities (continued)**

(iii) Valuation techniques.

Should no specific quotations be available for the instrument to be valued, techniques will be used to determine its fair value.

As valuation models generally require the entry of market parameters, it is sought to maximize the information based on observable or derivative quotations of prices for similar instruments on active markets. Should there be no information directly from markets or information from external providers of information, similar instrument prices and historic information are used to validate the valuation parameters.

(iv) Valuation adjustments.

Three adjustments apply to the market value calculated from market parameters during the valuation process. These are a liquidity adjustment, a Bid/Offer adjustment and a derivative credit risk adjustment (CVA and DVA). The liquidity adjustment is calculated using the position of each factor together with the relative size of Banco de Chile with respect to the market and the liquidity observed in recent market operations. The Bid/Offer adjustment represents the impact on the valuation of an instrument depending on whether the position is long (bought) or short (sold). Direct market quotes or indicative prices or derivatives of similar assets are used to calculate this adjustment, depending on the instrument, considering the respective Bid, Mid and Offer. Finally, the CVA and DVA adjustment for derivatives is defined as recognizing the issuer's credit risk, either of the counterparty (CVA) or Banco de Chile (DVA).

Liquidity adjustments only affect trading instruments including derivatives, while Bid/Offer adjustments affect trading and held-for-sale instruments. CVA/DVA adjustments only affect derivatives.

(v) Valuation controls.

Prices and rates are independently valued every day, in order to ensure that the market parameters Banco de Chile uses to value its financial instruments represent the present state of the market and the best estimate of fair value. The purpose is to check that the market parameters provided by the respective business areas and entered into the official valuation system are within acceptable ranges, by comparing them with the same combination of parameters prepared independently by the Financial Risk Control and Reporting Department. Differences in value are thus obtained by currency, product and portfolio. Should there be important differences, these are scaled according to their relevance, individual to each market factor and added at the portfolio level, according to the scaling tables within previously-defined ranges. These ranges are approved by the Finance, International and Financial Risk Committee.

At the same time and complementarily, the Financial Risk Control and Reporting Department prepares daily reports of gains and losses and exposure to market risks, which permit an adequate control and consistency with the parameters used in the valuation.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 40 – Additional notes (continued)**

**Note 40.36 – Fair value of financial assets and liabilities (continued)**

(vi) Management analysis and information.

In special cases where there are no market quotations for the instrument to be valued and there are no transaction prices for similar instruments or indicative parameters, a specific control and thorough analysis is used to produce the best estimate of the reasonable value of the transaction. Within the framework for the valuation described in the reasonable value policy and procedure approved by the Board of Banco de Chile, the approval required to execute transactions is established where there is no market information or it is impossible to infer prices or rates from them.

(a) Hierarchy of instruments valued at fair value

Banco de Chile and its subsidiaries classify their financial instruments at the following levels, in accordance with the above points.

**Level 1:** Those financial instruments whose fair value is calculated from quoted prices (unadjusted) from liquid and extensive markets. There are observable quoted market prices for these instruments (internal rate of return, unit value, and price), so no assumptions are needed for their valuation.

This level includes currency forwards, fixed income instruments issued by the Chilean Central Bank and the Chilean Treasury that are included in benchmarks, investments in mutual funds and shares.

For instruments of the Chilean Central Bank and the Chilean Treasury, Level 1 includes all ticker codes belonging to a benchmark, i.e. that correspond to one of the following categories published by Santiago Exchange: Pesos-02, Pesos-03, Pesos-04, Pesos-05, Pesos-07, Pesos-10, UF-02, UF-04, UF-05, UF-07, UF-10, UF-20, UF-30. A benchmark is a group of ticker codes that are similar in terms of maturity and are traded similarly, i.e. the price obtained (internal rate of return in this case) is the same for all instruments comprising a benchmark. These characteristics define a greater market depth, with daily quotations that allow classifying these instruments as Level 1.

In the case of government debt, the market internal rate of return is used to discount all cash flows to present value. In the case of mutual funds and shares, the current price per unit or share is used which, multiplied by the number of instruments, results in the fair value.

The above valuation technique is equivalent to that used by Santiago Exchange and is the standard methodology used in the market.

**Note 40 – Additional notes (continued)**

**Note 40.36 – Fair value of financial assets and liabilities (continued)**

(vi) Management analysis and information (continued)

(a) Hierarchy of instruments valued at fair value (continued)

**Level 2:** These are financial instruments whose fair value is calculated on the basis of prices other than those quoted in Level 1 that are observable for the asset or liability, either directly (as internal prices or rates of return) or indirectly (derived from internal prices or rates of return for similar instruments). These categories include:

a) Prices quoted for similar assets or liabilities in active markets.
b) Prices quoted for similar assets or liabilities in markets that are not active.
c) Inputs other than quoted prices for the asset or liability.
d) Inputs corroborated by the market.

This level mainly includes derivative instruments, debt issued by banks, debt issued by Chilean and foreign companies in Chile or abroad, mortgage-funding notes, financial trading instruments and some issuances by the Chilean Central Bank and the Treasury that are not included in benchmarks.

The valuation of derivatives will depend on whether these are affected by volatility as an important market factor in the standard valuation methodologies. The Black-Scholes-Merton model is used for options, while the discounted cash flow method is used for other derivatives, forwards and swaps.

The remaining instruments at this level and level 1 debt issuances are valued using the discounted cash flow method at an internal rate of return that can be derived or estimated from internal rates of return for similar instruments, as described above.

Should there be no observable price for a specific term, this is inferred from the interpolation between maturities that do have observable information in active markets. The models incorporate various market variables including the credit rating of the counterparties, exchange rates and interest-rate curves.

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

QUIÑENCO S.A.

**Note 40 – Additional notes (continued)**

**Note 40.36 – Fair value of financial assets and liabilities (continued)**

(vi) Management analysis and information (continued)

(a) Hierarchy of instruments valued at fair value (continued)

Valuation techniques and inputs for Level 2 instruments

| Financial instrument | Valuation method | Description: Inputs and sources of information |
|---|---|---|
| Local bank and corporate bonds | Discounted cash flow method | Prices (internal rates of return) are obtained from suppliers of external prices that are normally used in the Chilean market.<br><br>The model is based on a base curve (central bank bonds) and an issuer spread.<br><br>The model considers daily prices and similarities of risk/maturity ratios between instruments. |
| Offshore bank and corporate bonds | | Prices are obtained from suppliers of external prices that are normally used in the Chilean market.<br><br>The model is based on daily prices |
| Local Central Bank and Treasury bonds | | Prices (internal rates of return) are obtained from suppliers of external prices that are normally used in the Chilean market.<br><br>The model is based on daily prices |
| Mortgage-funding notes | | Prices (internal rates of return) are obtained from suppliers of external prices that are normally used in the Chilean market.<br><br>The model is based on a base curve (central bank bonds) and an issuer spread.<br><br>The model considers daily prices and similarities of risk/maturity ratios between instruments. |
| Time deposits | | Prices (internal rates of return) are obtained from suppliers of external prices that are normally used in the Chilean market.<br><br>The model considers daily prices and similarities of risk/maturity ratios between instruments. |
| Cross-currency swaps, interest-rate swaps, FX forwards, Inflation forwards | | Forward points, inflation forwards and local rate swaps are obtained from brokers, which are normally used in the Chilean market.<br><br>Offshore rates and spreads are obtained from external suppliers of prices normally used in the Chilean market.<br><br>Zero coupon rates are calculated using the Bootstrapping method on the swap rates. |
| FX options | Black-Scholes model | Prices for the calculation of the surface of volatilities are obtained from brokers that are normally used in the Chilean market. |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 40 – Additional notes (continued)**

**Note 40.36 – Fair value of financial assets and liabilities (continued)**

(vi) Management analysis and information (continued)

(a) Hierarchy of instruments valued at fair value (continued)

**Level 3:** These are financial instruments whose fair value is determined using unobservable inputs for the asset, liability or similar instruments. An adjustment of input that is significant for complete measurement can lead to a fair value measurement classified in Level 3 of the fair value hierarchy, if the adjustment uses significant unobservable input.

The instruments classified in Level 3 are mainly debt issuances of Chilean and foreign companies, made in Chile or abroad.

Valuation techniques and inputs for Level 3 instruments

| Financial instrument | Valuation method | Description: Inputs and sources of information |
|---|---|---|
| Local bank and corporate bonds | Discounted cash flow method | Entry data for these instruments is not observable in a market, so internal rates of return are modeled using a base rate (Central Bank Bonds) and the issuer's credit spread. This input (base rate and issuer spread) is provided daily by external price suppliers that are widely used in the Chilean market. |
| Offshore bank and corporate bonds | | Entry data for these instruments is not observable in a market, so internal rates of return are modeled using a base rate (US-Libor) and the issuer's credit spread. This input (base rate and issuer spread) is provided daily by external price suppliers that are widely used in the Chilean market. |

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

## Note 40 – Additional notes (continued)

## Note 40.36 – Fair value of financial assets and liabilities (continued)

(vi) Management analysis and information (continued)

(b) Levels table

The classification of financial instruments by level measured at fair value are as follows.

| | Level 1 | | Level 2 | | Level 3 | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ |
| **Financial Assets** | | | | | | | | |
| Trading instruments | | | | | | | | |
| State and Chilean Central Bank | 169,067,838 | 75,700,964 | 3,303,054,919 | 4,083,590,962 | — | — | 3,472,122,757 | 4,159,291,926 |
| Other instruments issued in Chile | 3,062,160 | 1,003,236 | 214,336,880 | 99,301,716 | 51,484,182 | 5,494,439 | 268,883,222 | 105,799,391 |
| Instruments issued abroad | — | 163,604 | — | — | — | — | — | 163,604 |
| Investments in mutual funds | 135,690,800 | 400,902,691 | — | — | — | — | 135,690,800 | 400,902,691 |
| Subtotal | 307,820,798 | 477,770,495 | 3,517,391,799 | 4,182,892,678 | 51,484,182 | 5,494,439 | 3,876,696,779 | 4,666,157,612 |
| Trading derivative contracts | | | | | | | | |
| Forwards | — | — | 742,545,311 | 551,963,414 | — | — | 742,545,311 | 551,963,414 |
| Swaps | — | — | 1,958,241,897 | 2,013,246,775 | — | — | 1,958,241,897 | 2,013,246,775 |
| Call options | — | — | 4,509,465 | 268,861 | — | — | 4,509,465 | 268,861 |
| Put options | — | — | 199,341 | 1,462,230 | — | — | 199,341 | 1,462,230 |
| Futures | — | — | — | — | — | — | — | — |
| Subtotal | — | — | 2,705,496,014 | 2,566,941,280 | — | — | 2,705,496,014 | 2,566,941,280 |
| Hedge accounting derivative contracts | | | | | | | | |
| Fair value hedge (swap) | — | — | — | — | — | — | — | — |
| Cash flow hedge (swap) | — | — | 277,803,145 | 51,062,136 | — | — | 277,803,145 | 51,062,136 |
| Subtotal | — | — | 277,803,145 | 51,062,136 | — | — | 277,803,145 | 51,062,136 |
| Investment instruments held for sale (1) | | | | | | | | |
| State and Chilean Central Bank | 507,367,887 | — | 1,981,482,130 | 163,599,611 | — | — | 2,488,850,017 | 163,599,611 |
| Other instruments issued in Chile | — | — | 540,757,346 | 860,327,639 | 25,202,617 | 36,596,210 | 565,959,963 | 896,923,849 |
| Instruments issued abroad | — | — | — | — | — | — | — | — |
| Subtotal | 507,367,887 | — | 2,522,239,476 | 1,023,927,250 | 25,202,617 | 36,596,210 | 3,054,809,980 | 1,060,523,460 |
| Total | 815,188,685 | 477,770,495 | 9,022,930,434 | 7,824,823,344 | 76,686,799 | 42,090,649 | 9,914,805,918 | 8,344,684,488 |
| **Financial Liabilities** | | | | | | | | |
| Traded derivative contracts | | | | | | | | |
| Forwards | — | — | 505,179,317 | 637,185,817 | — | — | 505,179,317 | 637,185,817 |
| Swaps | — | — | 2,264,138,373 | 2,130,474,236 | — | — | 2,264,138,373 | 2,130,474,236 |
| Call options | — | — | 2,726,450 | 305,638 | — | — | 2,726,450 | 305,638 |
| Put options | — | — | 458,688 | 2,099,474 | — | — | 458,688 | 2,099,474 |
| Futures | — | — | — | — | — | — | — | — |
| Subtotal | — | — | 2,772,502,828 | 2,770,065,165 | — | — | 2,772,502,828 | 2,770,065,165 |
| Hedge accounting derivative contracts | | | | | | | | |
| Cash flow hedge (forwards) | — | — | 88,393 | — | — | — | 88,393 | — |
| Fair value hedge (swap) | — | — | 607,800 | 6,518,716 | — | — | 607,800 | 6,518,716 |
| Cash flow hedge (swap) | — | — | — | 65,171,586 | — | — | — | 65,171,586 |
| Subtotal | — | — | 696,193 | 71,690,302 | — | — | 696,193 | 71,690,302 |
| Total | — | — | 2,773,199,021 | 2,841,755,467 | — | — | 2,773,199,021 | 2,841,755,467 |

(1) As of December 31, 2021, 100% of the instruments grouped in Level 3 are investment grade. Also, all these financial instruments are from local issuers.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

QUIÑENCO S.A.

## Note 40 – Additional notes (continued)

## Note 40.36 – Fair value of financial assets and liabilities (continued)

(c) Reconciliation level 3

The following table shows the reconciliation between the opening and closing balances of instruments classified in Level 3, whose fair value is shown in the consolidated financial statements.

| | 2021 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Balance as of Jan-01-21 ThCh$ | Gain (loss) recognized in net income (1) ThCh$ | Gain (loss) recognized in equity (2) ThCh$ | Purchases ThCh$ | Sales ThCh$ | Transfers from Levels 1 and 2 ThCh$ | Transfers to Levels 1 and 2 ThCh$ | Balance as of Dec-31-21 ThCh$ |
| **Financial Assets** | | | | | | | | |
| Trading instruments | | | | | | | | |
| Other instruments issued in Chile | 5,494,439 | (503,593) | — | 42,484,411 | (3,159,809) | 7,168,734 | — | 51,484,182 |
| Subtotal | 5,494,439 | (503,593) | — | 42,484,411 | (3,159,809) | 7,168,734 | — | 51,484,182 |
| Investment instruments held for sale: | | | | | | | | |
| Other instruments issued in Chile | 36,596,210 | 1,083,126 | (3,168,007) | 10,211,995 | (20,452,674) | 6,398,816 | (5,466,849) | 25,202,617 |
| Subtotal | 36,596,210 | 1,083,126 | (3,168,007) | 10,211,995 | (20,452,674) | 6,398,816 | (5,466,849) | 25,202,617 |
| Total | 42,090,649 | 579,533 | (3,168,007) | 52,696,406 | (23,612,483) | 13,567,550 | (5,466,849) | 76,686,799 |

| | 2020 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Balance as of Jan-01-21 ThCh$ | Gain (loss) recognized in net income (1) ThCh$ | Gain (loss) recognized in equity (2) ThCh$ | Purchases ThCh$ | Sales ThCh$ | Transfers from Levels 1 and 2 ThCh$ | Transfers to Levels 1 and 2 ThCh$ | Balance as of Dec-31-21 ThCh$ |
| **Financial Assets** | | | | | | | | |
| Trading instruments | | | | | | | | |
| Other instruments issued in Chile | 55,094,206 | (708,505) | — | 49,424,333 | (98,315,595) | — | — | 5,494,439 |
| Subtotal | 55,094,206 | (708,505) | — | 49,424,333 | (98,315,595) | — | — | 5,494,439 |
| Investment instruments held for sale: | | | | | | | | |
| Other instruments issued in Chile | 7,069,414 | 322,955 | (647,403) | 71,538,687 | (70,896,807) | 29,209,364 | — | 36,596,210 |
| Subtotal | 7,069,414 | 322,955 | (647,403) | 71,538,687 | (70,896,807) | 29,209,364 | — | 36,596,210 |
| Total | 62,163,620 | (385,550) | (647,403) | 120,963,020 | (169,212,402) | 29,209,364 | — | 42,090,649 |

(1) Recorded in the income statement under "Net gain (loss) from financial operations"
(2) Recorded in equity under "Revaluation accounts"

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40 – Additional notes (continued)**

**Note 40.36 – Fair value of financial assets and liabilities (continued)**

(d) Sensitivity of instruments classified in Level 3 to changes in key model assumptions.

The following table shows the sensitivity as of December 31 of instruments classified in Level 3 to changes in the key valuation assumptions.

| | 2021 | | 2020 | |
|---|---|---|---|---|
| **Financial Assets** | **Level 3 ThCh$** | **Sensitivity to changes in key model assumptions ThCh$** | **Level 3 ThCh$** | **Sensitivity to changes in key model assumptions ThCh$** |
| Traded Instruments | | | | |
| Other instruments issued in Chile | 51,484,182 | (506,178) | 5,494,439 | (7,919) |
| Subtotal | 51,484,182 | (506,178) | 5,494,439 | (7,919) |
| Investment instruments held for sale | | | | |
| Other instruments issued in Chile | 25,202,617 | (781,513) | 36,596,210 | (524,788) |
| Subtotal | 25,202,617 | (781,513) | 36,596,210 | (524,788) |
| Total | 76,686,799 | (1,287,691) | 42,090,649 | (532,707) |

In order to measure the sensitivity of the financial investments to changes in relevant market factors, the Bank has made alternative calculations of fair value, changing those key parameters for the valuation which are not directly observable. The financial assets in the above table are bank and corporate bonds, and prices based on broker quotes or runs were used as inputs prices, as these instruments do not have observable prices. Prices are generally calculated as a base rate plus a spread. Domestic bond prices were determined by applying a 10% impact on the price, while offshore bond prices associated with domestic issuers as of December 31, 2021 and 2020 were determined by applying a 10% impact on the spread because the base rate is hedged with interest-rate swap instruments using hedge accounting. The impact of 10% is considered as a reasonable movement considering the market performance of these instruments and comparing it against the bid/offer adjustment that is provided for these instruments.

**Note 40 – Additional notes (continued)**

**Note 40.36 – Fair value of financial assets and liabilities (continued)**

(e) Other assets and liabilities

The following table summarizes the fair values of the main financial assets and liabilities that are not recorded 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 is as follows:

| | Book value | | Estimated fair value | |
|---|---|---|---|---|
| | **2021 ThCh$** | **2020 ThCh$** | **2021 ThCh$** | **2020 ThCh$** |
| **Assets** | | | | |
| Cash and bank balances | 3,713,732,597 | 2,560,215,717 | 3,713,732,597 | 2,560,215,717 |
| Transactions pending settlement | 576,457,494 | 582,308,294 | 576,457,494 | 582,308,294 |
| Resale agreements and securities borrowing | 64,365,192 | 76,407,027 | 64,365,192 | 76,407,027 |
| Subtotal | 4,354,555,283 | 3,218,931,038 | 4,354,555,283 | 3,218,931,038 |
| Loans and advances to banks | | | | |
| Banks in Chile | 159,960,172 | 259,862,066 | 159,960,172 | 259,862,066 |
| Chilean Central Bank | 1,090,000,000 | 2,380,033,056 | 1,090,000,000 | 2,380,033,056 |
| Banks abroad | 279,352,709 | 299,095,438 | 278,812,898 | 297,777,794 |
| Subtotal | 1,529,312,881 | 2,938,990,560 | 1,528,773,070 | 2,937,672,916 |
| Loans and receivables from customers | | | | |
| Commercial loans | 19,111,534,281 | 17,169,743,402 | 18,449,013,238 | 16,968,142,923 |
| Residential mortgage loans | 10,315,919,981 | 9,354,890,149 | 9,753,454,878 | 10,075,011,361 |
| Consumer loans | 3,978,079,994 | 3,665,422,598 | 3,899,940,202 | 3,711,582,138 |
| Subtotal | 33,405,534,256 | 30,190,056,149 | 32,102,408,318 | 30,754,736,422 |
| Investment instruments held to maturity | 782,528,869 | — | 764,527,967 | — |
| Total | 40,071,931,289 | 36,347,977,747 | 38,750,264,638 | 36,911,340,376 |
| **Liabilities** | | | | |
| Demand deposits and other obligations | 18,505,522,651 | 15,076,459,627 | 18,505,522,651 | 15,167,206,058 |
| Transactions pending settlement | 460,488,902 | 1,301,999,579 | 460,488,902 | 1,301,999,579 |
| Repurchase agreements and securities lending | 95,009,426 | 288,916,522 | 95,009,426 | 288,916,522 |
| Time deposits and other borrowings | 9,138,195,429 | 8,899,541,333 | 9,143,382,503 | 8,885,015,284 |
| Obligations with banks | 4,861,866,021 | 3,669,754,175 | 4,325,868,510 | 3,415,959,408 |
| Other financial obligations | 274,618,490 | 191,713,727 | 299,451,854 | 217,311,070 |
| Subtotal | 33,335,700,919 | 29,428,384,963 | 32,829,723,846 | 29,185,661,490 |
| Debt instruments issued | | | | |
| Mortgage bonds for residential purposes | 4,011,029 | 6,532,487 | 4,214,287 | 7,201,194 |
| Mortgage bonds for general purposes | 104,882 | 253,899 | 110,197 | 279,890 |
| Bonds | 8,557,278,734 | 7,700,402,227 | 8,397,835,356 | 8,390,594,292 |
| Subordinated bonds | 917,509,514 | 886,406,724 | 869,364,168 | 1,004,195,974 |
| Subtotal | 9,478,904,159 | 8,593,595,337 | 9,271,524,008 | 9,402,271,350 |
| Total | 42,814,605,078 | 38,021,980,300 | 42,101,247,854 | 38,587,932,840 |

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

## Note 40 – Additional notes (continued)

## Note 40.36 – Fair value of financial assets and liabilities (continued)

(e) Other assets and liabilities (continued)

Other financial assets and liabilities not measured to fair value but for which a fair value is estimated even when they are not managed based on that value, include assets and liabilities like placements, deposits and other term placements, debt instruments issued and other financial assets and obligations with different maturities and characteristics. The fair values of these assets and liabilities are calculated by applying the discounted cash flow model and using various data sources such as yield curves, credit risk spreads, etc. In addition, as some of these assets and liabilities are traded on the market, regular analyses and revisions are required to determine the suitability of the inputs and the resulting fair values.

(f) Levels of other assets and liabilities

The following table shows the estimated fair values of financial assets and liabilities not valued at fair value, as of December 31, 2021 and 2020.

| | Level 1 Estimated fair value | | Level 2 Estimated fair value | | Level 3 Estimated fair value | | Total Estimated fair value | |
|---|---|---|---|---|---|---|---|---|
| | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ |
| **Assets** | | | | | | | | |
| Cash and bank balances | 3,713,732,597 | 2,560,215,717 | — | — | — | — | 3,713,732,597 | 2,560,215,717 |
| Transactions pending settlement | 576,457,494 | 582,308,294 | — | — | — | — | 576,457,494 | 582,308,294 |
| Resale agreements and securities borrowing | 64,365,192 | 76,407,027 | — | — | — | — | 64,365,192 | 76,407,027 |
| Subtotal | 4,354,555,283 | 3,218,931,038 | — | — | — | — | 4,354,555,283 | 3,218,931,038 |
| Loans and advances to banks | | | | | | | | |
| Banks in Chile | 159,960,172 | 259,862,066 | — | — | — | — | 159,960,172 | 259,862,066 |
| Chilean Central Bank | 1,090,000,000 | 2,380,033,056 | — | — | — | — | 1,090,000,000 | 2,380,033,056 |
| Banks abroad | — | — | — | — | 278,812,898 | 297,777,794 | 278,812,898 | 297,777,794 |
| Subtotal | 1,249,960,172 | 2,639,895,122 | — | — | 278,812,898 | 297,777,794 | 1,528,773,070 | 2,937,672,916 |
| Loans and receivables from customers | | | | | | | | |
| Commercial loans | — | — | — | — | 18,449,013,238 | 16,968,142,923 | 8,449,013,238 | 16,968,142,923 |
| Residential mortgage loans | — | — | — | — | 9,753,454,878 | 10,075,011,361 | 9,753,454,878 | 10,075,011,361 |
| Consumer loans | — | — | — | — | 3,899,940,202 | 3,711,582,138 | 3,899,940,202 | 3,711,582,138 |
| Subtotal | — | — | — | — | 32,102,408,318 | 30,754,736,422 | 32,102,408,318 | 30,754,736,422 |
| Investment instruments held to maturity | 764,527,967 | — | — | — | — | — | 764,527,967 | — |
| Total | 6,369,043,422 | 5,858,826,160 | — | — | 32,381,221,216 | 31,052,514,216 | 38,750,264,638 | 36,911,340,376 |
| **Liabilities** | | | | | | | | |
| Demand deposits and other obligations | 18,505,522,651 | 15,076,459,627 | — | — | — | — | 8,505,522,651 | 15,076,459,627 |
| Transactions pending settlement | 460,488,902 | 1,301,999,579 | — | — | — | — | 460,488,902 | 1,301,999,579 |
| Repurchase agreements and securities lending | 95,009,426 | 288,916,522 | — | — | — | — | 95,009,426 | 288,916,522 |
| Time deposits and other borrowings | — | — | — | — | 9,143,382,503 | 8,885,015,284 | 9,143,382,503 | 8,885,015,284 |
| Obligations with banks | — | — | — | — | 4,325,868,510 | 3,415,959,408 | 4,325,868,510 | 3,415,959,408 |
| Other financial obligations | — | — | — | — | 299,451,854 | 217,311,070 | 299,451,854 | 217,311,070 |
| Subtotal | 19,061,020,979 | 16,667,375,728 | — | — | 13,768,702,867 | 12,518,285,762 | 32,829,723,846 | 29,185,661,490 |
| Debt instruments issued | | | | | | | | |
| Mortgage bonds for residential purposes | — | — | 4,214,287 | 7,201,194 | — | — | 4,214,287 | 7,201,194 |
| Mortgage bonds for general purposes | — | — | 110,197 | 279,890 | — | — | 110,197 | 279,890 |
| Bonds | — | — | 8,397,835,356 | 8,390,594,292 | — | — | 8,397,835,356 | 8,390,594,292 |
| Subordinated bonds | — | — | — | — | 869,364,168 | 1,004,195,974 | 869,364,168 | 1,004,195,974 |
| Subtotal | — | — | 8,402,159,840 | 8,398,075,376 | 869,364,168 | 1,004,195,974 | 9,271,524,008 | 9,402,271,350 |
| Total | 19,061,020,979 | 16,667,375,728 | 8,402,159,840 | 8,398,075,376 | 14,638,067,035 | 13,522,481,736 | 42,101,247,854 | 38,587,932,840 |

**Note 40 – Additional notes (continued)**

**Note 40.36 – Fair value of financial assets and liabilities (continued)**

(f) Levels of other assets and liabilities (continued)

The Bank calculates the fair value of these assets and liabilities as follows:

- Short-term assets and liabilities: The book values of short-term assets and liabilities are assumed to be approximately equal to their fair values. This assumption is applied to the following assets and liabilities:

| **Assets** | **Liabilities** |
|---|---|
| - Cash and deposits in banks. | - Demand deposits and other obligations. |
| - Transactions pending settlement. | - Transactions pending settlement. |
| - Resale agreements and securities borrowing. | - Repurchase agreements and securities lending. |
| - Loans to Chilean banks. | |

- Loans and receivables from customers and loans to foreign banks: Fair value is calculated using a discounted cash flow model and discount rates generated internally, based on internal transfer rates derived from the internal transfer pricing process. After calculating the present value, the provisions for loan losses are deducted, in order to incorporate the credit risk associated with each contract or loan. Due to the use of parameters generated internally, these instruments are classified at Level 3.

- Investment instruments held to maturity: Fair value is calculated using the exchange's method, using the market IRR. Since the instruments in this category are Benchmark Treasury Bonds, they are classified as Level 1.

- Letters of credit and senior bonds: In order to calculate the present value of contractual cash flows, we apply a discounted cash flow model using interest rates that are available in the market, either for instruments with similar characteristics or that suit the valuation requirements, in terms of currency, maturity and liquidity. Interest rates are obtained from market price suppliers widely used by the market. As a result of the valuation technique and quality of inputs (observables) used for the valuation, these financial liabilities are classified at Level 2.

- Savings accounts, time deposits, bank obligations, subordinated bonds and other financial obligations: A discounted cash flow model is used to obtain the present value of committed cash flows, using a range of maturities and average discount rates derived from instruments with similar characteristics and internal transfer pricing process. Due to the use of internal parameters and/or critical judgments for valuation purposes, these financial liabilities are classified at Level 3.

QUIÑENCO S.A.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40 – Additional notes (continued)**

**Note 40.36 – Fair value of financial assets and liabilities (continued)**

g) Offsetting financial assets and liabilities

The Bank negotiates financial derivatives with foreign counterparties using ISDA Master Agreement documentation (International Swaps and Derivatives Association, Inc.), under legal jurisdiction of the city of New York, USA, or the City of London, United Kingdom. The legal framework in these jurisdictions, along with the documentation mentioned, grants Banco de Chile the right to anticipate the maturity of transactions and simultaneously offset the net value of those transactions in case of default by the respective counterparty. The Bank has also agreed with counterparties an additional appendix (CSA credit support annex) which includes other credit mitigating elements such as providing margins over a certain threshold of net value of transactions, early termination (optional or mandatory) of transactions on certain future dates, coupon adjustment of transactions in exchange for payment of the debtor counterparty over a certain threshold amount, etc.

Contracts that can be offset are detailed as follows.

| | Fair value in statement of financial position | | Negative fair value contracts with right to offset | | Positive fair value contracts with right to offset | | Financial guarantees | | Net fair value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ | 2021 ThCh$ | 2020 ThCh$ |
| Financial derivative contract assets | 2,983,299,159 | 2,618,003,416 | (1,259,232,723) | (653,144,857) | (782,775,738) | (1,605,408,539) | (327,839,657) | (85,613,543) | 613,451,041 | 273,836,477 |
| Financial derivative contract liabilities | 2,773,199,021 | 2,841,755,467 | (1,259,232,723) | (653,144,857) | (782,775,738) | (1,605,408,539) | (275,191,419) | (218,329,366) | 455,999,141 | 364,872,705 |

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

## Note 40 – Additional notes (continued)

### Note 40.37 - Asset and liability maturities

The principal financial assets and liabilities grouped according to their remaining term, including accrued interest as of December 31, 2021 and 2020 are as follows. Instruments for trading or held for sale are included at their fair value.

| | 2021 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Assets | Demand ThCh$ | Under 1 month ThCh$ | 1 to 3 months ThCh$ | 3 to 12 months ThCh$ | Subtotal under 1 year ThCh$ | 1 to 3 years ThCh$ | 3 to 5 years ThCh$ | Over 5 years ThCh$ | Subtotal over 1 year ThCh$ | Total ThCh$ |
| Cash and bank balances | 3,713,732,597 | — | — | — | 3,713,732,597 | — | — | — | — | 3,713,732,597 |
| Transactions pending settlement | — | 576,457,494 | — | — | 576,457,494 | — | — | — | — | 576,457,494 |
| Trading instruments | — | 3,876,696,779 | — | — | 3,876,696,779 | — | — | — | — | 3,876,696,779 |
| Resale agreements and securities borrowing | — | 37,763,007 | 14,012,917 | 12,589,268 | 64,365,192 | — | — | — | — | 64,365,192 |
| Financial derivative contracts | — | 81,337,401 | 235,071,162 | 703,542,690 | 1,019,951,253 | 651,610,417 | 400,465,615 | 911,271,874 | 1,963,347,906 | 2,983,299,159 |
| Loans and advances to banks (*) | — | 1,366,331,462 | 81,052,540 | 81,456,822 | 1,528,840,824 | 990,345 | — | — | 990,345 | 1,529,831,169 |
| Loans and receivables from customers (*) | — | 3,593,030,469 | 2,492,112,872 | 6,415,681,065 | 12,500,824,406 | 7,627,207,221 | 4,002,539,123 | 10,125,611,224 | 21,755,357,568 | 34,256,181,974 |
| Investment instruments held for sale | — | 92,655,307 | 475,406,003 | 1,008,857,980 | 1,576,919,290 | 836,880,314 | 124,379,642 | 516,630,734 | 1,477,890,690 | 3,054,809,980 |
| Investment instruments held to maturity | — | — | — | — | — | — | 385,419,086 | 397,109,783 | 782,528,869 | 782,528,869 |
| Total financial assets | 3,713,732,597 | 9,624,271,919 | 3,297,655,494 | 8,222,127,825 | 24,857,787,835 | 9,116,688,297 | 4,912,803,466 | 11,950,623,615 | 25,980,115,378 | 50,837,903,213 |

| | 2020 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Assets | Demand ThCh$ | Under 1 month ThCh$ | 1 to 3 months ThCh$ | 3 to 12 months ThCh$ | Subtotal under 1 year ThCh$ | 1 to 3 years ThCh$ | 3 to 5 years ThCh$ | Over 5 years ThCh$ | Subtotal over 1 year ThCh$ | Total ThCh$ |
| Cash and bank balances | 2,560,215,717 | — | — | — | 2,560,215,717 | — | — | — | — | 2,560,215,717 |
| Transactions pending settlement | — | 582,308,294 | — | — | 582,308,294 | — | — | — | — | 582,308,294 |
| Trading instruments | — | 4,666,157,612 | — | — | 4,666,157,612 | — | — | — | — | 4,666,157,612 |
| Resale agreements and securities borrowing | — | 39,094,515 | 20,591,203 | 16,721,309 | 76,407,027 | — | — | — | — | 76,407,027 |
| Financial derivative contracts | — | 131,976,017 | 211,871,324 | 423,431,432 | 767,278,773 | 593,691,164 | 405,153,007 | 851,880,472 | 1,850,724,643 | 2,618,003,416 |
| Loans and advances to banks (*) | — | 2,743,133,542 | 71,401,433 | 125,120,743 | 2,939,655,718 | — | — | — | — | 2,939,655,718 |
| Loans and receivables from customers (*) | — | 3,135,151,241 | 2,173,684,887 | 5,791,177,800 | 11,100,013,928 | 6,876,057,795 | 3,711,756,104 | 9,249,138,986 | 19,836,952,885 | 30,936,966,813 |
| Investment instruments held for sale | — | 78,180,496 | 140,367,083 | 487,074,640 | 705,622,219 | 162,683,217 | 16,856,301 | 175,361,723 | 354,901,241 | 1,060,523,460 |
| Investment instruments held to maturity | — | — | — | — | — | — | — | — | — | — |
| Total financial assets | 2,560,215,717 | 11,376,001,717 | 2,617,915,930 | 6,843,525,924 | 23,397,659,288 | 7,632,432,176 | 4,133,765,412 | 10,276,381,181 | 22,042,578,769 | 45,440,238,057 |

(*) These balances are shown without deducting the respective provisions which amount to ThCh$718,425,858 in 2021 (ThCh$746,910,664 in 2020) for loans and receivables from customers, and ThCh$518,288 in 2021 (ThCh$665,158 in 2020) for loans and advances to banks.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

## Note 40 – Additional notes (continued)

### Note 40.37 – Asset and liability maturities (continued)

| | 2021 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Liabilities | Demand ThCh$ | Under 1 month ThCh$ | 1 to 3 months ThCh$ | 3 to 12 months ThCh$ | Subtotal under 1 year ThCh$ | 1 to 3 years ThCh$ | 3 to 5 years ThCh$ | Over 5 years ThCh$ | Subtotal over 1 year ThCh$ | Total ThCh$ |
| Demand deposits and other obligations | 18,505,522,651 | — | — | — | 18,505,522,651 | — | — | — | — | 18,505,522,651 |
| Transactions pending settlement | — | 460,488,902 | — | — | 460,488,902 | — | — | — | — | 460,488,902 |
| Repurchase agreements and securities lending | — | 87,667,717 | 3,952 | 7,337,757 | 95,009,426 | — | — | — | — | 95,009,426 |
| Savings accounts and time deposits (**) | — | 6,639,175,927 | 1,748,177,897 | 234,674,712 | 8,622,028,536 | 65,551,852 | 1,906,020 | 452,189 | 67,910,061 | 8,689,938,597 |
| Financial derivative contracts | — | 34,653,020 | 226,057,354 | 713,278,739 | 973,989,113 | 644,452,211 | 399,499,492 | 755,258,205 | 1,799,209,908 | 2,773,199,021 |
| Obligations with banks | — | 196,093,424 | 1,259,282,308 | 18,344,485 | 1,473,720,217 | 3,388,145,804 | — | — | 3,388,145,804 | 4,861,866,021 |
| Debt instruments issued | | | | | | | | | | |
| Mortgage bonds | 528,729 | 543,825 | 1,065,890 | — | 2,138,444 | 1,424,818 | 184,820 | 367,829 | 1,977,467 | 4,115,911 |
| Senior bonds | 139,873,867 | 374,532,130 | 848,923,737 | — | 1,363,329,734 | 1,933,283,591 | 1,784,605,972 | 3,476,059,437 | 7,193,949,000 | 8,557,278,734 |
| Subordinated bonds | 4,226,464 | 1,390,342 | 112,859,150 | — | 118,475,956 | 19,978,501 | 15,854,029 | 763,201,028 | 799,033,558 | 917,509,514 |
| Other financial obligations | — | 274,413,479 | 25,452 | 89,630 | 274,528,561 | 89,929 | — | — | 89,929 | 274,618,490 |
| Lease liabilities | 2,310,786 | 6,586,482 | 17,502,340 | — | 26,399,608 | 29,056,296 | 16,448,937 | 23,765,319 | 69,270,552 | 95,670,160 |
| Total financial liabilities | 18,652,462,497 | 8,075,545,248 | 4,213,898,080 | 973,725,323 | 31,915,631,148 | 6,081,983,002 | 2,218,499,270 | 5,019,104,007 | 13,319,586,279 | 45,235,217,427 |

| | 2020 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Liabilities | Demand ThCh$ | Under 1 month ThCh$ | 1 to 3 months ThCh$ | 3 to 12 months ThCh$ | Subtotal under 1 year ThCh$ | 1 to 3 years ThCh$ | 3 to 5 years ThCh$ | Over 5 years ThCh$ | Subtotal over 1 year ThCh$ | Total ThCh$ |
| Demand deposits and other obligations | 15,076,459,627 | — | — | — | 15,076,459,627 | — | — | — | — | 15,076,459,627 |
| Transactions pending settlement | — | 1,301,999,579 | — | — | 1,301,999,579 | — | — | — | — | 1,301,999,579 |
| Repurchase agreements and securities lending | — | 288,873,456 | 43,066 | — | 288,916,522 | — | — | — | — | 288,916,522 |
| Savings accounts and time deposits (**) | — | 5,909,865,283 | 1,945,177,370 | 642,124,545 | 8,497,167,198 | 58,440,875 | 1,231,861 | 151,308 | 59,824,044 | 8,556,991,242 |
| Financial derivative contracts | — | 185,195,757 | 243,095,733 | 442,550,816 | 870,842,306 | 666,493,453 | 427,189,828 | 877,229,880 | 1,970,913,161 | 2,841,755,467 |
| Obligations with banks | — | 76,020,034 | 141,808,663 | 341,187,655 | 559,016,352 | 1,020,137,823 | 2,090,600,000 | — | 3,110,737,823 | 3,669,754,175 |
| Debt instruments issued | | | | | | | | | | |
| Mortgage bonds | — | 806,746 | 793,158 | 1,713,743 | 3,313,647 | 2,320,711 | 837,588 | 314,440 | 3,472,739 | 6,786,386 |
| Bonds | — | 220,455,401 | 113,447,505 | 891,973,178 | 1,225,876,084 | 1,704,497,331 | 1,586,220,756 | 3,183,808,056 | 6,474,526,143 | 7,700,402,227 |
| Subordinated bonds | — | 3,546,070 | 1,221,377 | 113,396,922 | 118,164,369 | 29,354,260 | 16,687,870 | 722,200,225 | 768,242,355 | 886,406,724 |
| Other financial obligations | — | 191,303,056 | 40,443 | 163,014 | 191,506,513 | 188,739 | 18,475 | — | 207,214 | 191,713,727 |
| Lease liabilities | — | 2,270,341 | 4,621,147 | 20,025,053 | 26,916,541 | 39,697,082 | 19,424,498 | 28,979,086 | 88,100,666 | 115,017,207 |
| Total financial liabilities | 15,076,459,627 | 8,180,335,723 | 2,450,248,462 | 2,453,134,926 | 28,160,178,738 | 3,521,130,274 | 4,142,210,876 | 4,812,682,995 | 12,476,024,145 | 40,636,202,883 |

(**) Excludes term saving accounts, which amount to ThCh$448,256,832 as of December 31, 2021 (ThCh$342,550,091 as of December 31, 2019)

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management**

**(1) Introduction**

Banco de Chile approaches global risk management from a comprehensive, differentiated perspective based on the business segments served by the Bank and its subsidiaries. This overall approach is fundamental for its strategy, and for the sustainability of its business.

Risk management policies are established to identify and analyze the risks faced by the Bank, set suitable risk limits and controls, and monitor the risks and compliance with the limits. The Bank ensures a disciplined and constructive control environment, through its management regulations and procedures. Risk management policies, standards, procedures and systems are regularly reviewed.

The Bank has teams with extensive experience and knowledge in every matter related to risk, who ensure that these are carefully managed by the Bank and its subsidiaries.

**(a) Risk management structure**

Credit, market and operational risk management takes place at all levels of the organization, with a corporate governance structure that recognizes its importance and all the various types of risk.

The Board of Directors of Banco de Chile is responsible for establishing policies, the risk appetite framework and guidelines for developing, validating and monitoring models. It approves the provision models and ensures that provisions are sufficient every year. Management is responsible for establishing the associated rules and procedures, and for ensuring compliance with the Board of Directors' instructions.

The Bank's Corporate Governance is actively driven by the Board of Directors, both directly and through various committees composed of Directors and Senior Management. Banco de Chile's Board of Directors is continually informed of risk developments through its Finance, International and Financial Risk, Credit Risk, Portfolio Risk and Superior Operational Risk Committees, which review the status of credit, market and operational risks. These committees are described in the following paragraphs.

The Wholesale Credit Risk Division, the Retail Credit Risk and Global Risk Control Division and the Cybersecurity Division jointly manage risk. They form the corporate risk governance structure, and their highly experienced and specialized teams, together with a robust regulatory framework, secure optimal and effective management of the matters they address.

The Wholesale Credit Risk Division and the Retail Credit Risk and Global Risk Control Division are responsible for credit risk during the origination, monitoring and recovery phases for each business segment. The Wholesale Credit Risk Division has a Market Risk Area that measures, limits, checks and reports on this risk, as well as defining valuation standards and asset and liability management standards.

QUIÑENCO S.A.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(1) Introduction (continued)**

**(a) Risk management structure (continued)**

The Origination Area of the Retail Credit Risk and Global Risk Control Division prepares the regulatory framework for credit risk issues, and the Risk Models Area prepares the methods related to credit risk. Models are monitored and validated by the respective areas that deal with these matters in this division, which ensures the independence of this function throughout the organization.

This division also has Operational Risk and Business Continuity areas that are responsible for managing and supervising how policies, standards and procedures are implemented in each of these areas within the Bank and its subsidiaries. The Operational Risk Area is responsible for ensuring that operational risks are efficiently identified and managed, for promoting a risk awareness culture to prevent financial losses and improve process quality, and for proposing continuous improvements to risk management that are aligned with business objectives. The Business Continuity Area aims to manage business continuity strategy and control within the operational and technological areas of the bank, by developing alternative operational plans and controlled testing to reduce the impact of disruptive events that may affect the organization. The Operational Risk and Business Continuity methods, controls and scopes apply to Banco de Chile and are replicated in its subsidiaries. This guarantees their standardization in line with the bank's overall management model.

The Cybersecurity Division is responsible for defining, implementing and reporting on progress with the Strategic Cybersecurity Plan, which is aligned with the bank's business strategy. It focuses on protecting internal, customer and employee information.

This division is composed of the Cybersecurity Engineering, Cyberdefense and Technology Risk departments, and the Strategic Management and Assurance units.

The Cyberdefense Department is responsible for safeguarding information assets by detecting, responding to and containing threats. The Cybersecurity Engineering Department is responsible for defining, implementing and maximizing cyberthreat protection technologies, and defining and maintaining the security architecture. The Technology Risk Department is responsible for identifying, assessing, treating and reporting information security, technology and cybersecurity risks, and managing the technology risks within the bank's projects. The Strategic Management Unit is responsible for defining and managing the Cybersecurity Project Plan, which is aligned with the bank's Strategic Plan, guaranteeing the effective and efficient use of resources, and providing and controlling the Cybersecurity guidelines for suppliers. Finally, the Assurance Unit is responsible for reviewing compliance with the Cybersecurity strategic plan, regulatory framework, policies and procedures. It is also responsible for developing and implementing the Cybersecurity Awareness Program.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(1) Introduction (continued)**

**(a) Risk management structure (continued)**

(i) Finance, International and Financial Risk Committee

Its purpose is to design policies and procedures related to price and liquidity risk; design a structure of limits and warnings for financial exposures, review the risk appetite framework proposed to the Board, and ensure that these are correctly and promptly measured, monitored and reported; monitor financial exposures and risks; analyze the impact on transaction values and/or results due to potential adverse movements in the values of market variables or liquidity restrictions; review stress test assumptions and establish action plans when appropriate; ensure that independent units value financial positions, and analyze the results of these financial positions; review and approve integrated risk measurements with respect to market and liquidity risks; monitor the international financial exposure within liabilities; review the main credit exposure within Treasury products (derivatives and bonds); ensure that price and liquidity risk management guidelines in subsidiaries are consistent with those of the Bank and review the evolution of their main financial risks.

The Finance, International and Financial Risk Committee meets every month and comprises the Chairman of the Board, four directors or Board advisors, the Chief Executive Officer, and the managers of the Financial Management and Control Division, the Wholesale Credit Risk Division, the Treasury Division and the Market Risk Area. The committee may also invite certain people to take part in one or more meetings on a continual or occasional basis.

(ii) Credit committees

The credit approval process is controlled by various credit committees composed of trained professionals with sufficient authority to make decisions.

Each committee defines the terms and conditions under which the Bank accepts counterparty risks and the Wholesale Credit Risk Division and the Retail Credit Risk and Global Credit Risk Division participate independently of the commercial areas. Their membership is based on commercial segment requirements and approval limits. They meet at various frequencies.

The Directors' Credit Committee is the highest authority within the Bank's risk management structure. It meets every week and is comprised of the Chairman of the Board and all standing and alternate directors, the CEO and the Wholesale Credit Risk Division Manager. It analyzes and approves all credit transactions equal to or greater than UF 750,000 for customers and economic groups. It is also responsible for analyzing and resolving all credit transactions that must be approved by this Committee, in accordance with the Bank's internal regulations, except for any special authority delegated by the Board to Management.

QUIÑENCO S.A.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(1) Introduction (continued)**

**(a) Risk management structure (continued)**

(iii) Portfolio Risk Committee

Its main function is to understand changes in the composition, concentration and risk of the loan portfolio of the banks and segments, covering the complete cycle of loan risk management, including the loan origination, monitoring and recovery processes. It reviews the main debtors and the portfolio risk indicators and proposes differentiated management strategies. It approves and proposes credit risk policies to the Board. It is responsible for reviewing, approving and recommending to the Board of Directors for their final approval, the portfolio evaluation methods and provision models. It is also responsible for reviewing and analyzing the sufficiency of provisions for the banking divisions and segments. It reviews the guidelines and progress with the development of internal credit risk models, along with monitoring concentration by sectors and segments according to the sectoral limits policy. It reviews and approves the integrated risk measurements and credit risk appetite framework for credit risks. It ensures that they are approved by the Board of Directors. It selects the metrics for the risk appetite framework and their acceptable limits. It verifies that the credit risk policies at subsidiaries are consistent with those of the Bank. It monitors them and reviews how credit risk is managed by subsidiaries. It generally investigates and analyzes any relevant aspect of credit risk in Banco de Chile's portfolio.

The Portfolio Risk Committee meets monthly and is composed of the Chairman of the Board, two directors or alternates, the Chief Executive Officer, the Wholesale Credit Risk Division Manager, the Retail Credit Risk and Global Risk Control Division Manager, the Commercial Division Manager and the Risk Management Control and Reporting Manager.

(iv) Internal Modeling Technical Oversight Committee

The main function of this Committee is to provide methodical guidelines to develop, monitor and document the mathematical models used in the retail segments for credit risk management, such as management models covering origination, monitoring, collection and rating, and regulatory models covering capital and specific provisions for credit or additional risk under local or international standards. The Committee may exceptionally evaluate additional methods, other than credit risk methods, at the request of the Chairman of the Committee.

The Committee selects the main criteria and guidelines to construct new models; it reviews and approves methods associated with non-regulatory models, such as origination and collection, which must be submitted to the Portfolio Risk Committee for its ratification; it only reviews regulatory models, as these are approved by the Portfolio Risk Committee and the Board of Directors. It establishes minimum standards for monitoring the quality of internal models. It establishes minimum standards for documenting the development, construction, monitoring and operation of the models.

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(1) Introduction (continued)**

**(a) Risk management structure (continued)**

(iv) Internal Modeling Technical Oversight Committee (continued)

It is composed of the Retail Credit Risk and Global Risk Control Division Manager, the managers of the Risk Monitoring, the Research and Management, the Retail Business Development and the Risk Models departments, the managers of the Retail Monitoring and Models, the Big Data and Regulatory Systems, the Risk Models Validation, the Pre-approved Origination, the Regulatory Models, and the Infrastructure and Management Models departments, and the Retail Risk Department Manager. This committee meets monthly.

(v) Senior Operational Risk Committee

It is an executive committee with authority to approve changes in the processes, procedures, controls and information systems that support the Bank's transactions, in order to mitigate operational risks, and assure that areas can appropriately manage and control these risks. It also reviews operational risk management at the subsidiaries and their reports to their respective Operational Risk Committees, including information security and business continuity issues. It reviews the corrective measures for these risks in the event of deviations or contingencies that could affect the subsidiaries or the Bank.

The Senior Operational Risk Committee is comprised of the Chairman of the Board, and three directors or alternates appointed by the Bank's Board of Directors, the Chief Executive Officer, the Retail Credit Risk and Global Risk Control Division Manager, the Operations and Technology Division Manager, the Commercial Division Manager, the Cybersecurity Division Manager, the Marketing Division Manager and the Operational Risk Manager. The Committee meets monthly and may be called extraordinarily.

(vi) Operational Risk Committee

It is authorized to make any changes to the processes, procedures, controls and information systems that support the Bank's transactions, in order to mitigate operational risks, and assure that areas can appropriately manage and control these risks.

The Operational Risk Committee is comprised of the Retail Credit Risk and Global Risk Control Division Manager, the Financial Management and Control Division Manager, the Cybersecurity Division Manager, the Operational Risk Manager, the Technological Risk Manager, the Business Continuity Manager, the Operations Area Manager, the Technology and Infrastructure Manager, the Customer Manager, the GG.EE. Group Manager, the Customer Service Manager, the Chief Counsel and the Deputy Operational Risk Management Manager. The Committee meets monthly and may be called extraordinarily.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(1) Introduction (continued)**

**(a) Risk management structure (continued)**

(vii) Capital Management Committee

This committee meets quarterly and is composed of two directors; the Chief Executive Officer; the Financial Management and Control Division Manager; the Wholesale Credit Risk Division Manager; the Retail Credit Risk and Global Risk Control Division Manager; and the Financial Control, Treasury and Capital Area Manager. The Committee is chaired by a director. If the Chairman is absent, they should be substituted by the other director.

The main function of the Capital Management Committee is to monitor capital management at the Bank and its subsidiaries, and ensure compliance with the Corporate Capital Management Policy and related regulations. It also: (i) reviews and updates the Corporate Capital Management Policy, at least annually, (ii) reviews and updates the supplementary documentation associated with capital management, at least annually, (iii) ensures that the Bank has sufficient capital to meet both its current requirements and those arising from stress scenarios, over a three-year horizon, (iv) reviews and validates the capital plan and proposes an internal regulatory capital objective to the Board, on an annual basis, (v) reviews the results of the stress tests, the risk appetite framework and the equity self-assessment report, (vi) regularly monitors the Bank's capital management metrics, and the variables that affect those parameters, (vii) keeps the Board of Directors informed of compliance with the capital plan, the business and capital risk appetite framework, and changes in the variables affecting capital management, (viii) proposes the activation and supervises the execution of the contingency plans associated with breaches in the business and capital risk appetite framework, prior to their approval by the Board of Directors, (ix) reviews the results of the validation of the models associated with capital management and monitors the status of the validation observations, on a quarterly basis, (x) reviews the internal control evaluation of the capital self-assessment process, prior to issuing the regulatory capital self-assessment report.

**(b) Internal audit**

Risk management processes throughout the Bank are continually audited by the Internal Audit Area, which analyzes the adequacy of the procedures and their compliance. Internal Audit discusses the results of all evaluations with management and reports its findings and recommendations to the Board through the Audit Committee.

**(c) Measurement methodology**

Provisions and portfolio expenses are basic measurements used to determine the credit quality of our portfolio, in terms of credit risk.

Banco de Chile evaluates its loan portfolio on an ongoing basis and promptly recognizes the risk level associated with the portfolio. It uses specific guidelines to develop provision models that comply with local standards, in accordance with the instructions issued by the CMF, IFRS 9 and stress testing. These guidelines and the associated models are approved by the Board of Directors.

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(1) Introduction (continued)**

**(c) Measurement methodology (continued)**

The final outcome of this evaluation (both individual and group) is used to determine how much the Bank should provision in order to cover losses in the event of customer default.

An individual debtor evaluation is used mainly for legal entities that the Bank needs to understand in detail or on a case-by-case basis because of their size, complexity or indebtedness level. In order to establish timely and sufficient provisions, each debtor is classified into one of 16 categories defined by the CMF. The Bank reviews the portfolio's risk ratings on an ongoing basis, including each customer’s financial situation, payment behavior and environment.

The group evaluation criteria are mainly applied to individuals and smaller companies. These assessments are carried out each month using statistical models that enable the Bank to estimate the provisions needed to cover portfolio risk. The consistency analysis for these models is performed by independently validating the unit that develops the models and, subsequently, performing backtesting to contrast real losses with model-estimated losses.

The Bank prudently adjusted its 2020 provisioning models during 2021, in particular its Probability of Default (PD) parameters, by adopting a conservative and prospective approach. The internal provisioning model parameters were again updated in December.

In order to verify the quality and soundness of its risk assessment process, every year the Bank tests the adequacy of its provisions for its entire loan portfolio, thereby confirming that provisions are sufficient to cover losses that may arise from loans granted. The results of this analysis are presented to the Board, which then issues a formal opinion on the adequacy of the Bank's provisions for each year.

Banco de Chile records additional provisions to protect against unforeseeable economic fluctuations that may affect the macroeconomic environment or circumstances of a specific economic sector. At least once a year the amount of additional provisions to be established or released is proposed first to the Portfolio Risk Committee and then to the Board for approval.

In that context, during 2021 the Bank recorded additional provisions based on several prospective analyses regarding the impacts of the pandemic, including the effects of mitigation measures taken by local and global public health authorities, expectations of a downward economic cycle, and local macroeconomic projections for variables such as unemployment and economic growth.

The monitoring and control of risks are mainly carried out based on limits set by the Board. These limits reflect the Bank’s business and market strategy, and also the level of risk it is prepared to accept, with additional emphasis on selected industries.

QUIÑENCO S.A.

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(1) Introduction (continued)**

**(c) Measurement methodology (continued)**

The Bank has integrated its capital planning process into its strategic planning, in line with the risks inherent to its business, the financial and competitive environment, its business strategy, corporate values, and its risk governance, management and control systems. Its capital planning process is aligned with the regulator's requirements and incorporates Risk Weighted Asset calculations and stress tests for its credit, market and operational risks, and the integrated measurement of its financial and non-financial risks.

The Bank updated its Risk Appetite Framework during 2021, which identifies, evaluates, measures, mitigates and proactively controls all the relevant risks that could arise in the normal course of its business. Therefore, the Bank uses several management tools and defines an appropriate structure of limits and warnings within this framework, which constantly monitor the performance of various indicators and trigger prompt corrective measures, if required. These indicators are included in the annual regulatory capital self-assessment report that is sent to the CMF.

**(2) Credit risk**

Credit risk assesses the probability that the counterparty in a loan transaction does not meet its contractual obligation because of payment incapacity or financial insolvency, and that leads to a potential loan loss.

The Bank seeks an adequate risk-return and an appropriate risk balance, through careful credit risk management, which covers the loan origination, monitoring and recovery processes. It also continuously manages risk knowledge using an integral approach, in order to contribute to the business and anticipate threats that may damage its solvency or the quality of its loan portfolio, by developing a unique risk awareness culture throughout the corporation.

This requires developing a risk management framework for the business segments served by the Bank, responding to regulatory requirements and commercial dynamism, contributing to digital transformation, and contributing to the Bank's businesses from a risk management perspective. It adopts a portfolio perspective that efficiently and proactively manages, resolves and controls the business approval process.

Consideration is given in the corporate segments to additional management processes, when required. This applies to financing requests that involve greater exposure to environmental or social risks.

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(2) Credit risk (continued)**

The Bank integrates socio-environmental criteria into its evaluations for granting financing for domestic and regional projects that might generate such an impact, wherever executed. Projects must have all the permits, authorizations, licenses and studies required for their impacts in order to qualify for financing. For large customers, the Bank also has specialized customer service units involved in the process of financing large-scale projects such as public works concessions that include building infrastructure and mining, power or real estate developments, all of which may have an environmental impact.

The Bank's credit policies and processes acknowledge the particularities of each market and segment, thus affording specialized treatment to each one based on the following management principles:

1. Performing a rigorous evaluation during the loan origination process, considering credit policies, rules and procedures and making sure that sufficient and accurate information is available. This involves analyzing the customer’s cash flow generation and solvency to comply with payment commitments and, when necessary, requiring suitable guarantees to mitigate the risk assumed with the customer.

2. Carrying out a continuous, robust portfolio monitoring process using systems that warn the Bank of potential signs of customer impairment with respect to the original evaluation and possible business opportunities with customers demonstrating superior quality and payment behavior.

3. Developing advanced modeling and data management tools for efficient decision making throughout the various stages of the loan process.

4. Having a timely, flexible, efficient collections structure that can be used to take the appropriate steps depending on customer type and payment problems, strictly adhering at all times to regulations and the bank's reputation-related policies.

5. Efficiently managing teams, tools and information availability to ensure optimal credit risk management.

The credit risk divisions use these management principles to contribute to the business and anticipate threats that may affect solvency and portfolio quality. In particular, during 2020 and 2021 the soundness of these principles and the role of credit risk have enabled the Bank to appropriately respond to challenges presented by the pandemic, providing prompt responses to customers while maintaining the solid fundamentals for which the Bank's portfolio is known among its diverse segments and products.

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(2) Credit risk (continued)**

Like last year, various measures have been implemented to support customers, such as launching the loan facility associated with the “FOGAPE -Reactivation” (*FOGAPE-Reactiva*) Fund, implementing Law 21,299 that postpones mortgage loan installments, and easing collection measures, in order to temporarily relax repayment conditions and support customers with new facilities to cover their requirements during the pandemic.

Portfolios and the results of transitional measures have continually been monitored within the risk management framework during the year.

Executive training and education have disseminated risk knowledge from an integral perspective, in order to strengthen the risk awareness culture at the Bank during 2021. Training has been provided in environmental and social risks to commercial and corporate risk executives, to ensure that these factors and their impact are taken into consideration during credit analysis and evaluation. Specifically, many employees attended the Socio-environmental Risk Analysis course given by the United Nations Environment Program Finance Initiative (UNEPFI).

**(a) Retail segments**

Approval in these segments is mainly evaluated using scoring tools, supported by an appropriate credit attribution model, which is required to approve each transaction. These evaluations consider elements such as indebtedness, payment capacity and maximum acceptable exposure for the customer.

The Bank's risk functions for these segments are segregated into the following areas:

- The **Retail Origination and Regulatory Area** evaluates customers and transactions specialized by product and segment. Maintains a framework of policies and standards to ensure that portfolio quality remains within the desired risk, and defines guidelines for customer origination and their respective parameterization in the evaluation systems. These definitions are publicized within the commercial and risk areas through programs and continuous training, and they are monitored by credit review processes.

- The **Models Area** develops, maintains and updates credit risk models for regulatory and management uses, in accordance with local and international regulations. It selects the functional specifications and the most appropriate statistical techniques to develop the required models. These models are validated by the Model Validation Area and then submitted to the corresponding governing body, such as the Internal Modeling Technical Development and Oversight Committee, the Portfolio Risk Committee, or the board, as appropriate.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(2) Credit risk (continued)**

**(a) Retail segments (continued)**

- The **Models and Retail Monitoring Area** measures portfolio performance by monitoring the main indicators of the aggregate portfolio using batch analysis, which is reported to management, thus generating important information for decision-making. It also conducts special monitoring based on important events occurring in the market.

  This area ensures that strategies are implemented in a manner that meets their risk quality objectives. Furthermore, through its model monitoring function, it monitors risk models to ensure they meet standards defined to assure their predictive and discriminant capacity, identifying possible related risks.

- The **Model Validation Area** independently reviews the credit and treasury risk models during their construction and implementation stages. It validates compliance with board-approved guidelines, addressing aspects such as governance, data quality, modeling techniques, implementation and documentation. The results of their reviews are submitted to the respective Committees, as appropriate.

- The **Collections Area** performs collections for all Bank segments and centralizes recovery management in retail segments through Socofin, a Bank subsidiary. It defines criteria for refinancing and payment agreements with customers, while maintaining an adequate risk-return ratio, and incorporating robust collection management tools in order to segment collections in line with institutional policies.

**(b) Wholesale segments**

Origination management for this segment involves an individual assessment of the customer and if it belongs to a group of companies then this takes into consideration the Bank's relationship with the rest of the group. This individual (and group, if appropriate) assessment considers generation capacity, financial capacity with emphasis on solvency, exposure levels, industry variables, an evaluation of the partners and management and aspects particular to the transaction such as the financing structure, terms and any guarantees.

This assessment is backed by a rating model that ensures a homogeneous evaluation of the customer and its group. This assessment involves specialized areas for some segments that require expert knowledge such as real estate, construction, agriculture, financial and international.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(2) Credit risk (continued)**

**(b) Wholesale segments (continued)**

The portfolio is continually monitored in a centralized manner by individual customer, business segment and economic sector, based on regularly updated information from the customer and the industry. Warnings are triggered throughout this process, to promptly and correctly detect any risks to the individual portfolio and to monitor any special conditions established at the origination stage, such as financial covenants, and the scope of specific guarantees and conditions imposed at approval.

Additionally, loan origination areas jointly monitor loans from application to recovery, in order to ensure that portfolio risks are promptly and correctly identified and take steps in advance to manage cases with higher risk levels.

By identifying customers with signs of deterioration or default on any condition, the customer's commercial area and the Wholesale Credit Risk Division work together to devise action plans to correct the situation. In more complex cases requiring specialized management, the Special Asset Management Area, which reports to the Wholesale Credit Risk Division, is directly responsible for managing collections, establishing action plans and negotiating based on each customer's particular circumstances.

**(c) Portfolio concentration**

The maximum exposure to credit risk by customer or counterparty, without considering collateral and other credit improvements, as of December 31, 2021 and 2020, does not exceed 10% of the Bank's regulatory capital.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

## Note 40 – Additional notes (continued)

## Note 40.38 – Risk management (continued)

### (2) Credit risk (continued)

### (c) Portfolio concentration (continued)

The following tables show the exposure to credit risk by component of the statement of financial position, including derivatives, both by geographic region and industrial sector as of December 31, 2021:

| | Chile MCh$ | USA MCh$ | Brazil MCh$ | Other MCh$ | Total MCh$ |
|---|---|---|---|---|---|
| **Financial Assets** | | | | | |
| **Cash and bank deposits** | 2,748,930 | 897,881 | 8 | 66,915 | 3,713,734 |
| **Traded Instruments** | | | | | |
| State and Chilean Central Bank | 3,472,122 | — | — | — | 3,472,122 |
| Other instruments issued in Chile | 268,882 | — | — | — | 268,882 |
| Instruments issued abroad | — | — | — | — | — |
| Investments in mutual funds | 135,691 | — | — | — | 135,691 |
| Subtotal | 3,876,695 | — | — | — | 3,876,695 |
| **Repurchase agreements and securities borrowing** | 64,365 | — | — | — | 64,365 |
| **Trading derivative contracts** | | | | | |
| Forwards | 585,463 | 90,461 | — | 66,621 | 742,545 |
| Swaps | 1,113,135 | 256,829 | — | 588,278 | 1,958,242 |
| Call options | 4,509 | — | — | — | 4,509 |
| Put options | 199 | — | — | — | 199 |
| Futures | — | — | — | — | — |
| Subtotal | 1,703,306 | 347,290 | — | 654,899 | 2,705,495 |
| **Hedge accounting derivative contracts** | | | | | |
| Forwards | — | — | — | — | — |
| Swaps | 16,375 | 79,904 | — | 181,524 | 277,803 |
| Call options | — | — | — | — | — |
| Put options | — | — | — | — | — |
| Futures | — | — | — | — | — |
| Subtotal | 16,375 | 79,904 | — | 181,524 | 277,803 |
| **Loans and advances to banks** | | | | | |
| Chilean Central Bank | 1,090,000 | — | — | — | 1,090,000 |
| Banks in Chile | 160,018 | — | — | — | 160,018 |
| Banks abroad | — | — | 141,249 | 138,565 | 279,814 |
| Subtotal | 1,250,018 | — | 141,249 | 138,565 | 1,529,832 |
| **Loans and receivables from customers** | | | | | |
| Commercial loans | 19,647,105 | — | — | 13,718 | 19,660,823 |
| Residential mortgage loans | 10,346,652 | — | — | — | 10,346,652 |
| Consumer loans | 4,248,709 | — | — | — | 4,248,709 |
| Subtotal | 34,242,466 | — | — | 13,718 | 34,256,184 |
| **Investment instruments held for sale** | | | | | |
| State and Chilean Central Bank | 2,488,850 | — | — | — | 2,488,850 |
| Other instruments issued in Chile | 565,959 | — | — | — | 565,959 |
| Instruments issued abroad | — | — | — | — | — |
| Subtotal | 3,054,809 | — | — | — | 3,054,809 |
| **Investment instruments held to maturity** | 782,529 | — | — | — | 782,529 |

QUIÑENCO S.A.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

## Note 40 – Additional notes (continued)

## Note 40.38 – Risk management (continued)

### (2) Credit risk (continued)

### (c) Portfolio concentration (continued)

| Financial Assets | Chilean Central Bank MCh$ | Govern-ment MCh$ | Individuals MCh$ | Financial services MCh$ | Wholesale and retail trade MCh$ | Manufac-turing MCh$ | Mining MCh$ | Electricity, gas and water MCh$ | Agriculture and livestock MCh$ | Fishing MCh$ | Transport and telecom MCh$ | Construction MCh$ | Services MCh$ | Other MCh$ | Total MCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cash and bank deposits** | 1,545,472 | — | — | 2,168,262 | — | — | — | — | — | — | — | — | — | — | 3,713,734 |
| **Traded Instruments** | | | | | | | | | | | | | | | |
| State and Chilean Central Bank | 3,287,111 | 162,433 | — | 22,578 | — | — | — | — | — | — | — | — | — | — | 3,472,122 |
| Other instruments issued in Chile | — | — | — | 268,882 | — | — | — | — | — | — | — | — | — | — | 268,882 |
| Instruments issued abroad | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Investments in mutual funds | — | — | — | 135,691 | — | — | — | — | — | — | — | — | — | — | 135,691 |
| Subtotal | 3,287,111 | 162,433 | — | 427,151 | — | — | — | — | — | — | — | — | — | — | 3,876,695 |
| **Repurchase agreements and securities borrowing** | — | — | 232 | 62,030 | 1,327 | — | — | — | — | — | — | 13 | — | 763 | 64,365 |
| **Trading derivative contracts** | | | | | | | | | | | | | | | |
| Forwards | — | — | — | 521,735 | 3,685 | 18,806 | 1,343 | 12,623 | 4,873 | — | — | 247 | — | 179,233 | 742,545 |
| Swaps | — | — | — | 1,870,974 | 342 | 3,444 | 2 | 8,129 | 17,815 | 5,409 | 11,516 | 3,098 | — | 37,513 | 1,958,242 |
| Call options | — | — | — | 251 | 3,595 | 474 | — | — | 80 | 109 | — | — | — | — | 4,509 |
| Put options | — | — | — | 21 | 178 | — | — | — | — | — | — | — | — | — | 199 |
| Futures | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Subtotal | — | — | — | 2,392,981 | 7,800 | 22,724 | 1,345 | 20,752 | 22,768 | 5,518 | 11,516 | 3,345 | — | 216,746 | 2,705,495 |
| **Hedge accounting derivative contracts** | | | | | | | | | | | | | | | |
| Forwards | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Swaps | — | — | — | 277,803 | — | — | — | — | — | — | — | — | — | — | 277,803 |
| Call options | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Put options | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Futures | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Subtotal | — | — | — | 277,803 | — | — | — | — | — | — | — | — | — | — | 277,803 |
| **Loans and advances to banks** | | | | | | | | | | | | | | | |
| Chilean Central Bank | 1,090,000 | — | — | — | — | — | — | — | — | — | — | — | — | — | 1,090,000 |
| Banks in Chile | — | — | — | 160,018 | — | — | — | — | — | — | — | — | — | — | 160,018 |
| Banks abroad | — | — | — | 279,814 | — | — | — | — | — | — | — | — | — | — | 279,814 |
| Subtotal | 1,090,000 | — | — | 439,832 | — | — | — | — | — | — | — | — | — | — | 1,529,832 |
| **Loans and receivables from customers** | | | | | | | | | | | | | | | |
| Commercial loans | — | — | — | 3,052,620 | 2,616,625 | 1,750,228 | 400,134 | 340,378 | 1,769,839 | 144,711 | 1,833,467 | 2,492,061 | 3,182,285 | 2,078,475 | 19,660,823 |
| Residential mortgage loans | — | — | 10,346,652 | — | — | — | — | — | — | — | — | — | — | — | 10,346,652 |
| Consumer loans | — | — | 4,248,709 | — | — | — | — | — | — | — | — | — | — | — | 4,248,709 |
| Subtotal | — | — | 14,595,361 | 3,052,620 | 2,616,625 | 1,750,228 | 400,134 | 340,378 | 1,769,839 | 144,711 | 1,833,467 | 2,492,061 | 3,182,285 | 2,078,475 | 34,256,184 |
| **Investment instruments held for sale** | | | | | | | | | | | | | | | |
| State and Chilean Central Bank | 102 | 2,488,748 | — | — | — | — | — | — | — | — | — | — | — | — | 2,488,850 |
| Other instruments issued in Chile | — | — | — | 537,036 | — | — | — | 5,254 | — | — | 5,321 | 4,609 | — | 13,739 | 565,959 |
| Instruments issued abroad | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Subtotal | 102 | 2,488,748 | — | 537,036 | — | — | — | 5,254 | — | — | 5,321 | 4,609 | — | 13,739 | 3,054,809 |
| **Investment instruments held to maturity** | — | 782,529 | — | — | — | — | — | — | — | — | — | — | — | — | 782,529 |

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

## Note 40 – Additional notes (continued)

## Note 40.38 – Risk management (continued)

### (2) Credit risk (continued)

### (c) Portfolio concentration (continued)

The following tables show the exposure to credit risk by component of the statement of financial position, including derivatives, both by geographic region and industrial sector as of December 31, 2020:

| | Chile MCh$ | USA MCh$ | Brazil MCh$ | Other MCh$ | Total MCh$ |
|---|---|---|---|---|---|
| **Financial Assets** | | | | | |
| **Cash and bank deposits** | 1,272,238 | 1,158,637 | — | 129,341 | 2,560,216 |
| **Trading instruments** | | | | | |
| State and Chilean Central Bank | 4,159,292 | — | — | — | 4,159,292 |
| Other instruments issued in Chile | 105,798 | — | — | — | 105,798 |
| Instruments issued abroad | — | 164 | — | — | 164 |
| Investments in mutual funds | 400,902 | — | — | — | 400,902 |
| Subtotal | 4,665,992 | 164 | — | — | 4,666,156 |
| **Repurchase agreements and securities borrowing** | 76,407 | — | — | — | 76,407 |
| **Trading derivative contracts** | | | | | |
| Forwards | 415,349 | 73,805 | — | 62,810 | 551,964 |
| Swaps | 1,184,563 | 83,776 | — | 744,908 | 2,013,247 |
| Call options | 269 | — | — | — | 269 |
| Put options | 1,462 | — | — | — | 1,462 |
| Futures | — | — | — | — | — |
| Subtotal | 1,601,643 | 157,581 | — | 807,718 | 2,566,942 |
| **Hedge accounting derivative contracts** | | | | | |
| Forwards | — | — | — | — | — |
| Swaps | 1,511 | 18,964 | — | 30,587 | 51,062 |
| Call options | — | — | — | — | — |
| Put options | — | — | — | — | — |
| Futures | — | — | — | — | — |
| Subtotal | 1,511 | 18,964 | — | 30,587 | 51,062 |
| **Loans and advances to banks** | | | | | |
| Chilean Central Bank | 2,380,033 | — | — | — | 2,380,033 |
| Banks in Chile | 260,002 | — | — | — | 260,002 |
| Banks abroad | — | — | 150,230 | 149,391 | 299,621 |
| Subtotal | 2,640,035 | — | 150,230 | 149,391 | 2,939,656 |
| **Loans and receivables from customers** | | | | | |
| Commercial loans | 17,582,569 | — | — | 10,470 | 17,593,039 |
| Residential mortgage loans | 9,388,654 | — | — | — | 9,388,654 |
| Consumer loans | 3,955,275 | — | — | — | 3,955,275 |
| Subtotal | 30,926,498 | — | — | 10,470 | 30,936,968 |
| **Investment instruments held for sale** | | | | | |
| State and Chilean Central Bank | 163,600 | — | — | — | 163,600 |
| Other instruments issued in Chile | 896,923 | — | — | — | 896,923 |
| Instruments issued abroad | — | — | — | — | — |
| Subtotal | 1,060,523 | — | — | — | 1,060,523 |
| **Investment instruments held to maturity** | — | — | — | — | — |

QUIÑENCO S.A.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

## Note 40 – Additional notes (continued)

## Note 40.38 – Risk management (continued)

### (2) Credit risk (continued)

### (c) Portfolio concentration (continued)

| | Chilean Central Bank MCh$ | Govern-ment MCh$ | Individuals MCh$ | Financial services MCh$ | Wholesale and retail trade MCh$ | Manufac-turing MCh$ | Mining MCh$ | Electricity, gas and water MCh$ | Agriculture and livestock MCh$ | Fishing MCh$ | Transport and telecom MCh$ | Construction MCh$ | Services MCh$ | Other MCh$ | Total MCh$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Financial Assets** | | | | | | | | | | | | | | | |
| **Cash and bank deposits** | 641,890 | — | — | 1,918,326 | — | — | — | — | — | — | — | — | — | — | 2,560,216 |
| **Trading instruments** | | | | | | | | | | | | | | | |
| State and Chilean Central Bank | 4,009,676 | 149,616 | — | — | — | — | — | — | — | — | — | — | — | — | 4,159,292 |
| Other instruments issued in Chile | — | — | — | 105,798 | — | — | — | — | — | — | — | — | — | — | 105,798 |
| Instruments issued abroad | — | — | — | 164 | — | — | — | — | — | — | — | — | — | — | 164 |
| Investments in mutual funds | — | — | — | 400,902 | — | — | — | — | — | — | — | — | — | — | 400,902 |
| Subtotal | 4,009,676 | 149,616 | — | 506,864 | — | — | — | — | — | — | — | — | — | — | 4,666,156 |
| **Resale agreements and securities borrowing** | — | 10,006 | 950 | 64,554 | 130 | — | — | — | — | — | — | 146 | — | 621 | 76,407 |
| **Trading derivative contracts** | | | | | | | | | | | | | | | |
| Forwards | — | — | — | 351,833 | 17,280 | 16,078 | 4,456 | 6,253 | 1,071 | 30 | 2,269 | 265 | — | 152,429 | 551,964 |
| Swaps | — | — | — | 1,943,033 | 4,579 | 4,031 | 18 | 17,637 | 10,237 | 913 | 21,163 | 662 | — | 10,974 | 2,013,247 |
| Call options | — | — | — | 13 | 205 | — | — | — | 40 | — | — | 11 | — | — | 269 |
| Put options | — | — | — | 148 | 1,314 | — | — | — | — | — | — | — | — | — | 1,462 |
| Futures | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Subtotal | — | — | — | 2,295,027 | 23,378 | 20,109 | 4,474 | 23,890 | 11,348 | 943 | 23,432 | 938 | — | 163,403 | 2,566,942 |
| **Hedge accounting derivative contracts** | | | | | | | | | | | | | | | |
| Forwards | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Swaps | — | — | — | 51,062 | — | — | — | — | — | — | — | — | — | — | 51,062 |
| Call options | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Put options | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Futures | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Subtotal | — | — | — | 51,062 | — | — | — | — | — | — | — | — | — | — | 51,062 |
| **Loans and advances to banks** | | | | | | | | | | | | | | | |
| Chilean Central Bank | 2,380,033 | — | — | — | — | — | — | — | — | — | — | — | — | — | 2,380,033 |
| Banks in Chile | — | — | — | 260,002 | — | — | — | — | — | — | — | — | — | — | 260,002 |
| Banks abroad | — | — | — | 299,621 | — | — | — | — | — | — | — | — | — | — | 299,621 |
| Subtotal | 2,380,033 | — | — | 559,623 | — | — | — | — | — | — | — | — | — | — | 2,939,656 |
| **Loans and receivables from customers** | | | | | | | | | | | | | | | |
| Commercial loans | — | — | — | 2,350,808 | 2,543,786 | 1,346,601 | 470,293 | 395,593 | 1,646,103 | 135,401 | 1,453,727 | 2,452,388 | 3,051,026 | 1,747,313 | 17,593,039 |
| Residential mortgage loans | — | — | 9,388,654 | — | — | — | — | — | — | — | — | — | — | — | 9,388,654 |
| Consumer loans | — | — | 3,955,275 | — | — | — | — | — | — | — | — | — | — | — | 3,955,275 |
| Subtotal | — | — | 13,343,929 | 2,350,808 | 2,543,786 | 1,346,601 | 470,293 | 395,593 | 1,646,103 | 135,401 | 1,453,727 | 2,452,388 | 3,051,026 | 1,747,313 | 30,936,968 |
| **Investment instruments held for sale** | | | | | | | | | | | | | | | |
| State and Chilean Central Bank | 109 | 163,491 | — | — | — | — | — | — | — | — | — | — | — | — | 163,600 |
| Other instruments issued in Chile | — | — | — | 851,468 | — | 4,465 | — | 8,089 | — | — | 5,334 | — | — | 27,567 | 896,923 |
| Instruments issued abroad | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Subtotal | 109 | 163,491 | — | 851,468 | — | 4,465 | — | 8,089 | — | — | 5,334 | — | — | 27,567 | 1,060,523 |
| **Investment instruments held to maturity** | | | | | | | | | | | | | | | |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(2) Credit risk (continued)**

**(d) Collateral and other credit improvements**

The amount and type of collateral required depends on the counterparty's credit risk evaluation.

The Bank has guidelines with respect to the acceptability of collateral and valuation parameters.

The main types of collateral obtained are:

- For commercial loans: residential and non-residential real estate, liens and inventory.
- For retail loans: mortgages over residential properties.

The Bank also obtains collateral from parent companies for loans granted to their subsidiaries.

Management is committed to obtaining acceptable collateral according to external regulations and in accordance with internal policy guidelines and parameters. The Bank has around 242,870 separate collateral instruments (240,087 in December 2020), with the highest value in properties. Collateral as of December 31 is detailed as follows.

| | | Collateral | | | | |
|---|---|---|---|---|---|---|
| **2021** | **Loans MCh$** | **Mortgages MCh$** | **Pledges MCh$** | **Securities MCh$** | **Warrants MCh$** | **Total MCh$** |
| Corporations | 14,625,494 | 3,392,760 | 149,892 | 508,711 | 4,451 | 4,055,814 |
| SMEs | 5,035,329 | 3,124,172 | 26,310 | 12,898 | — | 3,163,380 |
| Consumer | 4,248,709 | 317,215 | 622 | 2,498 | — | 320,335 |
| Residential mortgage | 10,346,652 | 8,730,747 | 96 | 196 | — | 8,731,039 |
| **Total** | **34,256,184** | **15,564,894** | **176,920** | **524,303** | **4,451** | **16,270,568** |

| | | Collateral | | | | |
|---|---|---|---|---|---|---|
| **2020** | **Loans MCh$** | **Mortgages MCh$** | **Pledges MCh$** | **Securities MCh$** | **Warrants MCh$** | **Total MCh$** |
| Corporations | 12,811,749 | 3,091,284 | 128,366 | 565,761 | 2,842 | 3,788,253 |
| SMEs | 4,781,290 | 3,178,176 | 28,832 | 14,242 | — | 3,221,250 |
| Consumer | 3,955,275 | 333,191 | 795 | 2,518 | — | 336,504 |
| Residential mortgage | 9,388,654 | 8,499,584 | 113 | 87 | — | 8,499,784 |
| **Total** | **30,936,968** | **15,102,235** | **158,106** | **582,608** | **2,842** | **15,845,791** |

The Bank also uses credit-risk mitigating elements for derivative transactions. The mitigating elements currently used are:

- Accelerating transactions and net payment using market values at the date of default of one of the parties.
- Option for both parties to terminate early any transaction with a counterparty at a given date, using market values as of the respective date.
- Margins in the form of time deposits by customers who close forward contracts in the subsidiary Banchile Corredores de Bolsa S.A.

QUIÑENCO S.A.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(2) Credit risk (continued)**

**(d) Collateral and other credit improvements (continued)**

The value of collateral held by the Bank relating to loans individually classified as impaired is MCh$28,189 as of December 31, 2021 and MCh$98,653 as of December 31, 2020.

The value of collateral held by the Bank relating to past due loans not impaired is MCh$177,169 as of December 31, 2021 and MCh$133,949 as of December 31, 2020.

**(e) Credit quality by class of assets**

The Bank determines the credit quality of financial assets using internal credit classifications. The classification process is linked to the approval and follow-up processes, and is carried out according to the risk categories under current regulations, constantly updating this according to the favorable or unfavorable evolution shown by the customers and their environment, considering commercial and payment behavior as well as financial information.

The Bank also makes focused revisions of companies in specific economic sectors that are affected by macroeconomic or the sector's own variables. Such reviews allow the Bank to opportunely establish any necessary provisions that are sufficient to cover losses for potentially uncollectable loans.

The following tables show the credit quality by class of asset for each of the lines of the statement of financial position, based on the Bank's loan classification system.

**As of December 31, 2021**

| | Individual Portfolio | | | Group Portfolio | | |
|---|---|---|---|---|---|---|
| | Normal MCh$ | Substandard MCh$ | Default MCh$ | Normal MCh$ | Default MCh$ | Total MCh$ |
| **Financial Assets** | | | | | | |
| **Loans and advances to banks** | | | | | | |
| Chilean Central Bank | 1,090,000 | — | — | — | — | 1,090,000 |
| Banks in Chile | 160,018 | — | — | — | — | 160,018 |
| Banks abroad | 279,814 | — | — | — | — | 279,814 |
| Subtotal | 1,529,832 | — | — | — | — | 1,529,832 |
| **Loans and receivables from customers (excluding provisions for loan losses)** | | | | | | |
| Commercial loans | 14,264,866 | 197,666 | 162,962 | 4,764,059 | 271,270 | 19,660,823 |
| Residential mortgage loans | — | — | — | 10,062,294 | 284,358 | 10,346,652 |
| Consumer loans | — | — | — | 4,033,418 | 215,291 | 4,248,709 |
| Subtotal | 14,264,866 | 197,666 | 162,962 | 18,859,771 | 770,919 | 34,256,184 |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(2) Credit risk (continued)**

**(e) Credit quality by class of assets (continued)**

**As of December 31, 2020**

| | Individual Portfolio | | | Group Portfolio | | |
|---|---|---|---|---|---|---|
| | Normal MCh$ | Substandard MCh$ | Default MCh$ | Normal MCh$ | Default MCh$ | Total MCh$ |
| **Financial Assets** | | | | | | |
| **Loans and advances to banks** | | | | | | |
| Chilean Central Bank | 2,380,033 | — | — | — | — | 2,380,033 |
| Banks in Chile | 260,002 | — | — | — | — | 260,002 |
| Banks abroad | 299,621 | — | — | — | — | 299,621 |
| Subtotal | 2,939,656 | — | — | — | — | 2,939,656 |
| **Loans and receivables from customers (excluding provisions for loan losses)** | | | | | | |
| Commercial loans | 12,416,243 | 196,076 | 199,430 | 4,466,817 | 314,473 | 17,593,039 |
| Residential mortgage loans | — | — | — | 9,072,033 | 316,621 | 9,388,654 |
| Consumer loans | — | — | — | 3,625,167 | 330,108 | 3,955,275 |
| Subtotal | 12,416,243 | 196,076 | 199,430 | 17,164,017 | 961,202 | 30,936,968 |

The aging of past due loans by class of financial asset is as follows. The past due portion is detailed together with the remaining balance on loans in arrears.

**As of December 31, 2021**

| | Past due | | |
|---|---|---|---|
| | 1 to 29 days MCh$ | 30 to 59 days MCh$ | 60 to 89 days MCh$ |
| Loans and advances to banks | 116,307 | — | — |
| Commercial loans | 182,585 | 62,012 | 14,669 |
| Foreign trade loans | 7,874 | 188 | 2,665 |
| Factoring transactions | 17,253 | 1,694 | 327 |
| Commercial lease transactions | 17,044 | 4,664 | 1,651 |
| Other loans and receivables | 1,368 | 309 | 357 |
| Residential mortgage loans | 113,040 | 35,687 | 19,095 |
| Consumer loans | 124,422 | 52,105 | 21,308 |
| Total | 579,893 | 156,659 | 60,072 |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

QUIÑENCO S.A.

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(2) Credit risk (continued)**

**(e) Credit quality by class of assets (continued)**

**As of December 31, 2020**

| | Past due | | |
|---|---|---|---|
| | 1 to 29 days MCh$ | 30 to 59 days MCh$ | 60 to 89 days MCh$ |
| Loans and advances to banks | 14,454 | — | — |
| Commercial loans | 133,386 | 29,217 | 12,942 |
| Foreign trade loans | 5,243 | 71 | 222 |
| Factoring transactions | 16,206 | 1,459 | 155 |
| Commercial lease transactions | 17,869 | 3,903 | 955 |
| Other loans and receivables | 1,449 | 135 | 162 |
| Residential mortgage loans | 90,410 | 24,857 | 9,787 |
| Consumer loans | 136,147 | 53,786 | 22,764 |
| Total | 415,164 | 113,428 | 46,987 |

The past due but not impaired portfolio as of December 31 is as follows.

| | Past due but not impaired portfolio (*) | | | |
|---|---|---|---|---|
| | 1 to 29 days MCh$ | 30 to 59 days MCh$ | 60 to 89 days MCh$ | Over 90 days MCh$ |
| 2021 | 474,092 | 70,188 | 21,965 | — |
| 2020 | 270,612 | 51,808 | 13,530 | — |

(*) These amounts include the past due portion and the remaining balance.

**(f) Assets received in lieu of payment**

The Bank has assets received in lieu of payment amounting to MCh$12,583 as of December 31, 2021, and MCh$5,670 as of December 31, 2020, which are mainly properties. All of these assets are held for sale.

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(2) Credit risk (continued)**

**(g) Restructured loans**

Loans shown as restructured in the statement of financial position relate to those where the corresponding financial commitments have been restructured and where the Bank considers that the probability of recovery is sufficiently high.

The following table details the book value of loans with renegotiated terms by financial asset class.

| Financial Assets | 2021 MCh$ | 2020 MCh$ |
|---|---|---|
| **Loans and advances to banks** | | |
| Chilean Central Bank | — | — |
| Banks in Chile | — | — |
| Banks abroad | — | — |
| Subtotal | — | — |
| **Loans and receivables from customers, net** | | |
| Commercial loans | 331,127 | 288,094 |
| Residential mortgage loans | 243,684 | 253,907 |
| Consumer loans | 361,015 | 532,420 |
| Subtotal | 935,826 | 1,074,421 |
| **Total restructured financial assets** | 935,826 | 1,074,421 |

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(3) Market risk**

Market risk refers to the potential loss that the Bank could face due to insufficient liquidity to pay its liabilities or close financial transactions on time (liquidity risk), or adverse movements in the prices of market variables (pricing risk).

**(a) Liquidity risk**

**Measurement and limits of liquidity risk**

The Bank manages trading liquidity risk separately from funding liquidity risk.

Trading Liquidity Risk is the inability to cover or close open financial positions at current market prices mainly in the Trading Book. This is valued daily at market prices and any differences in value are instantly recognized in the income statement. This risk is limited and controlled by setting limits on Trading Book positions based on estimates of what can be quickly liquidated. There is a negative impact on the Bank's income statement whenever it considers that the size of a specific position in the Trading Book exceeds a reasonable amount traded in secondary markets that could be sold without altering market prices.

Liquidity Funding Risk refers to the inability of the Bank to obtain sufficient cash to meet its immediate obligations. This risk is mitigated by keeping minimum highly liquid assets called a liquidity buffer, and by establishing limits and internal control metrics, including the MAR (Market Access Report). This report estimates the funding that the Bank would need from the financial wholesale segment for the next 30 and 90 days in each of the significant currencies on the balance sheet, to meet its cash requirements under normal operating conditions.

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(3) Market risk (continued)**

**(a) Liquidity risk (continued)**

The MAR values in 2021 are shown below (LCCY = local currency; FCCY = foreign currency).

| | MAR LCCY + FCCY BCh$ | | MAR FCCY MUS$ | |
|---|---|---|---|---|
| | 1 - 30 days | 1 - 90 days | 1 - 30 days | 1 - 90 days |
| Maximum | 1,290 | 3,765 | 1,550 | 2,712 |
| Minimum | -1,530 | 647 | -866 | 238 |
| Average | 130 | 2,330 | 208 | 1,271 |

The Bank also monitors the local currency assets that are funded with foreign currency liabilities including cash flows generated by derivative payments requiring physical delivery and all maturities. This metric is known as Cross-Currency Funding. The Bank supervises and limits this amount to take precautions not only against a Banco de Chile event but also against an adverse environment caused by a country event.

The values for Cross-Currency Funding for 2021 are as follows:

| | Cross Currency Funding MUS$ |
|---|---|
| Maximum | 3,637 |
| Minimum | 1,446 |
| Average | 2,582 |

In addition, the Bank establishes thresholds that trigger warnings when indicators exceed the expected ranges at a normal or prudent operating level, with the aim of prudently controlling other dimensions of liquidity risk such as a concentration of fund maturities, the diversification of funding sources by counterparty or product, etc.

The Bank also monitors several financial ratios in order to detect structural changes in the characteristics of its financial position. Some of these financial ratios, their main statistics and significant values during 2021 are disclosed as follows.

| | Liquid Assets/ Net Funds < 30 days | Liabilities > 1 year / Assets > 1 year | Deposits/ Loans |
|---|---|---|---|
| Maximum | 216% | 106% | 72% |
| Minimum | 161% | 92% | 65% |
| Average | 192% | 97% | 68% |

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40.38 – Risk management (continued)**

**(3) Market risk (continued)**

**(a) Liquidity risk (continued)**

Furthermore, specific market indices, prices and monetary decisions taken by the Chilean Central Bank are monitored to detect structural changes in market conditions that can trigger a liquidity shortage or even a financial crisis.

The Bank's Liquidity Risk Management Policy requires regular stress testing, which is contrasted against the potential action plans for each scenario, according to the guidelines in the Liquidity Contingency Plan. The outcome of this process forms an essential component of the Bank's liquidity risk appetite framework.

The Bank measures cash flow mismatches under regulatory standards using the C46 index report, which represents the expected net cash flow forecasts as a result of almost all assets and liabilities maturing. The CMF also authorized Banco de Chile and others to report the adjusted C46 index. The Bank reports the regular C46 index and the payment behavior assumptions for specific elements of its liabilities, such as demand deposits and time deposits. The regulator also requires refinancing assumptions for the loan portfolio.

The CMF establishes the following limits for the C46 index.

Financial position items in foreign currency: 1 to 30 day C46 Index < 1 times core capital
Financial position items in all currencies: 1 to 30 day C46 Index < 1 times core capital
Financial position items in all currencies: 1 to 90 day C46 Index < 2 times core capital

The C46 Index levels of 1-30 and 1-90, days in local and foreign currency, during the year 2021 are as follows.

| | Adjusted C46 Index LCCY + FCCY as % of Core Capital | | Adjusted C46 Index FCCY as % of Core Capital |
|---|---|---|---|
| | 1 - 30 days | 1 - 90 days | 1 - 30 days |
| Maximum | 0.17 | 0.14 | 0.36 |
| Minimum | (0.22) | (0.23) | 0.08 |
| Average | (0.02) | (0.02) | 0.22 |
| Standard limit | 1.0 | 2.0 | 1.0 |

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

QUIÑENCO S.A.

## Note 40.38 – Risk management (continued)

### (3) Market risk (continued)

### (a) Liquidity risk (continued)

Additionally, the regulatory authorities introduced other metrics that the Bank uses to measure its performance, such as the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) in the C48 and C49 reports, using similar assumptions to those used by the Basel III guidelines for an international bank. An implementation schedule has only been established for the first metric, and during 2021 the minimum was 80%. The trends in the LCR and NSFR metrics during 2021 are as follows.

| | LCR | NSFR |
|---|---|---|
| Maximum | 2.46 | 1.13 |
| Minimum | 1.78 | 1.07 |
| Average | 2.09 | 1.10 |
| Standard limit | 0.8 (*) | N/A |

(*) This is the minimum value for 2021 and it increases by 0.1 every year until it reaches 1.0 in 2023.

The contractual maturity profile of the consolidated financial liabilities of Banco de Chile and its subsidiaries including capital and terminal interest as of December 31, 2021 and 2020, is as follows.

| | Under 1 month MCh$ | 1 to 3 months MCh$ | 3 to 12 months MCh$ | 1 to 3 years MCh$ | 3 to 5 years MCh$ | Over 5 years MCh$ | Total MCh$ |
|---|---|---|---|---|---|---|---|
| **Liabilities as of December 31, 2021** | | | | | | | |
| Demand deposits and other obligations | 18,542,740 | — | — | — | — | — | 18,542,740 |
| Transactions pending settlement | 460,490 | — | — | — | — | — | 460,490 |
| Repurchase agreements and securities lending | 88,433 | — | 52 | — | — | — | 88,485 |
| Time deposits and other borrowings | 7,103,640 | 1,774,627 | 240,912 | 66,492 | 1,619 | — | 9,187,290 |
| Physically settled derivatives | 434,113 | 469,349 | 2,603,467 | 1,645,489 | 968,078 | 1,761,581 | 7,882,077 |
| Obligations with banks | 67,813 | 1,259,167 | 18,344 | 3,515,979 | — | — | 4,861,303 |
| Other obligations | 273,394 | 50 | 183 | 183 | — | — | 273,810 |
| Debt instruments issued in a foreign currency other than USD | 17,154 | 369,988 | 1,083,540 | 2,358,966 | 2,104,219 | 4,839,310 | 10,773,177 |
| Total (excluding derivatives under offsetting agreements) | 26,987,777 | 3,873,181 | 3,946,498 | 7,587,109 | 3,073,916 | 6,600,891 | 52,069,372 |
| Derivatives under offsetting agreements | 271,193 | 586,231 | 2,602,915 | 1,030,628 | 669,796 | 2,145,008 | 7,305,771 |

| | Under 1 month MCh$ | 1 to 3 months MCh$ | 3 to 12 months MCh$ | 1 to 3 years MCh$ | 3 to 5 years MCh$ | Over 5 years MCh$ | Total MCh$ |
|---|---|---|---|---|---|---|---|
| **Liabilities as of December 31, 2020** | | | | | | | |
| Demand deposits and other obligations | 15,167,206 | — | — | — | — | — | 15,167,206 |
| Transactions pending settlement | 1,302,000 | — | — | — | — | — | 1,302,000 |
| Repurchase agreements and securities lending | 289,777 | 43 | — | — | — | — | 289,820 |
| Time deposits and other borrowings | 6,243,204 | 1,964,350 | 648,974 | 59,038 | 1,222 | 156 | 8,916,944 |
| Physically settled derivatives | 396,599 | 364,793 | 1,305,210 | 1,088,925 | 549,777 | 934,097 | 4,639,401 |
| Obligations with banks | 74,424 | 140,455 | 340,532 | 1,020,126 | 2,090,600 | — | 3,666,137 |
| Other obligations | 189,003 | 80 | 334 | 386 | 37 | — | 189,840 |
| Debt instruments issued in a foreign currency other than USD | 53,438 | 90,285 | 1,082,282 | 2,194,406 | 1,886,936 | 4,452,831 | 9,760,178 |
| Total (excluding derivatives under offsetting agreements) | 23,715,651 | 2,560,006 | 3,377,332 | 4,362,881 | 4,528,572 | 5,387,084 | 43,931,526 |
| Derivatives under offsetting agreements | 401,144 | 570,084 | 929,211 | 787,866 | 644,420 | 1,542,088 | 4,874,813 |

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(3) Market risk (continued)**

**(b) Pricing risk**

**Measurement and limits of pricing risk**

Price risk measurement and management processes are carried out using various metrics developed internally by the Bank for both the Accrual Book and the Trading Book. The Accrual Book includes all items on the statement of financial position, including all the items in the Trading Book, but they are reported with a delayed interest rate adjustment of one day, thus avoiding an interest rate accrual risk. The Bank also reports indicators to the regulatory entities, in accordance with their models.

The Bank has established various internal limits for financial positions in the Trading Book, such as internal limits for net positions with spot exchange rates (delta FX), sensitivity limits for interest rate positions (DV01 or rho) and options volatility sensitivity limits (vega). The limits are established on an aggregate basis, but also for specific interest rate adjustment points. These limits are monitored, controlled and reported to the Bank's senior management on a daily basis by independent control departments within the business. The internal governance framework also establishes that these limits are approved by the Bank's Board of Directors and reviewed at least annually.

The Bank measures and controls the portfolio risk in the Trading Book using the Value at Risk (VaR) tool. The model includes the 99% confidence level and the rates, prices and yields observed for the last 12 months.

The values of VaR for 2021 are as follows.

| | **Value-at-Risk** 99% confidence level **MCh$** |
|---|---|
| Maximum | 1,606 |
| Minimum | 425 |
| Average | 971 |

The Bank performs measurements, limitations, controls and reports on interest rate exposures and risks in the Accrual Book using internally developed methods based on the differences between assets and liabilities considering the adjustment dates of interest rates. Exposures are measured according to the Interest Rate Exposure (IRE) and the risks according to the Earnings at Risk (EaR) indicators.

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(3) Market risk (continued)**

**(b) Pricing risk (continued)**

The values of EaR for 2021 are as follows.

| | **12 months Earnings-at-Risk** 99% confidence level 3 months from the period close **MCh$** |
|---|---|
| Maximum | 155,073 |
| Minimum | 102,504 |
| Average | 119,551 |

The measurement of regulatory risk for the Trading Book (C41 report, replaced by the market risk-weighted assets reports from December 2021) is produced using the guidelines provided by the Chilean Central Bank (hereinafter "BCCh") and the CMF, which are adopted from standardized methodologies of the BIS 1993. These methodologies estimate the potential loss that the Bank will incur considering standardized fluctuations in the value of market factors such as exchange rates, interest rates and volatilities that may adversely affect the value of foreign currency positions, interest rate exposures and volatility exposures, respectively. Changes in interest rates are provided by the regulator. Furthermore, very conservative correlation and term factors are included to explain changes in the curve of non-parallel yields.

The risk for the Banking Book is measured using standardized methods provided by regulatory authorities (BCCh and CMF), in accordance with regulatory guidelines, as a result of fluctuations in interest rates. The report includes models for reporting currency mismatches, and adverse standardized fluctuations in interest rates. The regulatory agency has also requested banks to establish separate short-term and long-term internal limits for these regulatory measurements.

The results of trading activities during the month are checked to see if they exceed defined loss limits. If this happens, senior management is notified in order to assess any potential corrective measures.

The Bank’s market risk policy requires daily stress testing for the trading book, monthly stress testing for the accrual book, and daily stress testing for the held for sale portfolio. The outcome of stress testing is checked to see if they exceed trigger points. If this happens, senior management is notified and measures are implemented, if necessary. These book tests are a fundamental component of the Bank's risk appetite framework.

QUIÑENCO S.A.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(3) Market risk (continued)**

**(b) Pricing risk (continued)**

The following table shows the cash flow in the Banking Book, including capital and terminal interest, except variable rates, based on the adjustment dates for interest rates on an individual basis as of December 31, 2021 and 2020.

| | Under 1 month MCh$ | 1 to 3 months MCh$ | 3 to 12 months MCh$ | 1 to 3 years MCh$ | 3 to 5 years MCh$ | Over 5 years MCh$ | Total MCh$ |
|---|---|---|---|---|---|---|---|
| **Assets as of December 31, 2021** | | | | | | | |
| Cash and bank balances | 3,579,634 | — | — | — | — | — | 3,579,634 |
| Transactions pending settlement | 446,603 | — | — | — | — | — | 446,603 |
| Repurchase agreements and securities borrowing | — | — | — | — | — | — | — |
| Hedging instruments | 64 | 2,163 | 69,192 | 500,218 | 198,926 | 1,669,980 | 2,440,543 |
| Loans and advances to banks | 1,366,378 | 81,164 | 81,800 | — | — | — | 1,529,342 |
| Loans and receivables from customers | 2,529,601 | 2,676,130 | 7,226,224 | 9,018,799 | 4,798,188 | 11,955,962 | 38,204,904 |
| Investment instruments held for sale | 95,585 | 488,919 | 1,479,321 | 619,044 | 169,289 | 208,507 | 3,060,665 |
| Investment instruments held to maturity | — | 8,334 | 10,740 | 38,148 | 431,285 | 450,200 | 938,707 |
| Total assets | 8,017,865 | 3,256,710 | 8,867,277 | 10,176,209 | 5,597,688 | 14,284,649 | 50,200,398 |

| | Under 1 month MCh$ | 1 to 3 months MCh$ | 3 to 12 months MCh$ | 1 to 3 years MCh$ | 3 to 5 years MCh$ | Over 5 years MCh$ | Total MCh$ |
|---|---|---|---|---|---|---|---|
| **Assets as of December 31, 2020** | | | | | | | |
| Cash and bank balances | 2,496,891 | — | — | — | — | — | 2,496,891 |
| Transactions pending settlement | 515,500 | — | — | — | — | — | 515,500 |
| Repurchase agreements and securities borrowing | 10,007 | — | — | — | — | — | 10,007 |
| Hedging instruments | 260 | 1,800 | 182,709 | 250,612 | 282,219 | 995,168 | 1,712,768 |
| Loans and advances to banks | 2,743,250 | 71,543 | 125,574 | — | — | — | 2,940,367 |
| Loans and receivables from customers | 3,180,598 | 2,339,929 | 6,504,393 | 8,134,601 | 4,437,666 | 10,877,247 | 35,474,434 |
| Investment instruments held for sale | 94,086 | 145,272 | 456,613 | 185,995 | 31,465 | 145,987 | 1,059,418 |
| Investment instruments held to maturity | — | — | — | — | — | — | — |
| Total assets | 9,040,592 | 2,558,544 | 7,269,289 | 8,571,208 | 4,751,350 | 12,018,402 | 44,209,385 |

| | Under 1 month MCh$ | 1 to 3 months MCh$ | 3 to 12 months MCh$ | 1 to 3 years MCh$ | 3 to 5 years MCh$ | Over 5 years MCh$ | Total MCh$ |
|---|---|---|---|---|---|---|---|
| **Liabilities as of December 31, 2021** | | | | | | | |
| Demand deposits and other obligations | 18,611,880 | — | — | — | — | — | 18,611,880 |
| Transactions pending settlement | 333,431 | — | — | — | — | — | 333,431 |
| Repurchase agreements and securities lending | 351 | — | — | — | — | — | 351 |
| Time deposits and other borrowings | 7,103,640 | 1,774,627 | 240,912 | 66,492 | 1,619 | — | 9,187,290 |
| Hedging instruments | 538 | 979 | 62,220 | 407,960 | 167,805 | 1,401,836 | 2,041,338 |
| Interbank loans | 63,611 | 1,259,167 | 18,344 | 3,515,979 | — | — | 4,857,101 |
| Debt instruments issued (*) | 17,154 | 369,988 | 1,083,540 | 2,358,966 | 2,104,219 | 4,839,310 | 10,773,177 |
| Other liabilities | 273,394 | 50 | 183 | 183 | — | — | 273,810 |
| Total liabilities | 26,403,999 | 3,404,811 | 1,405,199 | 6,349,580 | 2,273,643 | 6,241,146 | 46,078,378 |

## Notes to the Consolidated Financial Statements
## (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(3) Market risk (continued)**

**(b) Pricing risk (continued)**

| | Under 1 month MCh$ | 1 to 3 months MCh$ | 3 to 12 months MCh$ | 1 to 3 years MCh$ | 3 to 5 years MCh$ | Over 5 years MCh$ | Total MCh$ |
|---|---|---|---|---|---|---|---|
| **Liabilities as of December 31, 2020** | | | | | | | |
| Demand deposits and other obligations | 15,245,116 | — | — | — | — | — | 15,245,116 |
| Transactions pending settlement | 1,235,350 | — | — | — | — | — | 1,235,350 |
| Repurchase agreements and securities lending | 13,255 | — | — | — | — | — | 13,255 |
| Time deposits and other borrowings | 6,243,204 | 1,964,350 | 648,974 | 59,038 | 1,222 | 156 | 8,916,944 |
| Hedging instruments | 160 | 291 | 192,625 | 230,742 | 280,421 | 1,057,369 | 1,761,608 |
| Interbank loans | 72,935 | 140,455 | 340,532 | 1,020,126 | 2,090,600 | — | 3,664,648 |
| Debt instruments issued (*) | 53,438 | 90,285 | 1,082,282 | 2,194,406 | 1,886,936 | 4,452,831 | 9,760,178 |
| Other liabilities | 189,003 | 80 | 334 | 386 | 37 | — | 189,840 |
| Total liabilities | 23,052,461 | 2,195,461 | 2,264,747 | 3,504,698 | 4,259,216 | 5,510,356 | 40,786,939 |

(*) This value does not coincide with that indicated in the liquidity analysis liabilities table, due to differences in the presentation of mortgage notes issued by the Bank in both reports.

**Pricing Risk Sensitivity Analysis**

The Bank uses stress tests as the principal sensitivity analysis tool for pricing risk. The trading book and the accrual book are analyzed separately. The Bank adopts this tool as it is more useful than the normal evaluations of fluctuations such as the VaR or EaR, as:

(i) The financial crises showed fluctuations substantially in excess of those used with VaR with 99% confidence or EaR with 99% confidence.

(ii) The crises also showed that correlations between these fluctuations are substantially different to those used to calculate VaR metrics, since there was important decoupling between the trends in market variables compared to those observed under normal conditions.

(iii) Trading liquidity decreases dramatically during crises and especially in emerging markets. Therefore, the one-day VaR may not be representative of a situation such as the one described, given that the closing periods for exposures may be much longer than one business day. This may also occur when calculating EaR, even when determining it by considering a three-month closing period.

The impacts are determined using mathematical simulations of fluctuations in the values of market factors and estimating the changes in book and/or economic values of financial positions.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(3) Market risk (continued)**

**(b) Pricing risk (continued)**

In order to comply with IFRS 7.40, the following table shows the forecast impact of extreme though feasible fluctuations in interest rates, swap yields, exchange rates and exchange rate volatilities, which are used to assess the trading and accrual portfolios. Given that the Bank's portfolio includes positions denominated in nominal and real interest rates, these fluctuations should be aligned with extreme though feasible estimates of changes in inflation in Chile.

The exercise is implemented by multiplying the (Greek) sensitivities by the potential fluctuations over a two-week time horizon as a result of mathematical simulations and using the maximum historical volatility within a meaningful period of time for each market factor for the Trading Book, and over a four-week time horizon for the held for sale portfolio. The impacts of the accrual portfolios are calculated by multiplying the cumulative mismatches by the forward interest rate fluctuations modeled over a three-month time horizon and using the maximum historical volatility of interest rate fluctuations, but bounded by the maximum fluctuations over a significant period of time. The method may overlook part of the convexity of interest rates, since this is not adequately captured when large fluctuations are modeled. In any event, given the size of these changes, the methodology is reasonably precise for the purposes and scope of the analysis.

The following table illustrates the fluctuations resulting from the main market factors during maximum, or more adverse, stress testing for the Trading Book.

The direction or sign of these fluctuations cause the most adverse impact in aggregate.

**Average market factor fluctuations for the maximum stress exercise**
**Trading Book**

| | CLP Derivatives (bps) | CLP Bonds (bps) | CLF Derivatives (bps) | CLF Bonds (bps) | USD Offshore Libor Derivatives (bps) | USD Spread On/Off Derivatives (bps) |
|---|---|---|---|---|---|---|
| Under 1 year | (28) | 110 | 18 | 147 | (8) | 1 |
| Over 1 year | (12) | 81 | 61 | 149 | (16) | 8 |

bps = basis points

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(3) Market risk (continued)**

**(b) Pricing risk (continued)**

The worst impact in the Bank's Trading Book as of December 31, 2021, as a result of the simulations described above, is as follows.

**Maximum Stress Exercise**
**Trading Book**
**(MCh$)**

| | | |
|---|---|---|
| Interest rates in CLP | | (2,365) |
| Derivatives | (432) | |
| Debt instruments | (1,933) | |
| Interest rates in CLF | | (11,313) |
| Derivatives | 118 | |
| Debt instruments | (11,431) | |
| USD offshore interest rates | | (64) |
| USD local/offshore interest rate spreads | | (48) |
| | | (389) |
| **Total Interest Rate** | | **(14,179)** |
| **Total Exchange Rate and Foreign Exchanges Options** | | **137** |
| **Total** | | **(14,042)** |

This scenario would generate losses in the Trading Book of around MCh$14,042. In any case, such fluctuations would not lead to material losses compared to Core Capital (Tier-1) or to earnings forecasts for the next 12 months.

The impact on the Accrual Book as of December 31, 2021, which is not necessarily a net loss/gain but higher/lower net income from funds generation for the next 12 months (resulting in generating net interest) and is shown below.

**Maximum Stress Exercise over 12-months Income**
**Accrual Book**
**(MCh$)**

| | |
|---|---|
| Impact of shock on base interest rate | (391,392) |
| Impact of shock on spreads | (16,255) |
| **Higher/(Lower) Net Income** | **(407,647)** |

The impact on the held for sale portfolio, whose changes in value are reflected in equity accounts, is summarized in the following tables. The first table illustrates the fluctuations in the main market factors during maximum, or more adverse, stress testing for this portfolio.

The sign or direction of these fluctuations corresponds to the one that causes the most adverse impact on an aggregate basis.

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(3) Market risk (continued)**

**(b) Pricing risk (continued)**

**Average market factor fluctuations for the maximum stress exercise**
**Held-for-sale portfolio**

| | CLP Bonds (bps) | CLF Bonds (bps) | USD Offshore Libor Derivatives (bps) | USD Spread On/Off Derivatives (bps) |
|---|---|---|---|---|
| Under 1 year | 306 | 306 | (15) | (22) |
| Over 1 year | 278 | 309 | (6) | 2 |

bp: basis points

The worst impact in the Bank's held for sale portfolio as of December 31, 2021, as a result of the simulations described above, is as follows.

**Maximum Stress Exercise**
**Held-for-sale portfolio**
**(MCh$)**

| | |
|---|---|
| CLP Debt Instruments | (77,209) |
| CLF Debt Instruments | (84,858) |
| USD offshore interest rates | — |
| USD local/offshore interest rate spreads+basis | — |
| Bank Spread | (405) |
| Corporate Spread | 220 |
| **Total** | **(162,252)** |

The scenario modeled for the held for sale portfolio would generate potential impacts on patrimonial accounts of approximately MCh$162,252.

The main negative impact on the Trading Book would occur as a result of a rise in local interest rates, especially debt instrument rates, which would be repeated for the held for sale portfolio. A scenario with sharply falling inflation would cause lower potential earnings over the next 12 months in the Accrual Book. In any case, the impacts would be less than the Bank's annual budgeted earnings.

**Notes to the Consolidated Financial Statements**
**(Translation of financial statements originally issued in Spanish – See Note 2)**

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(4) Capital requirements and management**

The Bank's main capital management objectives are to ensure the adequacy and quality of its consolidated capital, based on managing the risks inherent to its business, establishing sufficient capital in an internal objective that supports both the business strategy and its short and medium term stress scenarios, thus ensuring compliance with regulatory requirements, a solid credit rating and adequate capital buffers. During 2021, the Bank has comfortably complied with its capital requirements.

The Bank's capital management policy has established capital sufficiency warnings and limits, which are monitored by its associated governance structures, including the Capital Management Committee. None of the internal warnings in the Bank's capital risk appetite framework were triggered during 2021.

The Bank manages capital based on its strategic objectives, risk profile, cash flow capacity, and its economic and business context. Therefore, the Bank can change its dividends, issue core capital instruments, or issue additional Tier 1 or Tier 2 instruments. The Bank's capital sufficiency is monitored using the ratios and rules instructed by the CMF, and the internal limits and warnings selected by the Capital Management Committee and the Board of Directors.

**Capital requirements**

According to General Banking Law, a bank's regulatory capital may not be less than 8% of its risk-weighted assets (RWA), net of required provisions. Also that core capital may not be less than 4.5% of its RWA or 3% of its total assets. Tier 1 capital is the sum of core capital, bonds with no maturity date and preferred shares, which may not be less than 6% of its RWA, net of required provisions. Banks must have capital buffers, such as the conservation buffer, systemically important buffer, countercyclical buffer and pillar 2 capital charges, as required by current regulations.

**The Basel III standard**

During 2019, the CMF began the regulatory process to implement the Basel III standards in Chile, in accordance with Law 21,130 that Modernizes Banking Legislation. During 2020 and 2021, the CMF issued the regulations that adapted the Basel III standards to local banks, which became applicable as of December 1, 2021. The regulations include standard methods for calculating credit, operational and market risk-weighted assets, regulatory capital, leverage ratio and systemically important banks. The regulations describe requirements and conditions applicable to: (i) proposed internal models to calculate certain risk-weighted assets, (ii) the issuance of hybrid capital instruments, (iii) market disclosure requirements (Pillar 3), (iv) the principles for calculating countercyclical and conservation capital buffers, (v) additional requirements that may apply to systemically important banks, (vi) the additional capital calculation criteria for banks with deficiencies identified in the supervisory process (Pillar 2).

# Notes to the Consolidated Financial Statements
# (Translation of financial statements originally issued in Spanish – See Note 2)

## Note 40 – Additional notes (continued)

## Note 40.38 – Risk management (continued)

### (4) Capital requirements and management (continued)

These Basel III bank solvency standards include transitional provisions. Such as i) the gradual adoption of the conservation buffer and requirements for systemic banks, ii) the gradual application of regulatory capital changes, iii) the temporary substitution of additional Tier 1 (AT1) capital for Tier 2 capital instruments, which are subordinated bonds and additional provisions, and iv) the gradual recognition of subordinated bonds issued by banking subsidiaries as regulatory capital.

Indicators and indexes applicable as of December 1, 2021, are as follows.

| Number | Total assets, risk-weighted assets and regulatory capital components under Basel III<br>Description | Global consolidated Dec-2021 MCh$ | Local consolidated Dec-2021 MCh$ |
|---|---|---|---|
| 1 | Total assets according to the statement of financial position | 51,702,439 | 51,702,439 |
| 2 | Investment in unconsolidated subsidiaries | - | - |
| 3 | Assets discounted from regulatory capital, other than item 2 | 61,953 | 61,953 |
| 4 | Derivative loan equivalents | 1,782,784 | 1,782,784 |
| 4.1 | Financial derivative contracts | 2,983,298 | 2,983,298 |
| 5 | Contingent loans | 2,612,170 | 2,612,170 |
| 6 | Assets generated by the intermediation of financial instruments | - | - |
| **7** | **= (1-2-3+4-4.1+5-6) Total assets for regulatory purposes** | **53,052,142** | **53,052,142** |
| 8.a | Credit risk-weighted assets, estimated using standard method (CRWA) | 28,280,644 | 28,280,644 |
| 8.b | Credit risk-weighted assets, estimated using internal methods (CRWA) | - | - |
| 9 | Market risk-weighted assets (MRWA) | 1,342,767 | 1,342,767 |
| 10 | Operational risk-weighted assets (ORWA) | 2,956,592 | 2,956,592 |
| **11.a** | **= (8.a/8.b+9+10) Risk-weighted assets (RWA)** | **32,580,003** | **32,580,003** |
| **11.b** | **= (8.a/8.b+9+10) Risk-weighted assets, after applying the output floor (RWA)** | **32,580,003** | **32,580,003** |
| 12 | Equity attributable to owners | 4,223,013 | 4,223,013 |
| 13 | Non-controlling interests | 1 | 1 |
| 14 | Goodwill | - | - |
| 15 | Excess minority investments | - | - |
| **16** | **= (12+13-14-15) Common equity tier 1 equivalent (CET1)** | **4,223,014** | **4,223,014** |
| 17 | Additional deductions to common equity tier 1, other than item 2 | - | - |
| **18** | **= (16-17-2) Common Equity Tier 1 (CET1)** | **4,223,014** | **4,223,014** |
| 19 | Voluntary additional provisions as Additional Tier 1 capital (AT1) | 325,800 | 325,800 |
| 20 | Subordinated bonds as Additional Tier 1 capital (AT1) | - | - |
| 21 | Preferred shares as Additional Tier 1 capital (AT1) | - | - |
| 22 | Bonds with no fixed maturity as Additional Tier 1 capital (AT1) | - | - |
| 23 | Discounts applied to AT1 | - | - |
| **24** | **= (19+20+21+22+22-23) Additional Tier 1 capital (AT1)** | **325,800** | **325,800** |
| **25** | **= (18+24) Tier 1 Capital** | **4,548,814** | **4,548,814** |
| 26 | Voluntary additional provisions as Tier 2 capital (T2) | 214,452 | 214,452 |
| 27 | Subordinated bonds as Tier 2 capital (T2) | 871,079 | 871,079 |
| **28** | **= (26+27) Tier 2 capital equivalent (T2)** | **1,085,531** | **1,085,531** |
| 29 | Discounts applied to T2 | - | - |
| **30** | **= (28-29) Tier 2 capital (T2)** | **1,085,531** | **1,085,531** |
| **31** | **= (25+30) Regulatory capital** | **5,634,345** | **5,634,345** |
| **32** | **Additional core capital required for the conservation buffer** | **0** | **0** |
| **33** | **Additional core capital required for the countercyclical buffer** | **0** | **0** |
| **34** | **Additional core capital required for systemic banks** | **0** | **0** |
| **35** | **Additional capital required for sufficient regulatory capital (Pillar 2)** | **0** | **0** |

**Note 40 – Additional notes (continued)**

**Note 40.38 – Risk management (continued)**

**(4) Capital requirements and management (continued)**

| Basel III solvency indicators and regulatory compliance indicators | Global consolidated Dec-2021 % | Local consolidated Dec-2021 % |
|---|---|---|
| Leverage indicator ( I18/ I7) | 7.96% | 7.96% |
| Common Equity Tier 1 Indicator ( I18 / I11.b) | 12.96% | 12.96% |
| Tier 1 capital indicator ( I25 / I11.b) | 13.96% | 13.96% |
| Capital adequacy indicator ( I31/ I11.b) | 17.29% | 17.29% |
| Solvency rating | A | A |
| ***Regulatory solvency compliance indicators*** | | |
| Additional provisions as Tier 2 capital (T2) in relation to CRWAs | 0.76% | 0.76% |
| Subordinated bonds as Tier 2 capital (T2) in relation to Common Equity Tier 1 (CET1) | 20.63% | 20.63% |
| Additional Tier 1 capital (AT1) in relation to Common Equity Tier 1 | 7.71% | 7.71% |
| Voluntary additional provisions and subordinated bonds as Additional Tier 1 capital (AT1) in relation to RWAs | 1.00% | 1.00% |

The amounts and ratios calculated using the provisions as of November 30, 2021 are presented below for comparative purposes:

| | As of December 31 | |
|---|---|---|
| | **2021 (*) MCh$** | **2020 MCh$** |
| Core capital | 4,223,013 | 3,726,267 |
| Regulatory capital | 5,522,703 | 4,878,500 |
| Total consolidated assets | 55,261,371 | 48,754,455 |
| Credit risk-weighted assets | 34,288,733 | 30,566,571 |

| | Ratio As of December 31 | |
|---|---|---|
| | **2021 (*) %** | **2020 %** |
| Core capital / consolidated assets | 7.64 | 7.64 |
| Regulatory capital / risk-weighted consolidated assets | 16.11 | 15.96 |

(*) Information for comparative purposes is based on provisions in Chapter 12-1 of the RAN.

**Note 40 – Additional notes (continued)**

**Note 40.39 – Subsequent events**

On January 27, 2022, the Board of Directors of Banco de Chile agreed to call an Annual General Shareholders' Meeting for March 17, 2022, in order to propose the following:

1. The following dividend for the year ended December 31, 2021:

    i. Deduct and retain from net distributable income for the year an indexation adjustment on the share capital and reserves for the change in the Consumer Price Index between November 2020 and November 2021, amounting to Ch$253,093,655,744, which will be added to retained earnings for previous years.

    ii. Distribute the remaining net distributable income, which is a dividend of Ch$5.34393608948 per share payable for each of the Bank's 101,017,081,114 shares.

    Consequently, the proposed dividend will be 68.1% of net income for the year ended December 31, 2021.

2. Shareholders may choose to accept all or part of their dividend under the optional and transitory taxation regime that is levied with an ISFUT tax in lieu of final taxes, as provided for in Article 25 of Law 21,210. The form and period for exercising this option will be reported in due time.

3. If the dividend is approved by the Shareholders' Meeting, then it will be paid on March 31, 2022.

In management's opinion, there are no other significant subsequent events that affect or may affect Banco de Chile's consolidated financial statements between December 31, 2021, and the date of issuance of these consolidated financial statements.

**Note 41 – Material events**

SM SAAM reported a material event on January 29, 2021.

"In accordance with Articles 9 and the second paragraph of Article 10 of Law 18,045 and General Standard 30, being duly empowered to do so, it is my duty to report the following material event regarding Sociedad Matriz SAAM SA ("SM SAAM").

As reported on January 16, 2020, SAAM S.A. a subsidiary of SM SAAM signed a framework investment agreement to acquire 70% of International Tug S.A.S. (Intertug Colombia), Intertug México S.A. de C.V., Baru Offshore de México, S.A.P.I. de C.V., and EOP Crew Management de México S.A. de C.V. (hereinafter "the Companies") through a combination of capital increase and share acquisition. The Intertug Group, owned by Clear Ocean Investment S.A. and Bellomare Ventures Inc., uses the Companies to operate its towage business in Colombia, Mexico and Central America.

This transaction was concluded on this date, after meeting the preceding conditions, which are customary in transactions of this nature, including the approval of the Colombian and Mexican antitrust authorities.

After the customary adjustments for such transactions, the total price for the Companies' shares was US$49.7 million, which was paid with a combination of equity and financing. SAAM S.A. now has a 70% interest in the share capital of each of the Companies."

On April 1, 2021, Quiñenco S.A. reported the following material event:

"In accordance with Articles 9 and the second paragraph of Article 10 of Law 18,045 on the Securities Market, and General Standard 30 and Circular 660 issued by the CMF, being duly authorized, I hereby report the following material event that a meeting of the Board held on this date proposed that at the next Annual General Shareholders' Meeting to be held on April 29, 2021, the shareholders approve the distribution of a final dividend of Ch$123,623,548,579 being 50% of net income attributable to the owners of the controlling company for 2020 ("net income for 2020"), composed of: (a) a mandatory minimum dividend of Ch$74,174,125,822, equivalent to 30% of net income for 2020 and (b) an additional dividend of Ch$49,449,422,757, equivalent to 20% of net income for 2020.

**Note 41 – Material events (continued)**

This final dividend is Ch$74.34842 (seventy-four point and three four eight four two Chilean pesos) per share, and will be proposed to be paid from May 11, 2021, to the shareholders registered in the respective registry at midnight on the fifth business day prior to that date."

On April 12, 2021, Quiñenco S.A. reported the following material event:

"After having successfully acquired shares of its subsidiary Compañía Sudamericana de Vapores (CSAV) on April 12th, Quiñenco confirms what was reported to different media outlets: After having attained 66.45% of that company, it has no plans to further increase its shareholding, because a new purchase could involve a public tender offer, which has not been evaluated by Quiñenco's decision-making bodies. With Monday's transaction, Quiñenco once again renewed its long-term commitment to CSAV, where it first invested 10 years ago when the shipping company was going through the most difficult period in its history."

On October 4, 2021, Compañía Sudamericana de Vapores S.A. (CSAV) reported the following material event:

"In accordance with articles 9 and 10 of the Securities Market Act and General Character Standard No. 30 and Ruling No. 660, both issued by your commission, as I am duly authorized, I hereby inform you of the following material event regarding Compañía Sud Americana de Vapores S.A. (the "Company").

At an extraordinary Board meeting held on this date, October 4, 2021, it was agreed to distribute the following dividend:

Interim dividend 324, to be paid from net income for 2021 totaling US$450,000,000, which is a dividend of US$0.0087685324561 per share, to be paid on October 20, 2021, in its equivalent in Chilean pesos, at the official US dollar exchange rate published in the Official Gazette on October 14, 2021. All shareholders registered in the Shareholder Registry as of midnight on October 14, 2021, shall be entitled to payment of this dividend.

A club deal loan agreement with Banco de Chile, Scotiabank and Itaú Corpbanca totaling US$450,000,000 was approved at the same meeting, following a report from the Directors' Committee and the unanimous vote of the non-interested Directors. This loan will be used to pay the aforementioned dividend, which will be covered by dividends for 2021 receivable during the first half of 2022 from Hapag-Lloyd AG."

On October 7, 2021, Quiñenco S.A. reported the following material event:

"In accordance with Articles 9 and the second paragraph of Article 10 of Law 18,045 on the Securities Market, and General Standard 30 and Circular 660 issued by the Financial Market Commission, being duly empowered, we hereby report the following material event that a meeting of the Board held on this date agreed to distribute an interim dividend of Ch$284,767,001,333 payable from net income for this year.

This interim dividend is Ch$171.26168 (one hundred and seventy-one point and two six one six eight Chilean pesos) per share, and will be paid from November 2, 2021, to the shareholders registered in the respective registry at midnight on the fifth business day prior to that date.

The notice of payment of this interim dividend will be published on October 20, 2021, in the newspaper "El Mercurio de Santiago"."

There were no other events of a financial or other nature between December 31, 2021, and the date of issuance of these consolidated financial statements that could significantly affect their interpretation.

# Management's Analysis of the Consolidated Financial Statements

As of December 31, 2021

## I. SUMMARY

During 2021, Quiñenco achieved net income[1] of Ch$1,893 billion, which was significantly higher than in 2020. This substantial jump was largely driven by the performance of the shipping liner Hapag-Lloyd, CSAV's main asset, which reported net income of US$10,738 million during 2021, up from US$1,058 million for 2020. Strong demand for consumer goods despite still being affected by the pandemic and its associated restrictions led to a sustained disruption in global supply chains. This was reflected in longer response times for both ships and containers, which for Hapag-Lloyd resulted in a sharp increase in average rates of 79.7%, along with a slight increase in the volume transported of 0.3%, partially offset by an increase in transportation costs. This performance, combined with the increase of Quiñenco's interest in CSAV, was reflected in a contribution of Ch$1,640 billion from the transport segment to its consolidated performance. Although to a lesser extent, the favorable performance of Banco de Chile, Enex, CCU, Nexans and SM SAAM also contributed to growth for the year, which offset lower results at the corporate level. In the financial segment, Banco de Chile reported a 71.2% increase in net income, primarily attributable to greater operating revenues, largely explained by higher inflation, and secondly to a decrease in provisions for loan losses, which reflects improving delinquency indicators for the year. These effects were partially offset by increased income tax expense. Enex's contribution in the energy segment was positive, based mainly on a recovery of sales volumes, particularly in the service station channel, in line with easing of mobility restrictions associated with the pandemic compared to the previous year, and an inventory revaluation during the year. The increase in CCU's contribution was based on a good performance from all operating segments, in particular the Chile and International Business, driven by an increase in sales volumes together with higher average prices, which reflect a recovery in consumption, revenue management initiatives and cost efficiencies, despite still being affected by the pandemic. Quiñenco's interest in CCU increased following IRSA's tender offer. Nexans, in the manufacturing segment, reported net income of €164 million for 2021, substantially higher than the €78 million for last year, mainly due to improved operating performance from all its business segments, a gain associated with the effect of copper price rises on inventories and lower restructuring costs, partially offset by higher finance costs. In the the port services sector, SM SAAM's contribution increased by 21.7%, explained by good performance from its three business divisions, based on higher foreign trade volumes, the increased interest in Aerosan, the acquisition of Intertug and Quiñenco's increased interest in SM SAAM during the second half of the year, offset by a non-recurring gain associated with the increased interest in Aerosan and the sale of real estate last year. Finally, at the corporate level, Quiñenco registered a greater loss for the year, largely explained by the impact of higher inflation on index-linked liabilities.

## II. ANALYSIS OF COMPREHENSIVE INCOME

The analysis of Quiñenco's financial statements has been separated into the banking sector and the non-banking sector, to improve understanding.

IFRS 16 on leases came into effect on January 1, 2019, which affected the consolidated financial statements. Consequently, the statement of financial position includes right-of-use assets and lease liabilities. Depreciation on right-of-use assets and associated finance costs are recognized in the income statement, instead of operating lease expenses recognized under the

1) Net income refers to Net income attributable to owners of the controller.

previous regulations. Further details can be found in Note 18 to these consolidated financial statements.

## 1. ANALYSIS OF THE NON-BANKING SECTOR

The following segments are included in the non-banking sector:

a) Manufacturing
 - Invexans (Corporate)[2]
 - Techpack
b) Financial
 - LQ Inversiones Financieras Holding (LQIF holding)
c) Energy
 - Enex
d) Transport
 - Compañía Sud Americana de Vapores (CSAV)
e) Port Services
 - Sociedad Matriz SAAM (SM SAAM)
f) Other
 - Quiñenco and others (includes CCU, Quiñenco holding and eliminations).

As of December 31, 2021, Quiñenco indirectly owns 28.90% of Nexans, through its direct subsidiaries Invexans and Techpack.

As of December 31, 2021, Quiñenco directly and through its direct subsidiary Inv. Río Grande and its indirect subsidiaries Inmobiliaria Norte Verde and Inv. Río Azul owns 99.97% of Techpack and 99.83% of Invexans.

In September and November 2021, Quiñenco acquired an additional 7.53% of SM SAAM. Thus, Quiñenco's total ownership in SM SAAM, directly and through its subsidiaries Inv. Rio Bravo and Inmobiliaria Norte Verde, reached 59.73% of SM SAAM as of December 31, 2021.

On January 23, 2020, CSAV announced the closure of its car carrier business, therefore it is presented as a discontinued operation in the statement of income for 2020 and 2021. Operations were finalized in July 2020.

In January 2020, CSAV acquired an additional 2.21% interest in the German shipping company Hapag-Lloyd, reaching a 30.00% interest, which continued through to December 31, 2021.

During the second quarter of 2020, CSAV increased its share capital, and Quiñenco exercised its preferential option by acquiring an additional 0.31%, and closed the year with an interest of 61.76%. Quiñenco acquired an additional 4.69% during the second quarter of 2021. Accordingly, directly and indirectly through its subsidiaries Inv. Rio Bravo and Inmobiliaria Norte Verde, total ownership of CSAV reached 66.45% as of December 31, 2021.

LQIF's interest in Banco de Chile and its dividend rights were 51.15% as of December 31, 2021.

Inversiones Río Argenta is a wholly owned subsidiary of Quiñenco and parent company of Enex. Its merger with Invexans was materialized on April 15, 2020. Thus, Invexans added this fuel distribution company and convenience store operator to its portfolio during the second quarter of 2020, in order to facilitate its global expansion. Invexans now has two operating segments. The corporate segment that continues the company's previous activities including its investment in Nexans, and a new energy segment that contains its investment in Enex and related companies as of the second quarter of 2020.

In Quiñenco's financial statements, the manufacturing segment includes the business and results of Invexans corporate segment and Techpack. Its energy segment includes the business and results of Enex and related companies. This investment was held by Inversiones Río Argenta until the first quarter of 2020, and by Invexans as of the second quarter of 2020.

| NON-BANKING SECTOR RESULTS | FIGURES IN MCh$ | |
|---|---|---|
| | 12-31-2021 | 12-31-2020 |
| Operating income | 144,987 | 81,699 |
| Non-operating income | 2,433,938 | 179,914 |
| Income tax expense | (18,378) | (43,421) |
| Loss from discontinued operations | (129) | (2,054) |
| **Consolidated net income from non-banking sector** | **2,560,419** | **216,137** |

*2) Invexans Corporate includes the stake in Nexans and excludes Enex, which is presented in the Energy segment.*

## REVENUE

Revenue increased by 34.9% to reach Ch$3,478,213 million during 2021, mainly due to increased revenue at Enex, and to a lesser extent, at SM SAAM and CSAV.

The composition of revenue is shown in comparative terms as follows:

| | FIGURES IN MCh$ | |
|---|---|---|
| | 12-31-2021 | 12-31-2020 |
| **Manufacturing** | | |
| Invexans (Corporate) | 56 | 55 |
| Techpack | 22 | 23 |
| Subtotal manufacturing | 78 | 78 |
| **Financial** | | |
| LQIF holding | - | - |
| **Energy** | | |
| Enex | 2,908,184 | 2,116,662 |
| **Transport** | | |
| CSAV | - | - |
| **Port Services** | | |
| SM SAAM | 569,681 | 462,304 |
| **Other** | | |
| Quiñenco and others | 269 | 261 |
| **Revenue** | **3,478,213** | **2,579,304** |

Enex's revenue amounted to Ch$2,908,184 million in 2021, up by 37.4% from the previous year, mainly due to higher average fuel prices in all segments, associated with an increase in international prices, together with higher volumes of fuels sold by the service stations segment in Chile and the USA, and the industrial segment in Chile, in comparison to the previous year when the consequences of the pandemic were more severe. Total sales volumes in 2021 were 4,422,000 cubic meters, 17.8% higher than in 2020, of which 98% were fuels.

SM SAAM's revenue amounted to Ch$569,681 million for 2021, 23.2% higher than the previous year in Chilean peso terms, mainly due to the logistics segment as a result of the consolidation with Aerosan and a recovery in import volumes, increased revenue in the towage segment, mainly due to the consolidation with Intertug and the growth in harbour maneuvers, and increased revenue in the port terminals segment, reflecting an increase in throughput.

## COST OF SALES

Cost of sales increased by 34.7% for 2021, compared to the previous year. This was primarily due to cost of sales increases at Enex, and to a lesser extent, at SM SAAM.

The composition of consolidated cost of sales in comparative terms is as follows:

| | FIGURES IN MCh$ | |
|---|---|---|
| | 12-31-2021 | 12-31-2020 |
| **Manufacturing** | | |
| Invexans (Corporate) | - | - |
| Techpack | - | - |
| Subtotal manufacturing | - | - |
| **Financial** | | |
| LQIF holding | - | - |
| **Energy** | | |
| Enex | (2,535,365) | (1,854,320) |
| **Transport** | | |
| CSAV | - | - |
| **Port Services** | | |
| SM SAAM | (383,782) | (313,422) |
| **Other** | | |
| Quiñenco and others | (222) | (225) |
| **Cost of sales** | **(2,919,369)** | **(2,167,967)** |

Cost of sales at Enex was Ch$2,535,365 million for 2021, 36.7% higher than in 2020, mainly due to higher fuel prices, together with higher sales volumes. Cost of sales was equivalent to 87.2% of sales in 2021 and 87.6% in 2020.

SM SAAM's cost of sales for 2021 amounted to Ch$383,782 million, 22.4% higher than the previous year, mainly due to the consolidation with Aerosan in the logistics segment, the acquisition of Intertug in the towage segment, and to a lesser extent, higher costs in the port terminals segment.

## GROSS INCOME

The composition of gross income in comparative terms is as follows:

| | FIGURES IN MCh$ | |
|---|---|---|
| | 12-31-2021 | 12-31-2020 |
| **Manufacturing** | | |
| Invexans (Corporate) | 56 | 55 |
| Techpack | 22 | 23 |
| Subtotal manufacturing | 78 | 78 |
| **Financial** | | |
| LQIF holding | - | - |
| **Energy** | | |
| Enex | 372,819 | 262,342 |
| **Transport** | | |
| CSAV | - | - |
| **Port Services** | | |
| SM SAAM | 185,899 | 148,882 |
| **Other** | | |
| Quiñenco and others | 47 | 36 |
| **Gross income** | **558,843** | **411,337** |

Gross income was Ch$558,843 million for 2021, an increase of 35.9% over last year, mainly due to an increase in the gross income from Enex and to a lesser extent, SM SAAM. Enex increased its gross income by 42.1%, mainly attributable to increased fuel sales through the service station channel and the industrial channel, and the positive impact from selling fuel valued at historical cost during 2021 while sales prices were increasing, compared to an unfavorable effect in 2020. SM SAAM increased its gross income by 24.9%, mainly explained by the consolidation with Aerosan in the logistics segment and with Intertug in the towage segment after the acquisitions carried out, and to a lesser extent, by increased margins in the port terminals segment.

## OPERATING INCOME [3]

Operating income was Ch$144,987 million for 2021, 77.5% higher than the Ch$81,699 million reported the prior year, mainly due to the substantial increase in Enex's performance, and, to a lesser extent, to better operating performance at SM SAAM, and a favorable variation at Invexans, partially offset by a higher operating loss at Quiñenco and others, and at CSAV.

*3) Operating income includes Gross income, Other income by function, Distribution costs, Administrative expenses, Other expenses and Other gains (losses).*

The comparative composition of operating income (loss) was as follows:

| | FIGURES IN MCh$ | |
|---|---|---|
| | 12-31-2021 | 12-31-2020 |
| **Manufacturing** | | |
| Invexans (Corporate) | 2,980 | (2,273) |
| Techpack | (1,614) | (1,386) |
| Subtotal manufacturing | **1,366** | **(3,659)** |
| **Financial** | | |
| LQIF holding | (1,431) | (1,505) |
| **Energy** | | |
| Enex | 95,140 | 19,463 |
| **Transport** | | |
| CSAV | (18,043) | (7,409) |
| **Port Services** | | |
| SM SAAM | 113,946 | 99,876 |
| **Other** | | |
| Quiñenco and others | (45,990) | (25,067) |
| **Operating income** | **144,987** | **81,699** |

Operating income at Enex was Ch$95,140 million for 2021, which is significantly higher than its operating income of Ch$19,463 million for the previous year, mainly due to the 42.1% increase in gross income explained above, partially offset by higher administrative and selling expenses.

SM SAAM recorded operating income of Ch$113,946 million for 2021, which was 14.1% higher than the operating income of Ch$99,876 million recorded in 2020, mainly due to the 24.9% increase in gross income explained above, partially offset by higher administrative expenses largely associated with the consolidation of Aerosan and Intertug, and a decrease in other income attributable to the non-recurring gain from the revaluation of the previous interest in Aerosan and, to a lesser extent, from sale of real estate, both recorded during the previous year.

Invexans Corporate's operating income was Ch$2,980 million for 2021, which contrasts favorably with the operating loss of Ch$2,273 million for 2020, mainly reflecting the higher dividend received from Sonacol this year, and to a lesser extent, a non-recurring favorable variation associated with a property in Quilpué.

The operating loss at Quiñenco and others was Ch$45,990 million for 2021, an increase of 83.5% compared to the operating loss of Ch$25,067 million for 2020, mainly due to an increase in provisions for administrative expenses.

The operating loss for CSAV was Ch$18,043 million for 2021, much higher than the operating loss of Ch$7,409 million in the previous year, mainly due to higher administrative expenses.

## NON-OPERATING INCOME

The comparative composition of non-operating income is as follows:

| | FIGURES IN MCh$ | |
|---|---|---|
| | 12-31-2021 | 12-31-2020 |
| Finance income | 7,103 | 6,917 |
| Finance costs | (87,188) | (86,002) |
| Share of income (loss) of associates & joint ventures | 2,605,291 | 290,516 |
| Exchange differences | (14,808) | (3,118) |
| Loss from indexation adjustments | (76,460) | (28,399) |
| **Non-operating income** | **2,433,938** | **179,914** |

Non-operating income was Ch$2,433,938 million for 2021, significantly higher than the non-operating income of Ch$179,914 million for 2020. The most important variations were the following:

- The share of associates was a gain of Ch$2,605,291 million in 2021, substantially higher than the gain of Ch$290,516 million in 2020, mainly due to the increase of CSAV's share in Hapag-Lloyd's results, adjusted for fair value, with an increase of Ch$2,254,122 million, reflecting the higher earnings reported by the German shipping company. IRSA also contributed to a lesser extent, with an increase of Ch$30,442 million, mainly reflecting higher net income at CCU for this year, together with the increase in IRSA's interest, and the increase of Ch$24,957 million in Invexans' and, to a lesser extent, Techpack's share in Nexans' results, adjusted for fair value.

This was partially offset by:

- Higher indexation losses, mainly at Quiñenco corporate and, to a lesser extent, at LQIF holding, due to the impact of higher inflation on indexed liabilities.
- Higher foreign exchange losses mostly explained by unfavorable variations at Enex, Techpack and CSAV, partially offset by a positive variation at SM SAAM.

## NON-BANKING SECTOR NET INCOME

| | FIGURES IN MCh$ | |
|---|---|---|
| | 12-31-2021 | 12-31-2020 |
| Net income from continuing operations before taxes | 2,578,925 | 261,613 |
| Income tax expense | (18,378) | (43,421) |
| Loss from discontinued operations | (129) | (2,054) |
| **Consolidated net income from non-banking sector** | **2,560,419** | **216,137** |

The non-banking sector reported consolidated net income of Ch$2,560,419 million in 2021, a significant increase over net income of Ch$216,137 million for the previous year. This improvement is mainly explained by the increase in net income from CSAV, driven by the substantial growth in the results of the German shipping company Hapag-Lloyd, mainly as a result of better freight rates, reflecting strong global demand for container transportation together with congestion in the logistics chain associated with COVID-19 restrictions. To a lesser extent, the increase in consolidated net income is also the result of improved performance from Enex, explained by the favorable trend in fuel prices together with a recovery in sales volumes, particularly in service stations; an increase in IRSA's performance, due to CCU's increased performance, driven by a recovery in consumption; a higher performance from Invexans Corporate, reflecting the improved operating performance of its associate Nexans; and higher performance from SM SAAM, explained by growth in all its business divisions, driven by the recovery of foreign trade and by its investments in Aerosan and Intertug. These favorable effects were partially offset by lower performance from Quiñenco at the corporate level, mainly reflecting higher losses from inflation on index-linked liabilities.

## 2. ANALYSIS OF THE BANKING SECTOR

The banking sector includes Banco de Chile, which presents its financial statements partially under IFRS in 2021 and 2020.

| BANKING SECTOR RESULTS | FIGURES IN MCh$ | |
|---|---|---|
| | 12-31-2021 | 12-31-2020 |
| Operating income | 969,425 | 593,854 |
| Non-operating income (loss) | 2,241 | (4,661) |
| Income tax expense | (178,550) | (125,963) |
| **Consolidated net income from the banking sector** | **793,115** | **463,230** |

### OPERATING REVENUE[4]

Operating revenue was Ch$2,230,450 million in 2021, 15.0% higher than in 2020, mainly explained by the favorable impact of the variation in the UF on the Bank's net asset position in UF, and to a lesser extent by better performance of treasury management, and higher income associated with the Bank's net asset position in US dollars as a hedging mechanism, due to the depreciation of the local currency in 2021 compared to its appreciation in 2020. These effects were partially offset by reduced income from loans.

### PROVISIONS FOR LOAN LOSSES

Banco de Chile's provisions for loan losses were Ch$373,260 million in 2021, 19.3% lower than the Ch$462,680 million for the previous year. This variation is mainly due to lower expenses in retail banking attributable to better delinquency indicators, and the recalibration of group provisioning models in 2020, which resulted in non-recurring higher provisions for loan losses. The wholesale banking sector also had lower risk provisions, mainly due to a high basis of comparison caused by the deterioration of financial conditions in several economic sectors as a result of COVID-19. These effects were partially offset by additional provisions to supplement coverage against normalized delinquency scenarios and higher provisions in US dollars, as a result of local currency depreciation in 2021 compared to an appreciation in the previous year.

### OPERATING EXPENSES

Operating expenses were Ch$887,763 million in 2021, a slight 0.6% higher than the Ch$882,332 million in 2020. This increase is largely explained by higher marketing expenses, external consulting expenses, depreciation and amortization expenses, higher charge-offs due to the new fraud law for banks, and an increase in valuables transportation services, partially offset by a decrease in personnel and general expenses.

### NON-OPERATING INCOME (LOSS)[5]

During 2021, non-operating income was Ch$2,241 million, which contrasts favorably with the non-operating loss of Ch$4,661 million in the previous year, due to an improvement in the performance of investments in related companies this year.

### BANKING SECTOR NET INCOME

Consolidated banking sector net income was Ch$793,115 million for 2021, 71.2% higher than for 2020, mainly explained by higher operating revenues, together with a reduction in provisions for loan losses, partially offset by higher income tax expenses for the current year.

## 3. NET INCOME ATTRIBUTABLE TO OWNERS OF THE CONTROLLER

| | FIGURES IN MCh$ | |
|---|---|---|
| | 12-31-2021 | 12-31-2020 |
| Consolidated net income | 3,353,534 | 679,367 |
| Net income attributable to non-controlling interests | 1,460,389 | 432,120 |
| **Net income attributable to owners of the controller** | **1,893,146** | **247,247** |

Quiñenco's consolidated net income as of December 31, 2021, was Ch$3,353,534 million, substantially higher than in the previous year, due to the significant increase in consolidated net income from non-banking services, and to a lesser extent, to the increase in consolidated net income from banking services.

Net income attributable to non-controlling interests was Ch$1,460,389 million in 2021, a substantial increase over 2020. This increase is mainly due to the non-controlling interest in the higher net income from the transport segment, and to a lesser extent, from the financial services segment.

Net income attributable to owners of the controller was Ch$1,893,146 million in 2021, significantly higher than the Ch$247,247 million reported in the previous year.

*4) Operating revenues correspond to Total net operating income excluding loan loss provisions.*
*5) Non-operating loss includes income from equity investments.*

## 4. RESULTS ANALYSIS BY SEGMENT

The following shows the composition of results by segment.

| BUSINESS / SEGMENT | MANUFACTURING | | FINANCIAL | | ENERGY | | TRANSPORT | | PORT SERVICES | | OTHER | | TOTAL | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FIGURES IN MCh$ AS OF DECEMBER 31, | | | | | | | | | | | | | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| **Non-banking sector** | | | | | | | | | | | | | | |
| Net income from continuing operations before taxes | 39,252 | 15,090 | (23,692) | (15,345) | 78,148 | 7,788 | 2,465,798 | 217,954 | 98,836 | 74,921 | (79,417) | (38,794) | 2,578,926 | 261,613 |
| Income tax credit (expense) | (203) | (49) | 1,699 | 2,132 | (16,747) | 342 | 25,748 | (42,631) | (36,700) | (21,576) | 7,824 | 18,360 | (18,378) | (43,421) |
| Net income (loss) from discontinued operations | (134) | (1,153) | - | - | - | - | 6 | (470) | - | - | - | (431) | (129) | (2,054) |
| Consolidated net income (loss) from the non-banking sector | 38,915 | 13,887 | (21,993) | (13,213) | 61,401 | 8,130 | 2,491,552 | 174,853 | 62,136 | 53,345 | (71,593) | (20,865) | 2,560,419 | 216,137 |
| **Banking sector** | | | | | | | | | | | | | | |
| Net income before taxes | - | - | 971,474 | 589,072 | - | - | - | - | - | - | 192 | 121 | 971,666 | 589,193 |
| Income tax credit (expense) | - | - | (178,550) | (125,963) | - | - | - | - | - | - | - | - | (178,550) | (125,963) |
| Consolidated net income from the banking sector | - | - | 792,923 | 463,109 | - | - | - | - | - | - | 192 | 121 | 793,115 | 463,230 |
| Consolidated net income (loss) | 38,915 | 13,887 | 770,931 | 449,896 | 61,401 | 8,130 | 2,491,552 | 174,853 | 62,136 | 53,345 | (71,401) | (20,744) | 3,353,535 | 679,367 |
| Net income attributable to non-controlling interests | 176 | (254) | 579,066 | 337,991 | - | - | 851,066 | 67,035 | 30,746 | 27,552 | (664) | (204) | 1,460,389 | 432,120 |
| Net income (loss) attributable to owners of the controller (1) | 38,740 | 14,141 | 191,865 | 111,904 | 61,401 | 8,130 | 1,640,486 | 107,818 | 31,390 | 25,793 | (70,737) | (20,540) | 1,893,146 | 247,247 |
| **EBITDA (2)** | **183** | **(3,304)** | **1,045,035** | **666,024** | **143,113** | **77,309** | **(18,043)** | **(7,561)** | **203,006** | **177,125** | **(27,276)** | **(15,756)** | **1,346,019** | **893,837** |

*(1) Net income attributable to owners of the controller for each segment is the final contribution from each segment, and the companies they comprise, to Quiñenco's net income. Note 1 to Quiñenco's financial statements details its interests in its principal subsidiaries and associates.*

*(2) EBITDA is defined as Net operating income, excluding Other gains (losses), plus Depreciation and Amortization.*

## MANUFACTURING SEGMENT

| | FIGURES IN MCh$ | |
|---|---|---|
| | 12-31-2021 | 12-31-2020 |
| Invexans Corporate | 41,968 | 12,167 |
| Techpack | (3,228) | 1,974 |
| **Net income for the manufacturing segment** | **38,740** | **14,141** |

The manufacturing segment contributed net income of Ch$38,740 million to Quiñenco's net income for 2021, which was substantially higher than the net income of Ch$14,141 million for 2020.

## INVEXANS

| | FIGURES IN MCh$ | | | |
|---|---|---|---|---|
| | CORPORATE | | CONSOLIDATED | |
| | 12-31-2021 | 12-31-2020 | 12-31-2021 | 12-31-2020 |
| Revenue | 56 | 55 | 2,908,240 | 1,439,137 |
| Operating income (loss) | 2,980 | (2,273) | 98,120 | 6,686 |
| Non-operating income (loss) | 39,368 | 14,292 | 22,377 | (1,455) |
| **Net income attributable to owners of the controller** | **42,144** | **12,187** | **103,545** | **8,904** |

Invexans reported consolidated net income of Ch$103,545 million[6] in 2021, which compares favorably to its net income of Ch$8,904 million in 2020. The corporate segment achieved net income of Ch$42,144 million for this year, which is analyzed below. The remaining net income of Ch$61,401 million is mainly due to the subsidiary Enex, which was consolidated from the second quarter of 2020 onwards. The energy section contains an analysis of Enex's performance.

Net income from Invexans Corporate was Ch$42,144 million for 2021, significantly higher than the net income of Ch$12,187 million reported in 2020, primarily reflecting the improved performance of its main asset, the French multinational Nexans, which recorded net income of €164 million for 2021, substantially higher than its net income of €78 million for the previous year, which suffered the negative impact of the global public health crisis.

Invexans Corporate earned operating income of Ch$2,980 million for 2021, which contrasts positively with the operating loss of Ch$2,273 million for the previous year, mainly as a result of the higher dividend received from Sonacol this year, and to a lesser extent, a non-recurring favorable variation associated with a property in Quilpué.

Non-operating income was Ch$39,368 million for 2021, substantially higher than the gain of Ch$14,292 million for 2020, mainly reflecting its share of its associate Nexans' net income. Nexans achieved organic[7] sales growth of 8.3% and operating income of €299 million, increasing 54.9% from the previous year, reflecting a solid recovery in demand and a positive balance between mix and revenue management, along with selective segment growth and the favorable impact of its cost reduction and transformation plans. Growth was led by the construction segment, whose operating income increased by €62 million (+77.5%), based on organic sales growth of 3.3%, reflecting selectivity and the economic upturn in most areas, especially in Europe, combined with well-targeted market demand. The industrial segment achieved an increase in operating income of €34 million (+70.8%), based on organic sales growth of 13.7%, supported by a strong recovery in automotive harnesses and automation during the year. The high voltage and projects segment increased its operating income by €25 million (+36.2%), based on organic sales growth of 9.3%, driven by strong growth in the fourth quarter, reflecting the simultaneous operation of the Aurora and Skagerrak cable-laying vessels, as well as commissioning the high-voltage cable plant in Charleston, which was officially inaugurated in November. Finally, the telecommunications segment achieved an increase in operating income of €8 million (+36.4%), due to organic sales growth of 6.1% during the year, reflecting a rebound in demand, partially offset by divesting one of its units during the third quarter of 2020. EBITDA was €463 million for 2021, an increase of 33.4% compared to 2020. Non-operating income at Nexans increased by €64 million, associated with raw material price changes on un-hedged inventory (a gain of €106 million for 2021 versus a gain of €42 million in 2020) mainly reflecting higher average copper prices, especially during the first half of the year. Nexans recorded restructuring costs

*6) The analysis of Invexans is based on its financial statements prepared by the functional currency of Quiñenco. The functional currency of Invexans differs from that of Quiñenco.*
*7) Organic growth: Nexans compares sales on the same consolidation basis, excluding the impact of acquisitions and divestitures between one period and another, exchange rate effects and changes in the prices of base metals.*

of €58 million in 2021, a decrease from €107 million for the previous year, mainly attributable to costs for impairments of fixed assets, non-provisioned costs of the European restructuring plan, and new commissioning and conversion costs for the North American plant. Net finance costs increased by 87.0% mainly due to write-offs of certain financial investments, especially in Lebanon. Finally, income taxes were lower by €39 million. Thus, Nexans earned net income of €164 million for 2021, which was significantly higher than net income of €78 million for 2020. Invexans adjusted its proportional share of net income to reflect the fair value determined for Nexans' assets, resulting in a net gain for Invexans on its investment in the French company of Ch$39,575 million in 2021, significantly higher than the gain of Ch$15,125 million in 2020.

Invexans Corporate segment income tax expense was Ch$204 million in 2021, compared to an income tax credit of Ch$168 million last year.

## TECHPACK

| | FIGURES IN MCh$ | |
|---|---|---|
| | 12-31-2021 | 12-31-2020 |
| Revenue | 22 | 23 |
| Operating loss | (1,614) | (1,386) |
| Loss from discontinued operations | (134) | (1,153) |
| **Net income (loss) attributable to owners of the controller** | **(3,817)** | **1,700** |

Techpack reported a net loss of Ch$3,817 million[8] in 2021, which compares negatively to its net income of Ch$1,700 million in 2020, mainly attributable to unfavorable foreign exchange variations and lower finance income, partially offset by lower losses from discontinued operations.

Techpack's operating loss was Ch$1,614 million for 2021, an increase of 16.5% over the operating loss of Ch$1,386 million in the previous year, reflecting a negative variation in other gains (losses), and to a lesser extent, higher administrative expenses. Other gains (losses) for the year mainly correspond to losses on the sale of investments (Decker-Metacab), mostly offset by dividends received from Nexans.

Techpack registered a non-operating loss of Ch$2,071 million during 2021, which contrasts negatively with non-operating income of Ch$4,456 million in 2020, mainly due to a negative variation in exchange differences and lower finance income, partially offset by higher indexation gains.

Techpack's loss from discontinued operations decreased to Ch$134 million in 2021, down by 88.4% compared to the previous year, mainly corresponding to maintenance expenses.

Finally, the income tax credit was Ch$2 million in 2021, which compares positively to the income tax expense of Ch$217 million in 2020.

## FINANCIAL SEGMENT

| | FIGURES IN MCh$ | |
|---|---|---|
| | 31-12-2021 | 31-12-2020 |
| LQIF holding | (10,996) | (6,607) |
| Banking sector | 202,861 | 118,511 |
| **Net income for the financial segment** | **191,865** | **111,904** |

The financial segment contributed Ch$191,865 million to the net income of Quiñenco in 2021, increasing 71.5% from the previous year.

Banking services are comprised of Banco de Chile.

## LQIF HOLDING

| | FIGURES IN MCh$ | |
|---|---|---|
| | 12-31-2021 | 12-31-2020 |
| Revenue | - | - |
| Operating loss | (1,431) | (1,505) |
| **Net loss from the non-banking sector** | **(21,993)** | **(13,213)** |

LQIF holding reported a net loss of Ch$21,993 million in 2021, which was 66.4% higher than its net loss of Ch$13,213 million in 2020, mainly due to higher indexation losses, attributable to debt denominated in UF, due to higher inflation this year, with a variation in the UF of 6.6% in 2021 compared to 2.7% in 2020, and to a lesser extent, due to a decrease in finance income and the negative effect of a lower income tax credit.

*8) The analysis of Techpack is based on its financial statements prepared in the functional currency of Quiñenco. Techpack's functional currency differs from that of Quiñenco.*

## BANCO DE CHILE

| | FIGURES IN MCh$ | |
|---|---|---|
| | 12-31-2021 | 12-31-2020 |
| Operating revenue | 2,230,257 | 1,938,743 |
| Provisions for loan losses | (373,260) | (462,680) |
| Operating expenses | (887,764) | (882,331) |
| **Net income attributable to owners of the controller** | **792,922** | **463,108** |

Net income at Banco de Chile was Ch$792,922 million in 2021, an increase of 71.2% over the previous year. This is mainly explained by higher revenue, together with a decrease in provisions for loan losses, partially offset by higher income tax expense.

Operating revenue increased by 15.0%, equivalent to Ch$291,514 million for 2021, mainly due to (i) an increase of Ch$189,000 million in the contribution from the Bank's net asset position in UF given higher inflation during 2021, due to a 6.6% increase in the UF compared to 2.7% in 2020; (ii) an increased contribution from treasury of Ch$72,000 million; (iii) an increase of Ch$38,000 million in the contribution from the Bank's net USD asset position as a hedging mechanism, due to the depreciation of the local currency in 2021 compared to its appreciation in 2020; (iv) higher fee income of Ch$9,100 million, mainly due to an increase in transaction services and mutual funds fees, partially offset by a decrease in insurance brokerage fees; and to a lesser extent (v) an increase from loan portfolio sales and an increase in income associated with demand deposits, due to higher average balances. These effects were partially offset by lower income from loans of Ch$29,000 million, mainly due to the performance of consumer loans throughout 2021.

Provisions for loan losses at Banco de Chile totaled Ch$373,260 million for 2021, a decrease of 19.3% compared to Ch$462,680 million in the previous year. This decrease is mainly due to (i) a reduction in retail banking expenses of approximately Ch$133,800 million in 2021 compared to 2020, mainly attributable to improved delinquency indicators, which remain below pre-pandemic levels. Furthermore, 2020 was an exceptional year for loan losses given the prevailing economic environment, which led to a recalibration of the group provisioning models in September 2020 with a non-recurring impact of Ch$71,000 million in provisions for loan losses; and (ii) a lower expense of Ch$67,800 million in provisions for loan losses for wholesale banking, mainly due to a high basis of comparison, due to the deterioration of financial conditions in many economic sectors during the COVID-19 pandemic. This decrease was partially offset by: (i) additional provisions of Ch$113,000 million in 2021, to complement coverage against normalized delinquency scenarios; and to a lesser extent (ii) an increase of Ch$27,900 million in provisions for loan losses denominated in US dollars, mainly explained by the 19.2% depreciation of the Chilean peso in 2021, with respect to its 5.3% appreciation in 2020.

Therefore, the portfolio expense indicator was 1.15% as of December 31, 2021, a decrease of 36 basis points over 1.51% as of December 31, 2020. The Bank had a past due portfolio indicator of 0.85% as of December 31, 2021, slightly below its value of 0.97% as of December 31, 2020.

Operating expenses increased slightly by 0.6% to Ch$887,764 million in 2021, compared to Ch$882,331 million in 2020. This change was mainly due to: (i) an increase of Ch$7,100 million in marketing expenses, in order to reinforce brand value and promote new services and products; (ii) an increase in external consultancy expenses of Ch$3,600 million; (iii) higher depreciation and amortization expenses of Ch$3,400 million; (iv) higher charge-offs of Ch$3,300 million, mainly due to the new fraud law for banks; and (v) an increase of Ch$2,400 million in securities transportation services, explained by higher volumes in 2021, given higher cash requirements triggered by pension fund withdrawals. These increases were partially offset by: (i) a decrease of Ch$6,200 million in personnel expenses, mainly explained by lower severance payments; and (ii) a reduction in general expenses of Ch$6,100 million, explained by a high comparison base in 2020, due to the implementation of the new customer service model, higher supplies related to the COVID-19 pandemic, and branch repairs following the social unrest in 2019.

The income tax expense increased by 41.7% to Ch$178,550 million in 2021.

## ENERGY SEGMENT

| | FIGURES IN MCh$ | |
|---|---|---|
| | 12-31-2021 | 12-31-2020 |
| Enex | 61,401 | 8,130 |
| **Net income from the energy segment** | **61,401** | **8,130** |

The energy segment contributed a gain of Ch$61,401 million to Quiñenco's net income for 2021, which was a significant increase from the contribution of Ch$8,130 million for the previous year.

## ENEX

| | FIGURES IN MCh$ | |
|---|---|---|
| | 12-31-2021 | 12-31-2020 |
| Revenue | 2,908,184 | 2,116,662 |
| Operating income | 95,140 | 19,463 |
| **Net income attributable to owners of the controller** | **61,401** | **8,130** |

Enex achieved net income of Ch$61,401 million in 2021, significantly higher than its net income of Ch$8,130 million in 2020, mainly due to a better operating performance, particularly in the service station channel, recovering from the previous year, which had been severely affected by the pandemic, and partially offset by higher income tax and exchange rate differences.

Revenue was Ch$2,908,184 million for 2021, 37.4% higher than in 2020, mainly due to higher average fuel prices in all segments associated with an increase in international prices, together with higher volumes of fuels sold by the service station segment in Chile and the USA, and by the industrial segment in Chile, compared to the previous year, when the consequences of the pandemic were more severe. Total sales volume in 2021 was 4,422,000 cubic meters, 17.8% higher than in 2020, of which 98% were fuels.

Gross income was Ch$372,819 million, 42.1% higher than the previous year, primarily attributable to the increase in fuel sales through the service station and industrial channels. There was also a positive impact from the sale of fuel inventories, valued at historical cost, in a context of rising fuel prices during 2021, compared to the opposite effect in 2020.

Enex's operating income for 2021 amounted to Ch$95,140 million, significantly higher than operating income of Ch$19,463 million for the previous year, mainly due to the 42.1% increase in gross income explained above, partially offset by higher administrative expenses, largely attributable to selling and logistics expenses associated with the higher sales volumes in Chile and the USA.

The non-operating loss was Ch$16,991 million in 2021, 45.5% higher than the non-operating loss of Ch$11,675 million in 2020, mainly explained by a negative variation in exchange differences this year, and to a lesser extent, by a lower contribution from associates, partially offset by lower finance costs and higher finance income.

Income tax expense at Enex was Ch$16,747 million in 2021, contrasting negatively with the credit of Ch$342 million in 2020.

## TRANSPORT SEGMENT

| | FIGURES IN MCh$ | |
|---|---|---|
| | 12-31-2021 | 12-31-2020 |
| CSAV | 1,640,486 | 107,818 |
| **Net income from the transport segment** | **1,640,486** | **107,818** |

The transport segment contributed a gain of Ch$1,640,486 million to Quiñenco's net income for 2021, substantially higher than Ch$107,818 million in the previous year.

This contribution increase reflects an improved performance from CSAV, together with an increase in Quiñenco's interest from 61.8% to 66.5% during the second quarter of 2021. Net income for CSAV includes the revaluation to fair value of Quiñenco's investment in CSAV. This revaluation resulted in a loss of Ch$15 million in 2021 and a loss of Ch$29 million in 2020.

## CSAV

| | FIGURES IN MCh$ | |
|---|---|---|
| | 31-12-2021 | 31-12-2020 |
| Revenue | - | - |
| Operating loss | (18,043) | (7,409) |
| Non-operating income | 2,483,873 | 225,427 |
| **Net income attributable to owners of the controller** | **2,491,575** | **174,900** |

CSAV achieved net income of Ch$2,491,575 million[9] in 2021, which was significantly higher than its net income of Ch$174,900 million for 2020, primarily due to improved performance from its principal asset, the German shipping line Hapag-Lloyd.

The operating loss was Ch$18,043 million for 2021, higher than the net operating loss of Ch$7,409 million for the previous year, mainly reflecting higher provisions for administrative expenses.

*9) The analysis of CSAV is based on its financial statements prepared in the functional currency of Quiñenco. CSAV's functional currency differs from that of Quiñenco.*

Non-operating income was Ch$2,483,873 million for 2021, significantly higher than non-operating income of Ch$225,427 million for 2020. This favorable change is mainly due to higher income from its investment in Hapag-Lloyd. CSAV's direct share of Hapag-Lloyd's results improved substantially compared to the previous year, from a gain of US$317.3 million in 2020, to a gain of US$3,221.5 million in 2021, together with an adjustment to fair value that was a negative adjustment of US$5.0 million in 2020 and a negative adjustment of US$1.1 million in 2021, which resulted in a net increase of US$2,908.1 million (Ch$2,254,122 million). This effect was complemented to a lesser extent, by lower net finance costs, mainly explained by the debt reduction after the capital increase carried out during the second half of 2020 to finance the acquisition of an additional interest in Hapag-Lloyd at the beginning of 2020, partially offset by higher losses from exchange rate differences.

Hapag-Lloyd's net income reached US$10,738 million in 2021, significantly higher than the US$1,058 million posted the previous year. This result was driven by strong demand for consumer goods in a context still being affected by the pandemic and its associated restrictions, which led to a sustained disruption in global supply chains. This was reflected in longer response times for both ships and containers. Hapag-Lloyd's sales reached US$26,356 million in 2021, growing by 80.8% compared to 2020, mostly due to a 79.7% increase in average freight rates. This was due to the increase in demand for container transport together with the capacity shortage due to congestion in the logistics chain, and, to a lesser extent, due to the 0.3% increase in volumes driven by the increase in demand, although mitigated by delays at ports and container shortages. Operating expenses increased by 16.5%, mainly due to higher cargo handling and transportation expenses associated with container movements within the port and inland transportation, as well as higher average bunker prices and vessel chartering costs. Accordingly, the German shipping company achieved net income before interest and taxes (EBIT) of US$11,111 million for 2021, substantially higher than its EBIT of US$1,501 million for 2020. EBITDA reached US$12,842 million, significantly higher than US$3,082 million for the previous year. Thus, CSAV's share of Hapag-Lloyd's results, including all the effects mentioned above, reached a gain of Ch$2,499,024 million in 2021, which contrasts favorably with the gain of Ch$244,902 million in the previous year.

CSAV's income tax credit was Ch$25,740 million for 2021, compared to income tax expense of Ch$42,648 million for 2020, mainly due to the change in the Euro-US dollar exchange rate, given the financing structure of CSAV's investment in Hapag-Lloyd, which reflects the appreciation of the US dollar during the year, compared to its depreciation last year.

The loss from discontinued operations of Ch$6 million for 2021 compares favorably to the loss of Ch$470 million for 2020, and corresponds mainly to the car carrier business, which operated on a limited scale associated with the last vessel calls prior to closing the business in July 2020.

## PORT SERVICES SEGMENT

| | FIGURES IN MCh$ | |
|---|---|---|
| | 12-31-2021 | 12-31-2020 |
| SM SAAM | 31,390 | 25,793 |
| **Net income from the port services segment** | **31,390** | **25,793** |

The port services segment contributed a gain of Ch$31,390 million to Quiñenco's net income for 2021, which was 21.7% higher than its contribution of Ch$25,793 million in 2020.

This greater contribution reflects improved performance at SM SAAM, together with the increase in Quiñenco's interest in the second half of 2021, from 52.2% to 59.7%. The result for SM SAAM includes the revaluation to fair value of Quiñenco's investment in SM SAAM. This revaluation resulted in a loss of Ch$1,871 million in 2021 compared to a loss of Ch$1,539 million in 2020.

## SM SAAM

| | FIGURES IN MCh$ | |
|---|---|---|
| | 12-31-2021 | 12-31-2020 |
| Revenue | 569,681 | 462,304 |
| Operating income | 113,946 | 99,876 |
| Non-operating loss | (10,685) | (21,041) |
| **Net income attributable to owners of the controller** | **59,933** | **52,362** |

SM SAAM reported net income of Ch$59,933 million[10] in 2021, up 14.5% compared to its Ch$52,362 million in 2020, mainly due to improved performance from port terminals, based on a recovery in volumes, the increased participation in Aerosan in the logistics segment, and the acquisition of Intertug in the towage segment. All three divisions benefited from an increase in foreign trade. These effects were partially offset by non-recurring gains in the prior year, associated with revaluing the previous interest in Aerosan following the acquisition of the remaining 50%, and to a lesser extent, the sale of real estate.

SM SAAM's revenue was Ch$569,681 million, increasing 23.2% in Chilean peso terms compared to the previous year, mainly attributable to higher revenue in the logistics segment, due to consolidating Aerosan in the current period and a recovery in import volumes. Towage segment revenue also grew, mainly due to the acquisition of Intertug at the beginning of 2021, growth in harbor maneuvers associated with economic recovery, and to a lesser extent, the launch of services in El Salvador and Peru, partially offset by a reduction in special services. Revenue at consolidated port terminals also increased, reflecting an 11.3% growth in container throughput, associated with a recovery in import and export cargo volumes, greater additional services and a favorable cargo mix.

SM SAAM achieved gross income of Ch$185,899 million in 2021, 24.9% higher than gross income of Ch$148,882 million reported in 2020, due to growth in the logistics segment, mainly due to consolidating Aerosan, to growth in the towage segment, mainly driven by consolidating Intertug, and to a lesser extent, higher gross income at port terminals. Operating income was Ch$113,946 million in 2021, which was 14.1% higher than its Ch$99,876 million recorded in the previous year, mainly due to the increase in gross income, partially offset by an increase in administrative expenses, mainly due to consolidating Aerosan and Intertug, and higher volumes in all divisions. Non-recurring gains were recorded in 2020 from revaluing the previous interest in Aerosan following the acquisition of the remaining 50% stake, and to a lesser extent, from the sale of real estate.

The non-operating loss was Ch$10,685 million in 2021, significantly lower than the loss of Ch$21,041 million in 2020. This favorable variation is mainly attributable to the increase in the result from associates, due to the improved performance within Chilean port terminals, reflecting a 12.9% recovery in throughput associated with the restocking process and consumption of durable goods within the industry, especially in the central zone, partially offset by consolidating Aerosan in November 2020. Additionally, the non-operating loss was reduced by a positive variation in exchange differences. This was partially offset by higher finance costs and lower finance income.

Income tax increased by 67.6% in Chilean peso terms, to Ch$37,786 million.

## OTHER SEGMENT

| | FIGURES IN MCh$ | |
|---|---|---|
| | **12-31-2021** | **12-31-2020** |
| IRSA | 58,025 | 27,582 |
| Quiñenco and other | (128,761) | (48,122) |
| **Net loss for the other segment** | **(70,737)** | **(20,540)** |

The Other segment contributed a net loss of Ch$70,737 million to Quiñenco's net income in 2021, substantially more than the net loss of Ch$20,540 million in 2020, primarily due to an increase in the net loss from Quiñenco and others, and partially offset by an increase in the net income contributed by IRSA.

## IRSA

IRSA is CCU's parent company and its contribution to Quiñenco was Ch$58,025 million in 2021, significantly higher than the contribution of Ch$27,582 million in 2020, mainly as a result of the improved performance from CCU, and to a lesser extent, the increase in IRSA's interest in CCU from 60.0% to 65.9% during the first half of 2021.

## CCU

| | FIGURES IN MCh$ | |
|---|---|---|
| | **12-31-2021** | **12-31-2020** |
| Revenue | 2,484,712 | 1,857,594 |
| Operating income | 330,471 | 175,181 |
| **Net income attributable to owners of the controller** | **199,163** | **96,152** |

*10) The analysis of SM SAAM is based on its financial statements prepared in the functional currency of Quiñenco. SM SAAM's functional currency differs from that of Quiñenco.*

CCU reports its consolidated financial statements in accordance with its operating segments. These are defined as the geographical areas of its commercial business: Chile, International Business, Wine, and Others[11].

CCU reported net income of Ch$199,163 million for 2021, significantly higher than net income of Ch$96,152 million for the previous year, due to improved performance from all business segments, driven by an increase in sales volumes together with higher average prices, reflecting revenue management initiatives, positive sales mix, and efficiencies from the ExCCelencia CCU program, partially offset by higher income taxes.

Revenue for CCU was Ch$2,484,712 million in 2021, 33.8% higher than in 2020, due to 13.0% growth in consolidated sales volumes, reflecting a recovery in consumption and a solid commercial strategy, together with an 18.3% increase in average prices in Chilean peso terms. Sales growth by business segment is explained as follows: a 27.0% increase in sales for the Chile segment based on an increase in average sales prices of 8.8%, mainly explained by a positive mix effect between categories, good performance from premium beer brands, and revenue management initiatives, together with a 16.7% increase in sales volumes. Sales in the International Business segment increased by 68.3%, due to a 56.9% increase in average sales prices in Chilean pesos, explained by revenue management initiatives, sales prices rising in line with inflation while the currency devaluation was significantly lower than inflation, and a positive sales mix, together with a 7.3% increase in sales volumes. Sales in the Wine segment increased by 11.2%, due to an increase in average sales prices of 8.1%, mainly due to a positive sales mix, which more than offset the average appreciation of the Chilean peso against the US dollar in 2021 compared to the previous year, and its negative impact on export revenue, together with a 2.9% increase in sales volumes.

CCU's gross income was Ch$1,193,152 million in 2021, 36.6% higher than the previous year, driven by the increase in sales, partially offset by a 31.3% increase in cost of sales, reflecting the higher sales volumes and a higher average cost per hectoliter. The increase in gross income is primarily due to the International Business and Chile segments, and to a lesser extent, to the Wine segment. Gross income for the Chile segment increased by 24.4%, driven by the above mentioned revenue growth, partially offset by a higher cost per hectoliter, attributable to sales mix and higher raw material costs, partially mitigated by the appreciation of the Chilean peso against the US dollar, which favorably affected US dollar-denominated costs. The International Business segment achieved a 94.5% increase in gross income, driven by the growth in revenue, partially offset by a 38.4% increase in costs per hectoliter in Chilean pesos, mainly attributable to higher US dollar-related costs, largely due to the devaluation of the local currency, higher raw material costs and higher inflation. The Wine segment achieved a 6.7% increase in gross income, driven by revenue growth, partially offset by higher wine costs, an unfavorable sales mix and higher manufacturing costs. Marketing, distribution, administrative and selling expenses increased by 25.2% compared to 2020, consistent with the higher sales volume, normalized marketing campaigns and higher inflation, although they were reduced as a percentage of sales due to expense control initiatives through the CCU ExCCelencia program in all business segments. Hedging contracts produced a gain during 2021, which was included in Other gains (losses). EBITDA increased by 50.1% in 2021, reaching Ch$444,998 million, driven by the Chile segment with an increase of 36.7%, a significant increase in the International Business segment, and to a lesser extent, by a 6.0% rise in the Wine segment. As a result, the EBITDA margin increased from 16.0% to 17.9%.

The non-operating loss was Ch$28,791 million, 8.8% lower than the non-operating loss of Ch$31,578 million for the previous year, mainly due to an improvement in the results of associates and joint ventures, reflecting a better result in Colombia and Austral, higher net finance income, attributable to more cash and cash equivalents, and a positive variation in indexation units, partially offset by a negative variation in exchange differences.

Income tax expense increased to Ch$82,630 million in 2021, compared to Ch$35,408 million in 2020, mainly due to higher net income before taxes.

*11) Chile: includes commercialization of beer, soft drinks and spirits in Chile and strategic service units in the Chilean market. International Business: includes the sale of beer, cider, soft drinks and spirits in Argentina, Uruguay, Paraguay and Bolivia. Wine: includes the sale of Chilean wine, primarily to export markets. Other: includes corporate income and expenditures, and elimination of transactions between segments.*

### QUIÑENCO AND OTHERS

Quiñenco and others registered a net loss of Ch$128,761 million in 2021, significantly higher than the net loss of Ch$48,122 million for the previous year. This variation is primarily explained by a greater loss from Quiñenco corporate level, mainly due to a higher loss associated with the impact of inflation on index-linked liabilities, resulting from higher inflation during the year, and to a lesser extent, higher administrative expenses, a negative variation in income taxes, increased other losses, and lower finance income.

## III. ANALYSIS OF THE STATEMENT OF FINANCIAL POSITION

### ASSETS

The consolidated assets of Quiñenco as of December 31, 2021, amounted to Ch$61,744,420 million, an increase of 16.8% over the Ch$52,884,897 million as of December 31, 2020, due to increases in its banking and non-banking assets.

The composition of consolidated assets at the end of each year is as follows:

| | FIGURES IN MCh$ | |
|---|---|---|
| | 12-31-2021 | 12-31-2020 |
| **Manufacturing** | | |
| Invexans (Corporate) | 464,231 | 362,795 |
| Techpack | 175,597 | 148,138 |
| Subtotal manufacturing | **639,828** | **510,932** |
| **Financial** | | |
| LQIF holding | 845,875 | 849,276 |
| **Energy** | | |
| Enex | 1,449,677 | 1,309,220 |
| **Transport** | | |
| CSAV | 5,089,433 | 2,158,467 |
| **Port Services** | | |
| SM SAAM | 1,553,572 | 1,258,141 |
| **Other** | | |
| Quiñenco and others | 595,828 | 703,737 |
| Total assets for the non-banking sector | **10,174,213** | **6,789,773** |
| Banking sector assets | 51,570,207 | 46,095,124 |
| **Total consolidated assets** | **61,744,420** | **52,884,897** |

| | FIGURES IN MCh$ | |
|---|---|---|
| | 12-31-2021 | 12-31-2020 |
| Non-banking sector current assets | 1,169,538 | 1,138,292 |
| Non-banking sector non-current assets | 9,004,676 | 5,651,482 |
| Total assets for the non-banking sector | **10,174,213** | **6,789,773** |
| Banking sector assets | 51,570,207 | 46,095,124 |
| **Total consolidated assets** | **61,744,420** | **52,884,897** |

### NON-BANKING SECTOR CURRENT ASSETS

Non-banking sector current assets were Ch$1,169,538 million as of December 31, 2021, which represents an increase of 2.7% compared to December 31, 2020. The variation is mainly explained by an increase in trade and other receivables, mainly attributable to Enex and SM SAAM. This increment was partially offset by a reduction in cash and cash equivalents, mainly attributable to dividends paid by Quiñenco and by CSAV, LQIF and SM SAAM to third parties, to net financial obligations paid mainly by Enex, and to a lesser extent SM SAAM and Quiñenco, and to investments by Quiñenco with the acquisition of an additional 4.7% interest in CSAV and 7.5% in SM SAAM, and by SM SAAM with the acquisition of 70% of Intertug. These expenses were partially offset by net borrowings at CSAV mainly to finance dividend payments, by operating cash flows substantially generated by SM SAAM and Enex during the year, and by dividends received mainly from Hapag-Lloyd, by LQIF from Banco de Chile, and from IRSA.

### NON-BANKING SECTOR NON-CURRENT ASSETS

Non-banking sector non-current assets were Ch$9,004,676 million as of December 31, 2021, which represents an increase of 59.3% compared to December 31, 2020. This increment is mainly due to the significant increase in equity method investments, primarily attributable to the higher book value of Hapag-Lloyd, reflecting its net income for the year and translation adjustments net of dividends. To a lesser extent, there was an increase in property, plant, equipment and goodwill, mainly at SM SAAM, attributable to the acquisition of Intertug during the year.

### BANKING SECTOR ASSETS

Banking services assets were Ch$51,570,207 million as of December 31, 2021, representing an increase of 11.9% compared to December 31, 2020.

## LIABILITIES

The consolidated liabilities of Quiñenco at the end of each year were as follows:

| | FIGURES IN MCh$ | |
|---|---|---|
| | 12-31-2021 | 12-31-2020 |
| **Manufacturing** | | |
| Invexans (Corporate) | 24,084 | 21,921 |
| Techpack | 200 | 1,048 |
| Subtotal manufacturing | 24,283 | 22,969 |
| **Financial** | | |
| LQIF holding | 270,515 | 256,755 |
| **Energy** | | |
| Enex | 792,155 | 735,717 |
| **Transport** | | |
| CSAV | 965,091 | 222,599 |
| **Port Services** | | |
| SM SAAM | 830,340 | 651,788 |
| **Other** | | |
| Quiñenco and others | 953,550 | 1,064,035 |
| Total liabilities for the non-banking sector | 3,835,935 | 2,953,862 |
| Banking sector liabilities | 47,274,231 | 42,165,112 |
| **Total consolidated liabilities** | **51,110,167** | **45,118,974** |

| | FIGURES IN MCh$ | |
|---|---|---|
| | 12-31-2021 | 12-31-2020 |
| Non-banking sector current liabilities | 1,286,985 | 653,367 |
| Non-banking sector non-current liabilities | 2,548,950 | 2,300,495 |
| Total liabilities for the non-banking sector | 3,835,935 | 2,953,862 |
| Banking sector liabilities | 47,274,231 | 42,165,112 |
| Total consolidated liabilities | 51,110,167 | 45,118,974 |
| Total equity | 10,634,254 | 7,765,923 |
| **Total equity and liabilities** | **61,744,420** | **52,884,897** |

### NON-BANKING SECTOR CURRENT LIABILITIES

As of December 31, 2021, non-banking sector current liabilities were Ch$1,286,985 million, an increase of 97.0% over December 31, 2020. This increase is mainly attributable to an increase in other non-financial liabilities, mainly dividends payable to Quiñenco's shareholders and CSAV's minority shareholders. To a lesser extent, it is also explained by an increase in financial debt at CSAV to finance dividend payments, and by an increase in payables at Enex, partially offset by a decrease in financial debt at Enex and, to a lesser extent, SM SAAM and Quiñenco.

### NON-BANKING SECTOR NON-CURRENT LIABILITIES

Non-banking sector non-current liabilities were Ch$2,548,950 million, an increase of 10.8% over December 31, 2020. This increase is mainly due to an increase in financial debt, and to a lesser extent an increase in deferred tax liabilities. The increase in financial debt is mainly attributable to additional debt at SM SAAM from consolidating Intertug and new bank loans, and to a lesser extent an increase in the energy segment. Both cases are affected by the devaluation of the Chilean peso against the US dollar at the year-end. It was also attributable to an increase in debt at Quiñenco, and, to a lesser extent, at LQIF, reflecting inflation indexed obligations in UFs. These increases were partially offset by the transfer of debt maturing in less than one year to the short-term, mainly at Quiñenco, LQIF, SM SAAM and Invexans, and the repayment of bank debt by CSAV.

Total liabilities for the non-banking sector were Ch$3,835,935 million as of December 31, 2021, an increase of 29.9% over December 31, 2020, due to an increase in current liabilities, and to a lesser extent, an increase in non-current liabilities.

### BANKING SECTOR LIABILITIES

Banking sector liabilities increased by 12.1% compared to December 31, 2020.

### EQUITY[12]

Quiñenco's equity was Ch$5,374,261 million as of December 31, 2021, which was 51.9% higher than as of December 31, 2020. This increase is mainly explained by net income for the year net of dividends, complemented by an increase in other reserves, mainly explained by favorable translation adjustments attributable to CSAV, and to a lesser extent to SM SAAM and Invexans, and also by cash flow hedge adjustments mainly at LQIF from Banco de Chile, partially offset by an unfavorable effect associated with the increase in IRSA's interest in CCU during 2021.

*12) Equity corresponds to Equity attributable to owners of the controller.*

# IV. TRENDS IN INDICATORS

| FINANCIAL INDICATORS | | 12-31-2021 | 12-31-2020 |
|---|---|---|---|
| **LIQUIDITY*** | | | |
| Current Liquidity | times | 0.9 | 1.7 |
| (Current assets/Current liabilities) | | | |
| Acid ratio | times | 0.5 | 0.9 |
| (Cash & cash equivalents/Current liabilities) | | | |
| **DEBT*** | | | |
| Leverage ratio | times | 0.71 | 0.83 |
| (Total liabilities/Equity attributable to owners of the controller) | | | |
| Current debt/Total debt | % | 33.6% | 22.1% |
| (Current liabilities/Total liabilities) | | | |
| Non-current debt/Total debt | % | 66.4% | 77.9% |
| (Non-current liabilities/Total liabilities) | | | |
| Financial expenses coverage | times | 30.58 | 4.02 |
| ((Non-banking net income + Income tax expense + Finance costs)/Finance costs) | | | |
| **ACTIVITY*** | | | |
| Inventory turnover | times | 23.61 | 18.49 |
| (Cost of sales/Average inventories) | | | |
| **PROFITABILITY** | | | |
| Return on equity | % | 42.5% | 7.0% |
| (Net income attributable to the controller/Average equity attributable to owners of the controller) | | | |
| Return on assets of non-financial segments | % | 22.5% | 2.4% |
| (Net income of controller - non-financial segments/Average assets - non-financial segments) | | | |
| Return on assets of financial segment | % | 0.4% | 0.3% |
| (Net income attributable to the controller - financial segment/Average assets - financial segment) | | | |
| Earnings per share | Ch$ | 1,138.56 | 148.70 |
| (Net income attributable to the controller/Weighted average number of shares) | | | |
| Dividend yield | % | 14.8% | 3.0% |
| (Dividend payments last 12 months per share/Closing share price) | | | |

** Excludes banking sector assets and liabilities.*
*** Excludes liabilities included in disposal groups classified as held for sale.*

### LIQUIDITY

The non-banking sector current liquidity ratio decreased from 1.7 as of December 31, 2020, to 0.9 as of December 31, 2021. The 2.7% increase in current assets was offset by a 97.0% increase in current liabilities, as explained above.

### LEVERAGE

The non-banking sector leverage ratio decreased from 0.83 as of December 31, 2020 to 0.71 as of December 31, 2021. This was mainly due to an increase of 51.9% in equity attributable to the controller, partially offset by an increase in total liabilities of 29.9%. Current liabilities for the non-banking sector represent 33.6% of total liabilities for the non-banking sector as of December 31, 2021, compared to 22.1% as of December 31, 2020.

The financial expense coverage ratio for the non-banking sector increased from 4.02 as of December 31, 2020, to 30.58 as of December 31, 2021. This increase was mainly due to the substantial increase in non-banking net income (1,084.6%), partially offset by an increase in finance costs (1.4%).

### ACTIVITY

Inventory turnover increased from 18.49 as of December 31, 2020, to 23.61 as of December 31, 2021. This increase was due to the higher cost of sales (34.7%), partially offset by the increase in average inventory (5.4%).

### PROFITABILITY

Return on equity increased from 7.0% as of December 31, 2020, to 42.5% as of December 31, 2021. This increase is mainly due to the substantial increase in net income attributable to the controller for the year (665.7%), partially offset by the increase in average equity (26.9%).

Return on assets for the non-banking sector increased from 2.4% as of December 31, 2020, to 22.5% as of December 31, 2021. The increase in net income attributable to the controller from the non-banking sector in the current year (1,157.0%) was partially offset by an increase in average assets in the non-banking sector (31.4%).

Earnings per share increased from Ch$148.70 as of December 31, 2020, to Ch$1,138.56 as of December 31, 2021. This increase is mainly due to the substantial increase in net income attributable to the controller in 2021, as explained before.

The dividend yield increased from 3.0% as of December 31, 2020 to 14.8% as of December 31, 2021, due to the substantial increase in dividends paid over the last twelve months (544.8%), partially offset by an increase in the market share price (32.0%).

## V. SUMMARIZED STATEMENT OF CASH FLOWS

| CASH FLOWS IN THE NON-BANKING SECTOR | FIGURES IN MCh$ 12-31-2021 | 12-31-2020 |
|---|---|---|
| Net cash flow provided by operating activities | 223,616 | 209,723 |
| Net cash flow provided by (used in) financing activities | (545,004) | 101,371 |
| Net cash flow provided by (used in) investing activities | 148,411 | (394,537) |
| **Total net cash flow for the year** | **(172,977)** | **(83,443)** |

Quiñenco had total negative net cash flow of Ch$172,977 million for the non-banking sector in 2021, explained by negative cash flow used by financing activities of Ch$545,004 million, partially offset by positive cash flow provided by operating activities of Ch$223,616 million and a positive cash flow provided by investing activities of Ch$148,411 million.

The negative cash flow from financing activities is mostly explained by dividend payments of Ch$642,339 million by Quiñenco, and to a lesser extent, by CSAV, LQIF and SM SAAM to third parties, interest payments of Ch$64,102 million mostly by Quiñenco, SM SAAM, Enex, LQIF and CSAV, and the payment of lease liabilities of Ch$30,846 million, mainly by Enex and SM SAAM. This was partially offset by net new loans of Ch$208,541 million mostly attributable to CSAV, partially offset by net loan repayments by Enex, and to a lesser extent, Quiñenco and SM SAAM.

The positive cash flow from operating activities is due to customer collections of Ch$3,920,967 million, mainly at Enex and to a lesser extent SM SAAM, partially offset by payments to suppliers of Ch$3,346,914 million, mainly by Enex, and to a lesser extent by SM SAAM. It was also affected by payments to employees of Ch$221,373 million mainly by SM SAAM and Enex, and other payments for net operating activities of Ch$103,868 million mainly by SM SAAM and Enex.

The positive cash flow from investing activities is mainly explained by dividends received of Ch$272,363 million mainly from Hapag-Lloyd, and to a lesser extent from IRSA (CCU's parent company), and by net collections of time deposits and other deposits over 90 days of Ch$154,248 million, mainly attributable to Quiñenco. This was partially offset by the acquisition of interests in subsidiaries of Ch$165,529 million, and by purchases of property, plant and equipment of Ch$99,317 million mostly by Enex and SM SAAM. The acquisition of interests in subsidiaries were mainly the additional 4.7% interest in CSAV acquired by Quiñenco, and, to a lesser extent, an additional 7.5% interest in SM SAAM also acquired by Quiñenco, and the interest acquired by SM SAAM in Intertug.

| BANKING SECTOR CASH FLOWS | FIGURES IN MCh$ 12-31-2021 | 12-31-2020 |
|---|---|---|
| Net cash flow provided by operating activities | 3,987,176 | 2,364,238 |
| Net cash flow provided by (used in) financing activities | 183,416 | (533,830) |
| Net cash flow provided by (used in) investing activities | (3,149,906) | 533,087 |
| **Total net cash flow for the year** | **1,020,685** | **2,363,495** |

As of December 31, 2021 Quiñenco reported a total positive net cash flow of Ch$1,020,685 million for the banking services, primarily due to the positive flow from operating activities of Ch$3,987,176 million, and to a lesser extent the positive flow from financing activities of Ch$183,416 million, partially offset by the negative cash flow used in investing activities of Ch$3,149,906 million.

# VI. SUMMARIZED INCOME STATEMENT

| | FIGURES IN MCh$ | | |
|---|---|---|---|
| | 12-31-2021 | 12-31-2020 | CHANGE |
| **Non-banking sector results** | | | |
| **Revenue** | 3,478,213 | 2,579,304 | 34.9% |
| Manufacturing | 78 | 78 | 1.0% |
| Financial | - | - | - |
| Energy | 2,908,184 | 2,116,662 | 37.4% |
| Transport | - | - | - |
| Port Services | 569,681 | 462,304 | 23.2% |
| Other | 269 | 261 | 3.2% |
| **Cost of sales** | (2,919,369) | (2,167,967) | 34.7% |
| Manufacturing | - | - | - |
| Financial | - | - | - |
| Energy | (2,535,365) | (1,854,320) | 36.7% |
| Transport | - | - | - |
| Port Services | (383,782) | (313,422) | 22.4% |
| Other | (222) | (225) | -1.4% |
| **Operating income** | 144,987 | 81,699 | 77.5% |
| Manufacturing | 1,366 | (3,659) | n.a. |
| Financial | (1,431) | (1,505) | -4.9% |
| Energy | 95,140 | 19,463 | 388.8% |
| Transport | (18,043) | (7,409) | 143.5% |
| Port Services | 113,946 | 99,876 | 14.1% |
| Other | (45,990) | (25,067) | 83.5% |
| **Non-operating income** | 2,433,938 | 179,914 | 1252.8% |
| Finance income | 7,103 | 6,917 | 2.7% |
| Finance costs | (87,188) | (86,002) | 1.4% |
| Share of income (loss) of associates & joint ventures | 2,605,291 | 290,516 | 796.8% |
| Exchange differences | (14,808) | (3,118) | 374.9% |
| Loss from indexation adjustments | (76,460) | (28,399) | 169.2% |
| Income tax expense | (18,378) | (43,421) | -57.7% |
| Loss from discontinued operations | (129) | (2,054) | -93.7% |
| **Consolidated net income from non-banking sector** | 2,560,419 | 216,137 | 1084.6% |
| **Banking sector results** | | | |
| Operating revenue | 2,230,450 | 1,938,867 | 15.0% |
| Provisions for loan losses | (373,262) | (462,681) | -19.3% |
| Operating expenses | (887,763) | (882,332) | 0.6% |
| Operating income | 969,425 | 593,854 | 63.2% |
| Non-operating income (loss) | 2,241 | (4,661) | n.a. |
| Income tax expense | (178,550) | (125,963) | 41.7% |
| **Consolidated net income from the banking sector** | 793,115 | 463,230 | 71.2% |
| Consolidated net income | 3,353,534 | 679,367 | 393.6% |
| Net income attributable to non-controlling interests | 1,460,389 | 432,120 | 238.0% |
| **Net income attributable to owners of the controller** | 1,893,146 | 247,247 | 665.7% |

# VII. RISK ANALYSIS

Quiñenco and its subsidiaries and associates face risks inherent to their markets and economies in Chile and abroad. These risks reflect the prices, costs and sales volumes of the products and services manufactured and commercialized. Quiñenco's subsidiaries and associates are also exposed to price risk on products and raw materials held in inventory.

## ECONOMIC ENVIRONMENT

The Company is domiciled and conducts a significant portion of its business in Chile. Therefore, its operating results and financial position are largely dependent on the general state of the Chilean economy. The Chilean economy grew by an estimated 12.0% in 2021, after contracting by 5.8% in 2020. However, there is no assurance that it will continue to grow in the future. The factors that might have an adverse effect on the Company's business and its performance include slowdowns in the Chilean economy, a return to high inflation, fluctuations in foreign currencies, tax reforms, constitutional reforms, changes in the regulatory frameworks governing its subsidiaries' and associates' industries, increases in labor costs and a shortage of skilled labor. The Company's businesses are diversified across six economic sectors.

Apart from its businesses in Chile, some of the Company's industrial businesses operate and export to companies that operate and export to countries in America and the rest of the world. These regions have suffered from volatile, or at least unfavorable, economic, political and social conditions on various occasions in the past. The business, results and assets of the Company may be severely and adversely affected by events relating to inflation, interest rates, currency fluctuations, government policies, changes in regulatory frameworks, price and wage controls, exchange control regulations, taxes, expropriation, social instability and other political, economic or diplomatic events that affect these countries. The gradual internationalization of some of the Company's businesses diversifies the risk associated with a sector or country.

The current global COVID-19 pandemic, which was declared an international public health emergency by the World Health Organization in March 2020, has increased uncertainty and negatively affected economies and markets around the world. A pandemic or epidemic, such as COVID-19, implies the risk that the Company, its employees, suppliers, partners, subsidiaries and associates may be prevented from carrying out their business for an indefinite period. This may result in facilities being closed at the request of government authorities and potential difficulties arising in supply chains. This global pandemic has driven governmental authorities to introduce health and financial measures to control its spread and mitigate its effects on health and economies. The extent of the pandemic and its impact on the Company's business and financial position depends on uncertain factors, such as the spread, severity and duration of new COVID-19 variants, despite advances in vaccination. Quiñenco and its subsidiaries have taken measures to safeguard their employees and operational continuity.

## COMPETITION

Quiñenco believes that its businesses face a high level of competition. This is reflected in the prices, costs and sales volumes of the products and services produced and sold by Quiñenco's businesses. While the Company expects that its businesses will be capable of continuing to compete successfully in their respective areas based on past experience and records, there is no certainty that competition will not continue to grow in the future, including a possible continued consolidation trend in some industries. An imbalance between supply and demand in the maritime shipping industry could affect shipping operators to a greater or lesser extent, depending on their operating fleet and the proportion and structure of their fleet that is owned rather than chartered in comparison to the industry. An imbalance between supply and demand can generate volatility in freight rates and in charter rates for leased ships. Greater competition, as well as a sustained imbalance between supply and demand, could affect the profit margins and operating results of Quiñenco's businesses which, as a result, might significantly and adversely affect the dividend flows that Quiñenco receives from its businesses. However, the Company's businesses are diversified across various sectors and countries.

The Company's businesses also face technological and business model risks that could affect the competitive positioning of the companies in their respective industries, and impact their results and market value.

## RAW MATERIALS RISK

Quiñenco's subsidiaries and associates are exposed to raw material price and availability risks, which could affect their production processes and/or operating margins.

Fuels sold by the indirect subsidiary Enex in Chile are primarily bought from Enap under annual supply contracts that regulate the formulas that index the prices of each product to relevant international market benchmarks, which in this case is the United States Gulf Coast. These contracts also reward compliance with monthly and annual purchase programs and apply fines when actual purchases are outside an agreed range. Enex usually maintains an average stock of between one and two week's sales in Chile, which limits exposure to price changes. However, fluctuations in demand may increase this exposure, as experienced during the second quarter of 2020 as a result of the COVID-19 pandemic. Road Ranger sells fuels in the U.S. and has a wide range of suppliers, allowing it to change suppliers with relative ease and maintain an average inventory of less than one week's sales.

The Shell and Pennzoil brand lubricants sold by Enex are supplied by Shell which sets its prices based on trends in raw materials, production costs and local market conditions. Price changes are notified in advance, which are generally passed on in commercial contracts.

Fuel is an important cost component at CSAV. A significant proportion of maritime freight sales are agreed with contracts and generally a percentage of those rates are subject to price adjustments, based on changes in the cost of fuel, or a Bunker Adjustment Factor ("BAF"). Furthermore, Hapag-Lloyd implemented a Marine Fuel Recovery (MFR) mechanism to recover the incremental costs of using more refined fuel, which is calculated per TEU.

The associate Nexans reports its raw material risks in its annual report, as it is mainly exposed to copper and aluminum prices. It also reports its associated risk mitigation measures. CCU also describes the risks associated with raw materials and supplies in its annual reports, as fluctuations in their cost and/or shortages in their availability could negatively impact its profitability, supply chain and/or results. It also reports its associated risk mitigation measures.

## INFORMATION SECURITY AND CYBER-SECURITY RISKS

Quiñenco and its operating companies face risks associated with information security and cyber-security, which could negatively impact the operational continuity of its businesses or part of them, result in the unauthorized disclosure of confidential information, and/or cause financial losses. Quiñenco and its subsidiaries have cyber-security plans and processes that monitor and mitigate these risks.

## CONCESSION RENEWAL

The non-renewal of port concessions held by SM SAAM is a long-term risk and is subject to future market conditions and negotiations with port authorities, which could affect the company's revenue. Concession renewals also depend on having achieved and maintained specific operational standards, which SM SAAM has fulfilled at all ports. This subsidiary also has various towage concessions.

## BANKING SECTOR RISKS

Overall risk management at the subsidiary Banco de Chile is approached from an integrated perspective, based on the business segments served by the Bank and its subsidiaries. This global management is fundamental for its strategy and sustainability. Risk management policies are established with the objective of analyzing the risks faced by the Bank, setting its risk appetite, setting adequate limits and controls, and monitoring these risks and compliance with limits. Risk management policies, standards, procedures and systems are regularly reviewed. Credit, market and operational risk is managed by the Retail Credit Risk and Global Risk Control Division, the Wholesale Credit Risk Division and the Cybersecurity Division. Origination management in the Retail segment mainly uses scoring tools and an appropriate credit attribution model. Origination management in the Wholesale segment is based on an individual evaluation of the customer and its group. The Bank analyzes and manages price risk and monitors and manages liquidity risk. The Market Risk Department is responsible for identifying, limiting, controlling and reporting market risks within the Bank and providing guidelines for its subsidiaries to carry out these tasks. One objective of the Cyber-security Division is to protect the internal information of its customers and employees.

## FINANCIAL RISKS

### CREDIT RISK

Surplus corporate cash is invested with first-class Chilean and foreign financial entities under limits established for each entity, and which have a credit rating of at least the levels pre-established for each type of instrument.

The subsidiary TechPack manages the risk associated with financial assets in accordance with its investment policy. The company's cash surpluses are invested in accordance with its investment policy in low-risk fixed income instruments with institutions with strong credit ratings and diversified investment portfolios, subject to diversification limits by institution. Issuers and institutions that are subject to credit limits and investment limits are regularly reviewed to assess potential changes in their solvency that could affect the company.

At the corporate level, the subsidiary Invexans manages the risk associated with financial assets or liabilities in accordance with its policies. Cash surpluses are invested in accordance with investment policy, in low-risk instruments (primarily time deposits) with institutions having strong credit ratings and within the limits established for each institution. Management selects institutions with strong credit ratings for its financial hedges.

At the subsidiary Invexans' energy segment, Enex manages customer credit risk in accordance with its credit policy and its authorizations manual. Sales with credit are controlled by the management system by blocking purchase orders. The Finance and Administration Department at Enex approves customer credit lines, with the support and recommendation of commercial areas, in accordance with a credit evaluation model that takes into account both commercial and technical aspects. When considered appropriate, guarantees and other requirements are requested in support of the credit. Should the credit granted be insufficient to meet commercial needs, the case is taken to the credit committee.

Enex's financial investments are limited to fixed-income instruments, such as repurchase agreements and time deposits, with financial entities that are evaluated at least once a year, with exposure limits assigned by entity according to reports and opinions issued by prestigious and experienced credit rating agencies, in line with Enex's current treasury policy.

The subsidiary LQ Inversiones Financieras has no receivables subject to credit risk. Cash surpluses are invested under market conditions in fixed-income instruments, according to the maturities of its financial commitments and operating expenses.

The subsidiary CSAV has no direct customers.

The subsidiary CSAV has an investment policy to manage its financial assets, which include time deposits, repurchase agreements and derivative contracts, whereby its checking accounts and investments are held in financial institutions with investment grade credit ratings. It may also contract financial hedges to cover its interest rate and exchange rate risks within its risk control policy. As of December 31, 2021, CSAV had no hedging contracts.

Credit granted to customers at the subsidiary SM SAAM is initially evaluated by a Committee and regularly reviewed, in order to apply the corresponding policies and to monitor the status of receivables pending collection.

Cash surpluses at the subsidiary SM SAAM can be invested in low-risk financial instruments.

See Note 27 Classes of financial assets and liabilities, for details of the balances of financial assets.

### LIQUIDITY RISK

Quiñenco finances its activities and investments with dividend and profit distributions from the companies in which it holds an interest and with funds obtained from the sale of assets and/or by issuing debt and shares.

Quiñenco prefers long-term financing in order to maintain a financial structure in line with the liquidity of its assets and whose maturities are compatible with cash flow generation.

The subsidiary Invexans regularly estimates its liquidity requirements at the corporate level for each period by evaluating its forecast revenue, commercial and financial expenses, and its available cash. Invexan's financing policy seeks funding sources with a balanced structure between short and long term, low risk exposure and aligned with the company's investment income (mainly dividends).

At Invexans' energy segment, Enex regularly updates its short-term cash flow projections based on information received from its commercial departments. Enex has credit lines available with its principal banks in order to cover unexpected cash deficits.

The capital management policy at Techpack aims to ensure the liquidity and availability of resources, and ensure that it has sufficient liquidity.

LQIF distributes dividends based on available cash flow taking into account the Company's actual and forecast costs, including financial obligations. The main source of funds to pay interest and capital on the financial obligations of LQIF are the dividends received from its direct and indirect shareholdings in Banco de Chile. Consequently, its ability to meet the scheduled payments of interest and principal depends entirely on the ability of Banco de Chile to generate positive net income from its operations, and the agreements approved annually at shareholders meetings regarding the distribution of dividends.

CSAV is not directly exposed to the container shipping business, but indirectly as one of the main shareholders of Hapag-Lloyd. This limits liquidity risk to the expected flow of dividends or any additional capital required by this joint venture. CSAV has specific long-term borrowing to finance its investment in Hapag-Lloyd. CSAV has sufficient liquidity to cover its obligations.

The subsidiary SM SAAM estimates its forecast liquidity needs for each year, covering receipts such as customer receivables and dividends, payments such as commercial and financial liabilities, and available cash balances. SM SAAM ensures that financing has a balanced short and long-term structure, a low risk exposure and repayments match the company's cash flows.

See Note 21 on Other current and non-current financial liabilities for details of the balances and maturities of financial debt.

### MARKET RISK

Market risk exposure refers to exposure to financial assets and liabilities[13].

13) *This exposure is measured on a consolidated basis, where any balances between subsidiaries have already been eliminated in consolidation. In some cases these individual balances may affect consolidated financial results with a corresponding equal effect on equity.*

***Exchange rate risk***

As of December 31, 2021, the net exposure to exchange rate risk at the corporate level is an asset equivalent to Ch$73 million. A 5% change in the exchange rate of currencies other than the functional currency would have an estimated effect on comprehensive income before taxes of Ch$4 million.

Exposure to exchange rate risk at the subsidiary Invexans derives from financial asset and liability positions held in currencies other than its functional currency, which is the US dollar, and the related appreciations/depreciations between both currencies. The Board and management at Invexans regularly review its net exposure to exchange rate risk, based on projecting the financial effects of changes in currencies other than the functional currency that would be generated by assets or liabilities held in those currencies at the time of evaluation. Should significant and adverse effects be forecast for Invexans, financial derivatives may be contracted (primarily cross currency swaps) in order to mitigate these potential risks. As of December 31, 2021, the net exposure to exchange rate risk at Invexans at the corporate is an asset equivalent to Ch$39,606 million. The estimated effect on comprehensive income before taxes of a 5% change in the exchange rate of currencies other than the functional currency on this exposure would be Ch$1,980 million. As of December 31, 2021, the net exposure to exchange rate risk in the energy segment is a liability equivalent to Ch$222,914 million. The estimated effect on comprehensive income before taxes of a 5% change in the exchange rate of currencies other than the functional currency on this exposure would be Ch$11,146 million.

Exposure to exchange rate risk at the subsidiary Techpack arises from exchange differences on potential mismatches in asset and liability positions denominated in a currency other than the functional currency (US dollar). The Board and management of Techpack and its subsidiaries and associates regularly review their net exposure to exchange rate risk, based on projecting the financial effects of changes in currencies other than the functional currency that would be generated by assets or liabilities held in those currencies at the time of evaluation. Should significant and adverse effects be projected for Techpack, financial derivatives may be contracted (primarily cross currency swaps) in order to mitigate these potential risks. As of December 31, 2021, Techpack's net exposure to exchange rate risk is an asset equivalent to Ch$388 million. The estimated effect on comprehensive income before taxes of a 5% change in the exchange rate of currencies other than the functional currency on this exposure would be Ch$19 million.

The subsidiary LQIF has no exposure to exchange rate risk as it has no foreign currency assets or liabilities as of December 31, 2021 and 2020.

CSAV has assets and liabilities primarily denominated in its functional currency, the US dollar. However, it also has assets and liabilities in other currencies. The company reduces the risk of exchange-rate fluctuations by regularly converting any balance in local currency that exceeds payment needs in that currency to US dollars. As of December 31, 2021, the net exposure to exchange rate risk of CSAV is a liability equivalent to Ch$1,936 million. The estimated effect on comprehensive income before taxes of a 5% change in the exchange rate of the USD dollar against other currencies would be Ch$97 million.

The major currencies to which the subsidiary SM SAAM is exposed, other than the functional currency (US dollar), are the Chilean peso, Mexican peso, Canadian dollar and Brazilian real. Usually SM SAAM mitigates volatility in its results, caused by net positions of assets and liabilities in foreign currencies, using hedging instruments. As of December 31, 2021, the net exposure to exchange rate risk at SM SAAM is a liability equivalent to Ch$117,168 million. The estimated effect on comprehensive income before taxes of a 5% change in the exchange rate of the USD dollar against other currencies would be Ch$5,858 million.

Exchange differences produced by translating to Chilean pesos balances in the functional currencies of consolidated entities or associates whose functional currency is other than the Chilean peso, are recognized as a credit or charge to equity, until they are settled when they are recognized in net income.

Note 35 contains the detail of assets and liabilities by currency, which includes the financial assets and liabilities described here.

***Interest rate risk***

As of December 31, 2021, at the corporate level Quiñenco has financial assets at fair value through profit and loss of Ch$161,940 million, which are subject to interest rate risk. A change of 10 basis points in the interest rate would generate an effect on finance income for the year of Ch$10 million.

At the corporate level Quiñenco has all its financial obligations at fixed interest rates, which implies a low exposure to interest-rate risk.

Invexans Corporate has all of its financial obligations at protected interest rates.

Invexans Energy segment has all of its financial obligations at variable interest rates.

As of December 31, 2021, TechPack has no financial obligations that expose it to interest rate risks.

LQIF holding has all its financial obligations at fixed interest rates, which implies a low exposure to interest rate risk.

CSAV has 96.7% of its obligations at fixed rates and 3.3% at variable rates.

SM SAAM has 53.9% of its obligations at fixed rates, 24.3% at protected rates and 21.8% at variable rates.

The consolidated interest-rate structure is as follows: As can be seen, the consolidated interest-rate risk is low, as 83.8% of debt is structured with fixed or protected interest rates.

| CONSOLIDATED FINANCIAL LIABILITIES BY INTEREST RATE TYPE | 12-31-2021 | 12-31-2020 |
|---|---|---|
| Fixed interest rate | 78.5% | 77.1% |
| Protected interest rate | 5.3% | 5.3% |
| Variable interest rate | 16.2% | 17.6% |
| **Total** | **100.0%** | **100.0%** |

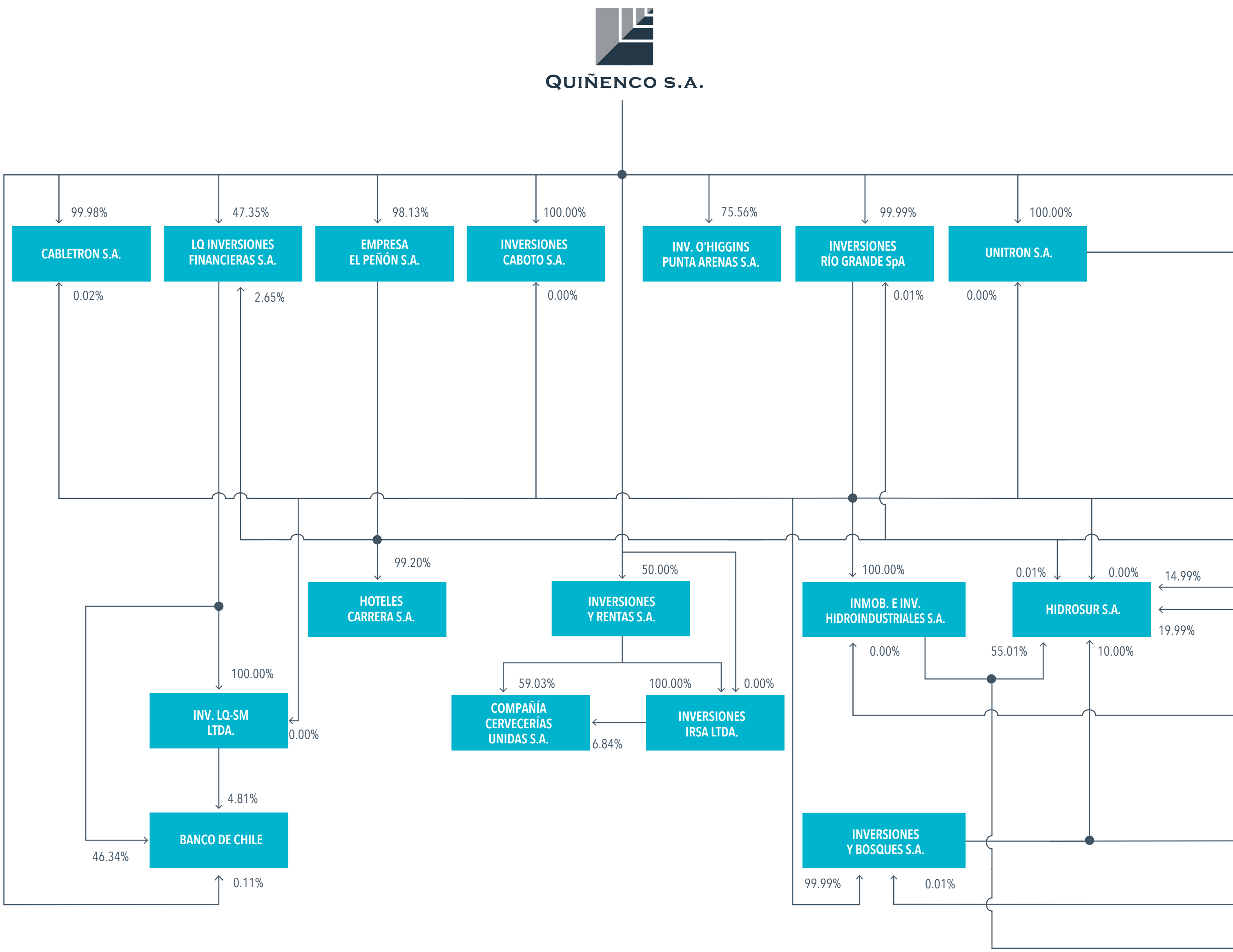
As of December 31, 2021, the consolidated exposure to variable interest rates was a liability of Ch$389,285 million. A 100-basis-point change in the interest rate would generate an effect on finance costs for the 12-month period of Ch$3,893 million.

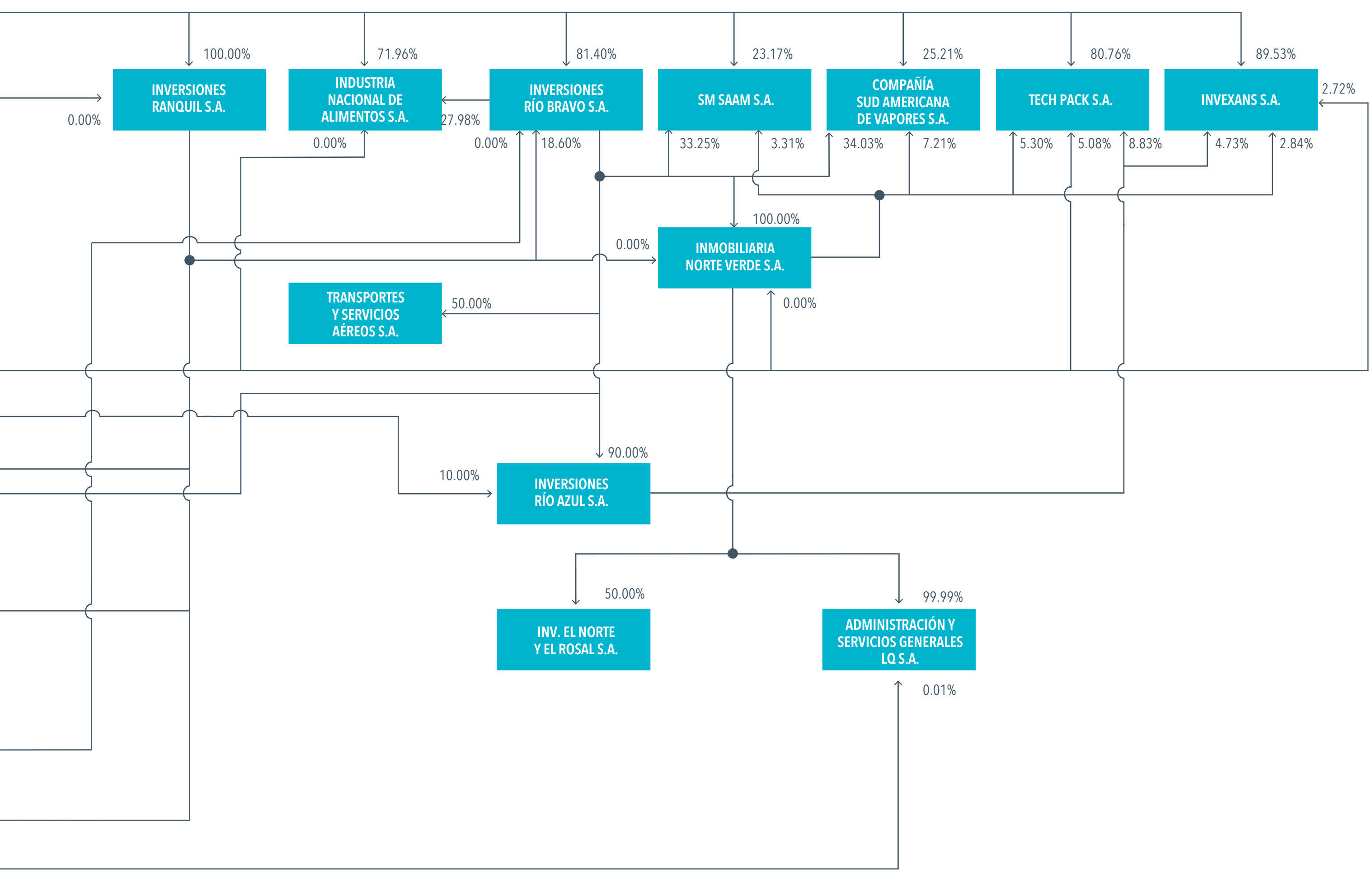
# CORPORATE STRUCTURE

## SUBSIDIARIES AND AFFILIATE COMPANIES AS OF DECEMBER 31, 2021

# Quiñenco S.A.

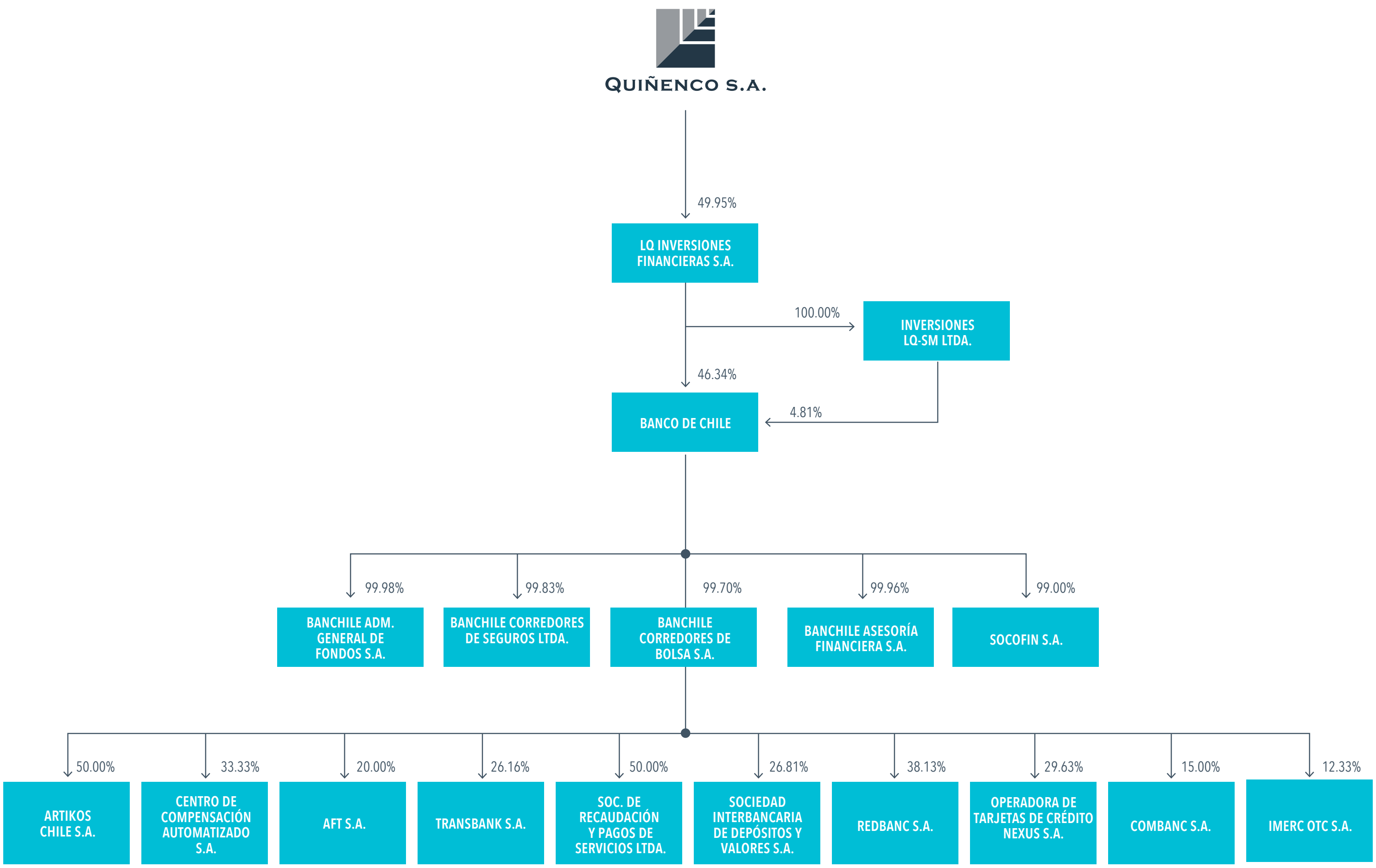
## SUBSIDIARIES AND AFFILIATES




100.00%
INVERSIONES RANQUIL S.A.
0.00%
71.96%
INDUSTRIA NACIONAL DE ALIMENTOS S.A.
27.98%
0.00%
81.40%
INVERSIONES RÍO BRAVO S.A.
0.00%
18.60%
23.17%
SM SAAM S.A.
33.25%
3.31%
25.21%
COMPAÑÍA SUD AMERICANA DE VAPORES S.A.
34.03%
7.21%
80.76%
TECH PACK S.A.
5.30%
5.08%
8.83%
89.53%
INVEXANS S.A.
2.72%
4.73%
2.84%
100.00%
0.00%
INMOBILIARIA NORTE VERDE S.A.
0.00%
TRANSPORTES Y SERVICIOS AÉREOS S.A.
50.00%
90.00%
10.00%
INVERSIONES RÍO AZUL S.A.
50.00%
INV. EL NORTE Y EL ROSAL S.A.
99.99%
ADMINISTRACIÓN Y SERVICIOS GENERALES LQ S.A.
0.01%

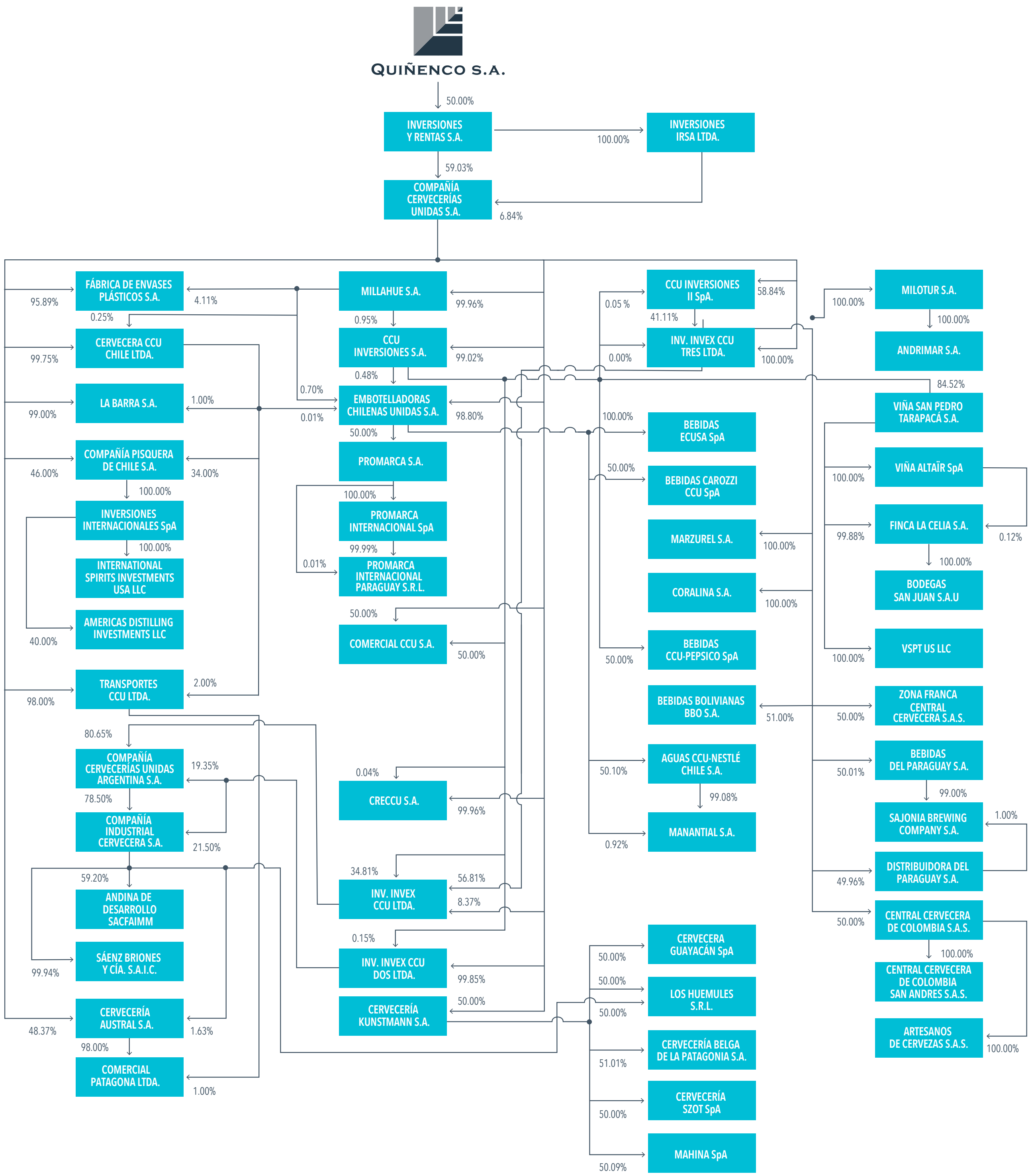
# LQ Inversiones Financieras S.A.

## SUBSIDIARIES AND AFFILIATES



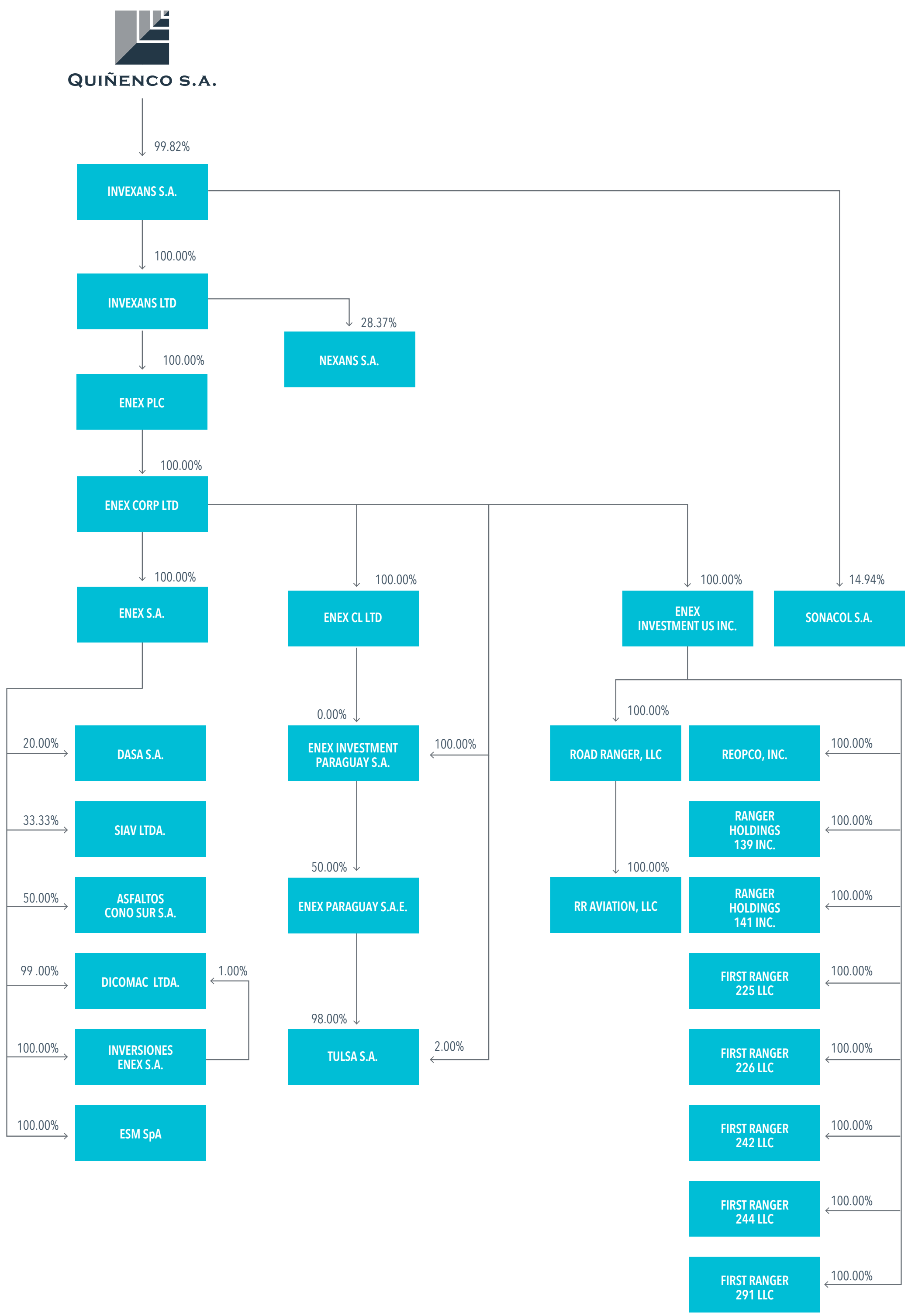
# Compañía Cervecerías Unidas S.A.

## SUBSIDIARIES AND AFFILIATES



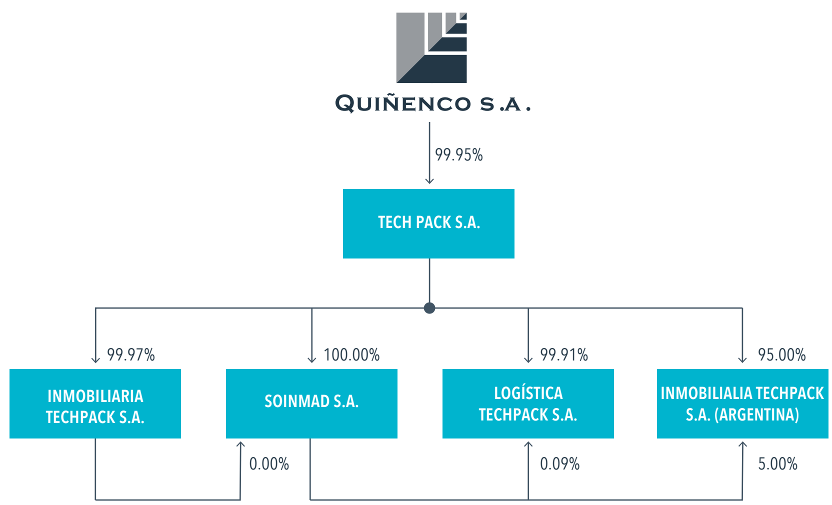
# Invexans S.A.

## SUBSIDIARIES AND AFFILIATES



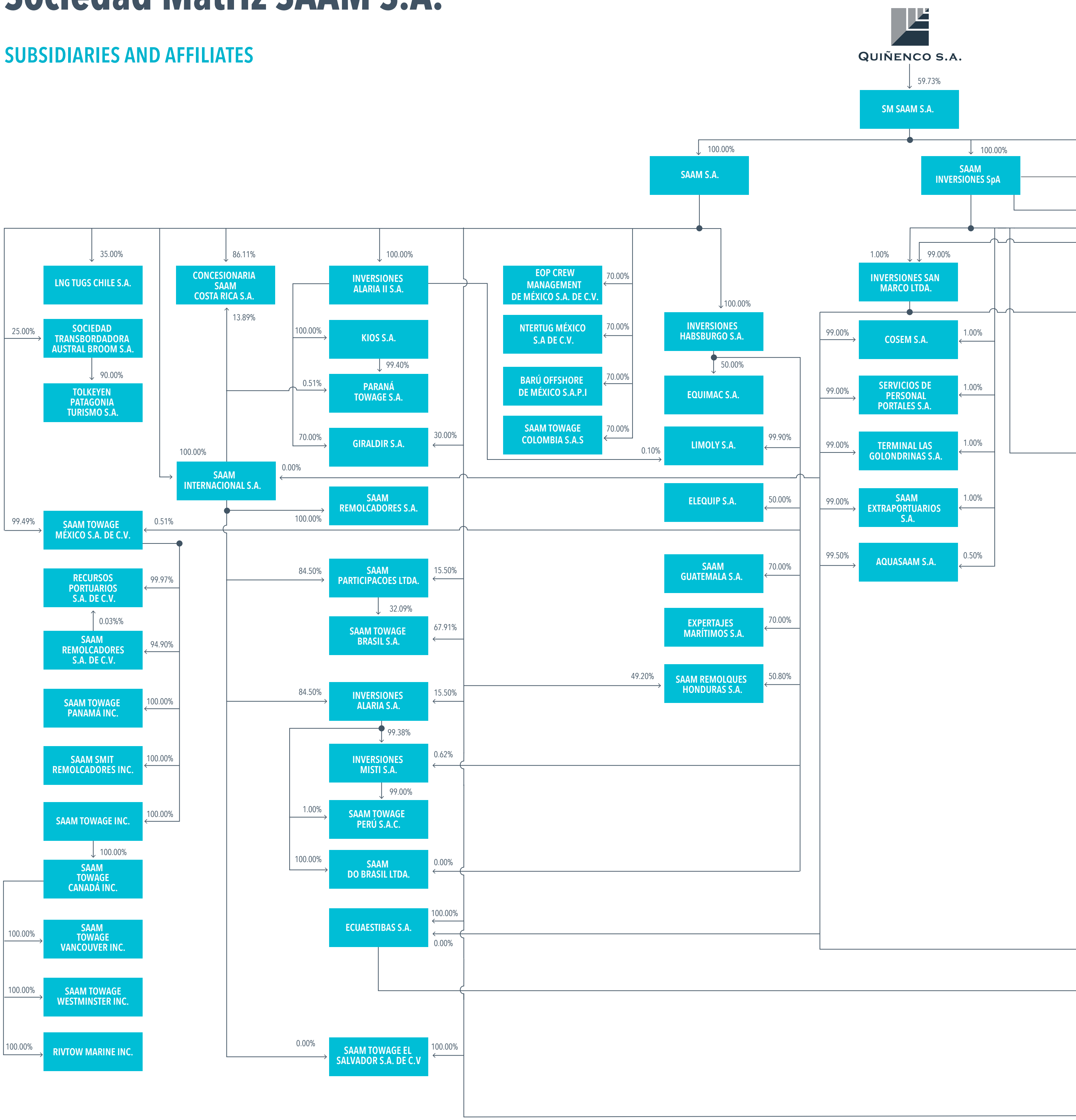
# Tech Pack S.A.

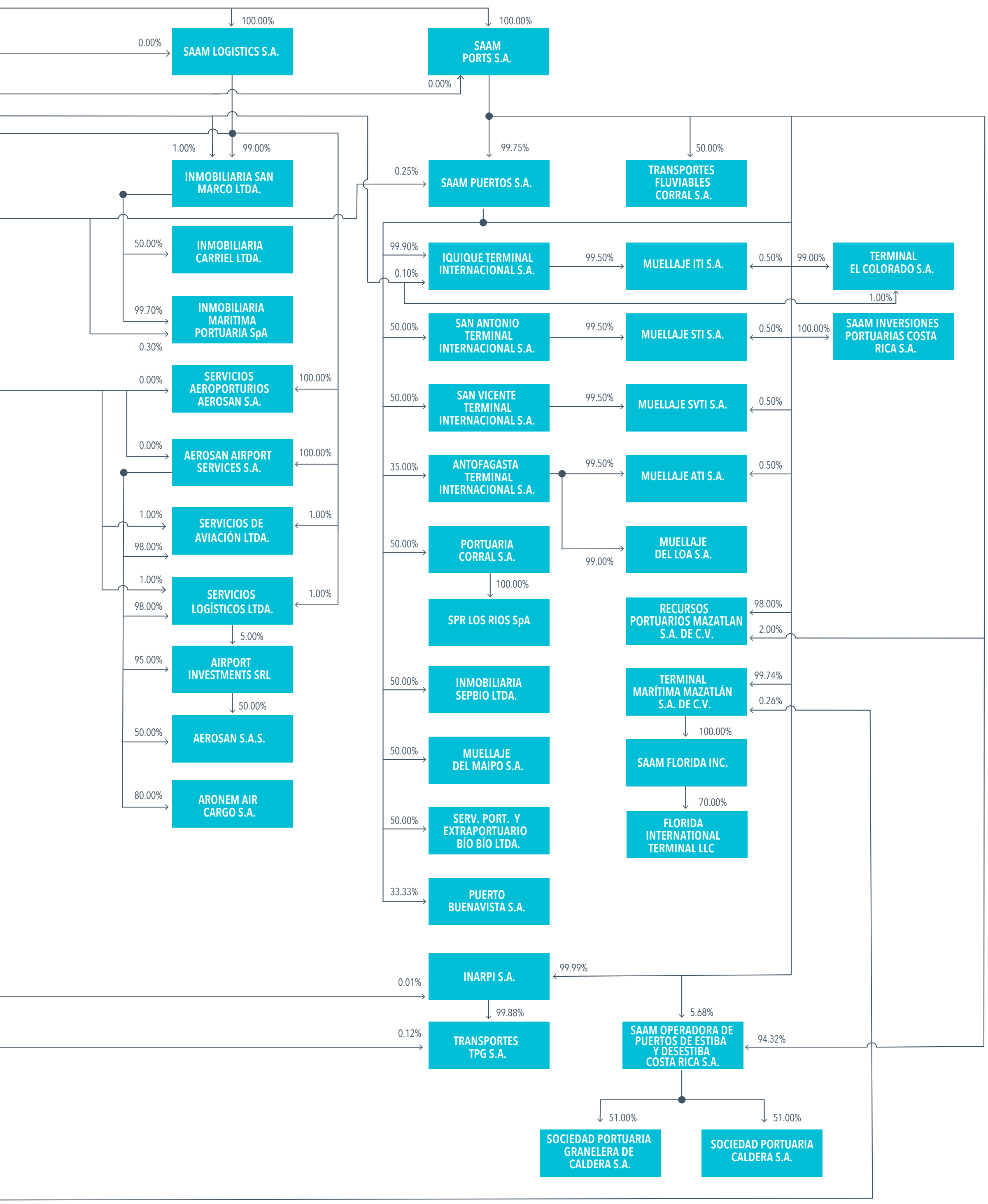
## SUBSIDIARIES



# Sociedad Matriz SAAM S.A.

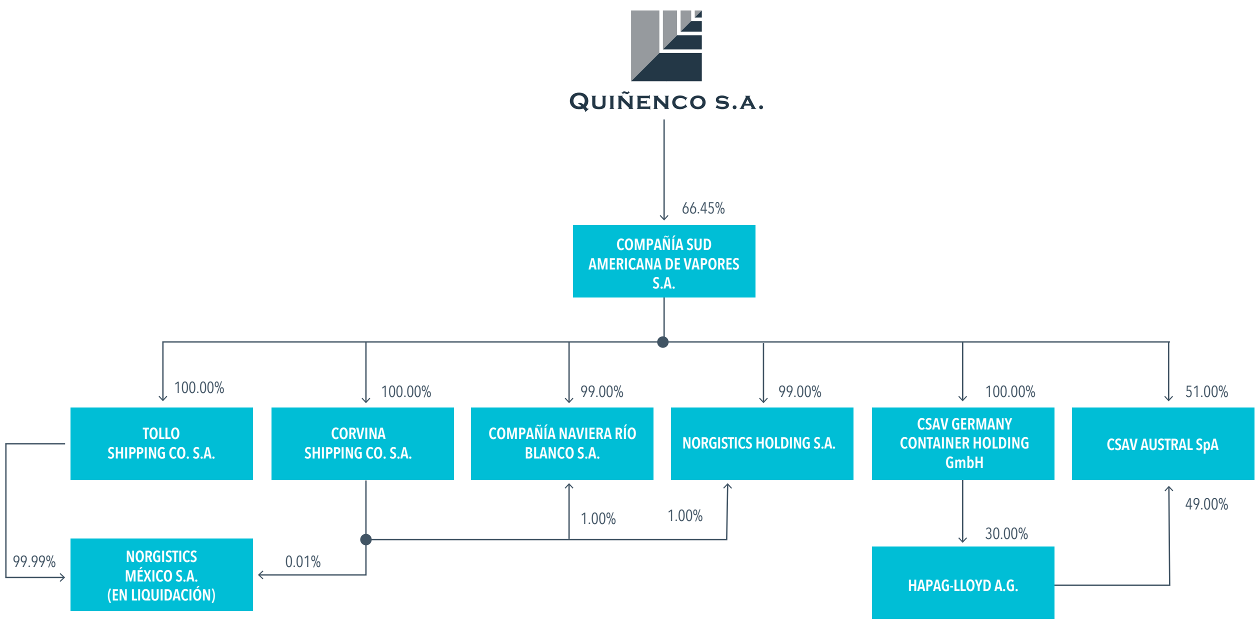
## SUBSIDIARIES AND AFFILIATES




100.00%
100.00%
0.00%
SAAM LOGISTICS S.A.
SAAM PORTS S.A.
0.00%
1.00%
99.00%
99.75%
50.00%
INMOBILIARIA SAN MARCO LTDA.
0.25%
SAAM PUERTOS S.A.
TRANSPORTES FLUVIABLES CORRAL S.A.
50.00%
INMOBILIARIA CARRIEL LTDA.
99.90%
IQUIQUE TERMINAL INTERNACIONAL S.A.
0.10%
99.50%
MUELLAJE ITI S.A.
0.50%
99.00%
TERMINAL EL COLORADO S.A.
1.00%
99.70%
INMOBILIARIA MARITIMA PORTUARIA SpA
0.30%
50.00%
SAN ANTONIO TERMINAL INTERNACIONAL S.A.
99.50%
MUELLAJE STI S.A.
0.50%
100.00%
SAAM INVERSIONES PORTUARIAS COSTA RICA S.A.
0.00%
SERVICIOS AEROPORTUARIOS AEROSAN S.A.
100.00%
50.00%
SAN VICENTE TERMINAL INTERNACIONAL S.A.
99.50%
MUELLAJE SVTI S.A.
0.50%
0.00%
AEROSAN AIRPORT SERVICES S.A.
100.00%
35.00%
ANTOFAGASTA TERMINAL INTERNACIONAL S.A.
99.50%
MUELLAJE ATI S.A.
0.50%
1.00%
SERVICIOS DE AVIACIÓN LTDA.
1.00%
98.00%
50.00%
PORTUARIA CORRAL S.A.
MUELLAJE DEL LOA S.A.
99.00%
1.00%
SERVICIOS LOGÍSTICOS LTDA.
1.00%
98.00%
100.00%
SPR LOS RIOS SpA
RECURSOS PORTUARIOS MAZATLAN S.A. DE C.V.
98.00%
2.00%
5.00%
95.00%
AIRPORT INVESTMENTS SRL
50.00%
INMOBILIARIA SEPBIO LTDA.
TERMINAL MARÍTIMA MAZATLÁN S.A. DE C.V.
99.74%
0.26%
50.00%
50.00%
AEROSAN S.A.S.
50.00%
MUELLAJE DEL MAIPO S.A.
100.00%
SAAM FLORIDA INC.
80.00%
ARONEM AIR CARGO S.A.
50.00%
SERV. PORT. Y EXTRAPORTUARIO BÍO BÍO LTDA.
70.00%
FLORIDA INTERNATIONAL TERMINAL LLC
33.33%
PUERTO BUENAVISTA S.A.
INARPI S.A.
99.99%
0.01%
99.88%
5.68%
0.12%
TRANSPORTES TPG S.A.
SAAM OPERADORA DE PUERTOS DE ESTIBA Y DESESTIBA COSTA RICA S.A.
94.32%
51.00%
51.00%
SOCIEDAD PORTUARIA GRANELERA DE CALDERA S.A.
SOCIEDAD PORTUARIA CALDERA S.A.

# Compañía Sud Americana de Vapores S.A.

## SUBSIDIARIES AND AFFILIATES



QUIÑENCO S.A.

www.quinenco.cl