Quiñenco S.A. 2020 Annual Report

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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.

Letter from the Chairman

Dear shareholders:

Quiñenco's 2020 Annual Report and Consolidated Financial Statements are presented to you in the midst of a period marked by the COVID-19 pandemic, which brought about death and pain, affected the economy and put restrictions to the way of life of millions of people around the world, Chile being no exception.

Our companies also endured these effects. Indeed, since the beginning of the health crisis, the priority for Quiñenco and its subsidiaries has been to safeguard the lives of their workers while maintaining our operations to prevent adverse effects to the supply chain.

The accomplishment of these tasks was our major achievement in 2020, in addition to the efforts made by all our companies to provide support to the community. This was only possible thanks to the effort and talent of the more than 68 thousand employees of Quiñenco and its companies in Chile and around the world. We would like to thank them publicly and give them special recognition for their dedication, resolve and commitment.

If there is anything that the COVID-19 crisis put to the test in our companies, it was their flexibility and resilience. For this reason, at the end of 2020, we can look back with pride: the results that you will see detailed in this report are not the outcome of chance or circumstances, but rather reflect the fact that the strategy we have followed over the years has been the right one.

In an adverse context, which affected most of our subsidiaries, Quiñenco's 17.7% growth in earnings was driven mainly by the holding's two most global companies: the German shipping company Hapag-Lloyd and the French multinational Nexans.

In particular, I would like to highlight the case of Hapag-Lloyd, the main asset of Compañía Sudamericana de Vapores (CSAV), a century-old company then going through the most difficult period in its history, when Quiñenco, in 2011, decided to enter its ownership. Since then, we have seen ten years of tremendous economic and human efforts - including capital increases to which we have contributed more than US$1 billion, company streamlining, management of excellence - turning it into a very good complement to merge with Hapag-Lloyd in 2014, whereby it became one of the main shareholders of the German shipping company, currently the fifth most relevant player globally. Towards the end of 2020, after overcoming the most difficult moment of the pandemic, Hapag-Lloyd reported EBITDA of US$3,082 million, 38.6% up from the previous year, and net income of US$1,058 million. Thus, for the first time in a decade, CSAV will distribute dividends.

This example is especially significant in today's context, since it reflects the essence of doing business: a long-term vision, taking risks, investing, building the best, dedicated, and committed human teams, paving the road for growth and development which, in this particular case, has consolidated a successful path to internationalization.

"SINCE THE BEGINNING OF THE HEALTH CRISIS, THE PRIORITY FOR QUIÑENCO AND ITS SUBSIDIARIES HAS BEEN TO SAFEGUARD THE LIVES OF THEIR WORKERS WHILE MAINTAINING OUR OPERATIONS TO PREVENT ADVERSE EFFECTS TO THE SUPPLY CHAIN. THE ACCOMPLISHMENT OF THESE TASKS WAS OUR MAJOR ACHIEVEMENT IN 2020".

“CSAV REFLECTS THE ESSENCE OF DOING BUSINESS: A LONG-TERM VISION, TAKING RISKS, INVESTING, BUILDING THE BEST, DEDICATED, AND COMMITTED HUMAN TEAMS, PAVING THE ROAD FOR GROWTH AND DEVELOPMENT. NOTHING HAPPENS OVERNIGHT AND NOTHING COMES WITHOUT EFFORT, SACRIFICE, AND TAKING ON ENTREPRENEURIAL RISKS”.

Nothing happens overnight and nothing comes without effort, sacrifice, and taking on entrepreneurial risks, all of them fundamental factors to transform an almost bankrupt company into a prosperous organization with a great future.

With respect to Nexans, it managed to mitigate the effects of the global crisis and the resulting impact on sales, reversing the 2019 losses, and achieving net income of €78 million in 2020. Most recently, the French multinational announced a strategy to focus its activities in four sectors, placing electrification and its value chain at the center, from energy generation to transmission, distribution, and usage. The company’s future will be tied closely to the development of non-conventional renewable energies, further motivating us.

SM SAAM’s contribution to Quiñenco’s performance increased in 2020, also largely due to its international presence. The results of the port terminals where it participates, particularly in Chile, were impacted by the health crisis and the closure of ports due to high swells. This was offset by the momentum in the tug boat sector based on the operations in Brazil in addition to, among other factors, a gain associated with the stake acquired in Aerosan, resulting in 100% ownership. Recently, SM SAAM completed the purchase of 70% of Intertug, to start tug boat operations in Colombia and to strengthen its presence in Mexico and Central America.

Banco de Chile’s profits decreased by 21.9%, reflecting an increase in loan loss provisions, including the impact of the COVID-19 crisis. In a period marked by the debut of financial portability, the institution strengthened its leadership and made significant progress, especially in digital transformation, with the launching of the FAN account, its first 100% digital debit account, preferred by approximately 150 thousand customers by December 2020, having currently increased to over 260 thousand. In the midst of the health crisis, Banco de Chile immediately gave its support to the community, with measures such as the postponement of credit installments and the promotion of initiatives in direct benefit of small and medium-sized entrepreneurs.

Similarly, CCU, a company in which, together with Heineken, we have recently increased our share, made great efforts in the fight against the pandemic. I would like to highlight, by way of example, its social innovation drive, which provided the health authority with alcohol gel and facial protectors from its own production processes. Although the company’s results were 26.1% lower than 2019, due to the impact of the crisis on consumption occasions and devaluations of local currencies against the dollar in Argentina and Chile, the company had the necessary flexibility to recover lost ground towards the end of 2020, with a 2.2% increase in its consolidated volumes.

Enex’s performance also contracted in 2020, down by 68.4%, mainly due to the drop in oil prices and the lower influx of customers at service stations. However, the company was able to further its internationalization strategy, establishing headquarters in the United Kingdom, opening the first service stations in Paraguay under the Enex brand, and incorporating new locations to the network of 41 Road

Ranger travel centers in the United States, currently linking seven states from Michigan to Texas.

Thus, 2020 will be remembered as a very difficult and challenging year, which Quiñenco and our subsidiaries managed to overcome by means of an international diversification developed over the years, and the invaluable contribution of our collaborators who, through their work, effort, and by protecting their health, made this possible.

At a domestic level, in a few days and depending on the public health situation, Chile will begin an unprecedented process in our history, namely, electing the members of the Constitutional Convention, who will have to present a new Fundamental Charter proposal to our citizens.

This is an enormous challenge, not free from the risks and uncertainties inherent to a deliberation space destined to regulate our life as society. Chile has democratically chosen this path; we should take this as an opportunity to reunite, to overcome prejudices and to confront different visions with respect, so that the resulting text will effectively unite us.

The 155 members of the constitutional convention will hold Chile’s future in their hands. We hope they act with responsibility and willingness to dialogue, not fearing to reach agreements and debate, listening, contributing constructive ideas, and making the best decisions. Also hoping that they will be capable of rescuing the principles that have allowed our country to move forward, making the necessary changes to reflect today’s society, more horizontal and participatory, contributing to our understanding, stability and prosperity, within a context of complete freedom. A change that will safeguard entrepreneurship, investment and growth, fundamental factors to reduce inequalities, with no one left behind, finding solutions to long-standing social problems in Chile.

We need a country project that overcomes divisions and electoral calculations and that bring us all together, in peace, for the sake of Chile.

We have a huge challenge ahead of us and the first steps will be taken in a context of great social and economic weakness resulting from the COVID-19 pandemic, which remains a threat. Let us not lower our guard.

Let us take care of one another and take care of Chile, to truly build a better country, with opportunities for all.

Andrónico Luksic Craig
Chairman of Quiñenco S.A.
April 2021

Quiñenco in 2020

RELEVANT FIGURES (*)

As of December 31, 2020

COUNTRIES
129

PEOPLE
68,000

IN MANAGED ASSETS
97.7
US$ BILLION

NET ASSET VALUE (NAV)
6.0
US$ BILLION

AGGREGATE REVENUES
30.8
US$ BILLION

COMPANIES INCLUDED IN THE DJSI CHILE
3
BANCO DE CHILE, CCU AND SM SAAM

RISK RATING
AA
(AT NATIONAL LEVEL BY FITCH RATINGS AND ICR)

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

2020 MILESTONES

In a year marked by the COVID-19 pandemic, Quiñenco and its subsidiaries' main accomplishment was their flexibility and ability to adapt in order to safeguard the health of their workers, while maintaining the continuity of the operations. This enabled them to continue developing and growing.

Quiñenco: participated in CSAV's capital increase subscribing approximately US$219 million, thus achieving a 61.8% stake in this subsidiary.

Banco de Chile: launched the FAN account, its first debit account that can be opened 100% online, preferred by more than 150,000 clients at the closing of 2020. It was the first bank to implement measures to help mitigate the effects of the crisis, benefiting its clients, microbusinesses and small and medium-sized entrepreneurs during this difficult time, and received the 2020 PROCALIDAD customer satisfaction award for the third consecutive year.

CCU: developed investment projects totaling Ch$122,787 million. CCU innovated to produce alcohol gel and alcohol-based hand sanitizers from its industrial processes, which were delivered to the health authority. After fulfilling its 2020 environmental goals, it launched its 2030 environmental vision.

CSAV: increased its ownership stake in Hapag-Lloyd to 30% and carried out a capital increase of US$350 million. The German shipping company signed a contract for the construction of six 23,500 TEU container vessels and was the first in the industry to engage in a pilot experience for the use of LNG as fuel.

Enex: furthered its international expansion strategy, moving its headquarters to the United Kingdom, through Invexans, opening new stations in Paraguay under the Enex brand, and incorporating new locations to the network of 41 Road Ranger travel centers, running from north to south in the United States.

Nexans: informed it will focus on producing cables for sustainable electrification and announced its aim for carbon neutrality by 2030. It has secured large contracts, one of which contemplates the supply and installation of cables for the first stage of the largest offshore wind farm in Scotland.

SM SAAM: after materializing an acquisition, SM SAAM reached a 100% stake in Aerosan, company that operates airports in Chile, Colombia, and Ecuador. In addition, it announced the acquisition, recently completed, of a 70% ownership stake in Intertug, to start tug boat operations in Colombia and strengthen them in Mexico and Central America.

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

MAIN ASSETS

As of December 31, 2020

Financial Services

51.3% of Banco de Chile jointly with Citigroup

Banco de Chile market capitalization: US$10.3 billion

Presence: Chile

+ on page 28

Beverage

60% of CCU jointly with Heineken

CCU market capitalization: US$2.7 billion

Presence: 6 countries

+ on page 34

Manufacturing

28.9% of Nexans through Invexans and Techpack

Nexans market capitalization: US$3.2 billion

Presence: 38 countries

+ on page 38

Energy

100% of Enex through Invexans

Enex book value[1]: US$807 million

Presence: 4 countries

+ on page 42

1 Corresponds to the book value of Invexans' Energy segment

Transport

61.8% of CSAV, which owns 30% of Hapag-Lloyd.

Market capitalization: CSAV, US$2.1 billion; Hapag-Lloyd, US$19.8 billion.

Presence: 129 countries

+ on page 46

Port Services

52.2% of SM SAAM

SM SAAM market capitalization: US$770 million

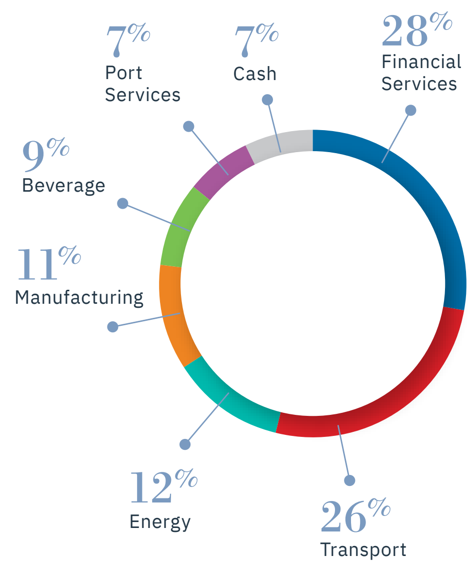
Presence: 11 countries

+ on page 50

Over the last 23 years, Quiñenco has demonstrated its value generation capability, with earnings of US$1.8 billion for its shareholders stemming from corporate transactions for US$4.4 billion.

INVESTMENT DISTRIBUTION

(Book value at corporate level, 12-31-2020: MUS$6,454)



IN THE MIDST OF THE HEALTH CRISIS, AND THANKS TO THE EFFORTS OF **QUIÑENCO AND ITS SUBSIDIARY COMPANIES'** TEAMS WE WERE ABLE TO FACE 2020 WITH THE AIM OF SAFEGUARDING PEOPLE'S LIVES AND KEEPING OPERATIONS UP AND RUNNING WITHOUT AFFECTING THE SUPPLY CHAIN.

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$2.9 billion as of December 31, 2020.

TOTAL NUMBER OF SHAREHOLDERS

1,042

Nº OF SUBSCRIBED AND PAID-IN SHARES.

1,662,759,593

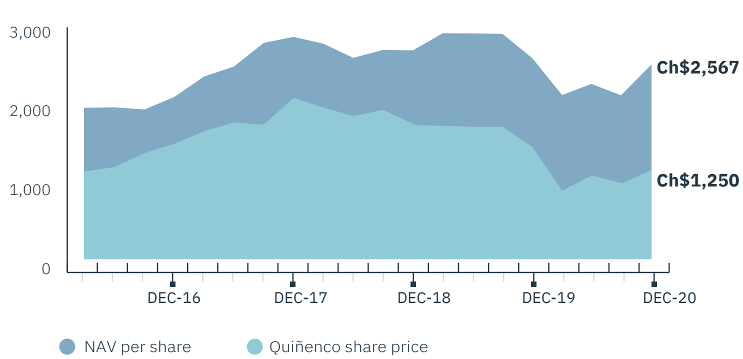
STOCK MARKET INFORMATION

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

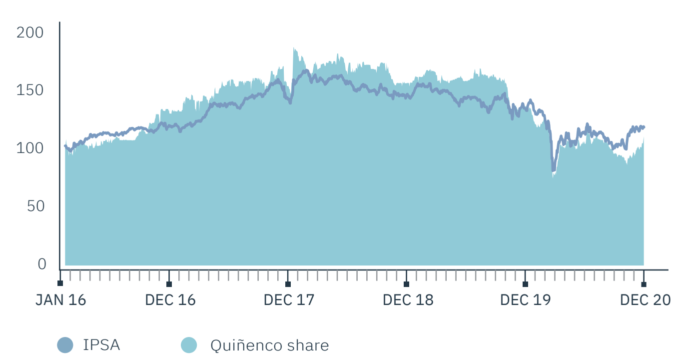
SUMMARY OF TRANSATIONS IN 2020

PERIOD	Nº OF SHARES TRADED	AVERAGE PRICE (CH$ PER SHARE)	TOTAL AMOUNT TRADED (THCH$)	STOCK MARKET PRESENCE (%)
1st quarter	21,762,088	1,210.66	26,346,388	75.00
2nd quarter	31,920,089	1,158.76	36,987,718	80.56
3rd quarter	19,619,184	1,197.21	23,488,305	76.67
4th quarter	30,615,384	1,056.05	32,331,369	77.78
2020	**103,916,745**	**1,146.63**	**119,153,780**	

NAV / SHARE PRICE EVOLUTION



QUIÑENCO SHARE / IPSA



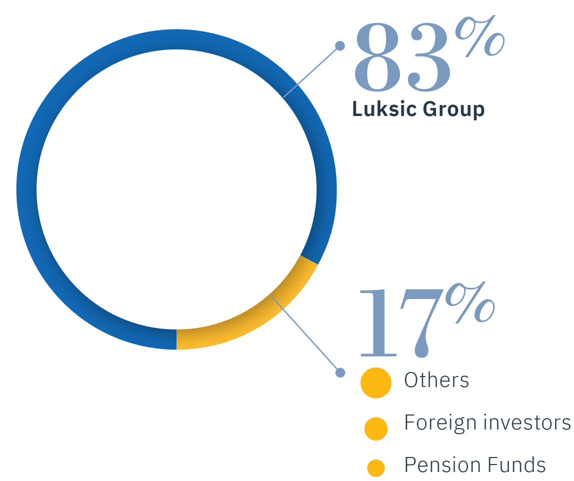
SHAREHOLDERS

At the closing of 2020, 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, 2020 are the following:

TAXPAYER Nº	SHAREHOLDER	NO. OF SHARES	PARTICIPATION (%)
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
97.004.000-5	Banco de Chile on behalf of non-resident third parties	75,661,339	4.55
84.177.300-4	BTG Pactual Chile S.A. Corredores de Bolsa	55,733,606	3.35
76.884.110-1	Inversiones Río Claro Ltda.*	44,442,511	2.67
96.871.750-2	Inversiones Salta SpA*	23,684,851	1.42
76.327.982-0	Inversiones Alaska Ltda.*	20,041,305	1.21
96.489.000-5	Credicorp Capital S.A. Corredores de Bolsa	19,812,879	1.19
76.265.736-8	A.F.P. Provida S.A.	13,995,253	0.84
96.684.990-8	Moneda S.A. Administradora General de Fondos	12,998,300	0.78
	Total	**1,554,041,954**	**93.46**

**Companies related to the Luksic Group.*

SHAREHOLDER STRUCTURE



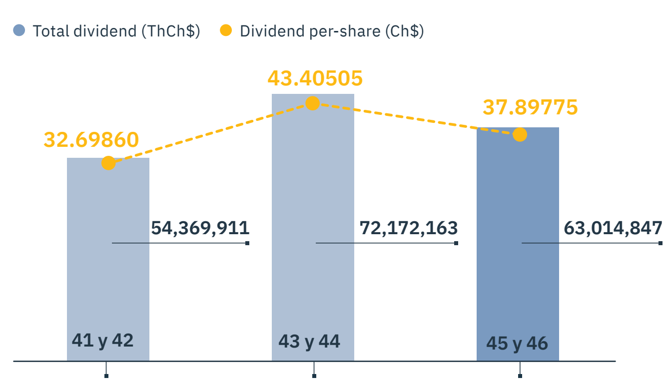
Quiñenco's issued and paid-in shares are 82.9% property of the companies Andsberg Inversiones Ltda., Ruana Copper A.G. Agencia Chile, Inversiones Orengo S.A., Inversiones Consolidadas Ltda., Inversiones Salta SpA., Inversiones Alaska Ltda., Inmobiliaria e Inversiones Río Claro S.A. and Inversiones Río 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, 2021, of its agreement to set as dividend policy its distribution of a definite cash dividend of at least 30% of net income for the year.

DIVIDENDS PAID



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)

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.

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.

WHAT WE DO (MISSION)

Contribute to progress. Develop enterprises. Create value.

We contribute to the progress of Chile and each of 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.

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.

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.

Respect

- Treat others as we would like to be treated.
- Be concerned about the wellbeing of our collaborators, our most valuable capital.
- Be inclusive and open. Value and respect differences.
- Build trusting relationships with the different actors in the community.
- Use natural resources efficiently; take care of and respect the environment.

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 statutes. 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 2020 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 suspended in 2020.

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

CAROLINA GARCÍA DE LA HUERTA AGUIRRE*
Director
Journalist,
Pontificia Universidad
Católica de Chile

HERNÁN BÜCHI BUC*
Director
Civil Mining Engineer,
Universidad de Chile

PABLO GRANIFO LAVÍN
Director
Commercial Engineer
Pontificia Universidad
Católica de Chile

MATKO KOLJATIC MAROEVIC*
Director
Commercial Engineer,
Universidad Católica de Chile
ICAME Certificate in Marketing
Management, Stanford University, USA

* Member of the Directors' Committee as of December 31, 2020.

MANAGEMENT

1. **FRANCISCO PÉREZ MACKENNA**
   Chief Executive officer
   (since July 1, 1998)
   Commercial Engineer, Pontificia Universidad Católica de Chile
   MBA, University of Chicago, USA

2. **RODRIGO HINZPETER KIRBERG**
   Chief Counsel
   (since April 3, 2014)
   Attorney, Pontificia Universidad Católica de Chile

3. **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

4. **LUIS FERNANDO ANTÚNEZ BORIES**
   Chief Financial officer
   (since July 15, 1996)
   Industrial Civil Engineer, Pontificia Universidad Católica de Chile
   MBA, Georgia State University, USA

5. **MAURICIO LOB DE LA CARRERA**
   Manager of Corporate Affairs and Social Management
   (since January 2, 2020)
   Journalist, Universidad Diego Portales

6. **PEDRO MARÍN LOYOLA**
   Performance Control Manager and Internal Auditor
   (since October 1, 1996)
   Commercial Engineer, Pontificia Universidad Católica de Chile
   M.Sc. Finance, London School of Economics, UK

7. **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

8. **ÁLVARO SAPAG RAJEVIC**
   Sustainability Manager
   (since April 3, 2014)
   Attorney, Universidad de Chile

9. **DAVOR DOMITROVIC GRUBISIC**
   Head of Legal and Prevention Manager
   (since April 3, 2014 and June 1, 2016, respectively)
   Attorney, Universidad de Chile

10. **PILAR RODRÍGUEZ ALDAY**
    Investor Relations Manager
    (since June 2, 2008)
    Commercial Engineer, Pontificia Universidad Católica de Chile

11. **OSCAR 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

12. **VALERIE DE LA HARPE ZUBIAUR**
    Organizational Development Manager
    (since May 14, 2018)
    Commercial Engineer, Pontificia Universidad Católica de Chile

13. **RAÚL REQUENA MARTÍNEZ**
    Labor Relations Manager
    (since January 4, 2016)

14. **PABLO BAUER NOVOA**
    Attorney
    (since June 12, 2017)
    Attorney, Pontificia Universidad Católica de Chile
    Master of Laws, University of Chicago, USA

15. **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

16. **GEORGES DE BOURGUIGNON COVARRUBIAS**
    Deputy Business Development Manager
    (since July 17, 2017)
    Commercial Engineer, Pontificia Universidad Católica de Chile
    MBA and MIA, Columbia University, USA

17. **ARTURO HIGHET GARCÍA**
    Deputy Performance Control Manager
    (since July 1, 2016)
    Commercial Engineer, Pontificia Universidad Católica de Chile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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.

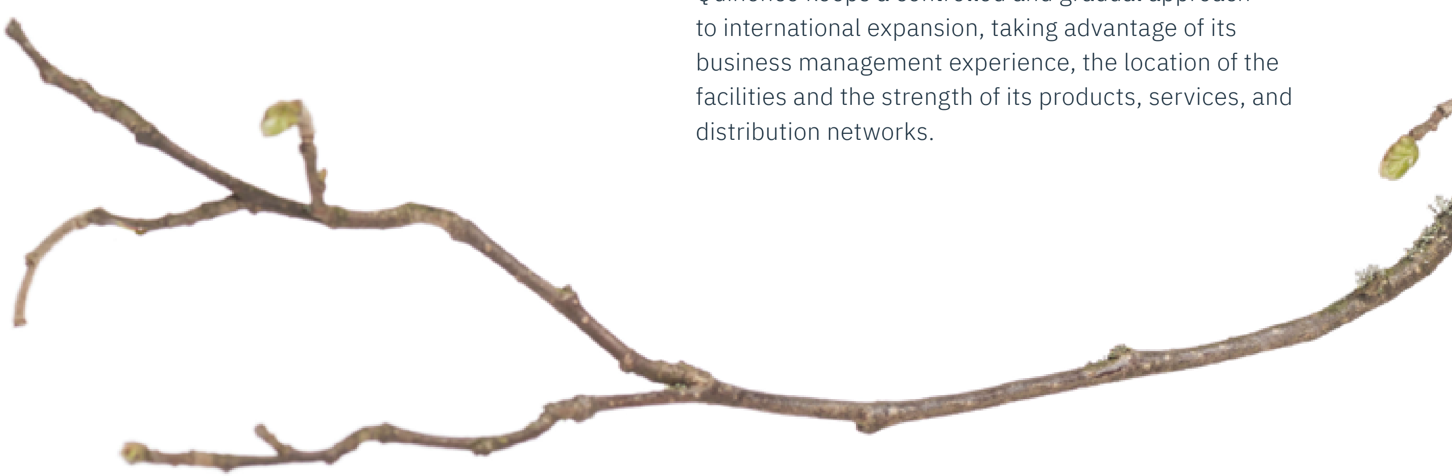
QUIÑENCO CREATES VALUE FOR ITS SHAREHOLDERS AND FOR SOCIETY THROUGH THE **SUSTAINABLE DEVELOPMENT** OF THE COMPANIES IT INVESTS IN.

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.



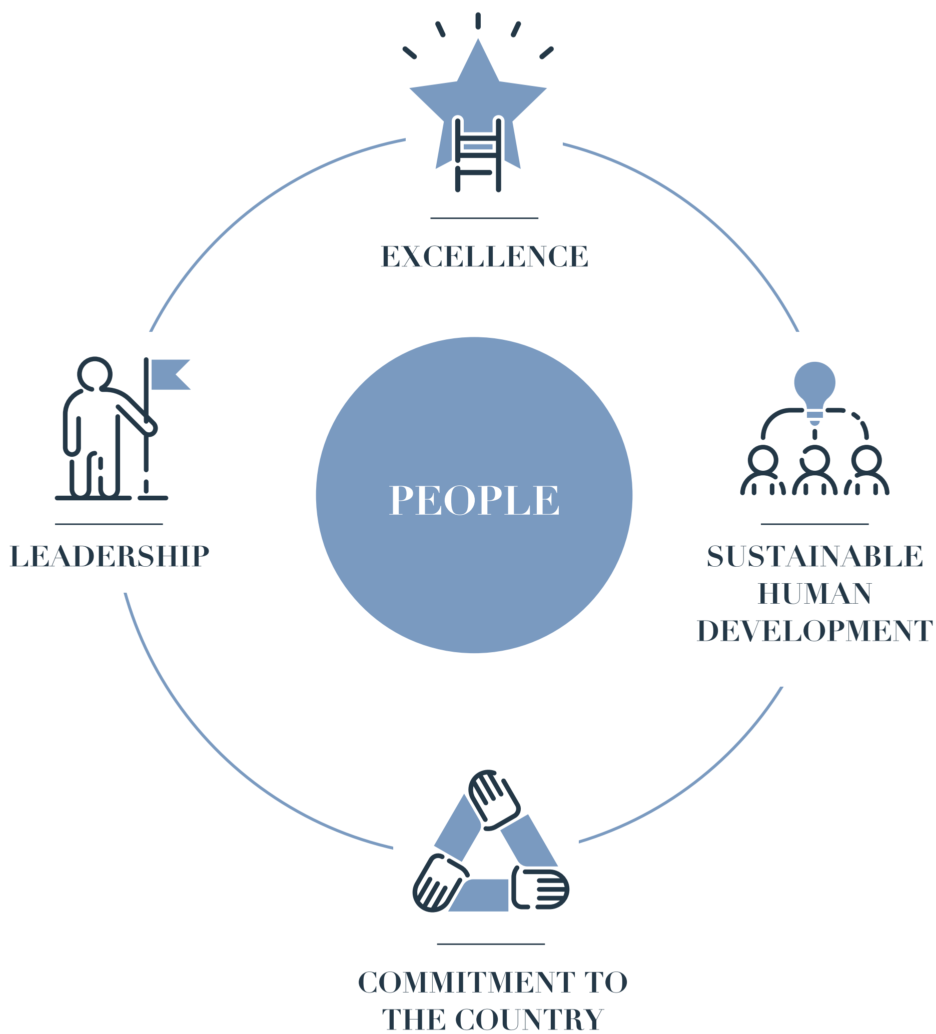
3 ACQUIRE BUSINESSES TO CREATE VALUE IN THE LONG TERM

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.

4 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.

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

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

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

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

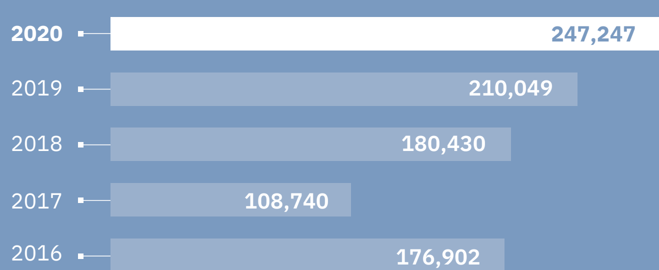
2020 Results

CONSOLIDATED RESULTS

NET INCOME (MCh$)

Ch$ 247,247 million

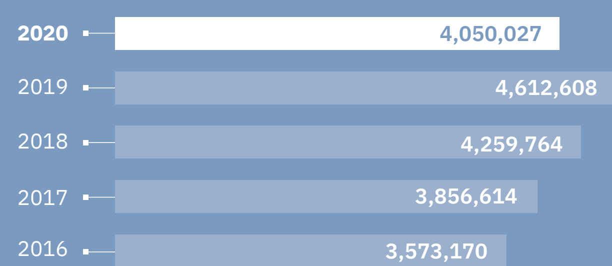
+18%



CONSOLIDATED REVENUES (MCh$)

Ch$ 4,050,027 million

-12%

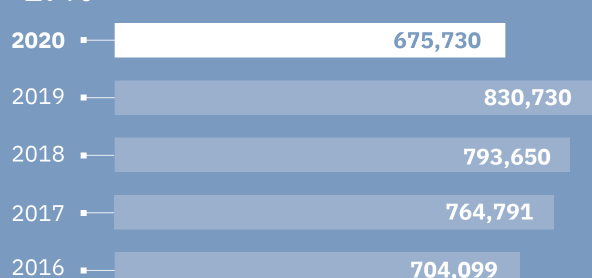


Consolidated Revenues: *correspond to the revenues from the Industrial sector plus net operating revenues from the Banking sector.*

OPERATING INCOME (MCh$)

Ch$ 675,730 million

-19%

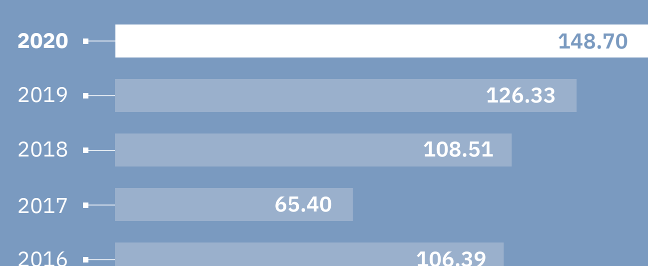


Operating income: *corresponds to operating income from the Industrial sector plus operating income from the Banking sector.*

EARNINGS PER SHARE (Ch$)

Ch$ 148.70

+18%



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 PROFITS BY SEGMENT

In a complex 2020 scenario due to the impacts of the COVID-19 sanitary and economic crisis, Quiñenco's net profit increased 17.7%, mainly due to the good performance of the Transport segment, reflecting the gains achieved by the German shipping company Hapag-Lloyd, and of the Manufacturing segment, due to the positive results reported by the multinational cable manufacturer Nexans, reversing the losses reported the previous year. The performance of these two segments offset the reductions in the Financial and Energy segments, where results showed the negative effects of the pandemic.

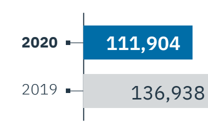
NET INCOME | **CONTRIBUTION BY SEGMENT MCh$**

MANUFACTURING / NEXANS

The Manufacturing segment, which includes Quiñenco's share in the results of Invexans and Techpack, reported net income of Ch$14,141 million, which compares favorably against the previous year's loss, due to the good results of the French cable company Nexans, which reversed the losses recorded in 2019 and posted net income of €78 million, due mainly to lower restructuring costs and a non-recurring gain from the sale of assets in the current year. However, operating income dropped by 22.5% reflecting an 8.6% organic contraction in sales in the midst of a complex global pandemic scenario, offset by the implementation of cost reduction and transformation plans.

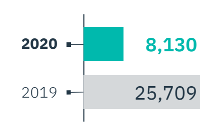
FINANCIAL / BANCO DE CHILE

In the Financial segment, Banco de Chile recorded a 21.9% decline in results, with net income of Ch$463,108 million, mainly attributable to higher credit loan loss provisions, including the establishment of greater provisions as a result of the impact of the COVID-19 outbreak, along with a 3.8% reduction in its operating revenues, partly offset by lower operating expenses. LQIF holding, in turn, reported a loss of Ch$13,213 million, 1.7% up from 2019, due mainly to greater financial costs. Finally, after the full prepayment of the subordinated debt held by SM Chile with the Central Bank in April 2019, the interests associated with said debt were recorded until that date. All in all, the contribution of the Financial segment to Quiñenco's consolidated results dropped by 18.3%.



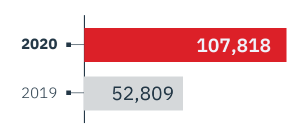
ENERGY / ENEX

The contribution of the Energy segment, which includes Enex's operations, went down by 68.4% to Ch$8,130 million, mainly owing to the impact of the sanitary restrictions imposed by the global pandemic, particularly during the second quarter in the service station segment, and the drop in oil prices, partly offset by the good performance of the first quarter and a rebound toward year-end. Total volumes dispatched in 2020 reached 3,754 thousand cubic meters, 13.6% down from the previous year.



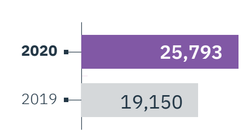
TRANSPORT / CSAV

The greater contribution of the Transport segment is due mainly to CSAV's share in the results of its main asset, Hapag-Lloyd, which had a positive performance despite the sanitary restrictions imposed by the global pandemic. Volumes shipped dropped by 1.6% through the year, showing a recovery in the second half, which, along with a 4.0% hike in average rates and an efficient cost management, translated into a 65.3% increase in EBIT and net income of US$1,058 million, significantly higher than that of 2019. Hence, CSAV's net income in 2020 amounted to Ch$174,900 million, well above the Ch$88,195 million recorded in 2019. The growth in the segment's contribution also results from CSAV's increased stake in Hapag-Lloyd in early 2020 and Quiñenco's higher ownership interest in CSAV after its capital increase.



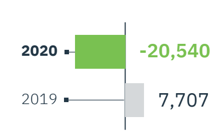
PORT SERVICES / SM SAAM

In the Port Services segment, SM SAAM's contribution increased by 34.7% in 2020, due to the good performance of its tug boat segment, driven by operations in Brazil, cost efficiencies, a non-recurring gain from the purchase of the remaining 50% stake in Aerosan and a favorable effect of the Peso conversion, offsetting the lower performance of port terminals, which were affected by the lower level of activity as a result of the pandemic and the shutdown of ports due to bad weather conditions. SM SAAM's profits in 2020 were Ch$52,362 million, 29.4% up from the previous year.



OTHER

CCU's results included in the Other segment decreased mainly due to lower results from its International Business and Chile segments, greatly affected by restrictions to control the pandemic, which negatively impacted consumption occasions in all geographies, mostly in the second quarter, and the devaluation of the Argentine and Chilean peso, partly offset by better performance of the Wine segment. At the corporate level, Quiñenco recorded a tax credit in 2020, which partly offset the non-recurring gain from the sale of its participation in the insurance companies Banchile Vida and SegChile reported at the end of 2019.



CONTRIBUTION TO PROFITS BY SECTOR

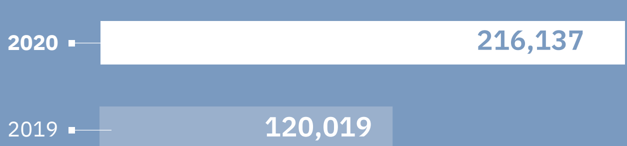
BANKING (MCh$)

Ch$463,230 million

-18%

The reduction in consolidated profits from the Banking sector, which includes Banco de Chile and SM Chile's results (the latter, in 2019) is mainly due to the 21.9% decrease in Banco de Chile's results, driven by greater loan loss provisions and lower operating revenues, partly offset by lower operating expenses. This reduction was partly offset by the interests from the subordinated debt held with the Central Bank until April 2019, when it was fully paid.

INDUSTRIAL (MCh$)

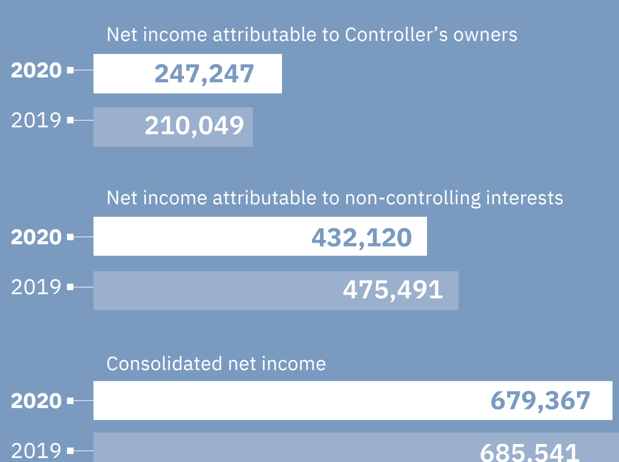


Ch$216,137 million

+80%

The significant improvement in consolidated results of the Industrial sector is mainly due to the favorable performance of Hapag-Lloyd and Nexans during the current period and, to a lesser extent, of SM SAAM. These variations were partly offset by lower results at Enex and CCU, stemming from the negative impact of COVID-19 related restrictions.

NET INCOME (MCh$)



Ch$247,247 million

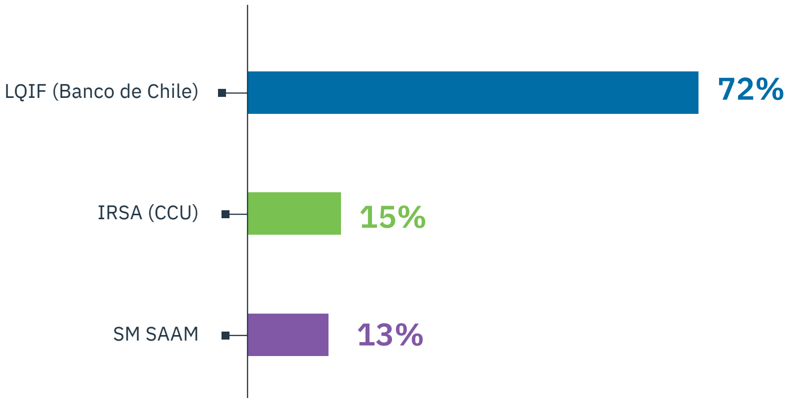
+18%

The increase in net income attributable to the controller's owners, or net income, is due mainly to the good performance of the shipping company Hapag-Lloyd, CSAV's main asset, and the multinational Nexans, offsetting the lower results of Banco de Chile, Enex and CCU, negatively impacted by the pandemic. Upon adding the net income attributable to non-controlling interests, the consolidated profit for the year reached Ch$679,367 million.

DIVIDENDS

DIVIDENDS RECEIVED

MCh$119,815 (at corporate level)



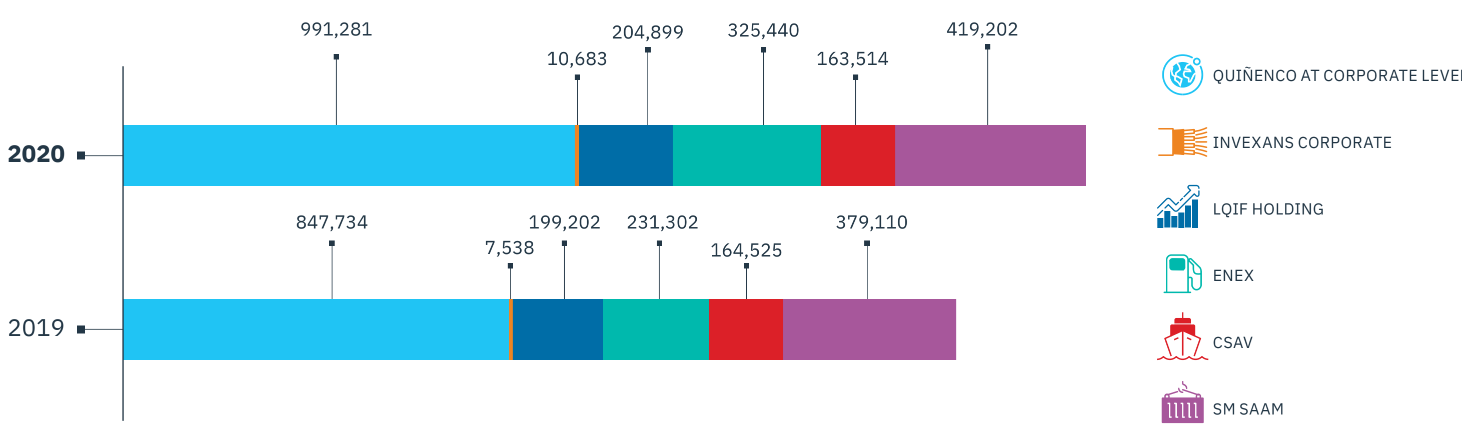
The sustained flow of dividends and the funds obtained from the potential sale of investments have allowed Quiñenco to maintain a low level of indebtedness and a solid financial position, with debt at the corporate level totaling Ch$991,281 million at December 2020. This debt includes a bond issuance of UF4,000,000 in June 2020.

INDUSTRIAL SECTOR DEBT STRUCTURE (*)

INDUSTRIAL SECTOR

Stated in MCh$

2020	2019
Ch$ 2,115,021 million	Ch$ 1,829,410 million



(*) IRSA's debt of MCh$35,330 in 2020 (MCh$45,874 in 2019), where Quiñenco holds an ownership stake of 50%, is not included herein.

Business Activities

Pg.
28 FINANCIAL SERVICES

Pg.
38 MANUFACTURING

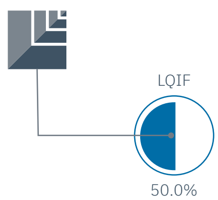
Pg.
34 BEVERAGE

Pg.
46 TRANSPORT

Pg.
42 ENERGY

Pg.
50 PORT SERVICES

LQ Inversiones Financieras



LQIF's STAKE 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 2020, 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 50.0% after exercising two purchase options for 8.5% of LQIF shares each, pursuant to the Shareholders' Agreement signed with Quiñenco.

In March 2013, Banco de Chile successfully completed a capital increase of US$530 million. LQIF's Board of Directors agreed to exercise its preferential subscription rights in Banco de Chile's regular share offering period and to renounce the subscription options it had for its stake in SAOS, thus slightly reducing its participation in the Bank to 58.4% as of December 2013.

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.

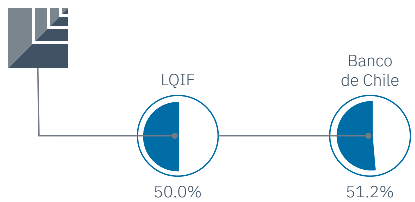
The result recorded by LQIF in 2020 shows the lower performance of its subsidiary, Banco de Chile, due mainly to the effects of the pandemic on revenues and provisions, partly offset by the favorable impact of the full payment of the above-mentioned subordinated debt, which recorded interest expenses until April 2019. Therefore, LQIF's net profit amounted to Ch$223,809 million in 2019, 18.3% down from 2019.

The Quiñenco group has 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.

LQIF
LQ INVERSIONES FINANCIERAS

BANCO DE CHILE ACCELERATED ITS DIGITAL TRANSFORMATION PLAN, STRENGTHENING ITS COVERAGE AND SERVICE STANDARD THROUGH THE RENOVATION OF ITS WEB AND MOBILE PLATFORMS AND THE IMPLEMENTATION OF AN EFFICIENT ONLINE SERVICE MODEL. IN THIS REGARD, IT LAUNCHED FAN, ITS FIRST 100% DIGITAL DEBIT ACCOUNT.

Banco de Chile



BANCO DE CHILE

- Founded in 1893.
- A (S&P) and A1 (Moody's) risk rating
- Listed in Chile and USA (NYSE)
- Included in the Dow Jones Sustainability Chile Index
- 2.1 million active clients
- 72.1% net promoter score
- 13,134 employees
  10,622 small and medium-sized suppliers
- 334 branches, 678 Cajas Chile and 1,766 ATMs
- Market capitalization: US$10.3 billion at December 2020

Banco de Chile is one of the soundest private banks in Latin America and is among the most valued brands in the region. In Chile, it leads the industry in a wide range of indicators relating to its financial performance and environmental, social, and corporate governance aspects.

The Bank's purpose is to contribute to the development of the country and its people. During the pandemic, Banco de Chile provided its clients with several financial support and relief measures in an early manner, such as the refinancing of loan installments and the flexibilization of payment conditions, being involved in government financial assistance programs, granting more than 39,000 FOGAPE-COVID-19 loans (state-backed loans for small businesses) for Ch$1,900 billion.

As of December 2020, Banco de Chile had 2.1 million active clients and a 17.3% market share in consumer loans, 16.7% in commercial loans and 16.3% in housing loans.

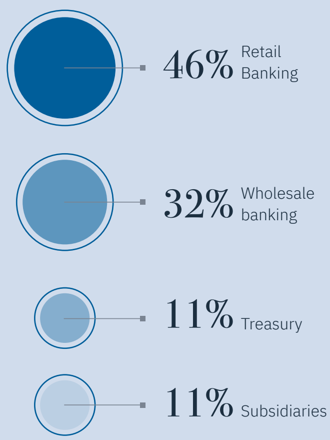
During the period, the Bank delivered 100% online consumer loan renegotiation solutions to nearly 260,000 clients, equivalent to Ch$1,800 billion, and was recognized as the bank that provided the most community support during this complex time; it also provided renegotiation solutions for 55,000 clients with housing loans for an amount equivalent to $3,600 billion.

ANNUAL PERFORMANCE

During 2020, Banco de Chile hastened its digital transformation plan, strengthening its transactional coverage and service standard through the renovation of its web and mobile platforms and an efficient online service model. In this regard, it launched FAN, the Bank's first 100% digital debit account, towards the end of August. This product promotes financial inclusion by offering the possibility to turn it into a current account, thus adding other services. By December 2020, FAN had more than 150,000 clients. In addition, the Bank implemented its new B-TV live signal to enable 100% direct and online communication with clients and collaborators and created a separate account for the withdrawal of pension funds authorized by Congress as a measure to alleviate the crisis.

CONTRIBUTION TO RESULTS

(Income before taxes 2020: MCh$589,071)



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

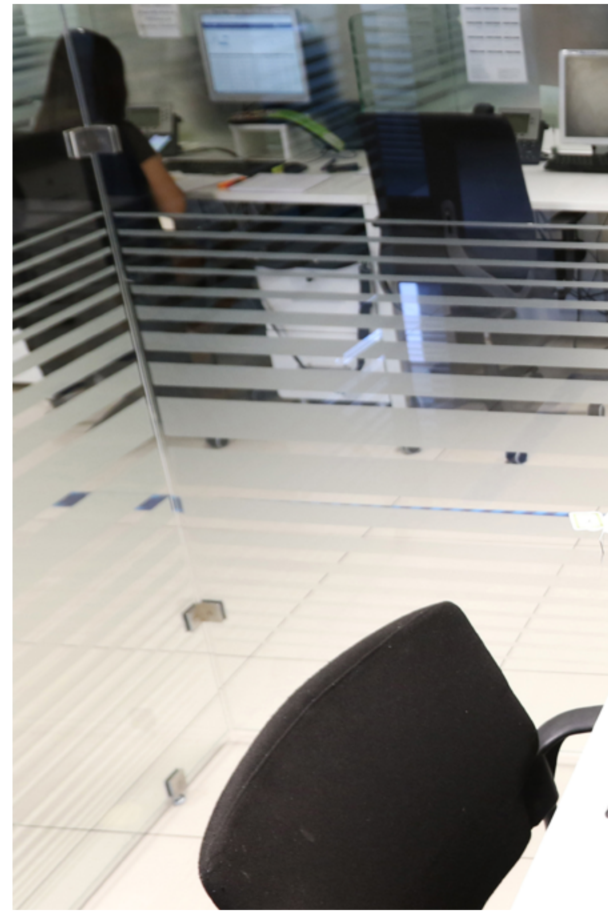
- Products and services for retail and wholesale banking customers supplementing the above-mentioned services.

In November 2020, Banchile AGF and Banchile Corredores de Bolsa subscribed a commercial agreement with BlackRock, the largest international asset manager, to expand Chilean investors' access to global markets. As a result of this agreement, Banchile AGF and Banchile Corredores de Bolsa will incorporate BlackRock's investment strategies to their international funds, thus enabling them to offer a broad portfolio of ETFs iShares on their digital platforms.

For the fifth consecutive year, Banco de Chile and Desafío Levantemos Chile launched the National Contest Desafío Emprendedor, which convened more than 56,000 projects from all regions and recognized the most outstanding SMEs and micro entrepreneurs of our country. It also strengthened the program "Pymes para Chile" generating a free online showcase for thousands of SMEs and entrepreneurs and launched the "Manual de Reactivación para Pymes" along with Compite, and the new free online showcase "Rutas para Chile" to promote local tourism, supporting SMEs and entrepreneurs.

Through the "Cuentas con el Chile" financial education program, Banco de Chile trained more than 4,600 people from different regions of the country, promoting financial education and inclusion.

Among the recognitions received by the Bank in 2020 are: First place ProCalidad 2020 National Customer Satisfaction Award in Large Banks category (shared prize); Best Company in Attracting and Retaining Talent according to Merco Talento Chile; Second place in Merco's Ranking of Companies and Business Leaders as one of the Most Reputable Companies in the country; Bank of the Year, the Most Innovative Digital Bank and the Best Bank for Financial Inclusion according to The European; Most noteworthy Bank for its contribution to face the pandemic according to the 2020 Corporate Reputation Study by Ipsos and

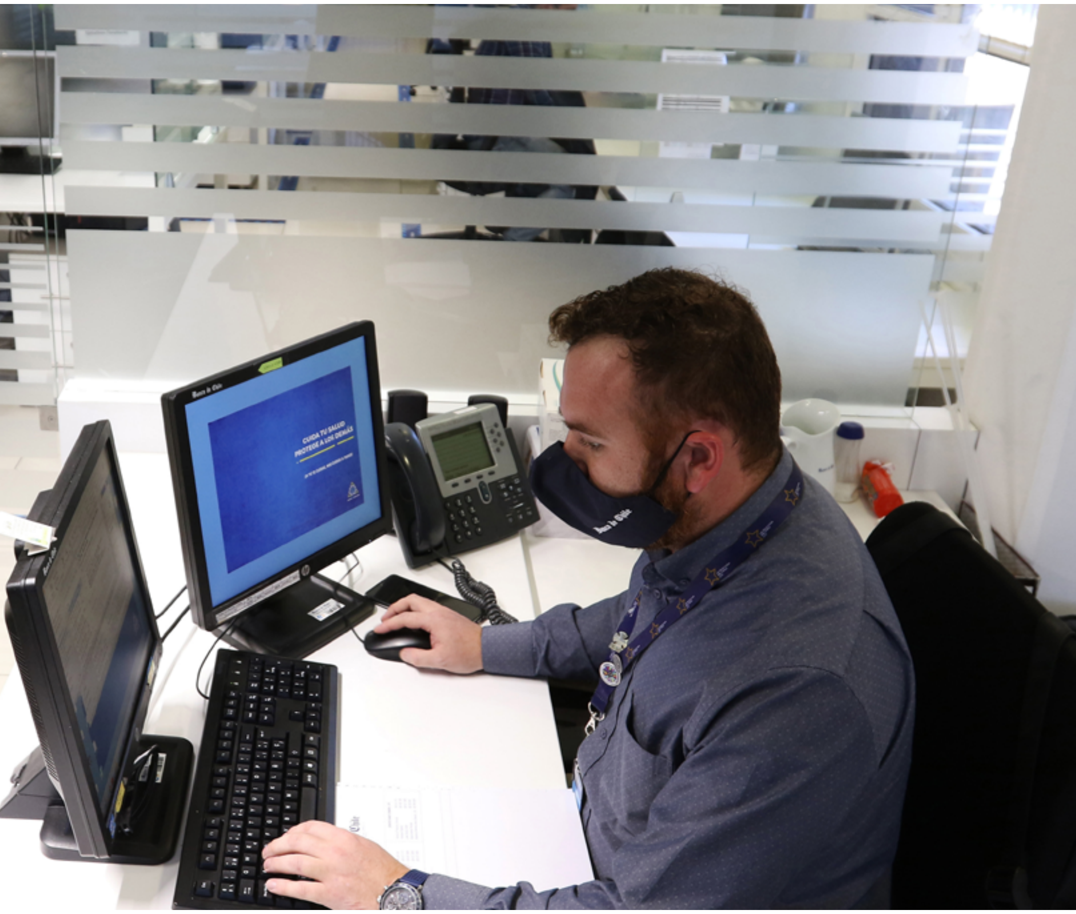


INC Consultores; The Banker's Bank of the Year in Chile 2020; and First place in BrandZ's Most Valuable Banking brands in Chile.

RESPONSE TO COVID-19

In order to handle the sanitary crisis and its effects, Banco de Chile implemented a National Support Plan that included three dimensions: social, commercial, and public. In the social dimension, among other activities and donations, the following were carried out:

- Close to 9,000 boxes with essential products were delivered to senior citizens, the disabled, and vulnerable families across the 16 regions of the country.



2020 HIGHLIGHTS

ProCalidad 2020 National Award, for the third consecutive year.

Launching of FAN digital debit account.

Best company in attracting and retaining talent (Merco Talento 2020).

Subscription of an agreement between Banchile Inversiones and BlackRock.

- 42 thousand door-to-door deliveries of medicine, food, and telemedicine to vulnerable senior adults.

- Adherence to the Blue Code winter plan sponsored by the Ministry of Social and Family Development, through the delivery of 3,500 emergency kits to protect people living on the streets.

- Distribution of 45,000 masks across the branch network to protect the safety and health of collaborators, which were purchased to the Bank's SME clients.

- Through Cajas Chile, the Bank provided sanitary protection elements to 250 small businesses located in the 183 districts with lower access to banking products to help the Bank's customers in these zones.

- In a joint effort with Desafío Levantemos Chile, Banco de Chile delivered 20 vital signs monitoring devices to the Araucanía regional Health Service, along with personal protection equipment for health care personnel, personal hygiene kits, and food boxes.

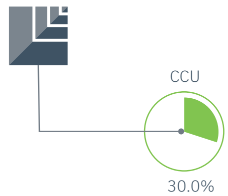
- Support to "Vamos Chilenos" solidarity campaign to benefit elderly people affected by the pandemic, initiative promoted by Fundación Teletón and Universidad Católica de Chile; the funds were raised through the "2020 current account".

- Support to Teletón 2020 that was conducted fully online for the first time and raised more funds than ever before, Ch$39,835,201,003.

Banco de Chile

ONCE AGAIN, CCU WAS DISTINGUISHED AS A LEADER IN INNOVATION. DURING THE PANDEMIC, IT MANAGED TO PRODUCE ALCOHOL GEL AND ALCOHOL-BASED HAND SANITIZERS FROM ITS INDUSTRIAL PROCESSES, WHICH WERE DELIVERED TO THE HEALTH AUTHORITIES FOR THE PREVENTION OF COVID-19.

CCU



COMPAÑÍA CERVECERÍAS UNIDAS S.A.

- Multi-category beverage company
- Operations in Chile, Argentina, Bolivia, Colombia, Paraguay, and Uruguay
- 32 production plants and 44 distribution centers at the closing of 2020
- Total volume of 30.7 million hectoliters in 2020
- Listed on Chile's Stock Exchanges since 1920, and on the New York Stock Exchange (NYSE) since 1999
- 9,051 employees
- Market capitalization: US$2.7 billion at the closing of 2020

CCU is a multicategory beverage company, with special emphasis on beer and nonalcoholic beverages, with presence in six countries in Latin America. Its 2021 strategic plan is based on the following pillars: Profitability, Growth and Sustainability, with goals in six areas: profitable growth of its business units; strengthening of its brands; innovation; ExCCelencia CCU efficiency plan; comprehensive employee development; and implementation of its 2030 Environmental Vision.

At the closing of 2020, the company holds license and/or distribution agreements with Heineken, PepsiCo, Seven-up, Schweppes, Nestlé S.A., Pernod Ricard, Promarca S.A. (Watt´s) and Coors.

ANNUAL PERFORMANCE

With an annual growth of 2.2% in its consolidated volumes, CCU totaled 30.7 million hectoliters of beverages sold in 2020.

This new record results from its strategic response to the strong contraction caused early on by the pandemic, which translated into a 12% drop in volumes during the second quarter of 2020, which then recovered in the last quarter with 11% growth. The company established the following priorities in this area: maintain its business scale, sustained by the strength of its brands, and develop its portfolio based on an outstanding commercial execution.

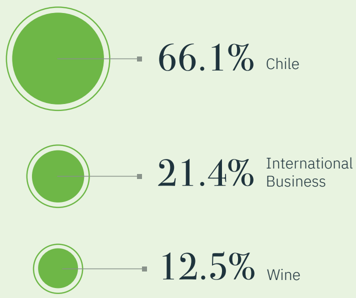
The Chile segment, that groups the beer, nonalcoholic beverages, and liquors categories, increased its volume by 3.4%. Along with maintaining its operational continuity, the company launched a new line of beer cans; started expanding the production capacity of the Quilicura and Temuco plants, and continued advancing with the CCU Renca project, in order to begin operating its new nonalcoholic beverage production plant during 2021.

Through CPCh, the liquors and distilled spirits subsidiary, CCU joined a new category with the launching of the first Hard Seltzer in Chile. This is a gluten-free product based on carbonated water with 5° alcohol and a touch of natural fruit that connects to young people's preference for natural and low-calorie products.

After its successful launch in 2019, the online sales platform "La Barra" consolidated its strategic role in CCU, quadruplicating its sales in this channel. The company will replicate this new business service model in other countries, starting in Argentina and Paraguay.

DISTRIBUTION OF CONSOLIDATED REVENUES *

(Total 2020: MCh$1,857,594)



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

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.

International Business

- Argentina: beer (second largest producer), cider, liquors, and wine.
- Uruguay: beer, mineral and flavored waters, nectars, carbonated soft drinks and sports drinks.
- Paraguay: beer, mineral and flavored waters, juices, nectars, carbonated soft drinks and sports drinks.
- Bolivia: beer, malt, waters, juices, and carbonated soft drinks.

Wine

- Second largest producer and exporter of Chilean wine, with deliveries to more than 80 countries.
  (CCU participates in the business through VSPT group, which in Chile consists of the vineyards San Pedro, Tarapacá, Santa Helena, Misiones de Rengo, Leyda, Viña Mar and Casa Rivas).
- In the Chilean wine market, it holds a leading position in terms of volume and value.
- In Argentina, it also participates in the wine segment with the brands La Celia and Tamarí. In addition, since June 2019, it incorporated to its wine portfolio the brands Colón and Graffigna pertaining to the winery Finca La Celia S.A. (subsidiary in Argentina of VSPT).

Joint businesses

- Colombia: CCU and the Colombian company Postobón hold equal shares of Central Cervecera de Colombia S.A.S. (“CCC”), company that manufactures, sells, and distributes beers and malts in said country.
- Austral: 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.

The International Business segment, which includes businesses in Argentina, Bolivia, Paraguay, and Uruguay recorded a 1.3% contraction in volumes, relating to the increased impact of the pandemic in those countries. However, the company maintained its competitive position and strengthened its portfolio. In 2020, CCU inaugurated a new distribution center in Paraguay; started operating a new beer can packaging line in Bolivia; and went forward with the expansion of the beer production capacity project in Luján, Argentina.

In the Wine segment, volumes increased 10.2% driven by domestic markets in Chile and Argentina. The good performance of the brands Graffigna, Colón and Santa Silvia acquired in 2019, enabled the company to continue developing a multi-brand offering in Argentina.

In Chile, CCU inaugurated the Molina Chile plant, which will enable it to increase the grinding capacity of the winemaking business.

In Colombia, where CCU established a joint partnership with Postobón, it achieved an annual 21.2% growth in volumes against 2019, and almost doubled its market share.

During 2020, the company developed investment projects totaling Ch$122,787 million, of which 80% was executed in Chile. In 2021, it plans to allocate Ch$187,849 million to investment projects, with 79% corresponding to investments in Chile.

Ten years ago, CCU set itself 2020 as the deadline to achieve the objectives of its environmental commitment. The company fulfilled its goals by far in two cases, and the following progresses were recorded as compared to 2010:

- 35.7% reduction in greenhouse gas emissions per liter produced (goal: 20%);
- 48.6% reduction in water consumption per liter produced (goal: 33%); and
- 99.4% valuation of solid industrial waste (goal:100%).

The 2030 Environmental Vision strategy launched in 2019 comprises three new areas of action with the following goals: reduce water consumption by 60%; lower greenhouse effect gas emissions by 50%; reach 100% valuation of solid industrial waste; 75% of energy usage with renewable energies; 100% of packaging and containers must be reusable, recyclable, or compostable, and on average they should contain 50% of recycled material.

MARKET SHARE

BY OPERATING SEGMENTS	2020
Total(1)	29.8%
Chile(2)	45.2%
International Business(3)	17.7%
Wine(4)	18.9%

(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 (February 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 and flavored 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; it does not include bulk wine.

2020 HIGHLIGHTS

Implementation of a regional crisis management plan to ensure the continuity of its operations.

Compliance with 2020 Environmental Vision plan.

Ch$122,787 million in investments materialized.

CCU is included in the Dow Jones Sustainability Index for the third consecutive year, and in the MILA Pacific Alliance for the second consecutive year.

CCU joins a new category through the launching of the first Hard Seltzer in Chile.

In 2020, CCU was included in the Dow Jones Sustainability Chile Index and the Dow Jones Sustainability MILA Pacific Alliance Index, for the third and second time, respectively. The company ranked first among beverage companies in Chile in the Merco Empresas corporate reputation study thanks to its good performance in sustainability; and for the second consecutive year, CCU was included in the ranking of the Most Innovative Companies 2020, where it stood out in the holding category; its subsidiaries CCU Chile, CPCh and Viña San Pedro Tarapacá ranked first in the beverage, juices and beer, liquors, and wine categories, respectively.

RESPONSE TO COVID-19

CCU implemented a regional plan in the six countries where it operates, which enabled it to protect collaborators and their families; provide continuity to the supply chain and ensure the company's financial sustainability.

Main measures

- Epidemiological advisory provided by external experts.
- Application of seven corporate protocols at the work centers.
- Constant delivery of information on preventative measures to our collaborators.
- Remote work whenever possible.
- Community support initiatives:
  In Chile: donation of 50,000 liters of Alcohol Gel CCU and 60,000 liters of Alcohol-based hand sanitizers produced from alcohol used in the beer dealcoholization and pisco distillation processes, along with the donation of 160,000 face shields made from PET preform molds.

  In Argentina: donation of 100,000 kilos of food to more than 10,000 vulnerable families; aid to the health care system through the delivery of 40 hospital beds and 1,000 PPEs, and in a joint effort with other companies, donation of 50,000 units of alcohol gel dispensers to the Red Cross.

  In Uruguay, Paraguay, and Bolivia: delivery of CCU products to social institutions.

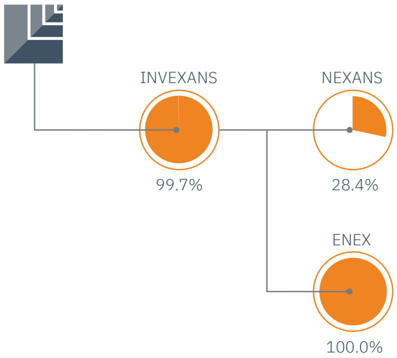
  Viña San Pedro Tarapacá: street sanitization, and contribution of its laboratory capacity to strengthen virus detection in Chile.

  CCU and Central Cervecera de Colombia: jointly arranged a humanitarian flight for Chilean and Colombian citizens who wanted to return to their home countries in the middle of the sanitary emergency.

- Special campaigns:
  Almacén Seguro: delivery of sanitary protection kits to small businesses (including 60,000 face shields).
  "Yo Invito" and "Tu Mesa": applications to facilitate the reopening of bars and restaurants.
  "Fuerza para nuestros Héroes": campaign conducted by CCU and its strategic partners (Carozzi, Nestlé, PepsiCo, and Watt's), whereby they delivered more than 45,000 meals to public health care workers.

NEXANS DECIDED TO FOCUS ITS BUSINESS ON CABLE MANUFACTURING FOR SUSTAINABLE ELECTRIFICATION, DELIVERING COMPREHENSIVE SOLUTIONS THROUGHOUT THE ELECTRIFICATION VALUE CHAIN: POWER GENERATION, TRANSMISSION, DISTRIBUTION, AND USAGE.

Invexans



INVEXANS S.A.

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

ENEX

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

NEXANS

- French multinational founded in 1897
- Listed on Euronext Paris
- One of the main players in the global cable industry
- Operations in 38 countries
- Total headcount 24,248 people
- Market capitalization of US$3.2 billion

Invexans' purpose is to create 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.

After merging with its parent company Inversiones Río Argenta S.A. in 2020, Invexans added Enex to its investment portfolio. Enex is a fuel distributor and operator of convenience stores, with presence in Chile, where it is licensee of the Shell brand, in the United States, and Paraguay (see page 42 of this annual report).

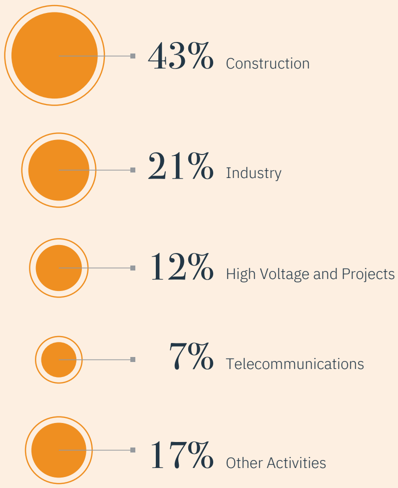
Through its subsidiary in the United Kingdom, Invexans is the main shareholder of Nexans, one of the largest cable producers worldwide. As of December 31, 2020, Invexans owns 28.4% of Nexans, company listed on Euronext Paris. Quiñenco, parent company of Invexans, adds another 0.5% owned by Tech Pack S.A., whereby the groups holds an ownership interest of 28.9%.

Considering the closing price, the market value of Invexans' investment in Nexans grew from US$604 million in 2019 to US$901 million in 2020.

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. The Board members designated by Invexans Limited are actively involved in all of Nexans directors' committees: Compensations, Designations and Corporate Governance Committee; Strategy and Sustainable Development Committee; and Accounting, Auditing and Risk Committee.

CONTRIBUTION TO CONSOLIDATED REVENUES

(Total 2020: €5,713 million)*



(*) at constant non-ferrous metal prices

NEXANS' BUSINESS AREAS

Construction

- Supply of power cables to the construction and restoration businesses, through intermediaries or directly with end clients.
- Cables for power distribution.

Industry

- Wiring and power connectivity solutions, data transmission and automation for clients engaged in natural resource businesses (mining, renewable energies, oil, and gas), transport (aerospace, railways, shipbuilding) and automotive, among others.

High-Voltage and Projects

- High-voltage cable solutions, linking generation and consumption points.
- Manufacturing and installation of subsea and land transmission cables.

Telecommunications

- Cables for the telecommunications industry.
- Cables and components for data transmission systems and networks.

NEXANS

Nexans provides a great variety of power and data transmission products. The company employs over 24 thousand people in its production facilities across 38 countries to deliver solutions and services throughout the value chain, in four main business areas.

The company has recently announced its intention to specialize in the production of cables for sustainable electrification worldwide. Nexans is backed by its 120-year experience as supplier of solutions for this industry and aims at leading the transition towards a cleaner energy production. Nexans will focus its efforts on providing comprehensive solutions, including software throughout the electrification value chain: power generation, transmission, distribution, and usage.

More than 800 electrification experts work for Nexans, and the company has invested nearly €100 million in innovation, research, and development in this area.

In 2020 Nexans' sales were €5,979 million, an 8.6% organic drop due to the impact of the pandemic and its derived restrictions. However, it recorded positive results during the year, reversing the losses reported in 2019.

The Construction segment was strongly affected by the lockdown measures imposed in most countries as a result of COVID-19. The High-Voltage and Projects segment was not significantly affected by the pandemic; on the contrary, it benefited from the good execution of high-voltage submarine projects. The Telecommunications segment was significantly hit by the pandemic, along with the Industry area, although in this case the energy sector offset the poor results with greater sales of its wind turbines, which grew by 17% over the period.

Nexans' financial position improved considerably in 2020. The company's net financial debt decreased by nearly €300 million, closing the year at €179 million, its lowest level in ten years.

In its Climate Day event held in September 2020, Nexans announced its aim for carbon neutrality by 2030. The company has laid out a roadmap through which it hopes to achieve this target through the following actions: 100% of its production sites certified ISO 14001; 4.2% average annual reduction of company greenhouse gas emissions; 100% of production waste to be recycled and 100% of Nexans cable drums to be connected using IoT technologies to optimize their use; automobile fleet to switch to either hybrid or electric vehicles; and use of renewable energy or the purchase of decarbonized energy for all locations.

Among the contracts subscribed by Nexans in 2020, we may highlight the following:

Nexans Solar Technologies (NST)
Over 800 solar trackers will be installed at Reden's next four solar parks in the southwest of France. KEYLIOS® solar tracker is a device that helps to properly orient the panels. This is the first product developed by NST, an internal Nexans' startup that aims to offer value-added products and services to key players in the sector, notably power producers and investors.

Seagreen wind farm
Nexans has been awarded a major turnkey contract by SSE Renewables to manufacture and install high voltage onshore and offshore export cables for Phase 1 of the Seagreen offshore wind farm project. When completed, Seagreen will be Scotland's largest wind farm to supply energy to over 1,000,000 households. Aurora, Nexans' brand-new cable laying vessel with a capacity of 10,000 tons, a divided turntable, and a design especially suitable for adverse climate conditions, will install the cables

2020 HIGHLIGHTS

Invexans
Invexans adds Enex to its investment portfolio.

Nexans
Operational continuity during the sanitary crisis.

New contracts for the supply of electrification cables.

Nexans focuses on the electrification business.

Lowest net debt in the last ten years.

Nexans reinforces its commitment to achieve carbon neutrality by 2030.

for the Seagreen offshore windfarm project.

Chicago Electric Grid
Nexans will provide AMSC a superconducting wire for the Resilient Electric Grid (REG) in Chicago. Its purpose is to protect the power grid from adverse climate conditions and natural disasters.

Cables for Paris' railway network
Nexans has secured a two-year agreement with RATP for the supply of nearly 5,000 km of specialized railway cables, used to renovate metro and tram lines in Paris. This is a fully integrated service that includes recycling systems.

RESPONSE TO COVID-19

During the pandemic outbreak, Nexans adopted measures to adapt the organization to the new safety and health standards, mitigating the financial impacts to preserve liquidity and accelerate the deployment of the"New Nexans" transformation plan, while maintaining the continuity of the operations.

Nexans' Executive Committee promptly implemented a management plan for this crisis, founded on five pillars:

- Workforce protection
- Supply chain and production continuity
- Customer commitment
- Preserving the company's liquidity
- Strengthening the relationship with external stakeholders

The mitigation measures were set up across all units with strict internal control processes, preventative actions, employees' commitment, and support from the unions. As the pandemic lengthened and the governments imposed more restrictive measures, the demand decreased over the first semester of 2020, adversely affecting Nexans' activities, with the exception of the High-Voltage and Projects segment, but then started to recover gradually during the second half of the year.

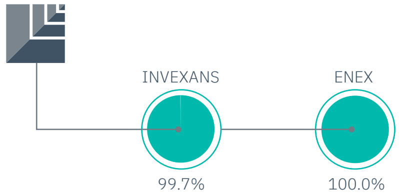
Despite these difficult times, Nexans maintained its production continuity though the crisis. In 2020 Nexans did not experience shortage of raw materials, neither of copper nor aluminum.

By embracing the opportunity to accelerate the Transformation Plan, all teams were able to reduce costs and achieve savings of €90 million in 2020.

INVEXANS

ALONG WITH IMPLEMENTING ALL THE SAFETY MEASURES TO PROTECT ITS WORKFORCE AND THUS CONTINUE SUPPLYING FUEL THROUGHOUT CHILE, ENEX WAS ABLE TO GO FORWARD WITH ITS INTERNATIONAL EXPANSION PLAN, INAUGURATING NEW SERVICE STATIONS IN PARAGUAY AND THE UNITED STATES.

Enex



ENEX

- UK-based parent company, with operations in Chile, United States and Paraguay
- Second largest fuel and lubricant distributor in Chile
- Network of 446 service stations operating under Shell license in Chile
- Network of 175 convenience stores operated under own brands in Chile
- Network of 41 travel centers in the United States, through Road Ranger
- Network of 59 Enex service stations in Paraguay
- Network of 13 EV charging stations in Chile
- 3,423 employees

Enex is a fuel distributor and operator of convenience stores, with its parent company based in London and operations in Chile, where it is Shell's license holder, in the United States and Paraguay.

In Chile, Enex is the second largest fuel distributor with a market share of 21.5% of the total dispatched fuel volumes in 2020, and a 26.2% share of gasoline in the service station segment. 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.

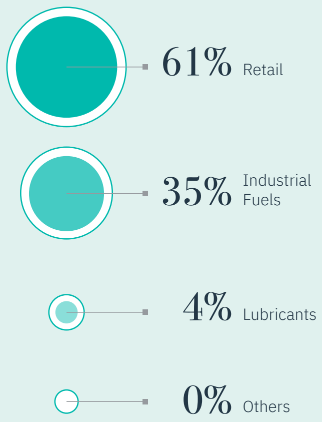
Enex also holds a stake in the property of 14 fuel storage plants along with other industry operators, and owns a maritime terminal close to the Ventanas Port, Valparaíso region, with close to 82,000 m^3 of storage capacity. It owns a 33.3% share of Sociedad de Inversiones de Aviación (SIAV), company that provides aviation fuel storage services at the Santiago international airport; 50% of Asfaltos Conosur S.A., operator of asphalt storage and dispatch terminals located in Puchuncaví and Mejillones, and 20% of DASA, a company that operates an asphalt storage and dispatch plant at Refinería de Petróleos Aconcagua, in Concón.

In the United States, it operates Road Ranger, the fourth largest travel center network in that country. In Paraguay it is establishing its Enex service station network and, since 2020, convenience stores with the brand upa!

In order to boost its internationalization strategy the company conducted a reorganization through which Enex became a subsidiary of Invexans in April 2020. Additionally, its corporate structure was modified, establishing its parent company (Enex Corp) in London, United Kingdom, and subsidiaries in the countries where it operates.

REVENUE DISTRIBUTION

(Total 2020: MCh$2,111,199)



BUSINESS AREAS

Retail: service stations and travel centers

- Retail fuel distribution in Chile, under the Shell license.
- Retail fuel distribution to car and truck drivers in the United States through the Road Ranger travel center network.
- Retail fuel distribution under the Enex brand in Paraguay.
- 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 restrooms and showers, video gaming terminals, and truck scales across the Road Ranger network.

Industrial Fuels

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

Lubricants

- Exclusive distributor of Shell lubricants in Chile.
- Distributor of automotive parts.

Other segments

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

ANNUAL PERFORMANCE

In all its business activities, Enex seeks to ensure an outstanding customer experience. Its strategy is based on three pillars: Customer focus, Innovation, and Sustainable Profitability.

Chile

In 2020, Enex intensified its advances in self-service gas stations, strongly developed digital communication channels, expanded its home delivery business, and continued to strengthen its distribution network, which already features 446 service stations, to offer electromobility solutions. At the closing of 2020, Enex has 13 EV charging points at service stations from Valparaíso to Biobío. The company set up an area specialized in implementing electromobility in 2019, and is already developing comprehensive solutions for industrial clients, combining the diesel fuel offer with electric energy for their fleet.

The company forms part of the Agrupación de Movilidad Eléctrica de Chile (Amech), and since January 2021, it is also part of H_2 Chile (Asociación Chilena del Hidrógeno), agency that convenes public, private, and academic entities interested in the use of hydrogen as an energy driver. H_2 Chile's purpose is to accelerate energy transition and position Chile as one of the leading countries in green hydrogen production and export.

In 2020, Enex entered the Liquefied Petroleum Gas (LPG) business delivering energy consultancy, as well as project design and evaluation. This service is provided, initially, in the Metropolitan, Biobío, Ñuble and Magallanes regions, and its main clients are hotels, restaurants, casinos, and industrial businesses that use LPG in their processes that require water and air at high temperatures.

United States

By the end of 2020, Enex owned 41 travel centers in the United States after the inauguration in November of a new sales point in Marion, Illinois. With this, seven states from Texas to Wisconsin are now connected by the Road Ranger network.

When Enex purchased Road Ranger in November 2018, the chain owned 38 sites in two separate areas: one in the north, in the Midwest region (Illinois, Iowa, Indiana, Wisconsin, and Missouri) and the other in the south, in Texas. Between 2019 and 2020, the company built another three travel centers connecting both areas to provide better coverage of the transport routes. The first store, which opened in November 2019 is located in New Boston, Texas; the second, inaugurated in June 2020, is located in Brinkeley, Arkansas, in addition to the one located in Marion, Illinois.

The travel center service concept is mainly based on providing services to clients driving on the highways, especially trucks. These stations offer a wide variety of products and services such as showers or laundry service, cafeteria, and food franchises (Subway and Wendy´s, among others). During 2020, Road Ranger implemented Amazon Hub Lockers for package pickup and returns in 30 travel centers.

Enex has identified a portfolio of over 30 high-flow growth opportunity sites, which it intends to develop within the next five years. As of the closing of 2020, it had invested nearly US$45 million after its entry to this market.

Paraguay

Enex started its operations in Paraguay in 2019 through the purchase of a 50% stake in Gasur (currently Enex Paraguay), which owns a network of over 50 service stations and convenience stores.

2020 HIGHLIGHTS

Enex establishes its parent company in London to leverage its international expansion.

Continuity of operations during the pandemic.

Enex joins the Asociación Chilena del Hidrógeno.

Inauguration of three travel centers in the United States, allowing Enex to connect seven states in that country.

Inauguration of 10 service stations under the Enex brand in Paraguay.

Establishment of the first upa! store in Paraguay.

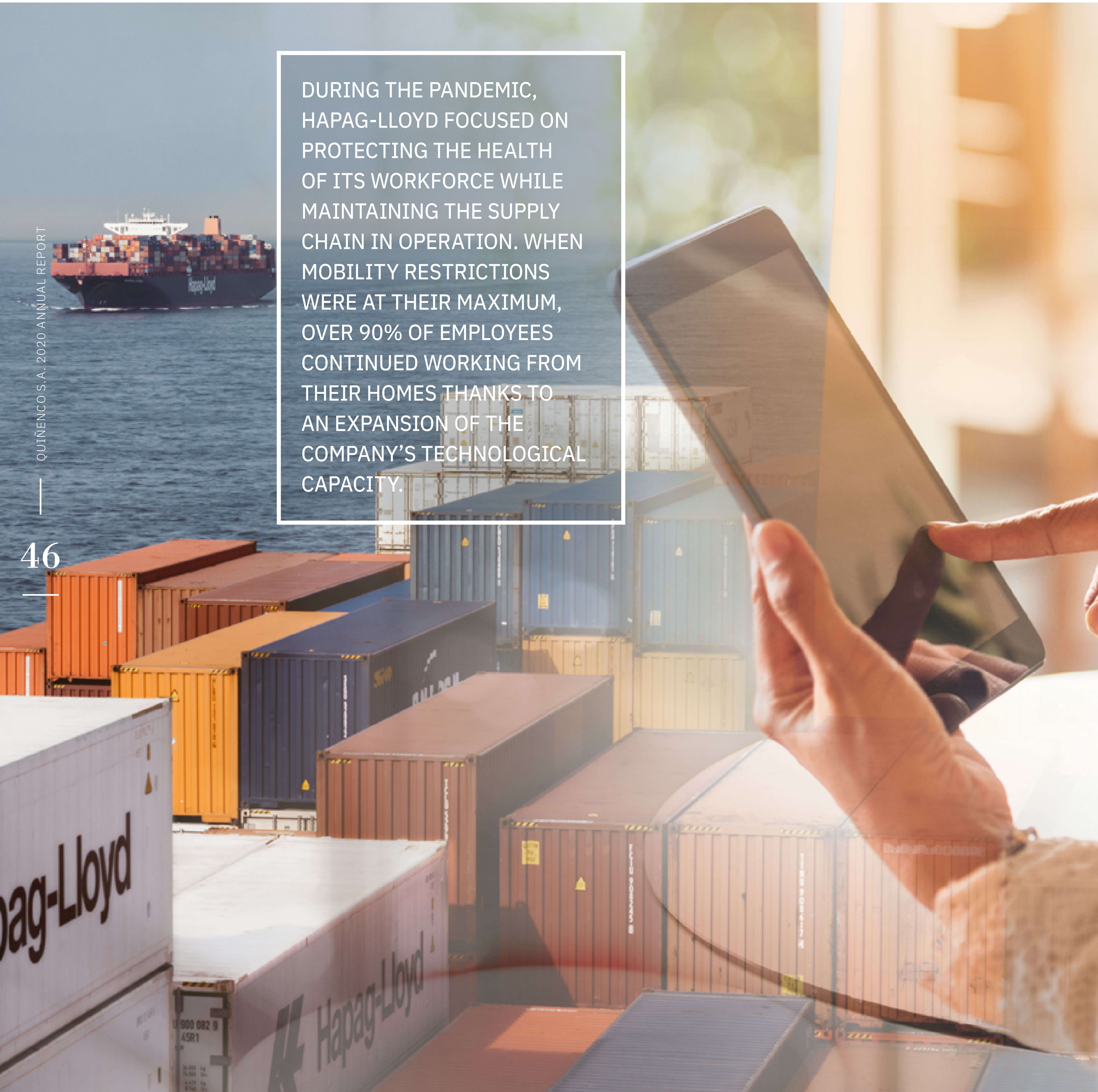
In 2020, Enex Paraguay completed the construction of 10 new service stations and the remodeling of some of the existing ones, with an investment of approximately US$12 million. In Asunción, it built the first service station with the Enex brand, in association with an upa! store. Both replicate the concept of the chain in Chile, adapting it to local reality. These investments represent the start of the company's development plan, which it expects to accelerate within the coming years.

RESPONSE TO COVID-19

Enex's two main priorities during the pandemic were the following: people´s health and ensuring operational continuity. The latter, due to its fundamental role in the operation of the logistic chain and the productive system of the markets where it operates.

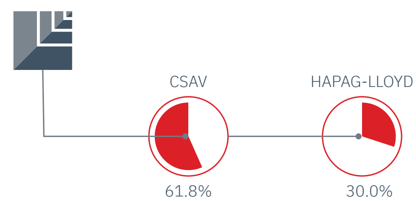
Main measures

- Campaign to support collaborators who had to continue working onsite.
- Adjustment of the shifts to prevent exposure among people from different teams.
- Readjustment of collaborators' means of transport to reduce the risk of infection.
- Automatization of processes, such as the drivers' tax documentation to prevent them from entering the office.
- Adjustment of in-store product assortment, incorporating sanitary products, food, and groceries.
- Financial sustainability program to preserve the company's liquidity.



DURING THE PANDEMIC, HAPAG-LLOYD FOCUSED ON PROTECTING THE HEALTH OF ITS WORKFORCE WHILE MAINTAINING THE SUPPLY CHAIN IN OPERATION. WHEN MOBILITY RESTRICTIONS WERE AT THEIR MAXIMUM, OVER 90% OF EMPLOYEES CONTINUED WORKING FROM THEIR HOMES THANKS TO AN EXPANSION OF THE COMPANY'S TECHNOLOGICAL CAPACITY.

CSAV



COMPAÑÍA SUD AMERICANA DE VAPORES

- Founded in 1872
- Listed on the Santiago Stock Exchange since 1893
- Market capitalization: US$2.1 billion at the closing of 2020
- One of the largest shareholders of the German shipping company Hapag-Lloyd

HAPAG-LLOYD

- Founded in 1847
- Main member of THE Alliance
- Market capitalization as of December 2020: US$19.8 billion
- 13,117 employees
- 30,400 clients worldwide

Compañía Sud Americana de Vapores S.A. (CSAV) is one of the largest shareholders of Hapag-Lloyd AG (Hapag-Lloyd), the fifth largest container ship liner globally. It owns a fleet of 237 container ships, a portfolio of 122 regular cargo services and a highly diversified and balanced logistic network operating in 129 countries and in the main transport routes worldwide.

CSAV owns 30% of Hapag-Lloyd's shares as of December 31, 2020, and forms part of the shareholders' agreement that controls approximately 74% of Hapag-Lloyd's ownership.

This investment is classified in its financial statements as a joint venture, considering the significant influence and the joint control of this German shipping company, which merged its container ship business with CSAV's in 2014.

At the closing of 2020, CSAV's investment in Hapag-Lloyd accounts for 90.19% of the company's consolidated assets, as it discontinued its car carrier services to focus on its main business.

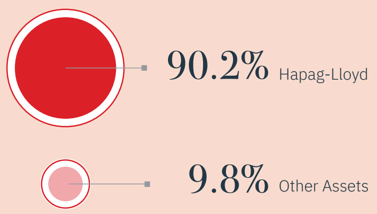
Hapag-Lloyd is one of the main members of THE Alliance, one of the largest operational alliances of the shipping industry. In 2020, the three largest global alliances, including THE Alliance, concentrated more than 90% of the world's container cargo capacity on the east-west routes.

Hapag-Lloyd has one of the most modern, ecological, and efficient fleets in the industry. It owns 61% of its fleet and the average size of its ships exceeds by 14% the average size of the 10 largest global operators.

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.

SHARE IN TOTAL ASSETS

(Total 2020: MUS$3,036)



BUSINESS AREAS

Container shipping

- Developed through Hapag-Lloyd.
- 237 ships with a total transport capacity of 1.7 million TEU.
- Presence in 129 countries with 395 offices.
- 122 liner services in five continents.
- 11.8 million TEU transported in 2020.

ANNUAL PERFORMANCE

In 2020 CSAV concluded the process to increase its stake in Hapag-Lloyd, which had started in 2019, after achieving its target share of 30%. The company increased its capital by US$350 million to finance the purchase of shares. Quiñenco participated in the process by subscribing US$219 million in total, which resulted in an ownership stake of 61.8% in the company.

In order to meet its objective of distributing dividends to its shareholders, after securing enough subscribed and paid-in capital, in its extraordinary session of May 19, 2020, CSAV's Shareholders' Meeting approved a capital reduction through the absorption of all accumulated losses as of December 31, 2019, of US$1,229 million.

In 2020, CSAV obtained profits of US$222 million, which will allow it to distribute dividends again. This is the second highest result obtained by the company after its merger with the German shipping company Hapag-Lloyd, and responds to the good performance of the container shipping business of said company, which in turn achieved its highest profits since 2010 with net income of US$1,058 million, significantly up from 2019. In addition, the cash flow from operations enabled CSAV to reduce its financial debt over the period.

During the last year, Hapag-Lloyd continued to implement its 2023 Strategy, started in 2018 with the aim of becoming a leading company in service quality, differentiating itself by its customer orientation; maintaining a relevant position globally, especially in niche and expanding markets; and increasing the profitability of its operations through advances in digitalization and automation, and its transformation into a more agile organization.

In December 2020, Hapag-Lloyd signed a contract with a Korean shipyard for six ultra large container vessels, with a carrying capacity of more than 23,500 TEU each, which will be delivered between April and December 2023. The vessels will be deployed on one of its main routes (Asia-Europe) and they will be equipped with high pressure dual fuel engines operating on LNG and alternatively on conventional fuel. The investment for the acquisition of the six vessels is approximately US$1 billion.

Starting January 1, 2020, the new IMO 2020 standard came into force, the biggest environmental transformation carried out by shipping companies. This regulation resulted from the International Convention for the Prevention of Pollution from Ships (MARPOL) and was issued by the International Maritime Organization (IMO). This policy establishes a limit on the sulphur content of fuels, entailing a 77% global reduction in sulphur emissions, equivalent to 8.5 million metric tons of sulphur. At the time this new international regulation was implemented, there were three alternatives to comply: use of fuel with a lower sulphur content, Liquefied Natural Gas (LNG) as fuel, and the installation of exhaust gas scrubbers.

Hapag-Lloyd opted for the new fuel, but started a pilot project in 2020 to convert its vessel "Brussels Express" (formerly "Sajir") to LNG. Thus, Hapag-Lloyd will be the first shipping company to convert such a large container ship to LNG. Hapag-Lloyd owns other 16 ships with an individual capacity of 15,000 TEU, which, like "Brussels Express", were obtained after its merger with UASC and could be reconverted to this alternative fuel. LNG has the potential to significantly reduce carbon dioxide emissions, in addition to decreasing the emission of sulphur dioxide, nitrogen oxide and fine particles.

2020 HIGHLIGHTS

CSAV

CSAV reaches a 30% stake in Hapag-Lloyd.

US$350 million capital increase to refinance investment in Hapag-Lloyd shares.

Absorption of accumulated losses of US$1,229 million.

Dividend distribution for the 2020 earnings period.

Car carrier operations are shut down.

Hapag-Lloyd

Hapag-Lloyd signed a contract for the construction of six 23,500 TEU container vessels.

Commencement of a pilot program for the use of LNG as fuel, being the first in the industry.

Operational continuity during the pandemic.

RESPONSE TO COVID-19

The shipping industry underwent an abrupt and significant reduction in demand during the second quarter of 2020, resulting from the Covid-19 pandemic, and a similarly sharp recovery over the second half of the year.

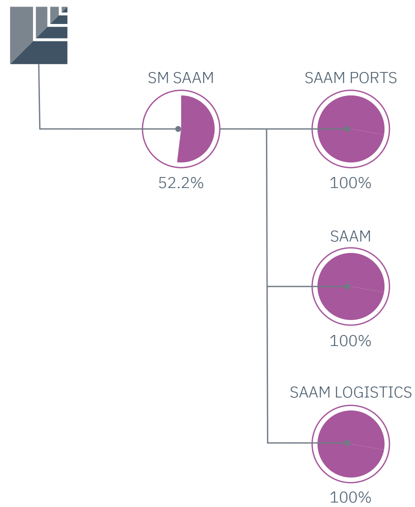
The measures implemented in virtually all countries to contain the virus made it difficult to provide continued operations. Hapag-Lloyd reacted to the crisis at an early stage and established a Crisis Management Committee led by the Board of Directors, which met regularly since March 2020. To ensure the collaborators' safety and the stability of its business operations, both onshore and offshore, the company elaborated operational continuity plans and redoubled onboard safety measures. In addition, the company drafted a Performance Protection Program to handle the financial effects of the contingency. This program generated more than 1,700 measures related to cost-savings, service restructuring, investment review measures and increased liquidity for the company.

At the time of peak mobility restrictions, over 90% of Hapag-Lloyd's office workers were working remotely thanks to its increased technological capacity.

CSAV
Compañía Sud Americana de Vapores S.A.

IN SPITE OF THE COMPLEX SCENARIO, SM SAAM COMPLETED A SUCCESSFUL INTEGRATION OF TUG BOAT OPERATIONS IN BRAZIL, MEXICO, PANAMA, AND CANADA, CONSOLIDATING SAAM TOWAGE'S REGIONAL LEADERSHIP WITH A UNIQUE COVERAGE IN AMERICA AND AN ATTRACTIVE POSITION TO CONTINUE GROWING.

SM SAAM



SOCIEDAD MATRIZ SAAM S.A.

- Multinational company based in Chile, founded in 1961
- Largest tug boat operator in the Americas and one of the global leaders
- Fifth largest port operator in South America
- Market capitalization: US$770 million as of December 2020
- 5,196 employees

SM SAAM is a multinational company based in Chile, offering a wide network of services to foreign trade, with presence in eleven countries, covering from Prince Rupert, in Canada, to the Patagonia in Chile. 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 25,000 vessels annually and its presence in nine countries. 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). 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.

ANNUAL PERFORMANCE

The shift to the new operational model, which began in 2018, gave SAAM a high degree of resilience to the COVID-19 pandemic. The focus on simplifying its corporate structure granted a greater connection between the parent company and its business units when facing the contingency. In addition, the centralization of certain key activities, such as procurement, enabled SAAM to quicky implement measures for protection and prevention at its 24 sites. Progress towards a culture of excellence was apparent in the strict application of health protocols, the ability to manage new risks, and continue moving forward with long-term plans, while ensuring operational continuity.

The benefits of this transformation are reflected in an 83% aggregate growth of EBITDA between 2017 and 2020, and the achievement of a 37% EBITDA margin in 2020.

SAAM's capacity to generate revenues from a more efficient operation enabled it to capture inorganic growth

BUSINESS UNITS

Tug boats
(SAAM Towage)

- Leader in tug boat services in the continent.
- 153 tug boats.
- Services in 69 ports and nine countries.
- +25,000 vessels served annually.
- 84% of azimuth-type vessels (can rotate 360° round a vertical axis).
- Services:
  Port towage: docking and undocking of vessels, salvage assistance, assistance to pilots in at-port maneuvers, security guard services for vessels at port or tour, and the supply and transport of basic supplies for vessels.
  Maritime services for terminals: positioning and mooring of oil and gas platforms, assistance in oil & gas transfer operations and Tanker escort services.
  Special services: bay and ocean tug boats, barge assistance and maritime salvage.

Port Terminals
(SAAM Ports)

- Management and ownership stake in 10 port terminals in six countries.
- 33.6 million tons of cargo transferred in 2020.
- 3 million TEU of containerized cargo transferred.
- Services:
  Wharfage: use of the berth front infrastructure and ancillary facilities.
  Transfer: group of activities associated with cargo loading and unloading.
  Terminal logistics: storage of import, export, or other cargo inside the berth facility; reefer container services; services for empty containers; supplementary logistic services; container consolidation and deconsolidation and cargo clearance and inspections.

Logistics
SAAM Logistics

- Main operator of bonded warehouses in Chile.
- 96,100 m2 of warehouses suited to accommodate different types of cargo.
- Bonded warehouse services to more than 47,000 containers in 2020.

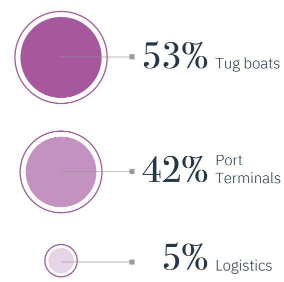
Aerosan

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

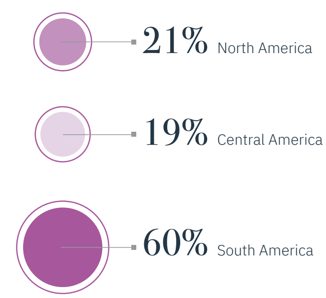
DISTRIBUTION OF EBITDA*

(Total 2020: US$213 million)

By business area



By market



** Corresponds to EBITDA at a consolidated level.*
The calculation of percentages excludes EBITDA from the corporate area.

opportunities in business areas where there is a clear tendency toward industry consolidation.

On October 28, 2020, through SAAM Logistics S.A., the company completed the purchase of the shares held by American Airlines Inc. in Aerosan Airport Services S.A., Servicios Aeroportuarios Aerosan S.A. and Servicios Logísticos S.A., in US$32 million, corresponding to 50% of the share capital of each company. As a result of this transaction, SAAM reached 100% ownership in these companies which altogether compose Aerosan.

Aerosan operates in eight airports in Chile, Colombia and Ecuador, and recorded sales of US$52 million in 2020. Airport concessions and long-term contracts have placed it in a privileged position in the industry to be leveraged by SAAM by incorporating it to its operational model.

In the tug boat business, SAAM consolidated its leading position in America through the integration of the joint operations with SMIT Boskalis after acquiring the latter's stake in 2019, and the acquisition of a 70% ownership stake in Intertug, the largest tug boat operator in Colombia, finalized on January 29, 2021, with an investment of US$49.7 million. Intertug has 25-years' experience in the industry and operates 23 ships in seven port terminals of three countries. Through this acquisition, SAAM Towage enters Colombia and expands its presence in the ports of Mexico and Central America.

In the Port Terminals Division, on December 29, 2020, San Antonio Terminal Internacional (STI) and Puerto San Antonio (EPSA) signed a modification of the concession contract to develop a new investment plan of US$46 million, which upon completion will enable the extension of STI's concession until 2030. The project works will increase STI's capacity by nearly 30%, taking it to approximately 1.6 million TEU/year.

To finance part of these investments and optimize its capital cost structure, SAAM issued bonds for US$92.6 million during the year. The bonds were placed in favorable terms thanks to the company's sound position, as confirmed by the AA- solvency rating with stable perspectives granted by the risk rating agencies Humpreys and Feller Rate.

In 2020, SAAM was selected to join the Dow Jones Sustainability Chile Index (DJSI Chile) and the S&P MILA

2020 HIGHLIGHTS

Operational continuity, protecting the lives of our employees through comprehensive crisis management and communication campaigns extended to the families.

Purchase of the remaining 50% stake in Servicios Aeroportuarios Aerosan for US$32 million.

Agreement to purchase a 70% ownership stake in the Colombian towing company Intertug (transaction finalized in January 2021).

Issue of two corporate bonds for a total of US$92.6 million.

Signature of an agreement to extend STI's concession contract until 2030, associated with a port expansion plan requiring investments of US$46.6 million.

SAAM was selected to join the DJSI Chile and DJSI MILA sustainability indices for the fifth and third consecutive year, respectively.

Pacific Alliance Select for the fifth and third consecutive year, respectively. During the assessment phase involved in building these indicators, the company showed significant progress in environmental and social aspects against the previous year and its results were 52% above the average for the global transport and infrastructure industry.

RESPONSE TO COVID-19

SM SAAM established three main pillars for its Covid-19 pandemic crisis management.

1. Focus on the health, safety, and welfare of its employees

- Communication and self-care campaigns addressed to the workers and their families.
- Modification of arrival and departure hours for employees working in operational areas.
- Implementation of COVID Monitors: peers, executives or third parties charged with confirming the compliance of sanitary measures onsite.
- Emotional support for the crew.
- Implementation of a telemedicine platform.
- Delivery of additional protection elements, sanitization of equipment and facilities.

2. Ensuring a safe operational continuity

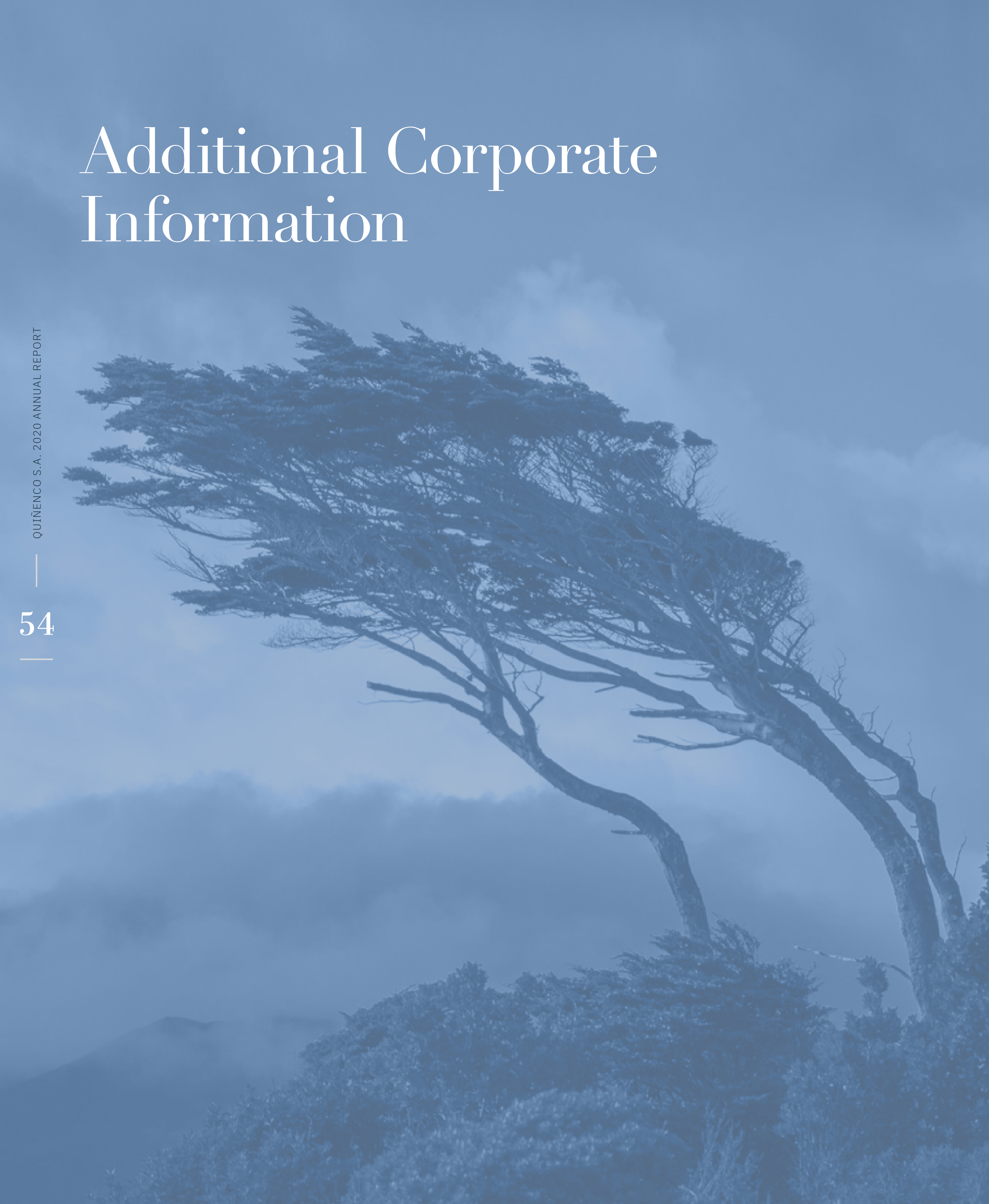
- Commitment with keeping the conditions required to ensure the regular foreign trade and supply chain operations.
- Agreement with the tug boat crews to modify the boarding schedules.
- Implementation and delivery of technological tools that facilitate maintaining communications and performing jobs.
- Acceleration of process digitalization.

3. Financial resilience

- Further development of the operational model with new efficiency measures.
- Actions to control the company's liquidity.
- Prioritization of investments.

SM SAAM

Additional Corporate Information



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.

GENERAL INFORMATION

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Enrique Foster Sur 20, 14th floor
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Santiago, Chile
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Website: www.quinenco.cl

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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

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 makes a Public Share offering on the New York and Santiago stock exchanges, raising US$279 million.
- 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 de 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%, 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 a 98.98% ownership stake 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 the 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 follow-up of international investments. All of Nexans' shares held by Invexans, equivalent to an ownership stake of 28%, were 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 this obligation 17 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

- SM SAAM announces agreement to purchase 70% of Intertug Colombia, which owns tug boat operations in Colombia, Mexico and Central America. The transaction amounted to US$49.7 million and was finalized in early 2021.
- 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.

HEADCOUNT OF QUIÑENCO AND SUBSIDIARIES AS OF DECEMBER 31, 2020

COMPANY	CHILE			ABROAD			TOTAL
	MANAGERS AND MAIN EXECUTIVES	PROFESSIONAL AND TECHNICAL STAFF	OTHER WORKERS	MANAGERS AND MAIN EXECUTIVES	PROFESIONAL AND TECHNICAL STAFF	OTHER WORKERS	
Quiñenco	14	31	24	-	-	-	69
LQIF and subsidiaries	736	7,865	4,537	1	-	-	13,139
Invexans and subsidiaries	16	759	1,962	13	37	641	3,428
Techpack and subsidiaries	2	5	-	-	-	-	7
CSAV and subsidiaries	2	11	2	-	-	-	15
SM SAAM and subsidiaries	31	673	823	76	1,411	2,182	5,196
Other subsidiaries	2	3	15	-	-	-	20
Total	**803**	**9,347**	**7,363**	**90**	**1,448**	**2,823**	**21,874**

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, 2020:

GENDER	MEN	WOMEN
Board of Directors	7	1
Managers	7	1
Organization	47	22

NATIONALITY	CHILEAN	FOREIGN
Board of Directors	8	-
Managers	8	-
Organization	67	2

AGE	UNDER 30	30 - 40	41 - 50	51 - 60	61 - 70	OVER 70
Board of Directors	-	1	1	2	2	2
Managers	-	-	3	3	2	-
Organization	3	18	12	15	20	1

SENIORITY	LESS THAN 3 YEARS	FROM 3 – 6 YEARS	MORE THAN 6 AND LESS THAN 9 YEARS	FROM 9 TO 12 YEARS	MORE THAN 12 YEARS
Board of Directors	2	1	1	-	4
Managers	1	4	-	-	3
Organization	9	25	2	8	25

SALARY GAP

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

	AVERAGE GROSS SALARY OF WOMEN / AVERAGE GROSS SALARY OF MEN (%)
Executives	100%
Workers	112%

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 or 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 mostly develops 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 contracted 5.8% 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 operation 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 and export to Argentina, Colombia, Peru and other countries in Latin 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 that the Company operates in.

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. To this date, Quiñenco and its subsidiaries have adopted measures to protect the health of their employees and the continuity of the operations.

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 produced 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 container shipping business, potential imbalances between supply and demand, as has occurred in the container transport sector, which is reflected in an installed capacity that surpasses global demand, may generate volatility in rates. 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.

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 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 halt Quiñenco's ability to expand existing businesses or enter into additional businesses, and it 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. 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, for a two-year period 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 to it:

- 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 on these three occasions. Due to the vacancy produced by the passing of the director Mr. Gonzalo Menéndez Duque, the Committee appointed Mr. Fernando Cañas Berkowicz in his replacement on July 4, 2019, who remained in this position until April 30, 2020.

The members of the Committee received the following payments during 2020, with the respective comparison to the previous year:

In 2020, the directors Hernán Büchi Buc, Matko Koljatic Maroevic and Fernando Cañas received the following payments for services rendered on the Directors' Committee: ThCh$41,002, ThCh$41,099 and ThCh$19,021 (ThCh$46,552, ThCh$46,649, and ThCh$4,207 in 2019), respectively. The director, Ms. Carolina García de la Huerta Aguirre received ThCh$5,752 for the same concept in 2020.

The Committee met ten times in 2020. The meetings were attended by the CEO, Francisco Pérez Mackenna, the CFO, Luis Fernando Antúnez Bories. The Chief Counsel, Rodrigo Hinzpeter Kirberg acted as the Holding Secretary of the Committee.

In 2020, 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. In session No. 164 held on February 27, 2020, it examined the background information relating to the renewal of two loans granted to the subsidiary Compañía Sudamericana de Vapores S.A., one for US$30 million and the other for US$300 million, solely with respect to the maturity dates, until a capital increase was completed for said subsidiary, with the purpose precisely of adjusting its indebtedness level with Quiñenco S.A., and no later than December 2020, with respect to which it issued a favorable report to the Company's Board of Directors.

2. In session No. 165 of March 5, 2020, it examined a report prepared by the external auditors EY Audit SpA regarding the price assessment and analysis of the financial investment portfolios held by Quiñenco S.A.

3. It examined the reports of independent external auditors. At Session No.166 held on March 26, 2020, the Committee received the external auditors' report for the year ending on December 31, 2019, 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 their approval. Likewise, in Session No.171 of September 10, 2020, the Committee received the audit report on Quiñenco S.A.'s Intermediate Consolidated Financial Statements and those of its subsidiaries through June 30, 2020. In addition, the Committee examined the Internal Control Report that the independent auditors send to the administration, the company's pay system and compensation plans and the Internal Auditing Report in session No. 173 of December 3, 2020.

4. In Session No.167 of April 2, 2020, 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 2020 and to give their professional and independent opinion. Likewise, it proposed the company PriceWaterhouseCoopers Consultores Auditores SpA as an alternative. At the same session, the Committee also proposed hiring the following risk rating agencies: (a) for the national context, International Credit Rating Compañía Clasificadora de

Riesgo Limitada and Fitch Chile Clasificadora de Riesgo Limitada; and (b) Standard & Poor's for the international context. Lastly, it approved its annual management report for the 2019 management period.

5. In Session No 168 of June 4, 2020, it received a report from the Company's management relating to additional assignments undertaken by the external auditors required for the independent auditing of the financial statements for the 2019 management period consisting of: (a) modifications of Compañía Sud Americana de Vapores S.A.'s financial statements due to certain adjustments to the investment value in such subsidiary from the review by external auditors of Hapag-Lloyd's PPA; and (b) support in responding to a requirement from the Financial Market Commission to make additional disclosures that should have been incorporated to the financial statements as of September 30, 2019 for them to be included in the financial statements as of December 30, 2019. These two assignments meant an additional auditing cost totaling UF 120, favorably reported by the Committee to the Board.

6. In Session No. 169 of July 2, 2020, it reviewed the external auditing plan for the 2020 management period, including extraordinary measures to cope with the work conditions imposed by the COVID-19 pandemic, to mitigate the risks of teleworking. Along these lines, the Committee agreed to provide the Board with a favorable report on the performance of two comprehensive audits, one as of June 30, 2020 and the other, as of December 31, 2020. This way, instead of conducting a limited review of the first semester, a full review would be made and as of June 30, 2020 the Board would be provided with a report similar to the one it usually receives at the closing of each management period.

7. In Session No. 170 of August 6, 2020, it examined cybersecurity advisory proposals for Quiñenco S.A. In the same meeting, it gave the Board of Directors a favorable report on the contracting of the external auditing firm EY Servicios Profesionales de Auditoría y Asesorías SpA for a professional service not considered in the external audit, which consisted of drafting a legal and interpretative opinion about the official Letter No. 476 from the Internal Revenue Service on the treatment of interests in trade current accounts.

8. In Session No. 172 of November 5, 2020, it received the report on additional auditing procedures performed as of June 30, 2020, issued by the independent external auditors, including a review of Quiñenco and its intermediate holding companies identifying new controls that were tested in order to confirm their design, operability and efficiency.

The Committee did not contract consulting services in 2020, nor did it incur expenses, and it did not 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 2020 management period to the Financial Market Commission, hereinafter "CMF" are the following:

1. On April 2, 2020, Quiñenco S.A. informed the CMF, as material information that in a session held on that same date the Board of Directors had agreed to propose to the Annual Shareholders' Meeting to be held on April 30, 2020, the distribution of a definite dividend of Ch$63,014,847,366 corresponding to 30% of net income attributable to the controller's owners during the 2019 management period (the "net income for the 2019 management period") corresponding to the minimum compulsory dividend. It was also informed that the definite dividend would amount to Ch$37.89775 (thirty-seven point eighty-nine thousand seven hundred and seventy-five pesos) per share, and payment would be made as from May 15, 2020, to the shareholders registered in the respective registry as of the midnight of the fifth business day in advance of such date.

The dividend distribution proposal informed in point 1 was approved by the Annual Shareholders' Meeting held on April 30, 2020, therefore the corresponding shareholders started to receive their dividends on May 15, 2020. The total dividend amounted to Ch$63,014,847,366 accounting for 30% of net income attributable to the Controller's Owners for 2019, equivalent to Ch$37.89775 per share. The distribution of this dividend, net of the amount provisioned, was deducted from the accumulated earnings in Equity.

BOARD MEMBERS' COMPENSATION

As agreed at the Company's Annual Shareholders' Meeting, the sums paid to Directors in 2020 and 2019 for per diem, participations, and other remunerations, respectively, were as follows:

Andrónico Luksic Craig ThCh$3,928, ThCh$118,153 and ThCh $954,165 in 2020 (ThCh$2,347, ThCh$135,323 and ThCh$927,703 in 2019); Jean-Paul Luksic Fontbona ThCh$4,228, ThCh$118,153 and ThCh$0 in 2020 (ThCh$2,635, ThCh$135,323 and ThCh$0 in 2019); Hernán Büchi Buc ThCh$5,130, ThCh$118,153 and ThCh$0 in 2020 (ThCh$4,102, ThCh$135,323 and ThCh$0 in 2019); Gonzalo Menéndez Duque ThCh$0, ThCh$75,304 and ThCh$0 in 2020 (ThCh$2,034, ThCh$135,323 and ThCh$0 in 2019); Matko Koljatic Maroevic ThCh$5,130, ThCh$118,153 and ThCh$0 in 2020 (ThCh$4,392, ThCh$135,323 and ThCh$0 in 2019); Fernando Cañas Berkowitz ThCh$1,497, ThCh$118,153 and ThCh$0 in 2020 (ThCh$4,392, ThCh$135,323 and ThCh$0 in 2019); Nicolás Luksic Puga ThCh$4,534, ThCh$118,153 and ThCh$0 in 2020 (ThCh$3,218, ThCh$135,323 and ThCh$0 in 2019); Andrónico Luksic Lederer ThCh$4,830, ThCh$118,153 and ThCh$0 in 2020 (ThCh$3,521, ThCh$135,323 and ThCh$0 in 2019); Pablo Granifo Lavín ThCh$5,130, ThCh$59,076 and ThCh$0 in 2020 (ThCh$2,067, ThCh$0 and ThCh$0 in 2019); and Carolina García de la Huerta Aguirre 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$37,809 in 2020.

REMUNERATIONS OF MAIN EXECUTIVES

The remunerations received by the Company's main executives for remunerations and performance bonuses totaled ThCh$7,322,519 (ThCh$6,815,271 in 2019).

INCENTIVE PLAN

There was no long-term incentive plan for the Company's executives as of December 31, 2020.

SEVERANCE PAYMENT

No severance payments were made to Company's main executives in 2020 (in 2019, they amounted to ThCh$213,006).

PERCENTAGE OF PROPERTY HELD BY COMPANY BOARD MEMBERS AND MAIN EXECUTIVES

At December 31, 2020, 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, 2020, 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. The main asset at the time of its formation was Madeco's manufacturing business, which included the units for the manufacturing of flexible packaging, brass mills, and aluminum and PVC profiles.

In early 2014, the shareholders agreed to restructure Techpack's assets to focus on the flexible packaging business. As part of this new approach, the name was changed from Madeco S.A. to Tech Pack S.A. In 2015, Techpack acquired 24% of Alusa S.A. from minority shareholders, reaching 100% ownership of the company.

In May 2016, Techpack concluded the sale of its entire flexible packaging business to the Australian company Amcor, the world's largest packaging producer, in a transaction totaling US$435 million. As of December 31, 2020, Quiñenco controls directly and indirectly 99.97% of Techpack.

Techpack reported net income of Ch$1,700 million in 2020 that compares favorably against the net income of Ch$380 million recorded in 2019. The variation is due mainly to gains from exchange rate differences reported over the current period, against a loss in 2019, partly offset by lower financial revenues.

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	-	-	1	-	-	-
No. of customers who represent at least 10% of a segment's total revenues	-	-	-	-	1*	-

** Corresponds to a client 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 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 beer brand. 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 owns Heineken, Schneider, Imperial, Kunstmann, Miller and Escudo Silver.

Through the subsidiary Embotelladoras Chilenas Unidas S.A. ("ECUSA"), CCU owns two production plants located in Antofagasta and 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, 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 cider, CCU owns the brand Cygan.

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; Cuvée, Reserva and Varietal of Misiones de Rengo vineyard, as well as its Sparkling line; 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.

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!, upita, Select, Helix, Shell V-Power, Shellcard, Rimula, Pennzoil, Gadus, Spirax, Tellus, Rhenus, ACDelco, Krynex.

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

SM SAAM: The company and its subsidiaries have its 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; T TRACKER SAAM LOGISTICS; TERMINAL BARRANCAS S.A.; TERMINAL CHINCHORRO S.A.; TERMINAL COLORADO; TERMINAL EL CALICHE; TERMINAL PEÑUELAS S.A.; TERMINAL RENCA.

As of December 31, 2020, 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 Banchile Seguros de Vida S.A., 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. Also, the Bank authorized Banchile Seguros de Vida S.A. to use such denomination in its business name until said company merges with Chubb Seguros de Vida Chile S.A.

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, 2020, 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 2021	Coors Brewing Company	Chile
Coors for Chile (6)	December 2025	Coors Brewing Company	Chile
Crush, Canada Dry (Ginger Ale, Agua Tónica and Limón Soda) for Chile (7)	December 2023	Schweppes Holding Limited	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 y Miller Genuine Draft for Colombia (14)	December 2026	Coors Brewing Company	Colombia
Nestlé Pure Life for Chile (7)	December 2022	Nestlé S.A., Societé de Produits Nestlé S.A. y 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
Schneider for Paraguay	May 2023	Compañía Industrial Cervecera S.A.	Paraguay
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-based 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; as of 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: holds the license and use of the Shell brand in service stations for the sale of fuels in force until May 1, 2023. In addition, Enex is the macro distributor of Shell lubricants in Chile, contract that is in the process of renewal.

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 de following port concessions:

Iquique Terminal Internacional (ITI – Chile)

Ownership:	100%
End of concession:	2030

Antofagasta Terminal Internacional (ATI – Chile)

Ownership:	35%
End of concession:	2033

San Antonio Terminal Internacional (STI – Chile)

Ownership:	50%
End of concession:	2030
Extension option:	Exercised, execution in progress.

San Vicente Terminal Internacional (SVTI – Chile)

Ownership:	50%
End of concession:	2029

Portuaria Corral (Corral- Chile)

Ownership:	50%
End of concession:	Own terminal

Florida International Terminal (FIT – USA)

Ownership:	70%
End of concession:	2025
Extension option:	+5 +5 years

Terminal Portuario Guayaquil (TPG - Ecuador)

Ownership:	100%
End of concession:	2071

Puerto Caldera (Costa Rica)

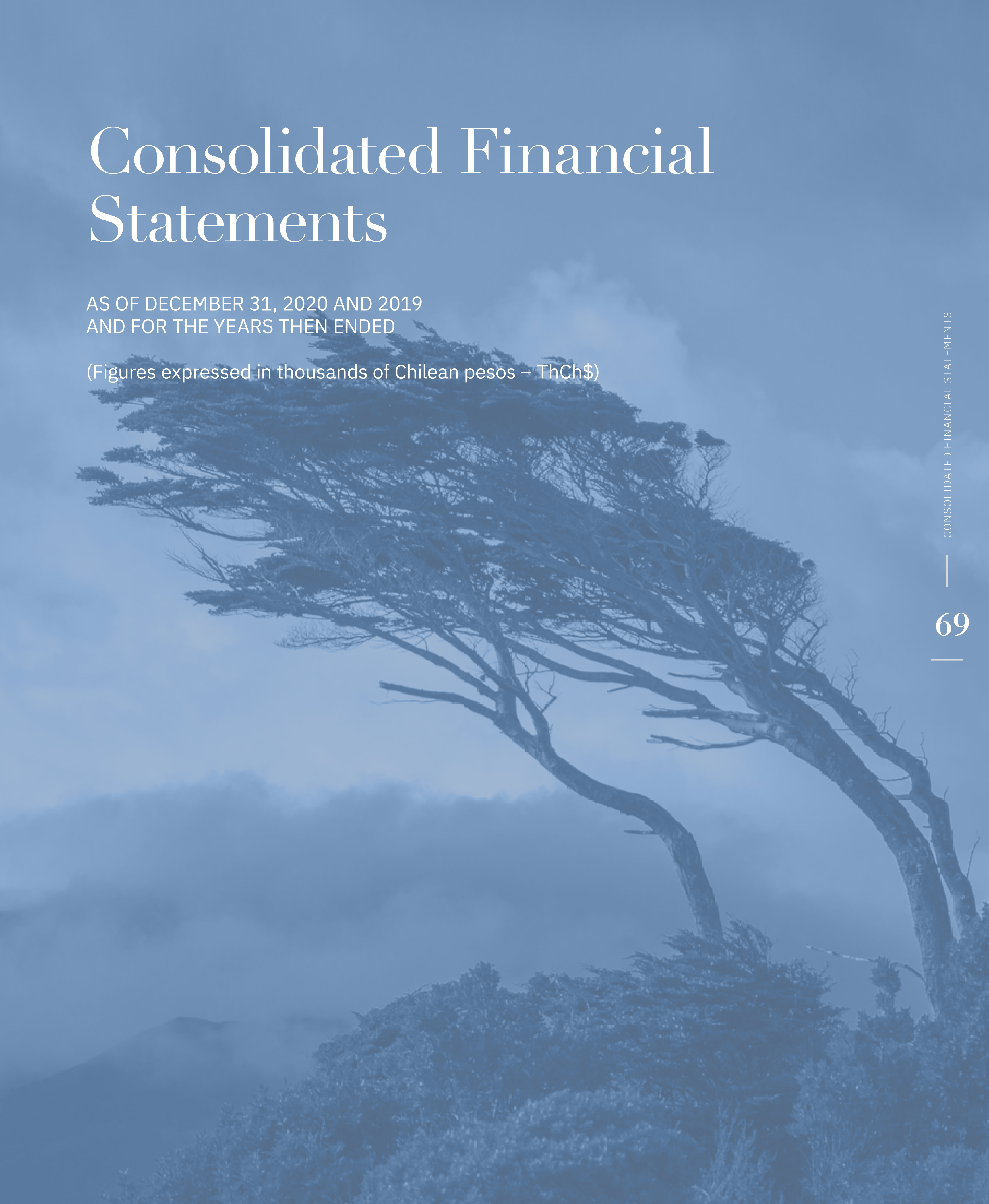
Ownership:	51%
End of concession:	2026

Terminal Marítima Mazatlán (TMAZ - Mexico)

Ownership:	100%
End of concession:	2032
Extension option:	+12 years

Puerto Buenavista (PBV – Colombia)

Ownership:	33.3%
End of concession:	2037



Consolidated Financial Statements

AS OF DECEMBER 31, 2020 AND 2019
AND FOR THE YEARS THEN ENDED

(Figures expressed in thousands of Chilean pesos – ThCh$)

CONTENTS

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, 2020 and 2019, 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, together, 6.4% of the total consolidated assets as of December 31, 2020, and ordinary revenue that represents 17.4% of the consolidated revenue for the year then ended. We did not audit the consolidated financial statements of the subsidiaries Invexans S.A., Compañía Sud Americana de Vapores S.A. and SM SAAM S.A., of which the total assets represent, together, 7.1% of the total consolidated assets as of December 31, 2019, and total ordinary revenue that represents 13.2% of the total consolidated revenue for the year then ended. We did not audit the financial statements of the indirect associates Compañía Cervecerías Unidas S.A., Nexans S.A. and Sociedad de Inversiones de Aviación Limitada, 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$701,140,570 as of December 31, 2020, and accrued net profits of ThCh$45,160,252 for the year then ended. We did not audit the financial statements of the indirect associate Compañía Cervecerías Unidas S.A., which is an investment disclosed in the consolidated financial statements of Quiñenco S.A. through the equity method and which represents a total asset of ThCh$408,718,725 as of December 31, 2019, and net accrued profits of ThCh$39,940,034 for the year then ended.

Building a better working world

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.

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, 2020 and 2019, 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, 2021

Consolidated Statements of Financial Position

as of December 31, 2020 and 2019

ASSETS	NOTE	12-31-2020 THCH$	12-31-2019 THCH$
Non-banking sector			
Current assets			
Cash and cash equivalents	4	612,702,842	551,692,639
Other financial assets, current	5	154,321,193	47,232,930
Other non-financial assets, current	6	24,623,684	25,837,701
Trade and other receivables, current	7	165,369,213	208,040,780
Related party receivables, current	8	24,867,589	28,346,212
Inventory, current	9	114,724,579	119,803,622
Current tax assets		33,967,976	29,730,441
Total current assets other than assets or groups of assets classified as held-for-sale or held-for-distribution to the owners		**1,130,577,076**	**1,010,684,325**
Non-current assets or disposal groups classified as held for sale	10	12,474,296	15,163,877
Non-current assets or groups of assets classified as held-for-sale or held-for-distribution to the owners		**12,474,296**	**15,163,877**
Total current assets		**1,143,051,372**	**1,025,848,202**
Non-current assets			
Other financial assets, non-current	11	53,404,311	42,421,432
Other non-financial assets, non-current	12	16,537,255	31,011,345
Receivables, non-current	7	10,876,113	10,852,238
Related party receivables, non-current	8	2,847,832	-
Inventory, non-current	9	708,106	858,805
Investments accounted for using the equity method	13	2,755,373,868	2,455,513,148
Intangible assets other than goodwill	14	373,331,166	399,447,881
Goodwill	15	964,149,208	945,195,674
Property, plant and equipment	18	991,080,011	1,016,578,958
Right-of-use leased assets	19	263,143,924	236,113,801
Investment properties	20	15,577,768	17,220,409
Non-current tax assets		-	312,973
Deferred tax assets	21	200,752,256	241,494,195
Total non-current assets		**5,647,781,818**	**5,397,020,859**
Total non-banking sector assets		**6,790,833,190**	**6,422,869,061**
Banking sector assets			
Cash and bank deposits	41.5	2,560,215,717	2,392,165,380
Transactions pending settlement	41.5	582,308,294	584,671,840
Trading instruments	41.6	4,666,157,612	1,872,356,188
Resale agreements and securities lending	41.7	76,407,027	142,329,024
Financial derivative contracts	41.8	2,618,003,416	2,786,216,315
Loans and advances to banks	41.9	2,938,990,560	1,139,431,905
Customer loans and receivables	41.10	30,190,056,149	29,334,048,005
Investment instruments held for sale	41.11	1,060,523,460	1,357,846,278
Investments in other companies	41.12	44,648,412	50,757,583
Intangible assets	41.13	60,701,387	58,307,172
Property, plant and equipment	41.14	217,928,946	220,262,591
Right-of-use leased assets	41.14	118,829,326	150,664,672
Current taxes	41.15	22,949,321	357,053
Deferred taxes	41.15	357,944,803	320,948,248
Other assets	41.16	579,459,077	862,965,768
Total banking sector assets		**46,095,123,507**	**41,273,328,022**
Total assets		**52,885,956,697**	**47,696,197,083**

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

Consolidated Statements of Financial Position

as of December 31, 2020 and 2019

LIABILITIES	NOTE	12-31-2020 THCH$	12-31-2019 THCH$
Non-banking sector			
Current liabilities			
Other financial liabilities, current	22	286,416,676	138,185,192
Lease liabilities, current	19	28,515,493	26,938,817
Trade and other payables, current	23	191,311,938	217,598,908
Related party payables, current	8	261,997	2,301,475
Other provisions, current	24	9,602,080	12,679,722
Current tax liabilities		6,118,259	21,878,400
Provisions for employee benefits, current	25	26,222,094	24,303,501
Other non-financial liabilities, current	26	104,737,847	76,996,538
Total current liabilities other than liabilities included in disposal groups classified as held for sale		**653,186,384**	**520,882,553**
Liabilities included in disposal groups classified as held for sale	10	165,852	387,434
Total current liabilities		**653,352,236**	**521,269,987**
Non-current liabilities			
Other financial liabilities, non-current	22	1,862,525,068	1,725,595,785
Lease liabilities, non-current	19	230,457,975	211,349,479
Trade and other payables, non-current	23	-	-
Related party payables, non-current	8	-	-
Other provisions, non-current	24	30,309,491	33,692,240
Deferred tax liabilities	21	152,292,785	163,270,702
Provisions for employee benefits, non-current	25	25,947,638	21,031,119
Other non-financial liabilities, non-current	27	37,055	45,411
Total non-current liabilities		**2,301,570,012**	**2,154,984,736**
Total non-banking sector liabilities		**2,954,922,248**	**2,676,254,723**
Banking liabilities			
Demand deposits and other obligations	41.17	15,076,459,627	11,256,216,519
Transactions in the course of payment	41.05	1,301,999,579	352,120,994
Repurchase agreements and securities lending	41.07	288,916,522	308,733,408
Time deposits and other borrowings	41.18	8,899,541,333	10,856,068,479
Financial derivative contracts	41.08	2,841,755,467	2,818,121,294
Obligations with banks	41.19	3,669,754,175	1,563,276,760
Debt instruments issued	41.20	8,593,595,337	8,813,414,200
Other financial obligations	41.21	191,713,727	156,230,211
Lease liabilities	41.14	115,017,207	146,012,685
Current taxes	41.15	311,166	76,289,193
Deferred taxes	41.15	-	-
Provisions	41.22	621,243,093	530,976,466
Other liabilities	41.23	564,804,353	643,090,207
Total banking sector liabilities		**42,165,111,586**	**37,520,550,416**
Total liabilities		**45,120,033,834**	**40,196,805,139**
Equity			
Issued capital	29	1,223,669,810	1,223,669,810
Retained earnings		2,291,413,245	1,588,184,889
Share premium	29	31,538,354	31,538,354
Other reserves	29	(9,036,635)	643,041,125
Equity attributable to owners of the controller		**3,537,584,774**	**3,486,434,178**
Non-controlling interests		4,228,338,089	4,012,957,766
Total equity		**7,765,922,863**	**7,499,391,944**
Total liabilities and equity		**52,885,956,697**	**47,696,197,083**

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

Consolidated Statements of Income

for the years ended December 31, 2020 and 2019

INCOME STATEMENT	NOTE	01-01-2020 12-31-2020 THCH$	01-01-2019 12-31-2019 THCH$
Non-banking sector			
Revenue	30 a)	2,573,841,090	2,944,684,391
Cost of sales		(2,167,966,937)	(2,549,847,757)
Gross margin		**405,874,153**	**394,836,634**
Other revenue by function		20,455,818	10,936,825
Distribution costs		-	-
Administrative expenses		(338,198,807)	(328,349,090)
Other expenses by function	30 b)	(3,280,542)	(4,117,367)
Other gains (losses)	30 c)	(2,975,097)	503,850
Operating income		**81,875,525**	**73,810,852**
Finance income		6,917,322	18,668,544
Finance costs	30 d)	(86,001,736)	(73,812,474)
Impairment losses according to IFRS 9		-	-
Share of income (loss) of associates and joint ventures accounted for using the equity method	13	290,515,699	122,805,999
Exchange differences		(3,118,415)	(420,502)
Gain (loss) from indexation adjustments		(28,398,873)	(26,631,635)
Net income before taxes		**261,789,522**	**114,420,784**
Income tax expense	21	(43,598,167)	(12,310,189)
Net income from continuing operations		**218,191,355**	**102,110,595**
Net income (loss) from discontinued operations	10	(2,054,076)	17,908,844
Non-banking sector net income		**216,137,279**	**120,019,439**
Banking sector			
Interest and indexation income	41.25	1,873,018,515	2,111,646,073
Interest and indexation expense	41.25	(559,884,563)	(741,593,578)
Net interest and indexation income		1,313,133,952	1,370,052,495
Fee income	41.26	562,147,939	589,171,853
Fee expenses	41.26	(116,178,977)	(131,870,774)
Net fee income		445,968,962	457,301,079
Net gain (loss) from financial operations	41.27	(11,458,412)	116,409,427
Net exchange gain (loss)	41.28	156,663,550	30,886,630
Other operating income	41.33	34,558,701	40,548,197
Provisions for loan losses	41.29	(462,680,539)	(347,274,500)
Total net operating revenues		**1,476,186,214**	**1,667,923,328**
Payroll and personnel expenses	41.30	(457,175,736)	(475,599,337)
Administrative expenses	41.31	(318,881,650)	(329,703,349)
Depreciation and amortization	41.32	(73,357,845)	(70,541,395)
Impairment	41.32	(1,661,667)	(2,555,287)
Other operating expenses	41.34	(31,255,275)	(32,605,084)
Total operating expenses		**(882,332,173)**	**(911,004,452)**
Operating income		**593,854,041**	**756,918,876**
Result of equity investments	41.12	(4,661,375)	6,450,481
Interest on subordinated debt with the Chilean Central Bank		-	(28,164,600)
Net income before taxes		**589,192,666**	**735,204,757**
Income tax expense	41.15	(125,962,872)	(169,683,320)
Net income from continuing operations		463,229,794	565,521,437
Banking sector net income		**463,229,794**	**565,521,437**
Consolidated net income		**679,367,073**	**685,540,876**
Net income attributable to owners of the controller		**247,247,112**	**210,049,493**
Net income attributable to non-controlling interests		432,119,961	475,491,383
Consolidated net income		**679,367,073**	**685,540,876**

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

Consolidated Statements of Income

for the years ended December 31, 2020 and 2019

STATEMENT OF COMPREHENSIVE INCOME	01-01-2020 12-31-2020 THCH$	01-01-2019 12-31-2019 THCH$
Net income for the year	679,367,073	685,540,876
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	(9,741,989)	(9,537,730)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method, which will not be reclassified to the income statement for the year	10,198,817	(5,424,080)
Total other comprehensive income (loss) that will not be reclassified to the income statement for the year	**456,828**	**(14,961,810)**
Components of other comprehensive income that will be reclassified to the income statement for the year		
Currency translation differences		
Gain (loss) from currency translation differences	(125,026,323)	141,255,895
Other comprehensive income (loss) from currency translation differences	(125,026,323)	141,255,895
Financial assets held for sale		
Gains (losses) from new measurements of financial assets held for sale	(564,654)	2,376,274
Other comprehensive income from financial assets held for sale	(564,654)	2,376,274
Cash flow hedges		
Gain (loss) from cash flow hedges	6,189,904	(974,910)
Other comprehensive income (loss) from cash flow hedges	6,189,904	(974,910)
Total other comprehensive income (loss) that will be reclassified to the income statement for the year	**(119,401,073)**	**142,657,259**
Other components of other comprehensive income	(118,944,245)	127,695,449
Total comprehensive income	**560,422,828**	**813,236,325**
Comprehensive income attributable to		
Owners of the controller	128,302,867	337,744,942
Non-controlling interests	432,119,961	475,491,383
Total comprehensive income	**560,422,828**	**813,236,325**

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

for the years ended December 31, 2020 and 2019

STATEMENT OF CASH FLOWS	NOTE	01-01-2020 12-31-2020 THCH$	01-01-2019 12-31-2019 THCH$
Cash flows provided by (used in) operating activities			
Non-banking sector			
Proceeds from operating activities			
Proceeds from the sale of goods and provision of services		2,908,618,776	3,461,937,786
Proceeds from premiums and claims, annuities and other policy benefits		-	195,594
Proceeds from other operating activities		5,405,541	5,204,271
Payments for operating activities			
Payments to suppliers for goods and services		(2,425,393,512)	(3,043,305,556)
Payments to and on behalf of employees		(206,011,559)	(167,992,994)
Payments for premiums and claims, annuities and other policy obligations		(6,044,345)	(6,391,015)
Other payments for operating activities		(47,267,390)	(51,401,713)
Net cash flows provided by operating activities		**229,307,511**	**198,246,373**
Income taxes refunded (paid)		(20,448,647)	1,551,716
Other proceeds		864,048	1,113,696
Net cash flows provided by non-banking sector operating activities		**209,722,912**	**200,911,785**
Banking sector			
Consolidated net income for the year		463,229,794	565,521,437
Charges (credits) to net income not involving cash movements			
Depreciation and amortization		75,019,512	73,096,682
Provisions for loan losses		504,438,964	395,249,514
Adjustment to market value of trading instruments		(908,946)	293,772
Net income from investment in companies with significant influence		5,099,485	(6,039,252)
Net gain on sales of assets received in lieu of payment		(7,890,936)	(10,792,963)
Gain on sales of property, plant and equipment		(29,806)	(90,317)
Write-off of assets received in lieu of payment		3,984,144	8,778,447
Other charges not involving cash movements		28,596,624	8,879,991
Net change in accrued interest, indexation and fees on assets and liabilities		(7,237,915)	146,099,602
Changes in assets and liabilities that affect operating cash flows			
Net (increase) decrease in loans and advances to banks		(1,800,134,296)	354,307,633
Net (increase) decrease in customer loans and receivables		(1,137,532,622)	(2,343,162,329)
Net (increase) decrease in trading instruments		226,022,863	2,800,828
Increase (decrease) in demand deposits and other obligations		3,835,300,539	1,690,418,959
Increase (decrease) in repurchase agreements and securities lending		(33,487,575)	1,710,626
Increase (decrease) in time deposits and other borrowings		(1,900,469,846)	184,394,775
Increase (decrease) in obligations with banks		173,577,739	(114,881,499)
Increase (decrease) in other financial obligations		52,682,625	42,663,705
Loans from Chilean Central Bank (long-term)		7,524,681,775	-
Loans repaid to the Chilean Central Bank (long-term)		(4,414,081,775)	-
Foreign loans received (long-term)		(182,271,229)	2,007,151,079
Foreign loans repaid (long-term)		(991,231,444)	(1,847,514,239)
Other long-term borrowings		-	-
Repayments of other long-term borrowings		(16,963,341)	(4,004,931)
Subordinated obligation provision with the Chilean Central Bank		-	28,164,600
Others		(36,155,849)	(46,693,650)
Subtotal of net cash flows provided by (used in) banking sector operating activities		**2,364,238,484**	**1,136,352,470**
Total net cash flows provided by (used in) operating activities		**2,573,961,396**	**1,337,264,255**

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

for the years ended December 31, 2020 and 2019

	NOTE	01-01-2020 12-31-2020 THCH$	01-01-2019 12-31-2019 THCH$
Cash flows provided by (used in) investing activities			
Non-banking sector			
Cash flows provided by the loss of control of subsidiaries or other businesses		1,671,205	47,098,596
Cash flows used in obtaining control of subsidiaries or other businesses		(15,374,843)	(196,429,716)
Proceeds from sale of non-controlling interests		-	8,382,264
Payments to purchase non-controlling interests		(2,320)	(213,118)
Other proceeds from the sale of equity or debt instruments of other entities		904,878,220	1,985,821,419
Payments to acquire equity or debt instruments of other entities		(1,016,371,884)	(1,743,728,474)
Other proceeds from the sale of joint ventures		3,258	1,041,202
Other payments to acquire interests in joint ventures		(254,258,149)	(83,365,150)
Loans to related parties		-	-
Proceeds from the sale of property, plant and equipment		7,782,949	4,006,129
Purchases of property, plant and equipment		(98,980,402)	(88,533,297)
Purchases of intangible assets		(1,630,128)	(2,414,377)
Purchases of other long-term assets		-	-
Proceeds from other long-term assets		-	-
Cash advances and loans to third parties		-	-
Payments received from related parties		-	131,140
Dividends received		82,566,387	95,163,835
Interest received		11,534,092	23,477,572
Other proceeds (payments)		(16,355,242)	9,213,475
Net cash flow provided by (used in) non-banking sector investing activities		**(394,536,857)**	**59,651,500**
Banking sector			
Net (increase) decrease in investment instruments held for sale		284,690,886	(302,427,131)
Lease contract payments		(29,553,369)	(31,098,140)
Purchases of property, plant and equipment		(28,469,765)	(43,511,146)
Sales of property, plant and equipment		401,144	92,115
Investments in other companies		-	(671,411)
Dividends received from investments in other companies		1,439,443	963,796
Sale of assets received in lieu of payment		21,617,800	30,795,297
Net (increase) decrease in other assets and liabilities		272,886,941	103,134,867
Other payments		(18,630,508)	(20,928,307)
Subtotal net cash flows provided by (used in) banking sector investing activities		**504,382,572**	**(263,650,060)**
Total net cash flows provided by (used in) investing activities		**109,845,715**	**(203,998,560)**

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

for the years ended December 31, 2020 and 2019

	NOTE	01-01-2020 12-31-2020 THCH$	01-01-2019 12-31-2019 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		(779,544)	-
Proceeds from long-term loans		293,955,316	201,797,099
Proceeds from short-term loans		292,385,902	140,967,017
Total loan proceeds		**586,341,218**	**342,764,116**
Loans from related parties		-	-
Loan repayments		(305,807,863)	(168,215,511)
Payments for lease liabilities		(32,327,909)	(47,152,258)
Dividends paid		(167,274,649)	(146,849,647)
Interest paid		(76,733,395)	(59,683,194)
Other payments		(2,796,558)	(2,070,907)
Net cash flows provided by (used in) non-banking sector financing activities		**101,370,520**	**(81,207,401)**
Banking sector			
Redemption of mortgage bonds		(2,382,087)	(3,268,300)
Bonds issued		889,134,827	2,625,176,942
Bonds repaid		(1,221,025,540)	(1,546,571,525)
Payment of subordinated obligation with the Chilean Central Bank		-	(90,299,887)
Dividends paid		(170,852,907)	(137,891,296)
Subtotal net cash flows provided by (used in) banking sector financing activities		**(505,125,707)**	**847,145,934**
Total net cash flows provided by (used in) financing activities		**(403,755,187)**	**765,938,533**
Net increase (decrease) in cash and cash equivalents, before exchange rate effects		2,280,051,924	1,899,204,228
Effect of changes in exchange rates on cash and cash equivalents		(62,301,561)	34,532,636
Net increase (decrease) in cash and cash equivalents		2,217,750,363	1,933,736,864
Cash and cash equivalents as of start of the year		4,483,108,728	2,549,371,864
Cash and cash equivalents as of end of the year	**4 c)**	**6,700,859,091**	**4,483,108,728**

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

Statements of Changes in Equity

for the years ended December 31, 2020 and 2019

	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 01/01/2020	**1,223,669,810**	**31,538,354**	**1,031,342**	**252,500,197**	**(9,905,966)**	**17,244,505**	**382,171,047**	**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	-	-	-	-	-	-	-	-	-	-	-	-
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)	17,244,505	382,171,047	643,041,125	1,588,184,889	3,486,434,178	4,012,957,766	7,499,391,944
Changes in equity												
Comprehensive income												
Gain (loss)	-	-	-	-	-	-	-	-	247,247,112	247,247,112	432,119,961	679,367,073
Other comprehensive income	-	-	-	(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 interest in subsidiary 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)**	**16,679,851**	**(150,505,640)**	**(9,036,635)**	**2,291,413,245**	**3,537,584,774**	**4,228,338,089**	**7,765,922,863**
Opening balance as of 01/01/2019	**1,223,669,810**	**31,538,354**	**1,031,342**	**111,244,302**	**(8,931,056)**	**14,868,232**	**377,941,211**	**496,154,031**	**1,461,989,026**	**3,213,351,221**	**3,907,691,188**	**7,121,042,409**
Increase (decrease) due to changes in accounting policy	-	-	-	-	-	-	-	-	(1,291,124)	(1,291,124)	(8,088)	(1,299,212)
Increase (decrease) for prior period adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Restated opening balance	1,223,669,810	31,538,354	1,031,342	111,244,302	(8,931,056)	14,868,232	377,941,211	496,154,031	1,460,697,902	3,212,060,097	3,907,683,100	7,119,743,197
Changes in equity												
Comprehensive income												
Gain (loss)	-	-	-	-	-	-	-	-	210,049,493	210,049,493	475,491,383	685,540,876
Other comprehensive income	-	-	-	141,255,895	(974,910)	2,376,274	(14,961,810)	127,695,449	-	127,695,449	-	127,695,449
Comprehensive income	-	-	-	141,255,895	(974,910)	2,376,274	(14,961,810)	127,695,449	210,049,493	337,744,942	475,491,383	813,236,325
Shares issued	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	(81,057,888)	(81,057,888)	-	(81,057,888)
Increase (decrease) for changes in interest in subsidiary that do not involve loss of control	-	-	-	-	-	-	27,767,478	27,767,478	-	27,767,478	(27,767,478)	-
Increases (decreases) due to transfers and other changes	-	-	-	-	-	-	(8,575,833)	(8,575,833)	(1,504,618)	(10,080,451)	(342,449,239)	(352,529,690)
Total changes in equity	**-**	**-**	**-**	**141,255,895**	**(974,910)**	**2,376,274**	**4,229,835**	**146,887,094**	**127,486,987**	**274,374,081**	**105,274,666**	**379,648,747**
Closing balance as of 12/31/2019	**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**

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

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, 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, 2021.

(b) Description of operations and principal activities

The Company mainly has investments in the industrial and financial services sectors in numerous areas of the Chilean 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 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, 2020 and 2019, 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, 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”). After the contractual value of the Subordinated Obligation was paid on April 30, 2019, and the shares of Banco de Chile held by the holding company Sociedad Matriz del Banco de Chile S.A. (hereinafter "SM Chile") were awarded in their proportional amount, LQIF ceased to control that company.

As of December 31, 2020 and 2019, LQIF directly and indirectly holds 51.15% of the political and economic rights in Banco de Chile.

Beverages: 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 60.00% of CCU as of December 31, 2020 and 2019.

Note 1 – Corporate information (continued)

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

Manufacturing: Quiñenco has a 99.73% interest in the subsidiary Invexans as of December 31, 2020, and 99.38% as of December 31, 2019, 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. Nexans is a global player in the cable industry, offering a wide range of cables and cabling systems and with an industrial presence in 34 countries and trading activities throughout the world. Nexans is quoted on the NYSE Euronext exchange in Paris.
The subsidiary Invexans merged with Inversiones Río Argenta in the first half of 2020 and consequently wholly owns Enex Corp (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, 2020 and 2019.

Energy: Quiñenco has an indirect interest of 100% in the indirect subsidiary Enex as of December 31, 2020 and 2019, 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) and chemicals. The company markets its products mainly using the Shell brand.

Transport: Quiñenco has a 61.76% and 61.45% interest in the subsidiary Compañía Sud Americana de Vapores S.A. (CSAV), as of December 31, 2020 and 2019, respectively. 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 52.20% interest in the subsidiary SM SAAM S.A. as of December 31, 2020 and 2019. 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	**12-31-2020**	**12-31-2019**
Quiñenco	69	67
LQIF and subsidiaries	13,139	13,567
SM SAAM	3,606	3,649
Tech Pack and subsidiaries	7	7
CSAV	15	41
Invexans and subsidiaries	3,428	3,643
Other subsidiaries	20	23
Total employees	**20,284**	**20,997**

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, 2020 and 2019.
- Consolidated statements of comprehensive income: for the years ended December 31, 2020 and 2019.
- Consolidated statements of cash flows and changes in equity: for the years ended December 31, 2020 and 2019.

Note 2 – Summary of significant accounting policies (continued)

(b) Basis of preparation

These consolidated financial statements were originally issued in Sapnish and in Thousands Chilean pesos (ThCh$).

The information contained in these consolidated financial statements is the responsibility of the Company's Board of Directors, who expressly state that during 2020 and 2019 the instructions and standards for the preparation and presentation of financial information issued by the Financial Market Commission (hereinafter "CMF"), which include the 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 Financial Market Commission for the preparation of these financial statements.

The consolidated financial statements of the banking entities were directly consolidated with the subsidiary Banco de Chile, as the Subordinated Obligation with the Chilean Central Bank was repaid in full on April 30, 2019. Accordingly, SM Chile and SAOS were dissolved under the provisions of Law 19,396. Subsequently, the shares held by SM Chile in Banco de Chile were distributed to SM Chile's shareholders on June 6, 2019, so LQIF lost control over SM Chile and discontinued consolidating it.

Banco de Chile is a subsidiary[1] of LQ Inversiones Financieras S.A., and 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.

Therefore, this banking subsidiary has partially followed IFRS through the application of the Compendium issued by the CMF, generating the following differences:

- Provisions for loan losses: The Bank currently includes expected losses in its provisioning model, as established by the CMF. The CMF model differs from the IFRS model as the latter only includes expected losses, therefore this could generate 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 company 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 affiliate 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 (dd) onward.

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

For comparison purposes, the Company and its subsidiaries have made minor reclassifications to their annual financial statements as of December 31, 2019, 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 standards, interpretations, improvements and amendments to IFRS that come into effect on January 1, 2020, are detailed below. The Company applied these standards and concluded that they did not significantly affect the financial statements.

	Standards and Interpretations	Mandatory Effective Date
Conceptual Framework	Conceptual Framework (revised)	January 1, 2020

	Improvements and Amendments	Mandatory Effective Date
IFRS 3	Business Combinations – Definition of a Business	January 1, 2020
IAS 1 and IAS 8	Financial Statement Presentation, and Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material	January 1, 2020
IFRS 9, IAS 39 and IFRS 7	Financial Instruments: Disclosures, Recognition and Measurement - Interest rate benchmark reform.	January 1, 2020
IFRS 16	COVID-19-related Rent Concessions	January 1, 2020

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, 2021

	Improvements and Amendments	Mandatory Effective Date
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – phase 2	January 1, 2021
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
IFRS 10 and IAS 28	Consolidated Financial Statements – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Note 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 (*)			
				12-31-2020			12-31-2019
				Direct	Indirect	Total	Total
76.077.048-5	Inversiones Caboto S.A. and Subsidiary	Chile	CLP	99.9999	0.0001	100.0000	100.0000
76.136.898-2	Inversiones Río Argenta S.A. and Subsidiary	Chile	CLP	0.0000	0.0000	0.0000	100.0000
76.284.393-5	Cabletron S.A.	Chile	CLP	99.9800	0.0200	100.0000	100.0000
77.253.300-4	Inversiones Rio Bravo S.A. and Subsidiary	Chile	CLP	81.4038	18.5962	100.0000	100.0000
87.011.000-6	Inv. O'Higgins Punta Arenas S.A.	Chile	CLP	75.5579	0.0000	75.5579	75.5579
91.000.000-4	Industria Nacional de Alimentos S.A.	Chile	CLP	71.9576	27.9769	99.9345	99.9345
91.527.000-K	Empresa El Peñón S.A. and Subsidiary	Chile	CLP	98.1293	0.0000	98.1293	98.1293
95.987.000-4	Inversiones Río Grande S.p.A. and Subsidiaries	Chile	CLP	99.9898	0.0102	100.0000	100.0000
96.611.550-5	Unitron S.A.	Chile	CLP	99.9999	0.0001	100.0000	100.0000
96.657.700-2	Inversiones Ranquil S.A.	Chile	CLP	99.9975	0.0007	99.9982	99.9982
96.892.490-7	Administración y Servicios Generales LQ S.A.	Chile	CLP	0.0000	100.0000	100.0000	100.0000
93.802.000-0	Hidrosur S.A.	Chile	CLP	0.0000	100.0000	100.0000	100.0000
96.572.580-6	Inversiones y Bosques S.A.	Chile	CLP	0.0000	100.0000	100.0000	100.0000
93.493.000-2	Hoteles Carrera S.A.	Chile	CLP	0.0000	99.1960	99.1960	99.1960
96.635.350-3	Inmob. e Inv. Hidroindustriales S.A.	Chile	CLP	0.0000	100.0000	100.0000	100.0000
96.847.140-6	Inmobiliaria Norte Verde S.A.	Chile	CLP	0.0000	100.0000	100.0000	100.0000
99.568.590-6	Inversiones Rio Azul S.A.	Chile	CLP	0.0000	100.0000	100.0000	100.0000
96.929.880-5	**LQ Inversiones Financieras S.A. and Subsidiaries**	Chile	CLP	47.3520	2.6480	50.0000	50.0000
96.999.360-0	Inversiones LQ-SM Limitada	Chile	CLP	0.0000	100.0000	100.0000	100.0000
97.004.000-5	**Banco de Chile**	Chile	CLP	0.1097	51.1500	51.2597	51.2597
96.767.630-6	Banchile Administradora General de Fondos S.A.	Chile	CLP	0.0000	100.0000	100.0000	100.0000
96.543.250-7	Banchile Asesoría Financiera S.A.	Chile	CLP	0.0000	99.9600	99.9600	99.9600
77.191.070-K	Banchile Corredores de Seguros Ltda.	Chile	CLP	0.0000	100.0000	100.0000	100.0000
96.571.220-8	Banchile Corredores de Bolsa S.A.	Chile	CLP	0.0000	100.0000	100.0000	100.0000
96.932.010-K	Banchile Securitizadora S.A.	Chile	CLP	0.0000	100.0000	100.0000	100.0000
96.645.790-2	Socofin S.A.	Chile	CLP	0.0000	100.0000	100.0000	100.0000
91.021.000-9	**Invexans S.A. and Subsidiaries**	Chile	USD	89.4416	10.2852	99.7268	99.3774
Foreign	Invexans Limited	United Kingdom	USD	0.0000	100.0000	100.0000	100.0000
92.011.000-2	Empresa Nacional de Energía ENEX S.A.	Chile	CLP	0.0000	100.0000	100.0000	100.0000
Foreign	ENEX Corp. Ltd.	United Kingdom	USD	0.0000	100.0000	100.0000	0.0000
89.467.400-8	Dicomac Ltda.	Chile	CLP	0.0000	100.0000	100.0000	100.0000
94.625.000-7	Inversiones Enex S.A.	Chile	CLP	0.0000	100.0000	100.0000	100.0000
76.376.573-3	Empresa de Soluciones Mineras ESM SpA.	Chile	CLP	0.0000	100.0000	100.0000	100.0000
76.896.773-3	Enex Investments Chile SpA	Chile	CLP	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

QUIÑENCO S.A.

Note 2 – Summary of significant accounting policies (continued)

(d) Basis of Consolidation (continued)

ID number	Subsidiary	Country	Functional currency	Ownership interest (*) 12-31-2020 Direct	Indirect	Total	12-31-2019 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	99.9700	99.9700	99.9700
94.262.000-4	Soinmad S.A. and Subsidiaries	Chile	USD	0.0000	100.0000	100.0000	100.0000
76.009.053-0	Madeco Mills S.A.	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	Decker Industrial S.A.	Argentina	USD	0.0000	99.7200	99.7200	99.7200
Foreign	H.B. San Luis S.A.	Argentina	USD	0.0000	99.7200	99.7200	99.7200
Foreign	Metacab S.A.	Argentina	USD	0.0000	99.7200	99.7200	99.7200
90.160.000-7	**Compañía Sud Americana de Vapores S.A. and Subsidiaries**	Chile	USD	20.5178	41.2418	61.7596	61.4503
Foreign	Norgistics (China) Ltd. (Shenzhen)	China	USD	0.0000	0.0000	0.0000	100.0000
96.838.050-7	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
76.196.715-5	**Sociedad Matriz SAAM S.A. and Subsidiaries**	Chile	USD	15.6396	36.5592	52.1988	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	0.0000
94.058.000-5	Servicios Aeroportuarios Aerosan S.A.	Chile	USD	0.0000	100.0000	100.0000	0.0000
Foreign	SAAM Remolques S.A. de C.V. and Subsidiaries	Mexico	USD	0.0000	100.0000	100.0000	100.0000
Foreign	SAAM Towage Brasil S.A. and Subsidiaries	Brazil	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	Ecuaestibas S.A.	Ecuador	USD	0.0000	100.0000	100.0000	100.0000
Foreign	SAAM Remolcadores Colombia S.A.S	Colombia	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

(*): 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 Sociedad Matriz 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.

On September 14, 2019, Quiñenco S.A. informed the CMF of a Material Event that it had agreed to sell its shares in Inversiones Vita S.A., Banchile Vida and SegChile Seguros Generales, subject to complying with various conditions. The sale was concluded on December 30, 2019. As a result of this sale, they are presented as discontinued operations in the consolidated statements of income for 2019.

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 receivables and 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 year of the reversal of deferred tax liabilities is taken into account, and the estimates of taxable benefits, 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.

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 position as follows:

(f1) Quiñenco, its non-banking subsidiaries and principal associates operate in the businesses of food and beverages, 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, Banco de Chile and Enex 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, 2020 and 2019, is as follows:

	December 31, 2020	December 31, 2019
US dollar (USD)	710.95	748.74
Unidad de Fomento (UF)	29,070.33	28,309.94

(h) Inventory

The subsidiary companies value inventory at the lower of cost and net realizable value. The cost price (basically the weighted average cost, FIFO in CSAV) 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, tug boats and cranes. 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 year, 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.

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
Vessels	16 to 25
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) Leases

IFRS 16 introduced a single model for lease accounting with effect from January 1, 2019, and requires lessees to recognize assets and liabilities for all leases with a term of over 12 months. A lessee is required to recognize a 'right-of-use leased asset' representing its right to use the underlying leased asset and a 'lease liability' representing its lease obligations.

Quiñenco and subsidiaries initially recognize any right-of-use leased asset at cost, adjusted for any revaluation of the lease liability, less accumulated depreciation and accumulated impairment losses. Right-of-use leased assets are depreciated over the lease term.

Subsequently, the lease liability is increased to reflect accrued interest and is reduced by lease payments made. The book value of the lease liability is revalued if there is a change in the lease conditions, such as changes in the term, the lease installments, or the purchase option. Interest expense is recognized as a financial cost in the statement of income for the period.

A lease is a contract or part of a contract that transfers the right to use an asset for a period of time, in exchange for payment, in which substantially all the risks inherent in ownership of the underlying asset may be transferred.

Right-of-use leased assets are presented in the heading "Right-of-use leased assets" and liabilities are presented as "Lease liabilities" in the statement of financial position.

The previous accounting model for leases required leases to be classified as "finance leases" or "operating leases" and accounted for differently.

The variable portion of lease payments was recognized as an expense for the period when it was likely to be paid.

(k) 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.

(l) Non-current assets or disposal groups classified as 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.

Note 2 – Summary of significant accounting policies (continued)

(m) 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.

(n) Investments in subsidiaries (business combinations)

Business combinations are recorded using the purchase method. 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.

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

(o) 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.

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[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 defined in article 87 of the Corporations Law 18,046.

Note 2 – Summary of significant accounting policies (continued)

(o) Investments recognized using the equity method (continued)

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.

(p) 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.

(q) 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.

(q.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:

(q.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).

Group 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.

Note 2 – Summary of significant accounting policies (continued)

(q) Financial instruments – initial recognition and subsequent measurement (continued)

(q.1) Non-derivative financial assets (continued)

(q.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 or 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 income statement for the year.

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.

(q.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.

(q.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.

(q.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.

Note 2 – Summary of significant accounting policies (continued)

(q) Financial instruments – initial recognition and subsequent measurement (continued)

(q.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.

(q.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.

(q.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, 2020 and 2019, except for derivative instruments.

(q.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 Group 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 Group 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.

Note 2 – Summary of significant accounting policies (continued)

(q) Financial instruments – initial recognition and subsequent measurement (continued)

(q.6) Offsetting financial assets and liabilities

The Group 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.

(q.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 Group 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).

(q.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 28 Financial assets and liabilities.

Note 2 – Summary of significant accounting policies (continued)

(r) Current and deferred taxes

(r1) 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.

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.

(r2) 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.

- 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.

Note 2 – Summary of significant accounting policies (continued)

(s) Intangible assets

(s1) 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.

(s2) 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 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.

(s3) 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), and November 1, 2020 (Aerosan Airport Services and Servicios Aeroportuarios Aerosan), the date on which these transactions took place.

(s4) 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 contribute to generate net cash flows to the business indefinitely. 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.

Note 2 – Summary of significant accounting policies (continued)

(t) Asset impairment

(t1) 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.

(t2) 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.

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.

Note 2 – Summary of significant accounting policies (continued)

(t) Asset impairment (continued)

(t3) 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.

(t4) 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.

(t5) 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.

(u) Provisions

(u1) 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.

Note 2 – Summary of significant accounting policies (continued)

(u) Provisions (continued)

(u2) Provisions for employee benefits – Termination benefits

The 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.

(u3) Provision for post-retirement fund

The 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 2.65%, which is the rate at which long-term inflation-indexed financial instruments are traded.

(u4) Provisions for employee benefits - Personnel vacations

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

(u5) 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.

(u6) Provisions for removal of tanks

The 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.

(v) 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.

(w) 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 whether the derivative has been designated as a hedging instrument and, if so, of the nature of the hedged item. The Group designates certain derivatives as fair value hedges and cash flow hedges.

Note 2 – Summary of significant accounting policies (continued)

(w) Derivative financial instruments and hedging activities (continued)

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.

(w.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.

(w.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 forecasted transaction affects the consolidated income statement. When the forecasted 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.

(w.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, 2020 and 2019, the Company has derivative instruments and hedges as disclosed in Note 22 i).

(w.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.

(x) 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.

Note 2 – Summary of significant accounting policies (continued)

(x) Cash and cash equivalents (continued)

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 Group'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.

(y) Earnings per Share

Basic earnings per share is calculated as the ratio of earnings (loss) for the year attributable to the Parent 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.

(z) 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.

(aa) 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.

(bb) 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 makes 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 principal accounting policies used by financial institutions regulated by the Financial Market Commission to prepare their financial statements are as follows.

(cc) 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.

(dd) Basis of consolidation

The financial statements of Banco de Chile as of December 31, 2020 and 2019, 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 and 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.

(dd1) Subsidiaries

The consolidated financial statements as of December 31, 2020 and 2019, 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.

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

Note 2 – Summary of significant accounting policies (continued)

(dd) Basis of Consolidation (continued)

(dd1) Subsidiaries (continued)

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	
				2020 %	2019 %	2020 %	2019 %	2020 %	2019 %
96.767.630-6	Banchile Administradora General de Fondos S.A.	Chile	CLP	99.98	99.98	0.02	0.02	100.00	100.00
96.543.250-7	Banchile Asesoría Financiera S.A.	Chile	CLP	99.96	99.96	—	—	99.96	99.96
77.191.070-K	Banchile Corredores de Seguros Ltda.	Chile	CLP	99.83	99.83	0.17	0.17	100.00	100.00
96.571.220-8	Banchile Corredores de Bolsa S.A.	Chile	CLP	99.70	99.70	0.30	0.30	100.00	100.00
96.932.010-K	Banchile Securitizadora S.A. (*)	Chile	CLP	99.01	99.01	0.99	0.99	100.00	100.00
96.645.790-2	Socofin S.A.	Chile	CLP	99.00	99.00	1.00	1.00	100.00	100.00

The name Bank or Banco de Chile will be mentioned in the following pages, this being understood to refer to the subsidiary Banco de Chile, which is the principal generator of the assets, liabilities, revenue and expenses shown in these consolidated financial statements.

(dd2) 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 will determine the type of joint arrangement in which it is involved as 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.

(dd3) 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.

Note 2 – Summary of significant accounting policies (continued)

(dd) Basis of Consolidation (continued)

(dd4) Shares or rights in other companies

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, 2020 and 2019, the Bank does not control and has not created any special purpose entities.

(dd5) 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 make decisions, as established in the regulations. Therefore, as of December 31, 2020 and 2019, it acts as agent and no funds are consolidated.

(ee) 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.

(ff) 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 41.9, 41.10 and 41.29)
2. Useful life of intangible assets, property, plant and equipment and right-of-use leased assets (Notes 41.13 and 41.14)
3. Current and deferred taxes (Note 41.15)
4. Provisions (Note 41.22)
5. Contingencies and commitments (Note 41.24).
6. Fair value of financial assets and liabilities (Note 41.36).

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.

There have been no significant changes in estimates during the year ended December 31, 2020, other than those disclosed in Note 41.2 "Accounting Changes".

Note 2 – Summary of significant accounting policies (continued)

(gg) 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.

(gg1) Initial recognition

The Bank and its subsidiaries recognize customer loans and receivables, 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.

(gg2) Classification

The assets, liabilities and income have been classified in accordance with instructions issued by the CMF.

(gg3) 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 benefits of ownership. In this case:

(a) If the risks and benefits 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 benefits inherent in ownership of a financial asset are substantially retained, it will continue to recognize it.

(c) If all the risks and benefits 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.

(gg4) 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 set off the recognized amounts and there is an intention to settle on a net basis or to realize an asset and settle the liability simultaneously.

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.

Note 2 – Summary of significant accounting policies (continued)

(gg) Valuation of assets and liabilities

(gg5) 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.

(gg6) 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.

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 disclosures of the Bank's fair value are included in Note 41.36.

Note 2 – Summary of significant accounting policies (continued)

(hh) 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.

(ii) 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, 2020, 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$711.90 per US$1 (Ch$751.88 per US$1 in 2019).

The balance of ThCh$156,663,550 is the net exchange gain (ThCh$30,886,630 in 2019) 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.

(jj) 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.

(kk) 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.

Note 2 – Summary of significant accounting policies (continued)

(ll) 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.

(mm) Resale, repurchase agreements and securities borrowing/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.

(nn) 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 the time of signing of a derivative contract, this should be designated by the Bank as a derivative instrument for trading or for hedge accounting 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.

Note 2 – Summary of significant accounting policies (continued)

(nn) Financial derivative contracts (continued)

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".

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)

(oo) 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.

(oo.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 (nn).

(oo.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.

(oo.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.

Note 2 – Summary of significant accounting policies (continued)

(oo) Loans and receivables from customers (continued)

(oo.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 oo 5.1.
b) Debtors subject to group evaluation including all loans in the "Default Portfolio", as defined in Note 2 oo 5.5.

(oo.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 as a liability under the heading Provisions in the case of contingent loans.

As stipulated by the CMF, models or methods are used based on the individual and grouped analysis of debtors, for constituting provisions for loan losses. These models and any change to their design and application are approved by the Bank's Board of Directors.

(oo.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, banks should evaluate the quality of credit and their debtors and their credit and contingent liabilities should be grouped by their corresponding category, following the assignment of one of the following three portfolio conditions: Normal, Substandard and Default.

(oo.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	Debtor Category	Probability of Default (%)	Loss Given Default (%)	Expected Loss (%)
Normal	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	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)

(oo) Loans and receivables from customers (continued)

(oo.5) Provisions for loan losses (continued)

(oo.5.1) Provisions by individual evaluation (continued)

(oo.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. 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.

(oo.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 collection 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.

Note 2 – Summary of significant accounting policies (continued)

(oo) Loans and receivables from customers (continued)

(oo.5) Provisions for loan losses (continued)

(oo.5.1) Provisions by individual evaluation (continued)

(oo.5.1.2) Default portfolio (continued)

These categories, their range of loss based on the Bank's estimates and the provision percentages that are ultimately applied on the amounts of exposure, are detailed 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).

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 (v.i) 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 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, two payments have already been made.
- 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.

(oo 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.

Note 2 – Summary of significant accounting policies (continued)

(oo) Loans and receivables from customers (continued)

(oo.5) Provisions for loan losses (continued)

(oo 5.2) Provisions by group evaluation (continued)

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.

In the case of consumer loans, guarantees are not considered for the purpose of estimating the expected loss.

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.

(oo.5.3) Standard method for calculating residential mortgage loan provisions

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:

Provision factor applicable according to arrears 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)

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.

Note 2 – Summary of significant accounting policies (continued)

(oo) Loans and receivables from customers (continued)

(oo.5) Provisions for loan losses (continued)

(oo.5.4) 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 (%)		
Days past due at month end	Asset	
	Real estate	Non-real estate
0	0.79	1.61
1-29	7.94	12.02
30-59	28.76	40.88
60-89	58.76	69.38
Default portfolio	100.00	100.00

Loss given default (LGD) according to the LTV range and the asset (%)		
LTV = Present transaction value / Leased asset value		
LTV range	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.

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

Note 2 – Summary of significant accounting policies (continued)

(oo) Loans and receivables from customers (continued)

(oo.5) Provisions for loan losses (continued)

(oo.5.4) Commercial portfolio (continued)

Loss Given Default (LGD) applicable by LTV band (%)			
Guarantees (with/without)	LTV band	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.

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.

(oo.5.5) 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.

Note 2 – Summary of significant accounting policies (continued)

(oo) Loans and receivables from customers (continued)

(oo.5) Provisions for loan losses (continued)

(oo.5.5) 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 (ai.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, two payments have already been made.
- 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.

(oo.5.6) 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 Compendium of Accounting Standards. 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.

(oo.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.

(oo.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.

Note 2 – Summary of significant accounting policies (continued)

(oo) Loans and receivables from customers (continued)

(oo.6) Loan charge-offs (continued)

(oo.6.1) Charge-off of loans and receivables (continued)

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.

(oo.6.2) Charge-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 charge-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.

(oo.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 charge-off of a lease operation, by their incorporation into assets.

Any restructuring of a written-off loan does not generate income while the transaction continues in a state of default, and the effective payments received must be treated as recoveries of written-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.

Note 2 – Summary of significant accounting policies (continued)

(pp) Investment instruments

Investment investments 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.

Investment securities used as accounting hedges are adjusted under hedge accounting rules.

The Bank has no investment instruments held to maturity as of December 31, 2020 and 2019.

(qq) 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.

(rr) 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 2020 and 2019 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.

Note 2 – Summary of significant accounting policies (continued)

(ss) Current and deferred taxes

The provision for income tax of the Bank and its subsidiaries has been calculated in accordance with current 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.

(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 proceeds (payments)	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 (2.31% as of December 31, 2020 and 3.17% as of December 31, 2019).

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, 2020 and 2019, 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. Suspension occurs 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.

Note 2 – Summary of significant accounting policies (continued)

(aaa) Interest and indexation income and expenses (continued)

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.
- 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.

Note 2 – Summary of significant accounting policies (continued)

(bbb) Fee income and expenses (continued)

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, these are no longer considered as impaired instruments and any later 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.

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.

Note 2 – Summary of significant accounting policies (continued)

(ccc) Identification and measurement of impairment (continued)

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 determined on the book value of these assets, systematically applying a proportion of the value over the economic use during the estimated useful life. Lease revenue is recognized on a straight-line basis over the term of the lease.

(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 assets are measured using the cost model, less accumulated depreciation and accumulated impairment losses. Depreciation for right-of-use 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 asset under that lease contract.

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.

Note 2 – Summary of significant accounting policies (continued)

(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 22.24 letter (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, 2020 the balance of additional provisions was ThCh$320,251,877 (ThCh$213,251,877 as of December 31, 2019), 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 2020.

Note 3 - Changes in accounting policies

The consolidated financial statements as of December 31, 2020, 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, 2020 and 2019, these are detailed as follows.

	12-31-2020 ThCh$	12-31-2019 ThCh$
Cash on hand	2,892,036	1,324,545
Bank balances	230,198,738	144,327,727
Time deposits up to 90 days	372,668,933	355,888,825
Investments under repurchase agreements	6,943,135	50,151,542
Total	**612,702,842**	**551,692,639**

As indicated in Note 2 f) and x), the consolidated statement of cash flows includes the banking subsidiaries, which are shown separately in that statement. The previous detail does not therefore 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$71,817,191 as of December 31, 2020 (ThCh$63,964,283 as of December 31, 2019), have been eliminated in the preparation of these consolidated financial statements.

(b) Cash and cash equivalents by currency are detailed as follows:

	Currency		12-31-2020 ThCh$	12-31-2019 ThCh$
Cash and cash equivalents	CLP	(Chilean pesos)	248,127,186	107,545,304
Cash and cash equivalents	USD	(US dollars)	348,860,450	427,223,480
Cash and cash equivalents	EUR	(Euros)	1,736,875	2,147,900
Cash and cash equivalents	BRL	(Brazilian reals)	3,104,009	2,561,440
Cash and cash equivalents	OTR	(Other currencies)	10,874,322	12,214,515
Total			**612,702,842**	**551,692,639**

(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.

	12-31-2020 ThCh$	12-31-2019 ThCh$
Cash and cash equivalents in non-banking sector	612,702,842	551,692,639
Discontinued companies	40,924	46,057
Cash and cash equivalents in banking sector		
Cash	615,842,169	889,910,887
Deposits in the Chilean Central Bank	641,889,962	178,428,703
Deposits with banks in Chile	14,505,550	75,650,888
Deposits abroad	1,287,978,036	1,248,174,902
Transactions pending settlement, net	(719,691,285)	232,550,846
Highly liquid financial instruments	4,212,718,557	1,192,188,095
Repurchase agreements	34,872,336	114,465,711
Cash and cash equivalents in the consolidated statement of cash flows	**6,700,859,091**	**4,483,108,728**

Note 4 – Cash and cash equivalents (continued)

(d) Significant unavailable cash balances

As of December 31, 2020 and 2019, 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, 2020 and 2019, these are detailed as follows:

	12-31-2020 ThCh$	12-31-2019 ThCh$
Time deposits at more than 90 days	149,009,358	37,124,304
Investments in mutual funds	3,209,556	1,538,092
Hedging assets	2,102,279	8,570,534
Total	**154,321,193**	**47,232,930**

These do not include time deposits maturing in more than 90 days held by Quiñenco and its subsidiaries with Banco de Chile, amounting to ThCh$18,929,240 as of December 31, 2020 (ThCh$5,914,076 as of December 31, 2019), 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	Hedge currency	Current		Fair values	
				12-31-2020 ThCh$	12-31-2019 ThCh$	12-31-2020 ThCh$	12-31-2019 ThCh$
Forward	Cash flow hedge instruments	Exchange rate fluctuations	US dollars	317,084	8,570,534	317,084	8,570,534
Swap	Cash flow hedge instruments	Exchange rate fluctuations	US dollars	1,785,195	-	1,785,195	-
	Total hedging assets			**2,102,279**	**8,570,534**	**2,102,279**	**8,570,534**

Note 6 – Other non-financial assets, current

As of December 31, 2020 and 2019, these are detailed as follows:

	12-31-2020 ThCh$	12-31-2019 ThCh$
Dividends receivable	2,802,509	2,923,192
Advance payments to suppliers	11,518,683	9,107,623
VAT recoverable	8,330,912	10,624,128
Others	1,971,580	3,182,758
Total	**24,623,684**	**25,837,701**

Note 7 – Trade and other receivables

As of December 31, 2020 and 2019, these are detailed as follows:

	12-31-2020 ThCh$	12-31-2019 ThCh$
Trade receivables	154,411,878	192,084,978
Other receivables	35,821,883	43,409,080
Allowance for doubtful receivables	(13,988,435)	(16,601,040)
Total	**176,245,326**	**218,893,018**
Less: Other receivables, non-current (1)	(10,876,113)	(10,852,238)
Current trade and other receivables	**165,369,213**	**208,040,780**

(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:

	12-31-2020				**12-31-2019**			
Past due ranges	No. Customers non-renegotiated portfolio	Gross non-renegotiated portfolio ThCh$	No. Customers renegotiated portfolio	Gross renegotiated portfolio ThCh$	No. Customers non-renegotiated portfolio	Gross non-renegotiated portfolio ThCh$	No. Customers renegotiated portfolio	Gross renegotiated portfolio ThCh$
Not yet due	6,418	143,230,940	-	-	8,433	170,198,527	-	-
1- 30 days	3,497	24,190,074	-	-	3,220	35,683,036	-	-
31- 60 days	747	4,063,790	-	-	948	6,781,470	-	-
61- 90 days	389	2,460,598	-	-	1,239	2,796,260	-	-
91- 120 days	409	1,404,838	-	-	789	2,627,734	-	-
121- 150 days	243	717,348	-	-	598	372,265	-	-
151- 180 days	226	252,388	-	-	348	261,304	-	-
181- 210 days	385	1,294,640	-	-	522	335,741	-	-
211-250 days	2,812	674,692	-	-	428	554,885	-	-
Over 250 days	11,046	11,944,453	-	-	3,732	15,882,836	-	-
Total	**26,172**	**190,233,761**	**-**	**-**	**20,257**	**235,494,058**	**-**	**-**

Unsecuritized portfolio	**12-31-2020**		**12-31-2019**	
	No. Customers	Portfolio ThCh$	No. Customers	Portfolio ThCh$
Documents receivable rejected	-	-	3	706,062
Documents receivable under legal collection procedures	-	-	-	-

Provisions							
12-31-2020				**12-31-2019**			
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$
(13,988,435)		1,277,577	-	(16,601,040)	-	2,821,616	464,219

As of December 31, 2020 and 2019, the Company had no customers in the guaranteed 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 41.10 and 41.22 to these consolidated financial statements), and mainly attributable to 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 failing to meet its contractual obligations. Credit granted to customers is regularly reviewed, in accordance with the controls defined by the Company, and to monitor the status of receivables.

Services are provided to customers under market conditions, which involves simple credit that does not exceed 120 days on average.

These transactions are not concentrated in significant customers, in fact the Company's customers are well fragmented, which distributes this risk.

The Company 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. 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.

The Company applies the simplified approach of 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, the Company has concluded that the expected loss rates for receivables are a reasonable approximation of the loss rates for these assets.

The expected loss rates are based on sales payment profiles over a 12-month period prior to December 31, 2020, and the corresponding historical credit losses experienced 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. The Company analyses the specific market situation of each customer where necessary and has determined specific events that could affect their 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, the provision for losses as of December 31, 2020 and 2019, was as follows.

Age of Receivable	Expected loss (range)
Not yet due	0.10% - 0.22%
30 days after the receivable due date	0.22% - 4.65%
60 days after the receivable due date	0.37% - 15.73%
90 days after the receivable due date	1.63% - 25.47%
120 days after the receivable due date	11.47% - 36.52%
180 days after the receivable due date	15.90% - 48.74%
240 days after the receivable due date	20.11% - 73.67%
300 days after the receivable due date	40.11% - 94.21%
360 days after the receivable due date	55.06% - 100%
Over 360 days after the receivable due date	98.44% - 100%
Legal collections, checks issued with insufficient funds and other similar situations	100%
High risk customers, case-by-case review	100%

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.

During the current year, the Company has reassessed the expected loss percentages as of March 31, June 30 and November 30, 2020, as a result of the COVID-19 pandemic, in order to measure its potential effects on the impairment losses on receivables. The results of this analysis did not generate significant variations in the expected loss percentages.

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 to the Company, 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 financial assets represents the current exposure to credit risk. The receivables impairment provision as of December 31, 2020 and December 31, 2019, was as follows.

Receivables' impairment provision	12-31-2020 ThCh$			12-31-2019 ThCh$		
	Current	Non-current	Total	Current	Non-current	Total
Trade receivables	56,801,351	-	56,801,351	58,702,714	157,984	58,860,698
Impairment of trade receivables	(4,113,557)	-	(4,113,557)	(3,461,425)	-	(3,461,425)
Trade receivables, net	**52,687,794**	**-**	**52,687,794**	**55,241,289**	**157,984**	**55,399,273**
Other receivables	10,092,646	10,876,113	20,968,759	9,094,196	10,694,254	19,788,450
Impairment of other receivables	-	-	-	-	-	-
Other receivables, net	**10,092,646**	**10,876,113**	**20,968,759**	**9,094,196**	**10,694,254**	**19,788,450**
Total trade and other receivables	**62,780,440**	**10,876,113**	**73,656,553**	**64,335,485**	**10,852,238**	**75,187,723**

Movement in impairment provision	12-31-2020 ThCh$	12-31-2019 ThCh$
Opening balance as of January 1	3,461,425	2,789,152
Increases in provisions	747,204	571,374
Reductions for business combination	1,598,099	-
Impairment reversal	-	(405,605)
Receivables written off	(1,422,379)	(69,129)
Effect of exchange rates	(270,792)	575,633
Total impairment provision	**4,113,557**	**3,461,425**

There is no longer any possibility of recovering receivables written off during the current year.

Enex Corp.

Enex Corp. Ltd. and its subsidiaries have subscribed credit insurance, in order to cover the risk of unpaid receivables from domestic and international (e.g. bunkering business) sales. The policy is currently in force.
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, 2020, coverage was distributed as follows:

Coverage	Amount	Number of customers
Specified debtor	> UF 1,200	931
Unspecified debtor	< UF 1,200	6,929

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.

47% 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 53% is to other types of customers within the scope. 87% of these customers are covered.

Note 8 – Related party balances and transactions

(a) Related party receivables and payables

Company	ID number	Country	Transaction	Relationship	Currency	Current assets		Non-current assets		Current liabilities		Non-current liabilities	
						12-31-2020	12-31-2019	12-31-2020	12-31-2019	12-31-2020	12-31-2019	12-31-2020	12-31-2019
						ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Minera Los Pelambres S.A.	96.790.240-3	Chile	Invoices	Common shareholder	CLP	5,733,811	6,832,868	-	-	-	-	-	-
Sociedad Nacional de Oleoductos S.A.	81.095.400-0	Chile	Invoices	Associate of subsidiary	CLP	-	-	-	-	15,641	66,851	-	-
Comercial CCU S.A.	99.554.560-8	Chile	Invoices	Subsidiary of joint venture	CLP	4,977	4,556	-	-	131,526	129,853	-	-
Asfaltos Cono Sur S.A.	96.973.920-8	Chile	Invoices	Joint venture of subsidiary	CLP	83,181	407,604	-	-	-	1,010,051	-	-
Ferrocarril Antofagasta Bolivia S.A.	81.148.200-5	Chile	Invoices	Common shareholder	CLP	756,451	1,293,643	-	-	-	-	-	-
Minera Antucoya	76.079.669-7	Chile	Invoices	Common shareholder	CLP	2,333,337	2,462,565	-	-	-	-	-	-
Minera Centinela	76.727.040-2	Chile	Invoices	Common shareholder	CLP	9,751,390	11,133,042	-	-	-	-	-	-
Antofagasta Minerals S.A.	93.920.000-2	Chile	Invoices	Common shareholder	CLP	8,531	71,952	-	-	-	-	-	-
Nexans Brasil S.A. (1)	Foreign	Brazil	Legal settlement	Associate of subsidiary	USD	-	-	-	-	80,714	109,617	-	-
Hapag Lloyd Chile SpA	76.380.217-5	Chile	Services	Associate of subsidiary	CLP	1,960,800	1,567,862	-	-	-	-	-	-
Hapag Lloyd AG	Foreign	Germany	Services	Joint venture of subsidiary	USD	2,131,429	1,279,596	-	-	-	845,328	-	-
Hapag Lloyd Brasil	Foreign	Brazil	Others	Associate of subsidiary	USD	-	1,302,807						
Hapag Lloyd Ecuador	Foreign	Ecuador	Services	Associate of subsidiary	USD	407,374	120,547	-	-	-	-	-	-
Hapag Lloyd AG Mexico S.A. de C.V.	Foreign	Mexico	Services	Associate of subsidiary	USD	241,011	-	-	-	-	-	-	-
Norgistic Chile S.A.	76.028.758-K	Chile	Services	Associate of subsidiary	CLP	-	50,166	-	-	-	-	-	-
CSAV Austral SpA	89.602.300-4	Chile	Current account	Associate of subsidiary	USD	239,590	214,888	-	-	-	-	-	-
Transportes Fluviales Corral S.A.	96.657.210-8	Chile	Services	Associate of subsidiary	CLP	22,039	43,429	-	-	-	-	-	-
Iquique Terminal Internacional S.A.	96.915.330-0	Chile	Current account	Associate of subsidiary	USD	23,461	50,974	-	-	-	-	-	-
Antofagasta Terminal Internacional S.A.	99.511.240-K	Chile	Services	Associate of subsidiary	CLP	111,619	51,663	-	-	-	-	-	-
San Antonio Terminal Internacional S.A.	96.908.970-K	Chile	Services	Associate of subsidiary	CLP	922,814	1,154,483	-	-	25,594	61,397	-	-
Lng Tugs Chile S.A.	76.028.651-6	Chile	Services	Associate of subsidiary	USD	76,783	39,683	-	-	-	-	-	-
Servicios Portuarios Reloncaví Ltda.	78.353.000-7	Chile	Services	Associate of subsidiary	CLP	10,664	7,487	-	-	-	-	-	-
San Vicente Terminal Internacional S.A.	96.908.930-0	Chile	Services	Associate of subsidiary	USD	-	83,859	2,843,800	-	-	-	-	-
SAAM SMIT Towage Brasil	Foreign	Brazil	Dividends	Associate of subsidiary	USD	-	-	-	-	-	20,965	-	-
Others	-	-	Invoices		CLP	48,327	172,538	4,032	-	8,522	57,413	-	-
Total						24,867,589	28,346,212	2,847,832	-	261,997	2,301,475	-	-

(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 Invexans 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.

				12-31-2020		12-31-2019	
ID number	Company	Relationship	Description	Transaction amount	Effect on net income	Transaction amount	Effect on net income
				ThCh$	ThCh$	ThCh$	ThCh$
96.790.240-3	Minera Los Pelambres S.A.	Common shareholder	Sales of products and services	35,811,316	5,874,002	52,055,418	7,926,370
76.079.669-7	Minera Antucoya	Common shareholder	Sales of products and services	10,550,521	1,423,450	17,958,252	2,450,340
76.727.040-2	Minera Centinela S.A.	Common shareholder	Sales of products and services	60,259,199	7,064,389	82,790,361	9,736,453
81.148.200-5	Ferrocarril Antofagasta Bolivia	Common shareholder	Products sold	8,076,378	212,994	13,397,325	737,452
82.040.600-1	Sociedad Inversiones de Aviación S.A.	Associate of subsidiary	Services received	307,210	(304,275)	1,639,991	(1,639,991)
96.973.920-8	Asfaltos Cono Sur S.A.	Joint venture of subsidiary	Services received	676,694	(575,862)	971,571	(971,571)
81.095.400-0	Sociedad Nacional de Oleoductos S.A.	Associate of subsidiary	Services received	423,363	(421,896)	600,418	(600,418)
76.380.217-5	Hapag Lloyd Chile SpA	Associate of subsidiary	Port operations	5,477,388	5,477,388	5,216,433	5,216,433
76.380.217-5	Hapag Lloyd Chile SpA	Associate of subsidiary	Port equipment services	795,488	795,488	742,786	742,786
76.380.217-5	Hapag Lloyd Chile SpA	Associate of subsidiary	Fleet service income	1,063,025	1,063,025	1,001,668	1,001,668
76.380.217-5	Hapag Lloyd Chile SpA	Associate of subsidiary	Documentation services	899,970	899,970	742,786	742,786
76.380.217-5	Hapag Lloyd Chile SpA	Associate of subsidiary	Leasehold property	520,421	520,421	1,227,261	1,227,261
Foreign	Hapag Lloyd A.G. Mexico	Associate of subsidiary	Port operations	856,435	856,435	856,356	856,356
Foreign	Hapag Lloyd A.G. Ecuador	Associate of subsidiary	Warehousing and storage services	717,918	717,918	520,585	520,585
Foreign	Hapag Lloyd A.G. Ecuador	Associate of subsidiary	Port operations	367,270	367,270	132,615	132,615
Foreign	Hapag Lloyd A.G. Germany	Joint venture of subsidiary	Port operations	7,007,415	7,007,415	7,235,993	7,235,993
Foreign	Hapag Lloyd A.G. Germany	Joint venture of subsidiary	Fleet services	1,082,022	1,082,022	992,498	992,498
Foreign	Hapag Lloyd A.G. Germany	Joint venture of subsidiary	Cold storage	1,810,229	1,810,229	2,252,342	2,252,342
76.028.651-6	LNG Tugs Chile S.A.	Associate of subsidiary	Fleet services	1,066,191	1,066,191	1,037,643	1,037,643
99.554.560-8	Comercial CCU S.A.	Subsidiary of joint venture	Product purchases	1,402,233	(1,326,500)	1,760,711	(1,760,711)
96.501.760-1	Ecusa S.A.	Subsidiary of joint venture	Service income	743,855	305,161	444,366	444,366
96.908.970-K	San Antonio Terminal Internacional S.A.	Associate of subsidiary	Port terminal services	1,771,556	56,957	1,385,209	78,084
96.915.330-0	Iquique Terminal Internacional S.A.	Associate of subsidiary	Product sales	891,018	21,666	518,812	24,920
93.857.000-0	Cía. de Inversiones Adriático	Common shareholder	Services	344,004	344,004	334,151	334,151

Note 8 – Related party balances and transactions (continued)

(c) Remuneration and benefits received by senior management of the Parent Company

For the years ended December 31, 2020 and 2019, these are detailed as follows.

	12-31-2020	12-31-2019
	ThCh$	ThCh$
Wages and salaries	4,128,692	4,301,460
Fees (allowances and profit sharing)	1,305,478	1,444,514
Short-term benefits	5,883,710	5,447,556
Total	11,317,880	11,193,530

Note 9 – Inventory

As of December 31, 2020 and 2019, these are detailed as follows:

Inventory, current	12-31-2020	12-31-2019
	ThCh$	ThCh$
Raw materials	209,730	177,380
Fuel and lubricants	96,702,708	102,076,275
Production supplies	7,603,610	8,144,794
Others (1)	10,208,531	9,405,173
Total	114,724,579	119,803,622

(1) Includes mainly maintenance materials for the service station and plant network and for finished goods in transit.

Non-current inventory	12-31-2020	12-31-2019
	ThCh$	ThCh$
Spare parts	708,106	858,805
Total	708,106	858,805

The costs of inventory recognized as expenses in the consolidated statement of comprehensive income as of December 31 each year are:

	12-31-2020	12-31-2019
	ThCh$	ThCh$
Inventory costs recognized as expenses	1,817,373,967	2,247,074,297
Total	**1,817,373,967**	**2,247,074,297**

Note 10 – Non-current assets or disposal groups classified as held for sale and discontinued operations

As of December 31, 2020 and December 31, 2019, these are detailed as follows:

	Invexans		Tech Pack		SM SAAM		CSAV		Total	
	12-31-2020	12-31-2019	12-31-2020	12-31-2019	12-31-2020	12-31-2019	12-31-2020	12-31-2019	12-31-2020	12-31-2019
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Non-current assets held for sale	2,393,691	2,520,926	2,217,755	3,660,210	7,723,050	8,707,097	98,822	229,114	12,433,318	15,117,347
Assets from discontinued operations	-	-	40,978	46,530	-	-	-	-	40,978	46,530
Total assets held for sale	**2,393,691**	**2,520,926**	**2,258,733**	**3,706,740**	**7,723,050**	**8,707,097**	**98,822**	**229,114**	**12,474,296**	**15,163,877**
Non-current liabilities held for sale	-	-	-	-	-	-	124,416	60,648	124,416	60,648
Liabilities from discontinued operations	-	-	41,436	326,786	-	-	-	-	41,436	326,786
Total liabilities held for sale	**-**	**-**	**41,436**	**326,786**	**-**	**-**	**124,416**	**60,648**	**165,852**	**387,434**

(a) Non-current assets held for sale

Non-current assets held for sale as of December 31, 2020 and 2019, are detailed as follows:

	Invexans		Tech Pack		SM SAAM		CSAV		Total	
	12-31-2020	12-31-2019	12-31-2020	12-31-2019	12-31-2020	12-31-2019	12-31-2020	12-31-2019	12-31-2020	12-31-2019
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Properties	2,393,691	2,520,926	2,217,197	3,659,621	6,935,317	8,227,155	-	8,236	11,546,205	14,415,938
Machinery, vehicles and equipment	-	-	-	-	770,670	449,992	-	-	770,670	449,992
Other assets	-	-	558	589	17,063	29,950	98,822	220,878	116,443	251,417
Total assets	**2,393,691**	**2,520,926**	**2,217,755**	**3,660,210**	**7,723,050**	**8,707,097**	**98,822**	**229,114**	**12,433,318**	**15,117,347**

(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 belongs to the subsidiaries Decker and Metacab, which are discontinued operations that were dedicated to processing metals in Argentina. Finally, the property in Rancagua and other assets for sale are owned by the subsidiaries Alumco and Indalum, which are discontinued operations, though in the past they produced and marketed enclosure solutions.

All these assets come from discontinued or divested operations, 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).

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.

During the first half of 2020, SM SAAM sold the building at Blanco 895, Valparaíso, in addition to surplus logistics assets. The Company concluded the sale of its interest in Terminal Puerto Arica S.A. during 2019, and sales of minor assets in the logistics segment. During 2020, the indirect subsidiary Sociedad Concesionaria Costa Rica S.A. offered for sale the tugboat Choroy for ThUS$ 442.

(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.

2) The Share Purchase Agreement signed on April 18, 2016, was finalized on May 31, 2016, by the transfer of shares. As a result, Tech Pack S.A. sold all of its shares in Alusa S.A. and Inversiones Alusa S.A., to Amcor Holding SpA, and Inmobiliaria Techpack S.A. sold its shares in Alusa S.A. to Amcor Holding SpA. The buyers belong to Amcor, the main global producer of rigid and flexible packaging. Therefore, Tech Pack S.A. ceased to have a direct or indirect interest in the production and marketing of flexible packaging in Chile and abroad.

The transaction generated revenue of US$ 204 million. The effect on the net income of Tech Pack S.A. is the net amount after deducting the book value of the investment that Tech Pack S.A. and Inmobiliaria Techpack S.A. held in these subsidiaries and other deductions related to the transaction costs and estimated taxes. Also included as a cost are the Reserves for currency translation differences that were recorded in Other comprehensive income up to the time of the sale of US$ 11 million.

As of December 31, 2020 and 2019, 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 results of discontinued operations, which mainly come from the Argentine company Decker Industrial S.A., are as follows:

	12-31-2020 ThCh$	12-31-2019 ThCh$
Revenue	-	-
Expenses	(1,607,252)	(736,839)
Net loss before taxes	**(1,607,252)**	**(736,839)**
Income tax (expense) credit	470,127	(10,368)
Net loss on discontinued operations, net of taxes	**(1,137,125)**	**(747,207)**
Gain (loss) on AMCOR transaction, net of taxes	(16,173)	(71,790)
Gain (loss) on discontinued operations, net of taxes	**(1,153,298)**	**(818,997)**

(1) Includes price adjustments and other expenses.

Statement of Cash Flows	**12-31-2020** **ThCh$**	**12-31-2019** **ThCh$**
Cash flows provided by (used in) operating activities	(457,531)	(821,890)
Cash flows provided by (used in) investing activities	(123,946)	6,542
Cash flows provided by (used in) financing activities	578,608	786,177
Effect of changes in exchange rates on cash and cash equivalents	(2,264)	3,221
Cash and cash equivalents, opening balance	46,057	72,007
Net cash flows for the year	**40,924**	**46,057**

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 Norgistics subsidiaries 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, of which CSAV is one of the main shareholders.

The result of discontinued operations at the subsidiary CSAV was as follows:

	12-31-2020	12-31-2019
	ThCh$	ThCh$
Revenue	13,323,430	65,499,350
Expenses	(13,757,390)	(69,160,381)
Net loss before taxes	**(433,960)**	**(3,661,031)**
Income tax expense	(35,604)	(862,980)
Net loss from discontinued operations	**(469,564)**	**(4,524,011)**

Statement of Cash Flows	12-31-2020	12-31-2019
	ThCh$	ThCh$
Cash flows provided by (used in) operating activities	7,041,289	27,656,889
Cash flows provided by (used in) investing activities	-	-
Cash flows provided by (used in) financing activities	(6,008,011)	(23,579,625)
Effect of changes in exchange rates on cash and cash equivalents	46,967	(9,908)
Cash and cash equivalents, opening balance	-	-
Net cash flows for the year	**1,080,245**	**4,067,356**

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, 2020 and 2019, are as follows.

	12-31-2020 ThCh$	12-31-2019 ThCh$
Revenue	-	134,246,867
Expenses	-	(115,660,786)
Net loss before taxes	**-**	**18,586,081**
Income tax expense	-	(5,068,016)
Net income on discontinued operations, net of taxes	-	13,518,065
Non-controlling interests	-	(4,555,588)
Subtotal	-	8,962,477
Gain on sale of Inv. Vita S.A., Banchile S.A. and Segchile S.A., net of taxes	-	14,289,375
Price adjustment on sale of Inv. Vita S.A., Banchile S.A. and Segchile S.A.,	(431,214)	-
Net income (loss) on discontinued operations, net of taxes	**(431,214)**	**23,251,852**

Statement of Cash Flows	12-31-2020 ThCh$	12-31-2019 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 changes in exchange rates on cash and cash equivalents	-	-
Cash and cash equivalents, opening balance	-	2,470,415
Net cash flows for the year	**(431,214)**	**2,470,415**

Note 11 – Other financial assets, non-current

As of December 31, 2020 and 2019, these are detailed as follows:

	12-31-2020 ThCh$	12-31-2019 ThCh$
Equity instruments (shares)	40,482,128	40,485,538
Hedge assets	11,426,389	262,059
Other equity and foreign investments	1,495,794	1,673,835
Total	**53,404,311**	**42,421,432**

a) Equity instruments

Equity instruments as of December 31, 2020 and 2019, are detailed as follows.

	12-31-2020 ThCh$	12-31-2019 ThCh$
Sociedad Nacional de Oleoductos S.A. (SONACOL)	40,296,561	40,296,561
Depósitos Asfálticos S.A. (DASA)	95,979	96,328
Others	89,588	92,649
Total	**40,482,128**	**40,485,538**

b) Hedge assets

Non-current hedge assets and their fair values are as follows.

				Non-current		Fair values	
Hedge classification	**Hedge description**	**Hedged risk**	**Hedge currency**	**12-31-2020 ThCh$**	**12-31-2019 ThCh$**	**12-31-2020 ThCh$**	**12-31-2019 ThCh$**
Cross currency swap	Swap	Exchange rate	< UF 5,400,000	10,652,164	-	10,652,164	-
Cross currency swap	Swap	Exchange rate	Ch$13,896 million	774,225	-	774,225	-
Cross currency swap	Swap	Exchange rate	< UF 2,800,000	-	262,059	-	262,059
	Total hedging assets			**11,426,389**	**262,059**	**11,426,389**	**262,059**

Note 12 – Other non-financial assets, non-current

As of December 31, 2020 and 2019, these are detailed as follows:

	12-31-2020 ThCh$	12-31-2019 ThCh$
Court deposits Ficap Brasil	6,906,906	9,258,024
Other recoverable taxes	3,370,404	4,307,785
Rentals paid in advance	2,854,464	13,890,877
Concession rights	1,851,314	1,968,351
Others	1,554,167	1,586,308
Total	**16,537,255**	**31,011,345**

Note 13 – Investments recognized using the equity method

(a) Summary of financial information of significant subsidiaries[3]

The summary of financial information of significant subsidiaries as of December 31, 2020, is as follows:

Company	Country of incorporation	Functional currency	Percentage interest	Current Assets	Non-current Assets	Banking Assets	Current Liabilities	Non-current Liabilities	Banking Liabilities	Revenue	Operating Expenses	Net income (loss) for the year
				ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	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	CLP	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.

The summary of financial information of significant subsidiaries as of December 31, 2019, is as follows:

Company	Country of incorporation	Functional currency	Percentage interest	Current Assets	Non-current Assets	Banking Assets	Current Liabilities	Non-current Liabilities	Banking Liabilities	Revenue	Operating Expenses	Net income (loss) for the year
				ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
TECH PACK	Chile	USD	99.97%.	111,534,231	39,309,204	-	694,802	992,449	-	14,635	-	380,185
INVEXANS	Chile	USD	99.38%.	8,347,401	306,282,006	-	405,646	16,744,460	-	52,047	-	(32,343,293)
LQIF	Chile	CLP	50.00%.	1,545,905	846,490,140	41,273,330,853	5,055,830	246,105,026	37,590,839,535	1,667,248,056	(911,004,452)	273,875,356
ENEX	Chile	CLP	100.00%.	351,371,515	988,373,532	-	291,212,667	438,405,211	-	2,570,311,105	(2,291,878,752)	25,708,648
SM SAAM S.A.	Chile	USD	52.20%.	292,803,013	918,650,072	-	146,824,920	444,111,388	-	373,717,530	(257,748,617)	40,453,207
CSAV	Chile	USD	61.45%.	54,351,036	1,830,512,065	-	80,850,365	138,674,884	-	65,499,350	(66,347,439)	88,195,159
Total				**819,953,101**	**4,929,617,019**	**41,273,330,853**	**525,044,230**	**1,285,033,418**	**37,590,839,535**	**4,676,842,723**	**(3,526,979,260)**	**396,269,262**

[3] Significant subsidiaries are determined by following the same criterion used in establishing the Company's **Operating Segments** (Note 35).

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, 2020 and 2019:

						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$**	**ThCh$**
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 (3)	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. (4)	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. (4)	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) On November 21, 2019, the purchase of 50% of "Gasolineras del Sur SRL" GASUR, located in Paraguay and now called Enex Paraguay, was finalized.

(4) The remaining 50% interest in this company was acquired in October 2020, leaving it wholly owned. The results are as of October 2020.

Note 13 – Investments recognized using the equity method (continued)

(b) Interest in joint ventures (continued)

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
				12-31-2019						
				ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Hapag Lloyd A.G. (1)	Germany	1,623,555,087	27.79	1,820,613,025	10,527,506,187	3,043,948,263	4,257,852,823	9,978,383,231	9,364,858,444	286,479,069
Inversiones y Rentas S.A. (2)	Chile	397,729,035	50.00	790,302,315	1,591,545,923	479,213,570	461,081,855	1,822,540,697	(908,318,190)	74,915,374
Foods Compañía de Alimentos CCU S.A.	Chile	1,709,806	50.00	1,402,683	2,070,807	(33,645)	20,232	809,117	(762,087)	1,795,052
Asfaltos Cono Sur S.A.	Chile	5,100,816	50.00	1,954,623	12,953,360	3,618,816	-	1,830,536	(2,547,280)	(716,744)
Enex Paraguay (3)	Paraguay	8,937,116	50.00	10,023,808	5,942,619	899,584	-	1,500,979	(1,481,662)	19,317
Transportes y Servicios Aéreos S.A.	Chile	145,141	50.00	292,379	-	2,098	-	-	-	3,632
Aerosan Airport Services S.A.	Chile	6,352,310	50.00	7,971,791	16,980,179	7,247,146	7,333,297	24,000,311	(19,183,687)	1,543,338
Inmobiliaria Carriel Ltda.	Chile	130,281	50.00	227,190	261,928	162,576	-	11,200	(95,403)	1,033,972
Inmobiliaria Sepbío Ltda.	Chile	140,763	50.00	150,070	2,621,367	896,948	1,591,023	191,318	(25,998)	(11,664)
Muellaje del Maipo S.A.	Chile	78,618	50.00	2,030,813	31,265	1,768,190	135,480	12,918,256	(12,707,394)	26,246
Portuaria Corral S.A.	Chile	4,199,683	50.00	3,201,500	6,688,551	1,463,186	1,124,833	6,106,386	(3,208,200)	1,642,634
San Antonio Terminal Internacional S.A.	Chile	30,231,875	50.00	29,677,101	138,209,901	18,319,001	89,078,546	117,653,762	(90,028,280)	5,682,922
San Vicente Terminal Internacional S.A.	Chile	34,200,946	50.00	23,259,510	103,586,038	55,510,733	33,599,772	43,025,020	(41,870,948)	(2,617,187)
Servicios Aeroportuarios Aerosan S.A.	Chile	6,244,492	50.00	8,733,259	2,907,612	3,219,564	867,767	15,438,313	(10,079,374)	3,465,638
Servicios Portuarios Reloncaví Ltda.	Chile	3,662,835	50.00	9,553,088	5,040,556	4,761,954	1,347,158	15,419,723	(11,168,607)	2,049,769
Servicios Portuarios y Extraportuarios Bío Bío Ltda.	Chile	(4,492)	50.00	3,474	-	9,032	-	-	-	-
Transportes Fluviales Corral S.A.	Chile	1,258,632	50.00	1,791,117	3,584,318	3,072,273	541,921	3,991,955	(3,387,805)	199,810
Equimac S.A.	Colombia	1,953,463	50.00	159,797	3,382,835	7,642	-	-	-	516,386
Total		**2,125,626,407**		**2,711,347,543**	**12,423,313,446**	**3,624,086,931**	**4,854,574,707**	**12,043,820,804**	**8,259,993,529**	**376,027,564**

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) On November 21, 2019, the purchase 50% of "Gasolineras del Sur SRL" GASUR, located in Paraguay and now called Enex Paraguay, was finalized.

Note 13 – Investments recognized using the equity method (continued)

(c) Interest in associates

(i) As of December 31, 2020, summarized financial information on significant interests in associates and joint ventures is as follows, in accordance with IFRS 12.

							12-31-2020										
Company	**Country**	**Book value**	**Percentage interest**	**Current Assets**	**Non-Current Assets**	**Current Liabilities**	**Non-Current Liabilities**	**Revenue**	**Operating Expenses**	**Financial Income**	**Financial Costs**	**Net income (loss) for the year**	**Cash & equivalents**	**Depreciation & Amortization**	**Income tax expense**	**Other Compre-hensive income**	**Total Compre-hensive income**
		ThCh$		**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**
Nexans S.A. (1)	France	310,094,214	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		**2,648,442,055**		**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**

(ii) As of December 31, 2019, 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**	**Financial Income**	**Financial Costs**	**Net income (loss) for the year**	**Cash & equivalents**	**Depreciation & Amortization**	**Income tax expense**	**Other Compre-hensive income**	**Total Compre-hensive income**
		ThCh$		**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**
Nexans S.A. (1)	France	300,963,776	29.02	2,572,922,965	1,806,450,448	1,969,331,455	1,357,333,219	5,307,316,794	(4,532,682,787)	4,429,438	(39,942,687)	(101,202,972)	538,826,997	(142,689,674)	(31,355,573)	13,919,077	(87,283,895)
Hapag-Lloyd A.G.	Germany	1,623,555,087	27.79	1,820,613,025	10,527,506,187	3,043,948,263	4,257,852,823	9,978,383,231	9,364,858,444	9,670,498	323,976,554	286,479,069	429,867,358	(930,474,053)	(34,022,262)	(64,299,896)	222,179,173
Inv. y Rentas S.A.	Chile	397,729,035	50.00	790,302,315	1,591,545,923	479,213,570	461,081,855	1,822,540,697	(908,318,190)	13,179,134	(29,709,130)	74,915,374	197,368,317	(111,452,091)	(39,756,517)	8,090,889	83,006,263
Total		**2,322,247,898**		**5,183,838,305**	**13,925,502,558**	**5,492,493,288**	**6,076,267,897**	**17,108,240,722**	**3,923,857,467**	**27,279,070**	**254,324,737**	**260,191,471**	**1,166,062,672**	**(1,184,615,818)**	**(105,134,352)**	**(42,289,930)**	**217,901,541**

(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.

Note 13 – Investments recognized using the equity method (continued)

(d) Movements in investments in associates and joint ventures:

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 increase (decrease) ThCh$	Balance as of 12-31-2020 ThCh$
Inversiones y Rentas S.A.	Investments	Chile	CLP	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	CLP	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	CLP	50.00	145,141	(262)	-	-	144,879
Inmobiliaria El Norte y El Rosal S.A.	Real estate	Chile	CLP	50.00	26,486	(2,621)	-	-	23,865
Asfaltos Cono Sur S.A.	Bitumen	Chile	CLP	50.00	5,100,816	(243,107)	-		4,857,709
Sociedad Inversiones Aviación SIAV Ltda.	Fuel & lubricants	Chile	CLP	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	CLP	50.00	130,281	641,822	(765,888)	2,316	8,531
Inmobiliaria Sepbío Ltda.	Real estate	Chile	CLP	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	CLP	1.00	(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	CLP	1.00	1,497	-	-	(786)	711
Muellaje SVTI S.A. (4)	Port services	Chile	CLP	1.00	3,744	(877)	-	(23)	2,844
Portuaria Corral S.A.	Port services	Chile	CLP	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	CLP	1.00	20,963	2,465	-	(23,429)	(1)
Servicios Portuarios Reloncaví Ltda.	Port services	Chile	CLP	50.00	3,662,835	574,975	(1,011,276)	(35,079)	3,191,455
Servicios Portuarios y Extraportuarios Bío Bío Ltda.	Port services	Chile	CLP	50.00	(4,492)	(1,508)	-	312	(5,688)
Transbordadora Austral Broom S.A.	Port services	Chile	CLP	25.00	21,208,061	(5,903)	-	(687,695)	20,514,463
Transportes Fluviales Corral S.A.	Port services	Chile	CLP	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	CLP	33.00	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$4,497,038 in goodwill.
(2) The market value of Invexans' investment in Nexans as of December 31, 2020, was 747,196,655 Euros and as of December 31, 2019, was 548,448,650 Euros, equivalent to ThCh$ 652,526,838 and ThCh$ 637,132,797 respectively.
(3) The market value of CSAV's investment in HLAG as of December 31, 2020, was 4,845,798,592 Euros and as of December 31, 2019 was 3,706,738,850 Euros, 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)

(d) Movements in investments in associates and joint ventures (continued)

Movements during 2019 are as follows:

Company	Business	Country	Functional Currency	Percentage interest	Balance as of 01-01-2019 ThCh$	Share of Gain (loss) ThCh$	Dividends ThCh$	Other increase (decrease) ThCh$	Balance as of 12-31-2019 ThCh$
Inversiones y Rentas S.A.	Investments	Chile	CLP	50.00	389,002,186	37,457,688	(33,088,257)	4,357,418	397,729,035
Nexans S.A. (5) and (6)	Manufacturing	France	EUR	29.02	314,112,664	(30,385,487)	(2,817,006)	20,053,605	300,963,776
Foods Compañía de Alimentos CCU S.A.	Food	Chile	CLP	50.00	12,012,280	897,526	-	(11,200,000)	1,709,806
Hapag-Lloyd A.G. (7)	Transport	Germany	EUR	27.79	1,347,482,098	105,454,106	(5,569,120)	176,188,003	1,623,555,087
Transportes y Servicios Aéreos S.A.	Transport	Chile	CLP	50.00	142,722	1,816	-	603	145,141
Inmobiliaria El Norte y El Rosal S.A.	Real estate	Chile	CLP	50.00	28,992	(2,506)	-	-	26,486
Asfaltos Cono Sur S.A.	Bitumen	Chile	CLP	50.00	5,459,188	(358,372)	-	-	5,100,816
Sociedad Inversiones Aviación SIAV Ltda.	Fuel & lubricants	Chile	CLP	33.33	2,607,458	1,485,038	(1,500,000)	-	2,592,496
Gasolineras del Sur S.R.L.	Fuel distribution	Paraguay	PYG	50.00	-	9,659	-	8,927,457	8,937,116
Aerosán Airport Services S.A.	Port services	Chile	USD	50.00	5,076,682	913,022	-	362,606	6,352,310
Antofagasta Terminal Internacional S.A.	Port services	Chile	USD	35.00	-	-	-	-	-
Inmobiliaria Carriel Ltda.	Real estate	Chile	CLP	50.00	163,271	(41,481)	-	8,491	130,281
Inmobiliaria Sepbío Ltda.	Real estate	Chile	CLP	50.00	141,733	(1,486)	-	516	140,763
LNG Tugs Chile S.A.	Port services	Chile	USD	35.00	141,038	9,107	(31,851)	5,997	124,291
Muellaje ATI S.A. (8)	Port services	Chile	CLP	1.00	(5,558)	693	-	(1,125)	(5,990)
Muellaje del Maipo S.A.	Port services	Chile	USD	50.00	79,204	(6,457)	-	5,871	78,618
Muellaje STI S.A. (8)	Port services	Chile	CLP	1.00	1,390	-	-	107	1,497
Muellaje SVTI S.A. (8)	Port services	Chile	CLP	1.00	2,779	714	-	251	3,744
Portuaria Corral S.A.	Port services	Chile	CLP	50.00	3,651,016	1,369,270	(818,392)	(2,210)	4,199,684
San Antonio Terminal Internacional S.A.	Port services	Chile	USD	50.00	30,333,658	2,548,581	(4,671,800)	2,021,436	30,231,875
San Vicente Terminal Internacional S.A.	Port services	Chile	USD	50.00	36,204,466	(4,316,887)	-	2,313,366	34,200,945
Servicios Aeroportuarios Aerosan S.A.	Port services	Chile	USD	50.00	3,776,770	2,147,251	-	320,471	6,244,492
Servicios Logísticos Ltda. (8)	Port services	Chile	CLP	1.00	15,285	4,141	-	1,537	20,963
Servicios Portuarios Reloncaví Ltda.	Port services	Chile	CLP	50.00	4,242,266	652,238	(1,284,457)	52,788	3,662,835
Servicios Portuarios y Extraportuarios Bío Bío Ltda.	Port services	Chile	CLP	50.00	(2,779)	(1,413)	-	(300)	(4,492)
Transbordadora Austral Broom S.A.	Port services	Chile	CLP	25.00	17,310,195	1,915,914	(1,234,023)	3,215,975	21,208,061
Transportes Fluviales Corral S.A.	Port services	Chile	CLP	50.00	859,430	392,901	-	6,301	1,258,632
Equimac S.A.	Port services	Colombia	USD	50.00	1,767,495	46,538	-	139,430	1,953,463
Puerto Buenavista S.A.	Port services	Colombia	CLP	33.00	2,906,918	(61,700)	-	384,846	3,230,064
Luckymont S.A.	Port services	Uruguay	USD	49.00	1,149,150	520,750	(66,352)	117,805	1,721,353
SAAM SMIT Towage Brasil S.A.	Port services	Brazil	USD	50.00	63,656,217	2,154,835	(3,889,677)	(61,921,375)	-
Total					**2,242,318,214**	**122,805,999**	**(54,970,935)**	**145,359,870**	**2,455,513,148**

(5) 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$300,963,776 is ThCh$295,316,831 in equity and ThCh$5,646,945 in goodwill.
(6) The market value of Invexans' investment in Nexans as of December 31, 2019 and 2018, amounted to 548,448,650 Euros and 366,347,052 Euros, equivalent to ThCh$637,132,797 and ThCh$295,683,947, respectively.
(7) The market value of CSAV's investment in HLAG as of December 31, 2019 and 2018, amounted to 3,706,738,850 Euros and 1,018,012,755 Euros, equivalent to ThCh$4,156,468,771 and ThCh$1,164,507,842, respectively.
(8) 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, 2020, 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	**12-31-2020 ThCh$**	**12-31-2019 ThCh$**
Intangible assets with finite life, net	178,246,420	202,642,816
Intangible assets with indefinite life, net (1)	195,084,746	196,805,065
Intangible assets, net	**373,331,166**	**399,447,881**

(1) Intangible assets with an indefinite useful life are the Banco de Chile brand and the contracts to use the Citibank brand, 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, 2020 and 2019, are detailed as follows:

As of December 31, 2020	**Gross Asset ThCh$**	**Accumulated Amortization/ Impairment ThCh$**	**Net Asset ThCh$**
Patents, trademarks and other rights	196,750,111	(1,665,365)	195,084,746
Port concessions, tug boats and others	256,227,291	(121,628,566)	134,598,725
Computer programs	16,339,596	(12,808,545)	3,531,051
Other intangible assets	286,219,330	(246,102,686)	40,116,644
Total	**755,536,328**	**(382,205,162)**	**373,331,166**

As of December 31, 2019	**Gross Asset ThCh$**	**Accumulated Amortization/ Impairment ThCh$**	**Net Asset ThCh$**
Patents, trademarks and other rights	198,498,458	(1,693,393)	196,805,065
Port concessions, tug boats and others	268,085,017	(104,868,471)	163,216,546
Computer programs	15,372,936	(11,589,636)	3,783,300
Other intangible assets	279,360,960	(243,717,990)	35,642,970
Total	**761,317,371**	**(361,869,490)**	**399,447,881**

QUIÑENCO S.A.

Note 14 – Intangible assets other than goodwill (continued)

(b) Movement of identifiable intangible assets

Movements in identifiable intangible assets during 2020 were as follows.

Movements	Patents, trademarks and other rights	Port concessions, tug boats and others	Computer programs	Other intangible assets	Total
	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	-	-	75,195	9,484,112	9,559,307
Disposals	-	-	(430,592)	-	(430,592)
Amortization	(403,886)	(21,423,062)	(2,332,806)	(3,293,556)	(27,453,310)
Increase (decrease) in currency translation	(1,344,137)	(7,578,651)	214,028	(1,717,674)	(10,426,434)
Other increases (decreases)	(25,329)	(129,019)	(153,557)	792	(307,113)
Closing balance	**195,084,746**	**134,598,725**	**3,531,051**	**40,116,644**	**373,331,166**

Movements in identifiable intangible assets during 2019 were as follows.

Movements	Patents, trademarks and other rights	Port concessions, tug boats and others	Computer programs	Other intangible assets	Total
	ThCh$		ThCh$	ThCh$	ThCh$
Opening balance	198,049,630	168,187,289	4,322,747	18,795,542	389,355,208
Additions	85,623	1,379,057	791,459	59,465	2,315,604
Acquisitions through business combinations	-	-	94,524	16,519,057	16,613,581
Disposals through business divestments	-	-	(428)	(44,094)	(44,522)
Amortization	(76,783)	(19,317,382)	(1,751,567)	(1,408,181)	(22,553,913)
Increase (decrease) in currency translation	(1,253,405)	13,046,587	284,946	1,725,561	13,803,689
Other increases (decreases)	-	(79,005)	41,619	(4,380)	(41,766)
Closing balance	**196,805,065**	**163,216,546**	**3,783,300**	**35,642,970**	**399,447,881**

The subsidiary Tech Pack 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 2020 and 2019 were as follows.

Movements	Banco de Chile and SM-Chile	Merger Banco de Chile - Citibank	Merger Citigroup Chile II S.A. LQIF	Enex Corp.	SM SAAM	Others	Total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
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 (1)	-	-	-	-	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**
As of December 31, 2019							
Opening balances as of 1/1/2019	514,466,490	108,438,209	31,868,173	267,949,619	-	895,557	923,618,048
Acquisitions through business combinations (2)	-	-	-	-	18,861,510	-	18,861,510
Increase (decrease) in currency translation	-	-	-	2,715,198	-	918	2,716,116
Closing balances as of 12/31/2019	**514,466,490**	**108,438,209**	**31,868,173**	**270,664,817**	**18,861,510**	**896,475**	**945,195,674**

1. On October 28, 2020, the Company acquired ownership of American Airlines Inc.'s interest in Aerosan through SM SAAM.
2. On October 30, 2019, the acquisition of Boskalis Holding B.V. (Boskalis) was successfully completed through SM SAAM.

The indirect subsidiary Enex Corp. 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 Corp. tests goodwill for impairment at least once a year.

Movements in purchased goodwill during the years ended December 31, 2020 and 2019, are detailed as follows:

	12-31-2020	12-31-2019
	ThCh$	ThCh$
Enex S.A.	135,312,270	135,312,394
Inversiones Enex S.A.	3,554	2,949
Enex Trading S.A.	7,037,694	7,037,853
Gaspeza	342,678	342,698
Petrans S.A.	52,005,282	52,005,506
Road Ranger, LLC	72,129,432	75,963,417
Total	**266,830,910**	**270,664,817**

Note 16 – Business combinations

Acquisition of an indirect associate

On November 21, 2019, the acquisition of 50% of "Gasolineras del Sur SRL", GASUR, a Paraguayan company, now called Enex Paraguay, was finalized. It was acquired through the subsidiary "Enex Investments Chile SpA" and is based on a shareholders' agreement that leaves Enex Investments Chile SpA and HC Energía S.A. as equal partners. Enex Paraguay's share capital is paid in full.

The acquisition price was ThUS$5,953.

Enex Paraguay operates service stations, fuel stations and convenience stores.

Note 17 – Transactions with non-controlling interests

Shareholding increase in Invexans

- **Shareholding increase in Invexans**

  The subsidiary Invexans acquired 157,220,831 of its own shares during June and July 2018, as a result of shareholders' rights to withdraw, in accordance with Article 69 of Law 18,046. A year has passed since the acquisition of 157,220,831 shares, and they have not been sold by the Company, which resulted in a reduction in share capital in the third quarter of 2019, in accordance with the law. These transactions have been recognized as a credit to Other reserves, as the counterparties are non-controlling interests.

- **Shareholding increase in CSAV**

  During September 2019, the indirect subsidiary Inmobiliaria Norte Verde S.A. acquired 1,941,166,836 shares in CSAV, increasing Quiñenco's direct and indirect interest in CSAV from 56.17% to 61.45%. This transaction has been recognized as a credit to Other reserves, as the counterparties are 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 charged 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 and fourth quarters of 2020, which increased its interest in the subsidiary to 61.76%. These transactions have been credited 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, 2020 and 2019, are as follows.

As of December 31, 2020

	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**

As of December 31, 2019

	Shareholding increase in Invexans	Shareholding increase in CSAV	Total
	12-31-2019	**12-31-2019**	**12-31-2019**
	ThCh$	ThCh$	ThCh$
Equity value	2,034,252	25,733,226	27,767,478
Net effect on equity	**2,034,252**	**25,733,226**	**27,767,478**

Note 18 – Property, plant and equipment

(a) Property, plant and equipment is detailed as follows.

As of December 31, 2020 and 2019, these are as follows.

	Gross Asset ThCh$	Accumulated Depreciation ThCh$	Net Asset ThCh$
As of December 31, 2020			
Construction in progress	40,871,805	-	40,871,805
Land	166,630,235	-	166,630,235
Buildings	213,782,329	(57,985,992)	155,796,337
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	20,808,600	(14,303,324)	6,505,276
Other property, plant and equipment	18,455,493	(12,508,561)	5,946,932
Total	**1,529,573,481**	**(538,493,470)**	**991,080,011**

	Gross Asset ThCh$	Accumulated Depreciation ThCh$	Net Asset ThCh$
As of December 31, 2019			
Construction in progress	37,565,437	-	37,565,437
Land	167,324,399	-	167,324,399
Buildings	191,519,741	(50,002,370)	141,517,371
Plant and equipment	409,086,199	(167,330,831)	241,755,368
IT equipment	20,736,687	(15,437,365)	5,299,322
Fixtures and fittings	28,190,790	(17,044,334)	11,146,456
Vessels	547,928,357	(151,169,406)	396,758,951
Motor vehicles	19,952,359	(11,979,807)	7,972,552
Other property, plant and equipment	20,340,801	(13,101,699)	7,239,102
Total	**1,442,644,770**	**(426,065,812)**	**1,016,578,958**

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, 2020 and 2019, 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.

Note 18 – Property, plant and equipment (continued)

(b) Movement

Movements in 2020 are detailed as follows:

		Construction in progress ThCh$	Land ThCh$	Buildings, net ThCh$	Plant and equipment, net ThCh$	Computer equipment, net ThCh$	Fixtures and fittings, net ThCh$	Vessels, net ThCh$	Motor vehicles, net ThCh$	Other property, plant and equipment, net ThCh$	Property, plant and equipment, net 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
	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)
Movements	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)	(6,255,234)	(11,140,738)	(10,592,554)	(375,104)	(342,976)	(19,776,514)	(315,514)	3,755,289	(51,731,223)
	Other increases (decreases)	5,022,693	1,717,266	6,919,523	2,983,088	624,076	(1,047,254)	(2,185,414)	(602,459)	(4,303,519)	9,128,000
Closing balance as of December 31, 2020		**40,871,805**	**166,630,235**	**155,796,337**	**238,040,989**	**4,715,121**	**7,844,041**	**364,729,275**	**6,505,276**	**5,946,932**	**991,080,011**

Movements in 2019 are detailed as follows:

		Construction in progress ThCh$	Land ThCh$	Buildings, net ThCh$	Plant and equipment, net ThCh$	Computer equipment, net ThCh$	Fixtures and fittings, net ThCh$	Vessels, net ThCh$	Motor vehicles, net ThCh$	Other property, plant and equipment, net ThCh$	Property, plant and equipment, net ThCh$
Opening balance as of January 1, 2019		20,300,853	159,251,012	132,522,864	244,152,371	5,604,123	13,567,908	209,909,170	9,102,349	7,887,111	802,297,761
	Additions	47,263,804	1,101,584	6,788,928	12,023,853	1,400,168	290,537	14,581,323	368,346	271,056	84,089,599
	Acquisitions through business combinations	-	-	166,474	684,238	24,689	-	149,446,044	-	33,154	150,354,599
	Divestments	-	(74,038)	-	(1,282,583)	(3,990)	-	(241,952)	(33,050)	(50,572)	(1,686,185)
Movements	Transfers to (from) non-current assets and disposal groups held for sale	-	(199,628)	(776,645)	-	-	-	-	-	-	(976,273)
	Transfers to (from) property, plant and equipment	(31,004,267)	951,630	2,464,279	1,430,055	789,171	4,382,206	17,699,897	1,812,038	950,295	(524,696)
	Disposals	(24,689)	(55,443)	(328,481)	(690,161)	(37,819)	(225)	(150,956)	(9,056)	(32,886)	(1,329,716)
	Depreciation expense	-	-	(9,230,148)	(20,766,949)	(2,717,929)	(7,035,303)	(23,153,106)	(3,467,216)	(2,116,373)	(68,487,024)
	Increases (decreases) in exchange differences	915,128	5,356,504	3,903,519	3,707,315	99,671	-	28,668,531	100,343	495,168	43,246,179
	Other increases (decreases)	114,608	992,778	6,006,581	2,497,229	141,238	(58,667)	-	98,798	(197,851)	9,594,714
Closing balance as of December 31, 2019		**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**

Note 19 - Right-of-use assets and lease liabilities

Quiñenco 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-cancellation 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 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		27,523,081		27,523,081
Transfer from other non-financial assets	-	12,335,204	-	12,335,204
Amortization for the year	(14,856,224)	(6,488,171)	-	(21,344,395)
Amortization of discontinued operations	-	-	(6,636,072)	(6,636,072)
Increase (decrease) in currency translation	(2,223,992)	(4,149,793)	-	(6,373,785)
Debt revaluation adjustment	2,717,871	-	-	2,717,871
Others	(753,131)	(112,397)	211,883	(653,645)
Balance as of December 31, 2020	**209,935,004**	**53,208,920**	**-**	**263,143,924**

Movements in right-of-use leased assets subject to IFRS 16 for 2019 by class of underlying asset are as follows:

	ENEX ThCh$	SM SAAM ThCh$	CSAV ThCh$	Total ThCh$
Balance as of January 1, 2019	209,086,769	21,835,959	20,694,487	251,617,215
Additions	7,002,325	268,757	3,456,194	10,727,276
Transfer from other non-financial assets	-	420,418	-	420,418
Amortization for the year	(19,898,918)	(3,828,911)	(18,764,348)	(42,492,177)
Increase (decrease) in currency translation	-	2,563,730	18,909	2,582,639
Contract terminations	(193,827)	-	-	(193,827)
Debt revaluation adjustment	4,339,053	-	-	4,339,053
Others	8,102,722	(8,465)	1,018,947	9,113,204
Balance as of December 31, 2019	**208,438,124**	**21,251,488**	**6,424,189**	**236,113,801**

Note 19 - Right-of-use assets and lease liabilities (continued)

(b) Lease liabilities

A maturity analysis of lease liabilities is as follows:

As of December 31, 2020

Company	Total debt	**Current debt as of 12/31/2020**	Up to 3 months	3 to 12 months	**Non-current debt as of 12/31/2020**	1 to 3 years	3 to 5 years	Over 5 years
	ThCh$	**ThCh$**	ThCh$	ThCh$	**ThCh$**	ThCh$	ThCh$	ThCh$
Enex	214,720,408	**18,702,962**	4,707,200	13,995,762	**196,017,446**	35,330,660	34,202,383	126,484,403
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	258,973,468	**28,515,493**			**230,457,975**			

As of December 31, 2019

Company	Total debt	**Current debt as of 12/31/2019**	Up to 3 months	3 to 12 months	**Non-current debt as of 12/31/2019**	1 to 3 years	3 to 5 years	Over 5 years
	ThCh$	**ThCh$**	ThCh$	ThCh$	**ThCh$**	ThCh$	ThCh$	ThCh$
Enex	210,796,810	**17,268,840**	4,287,700	12,981,140	**193,527,970**	49,515,839	74,472,311	69,539,820
SM SAAM	21,598,153	**3,776,644**	891,004	2,885,640	**17,821,509**	7,437,981	7,526,334	2,857,194
CSAV	5,893,333	**5,893,333**	5,893,333	-	-	-	-	-
Total	238,288,296	**26,938,817**			**211,349,479**			

As of December 31, 2020 and 2019, 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 20 – Investment properties

(a) Investment properties as of December 31, 2020 and 2019, are detailed as follows.

	12-31-2020 ThCh$	12-31-2019 ThCh$
Land	3,892,090	3,957,126
Buildings	11,685,678	13,263,283
Total	**15,577,768**	**17,220,409**

(b) Movements

Movements in investment properties during 2020 and 2019 are detailed as follows.

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	-	(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**

As of December 31, 2019	**Land**	**Buildings**	**Total**
Movements	**ThCh$**	**ThCh$**	**ThCh$**
Opening balance, net	3,863,704	13,654,577	17,518,281
Divestments	-	(878,221)	(878,221)
Depreciation	-	(234,895)	(234,895)
Increase (decrease) in exchange differences	93,422	721,822	815,244
Closing balance, net	**3,957,126**	**13,263,283**	**17,220,409**

(c) Revenue from rentals and direct operating expenses of investment properties during 2020 and 2019 are detailed as follows.

	12-31-2020 ThCh$	12-31-2019 ThCh$
Revenue from rental of investment properties	982,800	1,355,316
Direct operating expenses	(425,514)	(438,019)

(d) The fair values of investment properties do not vary significantly from their book values.

Note 21 – Current and deferred taxes

(a) General information

The balances in the parent company's registers are as follows.

		ThCh$
Income subject to overall income tax or withholding tax		76,063,486
Income exempt from personal income tax or withholding tax	(REX)	105,212,915
Non-taxable income		410,748,875
Total taxable income (STUT in Spanish, formerly FUT)		192,015,946
According to the records, the credit balances are:		
Accumulated credits from January 1, 2017, subject to restitution and with right to a refund		1,016,796
Accumulated credits as of December 31, 2016, with right to a refund		47,536,287

(b) Deferred taxes

Deferred tax assets and liabilities as of December 31, 2020 and 2019, are detailed as follows.

Deferred taxes	12-31-2020 Asset ThCh$	12-31-2020 Liabilities ThCh$	12-31-2019 Asset ThCh$	12-31-2019 Liabilities ThCh$
Depreciation	-	44,767,522	-	51,754,750
Amortization	-	13,757,592	-	18,733,475
Provisions	11,723,423	-	17,205,097	887,257
Post-employment benefits	2,422,207	263,052	2,199,842	308,481
Revaluations of property, plant and equipment	843,511	24,515,135	3,474,849	23,854,727
Intangible assets	-	48,362,462	-	48,362,462
Port and towage concession assets	5,922,924	-	6,577,681	-
Revaluations of financial instruments	220,395	3,533,148	78,609	491,173
Tax losses	148,371,103	-	192,976,602	-
Unrealized gains (losses)	9,771,297	-	708,308	-
Tax credits	4,510,267	-	13,884,815	-
Deferred tax assets related to others	16,967,129	-	4,388,392	-
Deferred tax liabilities related to others	-	17,093,874	-	18,878,377
Total	**200,752,256**	**152,292,785**	**241,494,195**	**163,270,702**

Note 21 – Current and deferred taxes (continued)

(c) Income tax expense

This account is detailed as follows.

	12-31-2020 ThCh$	12-31-2019 ThCh$
Current tax expense	(42,968,219)	(31,628,321)
Fair value adjustments	981,976	828
Tax loss benefits	33,356,146	17,488,153
Adjustment for deferred tax assets and liabilities	(29,764,022)	2,728,274
Others	(5,204,048)	(899,123)
Net income tax expense	**(43,598,167)**	**(12,310,189)**

(d) Reconciliation of applicable taxation

The reconciliation of the income tax expense from the financial net income before taxes as of December 31, 2020 and 2019 is as follows.

	12-31-2020 ThCh$	12-31-2019 ThCh$
Income tax (expense) using the statutory rate (27% 2020-2019)	**(70,683,171)**	**(30,893,611)**
Tax effect of rates in other jurisdictions	(2,480,650)	(1,531,830)
Tax effect of non-taxable revenue	41,407,097	32,682,411
Tax effect of expenses disallowed for tax purposes	(15,062,422)	(26,363,485)
Tax effect of tax benefit not previously recognized in income statement	441,207	285,686
Tax rate effect of reassessment of unrecognized deferred tax assets	594,521	(10,759)
Other increases in charge for statutory taxes	2,058,469	3,052,022
Income tax expense from discontinued operations	126,782	10,469,377
Income tax benefit (expense) using the effective rate	**(43,598,167)**	**(12,310,189)**

Note 22 – Other current and non-current financial liabilities

As of December 31, 2020 and 2019, these are as follows.

	Current		Non-current	
	12-31-2020 ThCh$	12-31-2019 ThCh$	12-31-2020 ThCh$	12-31-2019 ThCh$
Bank loans	164,125,366	106,022,509	485,035,267	480,613,290
Bonds payable	117,591,219	27,246,414	1,343,801,115	1,212,594,341
Concession liabilities	2,762,041	2,923,081	26,605,882	29,855,259
Finance leases	1,904,635	1,611,804	2,562,975	1,321,697
Hedging liabilities	33,415	381,384	4,519,829	1,211,198
Total	**286,416,676**	**138,185,192**	**1,862,525,068**	**1,725,595,785**

Note 22 – Other current and non-current financial liabilities (continued)

(a) Interest-bearing bank loans as of December 31, 2020 are detailed as follows.

(a.1) Book values

Debtor ID number	Debtor Name	Debtor Country	Creditor	Currency	Repayment	Effective Rate	Nominal Rate	Current 12-31-2020 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	CLP	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 22 – Other current and non-current financial liabilities (continued)

(a) Interest-bearing bank loans as of December 31, 2020, 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 12-31-2020 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	CLP	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	CLP	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	CLP	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	CLP	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	CLP	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**

Note 22 – Other current and non-current financial liabilities (continued)

(a) Interest-bearing bank loans as of December 31, 2020, are detailed as follows (continued)

(a.2) Undiscounted values

Debtor ID number	Debtor Name	Debtor Country	Creditor	Currency	Repayment	Effective Rate	Nominal Rate	Current	Up to 3	3 to 12	Non-current	1 to 2	2 to 3	3 to 4	4 to 5	Over 5	Total debt
								12-31-2020	months	months	12-31-2020	years	years	years	years	years	un-discounted
								ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	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	CLP	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**

Note 22 – Other current and non-current financial liabilities (continued)

(a) Interest-bearing bank loans as of December 31, 2020, 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 12-31-2020 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 un-discounted 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	CLP	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	CLP	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	CLP	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	CLP	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	CLP	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**

Note 22 – Other current and non-current financial liabilities (continued)

(b) Interest-bearing bank loans as of December 31, 2019, are detailed as follows.

(b.1) Book values

Debtor ID number	Debtor Name	Debtor Country	Creditor	Currency	Repayment	Effective Rate	Nominal Rate	Current 12-31-2019 ThCh$	Up to 3 months ThCh$	3 to 12 months ThCh$	Non-current 12-31-2019 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 outstanding ThCh$
91.021.000-9	Invexans S.A.	Chile	Banco Estado	USD	Semi-annual	3.39%.	3.27%.	72,360	72,360	-	7,465,249	-	7,465,249	-	-	-	7,537,609
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	Banco Itau Chile	USD	Semi-annual	4.55%.	Libor+2.5%	7,858,027	4,346,436	3,511,591	18,517,089	7,664,851	7,339,150	3,513,088	-	-	26,375,116
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	Banco Consorcio	USD	Semi-annual	5.40%.	Libor+3.5%	26,049,413	-	26,049,413	-	-	-	-	-	-	26,049,413
92.048.000-4	SAAM S.A.	Chile	Banco Scotiabank	USD	Semi-annual	3.37%.	Libor+1.46%	4,063,412	-	4,063,412	70,540,294	7,330,165	7,330,165	7,330,165	48,549,799	-	74,603,706
Foreign	Florida International Terminal, LLC.	USA	Banco Crédito e Inversiones	USD	Semi-annual	4.77%.	Libor+3%	758,474	423,038	335,436	2,671,505	668,625	668,625	668,625	665,630	-	3,429,979
96.915.330-0	Iquique Terminal Internacional S.A.	Chile	Banco Crédito e Inversiones	USD	Semi-annual	4.24%.	Libor+2.3%	1,966,191	-	1,966,191	-	-	-	-	-	-	1,966,191
96.915.330-0	Iquique Terminal Internacional S.A.	Chile	Banco Crédito e Inversiones	USD	Quarterly	4.04%.	3.47%.	1,741,569	443,254	1,298,315	2,608,610	1,737,077	871,533	-	-	-	4,350,179
Foreign	Inarpi S.A.	Ecuador	Banco Estado	USD	Semi-annual	3.38%.	3.21%.	1,489,244	780,187	709,057	3,546,781	1,418,862	1,418,862	709,057	-	-	5,036,025
Foreign	Inarpi S.A.	Ecuador	Banco Crédito e Inversiones	USD	Semi-annual	3.70%.	3.50%.	472,455	472,455	-	-	-	-	-	-	-	472,455
Foreign	Inarpi S.A.	Ecuador	Banco Crédito e Inversiones	USD	Semi-annual	3.70%.	3.50%.	283,024	283,024	-	-	-	-	-	-	-	283,024
Foreign	Inarpi S.A.	Ecuador	Banco Estado	USD	Semi-annual	4.10%.	3.95%.	1,439,078	-	1,439,078	7,721,758	1,403,888	1,403,888	1,403,888	1,403,888	2,106,206	9,160,836
Foreign	Inarpi S.A.	Ecuador	Banco Santander Madrid	USD	Semi-annual	3.71%.	Libor+1.8%	1,466,033	-	1,466,033	7,038,155	1,407,631	1,407,631	1,407,631	1,407,631	1,407,631	8,504,188
Foreign	Inarpi S.A.	Ecuador	Banco Estado	USD	Semi-annual	4.28%.	4.07%.	2,615,349	1,367,199	1,248,150	8,734,800	2,495,550	2,495,550	2,495,550	1,248,150	-	11,350,149
Foreign	Inarpi S.A.	Ecuador	Banco Crédito e Inversiones	USD	Semi-annual	3.64%.	Libor+1.6%	6,326,853	3,331,893	2,994,960	23,959,680	5,989,920	5,989,920	5,989,920	5,989,920	-	30,286,533
Foreign	Sociedad Portuaria de Caldera S.A.	Costa Rica	Banco Davivienda	USD	Monthly	6.66%.	6.50%.	463,470	161,728	301,742	-	-	-	-	-	-	463,470
Foreign	Sociedad Portuaria de Caldera S.A.	Costa Rica	Banco Davivienda	USD	Monthly	7.26%.	Libor+5.5%	810,136	160,230	649,906	-	-	-	-	-	-	810,136
Foreign	Sociedad Portuaria de Caldera S.A.	Costa Rica	BAC San José	USD	Monthly	5.19%.	5.00%.	200,663	50,166	150,497	1,345,485	210,396	220,878	232,858	244,838	436,515	1,546,148
Foreign	Sociedad Portuaria de Caldera S.A.	Costa Rica	BAC San José	USD	Monthly	5.19%.	5.00%.	540,591	133,276	407,315	3,638,128	569,042	598,243	628,942	662,635	1,179,266	4,178,719
Foreign	Sociedad Portuaria Granelera de Caldera S.A.	Costa Rica	Banco San José	USD	Quarterly	5.38%.	5.00%.	2,065,774	505,400	1,560,374	15,702,575	2,172,095	2,289,647	2,407,948	2,529,992	6,302,893	17,768,349
Foreign	Sociedad Portuaria Granelera de Caldera S.A.	Costa Rica	Banco Davivienda Costa Rica	USD	Monthly	7.11%.	Libor+5.35%	833,347	203,657	629,690	73,377	73,377	-	-	-	-	906,724
Foreign	Sociedad Portuaria Granelera de Caldera S.A.	Costa Rica	Banco San José	USD	Quarterly	5.26%.	Libor+5.35%	557,812	148,251	409,561	1,314,038	572,037	603,484	138,517	-	-	1,871,850
Foreign	Saam Remolques S.A. de C.V.	Mexico	Corpbanca New York Branch	USD	Semi-annual	4.66%.	Libor+3%	6,413,707	3,418,747	2,994,960	5,989,920	5,989,920	-	-	-	-	12,403,627
Foreign	Saam Remolques S.A. de C.V.	Mexico	Banco Santander México	MXN	Monthly	10.12%.	TIIE 28+1.66%	377,365	377,365	-	-	-	-	-	-	-	377,365
Foreign	Saam Remolques S.A. de C.V.	Mexico	Banco Santander México	USD	Monthly	3.82%.	Libor+1.6%	1,132,844	1,132,844	-	-	-	-	-	-	-	1,132,844
			SUBTOTAL					**69,997,191**			**180,867,444**						**250,864,635**

Note 22 – Other current and non-current financial liabilities (continued)

(b) Interest-bearing bank loans as of December 31, 2019, 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 12-31-2019 ThCh$	Up to 3 months ThCh$	3 to 12 months ThCh$	Non-current 12-31-2019 ThCh$	1 to 2 years ThCh$	2 to 3 years ThCh$	3 to 3 years ThCh$	4 to 5 years ThCh$	Over 5 years ThCh$	Total debt outstanding ThCh$
Foreign	SAAM Towage Canada Inc	Canada	Scotiabank Canada	CAD	Monthly	3.73%.	BA+1.75%	11,546,319	261,310	11,285,009	-	-	-	-	-	-	11,546,319
Foreign	SAAM Towage Canada Inc	Canada	Scotiabank Canada	CAD	Monthly	3.73%.	BA+1.75%	-	-	-	10,914,383	728,524	728,524	9,457,335	-	-	10,914,383
Foreign	SAAM Towage Panama Inc.	Panama	Banco Rabobank	USD	Semi-annual	5.71%.	3.45%.	712,051	361,641	350,410	1,051,231	700,821	350,410	-	-	-	1,763,282
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	3.70%.	3.70%.	959,136	250,828	708,308	5,983,931	944,910	944,910	944,910	944,910	2,204,291	6,943,067
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	3.70%.	3.70%.	1,152,311	301,742	850,569	7,179,666	1,133,592	1,133,592	1,133,592	1,133,592	2,645,298	8,331,977
Foreign	SAAM Towage Brasil	Brazil	BNDES	BRL	Monthly	8.79%.	TJLP+3.70%	382,606	107,070	275,536	2,324,091	366,883	366,883	366,883	366,883	856,559	2,706,697
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	2.58%.	2.58%.	773,449	205,155	568,294	9,652,757	757,725	757,725	757,725	757,725	6,621,857	10,426,206
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	3.58%.	3.58%.	589,258	160,230	429,028	7,300,965	571,289	571,289	571,289	571,289	5,015,809	7,890,223
Foreign	SAAM Towage Brasil	Brazil	Caterpillar	USD	Monthly	3.80%.	3.80%.	309,230	124,291	184,939	1,067,701	246,335	246,335	246,335	246,335	82,361	1,376,931
Foreign	SAAM Towage Brasil	Brazil	Caterpillar	USD	Monthly	3.80%.	3.80%.	376,616	151,245	225,371	1,301,311	300,245	300,245	300,245	300,245	100,331	1,677,927
Foreign	SAAM Towage Brasil	Brazil	Caterpillar	BRL	Monthly	8.89%.	TJLP+3.80%	120,547	49,417	71,130	411,807	95,090	95,090	95,090	95,090	31,447	532,354
Foreign	SAAM Towage Brasil	Brazil	Banco Do Brasil	USD	Monthly	3.50%.	3.50%.	915,709	246,335	669,374	7,223,844	893,247	893,247	893,247	893,247	3,650,856	8,139,553
Foreign	SAAM Towage Brasil	Brazil	Banco Do Brasil	USD	Monthly	3.60%.	3.60%.	621,454	167,718	453,736	4,973,880	604,982	604,982	604,982	604,982	2,553,952	5,595,334
Foreign	Tug Brasil Apoio Maritimo	Brazil	BNDES	USD	Monthly	4.00%.	4.00%.	260,561	65,140	195,421	-	-	-	-	-	-	260,561
Foreign	Tug Brasil Apoio Maritimo	Brazil	BNDES	USD	Monthly	4.38%.	4.38%.	323,456	83,859	239,597	852,815	319,712	319,712	213,391	-	-	1,176,271
Foreign	Tug Brasil Apoio Maritimo	Brazil	BNDES	USD	Monthly	3.68%.	3.68%.	937,422	256,069	681,353	10,876,199	908,222	908,222	908,222	908,222	7,243,311	11,813,621
Foreign	Tug Brasil Apoio Maritimo	Brazil	BNDES	USD	Monthly	5.50%.	5.50%.	137,020	122,045	14,975	643,917	135,522	135,522	135,522	135,522	101,829	780,937
Foreign	Tug Brasil Apoio Maritimo	Brazil	Banco Do Brasil	USD	Monthly	3.75%.	3.75%.	2,670,755	692,585	1,978,170	8,792,448	2,637,811	2,637,811	2,637,811	879,015	-	11,463,203
Foreign	SAAM Towage Brasil	Brazil	Banco Santander Brasil	USD	At maturity	3.50%.	3.50%.	2,294,888	-	2,294,888	-	-	-	-	-	-	2,294,888
78.080.440-8	Enex S.A.	Chile	Banco Santander	CLP	At maturity	4.28%.	3.48%.	6,115,553	6,115,553	-	-	-	-	-	-	-	6,115,553
78.080.440-8	Enex S.A.	Chile	Banco Citibank	USD	At maturity	2.86%.	2.80%.	3,743,700	3,743,700	-	-	-	-	-	-	-	3,743,700
78.080.440-8	Enex S.A.	Chile	Banco Scotiabank	CLP	At maturity	4.47%.	3.67%.	149,126	-	149,126	34,500,000	-	-	34,500,000	-	-	34,649,126
78.080.440-8	Enex S.A.	Chile	Banco Scotiabank	USD	At maturity	3.69%.	3.69%.	184,221	184,221	-	54,694,900	-	-	54,694,900	-	-	54,879,121
78.080.440-8	Enex S.A.	Chile	Banco Scotiabank	CLP	Quarterly	3.81%.	3.01%.	78,594	-	78,594	20,000,000	-	-	20,000,000	-	-	20,078,594
78.080.440-8	Enex S.A.	Chile	Banco Estado	CLP	Semi-annual	4.23%.	3.43%.	671,336	655,148	16,188	110,000,000	16,721,676	16,721,676	22,000,000	22,000,000	32,556,648	110,671,336
			SUBTOTAL					**36,025,318**			**299,745,846**						**335,771,164**
			TOTAL					**106,022,509**			**480,613,290**						**586,635,799**

Note 22 – Other current and non-current financial liabilities (continued)

(b) Interest-bearing bank loans as of December 31, 2019, are detailed as follows (continued)

(b.2) Undiscounted values

Debtor ID number	Debtor Name	Debtor Country	Creditor	Currency	Repayment	Effective Rate	Nominal Rate	Current 12-31-2019 ThCh$	Up to 3 months ThCh$	3 to 12 months ThCh$	Non-current 12-31-2019 ThCh$	1 to 2 years ThCh$	2 to 3 years ThCh$	3 to 3 years ThCh$	4 to 5 years ThCh$	Over 5 years ThCh$	Total debt un-discounted ThCh$
91.021.000-9	Invexans S.A.	Chile	Banco Estado	USD	Semi-annual	3.39%.	3.27%.	7,222,683	-	7,222,683	-	-	-	-	-	-	7,222,683
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	Banco Itau Chile	USD	Semi-annual	4.55%.	Libor+2.5%	8,721,368	-	8,721,368	20,575,945	8,523,920	8,154,543	3,897,482	-	-	29,297,313
90.160.000-7	Compañía Sud Americana de Vapores S.A.	Chile	Banco Consorcio	USD	Semi-annual	5.40%.	Libor+3.5%	27,650,219	-	27,650,219	-	-	-	-	-	-	27,650,219
92.048.000-4	SAAM S.A.	Chile	Banco Scotiabank	USD	Semi-annual	3.37%.	Libor+1.46%	6,326,104	-	6,326,104	79,062,451	9,850,423	9,594,354	9,344,275	50,273,399	-	85,388,555
Foreign	Florida International Terminal, LLC.	USA	Banco Crédito e Inversiones	USD	Semi-annual	4.77%.	Libor+3%	1,637,494	418,171	1,219,323	2,923,080	765,961	730,770	730,770	695,579	-	4,560,574
96.915.330-0	Iquique Terminal Internacional S.A.	Chile	Banco Crédito e Inversiones	USD	Semi-annual	4.24%.	Libor+2.3%	2,016,357	-	2,016,357	-	-	-	-	-	-	2,016,357
96.915.330-0	Iquique Terminal Internacional S.A.	Chile	Banco Crédito e Inversiones	USD	Quarterly	4.04%.	3.47%.	1,877,840	473,578	1,404,262	4,516,401	1,815,695	1,815,695	885,011	-	-	6,394,241
Foreign	Inarpi S.A.	Ecuador	Banco Estado	USD	Semi-annual	3.38%.	3.21%.	1,568,611	395,335	1,173,276	3,719,740	1,522,188	1,476,515	721,037	-	-	5,288,351
Foreign	Inarpi S.A.	Ecuador	Banco Crédito e Inversiones	USD	Semi-annual	3.70%.	3.50%.	476,198	238,099	238,099	-	-	-	-	-	-	476,198
Foreign	Inarpi S.A.	Ecuador	Banco Crédito e Inversiones	USD	Semi-annual	3.70%.	3.50%.	286,018	143,009	143,009	-	-	-	-	-	-	286,018
Foreign	Inarpi S.A.	Ecuador	Banco Estado	USD	Semi-annual	4.10%.	3.95%.	1,754,298	-	1,754,298	8,647,948	1,698,891	1,642,736	1,586,580	1,530,425	2,189,316	10,402,246
Foreign	Inarpi S.A.	Ecuador	Banco Santander Madrid	USD	Semi-annual	3.71%.	Libor+1.8%	1,713,117	-	1,713,117	7,766,680	1,659,208	1,606,047	1,553,636	1,500,475	1,447,314	9,479,797
Foreign	Inarpi S.A.	Ecuador	Banco Estado	USD	Semi-annual	4.28%.	4.07%.	2,934,312	739,381	2,194,931	9,455,838	2,830,237	2,727,660	2,624,334	1,273,607	-	12,390,150
Foreign	Inarpi S.A.	Ecuador	Banco Crédito e Inversiones	USD	Semi-annual	3.64%.	Libor+1.6%	7,035,161	1,768,898	5,266,263	25,951,329	6,819,524	6,598,646	6,377,019	6,156,140	-	32,986,490
Foreign	Sociedad Portuaria de Caldera S.A.	Costa Rica	Banco Davivienda	USD	Monthly	6.66%.	6.50%.	472,455	191,303	281,152	-	-	-	-	-	-	472,455
Foreign	Sociedad Portuaria de Caldera S.A.	Costa Rica	Banco Davivienda	USD	Monthly	7.26%.	Libor+5.5%	835,593	253,448	582,145	-	-	-	-	-	-	835,593
Foreign	Sociedad Portuaria de Caldera S.A.	Costa Rica	BAC San José	USD	Monthly	5.19%.	5.00%.	274,039	68,510	205,529	1,575,349	274,039	274,039	296,501	274,039	456,731	1,849,388
Foreign	Sociedad Portuaria de Caldera S.A.	Costa Rica	BAC San José	USD	Monthly	5.19%.	5.00%.	739,755	184,939	554,816	4,255,839	740,504	740,504	801,901	740,504	1,232,426	4,995,594
Foreign	Sociedad Portuaria Granelera de Caldera S.A.	Costa Rica	Banco San José	USD	Quarterly	5.38%.	5.00%.	2,930,568	732,642	2,197,926	18,437,721	2,930,568	2,930,568	2,930,568	2,930,568	6,715,449	21,368,289
Foreign	Sociedad Portuaria Granelera de Caldera S.A.	Costa Rica	Banco Davivienda Costa Rica	USD	Monthly	7.11%.	Libor+5.35%	870,036	217,509	652,527	74,125	74,125	-	-	-	-	944,161
Foreign	Sociedad Portuaria Granelera de Caldera S.A.	Costa Rica	Banco San José	USD	Quarterly	5.26%.	Libor+5.35%	631,936	157,984	473,952	1,403,888	631,937	631,937	140,014	-	-	2,035,824
Foreign	Saam Remolques S.A. de C.V.	Mexico	Corpbanca New York Branch	USD	Semi-annual	4.66%.	Libor+3%	6,413,706	1,709,373	4,704,333	6,126,939	6,126,939	-	-	-	-	12,540,645
Foreign	Saam Remolques S.A. de C.V.	Mexico	Banco Santander México	MXN	Monthly	10.12%.	TIIE 28+1.66%	377,365	188,683	188,682	-	-	-	-	-	-	377,365
Foreign	Saam Remolques S.A. de C.V.	Mexico	Banco Santander México	USD	Monthly	3.82%.	Libor+1.6%	1,132,844	566,422	566,422	-	-	-	-	-	-	1,132,844
			SUBTOTAL					**85,898,077**			**194,493,273**						**280,391,350**

Note 22 – Other current and non-current financial liabilities (continued)

(b) Interest-bearing bank loans as of December 31, 2019, 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 12-31-2019 ThCh$	Up to 3 months ThCh$	3 to 12 months ThCh$	Non-current 12-31-2019 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 un-discounted ThCh$
Foreign	SAAM Towage Canada Inc	Canada	Scotiabank Canada	CAD	Monthly	3.73%.	BA+1.75%	11,931,172	131,778	11,799,394	-	-	-	-	-	-	11,931,172
Foreign	SAAM Towage Canada Inc	Canada	Scotiabank Canada	CAD	Monthly	3.73%.	BA+1.75%	-	-	-	11,372,612	758,474	758,474	9,855,664	-	-	11,372,612
Foreign	SAAM Towage Panama Inc.	Panama	Banco Rabobank	USD	Semi-annual	5.71%.	3.45%.	756,228	381,109	375,119	1,087,919	731,519	356,400	-	-	-	1,844,147
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	3.70%.	3.70%.	1,188,999	299,496	889,503	6,703,469	1,153,060	1,081,929	1,081,929	1,081,929	2,304,622	7,892,468
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	3.70%.	3.70%.	1,427,098	359,395	1,067,703	8,046,710	1,383,672	1,299,064	1,299,064	1,299,064	2,765,846	9,473,808
Foreign	SAAM Towage Brasil	Brazil	BNDES	BRL	Monthly	8.79%.	TJLP+3.70%	588,884	149,374	439,510	2,975,491	555,565	491,173	491,173	491,173	946,407	3,564,375
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	2.58%.	2.58%.	1,021,655	256,443	765,212	11,273,029	1,000,317	961,382	961,382	961,382	7,388,566	12,294,684
Foreign	SAAM Towage Brasil	Brazil	BNDES	USD	Monthly	3.58%.	3.58%.	848,323	213,391	634,932	9,008,090	826,609	785,428	785,428	785,428	5,825,197	9,856,413
Foreign	SAAM Towage Brasil	Brazil	Caterpillar	USD	Monthly	3.80%.	3.80%.	353,405	89,100	264,305	1,142,577	341,425	256,069	256,069	256,069	32,945	1,495,982
Foreign	SAAM Towage Brasil	Brazil	Caterpillar	USD	Monthly	3.80%.	3.80%.	430,525	108,567	321,958	1,394,155	416,299	312,225	312,225	312,225	41,181	1,824,680
Foreign	SAAM Towage Brasil	Brazil	Caterpillar	BRL	Monthly	8.89%.	TJLP+3.80%	159,482	40,432	119,050	476,200	148,999	104,824	104,824	104,824	12,729	635,682
Foreign	SAAM Towage Brasil	Brazil	Banco Do Brasil	USD	Monthly	3.50%.	3.50%.	1,166,537	293,506	873,031	8,284,060	2,237,984	1,040,000	1,040,000	1,040,000	2,926,076	9,450,597
Foreign	SAAM Towage Brasil	Brazil	Banco Do Brasil	USD	Monthly	3.60%.	3.60%.	799,280	201,037	598,243	5,739,091	1,531,173	710,554	710,554	710,554	2,076,256	6,538,371
Foreign	Tug Brasil Apoio Maritimo	Brazil	BNDES	USD	Monthly	4.00%.	4.00%.	262,808	107,070	155,738	-	-	-	-	-	-	262,808
Foreign	Tug Brasil Apoio Maritimo	Brazil	BNDES	USD	Monthly	4.38%.	4.38%.	377,739	95,464	282,275	917,954	358,646	186,436	186,436	186,436	-	1,295,693
Foreign	Tug Brasil Apoio Maritimo	Brazil	BNDES	USD	Monthly	3.68%.	3.68%.	1,399,769	352,282	1,047,487	13,728,896	1,382,174	1,281,094	1,281,094	1,281,094	8,503,440	15,128,665
Foreign	Tug Brasil Apoio Maritimo	Brazil	BNDES	USD	Monthly	5.50%.	5.50%.	162,851	40,806	122,045	698,573	157,235	146,004	146,004	146,004	103,326	861,424
Foreign	Tug Brasil Apoio Maritimo	Brazil	Banco Do Brasil	USD	Monthly	3.75%.	3.75%.	3,028,279	763,340	2,264,939	9,364,492	2,926,825	2,145,889	2,145,889	2,145,889	-	12,392,771
Foreign	SAAM Towage Brasil	Brazil	Banco Santander Brasil	USD	At maturity	3.50%.	3.50%.	2,339,064	-	2,339,064	-	-	-	-	-	-	2,339,064
78.080.440-8	Enex S.A.	Chile	Banco Santander	CLP	At maturity	4.28%.	3.48%.	6,515,342	6,515,342	-	-	-	-	-	-	-	6,515,342
78.080.440-8	Enex S.A.	Chile	Banco Citibank	USD	At maturity	2.86%.	2.80%.	3,823,922	3,823,922	-	-	-	-	-	-	-	3,823,922
78.080.440-8	Enex S.A.	Chile	Banco Scotiabank	CLP	At maturity	4.47%.	3.67%.	231,121	20,499	210,622	34,732,318	163,989	-	34,568,329	-	-	34,963,439
78.080.440-8	Enex S.A.	Chile	Banco Scotiabank	USD	At maturity	3.69%.	3.69%.	592,898	296,449	296,449	54,694,900	-	-	54,694,900	-	-	55,287,798
78.080.440-8	Enex S.A.	Chile	Banco Scotiabank	CLP	Quarterly	3.81%.	3.01%.	98,456	98,456	-	20,000,000	-	-	20,000,000	-	-	20,098,456
78.080.440-8	Enex S.A.	Chile	Banco Estado	CLP	Semi-annual	4.23%.	3.43%.	640,863	212,630	428,233	110,142,500	16,757,301	16,757,301	22,035,625	22,035,625	32,556,648	110,783,363
			SUBTOTAL					**40,144,700**			**311,783,036**						**351,927,736**
			TOTAL					**126,042,777**			**506,276,309**						**632,319,086**

Note 22 – Other current and non-current financial liabilities (continued)

(c) Bonds payable as of December 31, 2020, 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%.	2,658,299	-	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**

Note 22 – Other current and non-current financial liabilities (continued)

(c) Bonds payable as of December 31, 2020, 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 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**

Note 22 – Other current and non-current financial liabilities (continued)

(d) Bonds payable as of December 31, 2019, 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%.	2,581,491	-	2,581,491	84,800,970	-	-	-	-	84,800,970	87,382,461
96.929.880-5	LQIF	Chile	597	Series D	2033	CLF	Annual	3.84%.	3.50%.	2,146,510	-	2,146,510	109,673,204	-	-	-	-	109,673,204	111,819,714
90.160.000-7	CSAV	Chile	839	Series B	2021	USD	At maturity	5.20%.	5.20%.	-	-	-	37,249,066	37,249,066	-	-	-	-	37,249,066
90.160.000-7	CSAV	Chile	955	Series C	2026	USD	Semi-annual	5.35%.	5.35%.	564,549	564,549	-	74,286,988	-	-	-	-	74,286,988	74,851,537
76.196.718-5	SM SAAM S.A.	Chile	793	Series B	2021	CLF	Semi-annual	2.60%.	2.60%.	44,924	-	44,924	40,041,118	40,041,118	-	-	-	-	40,086,042
76.196.718-5	SM SAAM S.A.	Chile	794	Series C	2026	CLF	Semi-annual	2.80%.	2.80%.	47,920	-	47,920	40,670,059	-	-	-	-	40,670,059	40,717,979
91.705.000-7	Quiñenco	Chile	595	Series I	2021	CLF	Annual	3.71%.	3.70%.	9,846,066	-	9,846,066	9,418,638	9,418,638	-	-	-	-	19,264,704
91.705.000-7	Quiñenco	Chile	715	Series J	2032	CLF	Annual	3.90%.	3.85%.	1,917,087	-	1,917,087	84,315,310	-	-	-	-	84,315,310	86,232,397
91.705.000-7	Quiñenco	Chile	715	Series O	2035	CLF	Annual	3.36%.	3.40%.	1,020,884	-	1,020,884	67,331,999	-	-	-	-	67,331,999	68,352,883
91.705.000-7	Quiñenco	Chile	427	Series C	2032	CLF	Annual	4.24%.	4.00%.	216,397	-	216,397	64,902,659	-	-	-	-	64,902,659	65,119,056
91.705.000-7	Quiñenco	Chile	596	Series F	2032	CLF	Annual	3.97%.	3.85%.	2,875,631	-	2,875,631	125,942,339	-	11,581,340	11,581,340	11,581,340	91,198,319	128,817,970
91.705.000-7	Quiñenco	Chile	820	Series S	2044	CLF	Annual	3.15%.	3.15%.	366,478	-	366,478	140,593,442	-	-	-	-	140,593,442	140,959,920
91.705.000-7	Quiñenco	Chile	820	Series R	2039	CLF	Annual	3.20%.	3.15%.	2,614,210	-	2,614,210	139,681,430	-	-	-	-	139,681,430	142,295,640
91.705.000-7	Quiñenco	Chile	714	Series V	2025	CLF	Annual	1.72%.	1.80%.	597,534	-	597,534	56,433,198	11,323,976	11,323,976	11,323,976	11,323,976	11,137,294	57,030,732
91.705.000-7	Quiñenco	Chile	819	Series W	2047	CLF	Annual	3.03%.	2.90%.	2,406,733	-	2,406,733	137,253,921	-	-	-	-	137,253,921	139,660,654
						TOTAL				**27,246,414**			**1,212,594,341**						**1,239,840,755**

Note 22 – Other current and non-current financial liabilities (continued)

(d) Bonds payable as of December 31, 2019, 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%.	4,119,096	-	4,119,096	144,656,714	4,119,096	4,119,096	4,119,096	4,119,096	128,180,330	148,775,810
96.929.880-5	LQIF	Chile	597	Series D	2033	CLF	Annual	3.84%.	3.50%.	3,913,849	-	3,913,849	141,178,132	3,913,849	13,232,538	12,906,384	12,580,230	98,545,131	145,091,981
90.160.000-7	CSAV	Chile	839	Series B	2021	USD	At maturity	5.20%.	5.20%.	1,922,090	-	1,922,090	38,398,008	38,398,008	-	-	-	-	40,320,098
90.160.000-7	CSAV	Chile	955	Series C	2026	USD	Semi-annual	5.35%.	5.35%.	3,953,497	-	3,953,497	93,652,848	3,953,497	3,953,497	3,953,497	22,671,847	59,120,510	97,606,345
76.196.718-5	SM SAAM S.A.	Chile	793	Series B	2021	CLF	Semi-annual	2.60%.	2.60%.	1,023,528	-	1,023,528	40,658,079	40,658,079	-	-	-	-	41,681,607
76.196.718-5	SM SAAM S.A.	Chile	794	Series C	2026	CLF	Semi-annual	2.80%.	2.80%.	1,102,145	-	1,102,145	46,246,674	1,102,145	1,102,145	1,102,145	1,102,145	41,838,094	47,348,819
91.705.000-7	Quiñenco	Chile	595	Series I	2021	CLF	Annual	3.71%.	3.70%.	10,134,959	-	10,134,959	9,785,803	9,785,803	-	-	-	-	19,920,762
91.705.000-7	Quiñenco	Chile	715	Series J	2032	CLF	Annual	3.90%.	3.85%.	3,269,798	-	3,269,798	129,072,094	3,269,798	3,269,798	3,269,798	3,269,798	115,992,902	132,341,892
91.705.000-7	Quiñenco	Chile	715	Series O	2035	CLF	Annual	3.36%.	3.40%.	2,286,028	-	2,286,028	101,526,524	2,286,028	2,286,028	2,286,028	2,286,028	92,382,412	103,812,552
91.705.000-7	Quiñenco	Chile	427	Series C	2032	CLF	Annual	4.24%.	4.00%.	2,632,824	-	2,632,824	90,832,441	2,632,824	2,632,824	2,632,824	2,632,824	80,301,145	93,465,265
91.705.000-7	Quiñenco	Chile	596	Series F	2032	CLF	Annual	3.97%.	3.85%.	4,904,697	-	4,904,697	162,173,491	4,904,697	16,486,037	16,040,156	15,594,274	109,148,327	167,078,188
91.705.000-7	Quiñenco	Chile	820	Series S	2044	CLF	Annual	3.15%.	3.15%.	4,458,816	-	4,458,816	239,643,644	4,458,816	4,458,816	4,458,816	4,458,816	221,808,380	244,102,460
91.705.000-7	Quiñenco	Chile	820	Series R	2039	CLF	Annual	3.20%.	3.15%.	4,458,816	-	4,458,816	219,578,974	4,458,816	4,458,816	4,458,816	4,458,816	201,743,710	224,037,790
91.705.000-7	Quiñenco	Chile	714	Series V	2025	CLF	Annual	1.72%.	1.80%.	1,019,158	-	1,019,158	59,677,354	12,343,134	12,139,302	11,935,471	11,731,639	11,527,808	60,696,512
91.705.000-7	Quiñenco	Chile	819	Series W	2047	CLF	Annual	3.03%.	2.90%.	4,104,941	-	4,104,941	272,483,171	4,104,941	4,104,941	4,104,941	4,104,941	256,063,407	276,588,112
										53,304,242			**1,789,563,951**						**1,842,868,193**

CORPORATE STRUCTURE

Note 22 – Other current and non-current financial liabilities (continued)

(e) Concession liabilities

Financial liabilities for concession contracts as of December 31, 2020, 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	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

(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	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

Note 22 – Other current and non-current financial liabilities (continued)

(f) Concession liabilities

Financial liabilities for concession contracts as of December 31, 2019, 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	151,994	469,460	621,454	1,367,199	1,551,389	5,728,610	8,647,198	9,268,652
Administración Portuaria Integral de Mazatlán	Foreign	Terminal Marítima Mazatlán S.A. de C.V.	Mexico	MXN	196,920	569,042	765,962	4,734,283	4,121,814	12,351,964	21,208,061	21,974,023
Instituto Costarricence de Puerto Pacífico	Foreign	Sociedad Portuaria de Caldera S.A.	Costa Rica	USD	1,300,561	-	1,300,561	-	-	-	-	1,300,561
Instituto Costarricence de Puerto Pacífico	Foreign	Sociedad Portuaria Granelera de Caldera S.A.	Costa Rica	USD	166,969	-	166,969	-	-	-	-	166,969
Instituto Costarricence de Puerto Pacífico	Foreign	Concesionaria SAAM Costa Rica S.A.	Costa Rica	USD	68,135	-	68,135	-	-	-	-	68,135
							2,923,081				**29,855,259**	**32,778,340**

(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	299,496	898,488	1,197,984	2,395,968	2,395,968	6,888,408	11,680,344	12,878,328
Administración Portuaria Integral de Mazatlán	Foreign	Terminal Marítima Mazatlán S.A. de C.V.	Mexico	MXN	199,165	609,474	808,639	5,706,148	6,228,768	33,661,853	45,596,769	46,405,408
Instituto Costarricence de Puerto Pacífico	Foreign	Sociedad Portuaria de Caldera S.A.	Costa Rica	USD	1,300,561	-	1,300,561	-	-	-	-	1,300,561
Instituto Costarricence de Puerto Pacífico	Foreign	Sociedad Portuaria Granelera de Caldera S.A.	Costa Rica	USD	166,969	-	166,969	-	-	-	-	166,969
Instituto Costarricence de Puerto Pacífico	Foreign	Concesionaria SAAM Costa Rica S.A.	Costa Rica	USD	68,135	-	68,135	-	-	-	-	68,135
							3,542,288				**57,277,113**	**60,819,401**

Note 22 – Other current and non-current financial liabilities (continued)

(g) Finance leases as of December 31, 2020, 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%.	363,296	89,580	273,716	1,428,298	378,225	393,866	410,218	245,989	-	1,791,594
Foreign	FIT 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	FIT 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	SAA 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	SAA 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
92.011.000-2	Empresa Nacional de Energía Enex S.A.	Chile	Pesamatic	CLF	Monthly	3.12%.	3.12%.	31,282	12,797	18,485	-	-	-	-	-	-	31,282
92.011.000-2	Empresa Nacional de Energía Enex S.A.	Chile	Metlife Chile	CLF	Monthly	7.44%.	7.44%.	60,431	14,930	45,501	59,009	29,505	29,504	-	-	-	119,440
92.011.000-2	Empresa Nacional de Energía Enex S.A.	Chile	Metlife Chile	CLF	Monthly	6.90%.	6.90%.	62,564	14,930	47,634	103,088	51,544	51,544	-	-	-	165,652
92.011.000-2	Empresa Nacional de Energía Enex S.A.	Chile	Factoring Security	CLF	Monthly	7.50%.	7.50%.	278,692	91,001	187,691	-	-	-	-	-	-	278,692
92.011.000-2	Empresa Nacional de Energía Enex S.A.	Chile	Factoring Security	CLP	Monthly	7.50%.	7.50%.	125,127	31,993	93,134	-	-	-	-	-	-	125,127
								1,904,635			**2,562,975**						**4,467,610**

(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%.	429,413	107,353	322,060	1,537,785	429,414	429,414	429,414	249,543	-	1,967,198
Foreign	FIT 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	FIT 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	SAA 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	SAA 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
92.011.000-2	Empresa Nacional de Energía Enex S.A.	Chile	Pesamatic	CLF	Monthly	3.12%.	3.12%.	31,282	12,797	18,485	-	-	-	-	-	-	31,282
92.011.000-2	Empresa Nacional de Energía Enex S.A.	Chile	Metlife Chile	CLF	Monthly	7.44%.	7.44%.	60,431	14,930	45,501	59,009	59,009	-	-	-	-	119,440
92.011.000-2	Empresa Nacional de Energía Enex S.A.	Chile	Metlife Chile	CLF	Monthly	6.90%.	6.90%.	63,275	15,641	47,634	103,088	51,544	51,544	-	-	-	166,363
92.011.000-2	Empresa Nacional de Energía Enex S.A.	Chile	Factoring Security	CLF	Monthly	7.50%.	7.50%.	278,693	91,002	187,691	-	-	-	-	-	-	278,693
92.011.000-2	Empresa Nacional de Energía Enex S.A.	Chile	Factoring Security	CLP	Monthly	7.50%.	7.50%.	125,127	31,993	93,134	-	-	-	-	-	-	125,127
								2,249,445			**2,599,942**						**4,849,387**

Note 22 – Other current and non-current financial liabilities (continued)

(h) Finance leases as of December 31, 2019, 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	Banco Santander	USD	Monthly	2.86%.	2.86%.	703,815	350,410	353,405	-	-	-	-	-	-	703,815
Foreign	FIT LLC	USA	Wells Fargo Equipment Finance, Inc.	USD	Monthly	3.74%.	3.74%.	30,698	30,698	-	-	-	-	-	-	-	30,698
Foreign	FIT LLC	USA	Wells Fargo Equipment Finance, Inc.	USD	Monthly	4.86%.	4.75%.	11,231	1,497	9,734	-	-	-	-	-	-	11,231
Foreign	FIT LLC	USA	Wells Fargo Equipment Finance, Inc.	USD	Monthly	5.65%.	5.50%.	329,446	83,859	245,587	618,459	357,898	247,084	13,477	-	-	947,905
Foreign	Kios S.A.	Uruguay	Banco Santander Uruguay	USD	Monthly	5.65%.	5.50%.	749	749	-	-	-	-	-	-	-	749
Foreign	SAAM Towage Panama Inc.	Panama	Bac International Bank	USD	Monthly	5.65%.	5.50%.	12,729	2,995	9,734	62,146	14,226	14,975	21,713	11,232	-	74,875
92.011.000-2	Enex S.A.	Chile	Metlife Chile	CLF	Monthly	7.44%.	7.44%.	55,316	13,468	41,848	107,074	53,537	53,537	-	-	-	162,390
92.011.000-2	Enex S.A.	Chile	Metlife Chile	CLF	Monthly	6.90%.	6.90%.	54,332	14,092	40,240	160,261	80,131	80,130	-	-	-	214,593
92.011.000-2	Enex S.A.	Chile	Factoring Security	CLF	Monthly	7.50%.	7.50%.	323,729	82,347	241,382	277,038	138,519	138,519	-	-	-	600,767
92.011.000-2	Enex S.A.	Chile	Factoring Security	CLF	Monthly	7.50%.	7.50%.	89,759	21,815	67,944	96,719	48,360	48,359	-	-	-	186,478
								1,611,804			**1,321,697**						**2,933,501**

(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	Banco Santander	USD	Monthly	2.86%.	2.86%.	709,806	354,903	354,903	-	-	-	-	-	-	709,806
Foreign	FIT LLC	USA	Wells Fargo Equipment Finance, Inc.	USD	Monthly	3.74%.	3.74%.	123,542	123,542	-	-	-	-	-	-	-	123,542
Foreign	FIT LLC	USA	Wells Fargo Equipment Finance, Inc.	USD	Monthly	4.86%.	4.75%.	14,974	1,497	13,477	170,713	170,713	-	-	-	-	185,687
Foreign	FIT LLC	USA	Wells Fargo Equipment Finance, Inc.	USD	Monthly	5.65%.	5.50%.	379,611	83,859	295,752	649,157	379,611	269,546	-	-	-	1,028,768
Foreign	Kios S.A.	Uruguay	Banco Santander Uruguay	USD	Monthly	5.65%.	5.50%.	749	749	-	749	749	-	-	-	-	1,498
Foreign	SAAM Towage Panama Inc.	Panama	Bac International Bank	USD	Monthly	5.65%.	5.50%.	12,729	2,995	9,734	62,146	14,226	16,472	16,472	14,976	-	74,875
92.011.000-2	Enex S.A.	Chile	Metlife Chile	CLF	Monthly	7.44%.	7.44%.	64,745	16,186	48,559	129,490	64,745	64,745	-	-	-	194,235
92.011.000-2	Enex S.A.	Chile	Metlife Chile	CLF	Monthly	6.90%.	6.90%.	69,499	17,375	52,124	185,330	92,665	92,665	-	-	-	254,829
92.011.000-2	Enex S.A.	Chile	Factoring Security	CLF	Monthly	7.50%.	7.50%.	369,648	92,412	277,236	369,648	184,824	184,824	-	-	-	739,296
92.011.000-2	Enex S.A.	Chile	Factoring Security	CLF	Monthly	7.50%.	7.50%.	99,756	24,939	74,817	124,695	62,348	62,347	-	-	-	224,451
								1,845,059			**1,691,928**						**3,536,987**

Note 22 – Other current and non-current financial liabilities (continued)

(i) Hedge liabilities as of December 31, 2020 and 2019, are detailed as follows:

Hedge description	Company	Hedged risk	Current		Non-current		Fair values	
			12-31-2020 ThCh$	12-31-2019 ThCh$	12-31-2020 ThCh$	12-31-2019 ThCh$	12-31-2020 ThCh$	12-31-2019 ThCh$
Swap	Invexans S.A.	Interest rate	-	-	343,709	16,958	343,709	16,958
Swap	SM SAAM S.A.	Exchange rate	33,415	153,492	4,176,120	1,194,240	4,209,535	1,347,732
Forward	Quiñenco S.A.	Exchange rate	-	227,892	-	-	-	227,892
		TOTAL	**33,415**	**381,384**	**4,519,829**	**1,211,198**	**4,553,244**	**1,592,582**

Note 22 – Other current and non-current financial liabilities (continued)

(j) 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 (API) in Mazatlán through the "Partial Rights Assignment Contract" dated April 16, 2012, granted the indirect subsidiary Terminal Marítimo Mazatlan S.A. de C.V. (the concessionaire) the exclusive right to operate, use and develop an area of water and land in the port of Mazatlan de Sinaloa, to construct works 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 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 Remolques 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.

Note 22 – Other current and non-current financial liabilities (continued)

(j) Service Concession Agreements (continued)

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.

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, and it was extended by an additional 10 years during 2016. When the concession terminates all the investments and improvements agreed with Fertilizantes Granulados Fertilizantes S.A. will be incorporated into the Multipurpose Terminal.

Sociedad Portuaria Granelera de Caldera (Costa Rica)

On 8 February 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.

Note 23 – Trade and other payables

As of December 31, 2020 and 2019, these are detailed as follows.

	12-31-2020 ThCh$	12-31-2019 ThCh$
Trade payables	176,853,529	206,140,806
Other payables	14,458,409	11,458,102
Total	**191,311,938**	**217,598,908**

Current trade payables not yet due and past due 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$**	**Total 12-31-2020 ThCh$**
Products	120,809,599	620,659	157,120	6,399	-	121,593,777
Services	51,767,920	759,295	419,461	1,744,671	16,927	54,708,274
Others	1,228,122	-	-	-	9,272,209	10,500,331
Total	**173,805,641**	**1,379,954**	**576,581**	**1,751,070**	**9,289,136**	**186,802,382**

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 September 30, 2020 ThCh$**
Products	-	-	-	-	-	-	-
Services	300,732	1,902,502	612,128	453,586	100,955	7,820	3,377,723
Others	1,128,278	-	-	-	1,422	2,133	1,131,833
Total	**1,429,010**	**1,902,502**	**612,128**	**453,586**	**102,377**	**9,953**	**4,509,556**

Current trade payables not yet due and past due as of December 31, 2019, are detailed as follows.

Trade payables not yet due

	Amounts due by payment terms						Total
Supplier	**Up to 30 days ThCh$**	**31- 60 days ThCh$**	**61- 90 days ThCh$**	**91- 120 days ThCh$**	**121 to 365 days ThCh$**	**Over 365 days ThCh$**	**12-31-2019 ThCh$**
Products	143,695,489	153,492	31,447	-	-	-	143,880,428
Services	56,824,075	1,948,970	447,746	808,639	273,894	41,181	60,344,505
Others	4,619,160	-	-	-	-	5,135,607	9,754,767
Total	**205,138,724**	**2,102,462**	**479,193**	**808,639**	**273,894**	**5,176,788**	**213,979,700**

Trade payables past due

	Amount past due by range in days						Total
Supplier	**Up to 30 days ThCh$**	**31- 60 days ThCh$**	**61- 90 days ThCh$**	**91- 120 days ThCh$**	**121- 180 days ThCh$**	**Over 181 days ThCh$**	**12-31-2019 ThCh$**
Products	-	-	-	-	-	-	-
Services	1,404,425	814,814	600,243	300,871	336,146	140,016	3,596,515
Others	14,189	744	97	15	2,536	5,112	22,693
Total	**1,418,614**	**815,558**	**600,340**	**300,886**	**338,682**	**145,128**	**3,619,208**

As of December 31, 2020 and 2019, there are no Confirming transactions.

Amounts past due payable to suppliers are invoices with documentary reconciliation differences, suppliers that have not collected their respective cashier's checks, and other reasons.

Note 24 – Other provisions

(a) Composition

As of December 31, 2020 and 2019, these are as follows.

	Current		Non-current	
	12-31-2020 ThCh$	12-31-2019 ThCh$	12-31-2020 ThCh$	12-31-2019 ThCh$
Restructuring expenses	-	-	3,252,868	2,806,469
Profit sharing and bonuses	1,915,052	1,651,256	-	-
Legal claims	231,058	1,078,186	6,416,324	9,231,964
Onerous contracts	-	3,386,147	-	-
Other provisions (1) (2)	7,455,970	6,564,133	20,640,299	21,653,807
Total	**9,602,080**	**12,679,722**	**30,309,491**	**33,692,240**

(b) Other provisions

(1) Other current provisions as of December 31, 2020 and 2019, are detailed as follows:

	Current	
	12-31-2020 ThCh$	12-31-2019 ThCh$
Brand agreements	2,801,144	2,769,896
Service station maintenance and operational services	1,628,786	1,132,129
Contingencies	1,438,166	380,888
Municipal taxes	299,936	-
Fees and consultancies	154,537	1,386,384
General, audit, annual report and other expenses	60,862	120,060
Commissions and insurance	24,883	81,652
Others	1,047,656	693,124
Total	**7,455,970**	**6,564,133**

(2) Other non-current provisions as of December 31, 2020 and 2019, are detailed as follows:

	Non-current	
	12-31-2020 ThCh$	12-31-2019 ThCh$
Contingencies	7,526,116	9,872,592
Tank removal	13,114,183	11,781,215
Total	**20,640,299**	**21,653,807**

Note 24 – Other provisions (continued)

(c) Movements

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	-	12,682,407	13,250,726
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)	(2,560,132)	(3,474,044)
Other increases (decreases)	-	-	-	339,314	339,314
Changes in provisions	446,399	(3,662,768)	(3,386,147)	142,125	(6,460,391)
Closing balance as of December 31, 2020	**3,252,868**	**6,647,382**	**-**	**30,011,321**	**39,911,571**

Movements in other provisions for the year ended December 31, 2019, are as follows.

Movements	Restructuring ThCh$	Legal claims ThCh$	Onerous contracts ThCh$	Other provisions ThCh$	Total ThCh$
Opening balance as of January 1, 2019	3,035,616	10,174,602	32,654	47,094,117	60,336,989
Additional provisions	-	-	-	37,461,235	37,461,235
Increase (decrease) in provisions	(462)	96,587	3,566,997	(10,158,980)	(6,495,858)
Acquisitions through business combinations	-	272,990	-	-	272,990
Disposals through sales of businesses	-	-	-	(6,894,244)	(6,894,244)
Provisions used	(231,486)	(1,059,467)	(216,041)	(39,133,416)	(40,640,410)
Reversal of unused provision	-	-	-	11,471	11,471
Increase (decrease) in currency translation	2,801	825,438	2,537	427,382	1,258,158
Other increases (decreases)	-	-	-	1,061,631	1,061,631
Changes in provisions	(229,147)	135,548	3,353,493	(17,224,921)	(13,965,027)
Closing balance as of December 31, 2019	**2,806,469**	**10,310,150**	**3,386,147**	**29,869,196**	**46,371,962**

Note 24 – 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 Parent 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.

Onerous contracts: This refers to the estimate of those services (voyages in progress) on which there is a reasonable estimate that the revenue obtained will not cover the costs incurred during the voyage, so it is expected that the voyages will close with operating losses. It is expected that these will be used in the current period considering the business cycle of the subsidiary CSAV S.A. Nevertheless, new provisions may be established in subsequent years.

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 25 – Provisions for employee benefits

(a) Composition

As of December 31, 2020 and 2019, these are detailed as follows.

	Current		Non-current	
	12-31-2020 ThCh$	**12-31-2019 ThCh$**	**12-31-2020 ThCh$**	**12-31-2019 ThCh$**
Personnel vacations	9,933,867	8,454,888	-	-
Remuneration	15,167,058	13,872,688	-	-
Termination benefits and retirement fund	1,057,183	939,669	25,934,034	21,019,227
Other benefits	63,986	1,036,256	13,604	11,892
Total	**26,222,094**	**24,303,501**	**25,947,638**	**21,031,119**

Note 25 – Provisions for employee benefits (continued)

(b) Termination benefits

As of December 31, 2020 and 2019, 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 Corp. and SM SAAM as of December 31, 2020 and 2019, are detailed as follows.

(b.1) Enex Corp.

The Company 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 under "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, 2020 and 2019:

Provision for Termination Benefits	**12-31-2020**	**12-31-2019**
Mortality table	M95H-M95M	M95H-M95M
Annual interest rate	2.65%.	3.14%.
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%.	2.00%.
Retirement age		
Men	65	65
Women	60	60

Provision for Post-Employment Benefits	**12-31-2020**	**12-31-2019**
Mortality table	RV-2014	RV-2014
Annual interest rate	0.02%.	0.84%.

Note 25 – Provisions for employee benefits (continued)

(b) Termination benefits (continued)

(b.1) Enex Corp. (continued)

Sensitivity analysis of 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 Empresa Nacional de Energía Enex S.A. and its subsidiaries, to measure this liability and for the sensitivity analysis are detailed as follows:

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**

Note 25 – Provisions for employee benefits (continued)

(b) Termination benefits (continued)

(b.1) Enex Corp. (continued)

12-31-2019

Provision for Termination Benefits

Actuarial assumptions	-10%.	Actual	+10%.
Mortality table	36%.	M95H-M95M at 40%	44%.
Annual interest rate (in pesos)	2.86%.	3.14%.	3.45%.
Leaving rate (annual) by Art. 159	4.50%.	5%.	5.50%.
Leaving rate (annual) by Art. 161	7.20%.	8%.	8.80%.
Salary increment (in pesos)	1.80%.	2%.	2.20%.
Average annual future inflation	2.70%.	3%.	3.30%.

Effect of the change in actuarial variables	-10%.	+10%.
Book value as of 12.31.2019	4,737,011	4,737,011
Actuarial change	(36,581)	32,215
Book value after the actuarial change	**4,700,430**	**4,769,226**

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)	0.76%.	0.84%.	0.92%.

Effect of the change in actuarial variables	-10%.	+10%.
Book value as of 12.31.2019	8,523,023	8,523,023
Actuarial change	505,825	(442,633)
Book value after the actuarial change	**9,028,848**	**8,080,390**

(b.2) SM SAAM

The defined obligation is for termination benefits that will be paid to all employees under the collective agreements between the company 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 between 0.43% and 1.56%
ii) Salary increase rate between 0.7% and 1.38%
iii) Average group employee turnover between 0.1% and 8% for voluntary terminations, and between 0.1% and 8.7% for dismissals.
iv) Mortality table RV-2014.

Note 25 – 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	1.28%.	1.17%.	1.05%.
Rate of salary increase	1.28%.	1.16%.	1.04%.
Employee turnover due to resignation (*)	0.11% - 8.80%	0.10% - 8.00%	0.09% - 7.20%
Employee turnover due to business need (*)	0.11% - 9.57%	0.10% - 8.70%	0.09% - 7.83%

(*) Employee turnover includes the variables applied to each company.

The analysis results using these variables are detailed as follows.

Effect of +10% change in actuarial variables	12-31-2020 ThCh$	12-31-2019 ThCh$
Book value	12,413,898	8,698,862
Actuarial change	(48,283)	(88,351)
Book value after the actuarial change	**12,365,615**	**8,610,511**

Effect of -10% change in actuarial variables	12-31-2020 ThCh$	12-31-2019 ThCh$
Book value	12,413,898	8,698,862
Actuarial change	87,068	91,346
Book value after the actuarial change	**12,500,966**	**8,790,208**

(c) Reconciliation of present value obligation defined benefit plan

	12-31-2020 ThCh$	12-31-2019 ThCh$
Present value of defined benefit plan obligation, opening balance	**21,958,896**	**19,168,329**
Current service costs for defined benefit plan obligation	2,255,401	1,518,915
Interest costs for defined benefit plan obligation	2,891,654	694,455
Actuarial gains on defined benefit plan obligation	1,929,598	755,430
Increase (decrease) in foreign currency translation	272,696	2,110,763
Contributions paid for defined benefit plan obligation	(1,296,386)	(2,288,996)
Reductions in defined benefit plan obligation	(157,745)	-
Business combinations	(862,897)	-
Present value of defined benefit plan obligation, closing balance	**26,991,217**	**21,958,896**

Note 25 – Provisions for employee benefits (continued)

(d) Presentation in the statement of financial position

Post-employment benefits	**12-31-2020 ThCh$**	**12-31-2019 ThCh$**
Termination benefit liabilities, current	1,057,183	939,669
Termination benefit liabilities, non-current	25,934,034	21,019,227
Total termination benefit liabilities	**26,991,217**	**21,958,896**

Note 26 – Other non-financial liabilities, current

As of December 31, 2020 and 2019, these are detailed as follows.

	12-31-2020 ThCh$	**12-31-2019 ThCh$**
Dividends payable to Quiñenco shareholders	74,251,345	63,099,289
Dividends payable to minority shareholders of subsidiaries	21,211,849	6,768,752
Sales advances and revenue in process	6,498,083	4,881,744
Others	2,776,570	2,246,753
Total	**104,737,847**	**76,996,538**

Note 27 – Other non-financial liabilities, non-current

As of December 31, 2020 and 2019, these are detailed as follows.

	12-31-2020 ThCh$	**12-31-2019 ThCh$**
Payables to deceased shareholders	37,055	45,411
Total	**37,055**	**45,411**

Note 28 - Classes of financial assets and liabilities

Financial assets as of December 31, 2020 and 2019, are detailed as follows.

Description of financial assets	Category and valuation of financial asset	Current 12-31-2020 ThCh$	Current 12-31-2019 ThCh$	Non-current 12-31-2020 ThCh$	Non-current 12-31-2019 ThCh$	Fair value 12-31-2020 ThCh$	Fair value 12-31-2019 ThCh$
Cash and cash equivalents	**Financial assets at fair value**	**612,702,842**	**551,692,639**	**-**	**-**	**612,702,842**	**551,692,639**
Equity instruments (investments in shares)	Financial assets at fair value	-	-	40,482,128	40,485,538	40,482,128	40,485,538
Financial investments more than 90 days for current assets and more than one year for non-current assets	Financial assets at fair value	152,218,914	38,662,396	1,495,794	1,673,835	153,714,708	40,336,231
Foreign exchange hedges	Fair value hedge instrument	2,102,279	8,570,534	11,426,389	262,059	13,528,668	8,832,593
Other current and non-current financial assets		**154,321,193**	**47,232,930**	**53,404,311**	**42,421,432**	**207,725,504**	**89,654,362**
Trade and other receivables	**Financial asset at amortized cost**	**165,369,213**	**208,040,780**	**10,876,113**	**10,852,238**	**176,245,326**	**218,893,018**
Related party receivables	**Financial asset at amortized cost**	**24,867,589**	**28,346,212**	**2,847,832**	**-**	**27,715,421**	**28,346,212**
Total financial assets		**957,260,837**	**835,312,561**	**67,128,256**	**53,273,670**	**1,024,389,093**	**888,586,231**

Note 28 - Classes of financial assets and liabilities (continued)

Financial liabilities as of December 31, 2020 and 2019, are detailed as follows.

		Current		Non-current		Fair value	
		12-31-2020	12-31-2019	12-31-2020	12-31-2019	12-31-2020	12-31-2019
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	284,478,626	136,192,004	1,855,442,264	1,723,062,890	2,515,277,292	2,118,405,030
Finance lease obligations	Lease liabilities	1,904,635	1,611,804	2,562,975	1,321,697	4,467,610	2,933,501
Foreign exchange hedges	Other financial liabilities	33,415	381,384	4,519,829	1,211,198	4,553,244	1,592,582
Other current & non-current financial liabilities		**286,416,676**	**138,185,192**	**1,862,525,068**	**1,725,595,785**	**2,524,298,146**	**2,122,931,113**
Trade payables, social security withholdings, taxes and other payables	**Non-financial liabilities at amortized cost**	**191,311,938**	**217,598,908**	**-**	**-**	**191,311,938**	**217,598,908**
Lease liabilities	**Non-financial liabilities at amortized cost**	**28,515,493**	**26,938,817**	**230,457,975**	**211,349,479**	**258,973,468**	**238,288,296**
Related party payables	**Financial liability at amortized cost**	**261,997**	**2,301,475**	**-**	**-**	**261,997**	**2,301,475**
Total financial liabilities		**506,506,104**	**385,024,392**	**2,092,983,043**	**1,936,945,264**	**2,974,845,549**	**2,581,119,792**

Note 29 - Equity

(a) Capital and number of shares

The capital of the Company as of December 31, 2020, is composed as follows.

Number of shares

Series	Number of shares subscribed	Number of shares paid	Number of shares with voting rights
Single	1,662,759,593	1,662,759,593	1,662,759,593

Share capital

	Share capital subscribed ThCh$	Share capital paid 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 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 Ltda., 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 social rights in 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 Ltda. 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, 2019 and December 31, 2020.

Dividend No.	Dividend type	Date agreed	Date paid	Dividend per share CLP
43 and 44	Final	04-29-2019	05-09-2019	43.4051
45	Final	04-30-2020	05-15-2020	37.8978

The Parent company's policy for determining distributable net income in order to calculate the dividends to be distributed, is to consider the total net income (loss) attributable to shareholders of the controller.

Note 29 - Equity (continued)

(d) Other reserves

Other reserves as of December 31, 2020, are detailed as follows.

Reserves	**12-31-2020 ThCh$**
Revaluation surplus reserves	1,031,342
Currency translation reserves	127,473,874
Cash flow hedge reserve	(3,716,062)
Held for sale reserves	16,679,851
Other miscellaneous reserves	(150,505,640)
Total other reserves	**(9,036,635)**

As of December 31, 2020, the detail of Other miscellaneous reserves is as follows.

	12-31-2020 ThCh$
Effect of sale of LQIF-D shares	131,642,239
Other reserves from the equity of subsidiary LQIF S.A.	140,714,286
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	52,243,091
Dilution effect of non-concurrence capital increase CCU	40,399,427
Effect of changes in interest in CSAV	8,365,426
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 S.A.	2,452,944
Effect of changes in interest in SM SAAM	2,258,411
Other reserves from the equity of other subsidiaries (1)	(550,807,717)
Other effects	(583,110)
Total other miscellaneous reserves	**(150,505,640)**

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 at the closing of the consolidated statement of financial position.

(1) Includes ThCh$ (540,070,427) from the capital reduction through the absorption of all accumulated losses, agreed by shareholders at the extraordinary shareholders' meeting of Compañía Sud Americana de Vapores S.A., held on May 19, 2020.

Note 30 – Revenue and expenses

(a) Revenue

For the years ended December 31, 2020 and 2019, these are detailed as follows.

	12-31-2020 ThCh$	12-31-2019 ThCh$
Goods sold	2,091,428,605	2,545,151,916
Services provided	482,412,485	399,532,475
Total	**2,573,841,090**	**2,944,684,391**

(b) Other expenses

For the years ended December 31, 2020 and 2019, these are detailed as follows.

	12-31-2020 ThCh$	12-31-2019 ThCh$
Amortization of intangible assets	(400,720)	(400,720)
Impairment of property, plant and equipment	-	(81,826)
Impairment of inventory	-	(174,234)
Taxes on the temporary import of assets	(512,120)	(615,109)
Lawsuit expenses Brazil	(132,050)	(20,171)
Unrecoverable VAT and additional taxes	(774,116)	(561,498)
Employment litigation	(207,496)	(808,388)
Other operating expenses	(1,254,040)	(1,455,421)
Total	**(3,280,542)**	**(4,117,367)**

(c) Other gains (losses)

For the years ended December 31, 2020 and 2019, these are detailed as follows.

	12-31-2020 ThCh$	12-31-2019 ThCh$
Other gains		
Gain on sale of non-controlling interests (1)	444,167	3,785,561
Gain on sale of assets	(564,964)	945,906
Gain on sale of inventories	429,009	162,189
Total other gains	**308,212**	**4,893,656**
Other losses		
Directors' allowances, profit sharing and remuneration	(1,507,910)	(1,603,737)
Third-party consultancy	(718,077)	(2,726,284)
Donations	(246,559)	(115,852)
Other gains (losses)	(810,763)	56,067
Total other losses	**(3,283,309)**	**(4,389,806)**
Total other gains (losses), net	**(2,975,097)**	**503,850**

(1) Mainly the gain before tax from the sale of Terminal Puerto Arica S.A. in February 2019.

Note 30 – Revenue and expenses (continued)

(d) Finance costs

For the years ended December 31, 2020 and 2019, these are detailed as follows.

	12-31-2020 ThCh$	12-31-2019 ThCh$
Interest on bank loans and bonds issued	(69,299,993)	(59,340,430)
Interest paid on lease contracts	(7,367,445)	(6,998,378)
Interest on other financial instruments	(3,406,097)	(2,219,351)
Bank commission, stamp taxes and other finance costs	(5,928,201)	(5,254,315)
Total	**(86,001,736)**	**(73,812,474)**

Note 31 – Personnel expenses

For the years ended December 31, 2020 and 2019, these are detailed as follows.

	12-31-2020 ThCh$	12-31-2019 ThCh$
Wages and salaries	(151,995,873)	(148,184,603)
Short-term employee benefits	(28,184,638)	(22,093,844)
Post-employment benefits	(9,732,739)	(6,086,414)
Termination benefits	(874,004)	(1,909,628)
Other personnel expenses	(7,133,903)	(5,337,996)
Total	**(197,921,157)**	**(183,612,485)**

Note 32 – 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.

The calculation as of December 31, 2020 and 2019, is as follows:

	12-31-2020	12-31-2019
Net income (loss) attributable to equity holders of the controller	247,247,112	210,049,493
Basic earnings available to common shareholders	247,247,112	210,049,493
Basic weighted average number of shares	1,662,759,593	1,662,759,593
Basic earnings per share ThCh$	**0.148696849**	**0.126325834**

Note 33 – Environment

The Parent company is not affected by this concept as Quiñenco is an investment company.

As of December 31, 2020, the subsidiaries Invexans, Tech Pack and CSAV have no disbursements for this concept.

As of December 31, 2020, the subsidiary Enex disbursed ThCh$774,756 (ThCh$904,073 as of December 31, 2019) 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.

The subsidiary SM SAAM and its subsidiaries SAAM Puertos S.A. and SAAM Logistics have contracted civil liability insurance in favor of third parties, which includes pollution damage and/or fines, as of the closing date of the financial statements. These policies are separated into two groups. The first group refers to Chilean Terminals, which has a combined annual insured limit of UF 90,000. The second group refers to logistics companies in Chile, whose combined annual insured limit is equivalent to UF 60,000. The companies insured by the group of Chilean Terminals policies have an additional policyholder in SAAM S.A., and the logistics companies, only SAAM Logistics S.A. and SAAM Extraportuarios S.A. are additional policyholders to SAAM S.A.

The Company has no commitments for future payments in relation to the environment, however, it is constantly evaluating such projects.

Note 34 – 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. Potential issuers and institutions and investment limits applicable to each one, 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 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.

In the subsidiary Invexans' energy segment Enex manages customer credit risk in accordance with its credit policy and its authorizations manual. Sales on 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 34 – 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 a strict credit policy to manage its receivables portfolio, which is based on lines of credit and payment terms granted on the basis of an individual analysis of the solvency, payment ability, and general references of each customer, their shareholders, the industry and the customer's market, as well as its payment history with the company. These lines of credit are reviewed at least annually.

CSAV has an investment policy to manage its financial assets, which include time deposits and resale agreements, whereby its checking accounts and investments are held in financial institutions with investment grade credit ratings. Its risk control policy also includes taking hedge positions in interest rates, exchange rates and oil prices, with prestigious financial institutions within the industry that have investment grade credit ratings. As of December 31, 2020, there are no hedging contracts.

Credit granted to customers at the subsidiary SM SAAM is regularly revised, in order to apply the controls defined by the company, and to monitor the status of accounts pending collection.

Cash surpluses at the subsidiary SM SAAM can be invested in low-risk financial instruments.

See Note 28 Classes of financial assets and liabilities, for details of the balances of financial assets.

Liquidity Risk

Quiñenco finances its activities and investments with dividends 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 projected corporate liquidity requirements for each period, covering cash to be received (rents receivable, dividends receivable, etc.), the respective payments (commercial, financial, etc.) and available cash, in order to avoid short-term external financing. Invexan's financing policy seeks funding sources with a balanced structure between short and long term, low-risk exposure and alignment with the cash flows generated by the company.

In Invexans' energy segment, Enex regularly updates its short-term cash flow projections based on information received from its commercial departments. Enex has credit lines with its principal banks, in order to cover potential unexpected cash deficits.

The capital management policy at the subsidiary Techpack aims to ensure the liquidity and availability of resources, and ensure that it has sufficient liquidity.

The subsidiary 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.

Note 34 – Financial risk management policy (continued)

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 22 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[4]

Exchange rate risk

As of December 31, 2020, the net corporate exposure to exchange rate risk is an asset equivalent to Ch$181 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$9 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 projected for Invexans, financial derivatives may be contracted (primarily cross currency swaps) in order to mitigate these potential risks. As of December 31, 2020, the net corporate exposure to exchange rate risk at Invexans is an asset equivalent to Ch$42,282 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$2,114 million. As of December 31, 2020, the net exposure to exchange rate risk in the energy segment is a liability equivalent to Ch$287,350 million. A 5% change in the exchange rate of currencies other than the functional currency would have an estimated effect on comprehensive income before tax of Ch$14,367 million.

Exposure to exchange rate risk at 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, 2020, Techpack's net exposure to exchange rate risk is a liability equivalent to Ch$26 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$1 million.

The subsidairy LQIF has no exposure to exchange rate risk as it has no foreign currency assets or liabilities as of December 31, 2020 and 2019.

The subsidiary CSAV has assets and liabilities primarily denominated in its functional currency, the US dollar. However, it also has certain 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, 2020, the net exposure to exchange rate risk of CSAV is a liability equivalent to Ch$767 million. A 5% change in the exchange rate of the US dollar against other currencies would have an estimated effect on comprehensive income before taxes of Ch$38 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 performance with a corresponding equal effect on equity.

Note 34 – Financial risk management policy (continued)

The major currencies to which the subsidiary SM SAAM is exposed, other than the functional currency (US dollar), are the Chilean peso, Canadian dollar, Mexican peso, and Brazilian real. SM SAAM normally mitigates volatility in its results, caused by net positions of assets and liabilities in foreign currencies, using hedging instruments. As of December 31, 2020, the net exposure to exchange rate risk at SM SAAM is a liability equivalent to Ch$252,160 million. A a 5% change in the exchange rate of the US dollar against other currencies would have an estimated effect on comprehensive income before taxes of Ch$12,608 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 36 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, 2020, at the corporate level Quiñenco has financial assets at fair value through profit and loss of Ch$280,487 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$47 million.

Quiñenco has all its corporate financial obligations at fixed interest rates, which implies a low exposure to interest-rate risk.

Invexans has all of its corporate financial obligations at protected interest rates.

Invexans' energy segment has 0.2% of its financial liabilities at a fixed interest rate and 99.8% at a variable rate.

As of December 31, 2020, 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 89.1% of its obligations at fixed rates and 10.9% at variable rates.

SM SAAM has 68.8% of its obligations at fixed rates, 24.0% at protected rates and 7.2% at variable rates.

The consolidated interest-rate structure is as follows: As can be seen, the consolidated interest-rate risk is low, as 82.4% of debt is structured with fixed or protected interest rates.

Consolidated Financial Liabilities by interest rate	12-31-2020	12-31-2019
Fixed interest rate	77.1%	87.9%
Protected interest rate	5.3%	7.3%
Variable interest rate	17.6%	4.8%
Total	100.0%	100.0%

As of December 31, 2020, the consolidated exposure to variable interest rates was a liability of Ch$372,576 million. A 100-basis-point change in the interest rate would generate an effect on finance costs for the 12-month period of Ch$3,726 million.

Note 35 - Segment reporting

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 Corp. 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 based in Chile.

In order to determine segment reporting, those exceeding 10% of the consolidated revenue and/or 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, 2020 and 2019, is as follows.

	12-31-2020 ThCh$	**12-31-2019 ThCh$**
Chile	1,960,315,107	2,395,667,639
South America	176,691,659	102,312,764
Central America	72,933,157	70,355,185
North America	355,050,884	335,335,536
Europe	7,636,712	29,834,970
Asia	1,213,571	11,178,297
Total revenue from external customers	**2,573,841,090**	**2,944,684,391**

Non-current assets by geographical area as of December 31, 2020 and 2019, are detailed as follows.

	12-31-2020 ThCh$	**12-31-2019 ThCh$**
Chile	576,022,513	575,286,484
Rest of America	803,966,432	851,964,106
Asia	-	5,996,658
Total non-current assets (*)	**1,379,988,945**	**1,433,247,248**

(*) Includes balances of property, plant and equipment, investment properties and intangible assets other than goodwill.

Note 35 – 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, 2020, the results by segment are as follows.

	Segments December 2020						
Income Statement	**Manufacturing**	**Financial**	**Energy**	**Transport**	**Port Services**	**Other**	**Total**
Non-banking sector	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**
Revenue	77,563	-	2,111,199,092	-	462,303,616	260,819	2,573,841,090
Cost of sales	-	-	(1,854,320,119)	-	(313,421,720)	(225,098)	(2,167,966,937)
Gross margin	77,563	-	256,878,973	-	148,881,896	35,721	405,874,153
Other revenue by function	862,473	-	8,846,381	565,176	10,181,788	-	20,455,818
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)	(482,940)	-	(2,264,832)	-	(3,280,542)
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)	19,640,300	(7,473,386)	95,443,993	(20,571,837)	81,875,525
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)	7,964,825	217,953,563	74,920,527	(38,794,037)	261,789,522
Income tax credit (expense)	(49,387)	2,132,058	165,479	(42,630,820)	(21,575,705)	18,360,208	(43,598,167)
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 net operating revenue	-	1,476,065,212	-	-	-	121,002	1,476,186,214
Total operating expenses	-	(882,332,173)	-	-	-	-	(882,332,173)
Net operating income	-	593,733,039	-	-	-	121,002	593,854,041
Result of investments in other companies	-	(4,661,375)	-	-	-	-	(4,661,375)
Interest on subordinated debt with the Chilean Central Bank	-	-	-	-	-	-	-
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 35 – Segment reporting (continued)

Depreciation, amortization and cash flows 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$
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	-	504,382,572	-	-	-	-	504,382,572
Financing cash flows	-	(505,510,324)	-	-	-	384,617	(505,125,707)

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	362,001,522	58,438,669	349,710,617	251,401,960	1,143,051,372
Non-current assets	392,650,802	846,059,030	948,278,326	2,101,921,398	976,766,710	382,105,552	5,647,781,818
Banking assets	-	46,095,132,038	-	-	-	(8,531)	46,095,123,507
Total assets	**510,932,412**	**46,944,408,062**	**1,310,279,848**	**2,160,360,067**	**1,326,477,327**	**633,498,981**	**52,885,956,697**
Current liabilities	4,570,679	5,207,920	296,655,263	96,127,886	178,910,567	71,879,921	653,352,236
Non-current liabilities	18,398,719	251,546,640	440,122,129	126,996,172	492,255,208	972,251,144	2,301,570,012
Banking liabilities	-	42,256,172,220	-	-	-	(91,060,634)	42,165,111,586
Total liabilities	**22,969,398**	**42,512,926,780**	**736,777,392**	**223,124,058**	**671,165,775**	**953,070,431**	**45,120,033,834**

Note 35 – 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, 2019, the results by segment are as follows.				**Segments December 2019**			
Income Statement	**Manufacturing**	**Financial**	**Energy**	**Transport**	**Port Services**	**Other**	**Total**
Non-banking sector	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**
Revenue	66,682	-	2,570,311,105	-	373,717,530	589,074	2,944,684,391
Cost of sales	-	-	(2,291,878,752)	-	(257,748,617)	(220,388)	(2,549,847,757)
Gross margin	66,682	-	278,432,353	-	115,968,913	368,686	394,836,634
Other revenue by function	-	-	8,775,256	768,851	1,392,718		10,936,825
Administrative expenses	(4,149,121)	(1,185,218)	(246,793,787)	(7,335,144)	(51,968,374)	(16,917,446)	(328,349,090)
Other expenses by function	(20,171)	(400,720)	(317,052)	-	(3,379,424)		(4,117,367)
Other gains (losses)	816,623	7,000	(949,361)	1,084,394	4,060,020	(4,514,826)	503,850
Operating income (loss)	(3,285,987)	(1,578,938)	39,147,409	(5,481,899)	66,073,853	(21,063,586)	73,810,852
Finance income	4,162,484	234,368	1,534,262	418,597	4,953,304	7,365,529	18,668,544
Finance costs	(311,890)	(8,310,318)	(18,460,546)	(7,229,457)	(14,387,858)	(25,112,405)	(73,812,474)
Share of income (loss) of associates and joint ventures accounted for using the equity method	(29,887,938)	-	1,136,325	105,454,105	9,152,862	36,950,645	122,805,999
Exchange differences	(2,740,289)	-	2,977,931	(13,417)	(97,799)	(546,928)	(420,502)
Gain (loss) from indexation adjustments	911,604	(5,100,107)	-	-	57,800	(22,500,932)	(26,631,635)
Net income (loss) before taxes	(31,152,016)	(14,754,995)	26,335,381	93,147,929	65,752,162	(24,907,677)	114,420,784
Income tax benefit (expense)	6,285	1,758,038	(626,733)	(471,514)	(19,688,812)	6,712,547	(12,310,189)
Net income (loss) from continuing operations	(31,145,731)	(12,996,957)	25,708,648	92,676,415	46,063,350	(18,195,130)	102,110,595
Net income (loss) from discontinued operations	(818,997)	-	-	(4,524,011)		23,251,852	17,908,844
Net income (loss) from non-banking sector	**(31,964,728)**	**(12,996,957)**	**25,708,648**	**88,152,404**	**46,063,350**	**5,056,722**	**120,019,439**
Banking sector							
Total net operating revenues	-	1,667,248,056	-	-	-	675,272	1,667,923,328
Total operating expenses	-	(911,004,452)	-	-	-	-	(911,004,452)
Net operating income	-	756,243,604	-	-	-	675,272	756,918,876
Result of investments in other companies	-	6,450,481	-	-	-	-	6,450,481
Interest on subordinated debt with the Chilean Central Bank	-	(28,164,600)	-	-	-	-	(28,164,600)
Net income before taxes	-	734,529,485	-	-	-	675,272	735,204,757
Income tax expense	-	(169,683,320)	-	-	-	-	(169,683,320)
Net income from continuing operations	-	564,846,165	-	-	-	675,272	565,521,437
Net income from banking sector	-	564,846,165	-	-	-	675,272	565,521,437
Consolidated net income (loss)	**(31,964,728)**	**551,849,208**	**25,708,648**	**88,152,404**	**46,063,350**	**5,731,994**	**685,540,876**
Net income (loss) attributable to owners of the controller	**(32,262,255)**	**136,937,678**	**25,708,648**	**52,808,592**	**19,149,700**	**7,707,130**	**210,049,493**
Net income (loss) attributable to non-controlling interests	297,527	414,911,530	-	35,343,812	26,913,650	(1,975,136)	475,491,383
Consolidated net income (loss)	**(31,964,728)**	**551,849,208**	**25,708,648**	**88,152,404**	**46,063,350**	**5,731,994**	**685,540,876**

Note 35 – Segment reporting (continued)

Depreciation, amortization and cash flows by segment as of December 31, 2019, are as follows.

	Manufacturing	Financial	Energy	Transport	Port Services	Other	Total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Depreciation and amortization	(13,225)	(410,570)	(52,128,875)	(160,953)	(60,916,599)	(1,240,531)	(114,870,753)
Cash flows from non-banking sector							
Operating cash flows	1,789,549	651,152	99,112,153	19,426,011	105,782,654	(25,849,734)	200,911,785
Investing cash flows	15,023,335	610,199	(60,637,659)	(75,896,747)	(153,104,653)	333,657,025	59,651,500
Financing cash flows	-	(128,464,140)	(10,554,061)	78,278,361	38,131,028	(58,598,589)	(81,207,401)
Cash flows from banking sector							
Operating cash flows	-	1,184,795,478	-	-	-	(48,443,008)	1,136,352,470
Investing cash flows	-	(263,650,060)	-	-	-	-	(263,650,060)
Financing cash flows	-	846,754,982	-	-	-	390,952	847,145,934

Assets and liabilities by segment as of December 31, 2019, are as follows.

	Manufacturing	Financial	Energy	Transport	Port Services	Other	Total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Current assets	119,881,632	1,545,905	351,371,515	54,351,036	292,803,013	205,895,101	1,025,848,202
Non-current assets	345,591,210	846,490,140	988,373,532	1,830,755,686	987,911,068	397,899,223	5,397,020,859
Banking assets	-	41,273,330,853	-	-	-	(2,831)	41,273,328,022
Total assets	**465,472,842**	**42,121,366,898**	**1,339,745,047**	**1,885,106,722**	**1,280,714,081**	**603,791,493**	**47,696,197,083**
Current liabilities	1,100,448	4,916,962	291,212,667	80,850,365	146,824,920	(3,635,375)	521,269,987
Non-current liabilities	17,736,909	246,243,894	438,405,211	139,244,318	465,731,031	847,623,373	2,154,984,736
Banking liabilities	-	37,590,839,535	-	-	-	(70,289,119)	37,520,550,416
Total liabilities	**18,837,357**	**37,842,000,391**	**729,617,878**	**220,094,683**	**612,555,951**	**773,698,879**	**40,196,805,139**

Note 36 – Effect of changes in foreign exchange rates

(a) Assets by local and foreign currency as of December 31, 2020, are detailed as follows.

Assets Non-banking sector Current assets	US dollars ThCh$	Chilean Pesos ThCh$	Unidad de Fomento ThCh$	Euros ThCh$	Argentine Pesos ThCh$	Brazilian Reals ThCh$	Colombian Pesos ThCh$	Other currencies ThCh$	Total 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	8,424,702	2,134,983	-	-	1,087,043	-	3,904,537	24,623,684
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	13,078,132	-	-	-	-	-	2,457,754	33,967,976
Total current assets other than assets or disposal groups classified as held for sale or as held for distribution to owners	**447,225,876**	**636,965,936**	**2,134,983**	**1,842,481**	**-**	**12,344,938**	**-**	**30,062,862**	**1,130,577,076**
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 groups of assets classified as held-for-sale or held-for-distribution to the owners	**12,057,937**	**375,382**	**-**	**-**	**40,977**	**-**	**-**	**-**	**12,474,296**
Total current assets	**459,283,813**	**637,341,318**	**2,134,983**	**1,842,481**	**40,977**	**12,344,938**	**-**	**30,062,862**	**1,143,051,372**
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	5,752,828	-	-	-	8,740,446	-	220,395	16,537,255
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	191,571,221	-	-	-	-	-	24,256,903	373,331,166
Goodwill	114,602,296	849,546,912	-	-	-	-	-	-	964,149,208
Property, plant and equipment	636,429,743	289,133,382	-	-	-	-	-	65,516,886	991,080,011
Right-of-use leased assets	97,279,289	135,791	165,728,844	-	-	-	-	-	263,143,924
Investment property	9,734,158	5,843,610	-	-	-	-	-	-	15,577,768
Tax assets, non-current	-	-	-	-	-	-	-	-	-
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**	**1,840,422,627**	**165,728,844**	**2,256,755,653**	**-**	**17,746,049**	**-**	**107,297,028**	**5,647,781,818**
Total non-banking assets	**1,719,115,430**	**2,477,763,945**	**167,863,827**	**2,258,598,134**	**40,977**	**30,090,987**	**-**	**137,359,890**	**6,790,833,190**

Note 36 – Effect of changes in foreign exchange rates (continued)

(b) Liabilities by domestic and foreign currency as of December 31, 2020, are detailed as follows:

Liabilities Non-banking sector Current liabilities	US dollars ThCh$	Chilean Pesos ThCh$	Unidad de Fomento ThCh$	Euros ThCh$	Argentine Pesos ThCh$	Brazilian Reals ThCh$	Colombian Pesos ThCh$	Other currencies ThCh$	Total ThCh$
Other financial liabilities, current	169,710,589	30,789,823	82,539,963	-	-	366,850	564,494	2,444,957	286,416,676
Lease liabilities, current	13,624,645	98,822	14,792,026	-	-	-	-	-	28,515,493
Trade and other payables, non-current	28,925,384	150,402,944	673,949	97,400	-	1,251,983	-	9,960,278	191,311,938
Related party payables, current	80,714	181,283	-	-	-	-	-	-	261,997
Other short-term provisions	5,266,434	4,083,707	100,069	81,349	-	-	-	70,521	9,602,080
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	12,963,225	-	-	-	2,106,545	-	6,065,825	26,222,094
Other non-financial liabilities, current	14,413,089	89,582,526	-	-	-	711	-	741,521	104,737,847
Total current liabilities other than liabilities included in asset disposal groups classified as held for sale	**239,398,036**	**289,413,855**	**98,106,007**	**178,749**	**-**	**4,279,919**	**564,494**	**21,245,324**	**653,186,384**
Liabilities included in disposal groups classified as held for sale	124,416	384	-	-	41,052	-	-	-	165,852
Total current liabilities	**239,522,452**	**289,414,239**	**98,106,007**	**178,749**	**41,052**	**4,279,919**	**564,494**	**21,245,324**	**653,352,236**
Non-current liabilities									
Other financial liabilities, non-current	299,973,881	178,397,263	1,343,963,212	-	-	1,656,514	553,116	37,981,082	1,862,525,068
Lease liabilities, non-current	76,164,052	36,969	154,256,954	-	-	-	-	-	230,457,975
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	22,952,406	-	-	-	-	-	151,432	25,947,638
Other non-financial liabilities, non-current	-	37,055	-	-	-	-	-	-	37,055
Total non-current liabilities	**439,330,656**	**302,445,208**	**1,498,220,166**	**-**	**-**	**9,305,652**	**553,116**	**51,715,214**	**2,301,570,012**
Total non-banking liabilities	**678,853,108**	**591,859,447**	**1,596,326,173**	**178,749**	**41,052**	**13,585,571**	**1,117,610**	**72,960,538**	**2,954,922,248**

Note 36 – Effect of changes in foreign exchange rates (continued)

(a) Assets by local and foreign currency as of December 31, 2019, are detailed as follows.

Assets		Chilean	Unidad de		Argentine	Colombian	Brazilian	Other	
Non-banking sector	**US dollars**	**Pesos**	**Fomento**	**Euros**	**Pesos**	**Pesos**	**Reals**	**currencies**	**Total**
Current assets	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**
Cash and cash equivalents	427,223,480	107,545,304	-	2,147,900	-	-	2,561,440	12,214,515	551,692,639
Other financial assets, current	8,570,534	38,662,396	-	-	-	-	-	-	47,232,930
Other non-financial assets, current	7,763,058	11,086,388	4,399,113	-	-	-	-	2,589,142	25,837,701
Trade and other receivables, current	47,318,496	141,058,798	-	17,296	-	-	116,055	19,530,135	208,040,780
Related party receivables, current	3,092,354	25,253,858	-	-	-	-	-	-	28,346,212
Inventory, current	21,023,201	95,939,701	-	-	-	-	-	2,840,720	119,803,622
Current tax assets	14,853,504	10,537,239	-	-	128,035	-	-	4,211,663	29,730,441
Total current assets other than assets or disposal groups classified as held for sale or as held for distribution to owners	**529,844,627**	**430,083,684**	**4,399,113**	**2,165,196**	**128,035**	**-**	**2,677,495**	**41,386,175**	**1,010,684,325**
Non-current assets or disposal groups classified as held for sale	14,749,456	375,118	-	-	-	39,303	-	-	15,163,877
Non-current assets or groups of assets classified as held-for-sale or held-for-distribution to the owners	**14,749,456**	**375,118**	**-**	**-**	**-**	**39,303**	**-**	**-**	**15,163,877**
Total current assets	**544,594,083**	**430,458,802**	**4,399,113**	**2,165,196**	**128,035**	**39,303**	**2,677,495**	**41,386,175**	**1,025,848,202**
Non-current assets									
Other financial assets, non-current	1,509,460	40,911,972	-	-	-	-	-	-	42,421,432
Other non-financial assets, non-current	15,952,905	3,113,936	-	-	-	-	9,258,024	2,686,480	31,011,345
Receivables, non-current	9,543,440	1,195,738	-	-	-	-	-	113,060	10,852,238
Related party receivables, non-current	-	-	-	-	-	-	-	-	-
Inventory, non-current	851,317	7,488	-	-	-	-	-	-	858,805
Investments accounted for using the equity method	80,907,347	441,149,822	-	1,924,518,863	-	-	-	8,937,116	2,455,513,148
Intangible assets other than goodwill	158,340,031	212,353,987	-	-	-	-	-	28,753,863	399,447,881
Goodwill	75,976,146	869,219,528	-	-	-	-	-	-	945,195,674
Property, plant and equipment	601,510,537	353,274,160	-	-	25,457	-	-	61,768,804	1,016,578,958
Right-of-use leased assets	78,151,341	-	157,962,460	-	-	-	-	-	236,113,801
Investment property	9,518,732	7,701,677	-	-	-	-	-	-	17,220,409
Tax assets, non-current	-	-	-	-	-	-	-	312,973	312,973
Deferred tax assets	197,109,940	29,595,142	-	-	-	-	-	14,789,113	241,494,195
Total non-current assets	**1,229,371,196**	**1,958,523,450**	**157,962,460**	**1,924,518,863**	**25,457**	**-**	**9,258,024**	**117,361,409**	**5,397,020,859**
Total non-banking assets	**1,773,965,279**	**2,388,982,252**	**162,361,573**	**1,926,684,059**	**153,492**	**39,303**	**11,935,519**	**158,747,584**	**6,422,869,061**

Note 36 – Effect of changes in foreign exchange rates (continued)

(b) Liabilities by domestic and foreign currency as of December 31, 2019, are detailed as follows:

Liabilities **Non-banking sector** **Current liabilities**	**US dollars** **ThCh$**	**Chilean Pesos** **ThCh$**	**Unidad de Fomento** **ThCh$**	**Euros** **ThCh$**	**Argentine Pesos** **ThCh$**	**Colombian Pesos** **ThCh$**	**Brazilian Reals** **ThCh$**	**Other currencies** **ThCh$**	**Total** **ThCh$**
Other financial liabilities, current	90,208,234	7,014,609	27,769,550	-	-	-	503,153	12,689,646	138,185,192
Lease liabilities, current	13,565,467	-	13,373,350	-	-	-	-	-	26,938,817
Trade and other payables, non-current	46,541,722	163,828,241	498,711	302,754	-	-	122,045	6,305,435	217,598,908
Related party payables, current	975,910	1,325,565	-	-	-	-	-	-	2,301,475
Other short-term provisions	8,442,037	3,814,730	97,171	62,969	-	-	-	262,815	12,679,722
Current tax liabilities	11,018,458	10,180,834	-	-	-	-	-	679,108	21,878,400
Provisions for employee benefits, current	7,492,641	10,513,208	-	-	-	-	-	6,297,652	24,303,501
Other non-financial liabilities, current	16,729,768	59,952,299	-	-	-	-	-	314,471	76,996,538
Total current liabilities other than liabilities included in asset disposal groups classified as held for sale	**194,974,237**	**256,629,486**	**41,738,782**	**365,723**	**-**	**-**	**625,198**	**26,549,127**	**520,882,553**
Liabilities included in disposal groups classified as held for sale	60,648	1,225	566	-	-	324,995	-	-	387,434
Total current liabilities	**195,034,885**	**256,630,711**	**41,739,348**	**365,723**	**-**	**324,995**	**625,198**	**26,549,127**	**521,269,987**
Non-current liabilities									
Other financial liabilities, non-current	350,251,076	164,500,000	1,175,986,367	-	-	-	2,735,898	32,122,444	1,725,595,785
Lease liabilities, non-current	65,239,874	-	146,109,605	-	-	-	-	-	211,349,479
Trade and other payables, non-current	-	-	-	-	-	-	-	-	-
Related party payables, non-current	-	-	-	-	-	-	-	-	-
Other long-term provisions	8,286,306	15,168,559	-	-	-	-	9,258,023	979,352	33,692,240
Deferred tax liabilities	50,366,698	92,517,311	-	-	-	-	-	20,386,693	163,270,702
Provisions for employee benefits, non-current	2,482,074	18,423,257	-	-	-	-	-	125,788	21,031,119
Other non-financial liabilities, non-current	-	45,411	-	-	-	-	-	-	45,411
Total non-current liabilities	**476,626,028**	**290,654,538**	**1,322,095,972**	**-**	**-**	**-**	**11,993,921**	**53,614,277**	**2,154,984,736**
Total non-banking liabilities	**671,660,913**	**547,285,249**	**1,363,835,320**	**365,723**	**-**	**324,995**	**12,619,119**	**80,163,404**	**2,676,254,723**

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

Note 37 – 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.

In relation to the investigations into antitrust violations by the car carrier business, the following transpired between December 31, 2018 and December 31, 2020:

(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 the Company 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 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 in the case filed appeals before the Supreme Court against the TDLC judgment dated April 24, 2019, which resolved the claims filed on August 14, 2020, increasing the fine imposed on one of the shipping companies sanctioned by the TDLC and fining the remaining shipping companies that were not sanctioned by said Court, with the exception of CSAV, since the Court confirmed the company's immunity and exempted it from any fines.

(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 Court. Therefore, an estimate of any potential financial impact on CSAV cannot be made at this time.

(iii) On August 23, 2019, CSAV was served with a claim for damages by Daimler AG against the company and the shipping companies MOL, WWL, K-Line and NYK before the High Court of Justice, Commercial and Property Courts, England and Wales. The claim is based on alleged losses suffered by the plaintiff as a result of agreements or collusion between the defendants and others in connection with providing international roll-on/roll-off maritime transport services (referred to as 'RoRo Services') from February 1997 to at least September 6, 2012. On September 26, 2019, CSAV responded to the lawsuit, objecting to the period covered by the claim, among other issues. The parties reached an agreement, so CSAV is not party to the proceedings at this time.

(iv) During the second half of 2020, the Company 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.

(v) In addition, CSAV is currently party to court proceedings in England (lawsuit filed by Jaguar Land Rover) and Chile (lawsuit filed by Bío Bío Regional Senior Citizen Consumer Association) also related to investigations of anti-trust violations in the car carrier business involving various authorities and jurisdictions. The Company has not yet been served these lawsuits, so to date the economic impact for CSAV cannot be estimated.

As of December 31, 2020, claims have been filed against CSAV related to its container shipping business prior to the merger with HLAG. However, in accordance with the merger agreement between CSAV and HLAG, 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.

Note 37 – 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.3 Although Alusa S.A. and its subsidiaries were sold during the year ended December 31, 2016, Tech Pack S.A. has rights and obligations on contingencies related to transactions involving the packaging operations that occurred prior to the date of the sale of that business.

a.4 As of December 31, 2020, the subsidiary Invexans S.A. has lawsuits pending against it with respect to demands related to its normal businesses, which present no risk of significant losses, according to its legal advisors.

The tax contingencies of Invexans deriving from the sale of the cable unit to Nexans are detailed in Note 37 c.1.

a.5 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.

Note 37 – Contingencies (continued)

(b) Financial contingencies

b.1 As of December 31, 2020, 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, 2020, the ratio of unencumbered assets to unsecured debt at book value is 4.1 times, as follows:

Quiñenco individual	**ThCh$**
Total assets	4,685,852,015
Encumbered assets	-
Unencumbered assets	**4,685,852,015**
Total current liabilities	114,904,140
Other short-term provisions	(1,406,502)
Provisions for employee benefits, current	(1,008,532)
Total non-current liabilities	1,033,363,101
Other long-term provisions	(3,417,467)
Unencumbered liabilities	**1,142,434,740**

- To maintain an individual financial debt ratio over total capitalization of no more than 0.49. As of December 31, 2020 the financial debt over total capitalization at book value is 0.23, as follows.

Financial debt	**ThCh$**
Other financial liabilities, current	35,358,979
Related party payables, current	-
Other financial liabilities, non-current	955,922,506
Related party payables, non-current	74,023,128
Financial debt	**1,065,304,613**
Capitalization	
Equity attributable to owners of the controller	3,537,584,774
Financial debt	1,065,304,613
Capitalization	**4,602,889,387**

- To maintain a consolidated financial debt ratio over total capitalization of no more than 0.63. As of December 31, 2020, consolidated financial debt over total capitalization at book value is 0.27, as follows.

Financial debt	**ThCh$**
Other financial liabilities, current	286,416,676
Related party payables, current	261,997
Other financial liabilities, non-current	1,862,525,068
Related party payables, non-current	-
Financial debt	**2,149,203,741**
Capitalization	
Equity attributable to owners of the controller	3,537,584,774
Financial debt	2,149,203,741
Non-controlling interests (i)	2,339,903,655
Capitalization	**8,026,692,170**

(i) This is: Non-controlling interests in Quiñenco of ThCh$4,228,338,089 less non-controlling interests in LQIF of ThCh$1,888,434,434.

- Minimum equity of Ch$868,325 million. As of December 31, 2020, the equity attributable to owners of the controller is Ch$3,537,585 million.
- The Luksic Group must maintain control of Quiñenco.

Note 37 – Contingencies (continued)

(b) Financial contingencies (continued)

Regarding the sale of the insurance business, in which Quiñenco participated 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 (related to the Chubb insurance group) 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.2 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, 2020, 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), the restitution of lesser and higher values fixed in UF as of December 31, 2008, and restituting balances eliminated in the consolidation. The leverage ratio as of December 31, 2020, was 0.087.

- 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, 2020, the investments in the financial area reached 67.4%.

- 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.3 As of December 31, 2020, 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.

The transaction totaled US$ 435 million (on a debt and cash free basis, or Enterprise Value) for the entire flexible packaging business described above, including Nexus Group's share. Tech Pack's share was approximately US$285 million, from which net debt was deducted, in addition to adjustments for changes in working capital, as is usual in such transactions.

When this transaction was closed in May 2016 Techpack received US$204 million. It also subsequently sold a logistics center in Chile in 2016, it was reimbursed by the buyer for specific tax credits the same year, and a price adjustment was agreed for changes in working capital recognized in March 2017. These events resulted in Tech Pack SA receiving a total of US$212 million in cash for its interest in the flexible packaging business. A price adjustment was agreed in December 2018.

During 2020, expenses of ThUS$22 were incurred (expenses of ThUS$100 were incurred during 2019), mainly for legal advice related to this transaction.

Note 37 – Contingencies (continued)

(b) Financial contingencies (continued)

b.4 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.5 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, 2020, 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 times. 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," all from the consolidated financial statements of Enex Corp. Ltd. For these purposes, Net Financial Debt will not include debt undertaken or existing liabilities with shareholders or Related Parties, which shall not be considered Equity either.

- Financial expense coverage ratio greater than or equal to 2.5 times. For these purposes, the Financial Expense Coverage ratio is defined as EBITDA divided by "Finance Costs," both measured over the past 12 months. EBITDA is defined as Net Operating Income plus Depreciation for the Period, plus Amortization of Rights of Use, less Principal and Interest Payment on Lease Liabilities. It will not include Financial Costs, interest and other payments made to shareholders or Related Parties. Related parties have the meaning indicated in Article 100 of Law 18,045 on the Securities Market. Finance costs will not include interests for Rights of Use.

At the closing date of these financial statements, Enex Corp Ltd, complies with these covenants.

b.5.1 Enex S.A.:

- Maintain Net Financial Debt to Equity ratio less than or equal to 0.75 times. 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," all from the consolidated financial statements of Enex Corp. Ltd. For these purposes, Net Financial Debt will not include debt undertaken or existing liabilities with shareholders or Related Parties, which shall not be considered Equity either.

- Financial expense coverage ratio greater than or equal to 2.5 times. For these purposes, the financial expense coverage ratio is defined as EBITDA divided by "Finance Costs," both measured over the past 12 months. EBITDA is defined as Net Operating Income plus Depreciation for the Period, plus Amortization of Rights of Use, less Principal and Interest Payment on Lease Liabilities. It will not include Financial Costs, interest and other payments made to shareholders or Related Parties. Related parties has the meaning indicated in Article 100 of Law 18,045 on the Securities Market and its amendments. Finance costs will not include interests for Rights of Use. As of December 31, 2020.

At the closing date of these financial statements, Enex S.A. complies with these covenants.

Note 37 – Contingencies (continued)

(b) Financial contingencies (continued)

b.5.2 Enex Investments US:

- Maintain Net Financial Debt to Equity ratio less than or equal to 0.75 times. 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," all from the consolidated financial statements of Enex Corp. Ltd. For these purposes, Net Financial Debt will not include debt undertaken or existing liabilities with shareholders or Related Parties, which shall not be considered Equity either.

- Financial expense coverage ratio greater than or equal to 2.5 times. For these purposes, the financial expense coverage ratio is defined as EBITDA divided by "Finance Costs," both measured over the past 12 months. EBITDA is defined as Net Operating Income plus Depreciation for the Period, plus Amortization of Rights of Use, less Principal and Interest Payment on Lease Liabilities. It will not include Financial Costs, interest and other payments made to shareholders or Related Parties. Related parties has the meaning indicated in Article 100 of Law 18,045 on the Securities Market. Finance costs will not include interests for Rights of Use.

At the closing date of these financial statements, Enex Investments US complies with the aforementioned covenants.

b.6 CSAV

The financing agreements at CSAV and its subsidiaries have the following covenants:

b.6.1. Loan from Banco Itaú Chile for ThUS$45,000

a) Restrict consolidated borrowing to keep Total Liabilities over Total Equity to no more than 1.3. As of December 31, 2020 CSAV's borrowing ratio was 0.11.
b) Maintain unencumbered assets over 130% of consolidated financial liabilities. As of December 31, 2020 this ratio was 13.20.
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, 2020, total assets were ThUS$3,036,032.

b.6.2 Series B bearer bonds for ThUS$50,000, CMF Securities Registry 839:

a) Restrict consolidated borrowing to keep Total Liabilities over Total Equity to no more than 1.3. As of December 31, 2020, CSAV's borrowing ratio was 0.11.
b) Maintain unencumbered assets over 130% of consolidated financial liabilities. As of December 31, 2020, this ratio was 13.20.
c) Maintain total minimum consolidated assets of ThUS$1,614,302. As of December 31, 2020, total assets were ThUS$3,036,032.

b.6.3 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, 2020, CSAV's borrowing ratio was 0.11.
b) Maintain unencumbered assets over 130% of consolidated financial liabilities. As of December 31, 2020 this ratio was 13.20 times.
c) Maintain total minimum consolidated assets of ThUS$ 1,614,302. As of December 31, 2020, total assets were ThUS$3,036,032.

Note 37 – Contingencies (continued)

(b) Financial contingencies (continued)

b.6 CSAV (continued)

b.6.4 Mortgages for financial commitments.

As of December 31, 2020, CSAV has not mortgaged any of its assets to guarantee its financial obligations.

b.7 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	12-31-2020	12-31-2019
Sociedad Matriz SAAM S.A.	Santander (Bonds)	Net financial debt to equity	≤ 1.2 each quarter	0.45	0.42
		Net financial expense coverage ratio	> 2.75 each quarter	9.00	13.34
		Guarantees over total assets	< 5%	0%.	0%.
SAAM S.A.	Scotiabank	Net financial debt to equity	≤ 1.2 each quarter	0.20	0.40
		Net financial expense coverage ratio	≤ 4.5 each quarter	0.81	2.4
Iquique Terminal Internacional S.A. (ITI)	Banco de Crédito e Inversiones	Net Financial Debt/EBITDA ratio	≤ 3.5 as of December 31 each year, from 2016 onwards	N/A	0.22
		Financial debt to equity	≤ 3 as of December 31 each year	N/A	0.27
SAAM Remolques SA de C.V	Banco Corpbanca NY	Net Financial Debt/EBITDA ratio	≤ 3 as of December 31 each year	1.11	1.95
SAAM Towage Canada Inc	Banco Scotiabank Canada	Debt over net tangible assets	< 2.5 every quarter	1.77	1.23
		Consolidated EBITDA over financial expenses and debt repayments	1.25 every quarter	6.09	4.83
Sociedad Portuaria Caldera S.A.	Banco Davivienda	Borrowing ratio, Total liabilities / Total assets	< 83%	66%.	71%.
		Debt servicing coverage	≥ 1.2	5.9	1.4
Sociedad Portuaria Caldera S.A.	BAC San José	Borrowing ratio, Total liabilities / Total assets	≤ 3.5 as of December 31 each year	1.7	2.5
		Debt servicing coverage	> 1.25 every quarter	5.9	1.4
Sociedad Portuaria Granelera de Caldera S.A.	BAC San José	Borrowing ratio, Total liabilities / Equity	< 3.5 every quarter	1.7	1.89
		Debt servicing coverage	> 1.25 every quarter	2.1	2.5
Sociedad Portuaria de Caldera S.A.	Banco Davivienda	Borrowing ratio, Total liabilities / Total assets	< 83% every quarter	73%.	65%.
		Debt servicing coverage	> 1.2 every quarter	2.1	2.5
Florida International Terminal	BCI Miami	Borrowing ratio, Total liabilities / Equity	< 5.0	2.7	2.5
		Ratio, Financial debt / EBITDA	< 4.0	1.6	3.9
Inarpi	BCI Miami	Finance expense coverage ratio	≥ 3 as of December 31 each year	11.81	47.8
		Net Financial Debt/EBITDA	≤ 4.5 as of December 31 each year	2.12	0.6
		Guarantor's minimum equity	SAAM Puertos must have minimum equity of ThUS$140,000 as of December 31 each year	207,995	307,007
SAAM Towage Brasil	BNDES	Total liabilities / Total assets	< 80%	42.1%.	49.8%.
	Caterpillar	Total liabilities / Total assets	< 80%	42.1%.	49.8%.

S/M: No measurement at intermediate dates.
N/A Not applicable, the loan was repaid.

(c) Taxation contingencies

c.1 Lawsuits following the acquisition of Ficap S.A.

<u>Sale of the Cable Unit to Nexans</u>

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.

Note 37 – Contingencies (continued)

(c) Taxation contingencies (continued)

c.1 Lawsuits following the acquisition of Ficap S.A. (continued)

Sale of the Cable Unit to Nexans (continued)

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 CSAV

On April 29, 2019, CSAV received Summons 43 from the Chilean Internal Revenue Service (SII) requesting that it clarify some items in its income tax returns for tax years 2016 and 2017 for expenses related to payments of fines, indemnities and/or penalties made abroad related to the car carrier case. On June 28, 2019, the Company responded, within legal deadlines, to that summons and provided all supporting documentation requested by tax authorities. Subsequently, it provided additional information on August 13, 2019. However, the SII determined the fines paid abroad during commercial years 2015 and 2016 to be rejected expenses. As a result, on August 30, 2019, the Company received Tax Assessments Nos. 95 to 98 for a total of ThUS$2,670 plus interest and fines as of that date, giving a grand total of ThUS$4,594. On October 16, 2019, the Company filed a Voluntary Administrative Request for Reconsideration (RAV) against Tax Assessments 95 to 98 from August 2019. On January 22, 2020, the SII issued Ruling 110539/2020 regarding this RAV, ordering a payment of ThUS$1,119 and fully resolving this controversy.

c.3 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 (first category sole tax) 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, requesting that the SII Resolution be entirely annulled. This process is currently in process and its outcome has no impact on the financial statements.

Note 38 – Guarantees

The Company has received no guarantees from third parties as of December 31, 2020 and 2019.

Note 39 – Sanctions

Neither the Company nor its directors or managers received any sanctions from the CMF or any other regulatory authority during 2020 and 2019.

Note 40 – Subsequent 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."

There were no other events of a financial or other nature between December 31, 2020, and the date of issuance of these consolidated financial statements that could significantly affect their interpretation.

Note 41 - 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 41.1 – 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.

On April 30, 2019, the contractual value of the subordinated obligation with the Chilean Central Bank was repaid, including interest, which totaled UF 3,264,381.89 net of the surplus balance in the "Surpluses for Future Deficits account." The total repaid in 2019 was ThCh$90,299,887.

The elimination of the subordinated obligation with the Chilean Central Bank allowed the law to dissolve SM Chile and the subsidiary Sociedad Administradora de la Obligación Subordinada SAOS S.A. Subsequently, the SM Chile shareholders received the shares that SM Chile held in Banco de Chile on June 6, 2019.

As of December 31, 2020, SM Chile is being liquidated.

SM Chile is governed by Law 19,396 and is subject to the regulatory authority of the Financial Market Commission.

Note 41 – Additional notes (continued)

Note 41.2 - Accounting changes

COVID-19 was declared a global pandemic by the World Health Organization in March 2020. The huge uncertainty surrounding the effects of this pandemic made preparing reliable estimates very difficult.

Therefore, Management has reviewed the estimates and assumptions relating to the provisions for loan losses for the group portfolio during the year. It has recalibrated the probability of default, giving a greater weighting to recessionary periods, in accordance with the guidelines defined by the regulator for these purposes. In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the impact of this change in estimates was a charge to the statement of income for September of ThCh$71,051,000 before taxes.

There have been no other accounting changes during the year ended December 31, 2020.

Note 41.3 – Material information on the banking subsidiaries

(a) On January 20, 2020, the subsidiary Banchile Administradora General de Fondos S.A. reported that at an Ordinary Board Meeting held on that day the Board appointed Mr. José Luis Vizcarra Villalobos as Director, to replace Mr. Joaquín Contardo Silva, who presented his resignation from his position as Director.

(b) On January 30, 2020, the Board of Directors of Banco de Chile agreed to call an Annual General Shareholders' Meeting for March 26, 2020, in order to propose the following distribution of earnings for the year ended December 31, 2019, 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 2018 and November 2019, amounting to Ch$92,239,840,420, which will be added to retained earnings for previous years.

   ii. Distribute a dividend of 70% of the remaining net distributable income, which is a dividend of Ch$3.47008338564 per share payable for each of the Bank's 101,017,081,114 shares, and retain the remaining 30%.

   Consequently, the proposed dividend will be 59.1% of net income for the year ended December 31, 2019.

(c) On February 21, 2020, Banco de Chile reported that in accordance with the provisions of Articles 19 and following of Law 19,913, the Financial Analysis Unit imposed a written warning and a fine of UF 800 (eight hundred Unidades de Fomento), for failure to timely report suspicious transactions in accordance with the provisions of paragraph 1) of Chapter I of UAF Circular 49 of 2012.

Note 41 – Additional notes (continued)

Note 41.3 – Material information on the banking subsidiaries (continued)

(d) On March 12, 2020, Banco de Chile held an Ordinary Board Meeting where the Board agreed that as from this year minimum dividend provisions must be provided on the monthly net distributable income, calculated as the monthly net income adjusted for the indexation on its capital and reserves according to the variation in the Consumer Price Index between the previous month and November of the previous year. It also agreed to keep the monthly provision at 60% of the net distributable income thus calculated.

(e) On March 26, 2020, at the Banco de Chile Annual General Shareholders' Meeting shareholders approved the distribution of dividend 208 of Ch$3.47008338564 per share, payable from net distributable income for 2019.

At the meeting, shareholders also re-appointed the entire Board of Directors, since the legal and statutory period of three years had expired.

At this meeting, shareholders voted on the people nominated and the following were appointed as Bank Directors for a period of three years:

Directors:	Hernán Büchi Buc	
	Andrés Ergas Heymann	
	Alfredo Cutiel Ergas Segal	(Independent director)
	Jaime Estévez Valencia	(Independent director)
	Julio Santiago Figueroa	
	Pablo Granifo Lavín	
	Álvaro Jaramillo Escallon	
	Samuel Libnic	
	Andrónico Luksic Craig	
	Jean Paul Luksic Fontbona	
	Francisco Pérez Mackenna	
First Alternate Director:	Paul Fürst Gwinner	(Independent director)
Second Alternate Director:	Sandra Marta Guazzotti	

At an Ordinary Board Meeting on the same date, the Board agreed the following appointments:

Chairman:	Pablo Granifo Lavín
Vice Chairman:	Andrónico Luksic Craig
Vice Chairman:	Julio Santiago Figueroa

Note 41 – Additional notes (continued)

Note 41.3 – Material information on the banking subsidiaries (continued)

(f) On April 20, 2020, at an Ordinary Board Meeting of the subsidiary Banchile Administradora General de Fondos S.A., the Board reported that it had accepted the resignation of the Director Mr. Francisco Javier Brancoli Bravo. As a result, the Board of Directors agreed to appoint Mr. Paul Javier Fürst Gwinner as a Director.

(g) On June 19, 2020, at an Ordinary Board Meeting of the subsidiary Banchile Administradora General de Fondos S.A., the Board reported that it had appointed Mr. Jorge Antonio Carrasco De Groote as Director, to replace Mr. Fuad Jorge Muvdi Arenas, who presented his resignation from his position as Director.

(h) On September 24, 2020, at an Ordinary Board Meeting, the Board accepted the resignation as Director submitted by Mr. Alvaro Jaramillo Escallon.

At that same meeting, the Board appointed Mr. Raúl Anaya Elizalde to replace him as Director until the next Annual General Shareholders' Meeting.

(i) On October 16, 2020, the subsidiary Banchile Administradora General de Fondos S.A. reported that as of October 19, 2020, its registered office will be Enrique Foster Sur 20, 10th floor, Las Condes, Santiago.

(j) On October 16, 2020, the subsidiary Banchile Corredores de Bolsa S.A. informed that as of October 19, 2020, its registered office will be Enrique Foster Sur 20, 6th Floor, Las Condes, Santiago.

(k) On November 26, 2020, the subsidiary Banchile Administradora General de Fondos S.A. (hereinafter "Banchile AGF") reported as a material event that on that date it signed a Memorandum of Understanding with BlackRock Chile Asesorías Limitada (hereinafter "BlackRock") that establishes the basic terms and conditions for collaboration agreements between BlackRock and its related parties with Banchile AGF regarding various matters, such as investment strategies and solutions, transfer of knowledge (know-how and experience), and support for distributing and marketing products.

Therefore, on the same date Banchile AGF signed a trademark license agreement with entities related to BlackRock and a "Model Portfolio Services Agreement" whereby BlackRock will provide Banchile AGF with investment recommendations in foreign securities for funds under its management.

(l) On November 26, 2020, the subsidiary Banchile Corredores de Bolsa S.A. (hereinafter "Banchile Inversiones") reported as a material event that on that date, it signed a Memorandum of Understanding with BlackRock Chile Asesorías Limitada (hereinafter "BlackRock") that establishes the basic terms and conditions for collaboration agreements between BlackRock and its related parties with Banchile Inversiones regarding various matters, such as investment strategies and solutions, transfer of knowledge (know-how and experience), and support for distributing and marketing products.

Therefore, on the same date Banchile Inversiones signed a trademark license agreement with companies related to BlackRock, which will allow Banchile Inversiones to use the "iShares" and "BlackRock" trademarks in BlackRock's ETF offerings.

Note 41 – Additional notes (continued)

Note 41.3 – Material information on the banking subsidiaries (continued)

(m) The World Health Organization ("WHO") classified the new Coronavirus strain ("COVID-19") outbreak as a pandemic during March 2020. The global spread of this disease forced the authorities to adopt drastic health and financial measures to contain and mitigate its effects on global health and the economy.

Accordingly, on March 18, 2020, the Government decreed a State of Constitutional Catastrophe due to Public Calamity throughout Chile, and adopted various public health measures such as isolation or quarantine for the general public, localities and specific people, travel restrictions, customs restrictions and other protective measures.

The Government and the Chilean Central Bank implemented several fiscal and financial measures to mitigate the impact of COVID-19 on the economy and to ensure that the financial system continued to function. The most important measures implemented by the Central Bank to provide liquidity to the economy and support the flow of credit included establishing the Conditional Credit Facility on Increased Lending (FCIC), as a special financial line for banking companies, complemented with a "Liquidity Credit Line" (LCL) limited to the average reserve requirement in local currency for each entity. The FCIC is available to banking companies with commercial and consumer loans, subject to granting sufficient collateral in favor of the Central Bank. The FCIC line limit is up to 15% of the base portfolio of commercial and consumer loans, which was extended with the establishment of a second program announced in June called FCIC2, with financial conditions similar to the first, aimed at extending commercial credit to respond to the prolongation of the COVID-19 pandemic. As of December 31, 2020, the Bank had used ThCh$3,110,600,000 of these financing facilities. The FCIC required the Bank to provide guarantees in favor of the Central Bank of Chile that total approximately ThCh$2,371,842,000, comprised of commercial loans in the high credit quality individual portfolio of ThCh$2,021,688,000, and fixed income securities totaling approximately ThCh$350,154,254. The guarantee provided for the LCL is the Bank's reserves.

In March, the Bank began to proactively offer its customers financial relief plans, provided they had complied with the commercial and credit risk parameters and conditions previously defined by the Bank, including continual good payment behavior prior to the current situation, in view of the extraordinary prevailing economic and financial situation. The CMF subsequently adopted measures to temporarily flexibilize the treatment of provisions for loan losses for group portfolios for the period from March 18 to July 31, 2020. This exceptional treatment allowed the installment payment relief plan to certain customers who met the eligibility requirements determined by the Bank, to keep the associated provisions in the standard mortgage and commercial matrix when they were rescheduled. The Expected Credit Loss parameters for consumer portfolios and their provisioning models were not changed.

On July 31, the CMF resolved to extend until August 31, 2020, the special treatment of provisions for loan losses for the group portfolios mentioned above, provided that the following conditions are met: (i) evaluation of debtor's financial and credit situation, (ii) debtors without arrears, or not exceeding 30 days past due in the month when the rescheduling takes place, (iii) maximum extension term of 3 months for mortgage and commercial loans, (iv) the sum of the total extension term may not exceed 6 months for loans that have already been rescheduled.

Note 41 – Additional notes (continued)

Note 41.3 – Material information on the banking subsidiaries (continued)

Therefore, the Bank has granted credit facilities to its customers under these conditions and requirements that total approximately ThCh$560,128,000 as of December 31, 2020.

In April 2020, the Guarantee Fund for Small Entrepreneurs (hereinafter "FOGAPE") announced a capital increase of up to US$3 billion to guarantee financing of up to US$25 billion. The objective was to improve access to working capital loans for individuals and legal entities with annual sales of less than UF 1,000,000 affected by the COVID-19 pandemic. The guarantee coverage of these loans is between 60% and 85% of the financing and is differentiated according to sales segment, after applying a deductible of no more than 5% of the guaranteed amount. From the date the program began until December 31, 2020, the Bank has processed 39,245 transactions that totaled ThCh$1,875,298,000. The Bank established the program parameters, requirements and conditions, in addition to the respective Fogape COVID-19 regulations, which apply to this financing, after taking into consideration the sales and the circumstances described below. The administration regulations that apply to the COVID-19 guaranteed lines included optional refinancing for any earlier commercial loans maturing within 6 months of granting the COVID-19 guaranteed financing.

The Bank adopted several measures and executed contingency plans, in order to: (i) safeguard the health of customers and employees, including temporarily suspending operations at some branches; (ii) ensuring the operational continuity of services and mitigating potential operational risks; and, (iii) strengthening remote service channels and implementing remote working for a large number of employees.

Although as of the date of issuance of these financial statements, the impact of the pandemic on our business performance is difficult to quantify, some aspects can be expected, such as: (i) uncertainty in certain economic sectors, (ii) low interest rates for an extended period of time, (iii) weak domestic demand, (iv) high unemployment, (v) total or partial quarantine measures affecting the sale of goods and services, and (vi) restrictions on mobility that will have an adverse effect on our operating income, provisions for loan losses and operating expenses. While these effects have been significant and will persist over time, their magnitude will depend on the duration and extent of the pandemic.

The Bank recalibrated its provisioning models in September for the group evaluation portfolios in line with economic trends, as a result of an analysis of domestic and international outlooks of the economic and financial effects associated with the spread of COVID-19. This recalibration generated a higher expense for the year of ThCh$71,051,000 before income tax. The Bank has also established incremental additional provisions of ThCh$107,000,000 during the current year, in accordance with the current policy, bringing the total to ThCh$320,251,877 as of December 31, 2020.

Note 41 – Additional notes (continued)

Note 41.4 - 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.
- Socofin S.A.

Note 41 – Additional notes (continued)

Note 41.4 – 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.

- 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 exceed 10% of the Bank's total revenue for the years ended December 31, 2020 and 2019.

Note 41 – Additional notes (continued)

Note 41.4 – Segment reporting (continued)

The following table shows the results for the years ended December 31, 2020 and 2019, for each segment.

	Retail		Wholesale		Treasury		Subsidiaries		Subtotal		Consolidation adjustments		Total	
	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$
Net interest and indexation income	940,207,970	992,861,316	377,301,760	366,637,538	(3,602,297)	(13,511,567)	(1,922,409)	(7,651,138)	1,311,985,024	1,338,336,149	1,148,928	3,551,746	1,313,133,952	1,341,887,895
Net fee income	265,234,706	268,343,808	55,704,067	49,492,302	(1,969,270)	(2,917,285)	143,862,521	153,330,440	462,832,024	468,249,265	(16,863,062)	(10,948,186)	445,968,962	457,301,079
Gains (losses) from financial and foreign exchange transactions	2,651,396	10,069,450	36,004,991	46,945,980	74,118,563	42,087,353	33,439,932	51,624,201	146,214,882	150,726,984	(1,009,744)	(3,430,927)	145,205,138	147,296,057
Other operating income	23,583,960	27,155,052	13,180,543	15,207,424	—	—	2,550,570	2,307,235	39,315,073	44,669,711	(4,756,372)	(4,121,514)	34,558,701	40,548,197
Total revenue	1,231,678,032	1,298,429,626	482,191,361	478,283,244	68,546,996	25,658,501	177,930,614	199,610,738	1,960,347,003	2,001,982,109	(21,480,250)	(14,948,881)	1,938,866,753	1,987,033,228
Provisions for loan losses	(325,852,738)	(332,833,660)	(136,447,601)	(14,375,126)	—	—	(380,200)	(65,714)	(462,680,539)	(347,274,500)	—	—	(462,680,539)	(347,274,500)
Depreciation and amortization	(59,933,995)	(57,826,600)	(7,155,031)	(6,604,533)	(270,991)	(264,251)	(5,997,828)	(5,846,011)	(73,357,845)	(70,541,395)	—	—	(73,357,845)	(70,541,395)
Other operating expenses	(569,247,082)	(588,997,219)	(151,367,631)	(151,949,298)	(3,249,217)	(2,966,302)	(106,590,648)	(111,499,119)	(830,454,578)	(855,411,938)	21,480,250	14,948,881	(808,974,328)	(840,463,057)
Income from investments in other companies	(5,139,972)	4,826,646	97,219	1,020,121	(91,094)	111,009	472,472	492,705	(4,661,375)	6,450,481	—	—	(4,661,375)	6,450,481
Net income (loss) before taxes	271,504,245	323,598,793	187,318,317	306,374,408	64,935,694	22,538,957	65,434,410	82,692,599	589,192,666	735,204,757	—	—	589,192,666	735,204,757
Income tax expense													(125,962,872)	(169,683,320)
Net income after taxes													463,229,794	565,521,437

The following table shows the total assets and liabilities as of December 31, 2020 and 2019, for each segment.

	Retail		Wholesale		Treasury		Subsidiaries		Subtotal		Consolidation adjustments		Total	
	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$
Assets	18,800,897,817	18,215,857,142	10,811,021,103	10,765,727,754	15,400,138,859	11,351,140,804	830,910,444	964,695,111	45,842,968,223	41,297,420,811	(128,738,840)	(345,398,090)	45,714,229,383	40,952,022,721
Current and deferred taxes													380,894,124	321,305,301
Total assets													46,095,123,507	41,273,328,022
Liabilities	13,647,952,223	10,735,249,088	9,980,002,871	9,160,440,837	18,208,457,936	17,337,470,557	660,868,771	781,052,006	42,497,281,801	38,014,212,488	(332,481,381)	(569,951,265)	42,164,800,420	37,444,261,223
Current and deferred taxes													311,166	76,289,193
Total liabilities													42,165,111,586	37,520,550,416

Note 41 – Additional notes (continued)

Note 41.5 – Cash and cash equivalents

(a) Cash and cash equivalents and their reconciliation to the statement of cash flows as of December 31, 2020 and 2019, are as follows:

	2020 ThCh$	2019 ThCh$
Cash and bank deposits		
Cash (*)	615,842,169	889,910,887
Deposits in the Chilean Central Bank (*)	641,889,962	178,428,703
Deposits with banks in Chile	14,505,550	75,650,888
Deposits abroad	1,287,978,036	1,248,174,902
Subtotal – cash and deposits in banks	2,560,215,717	2,392,165,380
Transactions in the course of collection, net	(719,691,285)	232,550,846
Highly liquid financial instruments (**)	4,212,718,557	1,192,188,095
Repurchase agreements (**)	34,872,336	114,465,711
Total cash and cash equivalents	6,088,115,325	3,931,370,032

(*) 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 settelement:

Transactions pending settlement are transactions that will increase or decrease funds with the Chilean Central Bank or in foreign banks, normally within 24 to 48 business hours, as follows:

	2020 ThCh$	2019 ThCh$
Assets		
Documents payable by other banks (clearing)	123,267,882	222,260,689
Funds receivable	459,040,412	362,411,151
Subtotal – assets	582,308,294	584,671,840
Liabilities		
Funds payable	(1,301,999,579)	(352,120,994)
Subtotal – liabilities	(1,301,999,579)	(352,120,994)
Transactions pending settlement, net	(719,691,285)	232,550,846

Note 41 – Additional notes (continued)

Note 41.6 – Trading instruments

Instruments classified as financial instruments for trading are detailed as follows:

	2020 ThCh$	2019 ThCh$
Instruments of the State and the Chilean Central Bank		
Chilean Central Bank bonds	3,185,576	16,489,898
Chilean Central Bank promissory notes	4,006,490,346	1,008,034,500
Other Chilean Government and Central Bank instruments	149,616,004	99,164,019
Instruments issued by Chilean Institutions		
Bonds from other Chilean companies	5,396,231	1,556,643
Bonds from banks in Chile	5,494,439	55,094,206
Deposits with banks in Chile	93,905,484	315,414,569
Other instruments issued in Chile	1,003,237	3,273,499
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	400,902,691	373,328,854
Funds managed by third parties	—	—
Total	4,666,157,612	1,872,356,188

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 (ThCh$15,242,722 as of December 31, 2019). Repurchase agreements have an average maturity of 4 days at the end of 2020 (3 days as of December 31, 2019). These also include instruments that meet the technical reserve requirements and total ThCh$2,986,000,000 (ThCh$699,400,000 as of December 31, 2019).

These also include instruments that guarantee margins for offset hedging transactions through Comder Contraparte Central S.A. of ThCh$57,639,284 as of December 31, 2019. There are none as of December 31, 2020.

Instruments issued by Chilean Institutions include instruments sold under repurchase agreements to customers and financial institutions, amounting to ThCh$52,809,170 as of December 31, 2020 (ThCh$251,157,858 as of December 31, 2019). Repurchase agreements have an average maturity of 9 days at the end of 2020 (7 days as of December 31, 2019).

The Bank also has investments in its own mortgage-funding notes amounting to ThCh$5,155,790 as of December 31, 2020 (ThCh$8,029,055 as of December 31, 2018), which are shown deducted from Debt instruments issued.

Note 41 – Additional notes (continued)

Note 41.7 – 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, 2020 and 2019, these transactions 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	
	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$
Instruments of the State and the Chilean Central Bank														
Chilean Central Bank bonds	—	11,183,960	—	—	—	—	—	—	—	—	—	—	—	11,183,960
Chilean Central Bank promissory notes	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other instruments of the State and the Chilean Central Bank	10,005,814	18,458,709	—	—	—	—	—	—	—	—	—	—	10,005,814	18,458,709
Subtotal	10,005,814	29,642,669	—	—	—	—	—	—	—	—	—	—	10,005,814	29,642,669
Instruments issued by Chilean Institutions														
Deposit promissory notes from banks in Chile	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mortgage bonds from banks in Chile	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Bonds from banks in Chile	—	15,406,904	—	—	—	—	—	—	—	—	—	—	—	15,406,904
Deposits with banks in Chile	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Bonds from other Chilean companies	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other instruments issued in Chile	29,088,701	57,007,258	20,591,203	29,392,923	16,721,309	10,879,270	—	—	—	—	—	—	66,401,213	97,279,451
Subtotal	29,088,701	72,414,162	20,591,203	29,392,923	16,721,309	10,879,270	—	—	—	—	—	—	66,401,213	112,686,355
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	39,094,515	102,056,831	20,591,203	29,392,923	16,721,309	10,879,270	—	—	—	—	—	—	76,407,027	142,329,024

Instruments bought

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, 2020, the fair value of the instruments received was ThCh$82,585,122 (ThCh$142,370,307 as of December 31, 2019).

Note 41 – Additional notes (continued)

Note 41.7 – 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, 2020 and 2019, these repurchase agreements 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	
	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$
Instruments of the State and the Chilean Central Bank														
Chilean Central Bank bonds	—	7,300,535	—	—	—	—	—	—	—	—	—	—	—	7,300,535
Chilean Central Bank promissory notes	183,082,788	9,067,223	—	—	—	—	—	—	—	—	—	—	183,082,788	9,067,223
Other instruments of the State and the Chilean Central Bank	47,763,466	—	—	—	—	—	—	—	—	—	—	—	47,763,466	—
Subtotal	230,846,254	16,367,758	—	—	—	—	—	—	—	—	—	—	230,846,254	16,367,758
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	57,648,332	280,696,315	43,066	8,583,315	—	—	—	—	—	—	—	—	57,691,398	289,279,630
Bonds from other Chilean companies	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other instruments issued in Chile	378,870	1,645,960	—	—	—	1,440,060	—	—	—	—	—	—	378,870	3,086,020
Subtotal	58,027,202	282,342,275	43,066	8,583,315	—	1,440,060	—	—	—	—	—	—	58,070,268	292,365,650
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	288,873,456	298,710,033	43,066	8,583,315	—	1,440,060	—	—	—	—	—	—	288,916,522	308,733,408

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, 2020, amounts to ThCh$288,523,364 (ThCh$305,592,693 as of December 31, 2018). In the event that the Bank and its subsidiaries go into receivership or bankruptcy, the counterparty is authorized to sell or pledge these investments.

Note 41 – Additional notes (continued)

Note 41.8 – Financial derivative contracts and hedge accounting

(a) As of December 31, 2020 and 2019, the Bank has the following portfolio of derivative instruments.

	Notional contract value by final maturity							Fair value	
As of December 31, 2020	**Up to 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$**	**Asset ThCh$**	**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

	Notional contract value by final maturity							Fair value	
As of December 31, 2019	**Up to 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$**	**Asset ThCh$**	**Liabilities ThCh$**
Derivatives held for fair value hedges									
Currency and rate swaps	—	—	—	8,166,333	—	—	8,166,333	—	2,546,550
Interest rate swaps	—	—	—	6,806,018	—	79,511,310	86,317,328	32,091	6,738,838
Total derivative hedges at fair value	—	—	—	14,972,351	—	79,511,310	94,483,661	32,091	9,285,388
Cash flow hedge derivatives									
Currency and rate swaps	—	33,182,457	—	192,647,362	134,812,170	821,241,237	1,181,883,226	61,562,213	34,443,166
Total cash flow hedge derivatives	—	33,182,457	—	192,647,362	134,812,170	821,241,237	1,181,883,226	61,562,213	34,443,166
Trading derivatives									
Currency forwards	8,770,180,161	8,736,612,853	14,803,058,105	2,067,618,173	65,320,798	38,345,880	34,481,135,970	956,632,466	673,630,061
Interest rate swaps	1,790,714,643	5,806,453,078	19,749,388,707	16,219,324,901	7,021,586,213	10,823,785,929	61,411,253,471	888,581,082	886,963,525
Currency and rate swaps	414,716,920	858,731,827	3,849,107,592	5,679,500,280	3,569,634,766	4,204,064,207	18,575,755,592	873,371,111	1,210,060,586
Currency call options	22,620,239	47,513,255	96,988,393	11,293,238	—	—	178,415,125	4,960,906	1,529,202
Currency put options	19,582,644	36,024,018	92,524,186	10,541,358	—	—	158,672,206	1,076,446	2,209,366
Total trading derivatives	11,017,814,607	15,485,335,031	38,591,066,983	23,988,277,950	10,656,541,777	15,066,196,016	114,805,232,364	2,724,622,011	2,774,392,740
Total	11,017,814,607	15,518,517,488	38,591,066,983	24,195,897,663	10,791,353,947	15,966,948,563	116,081,599,251	2,786,216,315	2,818,121,294

Note 41 – Additional notes (continued)

Note 41.8 – 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, 2020 and 2019, are detailed as follows:

	2020 ThCh$	**2019 ThCh$**
Hedged item		
Commercial loans	5,031,408	8,166,333
Corporate bonds	29,508,255	86,317,328
Fair value hedge instrument		
Cross-currency swaps	5,031,408	8,166,333
Interest rate swaps	29,508,255	86,317,328

(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 on a daily basis.

Note 41 – Additional notes (continued)

Note 41.8 – 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	
	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$
Hedged item														
Cash outflows														
Corporate bond EUR	—	—	—	—	(1,473,038)	(1,420,849)	(2,946,076)	(2,841,697)	(44,037,442)	(2,841,697)	(51,870,646)	(91,089,228)	(100,327,202)	(98,193,471)
Corporate bond HKD	—	—	—	—	(13,351,854)	(12,829,446)	(90,987,730)	(25,626,933)	(78,368,569)	(91,033,894)	(269,894,186)	(320,603,953)	(452,602,339)	(450,094,226)
Corporate bond PEN	—	—	(774,596)	(893,717)	(774,596)	(893,717)	(3,098,382)	(3,574,869)	(3,098,382)	(3,574,869)	(41,483,892)	(49,650,954)	(49,229,848)	(58,588,126)
Corporate bond CHF	—	—	—	—	(828,589)	(798,392)	(94,331,505)	(1,596,784)	(121,181,755)	(90,095,304)	—	(116,765,419)	(216,341,849)	(209,255,899)
Corporate bond USD	—	—	—	—	(1,514,923)	(1,600,001)	(3,029,846)	(3,200,001)	(3,029,846)	(3,200,001)	(40,139,771)	(43,994,003)	(47,714,386)	(51,994,006)
Obligation USD	(202,447)	(216,165)	(76,411)	(336,342)	(157,454,571)	(884,148)	—	(166,591,671)	—	—	—	—	(157,733,429)	(168,028,326)
Corporate bond JPY	—	—	—	(34,637,916)	(2,115,100)	(2,120,988)	(38,109,696)	(38,595,770)	(3,472,347)	(3,482,013)	(191,351,114)	(193,624,818)	(235,048,257)	(272,461,505)
Corporate bond AUD	—	—	(970,080)	(427,895)	(3,928,156)	(3,273,936)	(9,796,473)	(7,398,958)	(9,798,915)	(7,401,310)	(206,990,503)	(156,499,464)	(231,484,127)	(175,001,563)
Corporate bond NOK	—	—	—	—	(2,274,809)	(2,341,197)	(4,549,618)	(4,682,394)	(4,549,618)	(4,682,394)	(71,491,145)	(75,918,742)	(82,865,190)	(87,624,727)
Fair value hedge instrument														
Cash inflows														
Cross-currency swap EUR	—	—	—	—	1,473,038	1,420,849	2,946,076	2,841,697	44,037,442	2,841,697	51,870,646	91,089,228	100,327,202	98,193,471
Cross-currency swap HKD	—	—	—	—	13,351,854	12,829,446	90,987,730	25,626,933	78,368,569	91,033,894	269,894,186	320,603,953	452,602,339	450,094,226
Cross-currency swap PEN	—	—	774,596	893,717	774,596	893,717	3,098,382	3,574,869	3,098,382	3,574,869	41,483,892	49,650,954	49,229,848	58,588,126
Cross-currency swap CHF	—	—	—	—	828,589	798,392	94,331,505	1,596,784	121,181,755	90,095,304	—	116,765,419	216,341,849	209,255,899
Cross-currency swap USD	—	—	—	—	1,514,923	1,600,001	3,029,846	3,200,001	3,029,846	3,200,001	40,139,771	43,994,003	47,714,386	51,994,006
Cross-currency swap USD	202,447	216,165	76,411	336,342	157,454,571	884,148	—	166,591,671	—	—	—	—	157,733,429	168,028,326
Cross-currency swap JPY	—	—	—	34,637,916	2,115,100	2,120,988	38,109,696	38,595,770	3,472,347	3,482,013	191,351,114	193,624,818	235,048,257	272,461,505
Cross-currency swap AUD	—	—	970,080	427,895	3,928,156	3,273,936	9,796,473	7,398,958	9,798,915	7,401,310	206,990,503	156,499,464	231,484,127	175,001,563
Cross-currency swap NOK	—	—	—	—	2,274,809	2,341,197	4,549,618	4,682,394	4,549,618	4,682,394	71,491,145	75,918,742	82,865,190	87,624,727
Net cash flows	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Note 41 – Additional notes (continued)

Note 41.8 – Financial derivative contracts and hedge accounting (continued)

(c) Cash flow hedges (continued)

(c.2) 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	
	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$
Hedged item														
Cash inflows														
Cash flow in CLF	160,003	155,818	280,174	33,647,563	186,115,821	21,061,875	213,672,793	234,065,041	246,243,826	280,074,092	741,653,900	795,068,425	1,388,126,517	1,364,072,814
Fair value hedge instrument														
Cash outflows														
Cross-currency swap HKD	(160,003)	(155,818)	—	—	(9,034,527)	(8,798,405)	(72,727,779)	(17,906,099)	(76,072,958)	(69,035,086)	(206,514,189)	(268,033,831)	(364,509,456)	(363,929,239)
Cross-currency swap PEN	—	—	(47,993)	(46,996)	(48,788)	(47,512)	(193,562)	(188,499)	(193,828)	(188,758)	(31,964,572)	(31,222,728)	(32,448,743)	(31,694,493)
Cross-currency swap JPY	—	—	—	(33,569,143)	(4,194,582)	(4,096,056)	(40,526,224)	(40,343,557)	(6,596,308)	(6,423,769)	(201,851,767)	(199,779,440)	(253,168,881)	(284,211,965)
Cross-currency swap USD	—	—	—	—	(165,635,300)	(1,274,478)	(1,311,336)	(161,941,310)	(1,316,740)	(1,280,544)	(37,584,476)	(37,241,654)	(205,847,852)	(201,737,986)
Cross-currency swap CHF	—	—	—	—	(3,929,338)	(3,857,928)	(91,921,860)	(7,653,118)	(114,408,995)	(197,107,319)	—	—	(210,260,193)	(208,618,365)
Cross-currency swap EUR	—	—	—	—	(1,912,040)	(1,856,942)	(3,805,180)	(3,714,852)	(44,463,779)	(3,717,835)	(45,438,835)	(85,686,028)	(95,619,834)	(94,975,657)
Cross-currency swap AUD	—	—	(232,181)	(31,424)	(737,532)	(521,491)	(1,939,426)	(1,102,809)	(1,942,083)	(1,104,320)	(152,709,261)	(108,622,198)	(157,560,483)	(111,382,242)
Cross-currency swap NOK	—	—	—	—	(623,714)	(609,063)	(1,247,426)	(1,214,797)	(1,249,135)	(1,216,461)	(65,590,800)	(64,482,546)	(68,711,075)	(67,522,867)
Net cash flows	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Note 41 – Additional notes (continued)

Note 41.8 – 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.3) The unrealized results in 2020 from derivative contracts that form the hedging instruments in this cash flow hedging strategy have been recorded with a credit to equity of ThCh$10,358,155 (charge to equity of ThCh$37,545,828 as of December 31, 2019). The net effect of taxes is a net credit to equity of ThCh$7,561,453 (net charge to equity of ThCh$27,408,455 in 2019).

The accumulated balance for this concept as of December 31, 2020, is a charge to equity of ThCh$70,681,542 (charge of ThCh$81,039,697 in 2019).

(c.4) The effect of the cash flow hedge derivatives, which offsets the effect of the instruments hedged, is a charge to income of ThCh$39,447,381 in 2020 (credit to income of ThCh$84,684,757 in 2019).

(c.5) As of December 31, 2020 and 2019, there is no ineffectiveness in the cash-flow hedges as both the element hedged and the object of the hedge mirror each other, which implies that all changes in value attributable to components of rate and indexation are completely offset.

(c.6) As of December 31, 2020 and 2019, the Bank has no net investment hedges in foreign businesses.

Note 41 – Additional notes (continued)

Note 41.9 – Loans and advances to banks

(a) As of December 31, 2020 and 2019, loans and advances to banks are as follows:

	2020 ThCh$	2019 ThCh$
Banks in Chile		
Interbank liquidity loans	260,002,167	150,007,292
Provisions on loans to banks in Chile	(140,101)	(54,003)
Subtotal	259,862,066	149,953,289
Banks abroad		
Interbank commercial loans	185,857,689	289,336,534
Foreign trade finance between other countries	166,972	8,933,872
Foreign trade finance for Chilean exports	113,595,834	61,859,913
Provisions for loans to foreign banks	(525,057)	(704,203)
Subtotal	299,095,438	359,426,116
Chilean Central Bank		
Deposits with the Chilean Central Bank	2,380,033,056	630,052,500
Other credits with the Chilean Central Bank	—	—
Subtotal	2,380,033,056	630,052,500
Total	2,938,990,560	1,139,431,905

(b) Movements in provisions for loans and advances to banks during 2020 and 2019 are detailed as follows.

Description	Banks		
	Chile ThCh$	**Abroad ThCh$**	**Total ThCh$**
Balance as of January 1, 2019	82,519	1,006,190	1,088,709
Provisions recognized	—	—	—
Provisions released	(28,516)	(301,987)	(330,503)
Balance as of December 31, 2019	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

Note 41 – Additional notes (continued)

Note 41.10 - Customer loans and receivables

(a1) Customer loans and receivables

As of December 31, 2020 and 2019, the loan portfolio is detailed as follows:

	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 Loans 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.

Note 41 – Additional notes (continued)

Note 41.10 - Customer loans and receivables (continued)

(a1) Customer loans and receivables (continued)

	2019							
	Assets before provisions				Provisions			
	Normal Portfolio ThCh$	Substandard Portfolio ThCh$	Default Portfolio ThCh$	Total ThCh$	Individual Provisions ThCh$	Group Provisions ThCh$	Total ThCh$	Net Loans ThCh$
Commercial loans								
Commercial loans	11,740,261,097	45,346,140	351,425,072	12,137,032,309	(118,440,405)	(125,082,167)	(243,522,572)	11,893,509,737
Foreign trade loans	1,407,781,827	4,111,053	19,312,021	1,431,204,901	(35,994,762)	(3,320,799)	(39,315,561)	1,391,889,340
Checking account debtors	258,195,717	4,020,299	3,478,596	265,694,612	(3,682,811)	(4,180,905)	(7,863,716)	257,830,896
Factoring transactions	683,600,759	2,950,003	1,533,020	688,083,782	(10,641,746)	(1,170,905)	(11,812,651)	676,271,131
Student loans	54,203,774	—	1,992,967	56,196,741	—	(4,056,034)	(4,056,034)	52,140,707
Commercial lease transactions (1)	1,580,442,757	14,943,896	23,763,734	1,619,150,387	(5,769,519)	(7,824,823)	(13,594,342)	1,605,556,045
Other loans and receivables	76,286,803	346,546	10,109,539	86,742,888	(2,412,896)	(5,195,132)	(7,608,028)	79,134,860
Subtotal	15,800,772,734	71,717,937	411,614,949	16,284,105,620	(176,942,139)	(150,830,765)	(327,772,904)	15,956,332,716
Residential mortgage loans								
Loans with mortgage bonds	13,719,678	—	1,034,097	14,753,775	—	(12,319)	(12,319)	14,741,456
Endorsable mortgage loans	31,469,465	—	882,326	32,351,791	—	(14,552)	(14,552)	32,337,239
Other residential mortgage loans	8,975,753,261	—	169,481,915	9,145,235,176	—	(27,795,156)	(27,795,156)	9,117,440,020
Loans from the ANAP	4,023	—	—	4,023	—	—	—	4,023
Residential leases	—	—	—	—	—	—	—	—
Other loans and receivables	10,649,811	—	65,721	10,715,532	—	(225,352)	(225,352)	10,490,180
Subtotal	9,031,596,238	—	171,464,059	9,203,060,297	—	(28,047,379)	(28,047,379)	9,175,012,918
Consumer loans								
Installment consumer loans	2,778,720,924	—	260,838,690	3,039,559,614	—	(262,832,445)	(262,832,445)	2,776,727,169
Checking account debtors	293,863,692	—	2,477,536	296,341,228	—	(14,740,422)	(14,740,422)	281,600,806
Credit card debtors	1,169,820,737	—	25,793,722	1,195,614,459	—	(51,581,109)	(51,581,109)	1,144,033,350
Consumer leases (1)	68,513	—	—	68,513	—	(686)	(686)	67,827
Other loans and receivables	13,579	—	702,711	716,290	—	(443,071)	(443,071)	273,219
Subtotal	4,242,487,445	—	289,812,659	4,532,300,104	—	(329,597,733)	(329,597,733)	4,202,702,371
Total	29,074,856,417	71,717,937	872,891,667	30,019,466,021	(176,942,139)	(508,475,877)	(685,418,016)	29,334,048,005

(1) The Bank finances its customers' purchases, including real estate and other personal property, through finance lease agreements. As of December 31, 2019, ThCh$779,381,823 are real estate finance leases, and ThCh$839,837,077 are personal property finance leases.

Note 41 – Additional notes (continued)

Note 41.10 - Customer loans and receivables (continued)

(a.2) Impaired portfolio

As of December 31, 2020 and 2019, 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 Loans	
	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$
Commercial loans	7,039,307,920	15,859,493,194	553,730,775	424,612,426	17,593,038,695	16,284,105,620	(256,915,653)	(176,942,139)	(166,379,640)	(150,830,765)	(423,295,293)	(327,772,904)	17,169,743,402	15,956,332,716
Residential mortgage loans	9,072,033,253	9,031,596,238	316,620,685	171,464,059	9,388,653,938	9,203,060,297	—	—	(33,763,789)	(28,047,379)	(33,763,789)	(28,047,379)	9,354,890,149	9,175,012,918
Consumer loans	3,625,166,667	4,242,487,445	330,107,513	289,812,659	3,955,274,180	4,532,300,104	—	—	(289,851,582)	(329,597,733)	(289,851,582)	(329,597,733)	3,665,422,598	4,202,702,371
Total	9,736,507,840	29,133,576,877	1,200,458,973	885,889,144	30,936,966,813	30,019,466,021	(256,915,653)	(176,942,139)	(489,995,011)	(508,475,877)	(746,910,664)	(685,418,016)	30,190,056,149	29,334,048,005

Note 41 – Additional notes (continued)

Note 41.10 - Customer loans and receivables (continued)

(b) Provisions for loan losses

Movements in provisions for loan losses during 2020 and 2019 are detailed as follows.

	Commercial		Residential mortgage	Consumer	
	Individual ThCh$	Group ThCh$	Group ThCh$	Group ThCh$	Total ThCh$
Balance as of January 1, 2019	163,203,870	126,755,734	26,445,587	290,693,957	607,099,148
Charge-offs	(8,699,752)	(46,999,181)	(7,790,402)	(249,711,643)	(313,200,978)
Loans sold or assigned	(2,549,463)	—	—	—	(2,549,463)
Provisions recognized	24,987,484	71,074,212	9,392,194	288,615,419	394,069,309
Provisions released	—	—	—	—	—
Balance as of December 31, 2019	176,942,139	150,830,765	28,047,379	329,597,733	685,418,016
Balance as of January 1, 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)
Provisions recognized	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

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 41.22).

Complementary disclosures

1. As of December 31, 2020 and 2019, the Bank and its subsidiaries engaged in sales of loan portfolios. The effect on income of these transactions as a whole does not exceed 5% of net income before taxes, as described in Note 41.10 (f).

2. As of December 31, 2020 and 2019, Banco de Chile and its subsidiaries have eliminated the entire loan portfolio sold, as all or substantially all the risks and benefits associated with these financial assets have been transferred (see Note 41.10 (f)).

3. As of December 31, 2020, Commercial loans include transactions that guarantee obligations with the Chilean Central Bank under the Credit Facility Conditional on Increased Lending (FCIC) program for approximately ThCh$2,021,688,000 (see Note No. 41.3 letter (m)).

Note 41 – Additional notes (continued)

Note 41.10 - Customer loans and receivables (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 (*)	
	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$
Up to 1 year	521,444,670	544,067,178	(52,437,734)	(58,870,863)	469,006,936	485,196,315
1 to 2 years	373,303,565	392,832,459	(37,958,287)	(42,301,843)	335,345,278	350,530,616
2 to 3 years	245,666,524	258,330,991	(25,084,336)	(27,328,872)	220,582,188	231,002,119
3 to 4 years	161,492,480	163,847,148	(17,433,013)	(18,361,504)	144,059,467	145,485,644
4 to 5 years	110,742,500	108,191,722	(12,840,713)	(13,242,407)	97,901,787	94,949,315
Over 5 years	350,679,977	335,694,067	(28,994,130)	(30,313,114)	321,685,847	305,380,953
Total	1,763,329,716	1,802,963,565	(174,748,213)	(190,418,603)	1,588,581,503	1,612,544,962

(*) Net receivable does not include doubtful contracts of ThCh$3,812,129 as of December 31, 2020 (ThCh$6,673,938 as of December 31, 2019).

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, 2020 and 2019, the portfolio before provisions by the customer's economic sector, is as follows:

	Loans				Total			
	Chile		Abroad					
	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	%	2019 ThCh$	%
Commercial loans								
Services	3,049,345,164	2,264,965,941	1,681,155	435,782	3,051,026,319	9.86	2,265,401,723	7.55
Commerce	2,536,445,504	2,052,853,374	7,340,704	11,189,237	2,543,786,208	8.22	2,064,042,611	6.88
Construction	2,452,387,558	2,141,499,956	—	—	2,452,387,558	7.93	2,141,499,956	7.13
Financial services	2,349,359,754	2,584,212,071	1,448,354	3,059,851	2,350,808,108	7.60	2,587,271,922	8.62
Agriculture and livestock	1,646,103,215	1,622,205,902	—	—	1,646,103,215	5.32	1,622,205,902	5.40
Transport and telecommunications	1,453,727,396	1,233,432,409	—	—	1,453,727,396	4.70	1,233,432,409	4.11
Manufacturing	1,346,600,773	1,624,099,235	—	—	1,346,600,773	4.35	1,624,099,235	5.41
Mining	470,292,509	604,410,464	—	—	470,292,509	1.52	604,410,464	2.01
Electricity, gas and water	395,592,613	325,139,067	—	—	395,592,613	1.28	325,139,067	1.08
Fishing	135,400,635	140,646,964	—	—	135,400,635	0.44	140,646,964	0.47
Others	1,747,313,361	1,675,955,367	—	—	1,747,313,361	5.65	1,675,955,367	5.58
Subtotal	17,582,568,482	16,269,420,750	10,470,213	14,684,870	17,593,038,695	56.87	16,284,105,620	54.24
Residential mortgage loans	9,388,653,938	9,203,060,297	—	—	9,388,653,938	30.35	9,203,060,297	30.66
Consumer loans	3,955,274,180	4,532,300,104	—	—	3,955,274,180	12.78	4,532,300,104	15.10
Total	30,926,496,600	30,004,781,151	10,470,213	14,684,870	30,936,966,813	100.00	30,019,466,021	100.00

Note 41 – Additional notes (continued)

Note 41.10 - Customer loans and receivables (continued)

(e) Purchase of loan portfolio

No loan portfolios were acquired during the years ended December 31, 2020 and 2019.

(f) Sale or assignment of loans

During 2020 and 2019 the following loans from the loan portfolio were sold or assigned.

	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

	2019			
	Loan value ThCh$	Provisions ThCh$	Sale value ThCh$	Gain (loss) ThCh$
Sale of valid loans	12,419,514	(2,549,463)	12,419,514	2,549,463
Sale of charged-off loans	—	—	—	—
Total	12,419,514	(2,549,463)	12,419,514	2,549,463

(*) See Note 41.27

Note 41 – Additional notes (continued)

Note 41.10 - Customer loans and receivables (continued)

(g) Securitization of own assets

No own asset securitization transactions were carried out during 2020 and 2019.

Note 41.11 – Investment instruments

Investment instruments designated as held for sale and held to maturity as of December 31, 2020 and 2019, are detailed as follows.

	2020			2019		
	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	108,668	—	108,668	76,358,131	—	76,358,131
Chilean Central Bank promissory notes	—	—	—	16,466,244	—	16,466,244
Other instruments of the State and the Chilean Central Bank	163,490,943	—	163,490,943	16,238,262	—	16,238,262
Instruments issued by Chilean Institutions						
Deposit promissory notes from banks in Chile	—	—	—	—	—	—
Mortgage bonds from banks in Chile	128,762,954	—	128,762,954	122,291,315	—	122,291,315
Bonds from banks in Chile	15,886,940	—	15,886,940	15,926,399	—	15,926,399
Deposits with banks in Chile	685,392,705	—	685,392,705	1,020,841,340	—	1,020,841,340
Bonds from other Chilean companies	34,538,859	—	34,538,859	1,394,510	—	1,394,510
Promissory notes from other companies in Chile	—	—	—	—	—	—
Other instruments issued in Chile	32,342,391	—	32,342,391	68,476,954	—	68,476,954
Instruments issued by Foreign Institutions						
Foreign sovereign or central bank instruments	—	—	—	—	—	—
Other instruments	—	—	—	19,853,123	—	19,853,123
Total	1,060,523,460	—	1,060,523,460	1,357,846,278	—	1,357,846,278

Note 41 – Additional notes (continued)

Note 41.11 – 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$13,267,730 in December 2020. Repurchase agreements had an average maturity of 5 days in December 2020. There were none as of December 31, 2019.

Instruments are included that guarantee margins for offset derivative transactions through Comder Contraparte Central S.A. of ThCh$36,145,700 as of December 31, 2020. There were none as of December 31, 2019.

Instruments issued by other Chilean institutions include instruments pledged as collateral as part of the Credit Facility Conditional on Increased Lending (FCIC) program granted by the Chilean Central Bank for approximately ThCh$350,154,254 as of December 31, 2020 (see Note 41.3 letter (m)).

Instruments issued by foreign institutions include mainly corporate bonds issued abroad.

The portfolio of instruments held for sale as of December 31, 2020, includes a net accumulated unrealized gain of ThCh$800,815 (accumulated unrealized gain of ThCh$3,826,963 as of December 31, 2019), recognized as a valuation adjustment in equity.

During 2020 and 2019, there was no evidence that instruments held for sale were impaired.

Gross realized gains and losses on the sale of instruments held for sale are shown in Net gain (loss) from financial operations, as of December 31, 2020 and 2019 (Note 41.27). The annual movements during the 2020 and 2019 are as follows.

	2020 **ThCh$**	**2019** **ThCh$**
Unrealized gain	19,709,066	18,479,232
Realized loss (reclassified to income)	(22,735,214)	(4,715,801)
Subtotal	(3,026,148)	13,763,431
Income tax on other comprehensive income	816,122	(3,734,214)
Net effect on equity	(2,210,026)	10,029,217

Note 41 – Additional notes (continued)

Note 41.12 – Investments in other companies

(a) Investments in other companies are ThCh$44,648,412 as of December 31, 2020, (ThCh$50,757,583 as of December 31, 2019) detailed as follows:

						Investment			
		Percentage interest		Equity of the company		Asset		Investment income	
Company	**Shareholder**	**2020 %**	**2019 %**	**2020 ThCh$**	**2019 ThCh$**	**2020 ThCh$**	**2019 ThCh$**	**2020 ThCh$**	**2019 ThCh$**
Associates									
Transbank S.A.	Banco de Chile	26.16	26.16	67,336,445	82,666,612	17,612,795	21,973,164	(4,360,369)	3,505,479
Administrador Financiero del Transantiago S.A.	Banco de Chile	20.00	20.00	19,170,899	19,173,856	3,950,834	3,985,378	388,847	389,691
Redbanc S.A.	Banco de Chile	38.13	38.13	8,662,892	9,220,569	3,306,682	3,549,198	(242,516)	330,284
Centro de Compensación Automatizado S.A.	Banco de Chile	33.33	33.33	8,181,556	6,464,198	2,787,248	2,183,897	603,350	293,801
Soc. Operadora de Tarjetas de Crédito Nexus S.A.	Banco de Chile	29.63	29.63	8,625,648	17,674,549	2,555,780	5,237,465	(2,681,685)	4,958
Sociedad Interbancaria de Depósitos de Valores S.A.	Banco de Chile	26.81	26.81	5,525,595	4,811,373	1,564,088	1,359,043	276,070	230,796
Sociedad Imerc OTC S.A.	Banco de Chile	12.33	12.33	12,248,397	12,469,826	1,510,475	1,537,782	(23,717)	58,842
Soc. Operadora de la Cámara de Compensación de Pagos de Alto Valor S.A.	Banco de Chile	15.00	15.00	6,435,844	6,289,600	979,609	957,944	28,465	29,009
Subtotal Associates				136,187,276	158,770,583	34,267,511	40,783,871	(6,011,555)	4,842,860
Joint ventures									
Servipag Ltda.	Banco de Chile	50.00	50.00	13,267,910	12,291,689	6,630,836	6,271,346	359,490	572,275
Artikos Chile S.A.	Banco de Chile	50.00	50.00	2,547,156	2,399,073	1,439,352	1,386,772	552,580	624,117
Subtotal Joint ventures				15,815,066	14,690,762	8,070,188	7,658,118	912,070	1,196,392
Subtotal				152,002,342	173,461,345	42,337,699	48,441,989	(5,099,485)	6,039,252
Investments at cost (1)									
Bolsa de Comercio de Santiago S.A.	Banchile Corredores de Bolsa					1,645,820	1,645,820	373,680	353,520
Banco Latinoamericano de Comercio Exterior S.A. (Bladex)	Banco de Chile					308,858	308,858	54,471	47,556
Bolsa Electrónica de Chile S.A.	Banchile Corredores de Bolsa					257,033	257,033	9,259	9,253
CCLV Contraparte Central S.A.	Banchile Corredores de Bolsa					7,987	7,987	700	900
Sociedad de Telecomunicaciones Financieras Interbancarias Mundiales (Swift)	Banco de Chile					91,015	95,896	—	—
Subtotal						2,310,713	2,315,594	438,110	411,229
Total						44,648,412	50,757,583	(4,661,375)	6,450,481

(1) Net income from investments at cost is income recognized on a received basis (dividends).

CORPORATE STRUCTURE

Note 41 – Additional notes (continued)

Note 41.12 - Investments in other companies (continued)

(b) Associates

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$	Sociedad 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 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)**

2019	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$	Sociedad Imerc OTC S.A. ThCh$	Total ThCh$
Current assets	5,086,783	6,018,927	9,585,896	113,070	7,046,652	1,118,388,238	54,120,140	2,503,914	1,202,863,620
Non-current assets	3,463,446	1,353,307	21,561,405	4,961,331	16,366,024	99,060,102	592,339	12,647,795	160,005,749
Total assets	**8,550,229**	**7,372,234**	**31,147,301**	**5,074,401**	**23,412,676**	**1,217,448,340**	**54,712,479**	**15,151,709**	**1,362,869,369**
Current liabilities	1,947,121	769,308	7,951,312	263,028	7,688,039	1,130,799,878	34,234,533	2,659,062	1,186,312,281
Non-current liabilities	138,910	313,326	5,521,440	—	6,504,068	3,981,850	1,304,090	22,821	17,786,505
Total liabilities	**2,086,031**	**1,082,634**	**13,472,752**	**263,028**	**14,192,107**	**1,134,781,728**	**35,538,623**	**2,681,883**	**1,204,098,786**
Equity	6,464,198	6,289,600	17,674,549	4,811,373	9,220,569	82,666,612	19,173,856	12,469,826	158,770,583
Non-controlling interests	—	—	—	—	—	—	—	—	—
Total liabilities and equity	**8,550,229**	**7,372,234**	**31,147,301**	**5,074,401**	**23,412,676**	**1,217,448,340**	**54,712,479**	**15,151,709**	**1,362,869,369**
Revenue	3,384,174	3,386,080	49,944,083	14,887	38,023,561	222,911,333	3,706,555	45,643	321,416,316
Operating expenses	(2,229,364)	(3,348,144)	(49,698,725)	(56,910)	(36,692,932)	(133,127,408)	(2,223,909)	(615,930)	(227,993,322)
Other income (expenses)	(12,707)	159,878	(303,943)	902,963	(194,984)	(72,142,648)	980,034	1,067,715	(69,543,692)
Net income (loss) before taxes	**1,142,103**	**197,814**	**(58,585)**	**860,940**	**1,135,645**	**17,641,277**	**2,462,680**	**497,428**	**23,879,302**
Income tax expense	(260,611)	(4,423)	75,317	—	(269,531)	(4,239,287)	(514,223)	(20,276)	(5,233,034)
Net income (loss) for the year	**881,492**	**193,391**	**16,732**	**860,940**	**866,114**	**13,401,990**	**1,948,457**	**477,152**	**18,646,268**

Note 41 – Additional notes (continued)

Note 41.12 - Investments in other 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.	
	2020	**2019**	**2020**	**2019**
	ThCh$	**ThCh$**	**ThCh$**	**ThCh$**
Current assets	1,856,003	1,701,331	71,710,988	74,747,799
Non-current assets	1,798,735	1,943,877	16,102,392	18,004,621
Total assets	**3,654,738**	**3,645,208**	**87,813,380**	**92,752,420**
Current liabilities	1,107,582	1,082,755	70,887,144	74,744,596
Non-current liabilities	—	163,380	3,658,326	5,716,135
Total liabilities	**1,107,582**	**1,246,135**	**74,545,470**	**80,460,731**
Equity	2,547,156	2,399,073	13,267,910	12,291,689
Total liabilities and equity	**3,654,738**	**3,645,208**	**87,813,380**	**92,752,420**
Revenue	3,632,073	3,643,345	40,138,466	43,259,492
Operating expenses	(2,534,485)	(2,452,242)	(38,841,187)	(41,708,183)
Other income (expenses)	4,465	11,148	(31,238)	(315,156)
Net income before taxes	**1,102,053**	**1,202,251**	**1,266,041**	**1,236,153**
Income tax expense	3,107	45,983	(289,820)	(342,606)
Net income for the year	**1,105,160**	**1,248,234**	**976,221**	**893,547**

(d) Movements in investments in other companies accounted for using the equity method in 2020 and 2019 are as follows.

	2020	**2019**
	ThCh$	**ThCh$**
Opening book value	48,441,989	42,252,084
Acquisition of investments	—	671,411
Share of income (loss) from investments with significant influence and joint control	(5,099,485)	6,039,252
Dividends received	(1,001,333)	(552,567)
Others	(3,472)	31,809
Closing book value	42,337,699	48,441,989

(e) There was no impairment of these investments during the years ended December 31, 2020 and 2019.

Note 41 – Additional notes (continued)

Note 41.13 – Intangible assets

a) As of December 31, 2020 and 2019, these are as follows.

	Average useful life		Average remaining life		Gross balance		Accumulated amortization		Net balance	
	2020 years	2019 years	2020 years	2019 years	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$
Intangible assets										
Software or computer programs	6	6	4	5	180,662,629	163,479,025	(119,961,242)	(105,171,853)	60,701,387	58,307,172
Total					180,662,629	163,479,025	(119,961,242)	(105,171,853)	60,701,387	58,307,172

Note 41 – Additional notes (continued)

Note 41.13 – Intangible assets (continued)

b) Movements in intangible assets during the years ended December 31, 2020 and 2019, are detailed as follows.

	Software or computer programs	
	2020 ThCh$	**2019 ThCh$**
Gross balance		
Balance as of January 1	163,479,025	144,936,204
Acquisitions	18,630,508	20,928,307
Disposals / derecognitions	(387,185)	(1,759,008)
Reclassification	(16,161)	(276,659)
Impairment (*)	(1,043,558)	(349,819)
Balance as of December 31	180,662,629	163,479,025
Accumulated amortization		
Balance as of January 1	(105,171,853)	(92,874,857)
Amortization for the year (*)	(15,865,254)	(12,875,068)
Disposals / derecognitions	661,698	315,977
Reclassification	(34)	262,095
Impairment (*)	414,201	—
Balance as of December 31	(119,961,242)	(105,171,853)
Net balance	60,701,387	58,307,172

(*) See Note 41.32 on depreciation, amortization and impairment.

(c) As of December 31, 2020 and 2019, the Bank has the following commitments to technological developments.

Description	**Commitment**	
	2020 ThCh$	**2019 ThCh$**
Software and licenses	3,829,504	7,150,913

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

Note 41 – Additional notes (continued)

Note 41.14 - Property, plant and equipment, right-of-use leased assets and lease liabilities

(a) As of December 31, 2020 and 2019, property, plant and equipment is detailed as follows.

	Average useful life		Average remaining life		Gross balance		Accumulated depreciation		Net balance	
	2020 years	2019 years	2020 years	2019 years	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$
Type of PP&E										
Land and buildings	26	26	20	21	304,951,274	301,620,003	(142,543,766)	(136,395,323)	162,407,508	165,224,680
Equipment	5	5	4	4	222,623,011	207,603,446	(175,143,447)	(162,561,704)	47,479,564	45,041,742
Others	7	7	4	4	55,897,791	55,520,053	(47,855,917)	(45,523,884)	8,041,874	9,996,169
Total					583,472,076	564,743,502	(365,543,130)	(344,480,911)	217,928,946	220,262,591

(b) Movements in property, plant and equipment for the years ended December 31, 2020 and 2019, are as follows:

	2020			
	Land and buildings ThCh$	Equipment ThCh$	Others ThCh$	Total ThCh$
Gross balance				
Balance as of January 1, 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)
Total	304,951,274	222,623,011	55,897,791	583,472,076
Accumulated depreciation				
Balance as of January 1, 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
Total	(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

	2019			
	Land and buildings ThCh$	Equipment ThCh$	Others ThCh$	Total ThCh$
Gross balance				
Balance as of January 1, 2019	320,586,062	183,218,075	53,501,374	557,305,511
Reclassification	(25,653,332)	(37,248)	—	(25,690,580)
Additions	12,554,440	28,117,511	2,839,195	43,511,146
Disposals/Derecognitions/Sales	(5,436,825)	(3,113,474)	(762,639)	(9,312,938)
Impairment (***)	(430,342)	(581,418)	(57,877)	(1,069,637)
Total	301,620,003	207,603,446	55,520,053	564,743,502
Accumulated depreciation				
Balance as of January 1, 2019	(150,099,017)	(148,455,204)	(42,878,376)	(341,432,597)
Reclassification	21,277,594	37,248	—	21,314,842
Depreciation for the year (**)	(8,613,942)	(16,820,483)	(3,400,937)	(28,835,362)
Derecognitions and sales during the year	1,040,042	2,691,789	740,375	4,472,206
Transfers	—	(15,054)	15,054	—
Total	(136,395,323)	(162,561,704)	(45,523,884)	(344,480,911)
Balance as of December 31, 2019	165,224,680	45,041,742	9,996,169	220,262,591

(*) See Note 41.32 on depreciation, amortization and impairment.
(**) Excludes depreciation for the year on investment properties that are included in Other assets of ThCh$356,745 (ThCh$358,552 in 2019).
(***) Excludes provisions for write-offs of property, plant and equipment of ThCh$916,170 (ThCh$948,794 in 2019).

Note 41 – Additional notes (continued)

Note 41.14 - Property, plant and equipment, right-of-use leased assets and lease liabilities (continued)

(c) As of December 31, 2020 and 2019, right-of-use leased assets are detailed as follows.

	Gross balance		Accumulated depreciation		Net balance	
	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$
Category						
Buildings	123,215,318	130,853,588	(33,560,285)	(18,721,517)	89,655,033	112,132,071
Spaces occupied by ATMs	40,444,528	41,959,204	(16,496,547)	(9,091,611)	23,947,981	32,867,593
Leasehold improvements	26,580,483	27,253,317	(21,354,171)	(21,588,309)	5,226,312	5,665,008
Total	190,240,329	200,066,109	(71,411,003)	(49,401,437)	118,829,326	150,664,672

(d) Movements in right-of-use leased assets during the year ended December 31, 2020 and 2019, were as follows

2020	Buildings ThCh$	Spaces occupied by ATMs ThCh$	Leasehold improvements ThCh$	Total ThCh$
Gross balance				
Balance as of January 1, 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
Disposals (*)	(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 1, 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)
Disposals (*)	4,028,656	368,682	1,240,468	5,637,806
Others	—	—	(56)	(56)
Balance as of December 31, 2020	(33,560,285)	(16,496,547)	(21,354,171)	(71,411,003)
Net balance as of December 31, 2020	89,655,033	23,947,981	5,226,312	118,829,326

2019	Buildings ThCh$	Spaces occupied by ATMs ThCh$	Leasehold improvements ThCh$	Total ThCh$
Gross balance				
Balance as of January 1, 2019	116,577,011	27,919,627	—	144,496,638
Reclassification	—	—	26,333,763	26,333,763
Additions	14,276,577	14,039,577	1,723,728	30,039,882
Disposals	—	—	(804,174)	(804,174)
Balance as of December 31, 2019	130,853,588	41,959,204	27,253,317	200,066,109
Accumulated depreciation				
Balance as of January 1, 2019	—	—	—	—
Reclassification	—	—	(21,546,161)	(21,546,161)
Depreciation for the year (*)	(18,721,517)	(9,091,611)	(659,285)	(28,472,413)
Disposals (*)	—	—	617,137	617,137
Balance as of December 31, 2019	(18,721,517)	(9,091,611)	(21,588,309)	(49,401,437)
Net balance as of December 31, 2019	112,132,071	32,867,593	5,665,008	150,664,672

(*) See Note 41.32 on depreciation, amortization and impairment.

Note 41 – Additional notes (continued)

Note 41.14 - Property, plant and equipment, right-of-use leased assets and lease liabilities (continued)

(e) As of December 31, 2020 and 2019, the future maturities of lease liabilities are as follows.

	2020						
	Up to 1 month	Over 1 month and up to 3 months	Over 3 months and up to 12 months	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
Leased asset	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**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

	2019						
	Up to 1 month	Over 1 month and up to 3 months	Over 3 months and up to 12 months	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Over 1 month and up to 3 months
Leased asset	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**	**ThCh$**
Buildings	1,726,156	3,519,147	15,285,623	37,062,655	24,899,279	38,525,736	121,018,596
ATMs	809,100	1,618,200	7,131,291	18,125,102	5,402,505	678,622	33,764,820
Total	2,535,256	5,137,347	22,416,914	55,187,757	30,301,784	39,204,358	154,783,416

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.

Note 41 – Additional notes (continued)

Note 41.14 - Property, plant and equipment, right-of-use leased assets and lease liabilities (continued)

Movements during 2020 and 2019 in lease liabilities and cash flows are as follows:

Lease liabilities	Cash flow for the year ThCh$
Balances as of January 1, 2019	144,496,638
Liabilities for new lease contracts	24,431,081
Interest expense	2,574,305
Capital and interest payments	(29,374,412)
Others	3,885,073
Balances as of December 31, 2019	146,012,685
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)
Others	3,390,861
Balances as of December 31, 2020	115,017,207

(f) Future cash flow related to short-term leases as of December 31, 2020 are ThCh$6,812,714 (ThCh$ 8,611,302 as of December 31, 2019).

Note 41 – Additional notes (continued)

Note 41.15 – Current and deferred taxes

(a) Current taxes

The Bank and its subsidiaries have made a provision for corporate income tax for 2020 and 2019 in accordance with current tax laws. This provision is shown as the net amount of recoverable or payable taxes in the statement of financial position as of December 31, 2020 and 2019, as follows.

	2020 ThCh$	**2019 ThCh$**
Income tax expense	153,084,483	222,265,849
Less:		
Monthly provisional tax payments	(172,683,641)	(143,199,650)
Training expense credits	(1,900,000)	(1,900,000)
Others	(1,138,997)	(1,234,059)
Total	(22,638,155)	75,932,140
Income tax rate	27%.	27%.

	2020 ThCh$	**2019 ThCh$**
Current tax assets	22,949,321	357,053
Current tax liabilities	(311,166)	(76,289,193)
Net total	22,638,155	(75,932,140)

(b) Income tax

The tax expense for the years ended December 31, 2020 and 2019, is detailed as follows.

	2020 ThCh$	**2019 ThCh$**
Income tax expense:		
Current year taxes	161,869,403	232,403,222
Prior years taxes	812,779	(16,346,511)
Subtotal	162,682,182	216,056,711
Charge (credit) for deferred taxes:		
Temporary differences and their reversal	(36,155,849)	(46,693,651)
Subtotal	(36,155,849)	(46,693,651)
Others	(563,461)	320,260
Net income tax expense	125,962,872	169,683,320

Note 41 – Additional notes (continued)

Note 41.15 – 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, 2020 and 2019, is as follows.

	2020		2019	
	Tax rate %	ThCh$	Tax rate %	ThCh$
Tax on financial net income	27.00	159,082,020	27.00	198,505,284
Additions or deductions	(0.99)	(5,848,125)	(1.27)	(9,649,574)
Taxation indexation	(5.66)	(33,346,886)	(3.93)	(29,961,863)
Others	1.03	6,075,863	1.28	10,789,473
Effective rate and income tax expense	21.38	125,962,872	23.08	169,683,320

The effective rate for income tax for the year 2020 is 21.38% (23.08% in December 2019).

Note 41 – Additional notes (continued)

Note 41.15 – 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 financial statements. The effects of deferred taxes on assets, liabilities and net income as of December 31, 2020, are as follows.

	Balances as of 12.31.2019 ThCh$	Recognized in: Net income ThCh$	Recognized in: Equity ThCh$	Balances as of 12.31.2020 ThCh$
Debtor differences				
Provisions for loan losses	221,079,035	47,403,020	—	268,482,055
Personnel provisions	16,713,801	(480,728)	—	16,233,073
Vacation provisions	7,443,992	1,720,041	—	9,164,033
Accrued interest and indexation on impaired portfolio	3,674,050	896,191	—	4,570,241
Termination benefit provisions	605,544	(92,309)	24,584	537,819
Credit card related expenses provision	8,221,427	(262,776)	—	7,958,651
Accrued expenses provision	10,563,700	3,518,879	—	14,082,579
Leasing	41,792,170	(12,956,842)	—	28,835,328
Income received in advance	32,169,844	(16,081,890)	—	16,087,954
Other adjustments	15,486,312	11,418,893	—	26,905,205
Total debtor differences	357,749,875	35,082,479	24,584	392,856,938
Creditor differences				
Depreciation and indexation on property, plant and equipment	15,524,445	1,731,539	—	17,255,984
Revaluation of investments held for sale	1,038,544	—	(816,122)	222,422
Transitory assets	7,174,282	(1,795,947)	—	5,378,335
Accrued loans effective rate	1,386,312	1,392,876	—	2,779,188
Prepaid expenses	3,333,965	(1,100,131)	—	2,233,834
Other adjustments	8,344,079	(1,301,707)	—	7,042,372
Total creditor differences	36,801,627	(1,073,370)	(816,122)	34,912,135
Net total	320,948,248	36,155,849	840,706	357,944,803

Note 41 – Additional notes (continued)

Note 41.15 – 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 customer loans and receivables 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

(e.1) Loans and advances to banks, and customer loans and receivables as of 12.31.2019	2019				
			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	1,139,431,905	1,140,190,111	—	—	—
Commercial loans	13,725,346,285	14,308,651,049	47,451,980	76,814,252	124,266,232
Consumer loans	4,202,633,858	5,016,666,075	819,568	29,643,334	30,462,902
Residential mortgage loans	9,175,012,918	9,200,565,362	10,040,492	155,197	10,195,689
Total	28,242,424,966	29,666,072,597	58,312,040	106,612,783	164,924,823

(*) According to that Circular and the SII instructions, the value of the assets in the financial statements is shown on an individual basis (just Banco de Chile) net of provisions for loan losses and excludes lease and factoring transactions.

Note 41 – Additional notes (continued)

Note 41.15 – Current and deferred taxes (continued)

	2020				
(e.2) Provisions for the past due portfolio	**Balance as of 01.01.2020 ThCh$**	**Charge-offs against provisions ThCh$**	**Provisions recognized ThCh$**	**Provisions released ThCh$**	**Balance as of 12.31.2020 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

	2019				
(e.2) Provisions for the past due portfolio	**Balance as of 01.01.2019 ThCh$**	**Charge-offs against provisions ThCh$**	**Provisions recognized ThCh$**	**Provisions released ThCh$**	**Balance as of 12.31.2019 ThCh$**
Commercial loans	59,773,066	(44,924,887)	165,499,528	(103,533,455)	76,814,252
Consumer loans	24,424,149	(247,312,987)	274,262,349	(21,730,177)	29,643,334
Residential mortgage loans	210,433	(4,078,372)	30,251,388	(26,228,252)	155,197
Total	84,407,648	(296,316,246)	470,013,265	(151,491,884)	106,612,783

(e.3) Direct charge-offs and recoveries	**2020 ThCh$**	**2019 ThCh$**
Direct charge-offs (Article 31 number 4, paragraph 2)	19,111,418	11,431,780
Debt relief that releases provisions	1,984,685	313,910
Recoveries or re-negotiation of charged-off loans	41,758,427	47,975,016

(e.4) Application of Article 31 number 4 paragraphs 1 and 3 of Income Tax Law	**2020 ThCh$**	**2019 ThCh$**
Charge-offs, paragraph 1	—	—
Relief, paragraph 3	1,984,685	313,910

Note 41 – Additional notes (continued)

Note 41.16 – Other Assets

a) Composition

As of December 31, 2020 and 2019, these are detailed as follows.

	2020 ThCh$	2019 ThCh$
Leased assets (*)	85,626,459	139,388,666
Assets received in lieu of payment (**)		
Assets awarded in judicial auctions	5,570,853	10,966,578
Assets received in lieu of payment	99,000	1,555,846
Provisions for assets received in lieu of payment	(52,074)	(188,330)
Subtotal	5,617,779	12,334,094
Other assets		
Derivative margin deposits	232,732,070	475,851,718
Document brokering (***)	84,992,939	40,910,931
Other accounts and notes receivable	63,787,524	44,667,617
Prepaid expenses	29,653,713	34,934,028
Investment property	12,832,917	13,189,662
Fees receivable	11,809,549	14,190,732
Servipag funds available	11,385,442	17,923,392
Recoverable VAT	10,776,969	11,831,000
Recoverable taxes	8,690,811	33,135,825
Receivables on selling assets received in lieu of payment	2,469,285	2,183,533
Lease guarantees	2,013,789	1,956,726
Transactions pending settlement	1,825,393	2,020,769
Materials and supplies	783,712	672,349
Recovered leased assets for sale	714,948	870,882
Others	13,745,778	16,903,844
Subtotal	488,214,839	711,243,008
Total	579,459,077	862,965,768

(*) 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 0.0024% (0.0341% in 2019) of the Bank's regulatory capital.
The provision for assets received in lieu of payment or awarded is recognized as indicated in Chapter B-5, number 3 of the Compendium of Accounting Standards, which requires a provision for the difference between the initial value plus any additions and their net realizable value, when the former is greater.

(***) This mainly includes simultaneous transactions by the subsidiary Banchile Corredores de Bolsa S.A.

Note 41 – Additional notes (continued)

Note 41.16 – Other assets (continued)

Movements in the provision for assets received in lieu of payment during 2020 and 2019 are detailed as follows.

Provisions for assets received in lieu of payment	ThCh$
Balance as of January 1, 2019	805,876
Provisions used	(2,158,945)
Provisions recognized	1,541,399
Provisions released	—
Balance as of December 31, 2019	188,330
Provisions used	(1,087,751)
Provisions recognized	951,495
Provisions released	—
Balance as of December 31, 2020	52,074

Note 41.17 – Demand deposits and other obligations

As of December 31, 2020 and 2019, these are detailed as follows.

	2020 ThCh$	2019 ThCh$
Current accounts	12,414,211,671	8,882,899,612
Other demand obligations	1,431,902,584	1,662,949,749
Other deposits and demand accounts	1,230,345,371	710,367,158
Total	15,076,459,627	11,256,216,519

Note 41.18 – Deposits and term obligations

As of December 31, 2020 and 2019, these are detailed as follows.

	2020 ThCh$	2019 ThCh$
Time deposits	8,442,535,781	10,537,063,665
Time savings accounts	342,550,091	239,850,581
Other term payables	114,455,461	79,154,233
Total	8,899,541,333	10,856,068,479

Note 41 – Additional notes (continued)

Note 41.19 - Obligations to banks

(a) As of December 31, 2020 and 2019, these are detailed as follows.

	2020 ThCh$	2019 ThCh$
Banks in Chile		
Banco do Brasil	7,100,049	3,900,163
Banco Scotiabank	1,257,154	—
Banco Santander	—	2,313,579
Subtotal banks in Chile	8,357,203	6,213,742
Banks abroad		
Foreign trade financing		
The Bank of Nova Scotia	121,085,368	133,538,562
Citibank N.A. USA	114,524,550	285,974,361
Wells Fargo Bank	85,733,823	139,845,044
Zürcher Kantonalbank	39,116,208	78,872,444
Commerzbank AG	21,687,108	2,200,722
Bank of New York Mellon	21,388,822	224,812,243
Bank of America	20,474,538	194,703,679
Sumitomo Mitsui Banking	11,394,158	213,534,032
Standard Chartered Bank	715,446	70,128,266
Toronto Dominion Bank	—	22,556,430
JP Morgan Chase Bank	—	60,150,428
ING Bank	—	10,986,961
Others	40,314	89,254
Borrowings and other obligations		
Wells Fargo Bank	106,965,217	113,377,214
Deutsche Bank Trust Company Americas	7,333,346	6,020
Citibank N.A. USA	—	5,182,779
Citibank N.A. United Kingdom	232,709	1,015,327
Others	105,365	89,252
Subtotal foreign banks	550,796,972	1,557,063,018
Chilean Central Bank (*)	3,110,600,000	—
Total	3,669,754,175	1,563,276,760

(*) 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). See Note No. 41.3 letter (m).

Note 41 – Additional notes (continued)

Note 41.20 – Debt instruments issued

As of December 31, 2020 and 2019, these are detailed as follows.

	2020 ThCh$	2019 ThCh$
Mortgage bonds	6,786,386	10,898,450
Bonds	7,700,402,227	7,912,621,100
Subordinated bonds	886,406,724	889,894,650
Total	8,593,595,337	8,813,414,200

During the year ended December 31, 2020, Banco de Chile placed bonds amounting to ThCh$889,134,827, consisting of commercial papers of ThCh$634,951,928, and 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			

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.

Note 41 – Additional notes (continued)

Note 41.20 – Debt instruments issued (continued)

During the year ended December 31, 2019, Banco de Chile placed bonds amounting to ThCh$2,625,176,942, consisting of commercial papers of ThCh$944,413,482, bonds of ThCh$1,465,405,947 and subordinated bonds of ThCh$215,357,513, detailed as follows:

Commercial papers

Counterparty	Currency	Amount ThCh$	Annual interest rate %	Issue date	Maturity date
Citibank N.A.	USD	40,937,400	2.91	01-04-2019	04-04-2019
Wells Fargo Bank	USD	40,263,600	2.85	01-17-2019	04-24-2019
Citibank N.A.	USD	33,598,000	2.80	01-22-2019	04-22-2019
Citibank N.A.	USD	53,250,400	2.67	04-04-2019	07-02-2019
Citibank N.A.	USD	27,885,900	2.67	04-09-2019	08-09-2019
Citibank N.A.	USD	33,257,000	2.66	04-11-2019	07-11-2019
Wells Fargo Bank	USD	33,257,000	2.68	04-11-2019	10-11-2019
Citibank N.A.	USD	33,051,000	2.66	04-12-2019	07-22-2019
Wells Fargo Bank	USD	3,966,120	2.67	04-12-2019	09-12-2019
Citibank N.A.	USD	27,184,400	2.67	04-29-2019	10-29-2019
Wells Fargo Bank	USD	33,838,000	2.60	04-30-2019	07-30-2019
Citibank N.A.	USD	34,794,500	2.61	05-17-2019	11-18-2019
Citibank N.A.	USD	34,841,500	2.59	05-23-2019	08-22-2019
Bank of America	USD	34,208,000	2.50	06-21-2019	08-22-2019
Wells Fargo Bank	USD	3,420,800	2.50	06-24-2019	07-25-2019
Citibank N.A.	USD	547,328	2.40	06-24-2019	10-15-2019
Citibank N.A.	USD	13,620,400	2.50	06-25-2019	08-05-2019
Citibank N.A.	USD	13,574,600	2.51	06-28-2019	08-01-2019
Citibank N.A.	USD	34,069,500	2.38	07-11-2019	10-09-2019
Citibank N.A.	USD	29,882,580	2.25	08-09-2019	11-12-2019
Wells Fargo Bank	USD	3,525,100	2.03	08-13-2019	05-08-2020
Citibank N.A.	USD	35,675,500	2.20	08-22-2019	11-21-2019
Wells Fargo Bank	USD	21,349,800	2.20	09-10-2019	12-09-2019
Wells Fargo Bank	USD	7,116,600	2.20	09-11-2019	12-16-2019
Wells Fargo Bank	USD	28,466,400	2.20	09-11-2019	12-10-2019
Citibank N.A.	USD	15,798,640	2.10	10-07-2019	01-07-2020
Citibank N.A.	USD	36,206,000	2.07	10-09-2019	01-09-2020
Citibank N.A.	USD	36,212,000	2.00	10-24-2019	01-29-2020
Bank of America	USD	36,212,000	2.00	10-24-2019	01-24-2020
Citibank N.A.	USD	18,199,750	2.00	10-25-2019	02-03-2020
Citibank N.A.	USD	31,818,710	1.91	11-04-2019	01-13-2020
Citibank N.A.	USD	31,239,200	1.97	11-12-2019	02-12-2020
Citibank N.A.	USD	4,553,502	2.05	11-22-2019	08-07-2020
Citibank N.A.	USD	7,988,600	2.05	11-22-2019	08-07-2020
Citibank N.A.	USD	18,750,018	2.07	12-04-2019	08-07-2020
Citibank N.A.	USD	23,268,000	2.05	12-09-2019	04-09-2020
Wells Fargo Bank	USD	3,878,000	2.04	12-09-2019	06-05-2020
Wells Fargo Bank	USD	15,395,600	2.04	12-11-2019	03-27-2020
Citibank N.A.	USD	1,793,234	2.03	12-30-2019	07-20-2020
Wells Fargo Bank	USD	7,518,800	2.10	12-30-2019	12-15-2020
Total as of December 31, 2019		944,413,482			

Note 41 – Additional notes (continued)

Note 41.20 – Debt instruments issued (continued)

Bonds

Series	Currency	Amount ThCh$	Term in years	Annual interest rate %	Issue date	Maturity date
BCHIEC0817	UF	83,469,928	5	1.55	01-30-2019	01-30-2024
BCHIED1117	UF	41,710,853	5	1.54	03-14-2019	03-14-2024
BCHIED1117	UF	5,587,061	5	1.45	03-19-2019	03-19-2024
BCHIED1117	UF	36,317,476	5	1.45	03-20-2019	03-20-2024
BCHIDW1017	UF	84,358,295	2	0.93	05-09-2019	05-09-2021
BCHIDW1017	UF	57,091,350	2	0.57	06-24-2019	06-24-2021
BCHIEH0917	UF	58,867,005	7	1.04	07-01-2019	07-01-2026
BCHIEB1117	UF	86,681,500	4	0.83	07-01-2019	07-01-2023
BCHIEH0917	UF	29,513,848	7	1.00	07-02-2019	07-02-2026
BCHIEI1117	UF	60,696,943	7	0.66	07-19-2019	07-19-2026
BCHIEI1117	UF	22,063,252	7	0.51	07-30-2019	07-30-2026
BCHIEI1117	UF	8,613,283	7	0.45	08-01-2019	08-01-2026
BCHICC0815	UF	71,702,520	12	0.54	08-05-2019	08-05-2031
BCHICA1015	UF	71,221,131	11	0.54	08-05-2019	08-05-2030
BCHICB1215	UF	14,496,056	11	0.44	08-07-2019	08-07-2030
BCHIEI1117	UF	7,764,457	7	0.30	08-07-2019	08-07-2026
BCHIEI1117	UF	20,212,371	7	0.28	08-08-2019	08-08-2026
BCHICB1215	UF	57,926,092	11	0.45	08-08-2019	08-08-2030
BCHIEI1117	UF	3,107,629	7	0.29	08-08-2019	08-08-2026
BCHIBV1015	UF	71,062,821	10	0.37	08-20-2019	08-20-2029
BCHIEV1117	UF	132,366,109	10	0.34	09-05-2019	09-05-2029
BCHIEK1117	UF	117,492,681	13	1.38	12-11-2019	12-11-2032
Subtotal UF		1,142,322,661				
JPY BOND	JPY	63,041,000	20	1.00	05-14-2019	05-14-2039
HKD BOND	HKD	32,725,286	12	2.90	07-19-2019	07-19-2031
AUD BOND	AUD	36,519,345	20	3.50	08-28-2019	08-28-2039
PEN BOND	PEN	29,969,240	15	5.40	09-04-2019	09-04-2034
AUD BOND	AUD	24,547,120	15	3.13	09-09-2019	09-09-2034
NOK BOND	NOK	60,950,700	10	3.50	11-07-2019	11-07-2029
AUD BOND	AUD	39,067,095	20	3.55	11-11-2019	11-11-2039
JPY BOND	JPY	36,263,500	10	1.00	11-19-2019	11-19-2029
Subtotal other currencies		323,083,286				
Total as of December 31, 2019		1,465,405,947				

Subordinated bonds

Series	Currency	Amount ThCh$	Term in years	Annual interest rate %	Issue date	Maturity date
UCHI-J1111	UF	61,471,471	23	1.05	08-20-2019	08-20-2042
UCHI-J1111	UF	65,972,648	23	1.04	08-20-2019	08-20-2042
UCHI-J1111	UF	48,798,934	23	0.99	08-21-2019	08-21-2042
UCHI-I1111	UF	39,114,460	21	0.96	09-24-2019	09-24-2040
Total as of December 31, 2019		215,357,513				

During 2020, the Bank has not defaulted on its payments of principal and interest on its debt instruments, neither has there been any non-compliance with covenants or other commitments associated with its debt instruments.

Note 41 – Additional notes (continued)

Note 41.21 – Other financial obligations

As of December 31, 2020 and 2019, these are detailed as follows.

	2020 ThCh$	2019 ThCh$
Other obligations in Chile	191,258,354	138,575,728
Public-sector obligations	455,373	17,654,483
Total	191,713,727	156,230,211

Note 41.22 - Provisions

(a) Provisions as of December 31, 2020 and 2019, are detailed as follows.

	2020 ThCh$	2019 ThCh$
Provisions for minimum dividends to other shareholders	107,602,494	146,775,021
Personnel remuneration and benefits provisions	111,243,487	109,074,376
Provisions for contingent credit risks	76,190,508	57,042,201
Provisions for contingencies:		
Additional provisions (*)	320,251,877	213,251,877
Country risk provisions	5,447,247	4,331,711
Other contingent provisions	507,480	501,280
Total	621,243,093	530,976,466

(*) As of December 31, 2020, additional provisions of ThCh$107,000,000 have been recognized. (See Note 41.22, letter (b)).

Note 41 – Additional notes (continued)

Note 41.22 - Provisions (continued)

(b) Movements in provisions during 2020 and 2019 are detailed as follows.

	Minimum dividends ThCh$	Personnel benefits and remuneration ThCh$	Provisions for contingent loan losses ThCh$	Additional provisions ThCh$	Country risk and other contingencies ThCh$	Total ThCh$
Balance as of January 1, 2019	122,942,227	92,579,915	55,531,493	213,251,877	3,348,105	487,653,617
Provisions recognized	146,775,021	93,358,051	1,510,708	—	1,484,886	243,128,666
Provisions used	(122,942,227)	(76,863,590)	—	—	—	(199,805,817)
Provisions released	—	—	—	—	—	—
Balance as of December 31, 2019	146,775,021	109,074,376	57,042,201	213,251,877	4,832,991	530,976,466
Provisions recognized	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

(c) Provisions for personnel benefits and remuneration

	2020 ThCh$	2019 ThCh$
Provisions for performance bonuses	43,941,352	51,050,991
Provisions for vacations	33,992,491	27,608,905
Provisions for termination benefits	7,581,174	7,565,593
Provision for other employee benefits	25,728,470	22,848,887
Total	111,243,487	109,074,376

(d) Termination benefits

(i) Movements in termination benefit provisions

	2020 ThCh$	2019 ThCh$
Opening balance	7,565,593	7,754,497
Increases in the provision	527,399	322,831
Payments	(602,868)	(758,945)
Effect of change in actuarial factors	91,050	247,210
Closing balance	7,581,174	7,565,593

(ii) Net cost of benefits

	2020 ThCh$	2019 ThCh$
Increase (decrease) in provision	366,560	101,072
Interest cost of benefit obligations	160,839	221,759
Effect of change in actuarial factors	91,050	247,210
Net cost of benefits	618,449	570,041

Note 41 – Additional notes (continued)

Note 41.22 - 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, 2020 %	As of December 31, 2019 %
Discount rate	2.31	3.17
Rate of salary increase	4.04	4.42
Probability of payment	99.99	99.99

The most recent actuarial valuation of the termination benefits provision was in 2020.

(e) Movement in provision for performance bonuses

	2020 ThCh$	2019 ThCh$
Balance as of January 1	51,050,991	47,796,706
Provisions recognized	34,137,612	45,792,177
Provisions used	(41,247,251)	(42,537,892)
Balance as of December 31	43,941,352	51,050,991

(f) Movement in provision for personnel vacations

	2020 ThCh$	2019 ThCh$
Balance as of January 1	27,608,905	26,856,162
Provisions recognized	11,512,390	7,257,007
Provisions used	(5,128,804)	(6,504,264)
Balance as of December 31	33,992,491	27,608,905

(g) Provisions for share-based employee benefits:

As of December 31, 2020 and 2019, the Bank and its subsidiaries have no share compensation plan.

(h) Provisions for contingent loans

As of December 31, 2020, the Bank and its subsidiaries had provisions for contingent loans of ThCh$76,190,508 (ThCh$57,042,201 in 2019). See Note 41.24 (d).

Note 41 – Additional notes (continued)

Note 41.23 – Other liabilities

As of December 31, 2020 and 2019, these are detailed as follows.

	2020 ThCh$	2019 ThCh$
Accounts and notes payable	273,070,985	231,391,073
Income received in advance (*)	68,907,344	125,418,409
Dividends payable	4,067,358	1,113,742
Other liabilities		
Document broking transactions (**)	137,546,639	80,189,467
Co-branding	29,213,005	30,186,250
VAT payable	16,518,902	16,353,860
Securities being settled	2,724,545	135,546,714
Insurance payables	1,802,219	1,157,148
Transactions pending settlement	724,831	791,912
Others	30,228,525	20,941,632
Total	564,804,353	643,090,207

(*) 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 41 – Additional notes (continued)

Note 41.24 - 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.

	2020 ThCh$	2019 ThCh$
Contingent liabilities		
Guarantees and surety bonds	224,078,696	280,837,815
Confirmed foreign letters of credit	58,298,636	94,673,340
Documentary letters of credit opened	343,663,316	316,916,227
Performance bonds	2,214,369,689	2,283,389,542
Committed lines of credit	7,650,382,302	7,870,259,852
Other credit commitments	107,706,705	155,162,919
Transactions on behalf of third parties		
Documents for collection	157,670,633	144,043,305
Third-party funds managed by the Bank:		
Financial assets managed on behalf of third parties	16,023,935	6,418,069
Other assets managed on behalf of third parties	—	—
Financial assets acquired in Bank's name	80,787,512	73,140,438
Other assets acquired in Bank's name	—	—
Securities custody		
Securities held in custody with the Bank	2,023,313,348	2,677,352,700
Securities deposited in other entities	18,467,801,287	18,719,297,257
Total	31,344,096,059	32,621,491,464

Note 41 – Additional notes (continued)

Note 41.24 - Contingencies and commitments (continued)

b) Lawsuits and legal proceedings

b.1) Normal court contingencies for the industry

There are legal proceedings against the Bank at the date of issuance of these consolidated financial statements with respect to their business. As of December 31, 2020, the Bank has provisions for legal contingencies of ThCh$244,000 (ThCh$237,800 as of December 31, 2019), which form part of "Provisions" in the statement of financial position.

The estimated completion dates of the respective lawsuits are as follows.

	2020					
	2021 ThCh$	**2022 ThCh$**	**2023 ThCh$**	**2024 ThCh$**	**2025 ThCh$**	**Total ThCh$**
Legal contingencies	43,000	30,000	4,000	167,000	—	244,000

b.2) Contingencies for significant legal proceedings.

As of December 31, 2020 and 2019, there are no significant legal proceedings that affect or could affect these consolidated financial statements.

Note 41 – Additional notes (continued)

Note 41.24 - 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 3,778,100, maturing January 8, 2021 (UF 3,090,000, maturing January 10, 2020 as of December 31, 2019). The company took out guarantee insurance policies for real estate funds with Mapfre Seguros Generales S.A., for a guaranteed total of UF 877,000.

As of December 31, 2020 and 2019, 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	**2020 ThCh$**	**2019 ThCh$**
Shares in guarantee of simultaneous sales transactions on:		
Santiago Exchange	47,684,164	85,302,443
Chilean Electronic Exchange	20,226,750	6,843,013
Fixed-income securities to guarantee CCLV system:		
Santiago Exchange	9,999,800	7,984,723
Shares to guarantee equity lending and short selling:		
Santiago Exchange	2,857,735	382,090
Total	80,768,449	100,512,269

Note 41 – Additional notes (continued)

Note 41.24 - 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 April 2, 2021, that covers employee fidelity, physical losses, falsification or adulteration, and currency fraud with a cover of US$20,000,000.

Performance bond 3610198 for UF 253,800 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 8, 2021.

A cash guarantee was granted for US$ 122,494.32 to cover obligations contracted with Pershing, for operations made through this broker.

c.3) Subsidiary Banchile Corredores de Seguros Ltda

In accordance with Article 58 letter D of D.F.L. 251 as of December 31, 2020 the entity has two insurance policies for the period April 15, 2020 to April 14, 2021 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

Note 41 – Additional notes (continued)

Note 41.24 - Contingencies and commitments (continued)

d) Provisions for contingent credits

Provisions established for credit risks on contingent transactions are detailed as follows.

	2020 ThCh$	2019 ThCh$
Provisions for unrestricted credit lines	40,403,829	31,121,214
Provisions for performance bonds	27,596,207	22,268,474
Provisions for guarantees and surety bonds	7,059,752	3,155,781
Provisions for letters of credit	1,074,078	440,187
Provisions for other credit commitments	56,642	56,545
Total	76,190,508	57,042,201

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.

Note 41 – Additional notes (continued)

Note 41.25 – Interest and indexation income and expense

Interest and indexation income and expenses for the years ended December 31, 2020 and 2019, are detailed as follows.

	2020				2019			
	Interest ThCh$	**Indexation ThCh$**	**Prepaid fees ThCh$**	**Total ThCh$**	**Interest ThCh$**	**Indexation ThCh$**	**Prepaid fees ThCh$**	**Total ThCh$**
Commercial loans	589,909,870	164,271,186	5,929,510	760,110,566	676,599,093	159,143,724	12,412,788	848,155,605
Consumer loans	525,346,630	1,806,196	6,116,220	533,269,046	626,669,963	1,628,299	9,906,313	638,204,575
Residential mortgage loans	272,567,603	243,013,975	4,852,303	520,433,881	296,833,528	229,816,040	6,060,738	532,710,306
Investment instruments	29,740,071	6,570,439	—	36,310,510	37,441,299	7,442,195	—	44,883,494
Repurchase agreements	1,405,724	—	—	1,405,724	2,480,191	—	—	2,480,191
Loans and advances to banks	10,797,099	—	—	10,797,099	27,456,808	—	—	27,456,808
Other interest and indexation income	8,819,087	1,872,602	—	10,691,689	15,378,451	2,376,643	—	17,755,094
Total	1,438,586,084	417,534,398	16,898,033	1,873,018,515	1,682,859,333	400,406,901	28,379,839	2,111,646,073

Interest and indexation income recognized as received on the impaired portfolio during 2020 amounted to ThCh$3,811,150 (ThCh$4,414,976 in 2019).

(b) Suspended interest and indexation income as of December 31, 2020 and 2019, are detailed as follows.

	2020			2019		
	Interest ThCh$	**Indexation ThCh$**	**Total ThCh$**	**Interest ThCh$**	**Indexation ThCh$**	**Total ThCh$**
Commercial loans	12,007,657	1,366,093	13,373,750	8,755,375	1,141,192	9,896,567
Residential mortgage loans	2,001,012	1,501,979	3,502,991	2,172,128	1,494,147	3,666,275
Consumer loans	35,400	—	35,400	36,174	—	36,174
Total	14,044,069	2,868,072	16,912,141	10,963,677	2,635,339	13,599,016

Note 41 – Additional notes (continued)

Note 41.25 – Interest and indexation income and expense (continued)

c) Interest and indexation expense for the years ended December 31, 2020 and 2019, excluding hedge results, is detailed as follows.

	2020			2019		
	Interest ThCh$	Indexation ThCh$	Total ThCh$	Interest ThCh$	Indexation ThCh$	Total ThCh$
Savings accounts and time deposits	82,431,174	28,030,056	110,461,230	241,838,212	44,739,132	286,577,344
Debt instruments issued	214,274,900	189,713,152	403,988,052	212,355,233	173,659,672	386,014,905
Other financial obligations	394,704	17,862	412,566	875,745	41,736	917,481
Repurchase agreements	1,851,522	1,853	1,853,375	7,048,191	33	7,048,224
Obligations with banks	27,830,395	—	27,830,395	43,569,994	—	43,569,994
Demand deposits	374,593	11,184,404	11,558,997	539,001	13,869,096	14,408,097
Lease liabilities	2,531,906	—	2,531,906	2,574,305	—	2,574,305
Other interest or indexation expense	629,426	618,616	1,248,042	40,990	442,238	483,228
Total	330,318,620	229,565,943	559,884,563	508,841,671	232,751,907	741,593,578

(d) As of December 31, 2020 and 2019, 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.

	2020			2019		
	Income ThCh$	Expenses ThCh$	Total ThCh$	Income ThCh$	Expenses ThCh$	Total ThCh$
Accounting hedge fair value gain	2,951,006	—	2,951,006	719,631	—	719,631
Accounting hedge fair value loss	(9,391,503)	—	(9,391,503)	(9,391,208)	—	(9,391,208)
Accounting cash flow hedge gain	55,544,032	96,015,594	151,559,626	385,983,404	433,438,230	819,421,634
Accounting cash flow hedge loss	(109,876,763)	(63,974,739)	(173,851,502)	(440,561,178)	(407,549,544)	(848,110,722)
Result adjustment hedged element	(2,051,390)	—	(2,051,390)	3,375,641	—	3,375,641
Total	(62,824,618)	32,040,855	(30,783,763)	(59,873,710)	25,888,686	(33,985,024)

(e) The summary of interest and indexation for the years ended December 31, 2020 and 2019, is as follows:

	2020 ThCh$	2019 ThCh$
Interest and indexation income	1,873,018,515	2,111,646,073
Interest and indexation expense	(559,884,563)	(741,593,578)
Total net interest and indexation	1,313,133,952	1,370,052,495

Note 41 – Additional notes (continued)

Note 41.26 - Fee income and expense

The fee income and expense shown in the consolidated income statements is as follows.

	2020 ThCh$	2019 ThCh$
Fee income		
Credit and debit card services	156,785,913	185,877,093
Investments in mutual funds or others	92,514,049	101,046,071
Distribution channel and customer access income	75,074,468	65,242,753
Collections and payments	54,731,069	56,388,065
Account administration	50,272,089	47,815,776
Insurance sales commission	33,049,231	37,034,922
Guarantees and letters of credit	27,825,172	26,100,363
Securities trading and brokerage	22,018,126	21,879,046
Brand income	19,835,290	16,494,064
Credit lines and overdrafts	4,567,552	4,716,064
Financial consultancy income	4,487,366	4,392,991
Other fee income	20,987,614	22,184,645
Total fee income	562,147,939	589,171,853
Fee expenses		
Card transactions	(79,893,214)	(97,822,307)
Interbank transactions	(24,843,073)	(20,133,092)
Collections and payments	(4,927,444)	(6,283,551)
Securities transactions	(4,411,841)	(5,943,928)
Sales force	(244,148)	(403,638)
Other fees and commissions	(1,859,257)	(1,284,258)
Total fee expenses	(116,178,977)	(131,870,774)

Note 41 – Additional notes (continued)

Note 41.27 – Net financial operating income

The net gain (loss) on financial transactions is detailed as follows.

	2020 ThCh$	2019 ThCh$
Trading financial instruments	57,930,679	76,401,841
Sale of investments held for sale	27,090,341	4,788,815
Net gain (loss) from other transactions	29,628	(145,036)
Sale of loan portfolio (Note 41.10 (f))	262,825	2,549,463
Trading derivatives	(96,771,885)	32,814,344
Total	(11,458,412)	116,409,427

Note 41.28 – Net exchange gain (loss)

Net exchange gains (losses) are detailed as follows.

	2020 ThCh$	2019 ThCh$
Gains (losses) from hedge accounting	(17,155,505)	113,373,845
Foreign currency indexation	176,469,131	(88,771,698)
Exchange differences, net	(2,650,076)	6,284,483
Total	156,663,550	30,886,630

Note 41 – Additional notes (continued)

Note 41.29 – Provisions for loan losses

Movements during 2020 and 2019 in provisions are detailed as follows.

	Loans and advances to banks		Customer loans and receivables											
			Commercial loans		Residential mortgage loans		Consumer loans		Subtotal		Contingent loans		Total	
	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$
Provisions recognized:														
- Individual provisions	—	—	(91,133,185)	(24,987,484)	—	—	—	—	(91,133,185)	(24,987,484)	(11,705,865)	—	(102,839,050)	(24,987,484)
- Group provisions	—	—	(68,866,111)	(71,074,212)	(14,594,486)	(9,392,194)	(203,789,923)	(288,615,419)	(287,250,520)	(369,081,825)	(7,442,442)	(2,281,461)	(294,692,962)	(371,363,286)
Total	—	—	(159,999,296)	(96,061,696)	(14,594,486)	(9,392,194)	(203,789,923)	(288,615,419)	(378,383,705)	(394,069,309)	(19,148,307)	(2,281,461)	(397,532,012)	(396,350,770)
Provisions released:														
- Individual provisions	93,048	330,503	—	—	—	—	—	—	—	—	—	770,753	93,048	1,101,256
- Group provisions	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	93,048	330,503	—	—	—	—	—	—	—	—	—	770,753	93,048	1,101,256
Net provisions	93,048	330,503	(159,999,296)	(96,061,696)	(14,594,486)	(9,392,194)	(203,789,923)	(288,615,419)	(378,383,705)	(394,069,309)	(19,148,307)	(1,510,708)	(397,438,964)	(395,249,514)
Additional provisions	—	—	(107,000,000)	—	—	—	—	—	(107,000,000)	—	—	—	(107,000,000)	—
Recovery of charged-off assets	—	—	8,598,734	12,253,392	3,376,589	5,113,720	29,783,102	30,607,902	41,758,425	47,975,014	—	—	41,758,425	47,975,014
Net provisions for loan losses	93,048	330,503	(258,400,562)	(83,808,304)	(11,217,897)	(4,278,474)	(174,006,821)	(258,007,517)	(443,625,280)	(346,094,295)	(19,148,307)	(1,510,708)	(462,680,539)	(347,274,500)

During the year ended December 31, 2020, the CMF has issued specific regulations for recognizing provisions. The Bank has made changes to the variables used to calculate group provisions. (See Note 41.2).

In management's opinion, the provisions for loan losses recognized cover all possible losses that might arise from the non-recovery of assets, according to the information examined by the Bank.

Note 41 – Additional notes (continued)

Note 41.30 - Payroll and personnel expenses

Payroll and personnel expenses for the years 2020 and 2019 are detailed as follows.

	2020 ThCh$	2019 ThCh$
Employee remuneration	258,918,485	254,885,946
Bonuses and incentives	61,526,070	71,028,421
Variable remuneration	34,150,642	37,280,882
Legal bonuses	28,167,057	27,888,713
Meals and health benefits	27,387,564	27,617,898
Termination benefits	22,993,989	35,100,301
Training expenses	1,832,490	3,626,427
Other personnel expenses	22,199,439	18,170,749
Total	457,175,736	475,599,337

Note 41.31 - Administrative expenses

Administrative expenses for 2020 and 2019 are detailed as follows.

	2020 ThCh$	2019 ThCh$
General administrative expenses		
Data processing and communications	99,762,997	92,263,505
Maintenance and repair of property, plant and equipment	48,218,104	50,296,876
External professional and consultancy fees	14,650,252	21,097,986
Office supplies	11,093,963	9,366,429
Security and transportation of valuables	10,786,723	11,532,940
Insurance premiums	8,273,425	5,851,472
External financial reporting services	5,911,965	5,460,913
Lighting, heating and other services	5,556,206	5,696,547
Short-term and low-value lease contracts	4,729,383	5,800,331
Postal and courier delivery services	4,218,079	5,130,767
Legal and notary costs	4,181,746	3,995,866
External document custody services	3,359,299	3,314,623
Donations	2,818,339	2,238,271
Personnel travel and entertainment expenses	2,779,943	3,656,802
Other expenses for lease liabilities	2,683,507	2,797,029
Other general administrative expenses	4,494,476	5,228,304
Subtotal	233,518,407	233,728,661
Subcontracted services		
Credit evaluation	12,241,425	19,158,761
External technological development expenses	11,371,393	9,458,747
Data processing	9,332,806	10,129,486
Technology certification and testing	6,062,338	7,460,001
Others	2,434,688	3,470,449
Subtotal	41,442,650	49,677,444
Directors' expenses		
Directors' remuneration	2,795,152	2,508,719
Other board expenses	30,060	194,310
Subtotal	2,825,212	2,703,029
Marketing expenses		
Publicity and advertising	23,561,093	27,808,159
Subtotal	23,561,093	27,808,159
Sundry taxes and property taxes		
Contribution to the Banking Regulator	11,408,303	10,285,048
Property taxes	4,053,517	2,855,508
Municipal taxes	1,283,920	1,208,837
Other taxes	788,548	1,436,663
Subtotal	17,534,288	15,786,056
Total	318,881,650	329,703,349

Note 41 – Additional notes (continued)

Note 41.32 – Depreciation, amortization and impairment

(a) Depreciation and amortization during 2020 and 2019 are detailed as follows.

	2020 ThCh$	2019 ThCh$
Depreciation and amortization		
Depreciation of property, plant and equipment (Note 41.14 (b)	29,845,275	29,193,914
Depreciation of right-of-use leased assets (Note 41.14 (d))	27,647,316	28,472,413
Amortization of intangible assets (Note 41.13 (b))	15,865,254	12,875,068
Total	73,357,845	70,541,395

(b) The charge for impairment for the years ended December 31, 2020 and 2019, is detailed as follows

	2020 ThCh$	2019 ThCh$
Impairment		
Impairment of property, plant and equipment (Note 41.14 (b))	1,030,961	2,018,431
Impairment of intangible assets (Note 41.13 (b))	629,357	349,819
Impairment of right-of-use leased assets (Note 41.14 (d)))	1,349	187,037
Total	1,661,667	2,555,287

Note 41 – Additional notes (continued)

Note 41.33 – Other operating income

Other operating income of the Bank and its subsidiaries during 2020 and 2019 is detailed as follows.

	2020 ThCh$	2019 ThCh$
Income from assets received in lieu of payment		
Gain on sales of assets received in lieu of payment	7,890,936	10,792,963
Other income	86,704	40,061
Subtotal	7,977,640	10,833,024
Release of provisions for contingencies		
Country risk provisions	—	—
Other contingent provisions	—	—
Subtotal	—	—
Other income		
Provisions released and expenses recovered	6,496,094	9,001,151
Rental from investment property	5,747,947	8,386,765
Insurance claims	4,414,334	348,815
Correspondent bank rebates	2,841,085	2,816,461
Income on sale of leased assets	1,955,885	1,165,739
Monthly tax prepayments indexation	1,568,630	1,730,708
Other card income	458,572	4,036,796
Custody and trust services	316,178	267,355
Gain on sale of property, plant and equipment	29,806	90,317
Others	2,752,530	1,871,066
Subtotal	26,581,061	29,715,173
Total	34,558,701	40,548,197

Note 41 – Additional notes (continued)

Note 41.34 – Other operating expenses

Other operating expenses of the Bank and its subsidiaries during 2020 and 2019 are detailed as follows.

	2020 ThCh$	2019 ThCh$
Provisions and expenses for assets received in lieu of payment		
Charge-offs of assets received in lieu of payment	3,984,144	8,778,447
Provisions for assets received in lieu of payment	1,019,582	1,786,257
Maintenance of assets received in lieu of payment	1,021,493	1,224,844
Subtotal	6,025,219	11,789,548
Provisions for contingencies		
Country risk provisions	1,115,536	1,451,087
Other provisions	6,200	33,800
Subtotal	1,121,736	1,484,887
Other expenses		
Charge-offs for operating risks	10,625,172	5,585,479
Operating lease expenses	5,429,968	5,111,559
Card administration	2,598,648	2,490,145
Correspondent bank costs	1,804,262	1,568,966
Charge-offs of recovered leased assets	597,129	1,071,618
Mortgage-protection insurance	586,494	282,146
Contributions to other entities	330,757	252,673
Civil lawsuits	195,451	119,811
Others	1,940,439	2,848,252
Subtotal	24,108,320	19,330,649
Total	31,255,275	32,605,084

Note 41 – Additional notes (continued)

Note 41.35 - 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.

	Productive and service companies (*)		Investment and trading companies (**)		Individuals (***)		Total	
	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$
Loans and receivables								
Commercial loans	122,716,391	174,370,358	164,212,710	130,237,431	12,444,972	13,563,210	299,374,073	318,170,999
Residential mortgage loans	—	—	—	—	61,130,853	58,476,914	61,130,853	58,476,914
Consumer loans	—	—	—	—	8,742,666	9,862,192	8,742,666	9,862,192
Gross loans	122,716,391	174,370,358	164,212,710	130,237,431	82,318,491	81,902,316	369,247,592	386,510,105
Provisions for loan losses	(1,264,268)	(781,992)	(801,974)	(243,117)	(389,667)	(888,682)	(2,455,909)	(1,913,791)
Net loans	121,452,123	173,588,366	163,410,736	129,994,314	81,928,824	81,013,634	366,791,683	384,596,314
Contingent loans								
Guarantees and surety bonds	7,276,586	5,530,829	9,468,606	9,470,451	—	—	16,745,192	15,001,280
Letters of credit	2,884,747	2,365,445	—	327,803	—	—	2,884,747	2,693,248
Performance bonds	25,129,000	32,649,600	35,733,134	43,477,562	—	56,620	60,862,134	76,183,782
Committed lines of credit	46,887,342	52,916,349	14,308,395	14,364,444	20,305,813	21,519,396	81,501,550	88,800,189
Other contingent loans	—	—	—	—	—	—	—	—
Gross contingent loans	82,177,675	93,462,223	59,510,135	67,640,260	20,305,813	21,576,016	161,993,623	182,678,499
Provisions for contingent loans	(217,687)	(214,420)	(54,762)	(52,467)	(50,534)	(36,514)	(322,983)	(303,401)
Net contingent loans	81,959,988	93,247,803	59,455,373	67,587,793	20,255,279	21,539,502	161,670,640	182,375,098
Amounts covered by collateral								
Mortgages	15,575,348	30,806,542	54,891,022	57,455,649	82,776,579	69,164,791	153,242,949	157,426,982
Warrants	—	—	—	—	—	—	—	—
Pledges	—	—	—	—	—	—	—	—
Others (****)	33,473,929	37,793,817	12,117,258	12,921,458	6,581,819	5,250,226	52,173,006	55,965,501
Total collateral	49,049,277	68,600,359	67,008,280	70,377,107	89,358,398	74,415,017	205,415,955	213,392,483

(*) 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 shares and other financial guarantees.

Note 41 – Additional notes (continued)

Note 41.35 – Related party transactions (continued)

(b) Other assets and liabilities with related parties

	2020 ThCh$	2019 ThCh$
Assets		
Cash and bank deposits	261,385,886	99,801,773
Transactions pending settlement	35,832,818	63,968,961
Trading instruments	96,302	879,574
Financial derivative contracts	252,748,272	495,378,350
Investment instruments	31,548,036	12,141,496
Other assets	96,362,236	76,548,466
Total	677,973,550	748,718,620
Liabilities		
Demand deposits	239,138,898	227,377,179
Transactions pending settlement	37,798,573	16,201,591
Repurchase agreements	24,500,082	54,029,660
Time deposits and other borrowings	338,732,003	396,028,432
Financial derivative contracts	355,099,448	432,668,546
Obligations with banks	114,757,259	292,172,467
Lease liabilities	10,354,130	11,888,450
Other liabilities	14,698,661	151,335,140
Total	1,135,079,054	1,581,701,465

(c) Income and expenses from related party transactions (*)

	2020		2019	
	Income ThCh$	**Expenses ThCh$**	**Income ThCh$**	**Expenses ThCh$**
Description				
Interest and indexation income and expense	15,789,778	257,835	19,039,000	2,619,453
Fees and services income and expense	41,165,559	39,987,929	72,930,521	65,383,069
Net financial operating income				
Derivative contracts (**)	12,218,587	46,593,181	124,967,138	73,251,872
Other financial transactions	39,793	329	86,938	118,691
Release or new credit-risk provisions	—	1,225,579	—	106,026
Operational support costs	—	119,258,534	—	120,559,035
Other income and expenses	468,591	3,512	541,710	25,629

(*) 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$4,996,925 as of December 31, 2020 (net loss of ThCh$123,460,784 as of December 31, 2019)

Note 41 – Additional notes (continued)

Note 41.35 – Related party transactions (continued)

(d) Contracts with related parties

During the year ended December 31, 2020, 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
Sistemas Oracle de Chile S.A.	Licensing services, support renewal, and hardware and software implementation
Canal 13 S.A.	Advertising services
Nexus S.A.	Credit card processing services
Artikos S.A.	Electronic billing development services
Libertad y Desarrollo Foundation	Economic reports
Servipag Ltda.	Collection services
Universidad del Desarrollo	Research projects
Ionix SpA	Technical and platform support services
Santiago Exchange:	Information services for trustees.
Servicios de Infraestructura de Mercado OTC S.A.	Platform services for electronic signature of financial derivative contracts
Redbanc S.A.	Electronic transfer services (TEF)
DCV Registros S.A.	Shareholder registry management.
Mall Plaza Oeste	Storage Services
Mall Plaza Antofagasta	Storage Services

(e) Payments to directors and senior management

	2020 ThCh$	2019 ThCh$
Employee remuneration	3,918,381	4,147,591
Short-term benefits	3,641,504	3,255,051
Termination costs	1,549,715	1,263,978
Board remuneration and fees (*)	2,795,122	2,508,719
Total	11,904,722	11,175,339

(*) Includes fees paid to the members of the Advisory Committee of Banchile Corredores de Seguros Ltda. totaling ThCh$13,809 (ThCh$13,419 in 2019).

Note 41 – Additional notes (continued)

Note 41.35 – Related party transactions (continued)

(e) Payments to directors and senior management (continued)

Fees paid to Board Advisors were ThCh$90,217 in 2019. There were no such expenses in 2020. Travel and other expenses were ThCh$30,060 in 2020 (ThCh$104,093 in 2019).

Senior executives

	No. of executives	
	2020	**2019**
Position		
Bank Chief Executive Officer	1	1
Subsidiary Chief Executive Officers	6	6
Bank Division Managers	14	13
Bank and subsidiary Directors	19	19
Total	40	39

Note 41.36 - 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 and Treasury 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 41 – Additional notes (continued)

Note 41.36 – 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.

In order to ensure that the market parameters Banco de Chile uses in the valuation of financial instruments represent the present state of the market and the best estimate of fair value, a valuation of independent prices and rates is carried out daily. The purpose is to control that the market parameters foreseen by the respective business area before being entered into the official valuation system, are within acceptable ranges of differences when 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.

Note 41 – Additional notes (continued)

Note 41.36 – 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 permit 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 the Santiago Exchange and is the standard methodology used in the market.

Note 41 – Additional notes (continued)

Note 41.36 – 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 different from the quoted prices observable 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.

Note 41 – Additional notes (continued)

Note 41.36 – 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. The model is based on a base curve (central bank bonds) and an issuer spread. 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. 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. 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. The model is based on a base curve (central bank bonds) and an issuer spread. 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. 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. Offshore rates and spreads are obtained from external suppliers of prices normally used in the Chilean market. 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.

Note 41 – Additional notes (continued)

Note 41.36 – 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) are 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) are provided daily by external price suppliers that are widely used in the Chilean market.

Note 41 – Additional notes (continued)

Note 41.36 – 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 is as follows.

	Level 1		Level 2		Level 3		Total	
	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$
Financial Assets								
Trading instruments								
State and Chilean Central Bank	75,700,964	93,031,013	4,083,590,962	1,030,657,404	—	—	4,159,291,926	1,123,688,417
Other instruments issued in Chile	1,003,236	3,273,499	99,301,716	316,971,212	5,494,439	55,094,206	105,799,391	375,338,917
Instruments issued abroad	163,604	—	—	—	—	—	163,604	—
Investments in mutual funds	400,902,691	373,328,854	—	—	—	—	400,902,691	373,328,854
Subtotal	477,770,495	469,633,366	4,182,892,678	1,347,628,616	5,494,439	55,094,206	4,666,157,612	1,872,356,188
Trading derivative contracts								
Forwards	—	—	551,963,414	956,632,466	—	—	551,963,414	956,632,466
Swaps	—	—	2,013,246,775	1,761,952,193	—	—	2,013,246,775	1,761,952,193
Call options	—	—	268,861	4,960,906	—	—	268,861	4,960,906
Put options	—	—	1,462,230	1,076,446	—	—	1,462,230	1,076,446
Futures	—	—	—	—	—	—	—	—
Subtotal	—	—	2,566,941,280	2,724,622,011	—	—	2,566,941,280	2,724,622,011
Hedge accounting derivative contracts								
Fair value hedge (swap)	—	—	—	32,091	—	—	—	32,091
Cash flow hedge (swap)	—	—	51,062,136	61,562,213	—	—	51,062,136	61,562,213
Subtotal	—	—	51,062,136	61,594,304	—	—	51,062,136	61,594,304
Investment instruments held for sale (1)								
State and Chilean Central Bank	—	66,953,849	163,599,611	42,108,788	—	—	163,599,611	109,062,637
Other instruments issued in Chile	—	—	860,327,639	1,221,861,104	36,596,210	7,069,414	896,923,849	1,228,930,518
Instruments issued abroad	—	—	—	19,853,123	—	—	—	19,853,123
Subtotal	—	66,953,849	1,023,927,250	1,283,823,015	36,596,210	7,069,414	1,060,523,460	1,357,846,278
Total	477,770,495	536,587,215	7,824,823,344	5,417,667,946	42,090,649	62,163,620	8,344,684,488	6,016,418,781
Financial Liabilities								
Trading derivative contracts								
Forwards	—	—	637,185,817	673,630,061	—	—	637,185,817	673,630,061
Swaps	—	—	2,130,474,236	2,097,024,111	—	—	2,130,474,236	2,097,024,111
Call options	—	—	305,638	1,529,202	—	—	305,638	1,529,202
Put options	—	—	2,099,474	2,209,366	—	—	2,099,474	2,209,366
Futures	—	—	—	—	—	—	—	—
Subtotal	—	—	2,770,065,165	2,774,392,740	—	—	2,770,065,165	2,774,392,740
Hedge accounting derivative contracts								
Fair value hedge (swap)	—	—	6,518,716	9,285,388	—	—	6,518,716	9,285,388
Cash flow hedge (swap)	—	—	65,171,586	34,443,166	—	—	65,171,586	34,443,166
Subtotal	—	—	71,690,302	43,728,554	—	—	71,690,302	43,728,554
Total	—	—	2,841,755,467	2,818,121,294	—	—	2,841,755,467	2,818,121,294

As of December 31, 2020, 100% of the instruments grouped in Level 3 are investment grade. Also, all these financial instruments are from local issuers.

Note 41 – Additional notes (continued)

Note 41.36 – 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 financial statements.

	2020							
	Balance as of Jan-01-20 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-31-20 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

	2019							
	Balance as of Jan-01-19 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-31-19 ThCh$
Financial Assets								
Trading instruments								
Other instruments issued in Chile	20,865,907	(37,927)	—	48,017,204	(26,504,003)	13,368,183	(615,158)	55,094,206
Subtotal	20,865,907	(37,927)	—	48,017,204	(26,504,003)	13,368,183	(615,158)	55,094,206
Investment instruments held for sale:								
Other instruments issued in Chile	23,021,463	968,549	(516,974)	—	(18,177,176)	1,773,552	—	7,069,414
Subtotal	23,021,463	968,549	(516,974)	—	(18,177,176)	1,773,552	—	7,069,414
Total	43,887,370	930,622	(516,974)	48,017,204	(44,681,179)	15,141,735	(615,158)	62,163,620

(1) Recorded in the income statement under "Net gain (loss) from financial operations".
(2) Recorded in equity under "Revaluation accounts".

Note 41 – Additional notes (continued)

Note 41.36 – 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.

	2020		2019	
Financial Assets	**Level 3 ThCh$**	**Sensitivity to changes in key model assumptions ThCh$**	**Level 3 ThCh$**	**Sensitivity to changes in key model assumptions ThCh$**
Trading instruments				
Other instruments issued in Chile	5,494,439	(7,919)	55,094,206	(466,009)
Subtotal	5,494,439	(7,919)	55,094,206	(466,009)
Investment instruments held for sale				
Other instruments issued in Chile	36,596,210	(524,788)	7,069,414	(85,990)
Subtotal	36,596,210	(524,788)	7,069,414	(85,990)
Total	42,090,649	(532,707)	62,163,620	(551,999)

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. In the case of financial assets presented in the above table, which correspond to bank and corporate bonds, considering that these instruments do not have current observable prices, the prices based on broker quotes or runs were used as inputs prices. Prices are generally calculated as a base rate plus a spread. For domestic bonds, this was determined by applying a 10% impact on the price, while for offshore bonds this was 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 41 – Additional notes (continued)

Note 41.36 – 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	
	2020 ThCh$	**2019 ThCh$**	**2020 ThCh$**	**2019 ThCh$**
Assets				
Cash and bank deposits	2,134,786,920	2,392,165,380	2,134,786,920	2,392,165,380
Transactions pending settlement	490,165,443	584,671,840	490,165,443	584,671,840
Resale agreements and securities borrowing	57,572,257	142,329,024	57,572,257	142,329,024
Subtotal	2,682,524,620	3,119,166,244	2,682,524,620	3,119,166,244
Loans and advances to banks				
Banks in Chile	—	149,953,289	—	149,953,289
Chilean Central Bank	2,150,000,000	630,052,500	2,150,000,000	630,052,500
Banks abroad	260,952,942	359,426,116	259,243,749	358,541,990
Subtotal	2,410,952,942	1,139,431,905	2,409,243,749	1,138,547,779
Customer loans and receivables				
Commercial loans	17,712,565,209	15,956,332,716	17,491,414,330	15,988,329,626
Residential mortgage loans	9,187,861,727	9,175,012,918	9,920,759,717	9,888,505,613
Consumer loans	3,641,660,515	4,202,702,371	3,705,591,279	4,215,509,236
Subtotal	30,542,087,451	29,334,048,005	31,117,765,326	30,092,344,475
Total	35,635,565,013	33,592,646,154	36,209,533,695	34,350,058,498
Liabilities				
Demand deposits and other obligations	15,076,459,627	11,256,216,519	15,076,459,627	11,256,216,519
Transactions pending settlement	1,301,999,579	352,120,994	1,301,999,579	352,120,994
Repurchase agreements and securities lending	288,916,522	308,733,408	288,916,522	308,733,408
Savings accounts and other time deposits	8,899,541,333	10,856,068,479	8,885,015,284	10,794,574,524
Obligations with banks	3,669,754,175	1,563,276,760	3,415,959,408	1,555,129,385
Other financial obligations	191,713,727	156,230,211	217,311,070	160,361,043
Subtotal	29,428,384,963	24,492,646,371	29,185,661,490	24,427,135,873
Debt instruments issued				
Mortgage bonds for residential purposes	6,532,487	10,229,401	7,201,194	11,081,237
Mortgage bonds for general purposes	253,899	669,049	279,890	724,738
Senior bonds	7,700,402,227	7,912,621,100	8,390,594,292	8,340,272,225
Subordinated bonds	886,406,724	889,894,650	1,004,195,974	1,004,621,224
Subtotal	8,593,595,337	8,813,414,200	9,402,271,350	9,356,699,424
Total	38,021,980,300	33,306,060,571	38,587,932,840	33,783,835,297

Note 41 – Additional notes (continued)

Note 41.36 – 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, 2020 and 2019.

	Level 1 Estimated fair value		Level 2 Estimated fair value		Level 3 Estimated fair value		Total Estimated fair value	
	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$
Assets								
Cash and bank deposits	2,560,215,717	2,392,165,380	—	—	—	—	2,560,215,717	2,392,165,380
Transactions pending settlement	582,308,294	584,671,840	—	—	—	—	582,308,294	584,671,840
Resale agreements and securities borrowing	76,407,027	142,329,024	—	—	—	—	76,407,027	142,329,024
Subtotal	3,218,931,038	3,119,166,244	—	—	—	—	3,218,931,038	3,119,166,244
Loans and advances to banks								
Banks in Chile	259,862,066	149,953,289	—	—	—	—	259,862,066	149,953,289
Chilean Central Bank	2,380,033,056	630,052,500	—	—	—	—	2,380,033,056	630,052,500
Banks abroad	—	—	—	—	297,777,794	358,541,990	297,777,794	358,541,990
Subtotal	2,639,895,122	780,005,789	—	—	297,777,794	358,541,990	2,937,672,916	1,138,547,779
Customer loans and receivables								
Commercial loans	—	—	—	—	16,968,142,923	15,988,329,626	16,968,142,923	15,988,329,626
Residential mortgage loans	—	—	—	—	10,075,011,361	9,888,505,613	10,075,011,361	9,888,505,613
Consumer loans	—	—	—	—	3,711,582,138	4,215,509,236	3,711,582,138	4,215,509,236
Subtotal	—	—	—	—	30,754,736,422	30,092,344,475	30,754,736,422	30,092,344,475
Total	5,858,826,160	3,899,172,033	—	—	31,052,514,216	30,450,886,465	36,911,340,376	34,350,058,498
Liabilities								
Demand deposits and other obligations	15,076,459,627	11,256,216,519	—	—	—	—	15,076,459,627	11,256,216,519
Transactions pending settlement	1,301,999,579	352,120,994	—	—	—	—	1,301,999,579	352,120,994
Repurchase agreements and securities lending	288,916,522	308,733,408	—	—	—	—	288,916,522	308,733,408
Savings accounts and other time deposits	—	—	—	—	8,885,015,284	10,794,574,524	8,885,015,284	10,794,574,524
Obligations with banks	—	—	—	—	3,415,959,408	1,555,129,385	3,415,959,408	1,555,129,385
Other financial obligations	—	—	—	—	217,311,070	160,361,043	217,311,070	160,361,043
Subtotal	16,667,375,728	11,917,070,921	—	—	12,518,285,762	12,510,064,952	29,185,661,490	24,427,135,873
Debt instruments issued								
Mortgage bonds for residential purposes	—	—	7,201,194	11,081,237	—	—	7,201,194	11,081,237
Mortgage bonds for general purposes	—	—	279,890	724,738	—	—	279,890	724,738
Senior bonds	—	—	8,390,594,292	8,340,272,225	—	—	8,390,594,292	8,340,272,225
Subordinated bonds	—	—	—	—	1,004,195,974	1,004,621,224	1,004,195,974	1,004,621,224
Subtotal	—	—	8,398,075,376	8,352,078,200	1,004,195,974	1,004,621,224	9,402,271,350	9,356,699,424
Total	16,667,375,728	11,917,070,921	8,398,075,376	8,352,078,200	13,522,481,736	13,514,686,176	38,587,932,840	33,783,835,297

Note 41 – Additional notes (continued)

Note 41.36 – 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.	

- Customer loans and receivables 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.

- 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.

Note 41 – Additional notes (continued)

Note 41.36 – 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	
	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$	2020 ThCh$	2019 ThCh$
Financial derivative contract assets	2,618,003,416	2,786,216,315	(653,144,857)	(952,762,037)	(1,605,408,539)	(1,161,207,988)	(85,613,543)	(43,337,247)	273,836,477	628,909,043
Financial derivative contract liabilities	2,841,755,467	2,818,121,294	(653,144,857)	(952,762,037)	(1,605,408,539)	(1,161,207,988)	(218,329,366)	(418,987,629)	364,872,705	285,163,640

Note 41 – Additional notes (continued)

Note 41.37 - Asset and liability maturities

The principal financial assets and liabilities grouped according to their remaining term, including accrued interest as of December 31, 2020 and 2019, are as follows. Instruments for trading or held for sale are included at their fair value.

	2020									
Assets	**Demand ThCh$**	**Up to 1 month ThCh$**	**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 deposits	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
Customer loans and receivables (*)	—	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

	2019									
Assets	**Demand ThCh$**	**Up to 1 month ThCh$**	**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 deposits	2,392,165,380	—	—	—	2,392,165,380	—	—	—	—	2,392,165,380
Transactions pending settlement	—	584,671,840	—	—	584,671,840	—	—	—	—	584,671,840
Trading instruments	—	1,872,356,188	—	—	1,872,356,188	—	—	—	—	1,872,356,188
Resale agreements and securities borrowing	—	102,056,831	29,392,923	10,879,270	142,329,024	—	—	—	—	142,329,024
Financial derivative contracts	—	158,874,402	314,445,654	621,036,237	1,094,356,293	543,468,701	411,469,941	736,921,380	1,691,860,022	2,786,216,315
Loans and advances to banks (*)	—	876,117,904	97,584,877	166,487,330	1,140,190,111	—	—	—	—	1,140,190,111
Customer loans and receivables (*)	—	4,161,258,855	2,340,319,865	5,685,646,075	12,187,224,795	5,624,030,679	3,198,638,806	9,009,571,741	17,832,241,226	30,019,466,021
Investment instruments held for sale	—	23,785,540	225,771,910	779,872,277	1,029,429,727	106,930,360	30,080,146	191,406,045	328,416,551	1,357,846,278
Investment instruments held to maturity	—	—	—	—	—	—	—	—	—	—
Total financial assets	2,392,165,380	7,779,121,560	3,007,515,229	7,263,921,189	20,442,723,358	6,274,429,740	3,640,188,893	9,937,899,166	19,852,517,799	40,295,241,157

(*) These balances are shown without deducting the respective provisions which amount to ThCh$746,910,664 in 2020 (ThCh$685,418,016 in 2019) for customer loans and receivables, and ThCh$665,158 in 2020 (ThCh$758,206 in 2019) for loans and advances to banks.

Note 41 – Additional notes (continued)

Note 41.37 – Asset and liability maturities (continued)

	2020									
Liabilities	**Demand ThCh$**	**Up to 1 month ThCh$**	**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
Senior 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

	2019									
Liabilities	**Demand ThCh$**	**Up to 1 month ThCh$**	**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	11,256,216,519	—	—	—	11,256,216,519	—	—	—	—	11,256,216,519
Transactions pending settlement	—	352,120,994	—	—	352,120,994	—	—	—	—	352,120,994
Repurchase agreements and securities lending	—	298,710,033	8,583,315	1,440,060	308,733,408	—	—	—	—	308,733,408
Savings accounts and time deposits (**)	—	6,130,583,008	1,979,110,233	2,224,778,264	10,334,471,505	281,383,542	492,205	421,488	282,297,235	10,616,768,740
Financial derivative contracts	—	155,990,303	237,743,299	616,472,371	1,010,205,973	608,516,323	469,860,839	729,538,159	1,807,915,321	2,818,121,294
Obligations with banks	—	69,710,142	349,478,164	1,049,780,983	1,468,969,289	94,307,471	—	—	94,307,471	1,563,276,760
Debt instruments issued										
Mortgage bonds	—	1,101,728	1,211,929	2,622,490	4,936,147	3,867,548	1,579,494	515,261	5,962,303	10,898,450
Senior bonds	—	423,966,604	211,647,765	413,484,510	1,049,098,879	1,460,317,786	1,746,744,953	3,656,459,482	6,863,522,221	7,912,621,100
Subordinated bonds	—	3,040,411	2,460,277	115,932,901	121,433,589	38,525,136	18,250,830	711,685,095	768,461,061	889,894,650
Other financial obligations	—	140,449,869	1,436,496	6,490,082	148,376,447	6,382,790	1,470,974	—	7,853,764	156,230,211
Lease liabilities	—	2,353,301	4,775,534	20,840,933	27,969,768	51,571,267	28,462,689	38,008,961	118,042,917	146,012,685
Total financial liabilities	11,256,216,519	7,578,026,393	2,796,447,012	4,451,842,594	26,082,532,518	2,544,871,863	2,266,861,984	5,136,628,446	9,948,362,293	36,030,894,811

(**) Excludes term saving accounts, which amount to ThCh$342,550,091 as of December 31, 2020 (ThCh$239,850,581 as of December 31, 2019).

Note 41 – Additional notes (continued)

Note 41.38 – 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 the importance and multiple types of risk.

The Board of Directors of Banco de Chile is responsible for establishing the policies, the risk appetite framework and the model development and validation guidelines. It approves provisioning models, ensures that provisions are sufficient, and establishes the appropriate structure to manage the organization's risks.

Management is responsible for controlling and complying with the board's mandates, along with establishing related rules and procedures.

The Bank's corporate governance is based on active participation by the Board of Directors, which 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 risk. These committees are described in the following paragraphs and are comprised of Directors and senior executives.

On a management level, the Retail Credit Risk and Global Risk Control, Wholesale Credit Risk and Cybersecurity divisions make up the corporate governance structure for risk. These divisions rely on specialized teams and a robust regulatory framework of processes and procedures to optimally and effectively manage the matters under their care.

The first two divisions are responsible for credit risk during the loan origination, monitoring and recovery stages for the retail and wholesale segments, respectively. The Retail Credit Risk and Global Credit Risk Division develops the different methodologies for regulatory and risk management aspects, while also monitoring and validating risk models and the regulatory framework. This division is also subdivided into the Operational Risk Area and the Business Continuity Area, which are responsible for supervising application of policies, rules and procedures in their respective areas, as well as supervising operational and business continuity risk management at subsidiaries, guaranteeing alignment with the bank's operational risk management model.

Note 41 – Additional notes (continued)

Note 41.38 – Risk management (continued)

(1) Introduction (continued)

(a) Risk management structure (continued)

The Wholesale Credit Risk Division has a Market Risk Area that is charged with measuring, limiting, controlling and reporting on market risk, as well as defining valuation and asset management standards.

Meanwhile, the Cybersecurity Division works to protect the organization's most sensitive assets and provide customers and employees with a sense of security and confidence. It is comprised of the Cyberdefense, Cybersecurity Assurance, Cybersecurity Engineering and Technological Risk Departments.

(ii) 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, and ensure that they 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; 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, three 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 Department. The committee may also invite certain people to take part in one or more meetings on a continual or occasional basis.

(iii) 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 Wholsale Credit Risk Division and the Retail Credit Risk and Global Credit Risk Division participate independently of the commercial departments. 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.

Note 41 – Additional notes (continued)

Note 41.38 – Risk management (continued)

(1) Introduction (continued)

(a) Risk management structure (continued)

(iv) 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 and reviewing 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. In general, any matter involving credit risk submitted to senior management.

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) Superior 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 departments can appropriately manage and control these risks.

The Superior Operational Risk Committee is comprised of the Chairman of the Board, the Vice Chairman of the Board and two 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.

(v) 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 departments 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 Department Manager, the Technology and Infrastructure Manager, the Customer Department, 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.

Note 41 – Additional notes (continued)

Note 41.38 – Risk management (continued)

(1) Introduction (continued)

(a) Risk management structure (continued)

(vi) Internal Modeling Technical Supervision Committee

This committee is responsible for providing methodological guidelines for developing, monitoring and documenting the diverse statistical models used by the Bank to manage credit risk in large-scale segments, and for ensuring consistency between the models. It is responsible for reviewing the development of these models, verifying compliance with the guidelines, reviewing model quality monitoring and raising alerts when necessary. All models that need to be approved by the Portfolio Risk Committee or the board of directors must have prior endorsement from this committee.

It is composed of the managers of the Retail Credit Risk and Global Risk Control Division, the Risk Monitoring, the Research and Planning, the Retail Business Development and the Risk Models departments, the deputy managers of the Retail Monitoring and Models, the Big Data and Regulatory Systems, the Risk Models Validation, the Pre-approved Admission and the Regulatory Models departments and the Provisioning Models Department Manager. This committee meets monthly.

(b) Internal Audit

Risk management processes throughout the Bank are continually audited by the Internal Audit Department, 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. This evaluation relies on policies, standards, procedures and models prepared for this purpose based on Financial Market Commission (CMF) instructions and approved by the Board.

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.

Note 41 – Additional notes (continued)

Note 41.38 – Risk management (continued)

(1) Introduction (continued)

(c) Measurement Methodology (continued)

The group evaluation criteria are mainly applied to individuals and smaller companies. These evaluations are carried out each month using statistical models that enable the Bank to estimate the provisions needed to cover portfolio risk. The consistency of these models is analyzed by independently validating the unit that develops the models and, subsequently, performing backtesting to contrast real losses with model-estimated losses.

During the COVID-19 pandemic, the CMF implemented various transitory measures such as rescheduling or deferrals, the COVID-19 Fogape line and provision treatments, which the Bank promptly applied throughout the year.

The Bank made a number of adjustments to its provisioning models during the year, in particular to its PD and LGD parameters, in order to adopt a conservative and forward-looking approach. It calibrated its Probability of Default models by segment and by product based on historical stress scenarios, which was implemented in September 2020.

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.

During the year, additional provisions were recognized that were consistent with the framework of the Bank's Additional Provisions Policy, based on a domestic and worldwide analysis of the effects of the COVID-19 pandemic, an analysis of the mitigation measures introduced by the health authorities analyzed prospectively, expectations of greater deterioration in the economic cycle in the future due to the pandemic, and outlooks for macroeconomic variables such as unemployment and growth, among others.

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.

Note 41 – Additional notes (continued)

Note 41.38 – Risk management (continued)

(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.

Credit risk management continually focuses on an adequate risk/return ratio and considers the loan approval, monitoring and recovery processes. The process aims to maintain a suitable risk balance in order to ensure the Bank's solvency over time.

Accordingly, credit risk management is continually challenged to respond to commercial dynamism, regulatory requirements, adopt digital transformation and contribute to the businesses served by the Bank from a risk perspective.

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, 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 mission of the credit risk divisions is to establish the credit risk management framework for the Bank's segments, within the regulatory scope and the Bank's risk appetite, by managing, resolving and controlling the business approval process in an efficient and proactive manner.

Note 41 – Additional notes (continued)

Note 41.38 – Risk management (continued)

(2) Credit risk (continued)

Based on the management principles mentioned above, the credit risk divisions contribute to the business and anticipate threats that may affect solvency and portfolio quality. In particular, during the year 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.

During 2020, as a result of the COVID pandemic, diverse customer support measures were implemented, such as loan rescheduling (mortgage, commercial & consumer), active participation in the state-backed loan Fogape COVID-19 loan program and related deferrals and more flexible collections measures, among others, in order to temporarily adapt payment conditions.

Within the risk management framework, the bank has been continuously monitoring potentially impacted portfolios, emphasizing harder-hit economic sectors and results of the temporary measures implemented.

(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 has segregated duties in these segments among the following areas:

- **Modeling Area:** responsible for building statistical models, defining variables and their respective weights. These models are validated by the Model Validation Area and then presented to the Internal Model Technical Development and Supervision Committee before being approved by the Portfolio Risk Committee or the Board of Directors, as appropriate.

- **Retail Origination and Regulatory Area:** specialized by region and segment, and evaluates transactions and customers to expand its knowledge of the customer. Furthermore, it has a framework of policies and standards that allow it to ensure portfolio quality in line with desired risk, defining guidelines for customer approval that are distributed to commercial and risk areas through programs and ongoing education. It is also charged with integrating management, incorporating statistical models into credit evaluation processes and ensuring proper linkage to credit decisions.

- **Models and Retail Monitoring Area:** responsible for measuring 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. Likewise, this area works to ensure that the Bank's risk strategy is properly executed by meeting risk quality objectives. Furthermore, through its model monitoring function, it monitors risk models to ensure they meet standards defined to assure that they maintain their predictive and discriminant capacity, identifying possible related risks.

Note 41 – Additional notes (continued)

Note 41.38 – Risk management (continued)

(2) Credit risk (continued)

(a) Retail segments (continued)

- **Model Validation Area:** performs an independent review of models during the construction and implementation stages, provides management with assurance, and is essential for promptly detecting any potential adverse effects on the Bank caused by these models. It validates compliance with board-approved guidelines, addressing aspects such as governance, data quality, modeling techniques, implementation and documentation.

- **Collections area:** this unit 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 policies defined by the Bank.

(b) Wholesale segments

Origination management in these segments is based on an individual evaluation of the customer and, if the customer is part of a group of companies, also considers the rest of the group's relationship with the Bank. This individual or group evaluation considers generation capacity, exposure levels, financial capacity with emphasis on capital solvency, industry variables, assessment of partners and management, and business aspects such as financing structure, term, products and any guarantees.

This process is backed by a rating model that makes for a more homogeneous evaluation of the customer and its group. The Bank has specialized areas in some segments that require more expert knowledge such as real estate, construction, agriculture, financial and international.

It performs centralized, ongoing portfolio monitoring, at an individual level as well as by business segment and economic sector, based on regularly updated information on customers and their industries. This process generates alerts that ensure correct, timely recognition of risk in the individual portfolio. In addition, it monitors compliance with special conditions established during origination, such as financial covenants, guarantee coverage and conditions for loan approval.

Additionally, loan origination areas 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 normalize the situation. When recovery problems arise on loans or where the nature of the problem requires specialized collection management, the Special Assets Management Area belonging to the Wholesale Credit Risk Division, is directly responsible for collection management, establishing action plans and negotiations based on each customer's particular circumstances.

Note 41 – Additional notes (continued)

Note 41.38 – Risk management (continued)

(2) Credit risk (continued)

(c) Portfolio concentration

The maximum exposure to credit risk by customer or counterparty, without considering collateral and other credit improvements, as of December 31, 2020 and 2019, does not exceed 10% of the Bank's regulatory capital.

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$	Others 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
Resale 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
Customer loans and receivables					
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	—	—	—	—	—

Note 41 – Additional notes (continued)

Note 41.38 – Risk management (continued)

(2) Credit risk (continued)

	Chilean Central Bank MCh$	Government MCh$	Individuals MCh$	Financial services MCh$	Commerce 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$	Others 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
Customer loans and receivables															
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 41 – Additional notes (continued)

Note 41.38 – Risk management (continued)

(2) Credit risk (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, 2019:

	Chile MCh$	USA MCh$	Brazil MCh$	Others MCh$	Total MCh$
Financial Assets					
Cash and bank deposits	1,144,109	1,145,703	—	102,354	2,392,166
Trading instruments					
State and Chilean Central Bank	1,123,689	—	—	—	1,123,689
Other instruments issued in Chile	375,337	—	—	—	375,337
Instruments issued abroad	—	—	—	—	—
Investments in mutual funds	373,329	—	—	—	373,329
Subtotal	1,872,355	—	—	—	1,872,355
Resale agreements and securities borrowing	142,329	—	—	—	142,329
Trading derivative contracts					
Forwards	872,481	53,923	—	30,228	956,632
Swaps	1,142,174	167,818	—	451,960	1,761,952
Call options	4,961	—	—	—	4,961
Put options	807	11	—	258	1,076
Futures	—	—	—	—	—
Subtotal	2,020,423	221,752	—	482,446	2,724,621
Hedge accounting derivative contracts					
Forwards	—	—	—	—	—
Swaps	5,864	25,780	—	29,950	61,594
Call options	—	—	—	—	—
Put options	—	—	—	—	—
Futures	—	—	—	—	—
Subtotal	5,864	25,780	—	29,950	61,594
Loans and advances to banks					
Chilean Central Bank	630,053	—	—	—	630,053
Banks in Chile	150,007	—	—	—	150,007
Banks abroad	—	—	244,969	115,162	360,131
Subtotal	780,060	—	244,969	115,162	1,140,191
Customer loans and receivables					
Commercial loans	16,269,424	—	—	14,685	16,284,109
Residential mortgage loans	9,203,061	—	—	—	9,203,061
Consumer loans	4,532,300	—	—	—	4,532,300
Subtotal	30,004,785	—	—	14,685	30,019,470
Investment instruments held for sale					
State and Chilean Central Bank	109,062	—	—	—	109,062
Other instruments issued in Chile	1,228,931	—	—	—	1,228,931
Instruments issued abroad	—	—	—	19,853	19,853
Subtotal	1,337,993	—	—	19,853	1,357,846
Investment instruments held to maturity	—	—	—	—	—

Note 41 – Additional notes (continued)

Note 41.38 – Risk management (continued)

(2) Credit risk (continued)

	Chilean Central Bank MCh$	Government MCh$	Individuals MCh$	Financial services MCh$	Commerce 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$	Others MCh$	Total MCh$
Financial Assets															
Cash and bank deposits	178,429	—	—	2,213,737	—	—	—	—	—	—	—	—	—	—	2,392,166
Trading instruments															
State and Chilean Central Bank	1,024,525	99,164	—	—	—	—	—	—	—	—	—	—	—	—	1,123,689
Other instruments issued in Chile	—	—	—	375,337	—	—	—	—	—	—	—	—	—	—	375,337
Instruments issued abroad	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Investments in mutual funds	—	—	—	373,329	—	—	—	—	—	—	—	—	—	—	373,329
Subtotal	1,024,525	99,164	—	748,666	—	—	—	—	—	—	—	—	—	—	1,872,355
Resale agreements and securities borrowing	—	18,460	278	66,285	40,642	—	2,067	1,533	902	35	8,665	21	—	3,441	142,329
Trading derivative contracts															
Forwards	—	—	1,532	480,269	16,225	79	2,856	22,903	14,103	642	1,930	277	497	415,319	956,632
Swaps	—	—	4	1,693,048	9,813	7,718	19	14,184	10,232	4,275	12,526	210	—	9,923	1,761,952
Call options	—	—	—	1,196	1,569	280	—	—	1,433	171	—	84	190	38	4,961
Put options	—	—	—	554	522	—	—	—	—	—	—	—	—	—	1,076
Futures	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	1,536	2,175,067	28,129	8,077	2,875	37,087	25,768	5,088	14,456	571	687	425,280	2,724,621
Hedge accounting derivative contracts															
Forwards	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Swaps	—	—	—	61,594	—	—	—	—	—	—	—	—	—	—	61,594
Call options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Put options	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Futures	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	61,594	—	—	—	—	—	—	—	—	—	—	61,594
Loans and advances to banks															
Chilean Central Bank	630,053	—	—	—	—	—	—	—	—	—	—	—	—	—	630,053
Banks in Chile	—	—	—	150,007	—	—	—	—	—	—	—	—	—	—	150,007
Banks abroad	—	—	—	360,131	—	—	—	—	—	—	—	—	—	—	360,131
Subtotal	630,053	—	—	510,138	—	—	—	—	—	—	—	—	—	—	1,140,191
Customer loans and receivables															
Commercial loans	—	—	—	2,587,272	2,064,042	1,624,099	604,411	325,139	1,622,206	140,647	1,233,433	2,141,500	2,265,402	1,675,958	16,284,109
Residential mortgage loans	—	—	9,203,061	—	—	—	—	—	—	—	—	—	—	—	9,203,061
Consumer loans	—	—	4,532,300	—	—	—	—	—	—	—	—	—	—	—	4,532,300
Subtotal	—	—	13,735,361	2,587,272	2,064,042	1,624,099	604,411	325,139	1,622,206	140,647	1,233,433	2,141,500	2,265,402	1,675,958	30,019,470
Investment instruments held for sale															
State and Chilean Central Bank	92,824	16,238	—	—	—	—	—	—	—	—	—	—	—	—	109,062
Other instruments issued in Chile	—	—	—	994,658	—	—	—	9,667	—	—	—	178,444	—	46,162	1,228,931
Instruments issued abroad	—	—	—	19,853	—	—	—	—	—	—	—	—	—	—	19,853
Subtotal	92,824	16,238	—	1,014,511	—	—	—	9,667	—	—	—	178,444	—	46,162	1,357,846
Investment instruments held to maturity	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Note 41 – Additional notes (continued)

Note 41.38 – 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 240,087 separate collateral instruments, with the highest value in properties. Collateral as of December 31, 2020 and 2019, is detailed as follows.

2020	Loans MCh$	Collateral 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**

2019	Loans MCh$	Collateral Mortgages MCh$	Pledges MCh$	Securities MCh$	Warrants MCh$	Total MCh$
Corporations	12,114,603	2,660,585	82,365	345,246	2,182	3,090,378
SMEs	4,169,506	3,208,206	30,466	26,674	—	3,265,346
Consumer	4,532,300	362,140	966	2,045	—	365,151
Residential mortgage	9,203,061	8,019,519	51	176	—	8,019,746
Total	**30,019,470**	**14,250,450**	**113,848**	**374,141**	**2,182**	**14,740,621**

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.

Note 41 – Additional notes (continued)

Note 41.38 – 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 as of December 31, 2020 and 2019, is Ch$98,653 million and Ch$100,133 million, respectively.

The value of collateral held by the Bank relating to past due loans not impaired as of December 31, 2020 and 2019, is Ch$133,949 million and Ch$344,098 million respectively.

(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, 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
Customer loans and receivables (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

Note 41 – Additional notes (continued)

Note 41.38 – Risk management (continued)

(2) Credit risk (continued)

(e) Credit quality by class of assets (continued)

As of December 31, 2019

	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	630,053	—	—	—	—	630,053
Banks in Chile	150,007	—	—	—	—	150,007
Banks abroad	360,131	—	—	—	—	360,131
Subtotal	1,140,191	—	—	—	—	1,140,191
Customer loans and receivables (excluding provisions for loan losses)						
Commercial loans	11,893,060	71,718	149,826	3,907,715	261,790	16,284,109
Residential mortgage loans	—	—	—	9,031,597	171,464	9,203,061
Consumer loans	—	—	—	4,242,486	289,814	4,532,300
Subtotal	11,893,060	71,718	149,826	17,181,798	723,068	30,019,470

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, 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

Note 41 – Additional notes (continued)

Note 41.38 – Risk management (continued)

(2) Credit risk (continued)

(e) Credit quality by class of assets (continued)

As of December 31, 2019

	Past due		
	1 to 29 days MCh$	30 to 59 days MCh$	60 to 89 days MCh$
Loans and advances to banks	31,249	—	—
Commercial loans	213,709	54,366	26,698
Foreign trade loans	9,562	804	1,207
Factoring transactions	31,972	3,022	336
Commercial lease transactions	53,742	8,073	4,722
Other loans and receivables	1,463	693	521
Residential mortgage loans	152,539	73,801	32,907
Consumer loans	221,162	102,344	51,976
Total	715,398	243,103	118,367

The past due but not impaired portfolio as of December 31, 2020 and 2019, 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$
2020	270,612	51,808	13,530	—
2019	631,091	159,751	57,946	—

(*) 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 Ch$5,670 million and Ch$12,523 million as of December 31, 2020 and 2019, respectively, which are mainly properties. All of these assets are held for sale.

Note 41 – Additional notes (continued)

Note 41.38 – 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	2020 MCh$	2019 MCh$
Loans and advances to banks		
Chilean Central Bank	—	—
Banks in Chile	—	—
Banks abroad	—	—
Subtotal	—	—
Customer loans and receivables, net		
Commercial loans	288,094	220,056
Residential mortgage loans	253,907	11,980
Consumer loans	532,420	366,339
Subtotal	1,074,421	598,375
Total restructured financial assets	1,074,421	598,375

(h) Measures associated with the COVID-19 pandemic

The Bank has implemented several measures aimed at temporarily easing payments and granting financing to support working capital during 2020, due to the COVID-19 pandemic, with refinancing of residential mortgage, commercial and consumer loans in the first case and loans associated with the Fogape COVID-19 Fund in the second case.

The following tables show these loans as of December 31, 2020, as well as the number of transactions and the provisions associated with these measures:

COVID-19 Refinancing:

		Commercial Individual	Commercial Group	Consumer	Residential Mortgage	Total
Bank Programs (*)						
No. of transactions		664	39,473	187,428	91,928	319,493
Loans	MCh$	20,436	102,398	149,918	141,403	414,155
% of the portfolio	%	0.2%.	2.1%.	3.8%.	1.5%.	1.3%.
Provisions	MCh$	942	1,716	9,615	795	13,068

Note 41 – Additional notes (continued)

Note 41.38 – Risk management (continued)

(2) Credit risk (continued)

(h) Measures associated with the COVID-19 pandemic (continued)

FOGAPE COVID-19 loans:

		Commercial Individual	Commercial Group	Consumer	Residential Mortgage	Total
Government Programs						
No. of transactions		4,036	35,209	—	—	39,245
Loans	MCh$	856,922	1,031,934	—	—	1,888,856
% of the portfolio	%	6.7%.	21.6%.	—	—	6.1%.
Provisions (*)	MCh$	30,149	28,735	—	—	58,884

(*) Includes deductible provision for Fogape COVID-19 guarantees of MCh$24,109.

The payment behavior of these COVID-19 refinancing and Fogape guaranteed COVID-19 loans in their first months of maturity is similar to that of the rest of the loan portfolio.

(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.

Note 41 – Additional notes (continued)

Note 41.38 – Risk management (continued)

(3) Market risk (continued)

(a) Liquidity risk (continued)

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.

The MAR values in 2020 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	3,040	5,708	1,239	2,488
Minimum	-1,063	1,602	-390	790
Average	1,358	3,853	504	1,811

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 2020 are as follows:

	Cross Currency Funding MUS$
Maximum	3,122
Minimum	1,724
Average	2,417

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.

Trends in the Bank's financial ratios are monitored, in order to detect structural changes in its financial position statement. The 2020 values of its most important ratios are presented in the table below:

	Liquid Assets/ Net Funds < 30 days	Liabilities > 1 year / Assets > 1 year	Deposits/ Loans
Maximum	165%.	100%.	67%.
Minimum	101%.	84%.	61%.
Average	135%.	94%.	64%.

Note 41.38 – 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 index has been used during 2020 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	0.48	0.66	0.33
Minimum	(0.13)	(0.06)	0.15
Average	0.15	0.27	0.22
Standard limit	1.0	2.0	1.0

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) using similar assumptions to those used by an international bank. An implementation schedule has only been established for the first metric, and during 2020 the minimum was 70%. The trends in the LCR and NSFR metrics during 2020 are as follows.

	LCR	NSFR
Maximum	2.47	1.10
Minimum	1.07	0.99
Average	1.89	1.06
Standard limit	0.7 (*)	N/A

(*) This is the minimum value for 2020 and it increases by 0.1 every year until it reaches 1.0 in 2023.

Note 41 – Additional notes (continued)

Note 41.38 – Risk management (continued)

(3) Market risk (continued)

(a) Liquidity risk (continued)

The contractual maturity profile of the consolidated financial liabilities of Banco de Chile and its subsidiaries as of December 31, 2020 and 2019, is as follows.

	Up to 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
Savings accounts and other time deposits	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

	Up to 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, 2019							
Demand deposits and other obligations	11,326,102	—	—	—	—	—	11,326,102
Transactions pending settlement	352,121	—	—	—	—	—	352,121
Repurchase agreements and securities lending	297,011	8,582	—	—	—	—	305,593
Savings accounts and other time deposits	6,420,556	1,985,948	2,250,153	284,073	491	421	10,941,642
Physically settled derivatives	378,151	351,351	1,132,429	974,371	669,851	797,191	4,303,344
Obligations with banks	68,843	348,228	934,144	206,811	—	—	1,558,026
Other obligations	142,010	292	17,529	727	167	—	160,725
Debt instruments issued in a foreign currency other than USD	178,310	190,329	576,309	2,091,841	2,081,579	5,017,172	10,135,540
Total (excluding derivatives under offsetting agreements)	19,163,104	2,884,730	4,910,564	3,557,823	2,752,088	5,814,784	39,083,093
Derivatives under offsetting agreements	501,461	839,534	1,461,804	796,805	738,830	1,650,402	5,988,836

Note 41 – Additional notes (continued)

Note 41.38 – 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 2020 are as follows.

	Value-at-Risk 99% confidence level **MCh$**
Maximum	3,697
Minimum	215
Average	1,319

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 41 – Additional notes (continued)

Note 41.38 – Risk management (continued)

(3) Market risk (continued)

(b) Pricing risk (continued)

The values of EaR for 2020 are as follows.

	12 months Earnings-at-Risk 99% confidence level 3 months from the period close **MCh$**
Maximum	100,191
Minimum	57,038
Average	80,271

The measurement of regulatory risk for the Trading Book 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 and monthly stress testing for the accrual book. 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 tests are a fundamental component of the Bank's risk appetite framework.

Note 41 – Additional notes (continued)

Note 41.38 – Risk management (continued)

(3) Market risk (continued)

(b) Pricing risk (continued)

The following table shows the cash flow in the Banking Book, based on the adjustment dates for interest rates on an individual basis as of December 31, 2020 and 2019.

	Up to 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 deposits	2,496,891	—	—	—	—	—	2,496,891
Transactions pending settlement	515,500	—	—	—	—	—	515,500
Resale 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
Customer loans and receivables	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

	Up to 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, 2019							
Cash and bank deposits	2,310,055	—	—	—	—	—	2,310,055
Transactions pending settlement	483,857	—	—	—	—	—	483,857
Resale agreements and securities borrowing	45,056	—	—	—	—	—	45,056
Hedging instruments	774	36,304	28,302	257,909	348,950	1,069,919	1,742,158
Interbank loans	876,508	98,673	167,287	—	—	—	1,142,468
Customer loans and receivables	3,179,665	2,524,282	6,473,441	6,979,231	3,980,097	10,744,559	33,881,275
Investment instruments held for sale	26,180	241,326	805,844	115,805	25,219	142,005	1,356,379
Investment instruments held to maturity	—	—	—	—	—	—	—
Total assets	6,922,095	2,900,585	7,474,874	7,352,945	4,354,266	11,956,483	40,961,248

	Up to 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
Savings accounts and other time deposits	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

Note 41 – Additional notes (continued)

Note 41.38 – Risk management (continued)

(3) Market risk (continued)

(b) Pricing risk (continued)

	Up to 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, 2019							
Demand deposits and other obligations	11,382,432	—	—	—	—	—	11,382,432
Transactions pending settlement	256,675	—	—	—	—	—	256,675
Repurchase agreements and securities lending	9,068	—	—	—	—	—	9,068
Savings accounts and other time deposits	6,421,107	1,985,948	2,250,153	284,073	491	421	10,942,193
Hedging instruments	156	33,740	23,300	251,136	317,886	1,117,967	1,744,185
Interbank loans	60,331	348,228	934,144	206,811	—	—	1,549,514
Debt instruments issued (*)	178,310	190,329	576,309	2,091,841	2,081,579	5,017,172	10,135,540
Other liabilities	142,010	292	17,529	727	167	—	160,725
Total liabilities	18,450,089	2,558,537	3,801,435	2,834,588	2,400,123	6,135,560	36,180,332

(*) 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.

Note 41 – Additional notes (continued)

Note 41.38 – 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. 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 correspond to those that 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	(4)	53	(11)	44	(9)	(350)
Over 1 year	5	63	2	58	(15)	(334)

bps = basis points

Note 41 – Additional notes (continued)

Note 41.38 – Risk management (continued)

(3) Market risk (continued)

(b) Pricing risk (continued)

The worst impact in the Bank's Trading Book as of December 31, 2020, as a result of the simulations described above, is as follows.

Maximum Stress Exercise
Trading Book
(MCh$)

Interest rates in CLP		(3,564)
Derivatives	(29)	
Debt instruments	(3,535)	
Interest rates in CLF		(395)
Derivatives	81	
Debt instruments	(476)	
USD offshore interest rates		(284)
USD local/offshore interest rate spreads		(8,164)
Total Interest Rate		**(12,407)**
Total Exchange Rate		**(20)**
Total FX options		**(78)**
Total		**(12,505)**

This scenario would generate losses in the Trading Book of around Ch$12,505 million. 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, 2020, 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 Revenue
Accrual Book
(MCh$)

Impact of shock on base interest rate	(194,559)
Impact of shock on spreads	(6,591)
Higher/(Lower) Net revenues	**(201,150)**

The main negative impact on the Trading Book would be a rise in local interest rates and a drastic reduction in the cross-border spread. 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.

Note 41 – Additional notes (continued)

Note 41.38 – Risk management (continued)

(4) Capital requirements and management

The primary objectives of the Bank's capital management are to ensure compliance with regulatory capital requirements and maintain a solid credit rating and appropriate capital ratios. During 2020, the Bank has comfortably complied with the capital requirements demanded.

As part of its capital management policy, the Bank has established capital sufficiency warnings, stricter values than those required by the regulator, which are monitored monthly. None of the internal warnings defined in the capital management policy was triggered during 2020.

The Bank manages capital by making adjustments in the light of changes in economic conditions and the risk characteristics of its business. Therefore, the Bank can adjust the amount paid as dividends or issue capital instruments. The Bank's capital sufficiency is monitored by employing the indicators and rules set by the CMF, and other measures.

Regulatory capital

According to the General Banking Law, the Bank should maintain the ratio of regulatory capital divided by the sum of consolidated risk-weighted assets above a minimum of 8%, net of required provisions. The Bank should also maintain core capital to total consolidated assets ratio above a minimum of 3%, net of required provisions. As a result of the merger of Banco de Chile and Citibank Chile in 2008, the CMF required that the institution keeps the first ratio above a minimum of 10%. The regulator thus ratified the minimum of 10% that it had set in December 2001 when authorizing the merger by absorption of Banco Edwards into Banco de Chile.

Regulatory capital is based on the capital and reserves or core capital with the following adjustments: (a) adding total subordinated bonds, subject to a maximum equivalent to 50% of core capital and weighted by their term to maturity, (b) adding additional provisions for loan losses, (c) subtracting goodwill and unconsolidated investments in other companies, and (d) adding minority interests.

Assets are weighted according to their risk categories, which are assigned a percentage risk according to the capital required to support each one. Five risk categories are applied (0%, 10%, 20%, 60% and 100%) plus an intermediate category with a weighting percentage of 2% for derivatives cleared and settled through a Central Counterparty. For example, cash, loans and advances to banks and financial instruments issued by the Chilean Central Bank have 0% risk, which means that no capital is required to support these assets, in accordance with current standards. Property and equipment have a 100% risk, which means that there should be minimum capital of 8% of these assets, and of 10% in the case of Banco de Chile.

Note 41 – Additional notes (continued)

Note 41.38 – Risk management (continued)

(4) Capital requirements and management (continued)

All derivative instruments not traded on stock markets are considered in the determination of risk assets with a conversion factor over the notional values, thus obtaining the amount of credit-risk exposure (or "credit equivalent"). Memorandum account contingent liabilities are also considered by a "credit equivalent" for their weighting.

Levels of core capital and regulatory capital as of December 31, 2020 and 2019, are as follows.

	Consolidated Assets		Risk-Weighted Assets	
	2020 MCh$	2019 MCh$	2020 MCh$	2019 MCh$
Assets, net of provisions				
Cash and bank deposits	2,560,216	2,392,166	105,878	38,250
Transactions pending settlement	582,308	584,672	151,138	167,781
Trading instruments	4,666,156	1,872,355	442,307	462,177
Resale agreements and securities borrowing	76,407	142,329	76,407	142,329
Financial derivative contracts (*)	1,137,195	1,555,749	828,330	1,124,730
Loans and advances to banks	2,938,991	1,139,433	351,068	389,417
Customer loans and receivables	30,190,058	29,334,052	24,998,600	25,668,329
Investment instruments held for sale	1,060,523	1,357,846	249,239	323,160
Investment instruments held to maturity	—	—	—	—
Investments in other companies	44,649	50,758	44,649	50,758
Intangible assets	60,701	58,307	60,701	58,307
Property, plant and equipment	217,928	220,262	217,928	220,262
Right-of-use leased assets	118,829	150,665	118,829	150,665
Current taxes	22,949	357	2,295	36
Deferred taxes	357,945	320,948	35,794	32,095
Other assets	579,467	862,968	400,098	862,968
Subtotal	44,614,322	40,042,867	28,083,261	29,691,264
Off-balance-sheet assets				
Contingent loans	4,140,133	4,365,922	2,483,310	2,616,074
Total	48,754,455	44,408,789	30,566,571	32,307,338

(*) According to Chapter 12-1 of the Updated Compilation of Standards, financial derivatives contracts are presented as equivalent credit risk, in order to calculate consolidated assets.

Note 41 – Additional notes (continued)

Note 41.38 – Risk management (continued)

(4) Capital requirements and management (continued)

The amounts and ratios for core capital and regulatory capital limits as of December 31, 2020 and 2019, are as follows.

	As of December 31	
	2020 MCh$	2019 MCh$
Core capital (*)	3,726,267	3,528,222
Regulatory capital	4,878,500	4,569,090
Total consolidated assets	48,754,455	44,408,789
Credit risk-weighted assets.	30,566,571	32,307,338

(*) Core capital refers to the equity of the owners of the Bank in the consolidated statement of financial position.

	Ratio As of December 31	
	2020 %	2019 %
Core capital / consolidated assets	7.64	7.94
Regulatory capital / risk-weighted consolidated assets	15.96	14.14

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. The final regulations for the adoption of the Basel III standard were issued during 2020. See Note 2, letter c.2.2 "Regulations related to the implementation of Basel III".

Note 41 – Additional notes (continued)

Note 41.39 – Subsequent events

a) On January 19, 2021, the Financial Market Commission reported that at its Ordinary Meeting 218 on January 13, 2021, it resolved to approve the Bank's request to dissolve the subsidiary Banchile Securitizadora S.A. Accordingly, the subsidiary's management has called an Extraordinary Shareholders' Meeting for February 4, 2021.

b) 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.

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, 2020, and the date of issuance of these consolidated financial statements.

Note 42 – Material events

On January 13, 2020, the subsidiary CSAV reported the following material event:

In accordance with articles 9 and 10-2 of Law 18,045 and General Regulation 30, as duly authorized, I inform your Commission on behalf of Compañía Sud Americana de Vapores S.A. (hereinafter "CSAV" or the "Company") of the following material event.

1. At an extraordinary meeting of CSAV's Board of Directors held today, January 13, 2020, the Company's Board of Directors approved the acquisition of shares in Hapag-Lloyd AG (hereinafter "HLAG") by CSAV's wholly owned German subsidiary, CSAV Germany Container Holding GmbH (hereinafter "CG Hold Co"). As a result of this acquisition of shares, CSAV via CG Hold Co will hold 52,728,038 shares, equivalent to almost 30% of HLAG.

This acquisition will require an investment of around US$330 million and will be financed by CSAV borrowing from its controller, Quiñenco S.A.

The financial effect of this transaction can only be reasonably quantified once the purchase price allocation (PPA) process for the new shares has been completed, without prejudice to CSAV recognizing its investment in HLAG under the equity method, in accordance with accounting regulations.

2. At the same extraordinary meeting, the Board of Directors agreed to announce that an Extraordinary Shareholders' Meeting will be called within the next few weeks on a date to be determined by the Board, in order for shareholders to approve a capital increase of US$350 million, which will be used to adjust the Company's borrowing ratio."

On March 4, 2020, INVEXANS S.A. reported a material event:

"In accordance with the provisions of Articles 9 and 10-2 of Law 18,045 and General Regulation 30 issued by the Financial Market Commission, duly authorized, I inform you of the following material event of Invexans S.A. (hereinafter the "Company" or "Invexans").

At today's meeting, the Board of Directors agreed to call an Extraordinary Shareholders' Meeting to be held on March 23, 2020, at 10:00am, at Enrique Foster Street 30, Las Condes, Santiago, in the Hyatt Centric Hotel, Sauvignon Blanc Room, in order for the shareholders to approve the company's merger (hereinafter "Merger") with Inversiones Río Argenta S.A., (hereinafter "Inversiones Río Argenta"), where Invexans would absorb by incorporation Inversiones Río Argenta, and address the following particular issues:

1. Approve the Merger in accordance with Chapter XVI of Law 18,046 on Corporations (hereinafter "CL").
2. Approve the Merger in accordance with Chapter IX of CL, based on background information used as a basis for the Merger.
3. Approve a capital increase at Invexans of US$811,394,437 by issuing 28,470,766,980 new registered shares without par value or whatever the Extraordinary Shareholders' Meeting may determine, and accordingly amend articles five and eighteen of the Company's bylaws, in accordance with the other conditions for this purpose.
4. Amend the corporate purpose of Invexans, in order to update and complement it, incorporating the business of Inversiones Río Argenta, and amending article four of the Company's bylaws for such purposes.
5. Authorize the Board of Directors to issue the new shares under the capital increase and to directly distribute them among the shareholders of Inversiones Río Argenta, and register them in the Securities Registry of the Financial Market Commission.
6. Select the date when the Merger will take effect.
7. Approve all other agreements required to carry out the Merger, and grant powers to proceed with and legalize the Merger.

Note 42 – Material events (continued)

8. Inform the agreements with related parties regarding the Company's business, in accordance with Chapter XVI of CL.

The holders of shares registered in the Company's Shareholders Registry at midnight on March 17, 2020, shall have the right to participate in this Meeting.

Any powers of attorney shall be authorized on the same day of the Meeting when it is scheduled to begin.

The shareholders may request copies of the documents that explain and support the matters that are submitted for their approval at the Extraordinary Shareholders' Meeting, which include: (i) the Merger terms and conditions; (ii) the audited financial statements of the companies; (iii) the expert's report on the Merger; (iv) the bylaws of the successor company; (v) the reports of independent appraisers appointed by the Boards of Invexans and Inversiones Río Argenta, regarding related party transactions; and (vi) other information related to the Merger, from the Company's offices at Enrique Foster Sur 20, Office 1202, Las Condes, Santiago, from Monday to Friday between 9:00am and 6:00pm. Furthermore, these documents will be available to shareholders on the Company's website www.invexans.cl

Finally, approving the Merger will grant dissenting shareholders the right to withdraw from the Company. This right of withdrawal must be exercised within 30 days of the Extraordinary Shareholders' Meeting. The share price payable to shareholders who have exercised their right of withdrawal will be the carrying amount of their shares. According to the financial statements as of December 31, 2019, filed with the Financial Market Commission, this price will be US$0.01784 per share, which will be paid in Chilean pesos as will be reported at the Invexans Extraordinary Shareholders' Meeting".

On March 23, 2020, INVEXANS S.A. reported a material event:

"In accordance with the provisions of Articles 9 and 10-2 of Law 18,045 and General Regulation 30 issued by the Financial Market Commission, duly authorized, I inform you of the following material event of Invexans S.A. (hereinafter the "Company" or "Invexans").

At an Extraordinary Shareholders' Meeting held today (hereinafter the "Meeting"), before the Notary Public of Santiago, Mr. Patricio Raby Benavente, with the required legal quorum, the shareholders approved several matters that will be summarized below and the merger of Invexans with Inversiones Río Argenta S.A., (hereinafter "Inversiones Río Argenta"). Accordingly, Invexans will absorb Inversiones Río Argenta by incorporation (hereinafter the "Merger").

Particularly, they:

1. Approved the Merger as a related party transaction, in accordance with Chapter XVI of Law 18,046 on Corporations (hereinafter the "LSA").
2. Approved the Merger, in accordance with Chapter IX of the LSA.
3. Increased the capital of Invexans of US$811,394,437, by issuing 28,470,766,980 new nominative shares with no par value, in accordance with the preceding agreements. Amended the Fifth and Eighteenth transitory articles of the company's bylaws accordingly. This capital increase was based on (i) the pro forma statement of financial position prepared by the expert Alejandro José Leay Cabrera taking into account the audited financial statements of the merging companies as of December 31, 2019; and (ii) an exchange of 86 shares of Invexans for each share of Inversiones Río Argenta.
4. Amended the corporate purpose of Invexans, to include the business of Inversiones Río Argenta, and amended article Four of the Company's bylaws for such purposes.
5. Authorized the Board of Directors to issue the new shares under the capital increase and to directly distribute them among the shareholders of Inversiones Río Argenta, and register them in the Securities Registry of the Financial Market Commission.
6. Agreed that the Merger will take effect on the date that the minutes of the Extraordinary Shareholders' Meetings of Invexans and Inversiones Río Argenta are legalized in a single public deed.
7. Approved all other agreements required to carry out the Merger, and granted powers to proceed with and legalize the Merger.
8. Reviewed the agreements with related parties regarding the Company's business, in accordance with Chapter XVI of the LSA.

The following documents were presented to shareholders at the Meeting: (i) the terms and conditions of the Merger; (ii) the audited financial statements of the merging companies; (iii) the expert report on the Merger; (iv) the reports of independent appraisers appointed by the Boards of Directors of Invexans and Inversiones Río Argenta, as related party transactions; (v) the opinions of the directors; (vi) and other information made available to the shareholders on the Company's website www.invexans.cl.

Note 42 – Material events (continued)

Withdrawal right

Pursuant to the provisions of Article 69 of the LSA and as reported at the Meeting, dissenting shareholders were granted the right to withdraw from the Company after the Merger described in paragraph 2 above was approved.

As the Company's shares are not listed on a stock market, the price per share will be their carrying amount. This is US$0.01784 per share, according to the latest statement of financial position filed with the Financial Market Commission as of December 31, 2019. This price will be paid in Chilean pesos, in accordance with Article 130 of the Company's bylaws, at the official exchange rate published by the Chilean Central Bank as of December 31, 2019, and adjusted according to the change in the Unidad de Fomento from that date to the date of the Meeting. Thus, Ch$13.47929 per share will be paid within 60 days of the Meeting, in accordance with the provisions of Article 71 of the LSA.

Further information regarding the withdrawal right will be communicated on March 25, 2020, by a prominent notice in the newspaper "La Segunda" and a letter will be mailed to shareholders on the same day".

On April 2, 2020, Quiñenco S.A. reported a 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 empowered to do so, it is my duty to report a material event that at a meeting of the Board held on April 2, 2020, it was proposed that at the next Annual General Shareholders' Meeting to be held on April 30, 2020, the shareholders approve the distribution of a final dividend of Ch$63,014,847,366, being 30% of net income attributable to the owners of the controlling company for 2019, which is the minimum legal dividend.

This final dividend is Ch$37.89775 (thirty-seven point and eight nine seven seven five Chilean pesos) per share, and will be proposed to be paid from May 15, 2020, to the shareholders registered in the respective registry at midnight on the fifth business day prior to that date."

On August 20, 2020, the subsidiary Sociedad Matriz SAAM S.A. reported a material event:

In accordance with Articles 9 and 10-2 of Law 18,045 and General Regulation 30, as duly authorized, I inform the Financial Market Commission on behalf of Sociedad Matriz SAAM S.A. (hereinafter “SM SAAM”) Securities Register number 1091, of the following material event.
On this date, through its subsidiary SAAM Logistics S.A. (hereinafter "SAAM Logistics"), SM SAAM signed an agreement to acquire the shares owned by American Airlines Inc. in Aerosan Airport Services S.A. and Servicios Aeroportuarios Aerosan S.A. (hereinafter jointly "Aerosan"), representing 50% of the share capital of each.

. The Aerosan companies provide air cargo warehousing and airport logistics services in Chile, Colombia and Ecuador. Aerosan recorded sales of US$57 million in 2019 and moved more than 300,000 tons of export, import and domestic air cargo through eight airports.

. The total price for 50% of Aerosan's shares is US$32 million.

. SAAM Logistics already owns 50% of the share capital of the companies involved in this transaction, so it would wholly own both companies, if the acquisition is concluded.

. The conclusion of the transaction is subject to customary conditions for transactions of this nature, including approval by the Chilean, Colombian and Ecuadorian antitrust authorities.

. The confidentiality is lifted that was attached to the communication sent as a confidential material event on July 17, 2020, which is reflected in the result of the negotiations and transaction reported with this communication.

. SM SAAM believes that the transaction will positively impact results, though it is impossible to quantify the impact at this time.”

At an extraordinary meeting held on August 27, 2020, the Board of Directors of Quiñenco S.A. agreed to subscribe its entire prorated share in the capital increase of its subsidiary Compañía Sudamericana de Vapores (CSAV), and its preferential option period began on this day. This investment is approximately US$215 million, or 61.45% of the capital increase, which was fully paid during August.

Note 42 – Material events (continued)

On October 28, 2020, the subsidiary Sociedad Matriz SAAM S.A. reported a material event:

"Pursuant to the provisions of Article 9 and the second paragraph of Article 10 of Law 18,045, and to the provisions of General Rule 30, duly authorized, I inform the Financial Market Commission on behalf of Sociedad Matriz SAAM S.A. (hereinafter "SM SAAM") Securities Register number 1091, of the following material event.

As already reported, on August 20, 2020, SM SAAM, through its subsidiary SAAM Logistics S.A. (hereinafter "SAAM Logistics"), signed an agreement to acquire the shares owned by American Airlines Inc. in Aerosan Airport Services S.A. and Servicios Aeroportuarios Aerosan S.A. (hereinafter jointly "Aerosan"), representing 50% of the share capital of each.
The total price for 50% of Aerosan's shares is US$32 million.
The conclusion of the transaction was subject to customary conditions for transactions of this nature, including approval by the Chilean, Colombian and Ecuadorian antitrust authorities, which have been received.
On this date, subsidiaries of SM SAAM and American Airlines Inc. concluded the transaction.
SM SAAM believes that the transaction will positively impact results, though it is impossible to quantify the impact at this time."

There were no other events of a financial or other nature between December 31, 2020, 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, 2020

SUMMARY

During 2020, Quiñenco achieved net income[1] of Ch$247,247 million, 17.7% higher than in 2019. This increase is mainly due to good performances of CSAV's main asset, the shipping company Hapag-Lloyd, and of Nexans, offset by weaker performance of Banco de Chile, Enex and CCU, as they were negatively impacted by the COVID-19 pandemic, particularly during the second quarter. The growth in net income contributed by the transport segment is primarily due to CSAV's interest in the German shipping company Hapag-Lloyd, whose net income increased significantly to US$1,058 million for the year ended December 31, 2020. Although the public health restrictions caused by the worldwide pandemic resulted in a 1.6% drop in volumes, they recovered in the second half of the year. A 4.0% increase in average freight rates together with effective cost management contributed to a 65.3% growth in operating income and an increase in net income for the year. Nexans, in the manufacturing segment, reversed its 2019 losses, to achieve net income of €78 million, mainly due to lower restructuring costs and a non-recurring gain on the sale of assets during 2020. Operating income decreased by 22.5%, reflecting an organic contraction of 8.6% in sales, due to the difficulties caused by the global pandemic, mitigated by its cost reduction and transformation plans.
In the financial segment, Banco de Chile reported a 21.9% decrease in net income, primarily attributable to an increase in provisions for loan losses, including the higher provisions as a consequence of the COVID-19 outbreak, together with a 3.8% decrease in operating revenues, partly offset by lower operating expenses. However, full repayment of SM Chile's subordinated debt with the Chilean Central Bank at the end of April 2019 had a favorable impact on the contribution from the financial segment, which decreased by 18.3%. In the energy sector, Enex's contribution decreased significantly, mainly due to the impact of the public health restrictions associated with the global pandemic, particularly during the second quarter in the service stations segment, and to the drop in oil prices, partially offset by a good performance in the first quarter and a recovery towards the end of the year. CCU's contribution decreased, reflecting weaker performances from its International Business and Chile segments, mainly impacted by restrictions associated with the global pandemic that affected consumption in all its geographies, mainly during the second quarter, and by devaluations in the Argentine and Chilean pesos, partially offset by a better performance from the Wine segment. In the port services sector, SM SAAM increased its net income in Chilean pesos by 29.4%. The towage division achieved good performance, driven by Brazil, a non-recurring gain associated with the acquisition of a larger stake in Aerosan, and a favorable Chilean peso translation effect, offset by a weaker performance in port terminals, affected by lower volumes due to the pandemic and port closures due to high swells. Finally, at the corporate level, a higher tax credit was recorded in the year, partially offsetting the gain from the sale of the insurance business in December 2019.

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 previous regulations. Further details can be found in Note 19 to these consolidated financial statements.

1 *Net income refers to net income attributable to owners of the controller.*

1. ANALYSIS OF THE NON-BANKING SECTOR

The following segments are included in the non-banking sector:

a) Manufacturing
   - Invexans (Corporate)
   - Techpack
b) Financial
   - LQ Inversiones Financieras Holding (LQIF holding)
c) Energy
   - Invexans (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, 2020, Quiñenco indirectly owns 28.9% of Nexans, through its direct subsidiaries Invexans and Techpack.

As of December 31, 2020, 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 99.73% of Invexans.

As of December 31, 2020, Quiñenco directly and through its subsidiaries Inv. Río Bravo and Inmobiliaria Norte Verde owns 52.2% of SM SAAM.

On January 23, 2020, CSAV announced the closure of its car carrier business, so it is presented as a discontinued operation in the statement of income for 2019 and 2020. This business was concluded in July 2020.

CSAV acquired an additional interest of 1.93% in Hapag-Lloyd during 2019, increasing its interest to 27.79% as of December 31, 2019. In January 2020, CSAV acquired an additional 2.21% interest in the German shipping company, reaching a 30.00% stake, which continued through to December 31, 2020.

Quiñenco increased its interest in CSAV by 5.28% during the third quarter of 2019. As of December 31, 2019, Quiñenco directly and through its subsidiaries Inv. Rio Bravo and Inmobiliaria Norte Verde owns a 61.45% interest in CSAV. During the third and fourth quarters of 2020, CSAV increased its share capital, and Quiñenco exercised its preferential option by acquiring an additional 0.31%. Accordingly, directly and through its subsidiaries Inv. Rio Bravo and Inmobiliaria Norte Verde, it owns 61.76% of CSAV.

On June 6, 2019, Banco de Chile shares belonging to SM Chile and SAOS were distributed to Series A, B, D and E shareholders of SM-Chile in liquidation that were registered in the shareholders' registry as of May 31, 2019, according to the terms in the bylaws of SM-Chile in liquidation. Thus, LQIF's interest in Banco de Chile and its dividend rights were 51.15%, as of December 31, 2020.

On December 30, 2019, Quiñenco completed the sale of its entire direct and indirect interests in Inversiones Vita, Banchile Vida Seguros de Vida and SegChile Seguros Generales. Therefore, the net income contribution of these companies until that date and the transaction gain were classified as discontinued operations in the statements of net income for 2019 and 2020.

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 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's 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$	
	12-31-2020	12-31-2019
Operating income	81,876	73,811
Non-operating income	179,914	40,610
Income tax expense	(43,598)	(12,310)
Net income (loss) from discontinued operations	(2,054)	17,909
Consolidated net income from non-banking sector	**216,137**	**120,019**

Revenue

Revenue decreased by 12.6% to reach Ch$2,573,841 million in 2020, mainly due to decreased revenue at Enex, partially offset by increased revenue at SM SAAM.

The composition of revenue in comparative terms is as follows:

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
Manufacturing		
Invexans (Corporate)	55	52
Techpack	23	15
Subtotal manufacturing	**78**	**67**
Financial		
LQIF holding	-	-
Energy		
Enex	2,111,199	2,570,311
Transport		
CSAV	-	-
Port Services		
SM SAAM	462,304	373,718
Other		
Quiñenco and others	261	589
Revenue	**2,573,841**	**2,944,684**

Enex's revenue in 2020 was Ch$2,111,199 million, 17.9% less than the previous year, mainly due to the consequences of the pandemic, particularly during the second and third quarters, with lower sales volumes in all fuel segments in Chile, particularly in the service station business and industrial sales, and lower revenue in the United States. Total sales volumes in 2020, were 3,754,000 cubic meters, 13.6% lower than the previous year, of which 98% were fuels.

SM SAAM's revenue was Ch$462,304 million for the year ended December 31, 2020, 23.7% higher than the previous year in Chilean peso terms, mainly due to higher revenue from the Towage Division, driven by the consolidation with SAAM Towage Brazil, and, to a lesser extent, from Logistics, due to the consolidation with Aerosan as of November 2020, and an increase in revenue from Port Terminals in Chilean pesos, mainly due to the favorable translation to Chilean pesos, offsetting the reduction in container throughput due to the pandemic.

Cost of sales

Cost of sales decreased by 15.0% in 2020, compared to the previous year. This was primarily due to cost of sales decreases at Enex, partially offset by increases at SM SAAM.

The composition of consolidated cost of sales in comparative terms is as follows:

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
Manufacturing		
Invexans (Corporate)	-	-
Techpack	-	-
Subtotal manufacturing	**-**	**-**
Financial		
LQIF holding	-	-
Energy		
Enex	(1,854,320)	(2,291,879)
Transport		
CSAV	-	-
Port Services		
SM SAAM	(313,422)	(257,749)
Other		
Quiñenco and others	(225)	(220)
Cost of sales	**(2,167,967)**	**(2,549,848)**

Cost of sales at Enex was Ch$1,854,320 million in 2020, which was 19.1% lower than the previous year, mainly due to lower sales volumes. Cost of sales was equivalent to 87.8% of sales in 2020 and 89.2% in 2019.

Cost of sales at SM SAAM was Ch$313,422 million for 2020, 21.6% higher than the previous year in Chilean peso terms, mainly due to the consolidation with SAAM Towage Brazil and, to a lesser extent, the consolidation with Aerosan and higher costs in the Port Terminals Division in Chilean peso terms.

Gross income

The composition of gross income in comparative terms is as follows:

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
Manufacturing		
Invexans (Corporate)	55	52
Techpack	23	15
Subtotal manufacturing	**78**	**67**
Financial		
LQIF holding	-	-
Energy		
Enex	256,879	278,432
Transport		
CSAV	-	-
Port Services		
SM SAAM	148,882	115,969
Other		
Quiñenco and others	36	369
Gross income	**405,874**	**394,837**

Gross income was Ch$405,874 million in 2020, an increase of 2.8% over 2019, mainly due to an increase in the gross income from SM SAAM, partially offset by lower gross income from Enex. SM SAAM increased its gross income by 28.4% mainly due to the consolidation of SAAM Towage Brazil. Enex decreased its gross income by 7.7%, mainly due to the sale of fuel inventory valued at historical cost due to the sharp drop in fuel prices together with lower volumes sold in Chile, as explained above. In the United States, lower volumes were offset by higher unit margins.

Operating income[2]

Operating income was Ch$81,876 million in 2020, 10.9% higher than the Ch$73,811 million for 2019, mainly due to higher operating income at SM SAAM, partially offset by lower operating income at Enex and, to a lesser extent, CSAV.

The comparative composition of operating income is as follows:

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
Manufacturing		
Invexans (Corporate)	(2,273)	(2,124)
Techpack	(1,386)	(1,162)
Subtotal manufacturing	**(3,659)**	**(3,286)**
Financial		
LQIF holding	(1,505)	(1,579)
Energy		
Enex	19,640	39,147
Transport		
CSAV	(7,409)	(5,423)
Port Services		
SM SAAM	99,876	69,993
Other		
Quiñenco and others	(25,067)	(25,041)
Operating income	**81,876**	**73,811**

The operating loss for the corporate segment at Invexans during 2020 increased to Ch$2,273 million, 7.0% higher than the loss of Ch$2,124 million in 2019, mainly due to non-recurring expenses associated with a property in Quilpué, compared to a gain on the sale of an asset in 2019, partially offset by a dividend received from Sonacol in 2020.

Operating income at Enex was Ch$19,640 million in 2020, which compares negatively with the operating income of Ch$39,147 million for 2019, mainly due to the 7.7% decrease in gross income explained above, partially offset by lower administrative and selling expenses.

The operating loss for CSAV was Ch$7,409 million in 2020, 36.6% higher than the operating loss of Ch$5,423 million in the previous year, mainly due to higher administrative expenses and lower other income, attributable to lower sales of investment properties.

2 *Operating income includes Gross income, Other income by function, Distribution costs, Administrative expenses, Other expenses by function and Other gains (losses).*

Operating income at SM SAAM was Ch$99,876 million in 2020, 42.7% higher than the operating income of Ch$69,993 million in 2019, mainly due to the 28.4% increase in gross income explained above, and a non-recurring gain associated with the increased interest in Aerosan, partially offset by higher administrative expenses attributable to the consolidation with SAAM Towage Brazil and, to a lesser extent, Aerosan.

The operating loss at Quiñenco and others was Ch$25,067 million in 2020, a slight increase of 0.1% compared to the operating loss of Ch$25,041 million in 2019.

Non-operating income

The comparative composition of non-operating income is as follows:

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
Financial income	6,917	18,669
Financial costs	(86,002)	(73,812)
Share of income (loss) of associates & joint ventures	290,516	122,806
Exchange differences	(3,118)	(421)
Loss from indexation adjustments	(28,399)	(26,632)
Non-operating income	**179,914**	**40,610**

Non-operating income was Ch$179,914 million for 2020, which contrasts positively with non-operating income of Ch$40,610 million for 2019. The most important movements were the following:

- The share in associates reached a gain of Ch$290,516 million in 2020, 136.6% higher than the gain of Ch$122,806 million in 2019, mainly due to the increase in CSAV's interest in Hapag-Lloyd's results, adjusted for fair value and including the effect of additional interests acquired in 2019, with an increase of Ch$139,448 million, reflecting the higher earnings of the German shipping company, together with the increase in CSAV's interest. Also contributing, although to a lesser extent, was the gain reported by Invexans and Techpack's interest in Nexans' results, with a favorable increase of Ch$45,734 million. These positive contributions were partially offset by a 26.4% decrease in IRSA's contribution, mainly due to weaker performance by CCU and SM SAAM's associates.

This was partially offset by:

- An increase in consolidated net finance costs, mainly at Quiñenco holding, attributable to lower finance income and the bond issue in 2020; at SM SAAM mainly due to the consolidation with SAAM Towage Brazil, the financing required to acquire its interest in Boskalis and additional debt; and at CSAV due to increased borrowing during the year; and partially offset by a decrease in Enex's net finance costs.
- An unfavorable change in exchange rate differences, mainly at SM SAAM, Enex and, to a lesser extent, at CSAV.
- A higher indexation loss, mainly at Quiñenco corporate level and, to a lesser extent, at LQIF holding due to the impact of higher inflation on indexed liabilities.

Non-banking sector net income

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
Net income from continuing operations before taxes	261,790	114,421
Income tax expense	(43,598)	(12,310)
Net income (loss) from discontinued operations	(2,054)	17,909
Consolidated net income from non-banking sector	**216,137**	**120,019**

The non-banking sector reported consolidated net income of Ch$216,137 million in 2020, an increase of 80.1% over the net income of Ch$120,019 million for 2019. This increase in consolidated income is mainly explained by the increase in CSAV's net income, driven by the higher performance of the German shipping company Hapag-Lloyd, by Invexans Corporate's net income, reflecting the improved performance of its associate Nexans, which reversed its losses in 2019 to achieve net income in 2020, and a better result from SM SAAM, driven by a good performance from the Towage Division and a non-recurring gain from the increased interest in Aerosan. These favorable effects were partially offset by a weaker performance from Enex, impacted by the drop in demand due to the health restrictions, by a lower contribution from IRSA in 2020 reflecting the contraction in CCU's results also affected by the restrictions to control the pandemic, and the contribution from the insurance business (Banchile Vida and SegChile) in 2019 only, together with the gain generated by its sale by Quiñenco.

2. ANALYSIS OF THE BANKING SECTOR

The following companies are included in the banking sector: Banco de Chile and SM-Chile (in 2019 only). Their financial statements for 2020 and 2019 only partially comply with IFRS.

Banking sector results

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
Operating income	593,854	756,919
Non-operating loss	(4,661)	(21,714)
Income tax	(125,963)	(169,683)
Consolidated net income from the banking sector	**463,230**	**565,521**

Operating revenues[3]

Operating revenues amounted to Ch$1,938,867 million in 2020, 3.8% lower than in the previous year, mainly due to lower income from demand deposits, lower income from loans, and lower income associated with the Bank's net asset position in US dollars as a hedging mechanism, due to a greater appreciation of the local currency.

Provisions for loan losses

Banco de Chile's provisions for loan losses were Ch$462,680 million in 2020, 33.2% higher than the provisions for 2019 of Ch$347,274 million. This increase is mainly due to additional provisions for loan losses of Ch$107,000 million in 2020, due to the pandemic, an increase in credit risk expenses due to the 6.6% increase in average loan balances, including FOGAPE loans and the full adoption of the provisioning treatment required by the regulator for these loans, and an increase in risk expenses due to the net deterioration in credit quality.

Operating expenses

Operating expenses were Ch$882,332 million in 2020, 3.1% lower than the Ch$911,004 million in 2019. This decrease is largely due to lower personnel expenses and lower administrative expenses, partially offset by an increase in depreciation and amortization.

Non-operating loss[4]

The non-operating loss was Ch$4,661 million for 2020, which compares positively to the non-operating loss of Ch$21,714 million for 2019, mainly due to interest payments on the subordinated debt with the Chilean Central Bank during the first half of 2019, as this debt was fully repaid on April 30, 2019. This decrease was partially offset by lower income from investments in related companies in 2020.

Banking sector net income

Consolidated net income from banking services was Ch$463,230 million in 2020, 18.1% lower than in 2019, mainly due to a rise in provisions for loan losses along with a decrease in operating revenues, partially offset by lower income taxes during 2020, the favorable interest savings following the repayment of the subordinated debt in 2019 and lower operating expenses.

3. NET INCOME ATTRIBUTABLE TO OWNERS OF THE CONTROLLER

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
Consolidated net income	679,367	685,541
Net income attributable to non controlling interests	432,120	475,491
Net income attributable to owners of the controller	**247,247**	**210,049**

Quiñenco's consolidated net income for 2020 was Ch$679,367 million, 0.9% lower than in 2019, based on the 18.1% decrease in consolidated net income from banking services, partially offset by the 80.1% increase in consolidated net income from non-banking services.

Net income attributable to non-controlling interests was Ch$432,120 million in 2020, a decrease of 9.1% over 2019. This decrease is mainly due to the non-controlling interest in the lower net income from the financial segment, partially offset by the non-controlling interest in the higher net income from the transport segment.

Thus, net income attributable to owners of the controller, or net income, was Ch$247,247 million in 2020, increasing by 17.7% over 2019.

3 *Operating revenues correspond to Total net operating income excluding loan loss provisions.*
4 *Non-operating loss includes income from investments in other companies, and interest on subordinated debt with the Chilean Central Bank.*

4. RESULTS' ANALYSIS BY SEGMENT

The following shows the composition of results by segment.

BUSINESS/SEGMENT	MANUFACTURING		FINANCE		ENERGY		TRANSPORT		PORT SERVICES		OTHER		TOTAL	
	FIGURES IN MCh$ AS OF DECEMBER 31,													
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Non-banking sector														
Net income (loss) from continuing operations	15,090	(31,152)	(15,345)	(14,755)	7,965	26,335	217,954	93,148	74,921	65,752	(38,794)	(24,908)	261,790	114,421
Income tax credit (expense)	(49)	6	2,132	1,758	165	(627)	(42,631)	(472)	(21,576)	(19,689)	18,360	6,713	(43,598)	(12,310)
Net income (loss) from discontinued operations	(1,153)	(819)	-	-	-	-	(470)	(4,524)	-	-	(431)	23,252	(2,054)	17,909
Consolidated net income (loss) from non-banking sector	**13,887**	**(31,965)**	**(13,213)**	**(12,997)**	**8,130**	**25,709**	**174,853**	**88,152**	**53,345**	**46,063**	**(20,865)**	**5,057**	**216,137**	**120,019**
Banking sector														
Net income before taxes	-	-	589,072	734,529	-	-	-	-	-	-	121	675	589,193	735,205
Income tax expense	-	-	(125,963)	(169,683)	-	-	-	-	-	-	-	-	(125,963)	(169,683)
Consolidated net income from banking sector	**-**	**-**	**463,109**	**564,846**	**-**	**-**	**-**	**-**	**-**	**-**	**121**	**675**	**463,230**	**565,521**
Consolidated net income (loss)	**13,887**	**(31,965)**	**449,896**	**551,849**	**8,130**	**25,709**	**174,853**	**88,152**	**53,345**	**46,063**	**(20,744)**	**5,732**	**679,367**	**685,541**
Net income (loss) attributable to non-controlling interests	(254)	298	337,991	414,912	-	-	67,035	35,344	27,552	26,914	(204)	(1,975)	432,120	475,491
Net income (loss) attributable to owners of the controller[(1)]	**14,141**	**(32,262)**	**111,904**	**136,938**	**8,130**	**25,709**	**107,818**	**52,809**	**25,793**	**19,150**	**(20,540)**	**7,707**	**247,247**	**210,049**
EBITDA[(2)]	**(3,304)**	**(4,089)**	**666,024**	**825,610**	**77,486**	**92,226**	**(7,561)**	**(6,405)**	**177,125**	**122,930**	**(15,756)**	**(14,633)**	**894,013**	**1,015,638**

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 Operating income, excluding Other gains (losses), plus Depreciation and Amortization.

Manufacturing Segment

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
Invexans (Corporate)	12,167	(32,095)
Techpack	1,974	(167)
Net income (loss) for the manufacturing segment	**14,141**	**(32,262)**

The manufacturing segment contributed net income of Ch$14,141 million to Quiñenco's net income in 2020, compared to the net loss of Ch$32,262 million in 2019.

Invexans

	FIGURES IN MCh$			
	CORPORATE		CONSOLIDATED	
	12-31-2020	12-31-2019	12-31-2020	12-31-2019
Revenue	55	52	1,433,674	52
Operating income (loss)	(2,273)	(2,124)	6,863	(2,124)
Non-operating income (loss)	14,292	(30,134)	(1,455)	(30,134)
Net income (loss) attributable to owners of the controller	**12,187**	**(32,343)**	**8,904**	**(32,343)**

Invexans registered net income of Ch$8,904 million[5] in 2020, which compares favorably to its net loss of Ch$32,343 million in 2019. of total net income in 2020, the corporate segment

5 The analysis of Invexans is based on its financial statements prepared in the functional currency of Quiñenco. The functional currency of Invexans differs from that of Quiñenco, as well as some classifications of accounting items.

accounts for net income of Ch$12,187 million, which is analyzed below. The remaining loss of Ch$3,283 million is mainly due to the subsidiary Enex from the second quarter of 2020 onwards. The Energy section contains an analysis of Enex's performance.

Invexans' Corporate segment achieved net income of Ch$12,187 million for 2020, which compares positively with 2019, mainly reflecting its interest in the net income of its French multinational associate Nexans, with earnings of €78 million during 2020 despite the negative impact of the global pandemic.

As of December 2020, Invexans' Corporate segment reported an operating loss of Ch$2,273 million, 7.0% higher than the operating loss of Ch$2,124 million for 2019, mainly due to non-recurring expenses associated with a property in Quilpué in 2020, compared to a gain on the sale of an asset in the prior year, partially offset by other income by function, due to a dividend received from Sonacol.

Non-operating income was Ch$14,292 million in 2020, which compares positively with the loss of Ch$30,134 million in 2019, mainly reflecting the share of Nexans' net income. Nexans reported an organic[6] decrease in sales of 8.6% and operating income of €193 million, down 22.5% from 2019, due to decreases in all its segments except high voltage and projects, partially offset by the favorable impact of its cost reduction and transformation plans. The decrease was led by the construction segment, with a decrease in operating income of €26 million (-24.5%), based on an organic decrease of 8.4% in sales. This was explained by the slowdown in the construction market due to quarantines in the first half, partially offset by resilient demand for urban cabling and a recovery during the second half in South America, the Middle East and Africa, where restrictions were lifted or were less strict. The industrial segment decreased its operating income by €23 million (-32.4%). After a drastic drop in demand during the first half of the year due to the pandemic, business picked up during the second half of the year in the automotive harness market, resulting in an organic drop of 12.6% in sales. The telecommunications segment reported a €17 million (-43.6%) decrease in operating income, due to lower sales during the year and the divestment of one of its units during the third quarter, partially mitigated by cost reduction measures. The operating income at its high voltage and projects segment increased by 7.8%, despite an organic decrease of 0.8% in sales, mainly explained by submarine high voltage and a stable land segment. EBITDA was €347 million in 2020, a decrease of 16.0% compared to 2019. Nexans incurred non-operating restructuring costs of €107 million in 2020, which were mainly unprovisioned costs for the restructuring plan in Europe and new measures in Asia-Pacific, Northern Europe and North America, decreasing from the €251 million for 2019. Gains on the sale of assets were €142 million in 2020. Net finance costs decreased by 14.3% mainly due to a favorable exchange rate impact. Thus, Nexans reported net income of €78 million in 2020, which compares favorably with the net loss of €122 million reported in 2019. Invexans adjusted its proportional net income to reflect the fair value of Nexans' assets. Together with its share of net income, this resulted in net income for Invexans on its investment in the French company of Ch$15,125 million in 2020, which contrasts favorably with a net loss of Ch$29,888 million in 2019.

Invexans' Corporate segment income tax credit was Ch$168 million in 2020, compared to an income tax expense of Ch$86 million in 2019.

Techpack

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
Revenue	23	15
Operating loss	(1,386)	(1,162)
Net loss from discontinued operations	(1,153)	(819)
Net income attributable to owners of the controller	**1,700**	**380**

Net income at Techpack was Ch$1,700 million[7], which compares positively to the net income of Ch$380 million for 2019, mainly attributable to the positive effect of foreign exchange differences.

Techpack's operating loss was Ch$1,386 million for 2020, an increase of 19.2% over the operating loss of Ch$1,162 million in 2019, mainly due to decreased other income, partially offset by lower administrative expenses.

Non-operating income at Techpack was Ch$4,456 million in 2020, 96.5% higher than its non-operating income of Ch$2,268 million for 2019, mainly explained by a foreign

6 *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.*

7 *The analysis of Techpack is based on its financial statements prepared in the functional currency of Quiñenco. Techpack and Quiñenco have different functional currencies.*

exchange gain in 2020 compared to a loss in 2019, partially offset by lower finance income.

Techpack's loss from discontinued operations increased to Ch$1,153 million in 2020, 40.8% higher than in 2019, mainly due to maintenance expenses.

Income tax expense was Ch$217 million in 2020, which compares negatively to the Ch$92 million credit in 2019.

Financial segment

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
LQIF holding	(6,607)	(6,498)
Banking sector	118,511	143,436
Net income for the financial segment	**111,904**	**136,938**

The financial segment contributed Ch$111,904 million to the net income of Quiñenco in 2020, 18.3% lower than in 2019.

Banking services includes Banco de Chile and SM-Chile in 2019 only, and the most important event was that its subordinated debt with the Chilean Central Bank was fully repaid on April 30, 2019.

LQIF holding

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
Revenue	-	-
Operating loss	(1,505)	(1,579)
Net loss from non-banking sector	**(13,213)**	**(12,997)**

The net loss at LQIF holding was Ch$13,213 million in 2020, 1.7% higher than the net loss of Ch$12,997 million in 2019, mainly due to higher finance costs and, to a lesser extent, higher indexation losses, mainly attributable to debt denominated in UF, partially offset by a higher income tax credit, higher finance income and, to a lesser extent, lower administrative expenses.

Banco de Chile

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
Revenue	1,938,743	2,014,520
Provisions for loan losses	(462,680)	(347,274)
Operating expenses	(882,331)	(911,004)
Net income attributable to owners of the controller	**463,108**	**593,008**

Net income at Banco de Chile was Ch$463,108 million in 2020, 21.9% lower than the previous year. This decrease was mainly explained by an increase in provisions for loan losses and lower operating revenues, partially offset by lower income tax expense and lower operating expenses.

Operating revenues decreased by 3.8%, equivalent to Ch$75,777 million for 2020, mainly due to: (i) income from demand deposits decreased by Ch$50,100 million, due to lower local and foreign interest rates; (ii) income from loans decreased by Ch$34,700 million, mainly due to a substantial reduction in consumer loans; (iii) a Ch$22,400 million decrease in income from the net asset position in USD as a hedging mechanism, due to a greater appreciation of the local currency in 2020; (iv) net income from subsidiaries decreased by Ch$12.500 million compared to the previous year, mainly associated with the brokerage firm; (v) a decrease of Ch$11,334 million in fee income compared to 2019, due to annual declines in transactional services, mutual funds and credit collection services, partially offset by annual growth in insurance brokerage; and (vi) a decrease in other operating income of Ch$5,959 million. These effects were partially offset by: (i) an increase of Ch$48,000 million in income from treasury transactions, attributable to managing the trading and available-for-sale portfolios in a scenario where interest rates declined, and also to lower counterparty risk charges; and (ii) a positive contribution from the Bank's net asset position in UF, with an increase of Ch$9,600 million.

Provisions for loan losses at Banco de Chile totaled Ch$462,680 million for 2020, an increase of 33.2% compared to Ch$347,274 million in 2019. This change was mainly due to: (i) Ch$107,000 million in additional provisions for 2020, due to the potential effects of the pandemic and mobility restrictions on credit risk; (ii) an annual increase of Ch$23,300 million due to the growth in loans, with an annual increase of 6.6% in average loans as of December 31, 2020. This effect was concentrated in the retail banking segment with a 7.5% growth in average loans and a 19.5% annual increase in commercial loans including FOGAPE loans; (iii) an increase in risk expenses of Ch$16,300 million, due to a net deterioration in credit quality, which produced higher provisions due to the weakened financial status of some customers in the wholesale banking segment as a result of the pandemic, particularly during the first half of the year, and the recalibration of provisioning models in order to incorporate the latest information, partially offset by declining delinquency compared to 2019. These effects were partially offset by: (i) a positive foreign exchange impact of Ch$16,500 million on U.S. dollar-denominated provisions due to strong appreciation of the Chilean peso during the year compared to 2019; and (ii) adopting a standardized group risk matrix for commercial loans and updating the credit risk models in 2019 by approximately Ch$15,000 million.

Therefore, the portfolio expense indicator was 1.51% as of December 31, 2020, an increase of 30 basis points over 1.21% as of December 31, 2019. The Bank had a past due portfolio indicator of 0.97% as of December 31, 2020, slightly below its value as of December 31, 2019 of 1.39%.

Operating expenses decreased by 3.1% to Ch$882,331 million during 2020. This change was mainly due to: (i) a decrease of Ch$12,100 million in severance indemnities related to the organizational restructuring plan initiated in 2019; (ii) a decrease of Ch$8,200 million in outsourced services, driven by the internalization of key development and sales services in order to improve efficiency; (iii) a decrease of Ch$6,400 million in external consultancy due to the same factors mentioned above; (iv) a decrease of Ch$5,000 million due to repairs to property, plant and equipment in the fourth quarter of 2019; (v) a decrease in personnel expenses of Ch$4,600 million mainly associated with the effects of the pandemic on variable remuneration and other benefits, partly offset by an increase in salaries; and (vi) a decrease of Ch$4,200 million in marketing expenses due to a focus on more efficient marketing campaigns in 2020. These decreases were partially offset by: (i) an increase of Ch$7,500 million in technology expenses mainly due to internal projects deployed during 2020, including the new FAN checking account, improvements to websites for customers, mobile applications and cybersecurity projects; (ii) an increase in expenses of Ch$6,400 million for pandemic disinfecting measures; and (iii) an increase in depreciation and amortization expenses of Ch$2,816 million.

The income tax expense decreased by 25.8% to Ch $125,962 million in 2020.

Subordinated Debt with the Chilean Central Bank
The total outstanding subordinated debt was repaid on April 30, 2019, so there was no interest associated with this debt during 2020, while it had been Ch$28,165 million in 2019.

Energy Segment

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
Enex	8,130	25,709
Net income from the energy segment	**8,130**	**25,709**

The energy segment contributed net income of Ch$8,130 million to Quiñenco's net income for 2020, which contrasts negatively with the net income of Ch$25,709 million for the previous year.

Enex

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
Revenue	2,111,199	2,570,311
Operating income	19,640	39,147
Net income attributable to owners of the controller	**8,130**	**25,709**

Enex achieved net income of Ch$8,130 million during 2020, which contrasts negatively with its net income of Ch$25,709 million in 2019, mainly due to a weaker operating performance, negatively impacted by the global pandemic and associated restrictions, partially offset by improved non-operating income and an income tax credit during this period.

Revenue was Ch$2,111,199 million in 2020, 17.9% lower than the previous year, mainly due to the public health restrictions caused by the global pandemic, particularly during the second quarter, with lower sales volumes in all fuel segments in Chile, particularly the service station business and industrial sales, and lower revenue in the United States. Total sales volumes in 2020 were 3,754,000 cubic meters, 13.6% less than the previous year, of which 98% were fuels.

Gross income was Ch$256,879 million, 7.7% lower than the gross income for 2019, primarily attributable to the negative impact of selling fuel inventories at historical cost due to the sharp decline in fuel prices, while in 2019 there was a favorable effect from higher prices, together with the lower volumes sold in Chile mentioned above. Lower sales volumes in the United States were offset by higher unit margins.

Enex's operating income was Ch$19,640 million in 2020, which compares negatively with operating income of Ch$39,147 million in 2019, mainly as a result of the 7.7% decrease in gross income explained above, and, to a lesser extent, higher other losses. These higher expenses were partially offset by lower administrative and selling expenses, mainly due to lower sales volumes and the savings plan implemented in the second quarter.

The non-operating loss was Ch$11,675 million during 2020, 8.9% lower than the non-operating loss of Ch$12,812 million for the previous year, mainly due to a decrease in net finance costs and, to a lesser extent, a higher contribution from associates, partially offset by a decrease in exchange rate gains in the current period.

The income tax credit at Enex was Ch$165 million in 2020, contrasting positively with the charge of Ch$627 million in 2019.

Transport Segment

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
CSAV	107,818	52,809
Net income from the transport segment	**107,818**	**52,809**

The transport segment contributed net income of Ch$107,818 million to Quiñenco's net income for 2020, 104.2% higher than its net income of Ch$52,809 million for the previous year.

The net income for CSAV includes the revaluation to fair value of Quiñenco's investment in CSAV. This revaluation resulted in a loss of Ch$29 million in 2020 and a loss of Ch$25 million in 2019.

CSAV

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
Revenue	-	-
Operating loss	(7,409)	(5,423)
Non-operating income	225,427	98,630
Net income attributable to owners of the controller	**174,900**	**88,195**

CSAV achieved net income of Ch$174,900 million[8] in 2020, 98.3% higher than its net income of Ch$88,195 million for 2019, primarily due to improved performance from the German shipping line Hapag-Lloyd.

The operating loss was Ch$7,409 million in 2020, 36.6% higher than the loss of Ch$5,423 million in 2019, primarily reflecting higher administrative expenses and lower other income, associated with lower gains on the sale of investment properties in the current period.

Non-operating income was Ch$225,427 million for 2020, which contrasts positively with non-operating income of Ch$98,630 for 2019. 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$110.6 million in 2019, to a gain of US$317.3 million in 2020, together with an adjustment to fair value that was a positive adjustment of US$2.6 million in 2019 and a negative adjustment of US$5.0 million in 2020, which resulted in a net increase of US$199.1 million (Ch$164,109 million). This effect was partially offset by higher finance costs, mainly due to the increase in borrowing to finance the acquisition of an additional interest in Hapag-Lloyd at the beginning of 2020, which remained until it was paid after the completion of the capital increase at the end of 2020.

Net income at Hapag-Lloyd was US$1,058 million in 2020, which compares favorably with net income of US$405 million for the previous year. Sales increased by 3.3% in 2020 compared to 2019. Public health restrictions implemented due to the worldwide pandemic resulted in a 1.6% decrease in the volume transported, mainly reflected in a contraction during the second quarter, followed by a recovery during the second half of the year. This drop in transported volumes was more than offset by a 4.0% increase in the average freight rate in response to the increase in demand. Operating expenses decreased by 1.0%, mainly due to the lower volume transported, the lower average bunker consumption price, and effective cost management. Accordingly, the German shipping company achieved net income before interest and taxes (EBIT) of US$1,501 million in 2020, 65.3% higher than its EBIT of US$908 million for the previous year. EBITDA was US$3,082 million, 38.6% higher than the US$2,223 million reported in 2019.

Finally, the additional 2.2% interest acquired during 2020 had no effect on results, while the 1.9% acquired in 2019 generated a gain of Ch$24,661 million (US$34.6 million). Thus, CSAV's share of Hapag-Lloyd's results, including all the effects mentioned above, was a gain of Ch$244,902 million in 2020, which contrasts favorably with the gain of Ch$105,454 million in 2019.

CSAV's income tax expense was Ch$42,648 million in the current period, which contrasts negatively with the income tax expense of Ch$487 million in 2019, mainly due to an increased deferred tax expense in 2020, associated with fluctuations in the Euro-US dollar exchange rate, given the financing structure of CSAV's investment in Hapag-Lloyd.

The loss from discontinued operations of Ch$470 million for 2020, compared to the loss of Ch$4,524 million in 2019, was

8 *The analysis of CSAV is based on its financial statements prepared in Quiñenco's functional currency. CSAV and Quiñenco have different functional currencies.*

mainly due 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$	
	12-31-2020	12-31-2019
SM SAAM	25,793	19,150
Net income from the port services segment	**25,793**	**19,150**

The port services segment contributed net income of Ch$25,793 million to Quiñenco's net income for 2020, 34.7% higher than its contribution of Ch$19,150 million in 2019.

The result for SM SAAM included the revaluation to fair value of Quiñenco's investment in SM SAAM. This revaluation resulted in a loss of Ch$1,539 million in 2020 compared to a loss of Ch$1,966 million in 2019.

SM SAAM

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
Revenue	462,304	373,718
Operating income	99,876	69,993
Non-operating loss	(21,041)	(322)
Net income attributable to owners of the controller	**52,362**	**40,453**

SM SAAM achieved net income of Ch$52,362 million[9] in 2020, an increase of 29.4% compared to Ch$40,453 million in the previous year, mainly due to a good performance in the Towage Division and cost efficiencies, as well as a non-recurring gain associated with the increased interest in Aerosan, partially offset by a weaker performance from the Port Terminals segment, mainly due to the lower volumes as a consequence of the pandemic and the closure of ports due to high swells.

SM SAAM's revenue was Ch$462,304 million for 2020, increasing by 23.7% in Chilean peso terms compared to 2019, mainly attributable to the Towage Division. Revenue from this segment grew mainly as a result of consolidating SAAM Towage Brazil with effect from the end of 2019, which offset the impact of lower volumes due to the pandemic. Container throughput at consolidated port terminals fell by 9.5%, due to the negative impact of vessel call cancellations due to the pandemic, which had the greatest impact during the third quarter as a result of quarantines, but improved during the fourth quarter as cities began to reopen and imports started to recover. The fall in throughput was more than offset by a favorable translation effect to Chilean peso terms. Revenue for Logistics increased due to consolidating Aerosan with effect from November 2020, which offset lower revenue from bonded warehousing and trucking services, mainly attributed to the pandemic.

SM SAAM obtained gross income of Ch$148,882 million in 2020, 28.4% higher than the Ch$115,969 million in 2019, due to growth in the Towage Division, mainly driven by consolidating SAAM Towage Brazil, and growth in Logistics, due to consolidating Aerosan during the fourth quarter of 2020. Cost of sales increased by 21.6% in Chilean peso terms, mostly due to consolidating SAAM Towage Brazil and, to a lesser extent, Aerosan, which were partially offset by the fall in port terminal volumes and the cost savings. Operating income was Ch$99,876 million for 2020, 42.7% higher than the operating income of Ch$69,993 million in 2019, mainly due to the increase in gross income explained above, complemented by a non-recurring gain from revaluing the previous interest in Aerosan after the acquisition of the remaining 50% interest, which was approximately Ch$9,100 million, and the gain on the sale of real estate in Valparaiso, partially offset by an increase in administrative expenses, primarily due to consolidating SAAM Towage Brazil and, to a lesser extent, Aerosan.

The non-operating loss was Ch$21,041 million in 2020, well above the non-operating loss of Ch$322 million for the previous year, mainly due to an 87.9% reduction in the net income of associates in Chilean peso terms. This was due to weaker performance at Chilean port terminals from a 15% drop in container throughput, caused by port closures due to high swells and the pandemic, the towage business in Brazil being included in 2019 only after the transaction with Boskalis, and consolidating Aerosan with effect from November 2020. Finance costs increased, associated with consolidating SAAM Towage Brazil, financing the acquisition of Boskalis' share of towage joint ventures, additional borrowing, and, to a lesser extent, increased exchange losses.

The income tax expense increased by 8.6% to Ch$22,540 million in Chilean peso terms, mainly due to a negative exchange rate effect as the income tax expense decreased by 5.4% in US dollar terms, attributable to the tax on the sale of the TPA interest in 2019.

9 The analysis of SM SAAM is based on its financial statements prepared in Quiñenco's functional currency. SM SAAM and Quiñenco have different functional currencies.

Other Segment

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
IRSA	27,582	37,458
Quiñenco and others	(48,122)	(29,751)
Net income (loss) from the other segment	**(20,540)**	**7,707**

The Other segment contributed a net loss of Ch$20,540 million to Quiñenco's net income in 2020, comparing negatively to the net income of Ch$7,707 million in 2019, primarily due to an increase in the net loss from Quiñenco and others and a decrease in the contribution from IRSA.

IRSA

IRSA is the parent company of CCU and contributed net income of Ch$27,582 million to Quiñenco in 2020, which was 26.4% lower than the Ch$37,458 million contributed in the previous year, mainly due to lower net income from CCU.

CCU

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
Revenue	1,857,594	1,822,541
Operating income	175,181	233,965
Net income attributable to owners of the parent company	**96,152**	**130,142**

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 Other[10].

CCU achieved net income of Ch$96,152 million in 2020, 26.1% lower than its net income of Ch$130,142 million for the previous year, due to a weaker performance of the international business and Chile segments, which were negatively impacted by the restrictions to control the pandemic, mainly during the second quarter, and by the devaluations of the Argentine and Chilean peso, partially mitigated by a better performance of the Wine segment.

Revenue for CCU was Ch$1,857,594 million in 2020, 1.9% higher than in 2019, due to 2.2% growth in consolidated sales volumes, partially offset by a 0.3% fall in average prices in Chilean peso terms. Sales volumes recovered towards the end of the year, after an increase of 6.4% in the first quarter, a contraction of 12.0% in the second quarter, a decrease of 1.8% in the third quarter, and growth of 10.6% in the fourth quarter. The overall sales growth of 1.9% is analyzed as follows. Sales in the Chile segment increased by 6.7%, as sales volumes increased by 3.4% and average prices increased by 3.2%, mainly due to revenue management initiatives and a positive change in mix between categories, which more than offset the negative impact of the pandemic on high margin consumer occasions. Sales in the Wine segment increased by 10.8%, due to a 10.2% increase in sales volumes, complemented by a 0.5% increase in average prices. The International Business segment reported a 13.3% decrease in sales, due to a 12.1% drop in the average price in Chilean pesos, attributable to the depreciation of the Argentine peso against the Chilean peso, partially offset by price increases in local currency, and a 1.3% decline in sales volumes.

CCU's gross income was Ch$873,558 million in 2020, 4.4% lower than in 2019, due to an 8.3% rise in cost of sales, reflecting a higher average cost per hectoliter and increased sales volumes. The change in gross income is primarily due to the International Business and Chile segments, partially offset by the Wine segment. The decrease in gross income at the International Business segment was 19.7%, due to the aforementioned reduction in sales, partially offset by a lower cost per hectoliter in Chilean pesos, mainly due to the 47.1% depreciation of the Argentine peso against the Chilean peso, and lower raw material costs. The decrease in gross income at the Chile segment was 1.2%. The sales growth was offset mainly by a higher cost per hectoliter, reflecting higher US dollar-related costs due to the 12.8% devaluation of the Chilean peso and a negative change in mix between categories, partially offset by lower raw material costs. The increase in gross income from the Wine segment was driven by sales growth and a 1.7% decline in costs per hectoliter, due to decreases in the cost of wine, which more than offset the effect of the depreciation of the Chilean peso against the US dollar on packaging material costs. Marketing, distribution, administrative and selling expenses remained stable compared to 2019, due to expense control initiatives through the CCU ExCCelencia program in all segments. EBITDA decreased by 11.7% in 2020 to Ch$296,405 million, mainly due to the International Business segment with a contraction of 48.2%, and the Chile segment with a contraction of 8.2%,

10 *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.*

partially offset by the Wine segment with an expansion of 12.5%. As a result, the EBITDA margin decreased from 18.4% to 16.0%.

The non-operating loss was Ch$31,578 million, lower than the non-operating loss of Ch$48,343 million in 2019, mainly due to an exchange gain compared to a loss in the previous year, a lower loss from associates and joint ventures, mainly reflecting better financial results in Colombia, and a lower loss on indexation adjustments, mainly due to lower inflation in Argentina compared to the previous year. This was partially offset by higher net finance costs, attributable to the cash and cash equivalents held during the prior year for tax and dividend payments related to the Argentina transaction in 2018 and higher financial borrowing.

The income tax expense decreased to Ch$35,408 million in 2020, compared to Ch$39,976 million in 2019, mainly due to lower net income before taxes.

Quiñenco and others

Quiñenco and others reported a net loss of Ch$48,122 million in 2020, 61.8% higher than the net loss of Ch$29,751 million in 2019. The increase is primarily due to a weaker performance of Quiñenco at the corporate level, mainly due to the non-recurring gain in the previous year from the sale of the Banchile Vida and SegChile insurance businesses, which was completed in December 2019, in addition to the contribution from these businesses during 2019, and, to a lesser extent, higher net finance costs, a higher loss associated with indexed liabilities caused by the higher inflation in 2020, and higher administrative expenses. These unfavorable changes were partially offset by an income tax credit and, to a lesser extent, by a foreign exchange gain.

III. ANALYSIS OF THE STATEMENT OF FINANCIAL POSITION

ASSETS

The consolidated assets of Quiñenco as of December 31, 2020, were Ch$52,885,957 million, an increase of 10.9% over its assets of Ch$47,696,197 million as of December 31, 2019, mainly due to increases in banking sector assets.

The composition of consolidated assets at the end of each year is as follows:

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
Manufacturing		
Invexans (Corporate)	362,795	314,629
Techpack	148,138	150,843
Subtotal manufacturing	**510,932**	**465,473**
Financial		
LQIF holding	849,276	848,036
Energy		
Enex	1,310,280	1,339,745
Transport		
CSAV	2,158,467	1,884,863
Port Services		
SM SAAM	1,258,141	1,211,453
Other		
Quiñenco y otros	703,737	673,299
Total non-banking sector assets	**6,790,833**	**6,422,869**
Banking sector assets	46,095,124	41,273,328
Total consolidated assets	**52,885,957**	**47,696,197**

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
Non-banking sector current assets	1,143,051	1,025,848
Non-banking sector non-current assets	5,647,782	5,397,021
Total non-banking sector assets	**6,790,833**	**6,422,869**
Banking sector assets	46,095,124	41,273,328
Total consolidated assets	**52,885,957**	**47,696,197**

Non-banking sector current assets

Non-banking sector current assets were Ch$1,143,051 million as of December 31, 2020, which represents an increase of 11.4% compared to December 31, 2019. The increase is primarily due to more cash and cash equivalents, mainly attributable to the funds received from bond placements by Quiñenco and SM SAAM, funds received by CSAV as third parties subscribed to its capital increase during the third quarter of 2020, net loans received by Enex, and dividends received by LQIF from Banco de Chile, Hapag-Lloyd and IRSA. These receipts were partially offset by the acquisition of an additional interest in Hapag-Lloyd by CSAV and dividend payments by Quiñenco and by LQIF and SM SAAM to third parties. The increase in cash and cash equivalents was partially offset by a decrease in trade and other receivables, mainly at Enex and, to a lesser extent, at CSAV and SM SAAM.

Non-banking sector non-current assets

Non-banking sector non-current assets were Ch$5,647,782 million as of December 31, 2020, which represents an increase of 4.6% compared to December 31, 2019. This change is mainly due to the 12.2% increase in equity method investments, primarily attributable to the higher book value of Hapag-Lloyd, reflecting the additional interest acquired during the first quarter, including goodwill of Ch$80,312 million, the translation adjustment and net income for the year net of dividends. The change in non-current assets was partially offset by a 16.9% decrease in deferred tax assets, mainly at CSAV, due to the net tax effect of the euro borrowings to finance the investment in Hapag-Lloyd in Germany.

Banking sector assets

Banking sector assets as of December 31, 2020 were Ch$46,095,124 million, which represents an increase of 11.7% compared to December 31, 2019, mainly due to an increase in trading instruments and loans, mostly associated with the growth in demand deposits and an increase in loans and advances to banks.

LIABILITIES

The consolidated liabilities of Quiñenco at the end of each year were as follows.

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
Manufacturing		
Invexans (Corporate)	21,921	17,150
Techpack	1,048	1,687
Subtotal manufacturing	**22,969**	**18,837**
Financial		
LQIF holding	256,755	251,161
Energy		
Enex	736,777	729,618
Transport		
CSAV	222,599	219,525
Port Services		
SM SAAM	651,788	590,936
Other		
Quiñenco and others	1,064,035	866,177
Non-banking sector total liabilities	**2,954,922**	**2,676,255**
Banking sector liabilities	42,165,112	37,520,550
Total consolidated liabilities	**45,120,034**	**40,196,805**

	FIGURES IN MCh$	
	12-31-2020	12-31-2019
Non-banking sector current liabilities	653,352	521,270
Non-banking sector non-current liabilities	2,301,570	2,154,985
Non-banking sector total liabilities	**2,954,922**	**2,676,255**
Banking sector liabilities	42,165,112	37,520,550
Total consolidated liabilities	**45,120,034**	**40,196,805**
Total equity	7,765,923	7,499,392
Total equity and liabilities	**52,885,957**	**47,696,197**

Non-banking sector current liabilities

Non-banking sector current liabilities were Ch$653,352 million, an increase of 25.3% over December 31, 2019. This increase is mainly attributable to the increase in financial debt, primarily in the energy segment reflecting bank debt, and at SM SAAM and Quiñenco corporate, mainly due to the transfer of debt from long-term to short term, and, to a lesser extent, higher other non-financial liabilities that comprise dividends payable to minority shareholders of CSAV and shareholders of Quiñenco holding on earnings for 2020. These changes were partially offset by a decrease in payables, primarily at Enex and, to a lesser extent, at CSAV.

Non-banking sector non-current liabilities

Non-banking sector non-current liabilities were Ch$2,301,570 million, an increase of 6.8% over December 31, 2019. This increase is mainly due to an increase in financial obligations, mainly at Quiñenco holding and SM SAAM following bond placements during 2020, partially offset by a decrease at CSAV, due to the transfer of debt from long-term to short-term.

Total liabilities for the non-banking sector were Ch$2,954,922 million as of December 31, 2020, an increase of 10.4% over December 31, 2019, due to an increase in non-current liabilities and, to a lesser extent, an increase in current liabilities.

Banking sector liabilities

Banking sector liabilities increased by 12.4% compared to December 31, 2019.

Equity[11]

Quiñenco's equity was Ch$3,537,585 million as of December 31, 2020, 1.5% higher than December 31, 2019. This increase is due to net income for the year net of dividends, partially offset by unfavorable translation adjustments, mostly at CSAV, Invexans, IRSA and SM SAAM. The subsidiary CSAV reduced its capital by absorbing accumulated losses, which reduced Quiñenco's consolidated other reserves by approximately Ch$546,000 million, and increased its retained earnings by the same amount.

11 *Equity is equity attributable to owners of the controller.*

IV. INDICATOR TRENDS

FINANCIAL INDICATORS		12-31-2020	12-31-2019
LIQUIDITY*			
Current Liquidity	times	1.7	2.0
Current assets/Current liabilities)			
Acid ratio	times	0.9	1.1
(Cash & cash equivalents/Current liabilities)			
DEBT*			
Leverage ratio	times	0.84	0.77
(Total liabilities/Equity attributable to owners of the controller)			
Current debt/Total debt	%	22.1%	19.5%
Current liabilities/Total liabilities)			
Non-current debt/Total debt	%	77.9%	80.5%
(Non-current liabilities/Total liabilities)			
Interest coverage	times	4.02	2.79
((Non-banking net income + Income tax expense + Financial costs)/Financial costs)			
ACTIVITY*			
Inventory turnover	times	18.49	23.30
(Cost of sales/Average inventories)			
PROFITABILITY			
Return on equity	%	7.0%	6.3%
(Net income attributable to the controller/Average equity attributable to owners of the controller)			
Return on assets of non-financial segments	%	2.4%	1.4%
(Net income attributable to the controller - non-financial segments/Average assets - non-financial segments)			
Return on assets of financial segment	%	0.3%	0.3%
(Net income attributable to the controller - financial segment/Average assets - financial segment)			
Earnings per share	Ch$	148.70	126.33
(Net income attributable to the controller/Weighted average number of shares shares)			
Dividend yield	%	3.0%	2.8%
(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 2.0 as of December 31, 2019, to 1.7 as of December 31, 2020. The 11.4% increase in current assets was offset by a 25.3% increase in current liabilities, as explained above.

LEVERAGE

The non-banking sector leverage ratio increased from 0.77 as of December 31, 2019, to 0.84 as of December 31, 2020. This is mainly due to an increase of 10.4% in total liabilities, partially offset by an increase in the controller's equity of 1.5%, as explained above. Current liabilities for the non-banking sector as of December 31, 2020, represent 22.1% of total liabilities for the non-banking sector, compared to 19.5% as of December 31, 2019.

The interest coverage ratio for the non-banking sector increased from 2.79 as of December 31, 2019, to 4.02 as of December 31, 2020. This change is mainly due to the increase in non-banking net income (80.1%), partially offset by an increase in finance costs (16.5%).

ACTIVITY

Inventory turnover decreased from 23.30 as of December 31, 2019, to 18.49 as of December 31, 2020. This decrease is due to an increase in average inventory (7.2%), mainly at Enex and, to a lesser extent, at SM SAAM, together with a lower cost of sales (-15.0%).

PROFITABILITY

Return on equity increased from 6.3% as of December 31, 2019, to 7.0% as of December 31, 2020. This increase is mainly due to higher net income attributable to the controller for the current year (17.7%), partially offset by an increase in average equity (4.8%).

Return on assets for the non-banking sector increased from 1.4% as of December 31, 2019, to 2.4% as of December 31, 2020. The increase in net income attributable to the controller from the non-banking sector in the current year (85.1%) was partially offset by an increase in average assets in the non-banking sector (9.3%).

Earnings per share increased from Ch$126.33 as of December 31, 2019, to Ch$148.70 as of December 31, 2020. This increase is mainly due to higher net income attributable to the controller in 2020, as explained before.

The dividend yield increased from 2.8% as of December 31, 2019, to 3.0% as of December 31, 2020, due to the lower market share price (-18.6%), partially offset by lower dividends in the last twelve months (-12.7%).

V. SUMMARIZED STATEMENT OF CASH FLOWS

NON-BANKING SECTOR CASH FLOW	FIGURES IN MCh$	
	12-31-2020	12-31-2019
Net cash flow provided by (used in) operating activities	209,723	200,912
Net cash flow provided by (used in) financing activities	101,371	(81,207)
Net cash flow provided by (used in) investing activities	(394,537)	59,652
Total net cash flow for the year	**(83,443)**	**179,356**

Quiñenco had total negative net cash flows of Ch$83,443 million for the non-banking sector in 2020, explained by the negative cash flow used by investing activities of Ch$394,537 million, offset by a positive cash flow provided by operating activities of Ch$209,723 million and a positive cash flow provided by financing activities of Ch$101,371 million.

The negative cash flow used by investing activities is mainly due to the increase in CSAV's interest in Hapag-Lloyd of Ch$254,258 million, the net investment of time deposits and others over 90 days of Ch$111,494 million mainly at Quiñenco, and the purchase of property, plant and equipment of Ch$98,980 million, mostly at SM SAAM and Enex, partially offset by dividends received of Ch$82,566 million, mainly from Hapag-Lloyd and IRSA (CCU's parent company) and, to a lesser extent, from associates of SM SAAM and Enex.

The positive cash flow provided by operating activities is due to customer collections of Ch$2,908,619 million mainly at Enex and, to a lesser extent, SM SAAM, partially offset by payments to suppliers of Ch$2,425,394 million mainly at Enex and, to a lesser extent, SM SAAM, payments to employees of Ch$206,012 million, mainly at SM SAAM and Enex, and other net operating payments of Ch$41,862 million, mainly at SM SAAM and Enex, and income tax payments of Ch$20,449 million, mainly at SM SAAM, partially offset by Quiñenco holding and Enex.

The positive cash flow provided by financing activities is mainly due to net loans of Ch$280,533 million, mainly at Quiñenco holding, Enex and SM SAAM, and receipts from third parties for the capital increase at CSAV of Ch$100,749 million, partially offset by dividend payments of Ch$167,275 million, mainly by LQIF, Quiñenco and, to a lesser extent, SM SAAM to third parties, interest payments of Ch$76,733 million, by Quiñenco holding, CSAV, Enex, LQIF and SM SAAM, and lease payments of Ch$32,328 million, mainly by Enex, SM SAAM and CSAV.

BANKING SECTOR CASH FLOW	FIGURES IN MCh$	
	12-31-2020	12-31-2019
Net cash flow provided by (used in) operating activities	2,364,238	1,136,352
Net cash flow provided by (used in) financing activities	(505,126)	847,146
Net cash flow provided by (used in) investing activities	504,383	(263,650)
Total net cash flow for the year	**2,363,495**	**1,719,848**

Quiñenco reported total positive net cash flow for the banking sector of Ch$2,363,495 million in 2020, due to positive cash flow from operating activities of Ch$2,364,238 million and, to a lesser extent, positive cash flow from investing activities of Ch$504,383 million, partially offset by a negative cash flow from financing activities of Ch$505,126 million.

VI. SUMMARIZED STATEMENT OF COMPREHENSIVE RESULTS

	FIGURES IN MCh$		CHANGE
	12-31-2020	12-31-2019	
Non-banking sector results			
Revenue	**2,573,841**	**2,944,684**	**-12.6%**
Manufacturing	78	67	16.3%
Financial	-	-	-
Energy	2,111,199	2,570,311	-17.9%
Transport	-	-	-
Port Services	462,304	373,718	23.7%
Other	261	589	-55.7%
Cost of sales	**(2,167,967)**	**(2,549,848)**	**-15.0%**
Manufacturing	-	-	-
Financial	-	-	-
Energy	(1,854,320)	(2,291,879)	-19.1%
Transport	-	-	-
Port Services	(313,422)	(257,749)	21.6%
Other	(225)	(220)	2.1%
Operating income (loss)	**81,876**	**73,811**	**10.9%**
Manufacturing	(3,659)	(3,286)	11.3%
Financial	(1,505)	(1,579)	-4.7%
Energy	19,640	39,147	-49.8%
Transport	(7,409)	(5,423)	36.6%
Port Services	99,876	69,993	42.7%
Other	(25,067)	(25,041)	0.1%
Non-operating income (loss)	**179,914**	**40,610**	**343.0%**
Financial income	6,917	18,669	-62.9%
Financial costs	(86,002)	(73,812)	16.5%
Share of income (loss) of associates & joint ventures	290,516	122,806	136.6%
Exchange differences	(3,118)	(421)	641.6%
Losses from indexation adjustments	(28,399)	(26,632)	6.6%
Income tax expense	(43,598)	(12,310)	254.2%
Net income (loss) from discontinued operations	(2,054)	17,909	n.a.
Consolidated net income from non-banking sector	**216,137**	**120,019**	**80.1%**
Banking sector results			
Revenue	1,938,867	2,015,198	-3.8%
Provisions for loan losses	(462,681)	(347,275)	33.2%
Operational expenses	(882,332)	(911,004)	-3.1%
Net operating income	593,854	756,919	-21.5%
Non-operating loss	(4,661)	(21,714)	-78.5%
Income taxes	(125,963)	(169,683)	-25.8%
Consolidated net income from banking sector	**463,230**	**565,521**	**-18.1%**
Consolidated net income	679,367	685,541	-0.9%
Net income attributable to non-controlling interests	432,120	475,491	-9.1%
Net income attributable to owners of the controller	**247,247**	**210,049**	**17.7%**

VI. 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.

ECONOMIC ENVIRONMENT

The Company's businesses are primarily in Chile. Therefore, its operating results and financial position are largely dependent on the general state of the Chilean economy. It is estimated that the Chilean economy contracted by 5.8% in 2020 and there is no assurance that it will 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 reform, 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 operations in Chile, some of the Company's industrial businesses operate and export to companies that, in turn, operate and export to Argentina, Peru, Colombia and other Latin American countries and the rest of the world, which on various occasions in the past have suffered from volatile, or at least unfavorable, economic, political and social conditions. 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, price and wage controls, exchange control regulations, taxes, expropriation, social instability and other political, economic or diplomatic events that affect the countries where the Company operates. The gradual globalization of some of the Company's businesses diversifies the risk associated with a sector or country.

The current global COVID-19 pandemic was declared an international public health emergency by the World Health Organization in March 2020, which has increased uncertainty and negatively affected economies and markets around the world. The COVID-19 pandemic or epidemic 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 businesses and financial condition depends on uncertain factors, such as its severity, spread and duration. Quiñenco and its subsidiaries have, to date, 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. The imbalance between supply and demand in the maritime shipping industry could affect shipping operators to a greater or lesser extent, depending on the type of fleet they operate, 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 and an 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.

RAW MATERIALS RISK

Fuels sold by the indirect subsidiary Enex 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 as experienced during the second quarter of 2020 as a result of the COVID-19 pandemic may increase this exposure. 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"). Hapag-Lloyd implemented a Marine Fuel Recovery (MFR) mechanism to recover the incremental costs of using more refined fuel, which is calculated per TEU.

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 overall perspective is fundamental for its strategy and sustainability. Risk management policies are established with the objective of identifying and analyzing the risks faced by the Bank, setting adequate limits and controls, and monitoring 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.

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. Potential issuers and institutions and investment limits applicable to each one, are regularly reviewed to assess potential changes in their solvency that could affect the company.

The subsidiary Invexans, at the corporate level, manages the risk associated with financial assets or liabilities in accordance with its policies. Cash surpluses are invested in accordance with 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, in the energy segment Enex manages customer credit risk in accordance with its credit policy and its authorizations manual. Sales on 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 resale 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 a strict credit policy to manage its receivables portfolio, which is based on lines of credit and payment terms granted on the basis of an individual analysis of the solvency, payment ability, and general references of each customer, their shareholders, the industry and the customer's market, as well as its payment history with the company. These lines of credit are reviewed at least annually.

CSAV has an investment policy to manage its financial assets, which include time deposits and resale agreements, whereby its checking accounts and investments are held in financial institutions with investment grade credit ratings. Its risk control policy also includes taking hedge positions in interest rates, exchange rates and oil prices, with prestigious financial institutions within the industry that have investment grade credit ratings. As of December 31, 2020, there are no hedging contracts.

Credit granted to customers at the subsidiary SM SAAM is regularly revised, in order to apply the controls defined by the company, and to monitor the status of accounts pending collection.

Cash surpluses at the subsidiary SM SAAM can be invested in low-risk financial instruments.

See Note 28 Classes of financial assets and liabilities, for details of the balances of financial assets.

Liquidity Risk

Quiñenco finances its activities and investments with dividends 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 projected corporate liquidity requirements for each period, covering cash to be received (rents receivable, dividends receivable, etc.), the respective payments (commercial, financial, etc.) and available cash, in order to avoid short-term external financing. Invexan's financing policy seeks funding sources with a balanced structure between short and long term, low-risk exposure and alignment with the cash flows generated by the company.

In Invexans' energy segment, Enex regularly updates its short-term cash flow projections based on information received from its commercial departments. Enex has credit lines with its principal banks, in order to cover potential unexpected cash deficits.

The capital management policy at the subsidiary Techpack aims to ensure the liquidity and availability of resources, and ensure that it has sufficient liquidity.

The subsidiary 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 22 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[12]

Exchange rate risk

As of December 31, 2020, the net corporate exposure to exchange rate risk is an asset equivalent to Ch$181 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$9 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 projected for Invexans, financial derivatives may be contracted (primarily cross currency swaps) in order to mitigate these potential risks. As of December 31, 2020, the net corporate exposure to exchange rate risk at Invexans is an asset equivalent to Ch$42,282 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$2,114 million. As of December 31, 2020, the net exposure to exchange rate risk in the energy segment is a liability equivalent to Ch$287,350 million. A 5% change in the exchange rate of currencies other than the functional currency would have an estimated effect on comprehensive income before tax of Ch$14,367 million.

Exposure to exchange rate risk at 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, 2020, Techpack's net exposure to exchange rate risk is a liability equivalent to Ch$26 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$1 million.

The subsidiary LQIF has no exposure to exchange rate risk as it has no foreign currency assets or liabilities as of December 31, 2020 and 2019.

The subsidiary CSAV has assets and liabilities primarily denominated in its functional currency, the US dollar. However, it also has certain 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, 2020, the net exposure to exchange rate risk of CSAV is a liability equivalent to Ch$767 million. A 5% change in the exchange rate of the US dollar against other currencies would have an estimated effect on comprehensive income before taxes of Ch$38 million.

The major currencies to which the subsidiary SM SAAM is exposed, other than the functional currency (US dollar), are the Chilean peso, Canadian dollar, Mexican peso, and Brazilian real. SM SAAM normally mitigates volatility in its results, caused by net positions of assets and liabilities in foreign currencies, using hedging instruments. As of December 31, 2020, the net exposure to exchange rate risk at SM SAAM is a liability equivalent to Ch$252,160 million. A 5% change in the exchange rate of the US dollar against other currencies would have an estimated effect on comprehensive income before taxes of Ch$12,608 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 36 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, 2020, at the corporate level Quiñenco has financial assets at fair value through profit and loss of Ch$280,487 million, which are subject to interest rate risk. A

12 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 performance with a corresponding equal effect on equity.

change of 10 basis points in the interest rate would generate an effect on finance income for the year of Ch$47 million.

Quiñenco has all its corporate financial obligations at fixed interest rates, which implies a low exposure to interest-rate risk.

Invexans has all of its corporate financial obligations at protected interest rates.

Invexans' energy segment has 0.2% of its financial liabilities at a fixed interest rate and 99.8% at a variable rate.

As of December 31, 2020, 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 89.1% of its obligations at fixed rates and 10.9% at variable rates.

SM SAAM has 68.8% of its obligations at fixed rates, 24.0% at protected rates and 7.2% at variable rates.

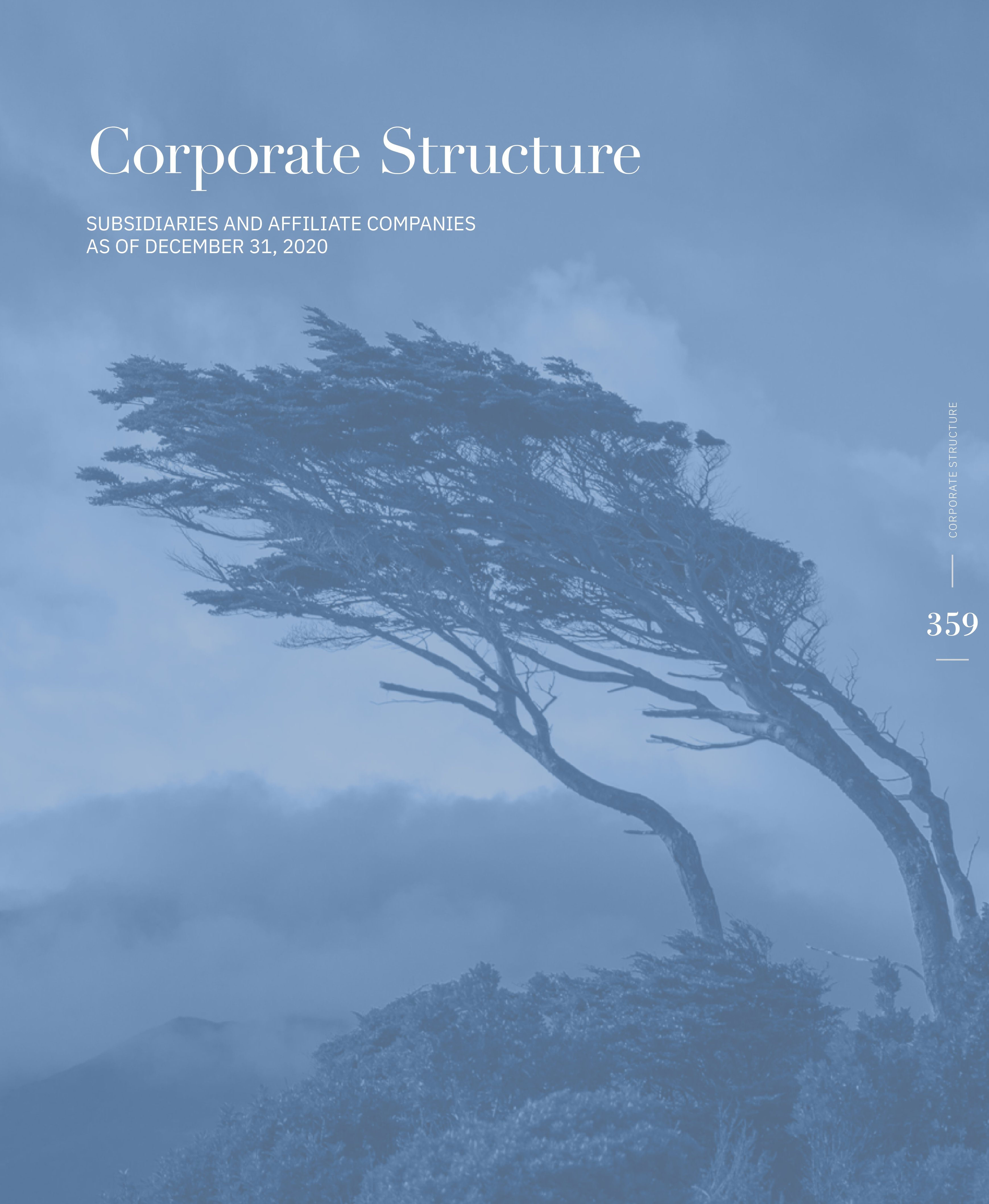
The consolidated interest-rate structure is as follows: As can be seen, the consolidated interest-rate risk is low, as 82.4% of debt is structured with fixed or protected interest rates. Entorno económico

CONSOLIDATED FINANCIAL LIABILITIES BY INTEREST RATE	12-31-2020	12-31-2019
Fixed interest rate	77.1%	87.9%
Protected interest rate	5.3%	7.3%
Variable interest rate	17.6%	4.8%
Total	**100.0%**	**100.0%**

As of December 31, 2020, the consolidated exposure to variable interest rates was a liability of Ch$372,576 million. A 100-basis-point change in the interest rate would generate an effect on finance costs for the 12-month period of Ch$3,726 million.

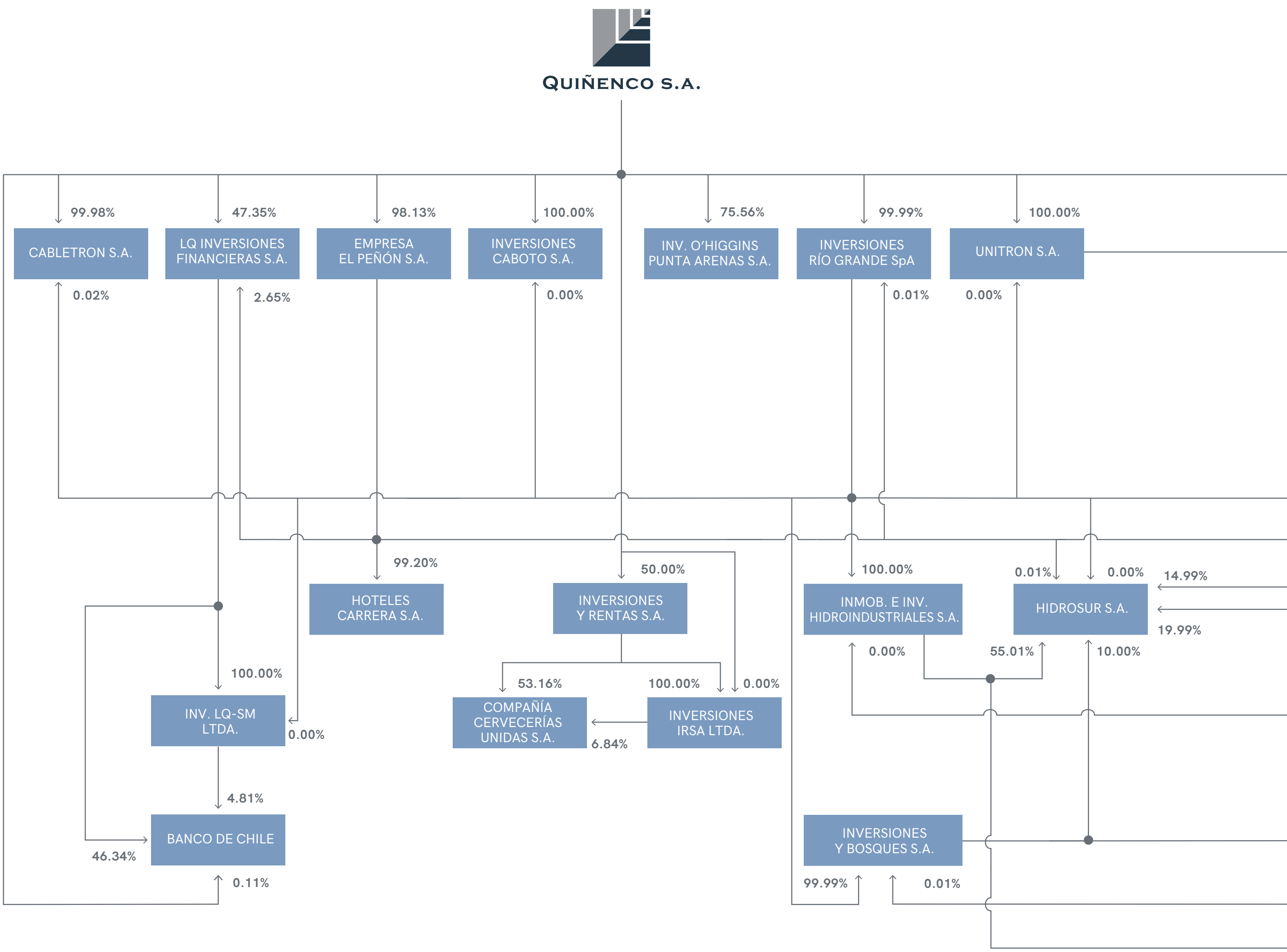
Corporate Structure

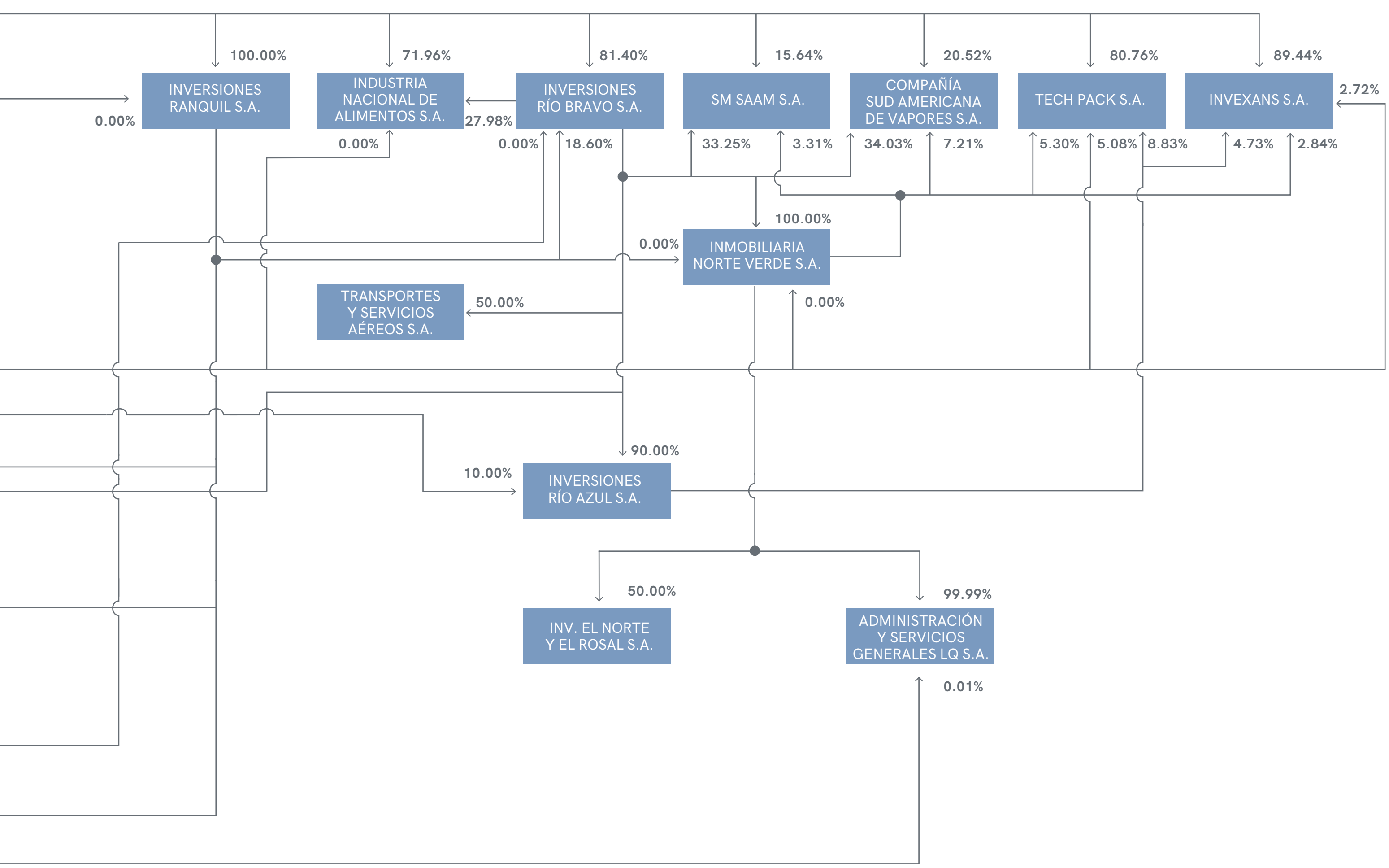
SUBSIDIARIES AND AFFILIATE COMPANIES
AS OF DECEMBER 31, 2020



Quiñenco S.A.

SUBSIDIARIES AND AFFILIATES

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71.96%
81.40%
15.64%
20.52%
80.76%
89.44%
INVERSIONES RANQUIL S.A.
INDUSTRIA NACIONAL DE ALIMENTOS S.A.
INVERSIONES RÍO BRAVO S.A.
SM SAAM S.A.
COMPAÑÍA SUD AMERICANA DE VAPORES S.A.
TECH PACK S.A.
INVEXANS S.A.
2.72%
0.00%
27.98%
0.00%
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18.60%
33.25%
3.31%
34.03%
7.21%
5.30%
5.08%
8.83%
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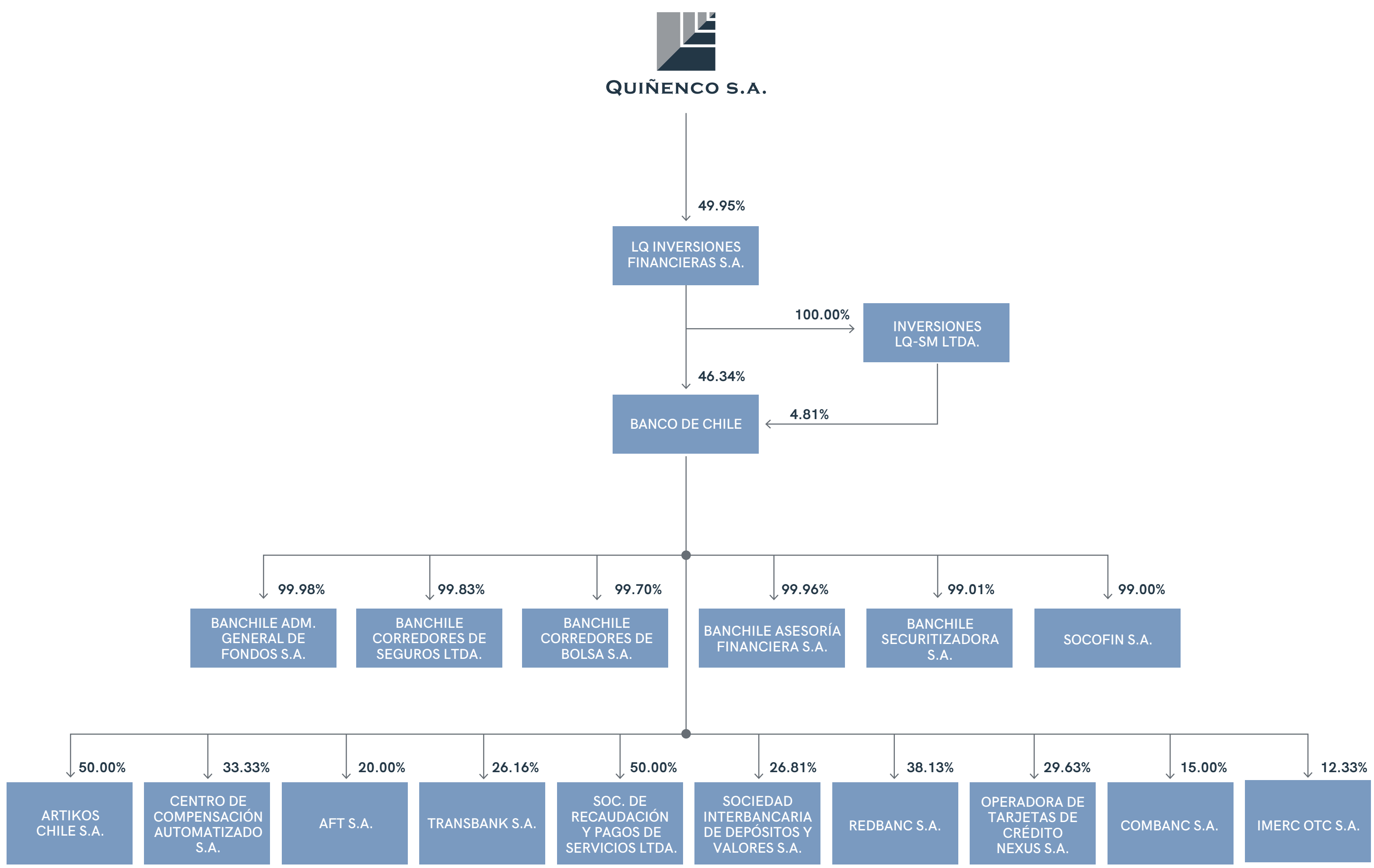
2.84%
100.00%
0.00%
INMOBILIARIA NORTE VERDE S.A.
TRANSPORTES Y SERVICIOS AÉREOS S.A.
50.00%
0.00%
90.00%
10.00%
INVERSIONES RÍO AZUL S.A.
50.00%
99.99%
INV. EL NORTE Y EL ROSAL S.A.
ADMINISTRACIÓN Y SERVICIOS GENERALES LQ S.A.
0.01%

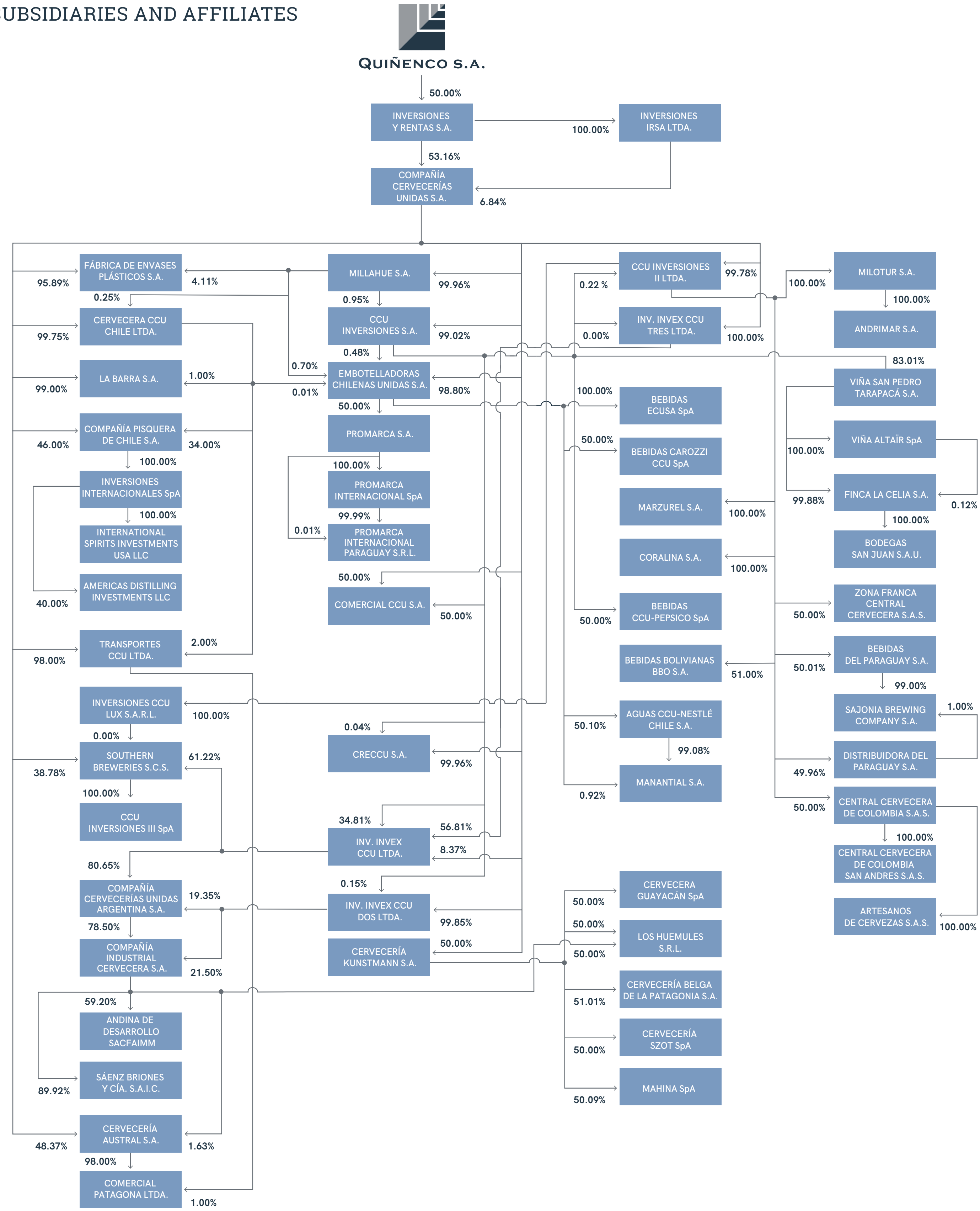
LQ Inversiones Financieras S.A.

SUBSIDIARIES AND AFFILIATES



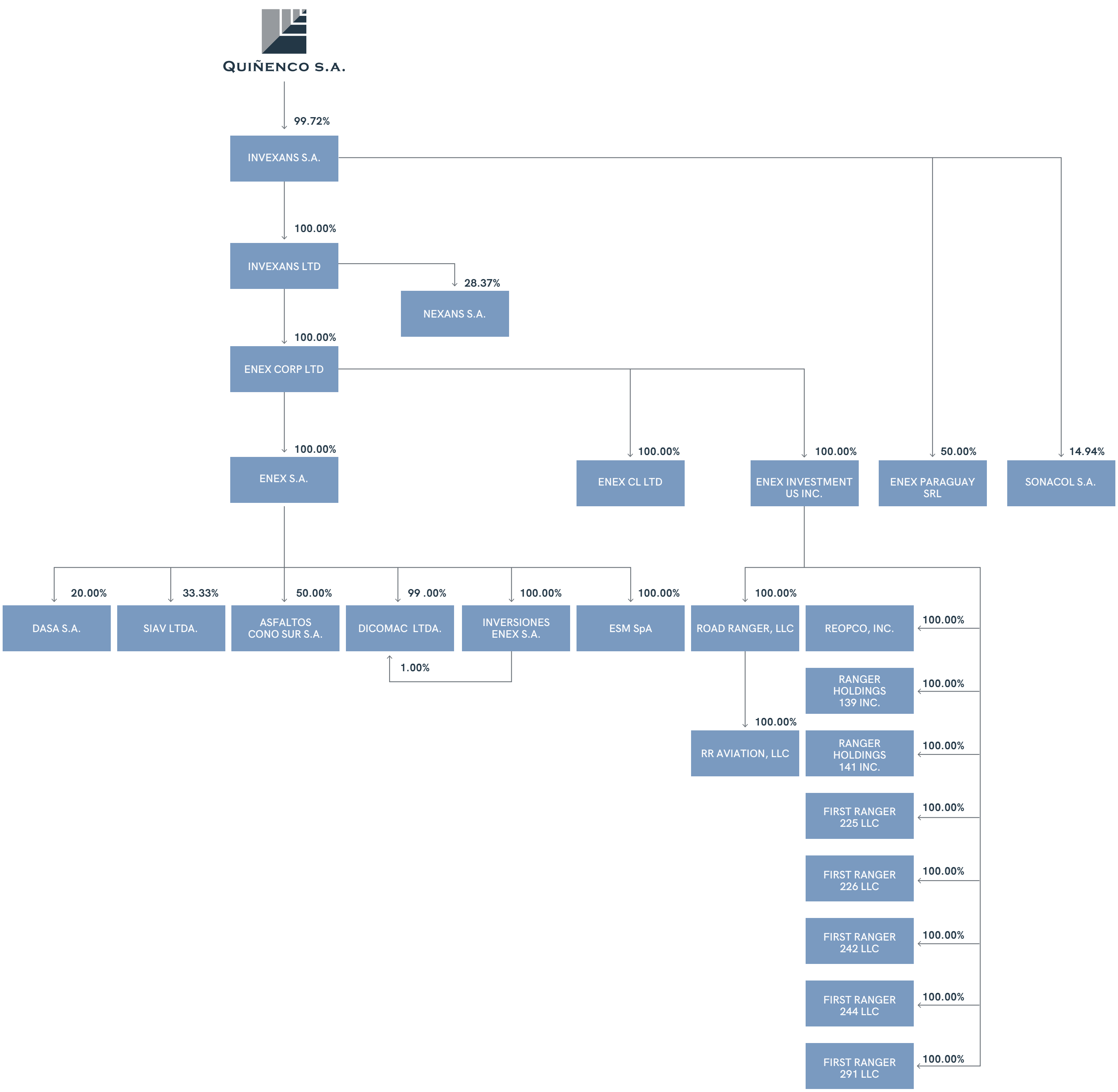
Compañía Cervecerías Unidas S.A.

SUBSIDIARIES AND AFFILIATES



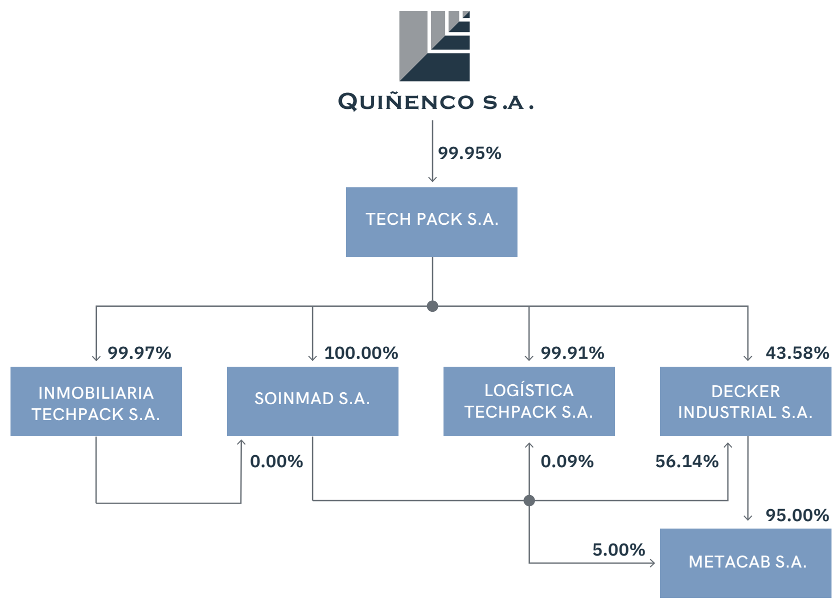
Invexans S.A.

SUBSIDIARIES AND AFFILIATES



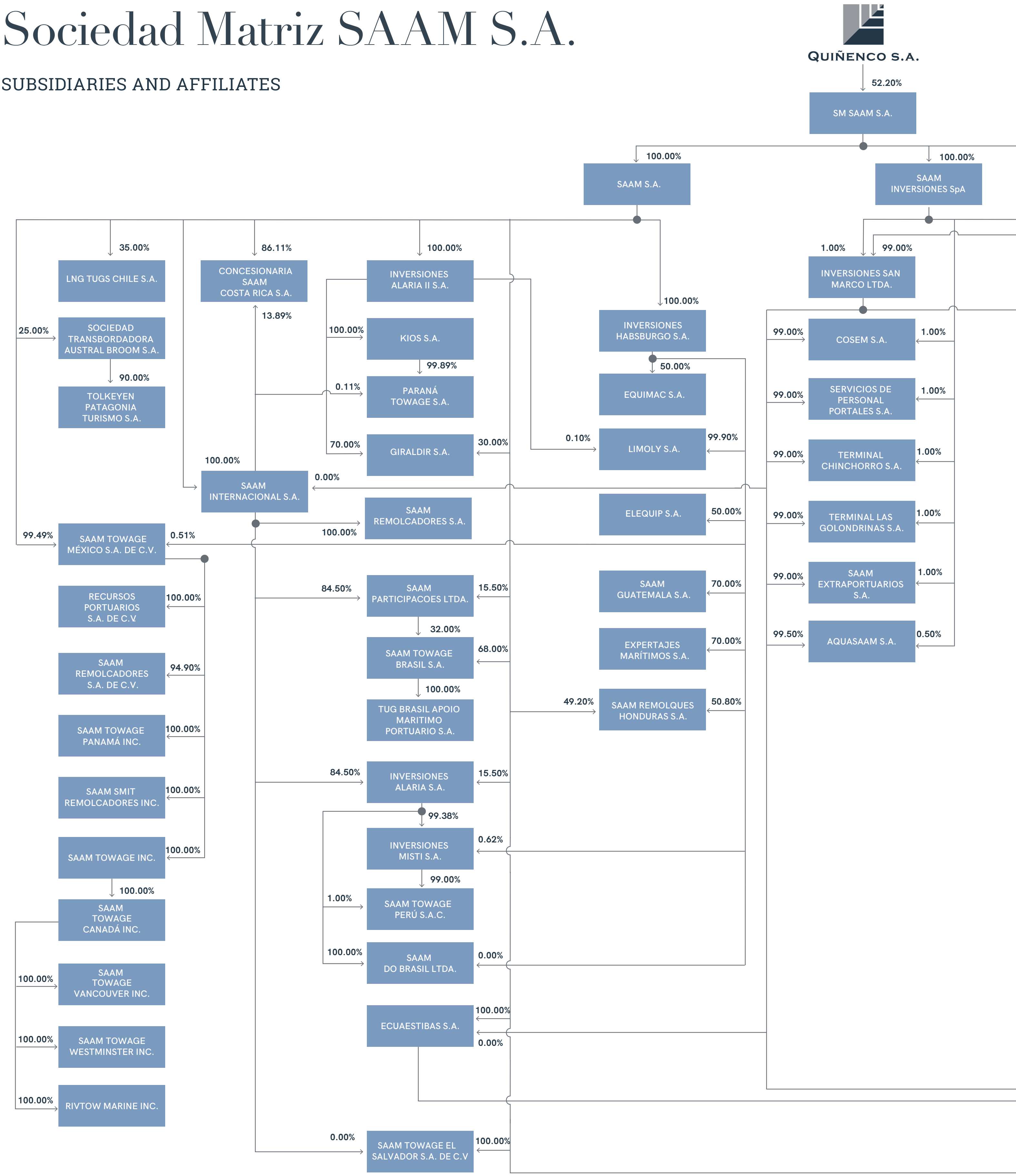
Tech Pack S.A.

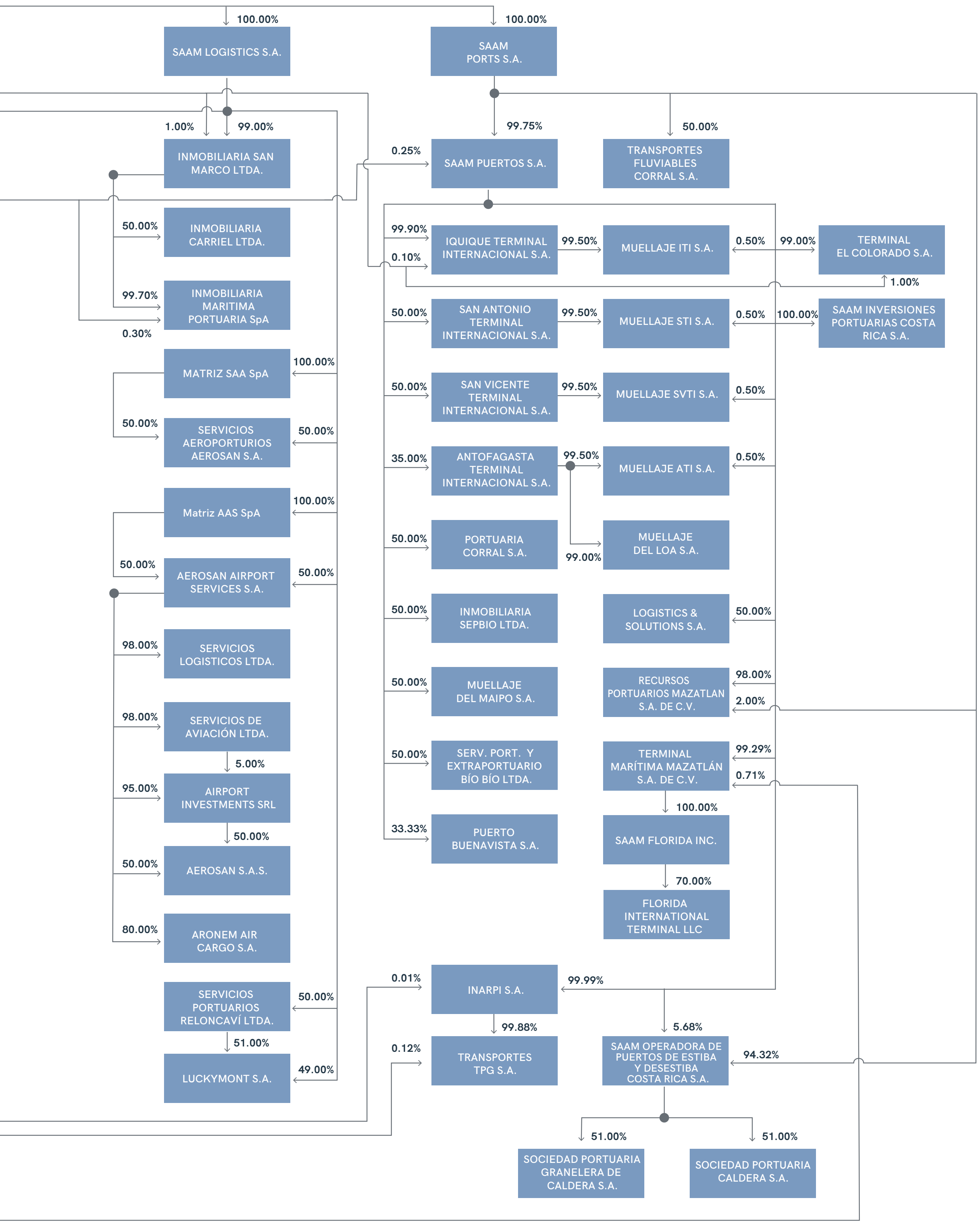
SUBSIDIARIES AND AFFILIATES



Sociedad Matriz SAAM S.A.

SUBSIDIARIES AND AFFILIATES





100.00%
SAAM LOGISTICS S.A.
100.00%
SAAM PORTS S.A.
1.00%
99.00%
INMOBILIARIA SAN MARCO LTDA.
99.75%
SAAM PUERTOS S.A.
50.00%
TRANSPORTES FLUVIABLES CORRAL S.A.
0.25%
50.00%
INMOBILIARIA CARRIEL LTDA.
99.70%
INMOBILIARIA MARITIMA PORTUARIA SpA
0.30%
MATRIZ SAA SpA
100.00%
50.00%
SERVICIOS AEROPORTURIOS AEROSAN S.A.
50.00%
Matriz AAS SpA
100.00%
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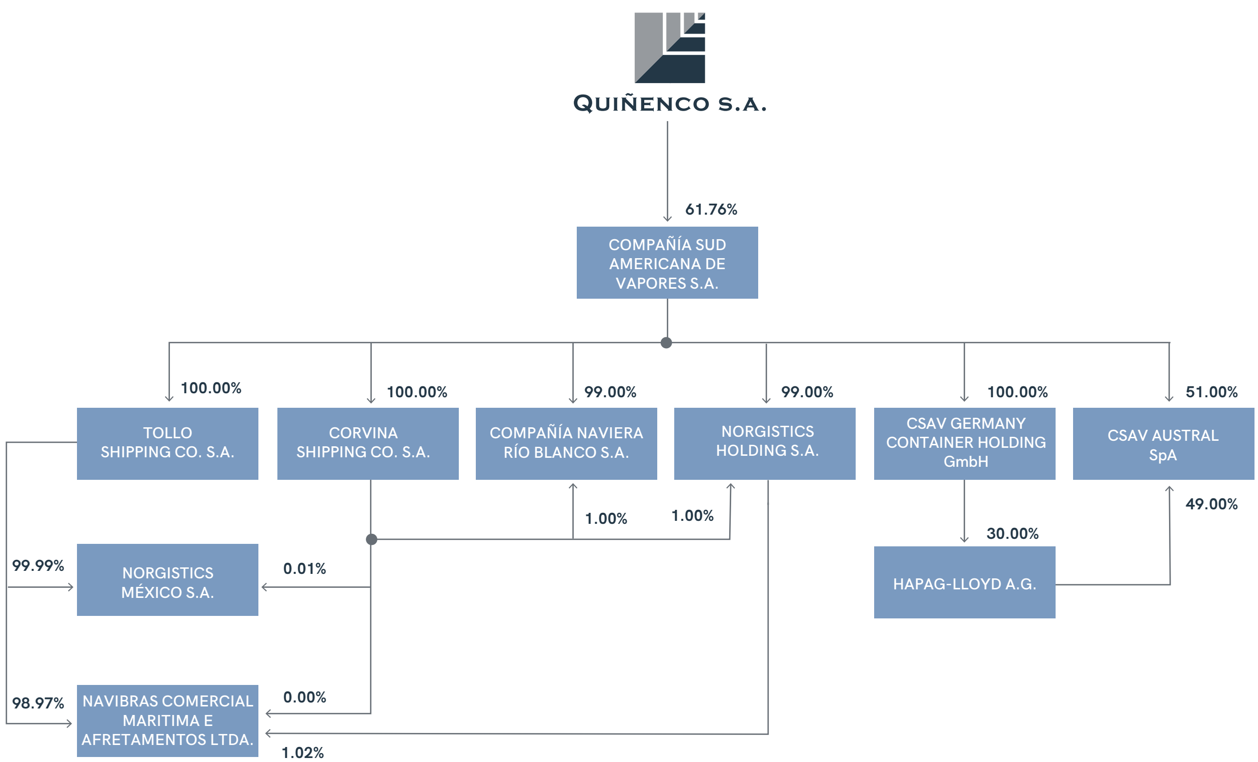
AEROSAN AIRPORT SERVICES S.A.
50.00%
98.00%
SERVICIOS LOGISTICOS LTDA.
98.00%
SERVICIOS DE AVIACIÓN LTDA.
5.00%
95.00%
AIRPORT INVESTMENTS SRL
50.00%
50.00%
AEROSAN S.A.S.
80.00%
ARONEM AIR CARGO S.A.
SERVICIOS PORTUARIOS RELONCAVÍ LTDA.
50.00%
51.00%
LUCKYMONT S.A.
49.00%
99.90%
0.10%
IQUIQUE TERMINAL INTERNACIONAL S.A.
99.50%
MUELLAJE ITI S.A.
0.50%
99.00%
TERMINAL EL COLORADO S.A.
1.00%
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.
50.00%
SAN VICENTE TERMINAL INTERNACIONAL S.A.
99.50%
MUELLAJE SVTI S.A.
0.50%
35.00%
ANTOFAGASTA TERMINAL INTERNACIONAL S.A.
99.50%
MUELLAJE ATI S.A.
0.50%
50.00%
PORTUARIA CORRAL S.A.
99.00%
MUELLAJE DEL LOA S.A.
50.00%
INMOBILIARIA SEPBIO LTDA.
LOGISTICS & SOLUTIONS S.A.
50.00%
50.00%
MUELLAJE DEL MAIPO S.A.
RECURSOS PORTUARIOS MAZATLAN S.A. DE C.V.
98.00%
2.00%
50.00%
SERV. PORT. Y EXTRAPORTUARIO BÍO BÍO LTDA.
TERMINAL MARÍTIMA MAZATLÁN S.A. DE C.V.
99.29%
0.71%
100.00%
33.33%
PUERTO BUENAVISTA S.A.
SAAM FLORIDA INC.
70.00%
FLORIDA INTERNATIONAL TERMINAL LLC
0.01%
INARPI S.A.
99.99%
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



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