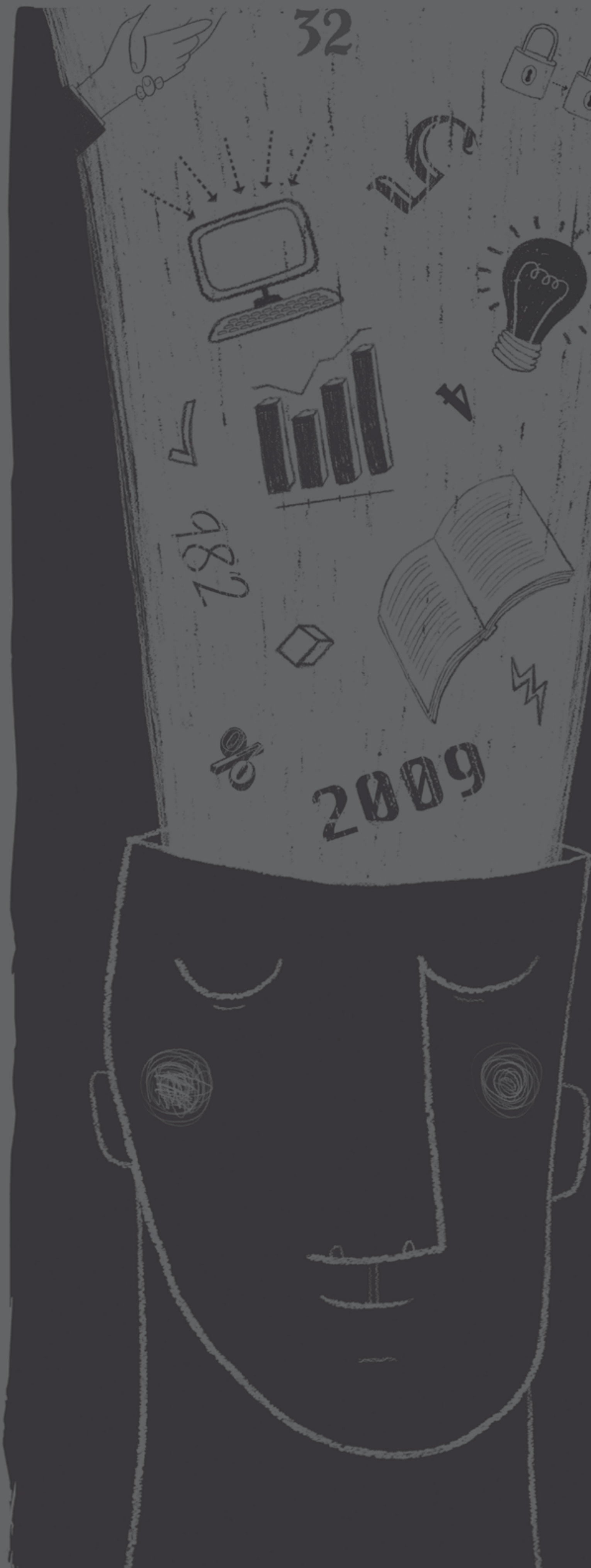


Annual Report and Financial Statements

Bci 2009

Our Mission

Bci defines itself as a Financial Solutions Corporation that participates in all financial activities and operations permitted by the General Banking Law, offering the community products and services with highly-efficient operating processes and excellence in quality, with constant technological innovation, prudent risk-management policies and demanding ethical standards that have to be respected by everyone working in its companies. In this scenario and in order to meet its objectives and policies, the Corporation commits to ensure that these are met, with special emphasis on what it considers to be its four fundamental pillars:

The Shareholders

Business policies and decisions should always be designed to increase thecapital that the shareholders have invested in the company, striving to ensure that the return on their investment is higher than the average for the banking sector, accompanied by normal levels of risk for the Corporation's businesses and with a maximum possible level of transparency in its conduct in line with the prevailing law, regulations and ethical framework.

Customers and Suppliers

The products and services that the Bci companies offer their customers should be of optimum quality, at competitive prices, innovative and to meet their needs properly and promptly. It should always be remembered that the customers are the basis of the Institution's success and commercial relations with them should therefore be maintained with a long-term perspective.

Mutually beneficial relations should be maintained with suppliers accompanied by loyalty over time and high standards of quality, compliance and transparency.

Staff and their Families

The Corporation should endeavor to ensure that all its staff have a dignified standard of living, stable work and possibilities for personal, professional and family development, properly motivating and rewarding good performance and individual and team effort, while providing the guidelines and regulations for maintaining a working atmosphere of excellence and demanding professional and ethical behavior.

The Corporation is defined as a family-responsible company in terms of its commitment to strive to ensure that staff work is carried out in conditions compatible with a proper personal and family life.

Society

The commitment of the Corporation is to develop its businesses and activities within the framework of governing laws in the country and abroad, wherever it does business. It will abide in full by the ethical principles that ensure respect for the rights and interests of others, according to the guidelines established and accepted by society. As an enterprise, it is also interested in contributing effectively to maintaining a healthy environment and enhancing the social, cultural and economic heritage of the nation by supporting relevant initiatives.

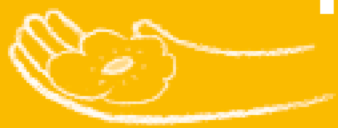
The Corporation is fully aware of social responsibility that it has as a company.

The essence of Bci's culture is to be in the forefront of innovation. The passion to innovate in every respect of life leads us to chase dreams, think of the impossible, and always seek talent. We focus on the ideas that make us special and add value to our team, **because in Bci we are different.**

Bci's & culture

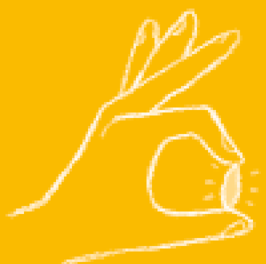
Passion
is the seed
of innovation

How is an innovative idea born in Bci?



1. Idea:

Any customer or team member with an innovative idea or project to improve service may present it to an accounts officer, as regards team members, they can have access to our website www.bciinnovacion.cl and make their proposal to Bci's innovation team which is in constant search for new ways of surprising us.

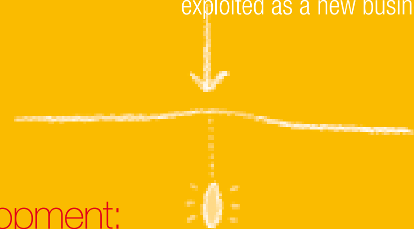


2. Selection of ideas:

At this stage, each Banking committee sorts the ideas received out according to the added value customers and the Bank are provided with, and whether the idea is disruptive. After that, the business case is assessed via prototype.

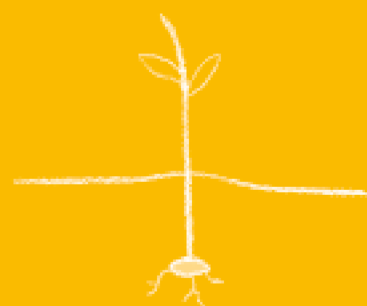
3. Incubation of ideas:

At this stage, and with the support of the Innovation Area, the Banking leaders are presented with the proposals, together with the business cases already developed, which in turn are subject to analysis to decide whether they are operationally and commercially viable.



4. Development:

The idea or project is first developed and later, a trial run is done where its acceptance from customers is observed.



5. Scaling up:

At this stage, the success of the project is verified through business metrics. Then, if successful, the scaling up of the project is carried out via the implementation of a technological, operational, and commercial infrastructure to be exploited as a new business.

6. Awards Ceremony:

Once a year during the awards ceremony, the innovators are specially recognized for their ideas and, in addition, the selected ideas are awarded a prize in the Innovation Fair which takes place twice a year.

1. An overview of our Bank

2. Commercial Management

3. Innovation at the service of our customers

Information to make this annual report easier to read:


Allows for more information through our website www.bci.cl


Allows for more information in other section of the document


Allows for more information on Corporate Social Responsibility in our website www.bci/rse.cl

Color details define corresponding chapter.

LETTER OF THE CHAIRMAN

To our Shareholders:

In 2009, the world faced a financial crisis of unthinkable proportions whose cause had been brooding far earlier as the oversight authorities in the USA had warned. As I expressed in my letter at the end of 2008, the facts that brought about this serious economic situation were the excessive real estate financing and the disproportionate scope of derivatives transactions which led to a strong increase in credit restrictions, lack of banking liquidity and economic uncertainty.

The economic effects of the crisis were strongly felt across the globe as of the second half of 2008, and particularly during the first quarter of 2009 where international financial markets were on the brink of collapse and the economies of many countries started to experience a great recession.

In Chile, the effects of the crisis were not minor and manifested in a considerable decrease of the gross domestic product and a significant rise in unemployment. Therefore, the economic authorities adopted vigorous measures of fiscal stimulus and the Central Bank dramatically reduced the interest rate controlling monetary policy. Admittedly, the crisis found our country in good financial footing, mainly due to the accumulation of sovereign funds of a considerable portion of resources generated by high copper prices for the period 2006-2008 as well as owing to a healthy macroeconomic policy.

The local banking industry, for its part, faced the crisis with a sound solvency position, principally by the good level of tangible common equity shown lately, which as of November 30, 2009 amounted to Ch$10,6 billion, or 14.3% of the risk weighted assets of the banking system. On the other hand, during the crisis, banks did not incur in speculative operations as was the case with mortgage financing and the placement of derivative products in some developed countries.

Nevertheless, at December 2009 the risk weighted assets of the local banking industry recorded a drop of 5.1% relative to December 2008. There was a significant rise in credit risk provisions and a considerable fall in the results of the current fiscal year.

All in all, in 2009 the local banking industry lowered interest rates to debtors as a consequence of the succesive and strong declines in the interest rate applied by the Central Bank. In fact, between December 2008 and December 2009, the average current interest charged by banks diminished roughly by 8.6 percentage points for non-adjustable loans below 5,000 UFs; by 3.5 percentage points for adjustable loans of less than a year; and by 4.3 percentage points for loans expressed in foreign currency payable in domestic currency.

Bearing in mind the difficult economic conditions summarized before, I shall now refer to the performance of Bci in 2009.

As an intermediary of financial services, Bci suffered from the effects of the crisis particularly in terms of the quality of its lending portfolio. Thus, the risk indicador went up from 1.32% in December 2008 to 1.95% in December 2009, whereas allowances and write-offs increased to Ch$148,225 million, equivalent to 23.1% of the operational risk. This percentage was quite a bit higher than the 15.8% such expense represented in 2008.

Despite 2009 was marked by considerable declines in interest rates, the UF and the exchange rate, Bci gained a net income of Ch$160,774 million, 16.4% lower than that posted last fiscal year adjusted in accordance with the new accounting standards in which the current fiscal income is presented. Nonetheless, the integral net income -including the income generated by specific financial investments, which by regulation are included in the equity of the Bank, and not distributed as dividend- reached Ch$178,233 million, 4.9% lower than the integral results recorded at the closing of 2008.

"An idea is the fuel that ignites innovation"

»

Despite 2009 was characterized by noticeable reductions in interest rates, UFs and the exchange rate, Bci posted a net income of US$160,774 million.

Luis Enrique Yarur
Chairman

Admittedly, in order to withstand the weak results posted in the first months of 2009, Bci made use of the additional or voluntary provisions of its tangible net worth. As the results began to improve, such provisions were allocated back in the shareholder's equity thus finishing the fiscal year in question with a net income of merely Ch$10,507 million.

On the other hand, it is worth highlighting the substancial results obtained by Bci's subsidiaries which as a whole posted Ch$47,313 million to the consolidated income, a 58.3% increase vis-á-vis the close of 2008.

I must explain that in order to compare these results to those recorded in 2009, the former are published adjusted to the accounting criteria stipulated in the internacional standards recently adopted in Chile (IFRS), which raises the income presented the year in question to Ch$192,203 million, representing a 26.4% rise relative to the Ch$152,057 million originally published.

Almost the entire increase in income for 2008 due to the aforementioned adjustments, is explained by the higher income calculated for the results of companies that are not subsidiaries of the Bank, by the elimination of the net spread owing to the price-level restatement of the owner's equity and by non-monetary assets (which showed a deficit), and by lower provisions on income tax.

However, the operational results were practically unchanged between 2008 and 2009, despite the drop in income as well as the strong allowance allocation for the loan portfolio.

By the end of the fiscal year, the profitability obtained by Bci over its base capital was 21.9%, whereas the banking system posted 18.0%. Furthermore, Bci's operational efficiency, measured by operating expenses over gross operating results was 44.7%, similar to the 44.6% posted by the banking system according to information provided by the Superintendency of Banks and Financial Institutions as of December 2009.

The Bank´s total consolidated assets amounted to Ch$13.1 billion comprised mainly of 65.6% of the loans portfolio which is under Loans and Receivable to Clients in the balance sheet, 14.9% of Financial Investment Instruments and Available for Sale, 2.5% of Derivatives Contracts, and 1.1% of Due from Banks.

Likewise, borrowings are composed primarily of deposits and interest-bearing obligations. These borrowings, free of financial cost and representing 19.6% of the liabilities and as of December 31, 2009, experienced a rise of 11.9% vis-á-vis December 2008. This item includes non interest-bearing liabilities of 397,764 current accounts and 1,107,353 electronic checkbooks, the latter have gained favor due to Bci's bancarization programs, being the first bank to make them available as an exclusive product for the public back in 1989. I must add that interest-bearing deposits in the whole banking industry account for 28% of total deposits, whereas in Bci they represent 30%.

Term borrowings which account for 44.9% of the liabilities went down 9.6% relative to December 2008, contributing at the same time to reduce financial expenses.

Capital resources, including income for the year amounted to Ch$0.896 billion posting an increase of 16.8% relative to December 2008.

Bci has 332 operating offices, among them, the multiservice branches which represent 79%.

As it has been the norm, Bci has been awarded a great number of prizes and distinctions because of its operating characteristics. In point of fact, in 2009 these awards constituted a true record in Bci's long history.

I wish to mention specially the important and unprecedented recognition made by The Banker magazine in association with UK Trade & Investment which named Bci as the best bank in Chile in 2009. This award was granted based on the significant advances that Bci has accomplished in innovation and technology, including security systems embedded in payment instruments which prevent these from being cloned; on the high quality of service level offered to its clients; on the wide array of products and services the bank offers to different segments; and on its support to small businesses and middle market, as well as to the sectors of the population that have not yet been bancarized. The award ceremony took place in London and hundreds of representatives of commercial banks from all over the world participated. The award was received by Bci's Chief Executive Officer, Mr. Lionel Olavarria.

It is also a great pleasure to inform that Bci was ranked first in terms of quality of service by local banks according to the national index of consumer satisfaction measured by the consulting companies Praxis, Adimark and Adolfo Ibáñez University. The reasons for the distinction, as expressed by the organizers themselves, lies in the fact that Bci is an entity with a long history of offering a great quality of service to its customers by listening to them, anticipating their needs, and supporting them every step of the way and whenever opportunities present.

It is also worth mentioning that Bci received the prize for being the company which characterizes itself by a commitment to ethical values, awarded for the first time by Generación Empresarial Foundation which named the recognition the Ricardo Claro Valdés award in memory of this remarkable and distinguished Chilean entrepreneur.

Likewise, It is worthwhile mentioning the result of the survey carried out by Great Place to Work Institute and Capital magazine that in its 9th. version ranked Bci 5th. among the best companies with more than 1,000 employees, a significant position considering this survey evaluates a great number of companies from different industries.

As usual, Bci's 2008 Annual Report together with its Corporate Social Responsibility Report obtained again the first place in the contest Memorias de Sociedades Anónimas organized by Gestión magazine and Pricewaterhouse Coopers.

Lastly, I would like to make a special recognition to all of our team members because thanks to their effort, Bci and its subsidiaries reached the goals that are annually reported to our shareholders. Truth be told, our team members and their families are one of the fundamental pillars upon which our mission is based.

On behalf of the Board of Directors I represent, I would like to express our confidence in the fact that this year the country will move forward significantly in its effort to reach its full development. As far as we are concerned, we will continue making the best efforts to attain the objectives we have set our minds to in benefit of our shareholders, our customers and our team members.

LUIS ENRIQUE YARUR REY
CHAIRMAN

FINANCIAL SUMMARY

CONSOLIDATED BALANCE SHEET[1]	2003	2004	2005	2006	2007	2008	2008	IFRS 2009	Change 2008 / 2009
Balances of operations at the end of each year									
Commercial loans and due from Banks	2,660,975	3,108,239	3,777,833	4,629,372	5,464,776	6,835,561	6,835,939	6,159,662	(676,277)
Mortgage loans	582,829	728,912	872,823	963,071	1,324,409	1,690,214	1,693,924	1,736,465	42,541
Consumer loans	266,486	538,278	655,298	799,983	911,749	1,003,813	1,008,781	1,041,979	33,198
Total loans	3,510,290	4,375,429	5,305,954	6,392,427	7,700,934	9,529,588	9,538,644	8,938,106	(600,538)
Allowances for credit risk	(63,299)	(78,432)	(73,477)	(66,850)	(85,650)	(131,820)	(131,984)	(194,334)	(62,350)
Total net loans	3,446,991	4,296,997	5,232,477	6,325,576	7,615,284	9,397,768	9,406,660	8,743,772	(662,888)
Financial Investments	1,035,460	938,207	1,125,289	845,762	1,019,781	1,452,092	1,458,519	1,951,298	492,779
Other assets	3,068,391	4,826,704	4,297,511	1,595,236	1,394,074	1,946,512	1,897,758	2,426,452	528,694
Total assets	7,550,842	10,061,908	10,655,277	8,766,574	10,029,139	12,796,372	12,762,937	13,121,522	358,585
NIBDs	1,179,202	1,326,725	1,307,176	1,543,020	1,776,766	2,021,931	2,021,931	2,400,959	379,028
Term deposits	1,988,523	2,591,555	3,445,464	4,026,275	4,772,001	6,071,804	6,071,804	5,491,152	(580,652)
Other obligations	4,021,580	5,717,741	5,401,761	2,609,680	2,776,436	3,912,386	3,902,204	4,333,258	431,054
Capital and reserves	287,854	337,190	395,190	467,446	568,559	683,811	620,411	783,608	163,197
Allowances for minimum dividends	-	-	-	-	-	(45,617)	(45,617)	(48,232)	(2,615)
Nei income	73,682	88,696	105,684	120,153	135,376	152,057	192,203	160,774	(31,429)
Minority Interest	1	1	1	1	1	1	1	3	2
Total liabilities	7,550,842	10,061,908	10,655,277	8,766,574	10,029,139	12,796,372	12,762,937	13,121,522	358,585

* As of January 1, 2009 as instructed by the Superintendency of Banks andFinancial Institutions, the Bank applied new accounting standards which affected its shareholders' equity and results of 2009. For more information on accounting standards and its impact YoY, go to Notes 1 and 2 of the Bank's Financial Statements.

* For more information see Financial Statements on pages 74 to 82.

"Innovators have a great quality they never give up"

FINANCIAL INDICATORS

	2003	2004	2005	2006	2007	2008	2008 (IFRS)	2009 (IFRS)	Changes 2008 / 2009
Bci shares									
Price (nominal)	8.900	12.500	12.829	15.852	14.950	10.841	10.841	16.576	5.735
Earning per share (nominal)	747.30	897.61	1.069.52	1.215.38	1.369.36	1.538.10	1.944.20	1.585.70	(359)
Market price / book value (times)	3.05	3.66	3.21	3.35	2.60	1.57	1.70	2.14	0.4
Market price / earning per share (times)	11.91	13.93	12.00	13.04	10.92	7.05	5.58	10.45	4.9
Shareholders equity (Thousand of dolars)	1.463.922	2.206.351	2.465.319	2.932.346	2.968.689	1.636.886	1.636.886	3.309.979	1.673.092
Profitability and efficiency									
Return of equity	25.60%	26.30%	26.74%	25.70%	23.81%	23.82%	33.44%	21.86%	(11.58) pp
Capitalized earnings of previous year	52.02%	54.41%	53.21%	53.23%	54.75%	54.72%	54.72%	69.44%	(14.72) pp
Return on assets	0.98%	0.88%	0.99%	1.37%	1.35%	1.19%	1.50%	1.22%	(0.28) pp
Efficiency (backstopping costs / operating income)	49.65%	51.60%	50.46%	50.35%	49.64%	44.76%	48.25%	44.71%	3.54 pp
Assets per employ (millions of pesos)	1,754	1,427	1,362	983	1,051	1,393	1,389	1,482	93
Market Share									
Loans	11.20%	11.77%	12.49%	12.51%	12.38%	13.30%	13.30%	12.76%	(0.54) pp
Risk									
Allowance expenses / total loans	1.02%	1.00%	0.78%	0.85%	1.00%	1.32%	1.32%	1.95%	0.63 pp

ACTIVITY INDICATOR (NUMBER)

	2003	2004	2005	2006	2007	2008	2008 (IFRS)	2009 (IFRS)	Changes 2008 / 2009
Employees (Bci Corporation)	4,304	7,053	7,823	8,918	9,541	9,185	9,185	8,848	(337)
Branches and contact points	141	198	221	233	282	326	326	332	6
Checking accounts	267,755	289,014	299,125	313,748	345,820	373,043	373,043	397,764	24,721
Electronic checkbooks	456,598	590,194	806,430	855,115	893,961	959,580	959,580	1,107,366	147,786
ATMs	437	506	512	628	815	990	990	1,013	23
ATM transactions (december each year)	4,027,421	3,836,141	3,054,729	3,218,465	3,214,591	3,777,608	3,777,608	4,037,717	260,109
Internet transactions (december each year)	6,835,010	7,851,970	11,263,330	8,984,343	11,792,742	18,510,037	18,510,037	24,827,278	6,317,241
Customers with internet access passwords			213,615	242,641	280,324	297,239	297,239	333,379	36,140

BOARD OF DIRECTORS






Luis Enrique Yarur Rey /
Chairman

Jorge Cauas Lama /
Vicechairman

Andrés Bianchi Larre /
Director

Sergio de Amesti Heusser /
Director

Alberto López-Hermida Hermida /
Director

Dionisio Romero Seminario /
Director

"Creativity and Innovation lead to new businesses"

Juan Manuel Casanueva Préndez /
Director

Pedro Corona Bozzo /
Director

Daniel Yarur Elsaca /
Director

Lionel Olavarría Leyton /
Chief Executive Officer

The members of the Board were chosen at the Ordinary Shareholders' Meeting held on April 24, 2007 to perform their functions for a 3-year period.

The Board permanently promulgates the main policies governing the Bank which include, among others, commercial and development strategies, budgeting management and shareholder's equity position, portfolio diversification, credit, financial, operational as well as domestic and international market risk management, profitability, allowances coverage, quality of service and customer service, and labor conditions of the team members of the Bank and its subsidiaries.

On a monthly basis, the Board receives a comprehensive account on management and corporate results, in addition to periodic reports on matters examined and approved by the different committees of the Bank.
The Committees, comprised of Directors, hold meetings on a regular basis and in different frequencies. Their nature, functions and activities are determined by both the needs of the Bank and by regulatory demands. Currently, the following committees are held:

- Board's Executive Committee
- Director's Committee
- Finance and Corporate Risk Committee
- Corporate Governance and Social Responsibility Committee
- Compensations Committee

In the Corporate Governance and Social Responsibility Report accompanying this Annual Report the principles governing the Board of Directors, the profile and bios of each one of its members as well as a detailed description of its functions and attendance are explained. The composition, functioning and individual attendance to the aforementioned committees is also specified.

This document contains information on the conditions upon which the Board takes on its responsibilities in tandem with top level management and the way in which the Bank relates to its stakeholders: shareholders, team members and their families, customers, suppliers and the community.

SENIOR MANAGEMENT

Managerial Committees check the ongoing operation of the business and guide corporate strategic plans.

Within the organizational structure, Bci's most important executive levels are the Vice Presidents who report directly to the Chief Executive Officer.

The Managerial Committees check the performance of the business and provide guidelines for corporate strategic plans. In the Corporate Social Responsibility report accompanying this Annual Report the functions and composition of the principal managerial committes are detailed.

Reorganization of the Bank's structure

At the end of December 2009, Bci made a series of changes in its organizational structure so as to provide a greater strategic approach to its core businesses.

This reorganization implied the creation of three large divisions: the Retail Banking Division led by Mr. Nicolás Dibán; the Commercial Banking Division, headed by Mr. Mario Gómez; and the Finance and Investment Banking Division, managed by Mr. Eugenio Von Chrismar.

These Divisions report directly to the Chief Executive Officer, Mr. Lionel Olavarría. Furthermore, the number of Vice Presidents reporting to him was reduced from 12 to 8 so as to priveledge the most important businesses.

Bci's new organizational structure is in line with its corporate mission and vision which place the customer at the core of its activities. This reorganization allows for a better value proposal thanks to a greater alignment of the strategy, plans, execution and service.

The changes implemented will benefit the coordination between areas and also facilitate the decision making process by providing a quicker response to the customers. In doing so, Bci will favor its growth and be able to offer the best multichannel service experience to its customers in a fast, close and reliable fashion.

Lionel Olavarría Leyton /
Chief Executive Officer

01
Mario Gaete Hörmann /
Chief Operating and Technology Officer
Graciela Durán Vidal/
Audit and Compílanse Head
02
Nicolás Dibán Soto /
Chief Corporate Risk Officer
Eugenio Von Chrismar Carvajal /
Treasurer and Internacional Division Head
Abraham Romero Pequeño /
Chief Retail Banking Officer
Mario Gómez Dubravcic /
Chief Commercial Banking Officer

03
Carlos Andonaegui Elton
Corporate Secretary
Pedro Balla Friedmann
General Counsel
Humberto Béjares Jara
Corporate Advisor
Marcela Bravo Puldain
Corporate Communications and CSR Head
04
Roberto Bustos Kaempffer
Chief Financial Officer and Controller
Eduardo Paulsen Illanes
Corporate Projects and Innovation Head
Pablo Jullian Grohnert
Chief Human Resources Officer

* For further detail on area officers go to www.bci.cl

BEING PASSIONATE

Bci's culture

The passion we place in everything we do leads us to BELIEVE that anything is possible… our ideas have no limit and instill in us a voracious appetite for innovation.

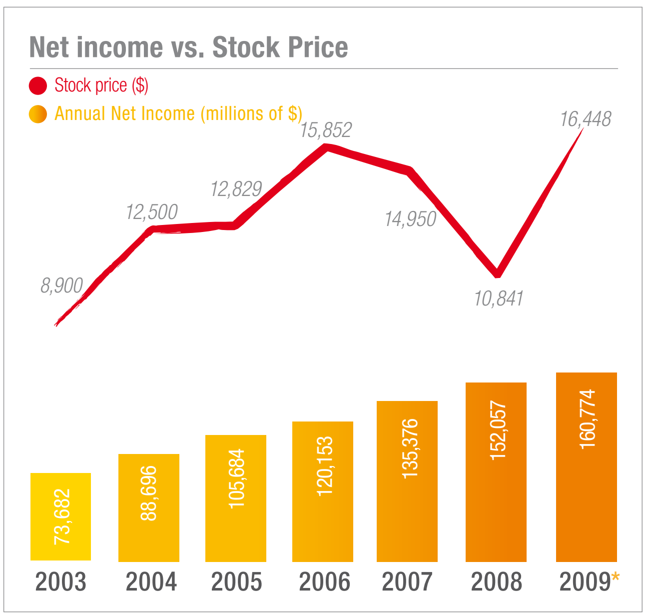
SHAREHOLDERS

Stock price and market capitalization

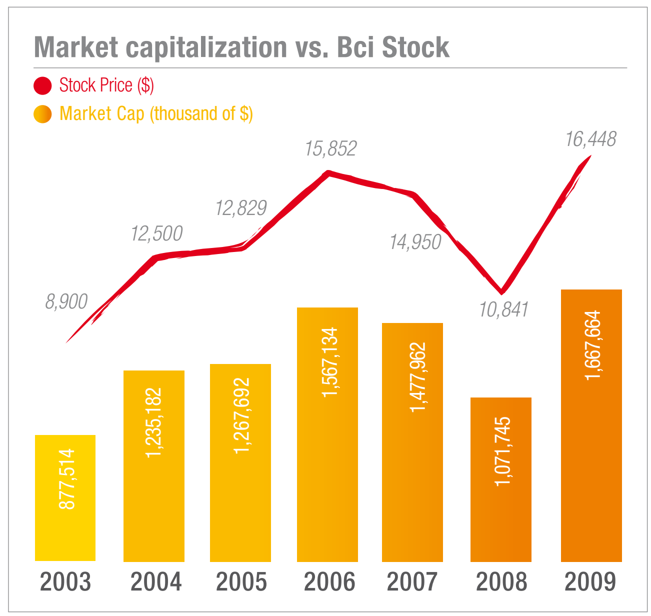
In 2009, Bci's income decreased with respect to 2008. Comparing both results under the same accounting standards, which changed at the beginning of the fiscal year, the reduction was by 16.4%. This fall is understandable in light of the contraction the economy suffered during the period.

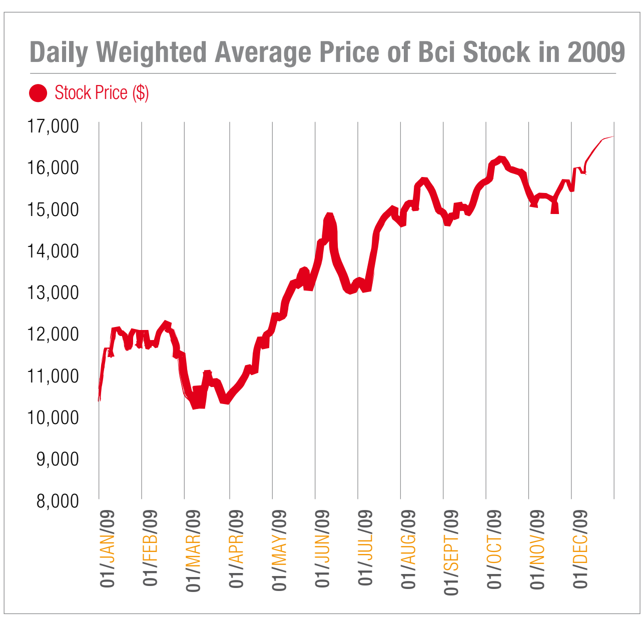
In spite of that, the value of Bci shares (at the end of each period) and its market capitalization showed a recovery in 2009, leading these variables to fare better than at pre-crisis levels. Thus, the implicit perspectives in the valuation of the market relative to future profitability of the Bank are clearly better compared to the market consensus at the end of 2008. That is how the apparent dicotomy between the behavior of the income and the market valuation is explained.

"Innovation and success go hand in hand"



* 2009 figures are reported under new Sbif regulations.





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Despite the economic slowdown, the value of Bci's stock as well as its capitalization showed a recovery in 2009.

Capital Resources

The Extraordinary Shareholders Meeting held on March 17, 2009 agreed a capital increase to the sum of Ch$242,639,651,761 which was distributed as follows:

a) By capitalizing, without share issuance, the amount of Ch$ 137,047,363,393 corresponding to 100% of the reserve funds for future capitalization accumulated as of December 31, 2008 and in addition, the amount of Ch$2,248,423,150 corresponding to other reserves to be capitalized;

b) By capitalizing, without share issuance, the amount of Ch$76,021,180,503 which was approved in the prior Ordinary Meeting to be allocated as reserve for future capitalization; and by

c) Capitalizing, through the issuance of paid-in shares, the amount of Ch$29,571,107,865 against the reserve for future capitalization.

With these necessary resources to sustain the operational growth of the Bank, the base capital of Bci as of December 31, 2009 is as follows:

Base Capital	2009
Subscribed and paid-in capital (101,390,060)	$ 807,143,010,164
Valuations accounts	$ 11,413,960,552
Net Income	$ 77,593,245,948
Base Capital	**$ 896,150,216,664**

Net income is comprised of the following items in the shareholder´s equity:

Other income reserves	$ 61,293,392,201
Retaining Earnings	$ 16,299,853,747
Total	**$ 77,593,245,948**

As required by accounting standards established by the Superintendency of Banks and Financial Institutions, the net impact in the shareholder´s equity ot the Bank due to the adoption of this principles for the first time was entered into the retained earnings account in accordance with the following:

Net Income of 2009	**$ 160,773,825,183**
Allowances for dividends of 2009	- $ 48,232,147,555
IFRS Adjustments	- $ 34,948,431,680
Total	**$ 77,593,245,948**

The base capital for the year 2009 is equivalent to the net amount that must be shown in the financial statements as attributable equity to shareholders, according to Superintendency of Banks Accounting Standards Compendium.

The tangible common equity acting as a regulator of the different operational limits established by the General Banking Law is comprised of the following items:

Tangible common equity	2009
Base Capital	$ 896,150,216,664
Additional Allowances	$ 19,900,000,000
Subordinated bonds	$ 303,044,771,022
Attributable equity to minority interest	$ 3,274,263
Goodwill	- $ 5,823,856,762
Tangible common equity	**$ 1,213,274,405,187**

With these resources, the ratio between base capital and total assets is 6.41%, whereas the ratio between tangible common equity and risk weighted assets is 12.12%. The minimum proportions required in the General Banking Law are 3% and 8% respectively.

Tax situation of the dividend distributed in 2009

The Ordinary Shareholders Meeting held on March 17, 2009 approved the distribution of a dividend for $470 per share against the net income for 2008, amounting to the sum of $46,464,345,700 representing 30.6% of the income.

This amount was distributed against first category rated income tax according to the Income Tax Law constituting a credit against the additional income tax that shareholders must inform annually.

The credit is subject to first category tax and by law, must be added to the respective tax base.

Shareholders receive a certificate detailing the tax information of the dividend distributed along with the necessary information to complete the corresponding annual tax declaration.

Corporate shareholders, compelled to maintain the Taxable Net Income Fund (FUT), must consider that the distributed dividend in March 2009 comes from Taxable Net Income with the right to first category tax credit arising in the years indicated as follows:

Year	First Category Rate	Proportion
2002	16%	53.83%
2003	15%	7.83%
2003	16%	3.11%
2003	16.5%	35.23%

The aforementioned taxable net income corresponds to income generated by the Bank and its subsidiaries, taxed with first category rate in effect at the year they were generated.

» Distribution of fully paid-in shares

The Extraordinary Shareholders Meeting held on March 17, 2009 agreed to raise the equity capital of the Bank in the sum of Ch$29,571,107,865 through the issuance of fully paid-in shares.

This increase is against the reserve for future capitalization and by means of the issuance of of 2,529,750 fully paid-in shares distributed among shareholders at the rate of 0.02559 shares per each share owned to the date they were granted the right to receive such shares.

Thus, the equity capital of the Bank was fixed to the sum of $807,143,010,164 divided into 101,390,060 shares.

Shareholders must bear in mind that the distribution of these shares represents an equivalent capitalization and, as a consequence, it does not constitute income nor pay taxes in accordance with what has been established by the Income Tax Law.

Principal shareholders

The following are the main 25 shareholders of the Bci Corporation as of December 31, 2009 together with the number of shares and their corresponding stake:

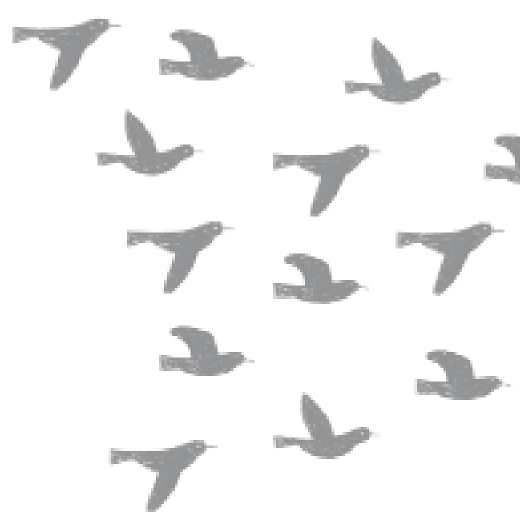
Name	Nº Shares	%
Empresas Juan Yarur S.A.C.	54,378,967	53.63%
Jorge Yarur Bascuñan	4,284,796	4.23%
Sociedad Financiera Del Rimac S.A.	3,522,791	3.47%
Inversiones BCP Ltda.	3,444,476	3.40%
AFP Habitat S.A.	2,239,467	2.21%
AFP Provida S.A.	2,207,296	2.18%
Inversiones Jordan Dos S.A.	2,025,325	2.00%
AFP Cuprum S.A.	1,603,035	1.58%
AFP Capital S.A.	1,564,686	1.54%
Tarascona Corporation	1,493,801	1.47%
Inversiones Millaray S.A.	1,212,499	1.20%
Banco Chile por cta. de terceros	1,190,902	1.17%
Inmobiliaria e Inversiones Cerro Sombrero S.A.	1,112,448	1.10%
Bci Corredor de Bolsa S.A.	1,060,916	1.05%
Luis Enrique Yarur Rey	990,363	0.98%
Banchile Corredores de Bolsa S.A.	913,156	0.90%
Banco Itau por cta. de inversionistas	871,625	0.86%
Larrain Vial S.A. Corredores de Bolsa	745,728	0.74%
Bolsa Electrónica de Chile Bolsa de Valores	736,141	0.73%
Inmobiliaria y Comercial Recoleta Sur Ltda.	600,046	0.59%
Celfin Capital S.A. Corredores de Bolsa	586,291	0.58%
Modesto Collados Núñez	586,039	0.58%
Penta Corredores de Bolsa S.A.	540,480	0.53%
Inversiones VyR Ltda.	539,586	0.53%
Moneda S.A. Administradora de Fondos de Inversión	424,000	0.42%
OTHER SHAREHOLDERS *	12,515,200	12.33%
SUBSCRIBED AND PAID SHARES (authorized equity capital)	**101,390,060**	**100.00%**

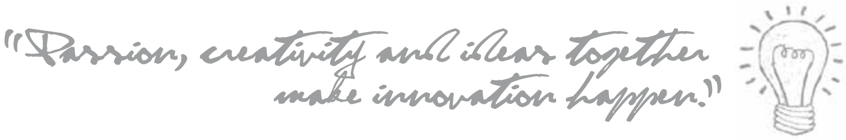
(*) Including Bci employees who own 613,382 shares altogether, equivalent to a 0.60% stake.

Shareholders agreement

Shareholders related to the Yarur Family, who as of December 31, 2009 hold 63.7% of the subscribed and paid shares of Bci, signed a shareholders' agreement dated December 30 of 1994, and updated in June 2008, by which they restate their will to maintain their unity and control of the Company. In addition, they reiterated their intention to preserve the principles upon which the management of the institution has been based.

In accordance with article 14 of the Company Law, the agreement is in the shareholders' record of the Bank for other shareholders and interested third parties to see.





Risk Rating

In 2009, Risk Rating Agencies Feller Rate and Fitch Ratings issued positive reports to the Bank.

Feller Rate maintained Bci's solvency rating as "AA+", whereas the perspectives of the Bank were rated as stable. According to the report, this positive evaluation is based on the good financial profile of the Bank, coupled with stable returns above those of the system. This has been the result of the application of a stable and consolidated strategy in time, seeking to strengthen the segments where the Company has competitive advantages as well as of the continuous improvements in its operacional efficiency and its risk management.

On the other hand, Fitch Ratings also maintained its "AA" rating for Bci based principally on its stable performance throughout the cycle with lending growth rates and net earnings above the banking industry average. The perspectivas were rated as "stable".

Risk Rating Agencies Feller and Fitch maintained their solvency rating for Bci.

Prizes and awards

»

Bci received numerous awards and distinctions in 2009 which motivate the Corporation to continue working with excellence, innovative spirit and the objective of serving our customers better.

The Best

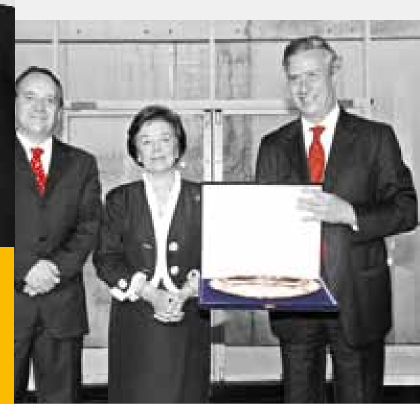
Honored as **"The best bank in Chile"** by The Banker magazine in association with UK Trade & Investment.

Most respected

Among the 20 most respected companies according to Adimark Gfk and La Segunda newspaper.

Best to work

Ranked 5 among the best companies to work for with more than 1,000 employees according to a survey carried out by Great Place to Work Institute and Capital magazine.



Ethical Values

"Ricardo Claro Valdés" award, granted by Fundación Generación Empresarial, for the remarkable commitment to the management and propagation of ethical values both within and outside the organization.

Best service

For the second straight year, Bci ranked **first in terms of quality of service among local banks** according to the Nacional Index of Consumer Satisfaction 2009 carried out by Procalidad, Adolfo Ibáñez University, Adimark, Praxis and Capital magazine.

Best report

First place in corporate annual reports contest by Gestión magazine and PricewaterhouseCoopers.

Most admired

For the fifth straight year, Bci was among the **ten most admired companies** in the ranking prepared by Diario Financiero and PricewaterhouseCoopers.

Less accidents

Consejo Nacional de Seguridad de Chile award in the category, "Banks" for the financial institutions with **the lowest accident rate.**

Most responsible

Among the three **most responsible** companies in Chile according to Prehumana Foundation and Qué Pasa magazine.

Innovation

ACTI award 2009 in the category "Innovación Empresarial TI" for the advances made in this area by developing unique applications in the world, such as Chequemático and the security and anticloning system MagnePrint.

More innovation

Premio "Innovación Tecnológica, Excelencia en Generación de Nuevos Canales de Atención y Protección de Datos del Negocio", Novared Security Workshop.

Distinguished

Bci Asset Management was awarded three prizes in the Fund Platinum Performance ranking for mutual funds.

Innovation

Premio **"Reconocimiento al desarrollo de contenidos innovadores"** al programa Mirada Empresarial de Bci de canal 13 cable, ProChile.

Best reputation

Among the 40 companies with the best corporate reputation, bronze category by Hill Knowlton Captiva-La Tercera newspaper and Collect GFK.

Sailing

First place in Oceanic National Championship 2008-2009 of Team Sailing Bci, ENTEL cup category IMS.

BEING ORIGINAL

Bci's culture

Being protagonists is the only way to do things and making a difference, taking the risks this implies. This is how we do things in Bci, thus generating new practices, products and services for our clients.

BCI'S COMMERCIAL MANAGEMENT

»

The retail banking area is supported by several channels to provide an efficient, reliable and close service to our customers.

Bci is targeted towards satisfying and filling the financial needs of both individuals and companies. In doing so, it has a wide branch network across the country as well as representation offices abroad. In order to make our customers life easier and optimize their time, the Corporation offers several remote service channels such as ATMs, Web services and phone platforms. In addition, the Bank has a number of subsidiaries offering several products and financial solutions, among them, stockbrokerage, asset management, insurance brokerage, factoring and securitization.

* For more information of each area services, please visit www.bci.cl

"Innovation is the long and winding road towards the summit of success."

Retail Banking

This area spans five big business units: Personnel Banking, TBanc, Bci Nova, Small Businesses and Preferential Banking. Its main objective is to provide each customer with a varied and complete proposal of products and services tailored to their profiles and needs.

Through a wide branch network and multiple contact points, the area provides an efficient, close and reliable experience. In doing so, it has more than 1,000 officers throughout the country, and the network complements with four sales channels: Telecanal, Proservice, Insurance Brokerage and Agreements seeking to make our customers' life much easier.

»Personnel Banking

This unit is mainly targeted towards natural persons allowing them to fill their financing needs and be provided with investment and savings advisory services. It also offers a wide variety of insurances. In order to give customers solutions tailored to their financial necessities, Personnel Banking is divided into Traditional Banking and Premier Banking, the latter was relaunched in 2009 to provide a better service to high income customers and susbstantial changes were implemented in its products and services structure. More on Premier Banking in the chapter "News and significant milestones of 2009".

»TBanc

TBanc allows customers to solve their financial requirements and have access to several online and phone services. TBanc has been the pioneer in the Chilean market with more than 10 years of experience since it provides customers with the tools to solve their own financial requirements without the need to go to a branch. It also permits to operate remotely, 24/7 and has strict security standards.

»Bci Nova

Its main objective is to serve the needs and provide financial solutions to individuals and sole proprietors belonging to the lower-income segment of our country. Through a network of 77 branches, Bci Nova offers a wide range of products and services as well as specialized advisory services for its customers. In 2009, Bci Nova inaugurated a new network of services aimed at bancarization. More on changes on Bci Nova in the chapter "News and significant milestones of 2009".

»Small Business Banking

Aimed at small businesses and mid-size enterprises, Small Business Banking offers several solutions and financial advisory services for this segment. In addition to serving in more than 55 Bci branches, it has specialized centers throughout the country which provide a wide range of solutions. The customers of this segment receive an integral and personalized attention and have access to financial advisory, leasing, factoring, foreign trade, investment and insurance products and services. In the chapter "News and significant milestones of 2009" there is more information on how Bci strengthened its commitment with this segment by broadening the business opportunities and granting more access to credit.

»Preferential Banking

Its main objective is to provide integral financial advisory services and proximity to high-income customers from personnel banking. To that end, it has 3 exclusive offices of preferential attention in Santiago, especially designed for our customers to be able to make all their financial transactions comfortably and privately. Preferential Banking also has presence in Viña del Mar and Concepción.

Each office has in place a team of qualified financial advisors in several investment and financial matters in order to customize appropriate solutions for the requirements of every customer.

Corporate Banking

This area focuses on middle market and large corporations by providing tailor-made financial solutions that respond to their specific needs. Through its several areas and channels including its branches abroad, subsidiaries and representation offices, it offers products and services of excellence, among them, different types of short and long term financing, transactional services, transfer of funds, collection services, factoring, leasing, financial advisory, securitization, insurances, cash management, and foreign exchange and investments.

This area is concerned with maintaining long term relationships with customers by developing a series of initiatives oriented to better understand their financial needs and respond to them in an efficient manner.

In order to fit the profile of every customer, the area is divided into Corporates and Real Estate, Large Companies and Middle Market. This segmentation encompasses companies of different sizes and lines of business such as private and public companies, government agencies, the Armed Forces, universities and corporations among others.

Corporate Banking offers excellent products and services that respond to the necessities of Large Corporations and Middle Market.

"Innovators do not have all the answers but they do have a better compass"

Subsidiaries

»

Bci's subsidiaries offer complementary services different from those offered by the traditional banking.

Subsidiaries *(decembre 2009)*	**Net income*** *(thousands of $Ch)*
Bci Corredor de Bolsa S.A.	7,398,541
Bci Asset Management Administradora General de Fondos S.A.	10,031,564
Bci Factoring S.A.	14,038,911
Bci Corredores de Seguros S.A.	9,723,467
Bci Securitizadora S.A.	1,322,077
Bci Asesoría Financiera S.A.	1,573,468
Bci Administradora General de Fondos S.A.	1,066,596
Servicios de Normalización y Cobranza Normaliza S.A.	2,159,428
Análisis y Servicios S.A.	-903
TOTAL	**47,313,149**

* This figures do not include the share subsidiaries maintain among themselves.

01

02

01
Francisco Cuesta Esquerra /
Bci Asesoría Financiera S.A. CEO
Lily Justiniano Berardi /
Análisis y Servicios S.A. CEO
Ricardo Victorero Castaño /
Bci Corredor de Bolsa S.A. CEO
Germán Acevedo Campos /
Bci Factoring S.A. CEO
02
Nelson Rojas Mena /
Bci Corredores de Seguros S.A CEO
Héctor Valenzuela Lamb /
Administradora General de Fondos S.A. CEO
Galo Bertrán Rubira /
Compañía de Normalización y Cobranza de Créditos S.A. CEO
Gerardo Spoerer Hurtado /
Bci Asset Management Administradora General de Fondos S.A. CEO

»

Bci's subsidiaries reaped US$47,313,149 million in net income in 2009.

»Bci Corredor de Bolsa S.A.

Born in 1987, this subsidiary offers domestic and international fixed and variable income financial instruments. Bci stockbrokerage employs more than 50 specialists in financial intermediation and portfolio management. It has offices in Santiago and Viña del Mar.

»Bci Asset Management Administradora General de Fondos S.A.

With more than 20 years of experience in the market, BAM offers asset management services of a wide range of mutual funds, private investment funds, voluntary pension savings (APV) and collective voluntary pension savings (APVC).

»Bci Factoring S.A.

This subsidiary was born in 1994 and its objective is to buy debt instruments of any nature belonging to companies that are looking for short term liquidity. It has offices in Santiago and in the main cities of the country.

»Bci Corredores de Seguros S.A.

This subsidiary was created in 1998 and its objective is to act as an intermediary of property and casualty, and life and pension contracts with any insurance company established in the country. It offers a wide range of products to cover the risks of individuals and to project employees who work for a company.

»Bci Securitizadora S.A.

Created in 2001, this subsidiary is oriented to institutional investors and companies. It provides a service of advanced engineering in financial solutions for companies that need high added value financing by means of selling a portfolio of different assets, e.g., receivable accounts, future flows, contracts or rights on cash flows.

»Bci Administradora General de Fondos S.A.

This subsidiary was created at the end of 2006 to manage public and private investment funds operating in different economic sectors. It offers customers several mid and long term investment products with an excepcional management team to satisfy our customers' financial needs.

»Bci Asesoría Financiera S.A.

Created in 1993, this subsidiary provides advisory services in the area of corporate finance. Bci Asesoría Financiera offers the following solutions: financial advisory, structure finance, M&A, stock issuance, and initial public offerings.

»Servicios de Normalización y Cobranza – Normaliza S.A.

With more than 10 years in the market, this subsidiary provides out of court collection services to Personnel Banking, TBanc and Bci Nova. To this end, it has more than 460 people in 30 offices across the country. This area aims at maintaining the collection standards set by the Retail Banking Division.

»Análisis de Servicios S.A.

Created in 1996, it is aimed at retrieving and evaluating the economic data of prospective clients so as to facilitate the offering of products and services the Bank provides.

* For more information on subsidiaries, please visit www.bci.cl

National Presence

Bci has an extensive network throughout the country including 332 commercial contact points*. The network is distributed as follows:

Contact points	Bci	Bci Nova	Total
Multiservice Channels	187	77	264
Cash Agencies	11	1	12
Commercial Platforms	32	-	32
Premier Branches	6	-	6
Preferential & Private Banking	4	-	4
Remote service Center (TBanc)	1	-	1
Points of Sale	11	-	11
Automated Offices	2	-	2
TOTAL	**254**	**78**	**332**

* For more information on our contact points, please visit www.bci.cl

"All innovators have something in common: they have at least failed once"

»Multiservice Branch

A Multiservice Branch is the most complete point of service for customers, providing an integral attention and served by relationship managers and specialists in investments, factoring, and entrepreneurial support, among others. It offers an automated service area available 24/7 all year round.

»Cash Agency

A Cash Agency is a small service point particularly focused on transactions and treasury services. It offers tellers, ATMs and basic automated enquiry services.

»Point of Sale

A Point of Sale Branch is a small place that serves mainly the Personnel Banking segment and offers sales and after sales service.

»Premier Branch

Premier is an exclusive branch for high income individuals from the Personnel Banking segment. Small in size and mainly supported by automated services, it provides customers with commercial and transactional attention.

»Private and Preferential Banking

Private and Preferential Banking are offices focused on high net worth customers.

»Commercial Platform

A Commercial Platform is a service point targeted towards providing customers with a tailor-made and exclusive attention through relationship officers that specialize in their needs. Among them are the Small Business Banking Centers and Mortgage Centers.

»Automated Branch

An Automated Branch offers self-sufficient electronic devices.

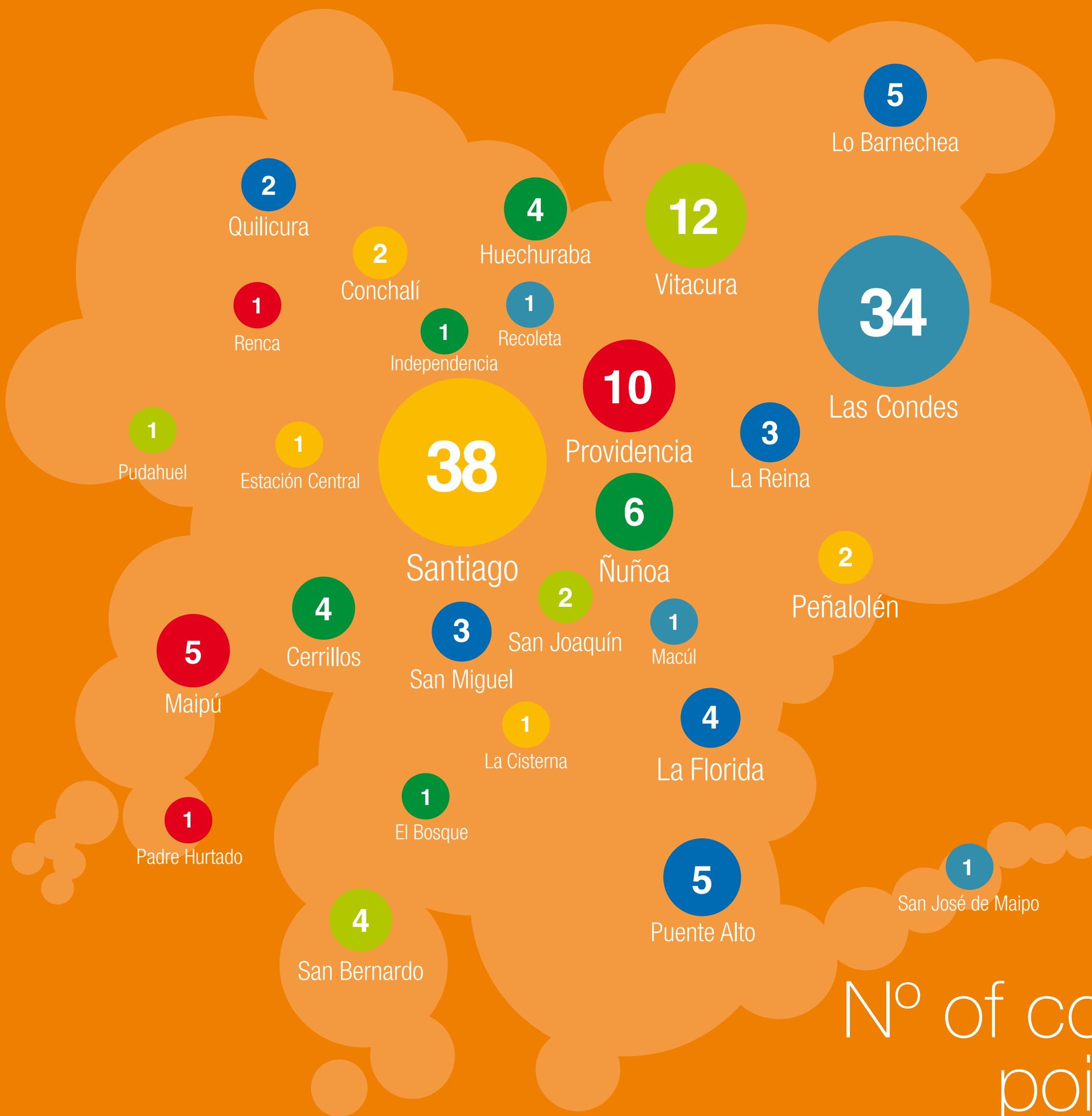
Nº of contact points in regions

Bci
119

Bci Nova
49

»

Bci has 332 contact points throughout the country.



Nº of contact points in Metropolitan Region

Bci
135

Bci Nova
29

* The address and phone numbers of our contact points are available at www.bci.cl

"More operations, fewer innovations"

Internacional Presence

In adition to the strong national presence, the Corporation is in several other countries through its foreign representation offices whose function is to support and advise customers in their import/export businesses and investments.

At the same time, Bci has created a series of alliances and direct agreements with foreign banks as well as commercial relationships with several correspondent banks.

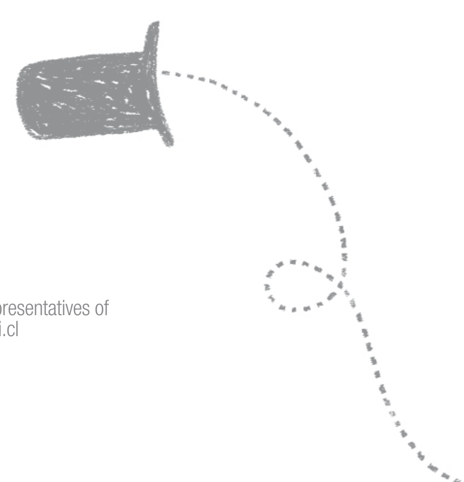
»Bci Miami, USA

2009 was the tenth anniversary of this full branch. Bci Miami offers customers business opportunities outside the country as well as a wide coverage within the Latin American market. Currently, Bci is the only Chilean Bank with presence in Florida.

»Representation Offices

Located in countries where our customers concentrate a high volume of their activities, among them, foreign trade operations. Bci has the following office network*:

Country
Lima,Perú
Sao Paulo, Brazil
Mexico City, Mexico



* For more detail on the representatives of each office go to www.bci.cl

» Bci has created a series of alliances and direct agreements with foreign banks as well as commercial relationships with several corresponding banks.

»Alliances and Agreements

Alliance with Banco Popular, Spain: This alliance strengthens the commitment Bci has pledged to Chilean companies that do business in the European continent, allowing for stronger commercial relationships with spanish companies with presence in Chile, Peru, Brazil, Mexico, and the United States.

Cooperation agreement with Banco de Crédito del Perú, Perú: There is an agreement between Bci's and BCP's shareholders to develop commercial activities oriented toward both operating through local financing entities and coordinating financial transactions between both nations.

Cooperation agreement with Banco Internacional, Costa Rica: The objective of this agreement is to foster foreign trade with Chile and promote reciprocal investments, thus, big business opportunities have been created in Central America.

Cooperation agreement with Banco Credicoop, Argentina: By means of this alliance, the development of foreign trade between both nations is fostered and Chilean companies that venture in the Argentine market are supported to boot.

»Correspondent banks network

In order to foster and develop foreign trade operations for our cutomers, Bci maintains commercial relationships with a network of more than 1,000 correspondent banks worldwide.

BEING CREATIVE

Bci's culture

To be enamored of an idea, think unexpectedly, and never stop wondering is part of the creative talent we seek and incorporate in Bci's team, keeping a relationship with talents everywhere.

INNOVATION
AT THE SERVICE OF OUR CUSTOMERS

Innovation has always been at the core of Bci since the beginning up until today. The Corporation has worked towards becoming an innovative Bank continually looking for new improvements both in the way it operates as well as in the products and services it offers.

Bci has innovated so as to ease our customers' life, save them time, improve security and provide a once-in-a-lifetime experience. To this end, the Bank has become a "factory of ideas" that has derived from our team members as well as from our customers themselves.

The Corporation has an innovation area that acts as an incubator thus allowing for the generation and selection of ideas. It also puts in place innovative projects that aim to create new business models in terms of products, services, channels and processes within Bci. In this way, the objective is to have competitive advantages that permit the Bank to grow and be a leader within the local industry.

The Bank has made many innovations, some of them unique in the world, in order to provide multichannels, promote self-service and thus spare our customers the trouble of lining up for a long time. In addition, Bci has created innovative systems to deliver maximum transactional security and a new service model in our branches.

The Bank's bet to be an innovative entity has been widely recognized both domestically and internationally.

An example is the award Bci received in 2009 from the Asociación Chilena de Empresas de Tecnologías de la Información (ACTI) as recognition for its big contribution in technological innovation at the service of its customers.

On top of the distinctions received locally, there are two recent and unique initiatives in the world, i.e., the chequemático and the security system MagnePrint which have placed Chile as an international referent in applied innovation for the financial industry.

»

The innovative spirit is embedded in the culture of Bci throughout the Corporation and motivates its team members to contribute with ideas, creativity and enthusiasm.

Internationally, The Banker magazine in association with UK Trade & Investment named Bci as the best bank in Chile in 2009. This recognition was awarded among other reasons for the significant advances the bank has accomplished regarding innovation and technology.

"Success is be ved not by the quantity but the quality of innovation"

Two unique innovations in the world

Chequemático, facilitating our customers' life:

In 2009, Bci made public a pioneering initiative: the chequemático. This innovation is a leap forward industrywise because Bci is the first bank in the world to create a machine that cashes checks automatically 24/7, all year round. The chequemático operates with high security standards and parameters which allow for the verification that the person cashing the check is the same as that authorized to do so. This initiative is part of the Bci Full technology which enables the Corporation to become the only bank capable of offering self-service channels available at any moment. In this way, self-service is promoted and the traditional banking hours are extended. In additon to cashing and depositing checks, Bci Full allows for a series of banking solutions such as the payment and request of promissory notes at sight, certificates, and balances among others.

MagnePrint, improving security:

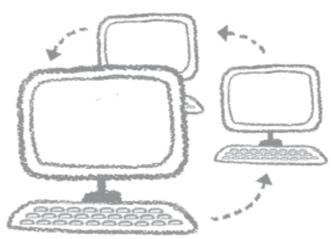
Another important innovation aiming at improving security and avoiding credit card cloning was the creation of a system that allows for the identification of the magnetic "DNA" of the credit cards issued. To date, Bci has validated more than 5 million transactions and has been able to timely detect fraud attempts. The Bank is at the forefront in this field since it offers its customers a security system unique in the world and free of charge for the users.

OTHER BRIGHT IDEAS IN BCI'S HISTORY

1969

Automatic utility bills payment system:

In 1969, Bci was the first bank to offer the automatic utility bills payment system, PAC. Customers started paying their utility bills such as water, electricity and gas bills by means of this mechanism. Afterwards, this initiative was adopted by the rest of the industry.



1978

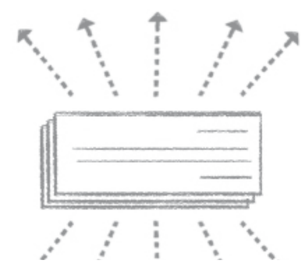
First online bank:

In 1978, Bci kicked off the most advanced technological project of the banking industry by processing operations among branches at high speed, including the payment of checks in any branch, thus becoming the first online Bank.

1985

First branch in Antarctica:

In 1985, Bci opened the first and only branch in Antarctica.



1989

First electronic checkbook:

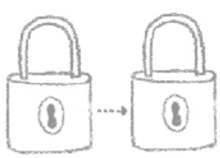
In 1989, Bci was the first bank in the market to offer the so called "cuenta prima" which later the banking industry adopted under the name "electronic checkbook".

"Marketing transforms a good innovation into a big one"

1998

First remote Bank:

In 1998, Bci created the novel idea of providing banking services remotely under the TBanc brand.



2003

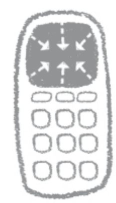
Multipass:

In 2003, Bci introduced the second security password to protect online customers' transactions by creating Multipass, which in 2008 became compulsory for the whole industry.

2006

Datacenter:

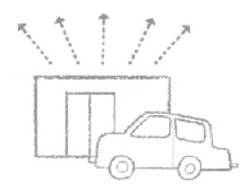
In 2006, Bci implemented a data center more than 100 kilometers from its main operations center. Datacenter registers operations that more than 1.2 million customers make in Chile and abroad.



2007

Mobile Banking:

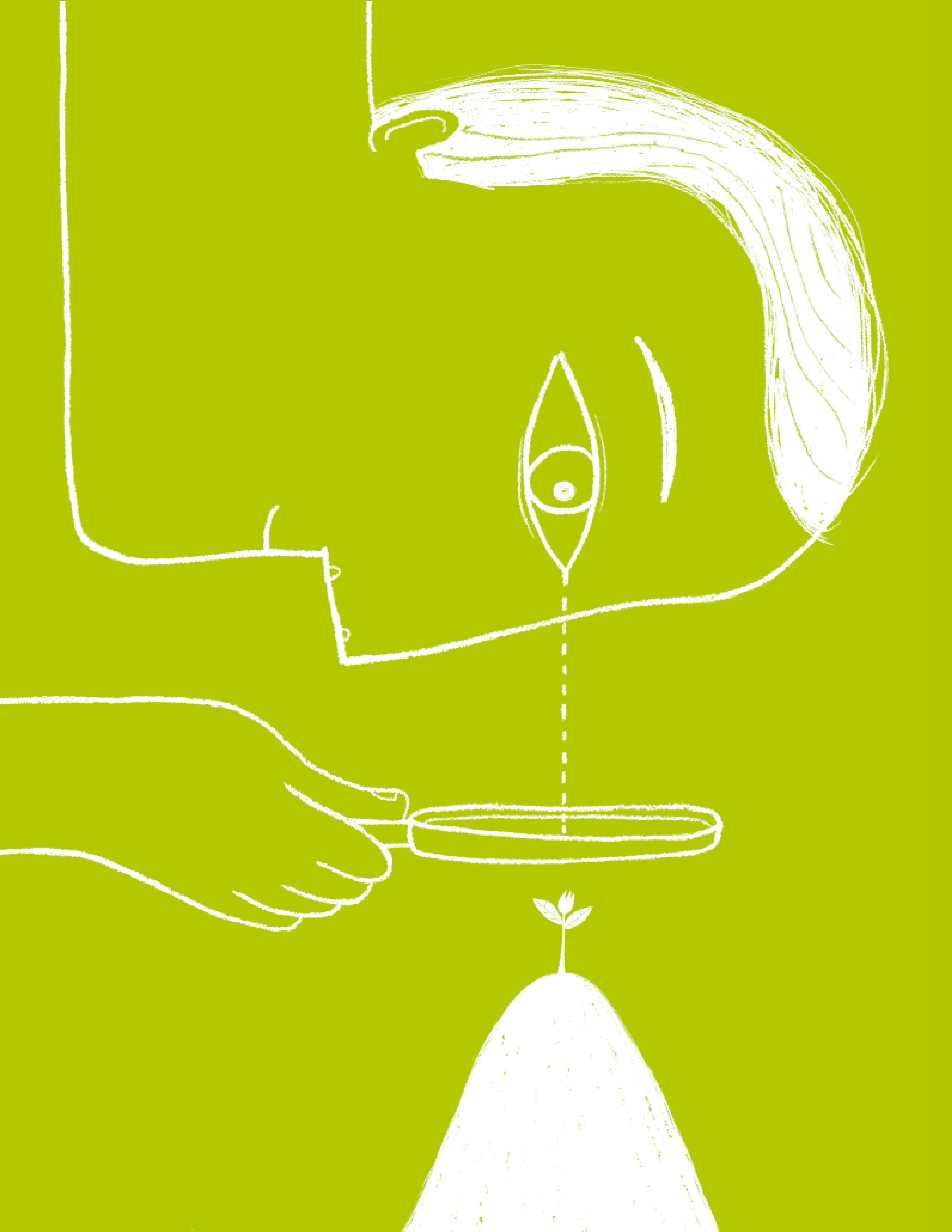
A year later, Bci became the first Chilean bank to develop a mobile banking by means of using mobile phones. Bci mobile banking offers services to the tune of minibalances, enquiries as to cashed checks, funds transfers, mobile phone prepayment, bills payment, credit cards enquiries, information on the branch network, and coming up would be the online overdraft payment. To date, more than 10,000 customers have made use of mobile banking.



2009

Multybox:

In 2009, the Multybox system was created, enabling customers to make banking transactions 24/7 at Pronto locales of Copec. This system allows for the payment of utility bills, public transport Bip! Card or phone prepayment service, money transfers, obtention of the daily pass of cencessioned highways, and access to Bci's products and services, among others. This channel is one of a kind in the financial and retail industry, and allows individuals to optimize their time and avoid the traditional rush hour in the banking industry.



BEING AN OBSERVER

Bci's culture

Sensing the changes of the world leads us to feel a special taste for life and our job, it leads us to get involved with the needs of people, it leads us to create new projects, it inspires our team members and motivates our customers.

News and Significant Milestones of 2009

The main milestones of the year in the Corporation were the following:

»

The news of the year covered different areas of the Bank and were mainly focused on providing better products and services to our customers.

1.

Premier Banking was relaunched to better serve our high income customers.

2.

A new **service network for Bci Nova** was inaugurated so as to make a contribution to the bancarization process.

3.

A new **savings and productivity plan** was implemented to optimize the resources and create a new culture within the Corporation.

4.

Small and mid-size companies were supported for them to find new business opportunities.

5.

Significant initiatives regarding corporate social responsibility were carried out to strengthen Bci's sustainability model.

6.

New products and services were launched including Bci's benefits club.

7.

Significant improvements were made regarding **telephony service.**

8.

The management of our **team members was strengthened** mainly through our Academia Líder Bci.

9.

The **positioning of the Bci brand was reinforced** centered principally around the innovative attributes and the service spirit.

10.

An **advanced accounting record system** was developed called Electronic Accounting.

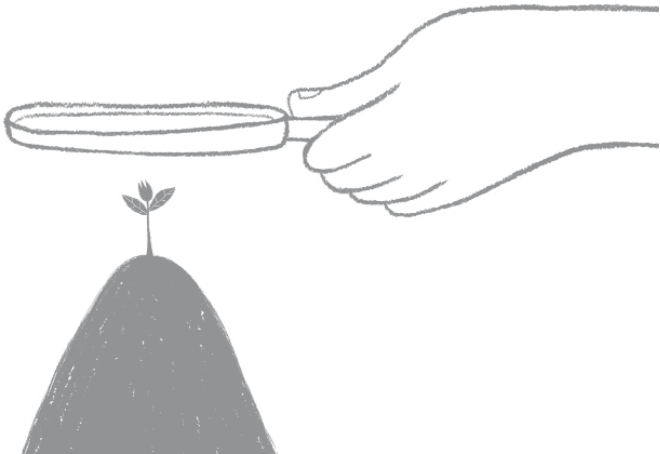
1.

New Premier Banking

Premier Banking strengthened itself so as to better serve the high income segment.

In 2009, Bci relaunched its Premier Banking in order to provide its customers with a once-in-a-lifetime experience. Significant changes to its structure were introduced: exclusive and customized attention, expert investment and savings advisory service, coverage leadership at a national level, and products and financial services of excellence.

The new and improved Bci Premier Banking has more than 180 contact points across the country, placing it as the widest premier network in Chile. Clients receive a personalized attention supported by a unique service model: the accounts officers answer customers' calls personally and/or arrange meetings with them through the telephone, Bci's web site or Mobile banking via an Open Agenda service.



2. New Bci Nova's services network

Bci Nova inaugurated 100 new service points to our lower-income segments thus contributing to the bancarization initiative.

In 2009, the new banking services network "Punto Bci Nova" was inaugurated as part of the innovation programs the Bank develops in order to contibute to the quality of life of its customers accesing banking products and services via Mom and Pop stores.

The new 100 "Puntos Bci Nova" constitute a contribution to bancarization since it allows lower-income individuals to make banking transactions such as cash withdrawals, deposits, payment of installments and request balances at a Mom and Pop store, saving people time and public transport costs.

Bci Nova carried out its first Banking Clinic as part of the program "Por tu tranquilidad económica" in which more than 1,800 people participated.

3.
Productivity and saving plan

The productivity and saving plan establishes a permanent culture among Bci's team members in order to optimize the resources.

At the beginning of 2009, Bci started implementing the corporate productivity and saving plan in order to optimize the resources at an organizational level and establish a permanent savings culture among its team members.

The main focus of this plan which started as a need before the economic and financial crisis was centered around both saving in the processes and also a constant budgetary control. The initiative sought to maintain the competitive level of the Bank in the market by ensuring the labor stability of the team members.

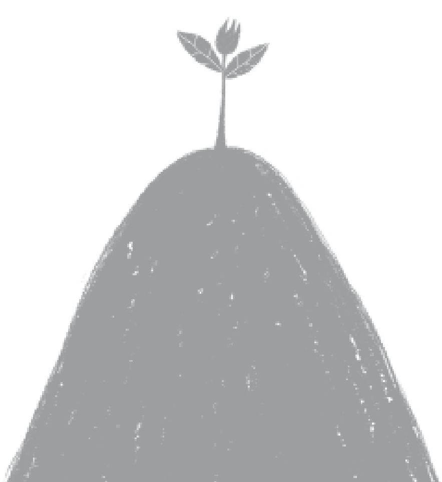
To this end, the change was made from withn the Bank so as to create an incentive towards saving and productivity. It was well received by our team members bringing about important results in terms of saving. Many of the ideas implemented were proposed by our team members themselves.

4. Credit availability and business opportunities for small and mid-size businesses

In 2009, Bci created business opportunities for small and mid-size companies and supported them with US$200 million in order to promote the economic recovery of the local economy.

Most of the plan was centered on the financial tools that Bci made available to its customers amounting to US$170 million. By the same token, Bci was the first Bank to lower its interest rates in January 2009 and announced an expansion in its customers' financial lines. In addition, the Institution increased the terms for consumer and/or commercial loans already granted, by decreasing monthly installments and thus aliviating small business.

These initiatives added to the implementation of rotative and solidary funds for the two programs fostering entrepreneurship. Over the last four years, Small Business Banking has launched the programs known as Nace and Renace. The former provides financial advisory and financing to new clients and businessmen. The latter focuses on current or former customers who require additional support to do business because of hurdles they may have encountered in the past.



At the same time and in order to support customers in a complex economic scenario, Bci organized the 2nd. Entrepreneurial Encounter which promoted new businesses to the sum of US$30 million among the attendees. This business event is unique in Chile and permits small and mid-size companies to gather in one single place together with large companies opening appealing business opportunities. More than 500 companies participated in the encounter, among them prospective buyers and suppliers, and nine foreign chambers of commerce (Australia, Belgium, South Korea, Vietnam, Spain, USA, Mexico, Sweden, and Asia Pacific). More than 3,200 business meetings were held and the attendees were able to participate in a number of interesting conferences for entrepreneurs and businessmen.

Testimony:
"This kind of initiatives have allowed us to do new businesses and widened our network of contacts. What's more, it shows the commitment the Bank has with their customers when even in trying times continues to support us."

Clara Correa, printer's shop owner.

Bci reaffirmed its commitment with small and mid-size businesses making credit available and creating business opportunities.

5.
Corporate Social Responsability News

In terms of Corporate Governance, the process of delivering information to the members of the Board was improved. On the other hand, the regulations of the new Corporate Governance Law were reviewed and analyzed before being in effect.

For the third straight year, Bci did the study Barometer of Values and Corporate Ethics, carried out by Fundación Generación Empresarial, in which the Bank obtained a leading position.

In order to safeguard labor stability in a year of financial crisis, Bci avoided massive layoffs and offered special support for its team members. Bci Nova, for its part, maintained its commitment with lower income segments (C3 and D) by incorporating clients who are not covered by the traditional banking.

As a way to support education in Chile, Bci made a strategic alliance with Fundación Enseña Chile, whose objective is that every child has a good quality education. This model is based on hiring the graduates with the most entrepreneurial spirit and best trained for a period of two years for them to administer lessons in the most vulnerable schools in Chile.

As for environmental issues, the Bank joined the program May Day Network, an initiative promoted by Business in the Community (BiTC), a prestigious organization chaired by Prince Charles of Wales whose objective is to make companies take action to reducing carbon emissions.

As regards suppliers, the program "Reconocimiento a los Proveedores Destacados" was created and the CSR evaluation criteria were defined as part of the suppliers' selection process.

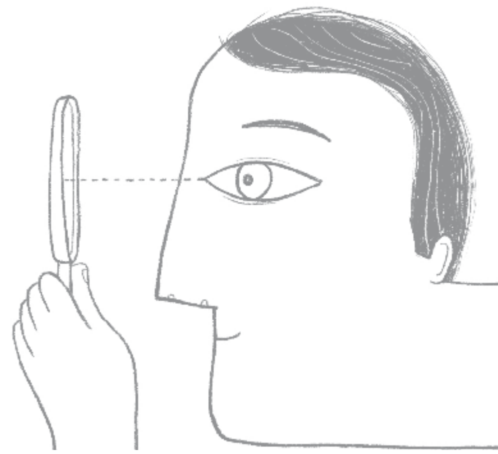
Additionally, Bci maintained its commitment with the Fundación Las Rosas, Corporación de Crédito al Menor, and several corporations and foundations fostering culture and helping the most vulnerable individuals through important social contributions.

»

In 2009, Bci implemented different initiatives towards developing and deepening its sustainability model.

* For more information, see Corporate Responsibility Report or www.bci/rse.cl

"An idea is just an idea until it makes sense, only then innovation begins"



6. New credit cards and services

Bci benefits club offers the best discounts and promotions to satisfy the interests of our customers.

In 2009, a series of new products and services were developed and launched in order to provide our customers with innovative solutions that satisfy their needs and increase their proximity.

Bci launched its program "La Mejor Selección de Beneficios" which allows customers to have access to permanent benefits and discounts when paying with their Bci and TBanc credit cards. This initiative offers a broader value proposal than that of the market by concentrating more and better benefits to satisfy the interests of different segments of the population.

The implementation of designs on credit cards was a novelty during the year. To make a difference, Bci was the only Bank in Chile where its customers could choose the design of their credit cards among 27 appealing choices as a response to the incresing demand for customers to customize their products and services.

Furthermore, the development of the new credit card Bci OpenSky seeks to complement the value offer of Premier Banking by targeting to frequent travellers. The card is the only one which allows customers to travel without restrictions since all purchases accumulate pesos OpenSky. Customers may use up part or all national and international purchases at any airline, hotel, travel agency and "Rent-a-Car" in the world.

On top of that, Bci developed an innovative and complete line of insurance products aimed at protecting and offering services to customers of Small Business Banking. These insurance products are designed for customers to feel much more comfortable when dealing with payment commitments, to better safeguard their net worth and as support in terms of the operational continuity of the company in the face of unexpected events. Four new insurance products linked to commercial loans started to be offered: Health Credit insurance, Civil Corporate Responsibility Insurance, Info Protected Insurance and Total Assistance Insurance.

7. Substantial improvements in Call Center system

In 2009, significant changes were implemented in phone service. The transformation process which in its first stage was centered around Telecanal, will cover all management points using the best international practices, offering investment and the implementation of cutting-edge technology, as well as training and permanent support of the officers in charge which is paramount for the objectives of the Bci Corporation.

The Telephonic transformation team is in charge of this program that falls within the improvement model designed in Bci 2010. In this way, the officers have more faculties and tools to provide a better service, supported directly by their supervisors. The process is being constantly monitored allowing for a virtuous circle of continuous improvement in phone service. The effectiveness of the officers has increased between 40 to 80%.

»

Bci started implementing a substantial improvement in its phone service system to provide a better attention and increase effectiveness.

"Creativity is the engine of innovation"

8. Leadership strengthening through the Academia Líder Bci

One of the main focuses of the Personnel Management Division was to strengthen the Bci leadership style as a key growth factor of the business and reinforcement of the Corporate culture.

To this goal, team members worked in the Academia Líder Bci, a unique program for management formation of future leaders for the Corporation that has integrity, respect and excellence as fundamental pillars at its core.

Although this is the third anniversary of the program, 2009 turned out to be key because more than 700 team members, among them top level officers and chiefs participated who were trained by the leaders that attended Academia Líder in prior years.

At the same time, in 2009 the program Sinfonía de Liderazgo was launched as a new development tool that gathers a number of best practices to get team results and a good workplace environment.

To promote an organizational environment of excellence the annual management plan was implemented. Bci ranked 5th. among the Best Companies to Work For with more than 1,000 employees organized by Great Place to Work Institute and Capital magazine due to its good performance in this regard.

Considering 2009 was particularly difficult due to the economic environment, the Personnel Management Division created support programs for our team members to ensure their social, economic and labor stability. In addition to strengthening the organizational structure, the Bank launched Bci Reconoce, a program that promotes practices of recognition in all units and areas of the Corporation.

» More than 700 team members, including chiefs and top level officers were trained in the Academia Líder Bci.

9.
An innovative and different brand image

»

To strengthen its brand positioning, Bci has mainly centered around innovation and service spirit so as to make our customers' life easier.

Bci has positioned itself as a brand that relates to our customers and make their lives easier by means of innovative products and services as well as a personalized attention through multiple channels.

In 2009, Bci focused on strengthening its brand positioning by highlighting two fundamental elements: innovation and service spirit. To this goal, the concept "En Bci, Innovación es Servicio" was launched publicly together with the introduction of the new chequemático. This concept shows that the focus on innovation is on our customers and the constant challenge to better serve them, save them time and make their lives easier.

Other attributes such as the different service attitude and the long term relationship created with the customers makes the Bank stand out above the rest of the market.

Bci obtained several recognitions for its work in this field during the year. In terms of brand positioning, it was ranked 1st. for innovation attributes and Different Bank (measured by ATP, Millward Brown); the Bank most associated with innovation (Estudio de imagen de marca Adimark); 2nd. for brand recognition (ATP); 3rd. for Top of Mind (TOM) and 2nd. for advertising TOM (ATP). It was also ranked 2nd. for corporate image and advertising 2009 granted by Diario Financiero.

10.
New accounting operative model

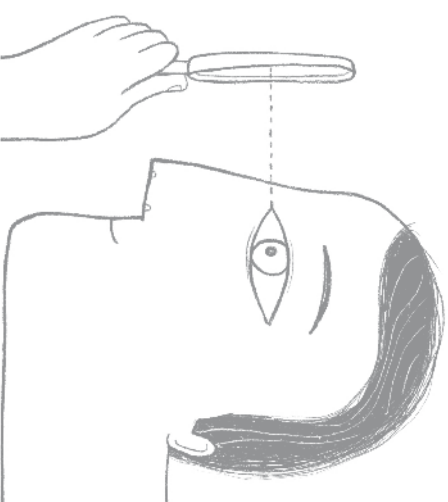
»

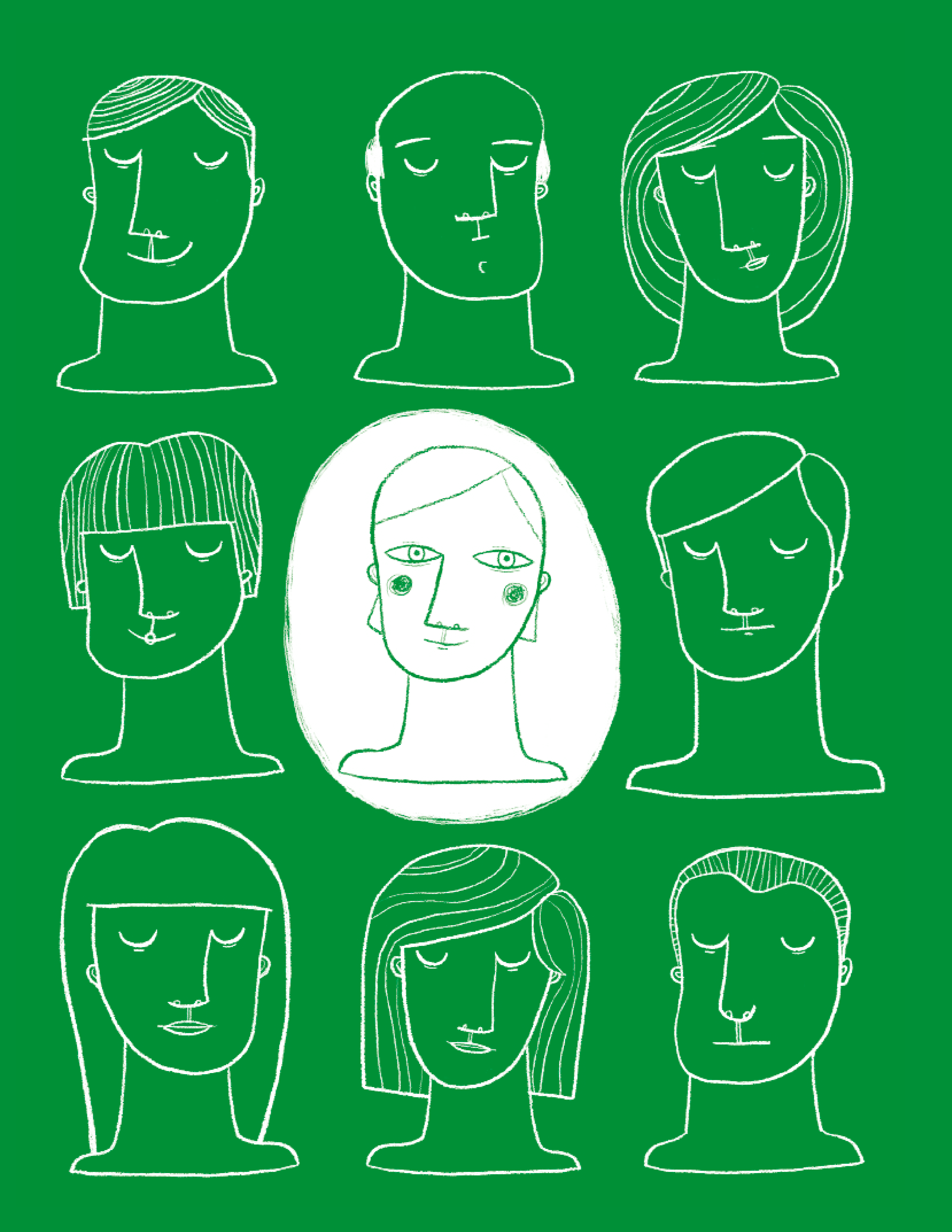
To increase the Bank´s efficiency and productivity, Bci developed an advanced system which enables electronic accounting

In its constant search for new technologies that allow for an increase in efficiency, productivity and competence, and for the contribution to the improvement of the environment, in 2009 the Bank developed an advanced accounting record system dubbed Electronic Accounting.

The accounting operative model is a substitute for paper record prints and permits the generation of the Bank's accounting to be done electronically both in financial terms and for tax purposes. The record of the operations is digitally stored under the conditions established by the fiscal organisms resulting in significant saving in operation expenses by substituting stamp and printing of the paper accounting records, and at the same time, eliminates several mechanical processes, physical back-ups, transport of documents and storage without detriment to the security conditions and the confidentiality of accounting information entered into the system.

Bci's electronic accounting was authorized by Exempt Resolution nº26 of the Chilean Internal Revenue Service (SII) as of February 5, 2010, thus making Bci the first financial institution in the country to adopt this accounting model.





BEING DIFFERENT

Bci's culture

We accept differences as a way of enriching ourselves as a company, because an essential element of innovation is the different ways to see the world.

RISK
MANAGEMENT

The risk of the business* is managed by the Corporate Risk Division responsible for evaluating and managing credit, financial, liquidity and operational risk.

Credit Risk

The Corporate Risk Division together with the commercial areas evaluate individually using their own models, the financing of projects or companies pertaining to a large number of economic sectors such as power utility, manufacturing, and mining and infrastructure among others. Furthermore, this area has an international risk unit that evaluates the economic, social and political situation of each country in which Bci is present so as to lower the risk of operations of external financing, and of local customers operating in those countries.

It is worth mentioning that by maintaining its environmental care strategy, the Bank finances projects related to sustainable mangement of natural resources, acting under the standards established by the appropriate authorities in this matter.

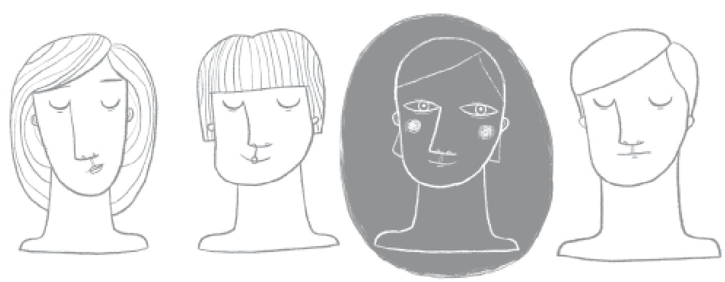
As for risk evaluation of consumer loans and mortgages, a provisions model based on expected losses is applied, which is estimated by means of the statistical payment of the debtors and their probability to incur in default. This program is continually checked at its predicting levels and seeks to prevent future losses expected within a 12-month period.

For the consumer loans of Bci Nova, sofisticated models have been developed and implemented permitting to measure and evaluate the risk of this segment in a specialized manner.

In 2009, the models implemented by the Bank showed a good performance in an adverse economic period. The total loan supply was not affected and higher risk groups were timely identified so as to reduce and control the risk exposure.

»

In order to fulfill its functions and protect its capital, the Bank keeps several control and market risk hedging tools.



* More on Note N° 35 of the Consolidated Financial Statements included on a CD accompanying this Annual report

"The future shines for innovators"

Financial Risk

The Bank's Financial Risk Area manages in a centralized fashion the resources obtained on a national level as well as its use in different product and operations of the asset. In addition, it manages the resources international banking provides Bci with and its allocation in several operations effected in foreign currency and trade.

Additionally, the area acts out directly in the intermediation and holding of derivative products and financial instruments. On the whole, it controls the balance between assets and liabilities, cash reserve, technical reserve, and the results financial operations must yield.

In order to fulfil its functions and take care of its capital, the Bank makes use of several control and hedging financial risks tools, focused to control assets and liabilities both those on an accrued basis and those reflected at a fair or market value.

To utilize these controls, it is necessary to permanently price the portfolio by the application of fair value of financial instruments. This value is defined as the price a financial instrument would reach in a free and voluntary transaction between independent, duly informed and interested parties.

The Bank controls the balance risk proper to assets and liabilities recorded on an accrued basis with the use of two models:

- » **Spread at Risk, SaR,** which quantifies the impact on earnings produced by a specific fluctuation in the short term interest rates within a 12-month horizon.
- » **Market Value Sensitivity, MVS,** which quantifies the effect on economic value of the equity capital produced by fluctuations in the long term interest rates over total assets and liabilities of the Bank.

Furthermore, the own portfolio of financial instruments available for sale is controlled by the Value at Risk (VaR) which calculates the potential losses in the market value of the portfolio.

At the same time, the models established under standards by the Central Bank and the Superintendency of Banks and Financial Institutions, i.e., short and long term exposures to intererst rates risks and readjustability of the Banking Book or accrued basis are akin to Bci's internal SaR and MVS models.

In addition to these tools, the Bank owns a centralized management and control of the effectiveness of financial hedges so as to mitigate the efect of the aforementioned risks.

In 2009, the regulation of global financial markets translated into a reduction of interbanking spreads and financial costs. The Libor-OIS spread acting as a referential measure of the willingness to lend American dollars, diminished the values recorded in periods prior to the crisis. Something similar was observed in the local market which, aided by additional liquidity tools (FLAP) granted by the Central Bank, took the spread between the borrowing prime rate and the overnight swap rate to levels close to zero in the second half of the year. Sovereign risk and local corporate debt spreads also decrease to pre-crisis levels, whereas the exchange rate volatility towards the end of the year showed levels close to 10%, far below the 30% observed in the most volatile months of the period 2008-2009.

In the liquidity measures both internal and regulatory a reasonable and countercyclical level was observed in agreement with the policies of the Bank. While at the beginning of the year market gaps over capital around zero were observed, towards the end of the year levels of roughly 0.8 times the capital were reached within a regulatory limit of 1.0. No runs or massive redemptions from deposits or current accounts were observed.

In terms of market risk, the global scenario resulted in a widespread reduction of the volatility of financial assets. Interest rates, over-the-counter currencies and derivative instruments recorded a decrease in their volatility levels and correlation, which gave way to a drop in the risk of portfolios priced at market value, providing an opportunity to rebalance positions in order to make efficient use of the capital.

In 2009, the Area started to use in production new technological tools for risk management: VaR claculations tasks, stress testing for the banking book, and the quantification of counterparty risks have now a more complete and powerful tool found in the algorithmics platform.

Liquidity risk

This unit controls the liquidity position, classifying in retail and wholesale the obligations of the debtors and the outstanding debt of depositors and creditors. This is carried out by a model structured in accordance with the regulations of the Central Bank of Chile.

This model allocates part of the retail cash flows to temporary bands different from those that should be allocated in accordance with the contractual maturity of the obligations on the basis of forecast behavior of such flows, which is termed liquidity position calculated on adjusted basis.

Liquidity control considers three fundamental pillars: the setting of internal limits by the Board of Directors, the use of early warnings indicators, and the constitution of a contingency plan, which permits to anticipate illiquidity periods and take action when needed.

As a fundamental part of its contingency plan, the Bank has defined liquidity barriers formed by highly liquid assets. Its main objective is to provide reserves in case of illiquidity of the system or the Bank itself.

Loyal to its transparency policy, Bci uploads onto its website the liquidity situation calculated on contractual and adjusted basis as of the last day of each quarter.

The Assets and Liabilities Committee (ALCO) defines the minimum liquidity level that the Treasury must ensure for its daily operations "knowing our customers needs is the starting point of innovation"

This unit controls liquidity positions by classifying in retail and wholesale the obligations of the debtors and the outstanding debt of depositors and creditors.

Operational Risk

The objective of operational risks management within the Bci Corporation is to avoid unexpected losses and optimize the use of capital required.

The Operational Risk Area was created in 2006 as a specialized area and reports to the Corporate Risk Division. Thus, in Bci a common methodology for the identification, quantification, mitigation and report of operacional risks is applied.

This unit is responsible for the alignment of management and control of operational risks which are directly related with the standards established by the Basel Committee.

Through an Operational Risk Committee, the unit evaluates and defines the strategic risks and critical processes of the Corporation, and also designs the methodology to diagnose risks. To manage the operational risk, the unit is divided into three specialized areas in business, regulation, individuals, business continuity, asset laundering and management of the self-evaluation processes.

Within the specialized units, it is important to highlight the most significant controls:

- The regulatory management control not only identifies regulatory risks but is also responsible for the defined plans to be in line with the regulatory framework and the internal regulations of the Corporation.
- Asset laundering control and the financing of terrorism that applies a model capable of follow-ups, controls, detection, and action plans segmented by types of customers and risks, supported by technological instruments that can detect anomalies by means of a demanding monitoring and management model.
- The technologic and security control of customers' information, businesses and strategies that provides Bci with information security policies and guidelines, with tools for the protection of resources executed in agreement with standards set by ISO27001 to which Bci has already been certified.

Among the most important achievements made in the implementation of operational risk is the development and implementation of a methodology for the identification of risks in processes, generating plans of action and indicators (KRI) for the follow-up of risks for all the critical processes of the Bci Corporation.

It is worthwhile mentioning the design and implementation of a loss and operational risks events record, the creation of a managerial report system, the implementation of operational risks policies and a risk governance system.

The Operational Risk Area has developed a program of cultural change in operational risk, has created a management system of losses and a methodology for the identification and management of business continuity risks, and also has developed a model of risks management and identification for asset laundering.

Finally, it is important to mention the management of information security risk and technological risk by means of the implementation of a security management model and information leakeage monitoring model by developing indicators (KRI) and action plans for the significant technological risks, and by obtaining the ISO 27001 web certification for individuals and companies.

Economic
ENVIRONMENT

Chilean Economy

In 2009, the Chilean economy suffered the effects of the international financial crisis that started in mid 2008, and the consequent recession of almost all of the emerging and developed economies which contracted the worldwide economy by 1.2% annualy in 2009. In this scenario, the Chilean economy lost substantial dynamism in the first half of the year, contracting at a 3.6% annually during the period. However, the improvement of the international landscape coupled with the domestic impulse of fiscal and monetary policies allowed the Chilean economy to start recovering towards Q4, thus significantly improving the expectations for 2010. All in all, the economy contracted 1.8% in 2009 while the internal demand decrease 7.2% YoY.

The effects of the crisis were felt particularly strong in fixed investment and imports falling to roughly 16% and 15% on an annual basis respectively in 2009. Consumption, in turn, expanded slightly aided by the strong growth of public consumption and the bailout programs that restrained the fall in private consumption. Likewise, exports of goods and services contracted about 4% in real terms annually. Non-copper exports were particularly affected as a consequence of the lower external demand generated by the international crisis.

Sectorwise, manufacturing, construction and transport were the most affected by the crisis in 2009 posting negative growth rates of 7%, 5.5% and 4% on an annual basis respectively. On the contrary, power, gas and water utilities, as well as telecommunications were more dynamic during the year with a growth of 15.5% and 6.5% on an annual basis respectively.

The drop in domestic demand and activity together with a landscape of uncertainty in the international economy led unemployment rates to dramatically rise all year round, reaching 10.8% in winter season. Nonetheless, seasonal effects in employment and the creation of more than 145,000 jobs with fiscal aid allowed the average unemployment rate to fall to 9% by the end of the year, therefore, the average unemployment rate was 9.8% in 2009, a level that not only represented a rise of two percentage points relative to the average rate a year before but also was the highest over the last 6 years.

As for inflation, the global recession and the instability of the financial markets led international commodity prices to tumble for the most part of the year. Additionally, the fall in internal demand strongly adjusted the margins in the Chilean economy, which coupled with a significant appreciation of the peso towards the latter part of 2009, led to negative monthly records during most of the year, resulting in a sustainable fall in the annual inflation rate from 7.1% in December 2008 to -1.4% in December 2009.

»

The Chilean economy lost dynamism in the first half of the year, contracting 3.6% annually for the period.

"An innovator is an observer and a creator at the same time"

Banking sector behavior

Owing to deceleration of the domestic activity and the absence of inflationary pressures, in January 2009 the Central Bank started a gradual monetary laxing process which reduced the monetary policy rate by 775 basis points at 0.5% in July. Likewise, public spending grew close to 18% real annually, reflecting the magnitude of the fiscal impulse implemented by the Government to face the international crisis.

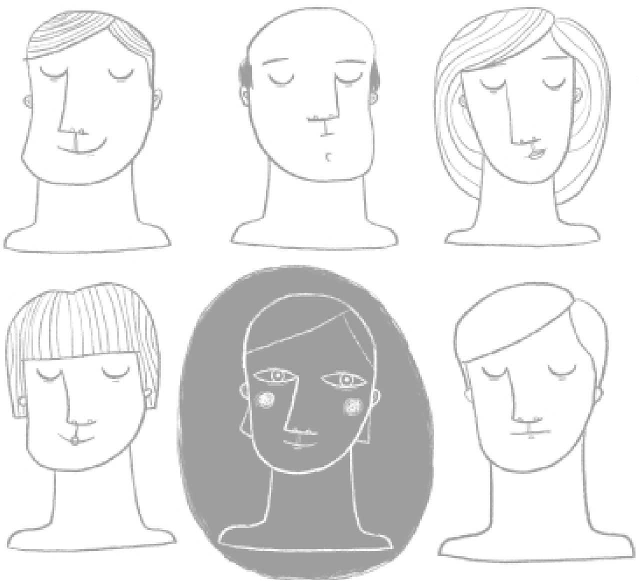
Finally, external accounts significantly deteriorated as a consequence of the fall in the prices of our main export products and of the poor performance shown by export volumes during the year. In particular, exported volumes dropped by roughly 5% annually led by lower shippings in non-copper products. Physical copper exports, conversely, showed a recovery towards the latter part of the year which offset almost entirely the fall experienced in 1H09. In this scenario, the value of total exports ended 2009 with US$53,024 million, whereas total exports slightly accumulated US$39,708 million. The current account ended in a US$3,700 million surplus equivalent to close to 2.3% of the GDP.

At the close of 2009, the banking industry posted total loans to the sum of Ch$68,938,045 million, a 1.9% reduction YoY, whereas the return of the segment totaled Ch$1,225,187 million and the return over equity was 17.99%. In Bci, the return was 21.86%.

Total consolidated assets of the system at December 2009 were Ch$107,845,670 million. As for the risk weighted assets, they represented at December 2009, 68.3% of the industry's total assets and 71.6% of Bci's. This is explained by the operational development of the basic assets reached by the Bank which are mainly loans with normal risk.

The capital resources of the banking sector composed of base capital, subordinated bonds and additional allowances totaled Ch$10.56 billion compared to the Ch$1.21 billion recorded by Bci.

In the following graph, the main figures of the sector compared to Bci's are presented as well as market share, and the increase experienced by the volume in operations in 2009.



MILLIONS OF PESOS As of decembre 2009	Sector	Bci	% Bci,s Market
Total consolidated assets	107,845,670	13,974,224	12.96%
Risk weighted assets	73,622,259	10,008,361	13.59%
% weighted average	68.3%	71.6%	-
Base Capital	8,003,505	896,150	11.20%
Tangible net worth	10,556,336	1,213,274	11.49%
Net Income	1,225,187	160,774	13.12%

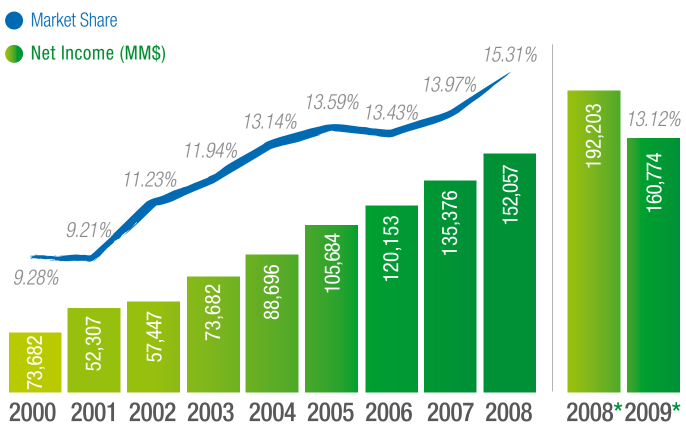
Source: Sbif

PERFORMANCE
GRAPHS AND FIGURES

Next, the graphic evolution of the results and performance of Bci is presented from 2000 to date. The figures are expressed in nominal Chilean pesos.

Results

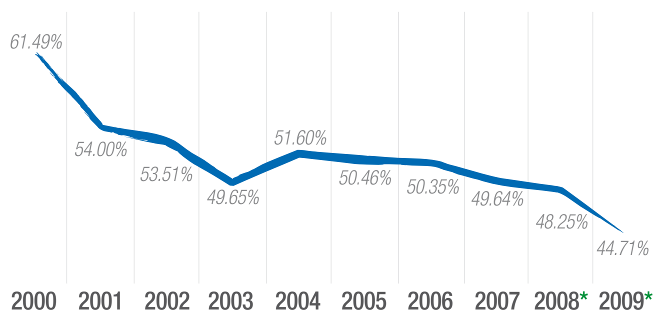
Net Income and Market Share



* Under new Sbif regulations.

Net income for 2009 amounted to Ch$160,774 million equivalent to 13.12% of the banking sector income. As of January 1, 2009 and as instructed by the Superintendency of Banks and Financial Institutions, Bci applied new accounting standards which affected its shareholders' equity and the results for 2009. Therefore, when compared to income for 2008[8] under the new criteria, a decrease of 16.35% is reported.

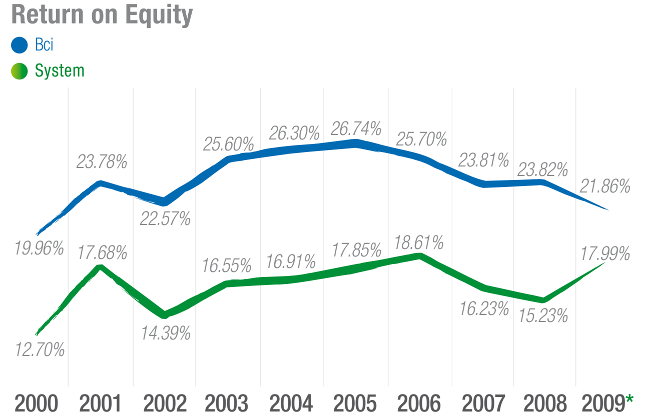
Efficiency Ratio of Bci



* Under new Sbif regulations.

The efficiency ratio[9] measures the ratio between operating expenses and gross operating results. Therefore, a drop in the index represents an increase in efficiency. The efficiency index was 44.71%, an improvement of 3.54 percentage points relative to 2008, which is explained by a rise in gross operating results of 10.33% over the 2.24% increase in expenses.

Return on Equity



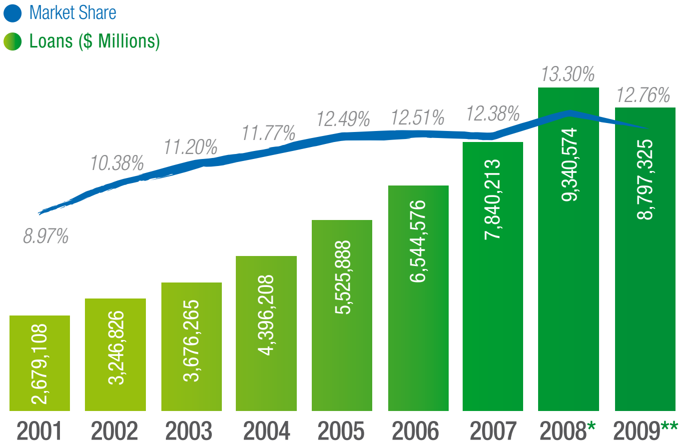
* Under new Sbif regulations.

Bci's return on equity is still above that of the system reaching 21.86% in 2009 compared to 17.99% recorded by the system.

[8] For more information on changes in the accounting standards and their impact compared to 2008, go to notes 1 and 2 of the consolidated financial statements of the Bank.
[9] The indicator measures Bci's individual results between 2000 and 2008.

Market share

Total Loans

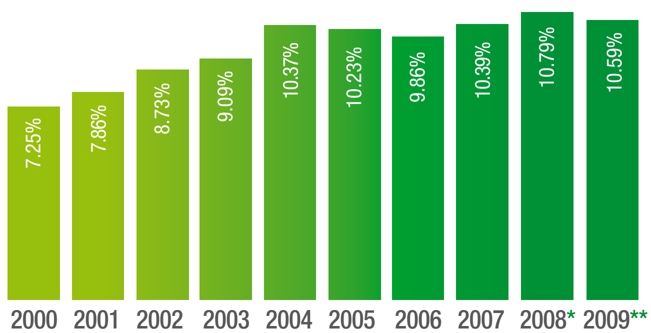


* Starting in 2008, the Sbif reports consolidated loans (including subsidiaries), without including contingency loans nor lending to foreign banks. **Under new Sbif regulations.

Bci's Interbanking total net loans posted a market share of 12.76% at December 2009, showing a decrease of 0.54 percentage points YoY.

Personnel Banking loans share which includes consumer and mortgage loans went down 0.2 percentage points in 2009 reaching a market share of 10.59%

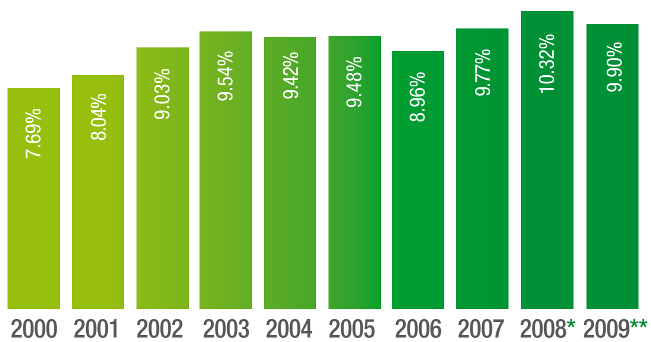
Consumer Banking Market Share



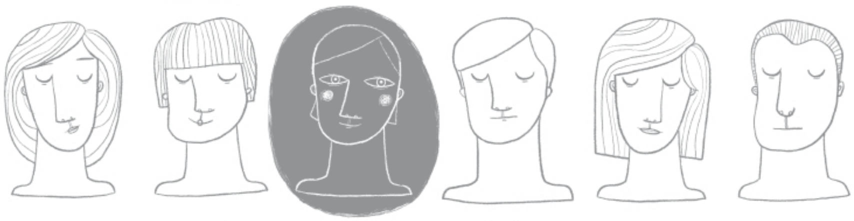
* Starting in 2008, the Sbif reports consolidated loans (including subsidiaries).
** Starting in 2009, it is reported under IFRS.

Likewise, mortgage loans went down 0.42 percentade points relative to December 2008.

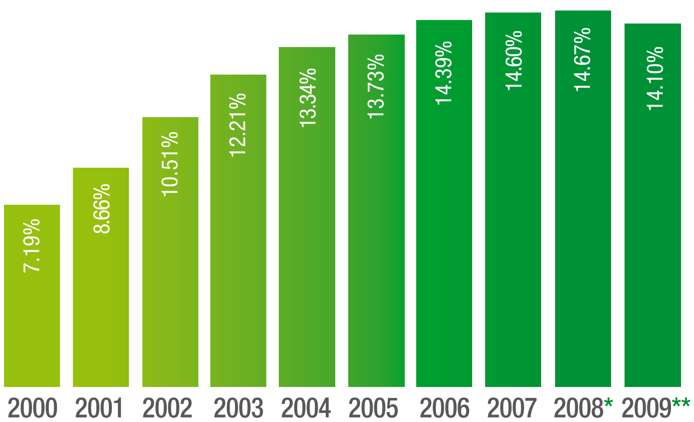
Mortgage Loans



* Starting in 2008, the Sbif reports consolidated loans (including subsidiaries).
** Starting in 2009, it is reported under IFRS.



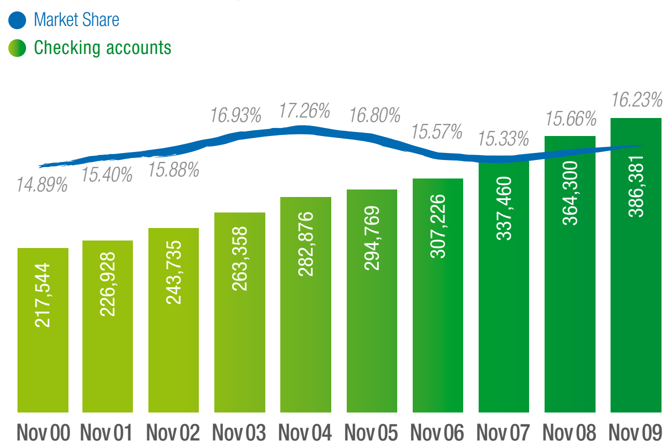
Commercial Loan Market Share



* Starting in 2008, the Sbif reports consolidated loans (including subsidiaries).
** Starting in 2009, it is reported under IFRS.

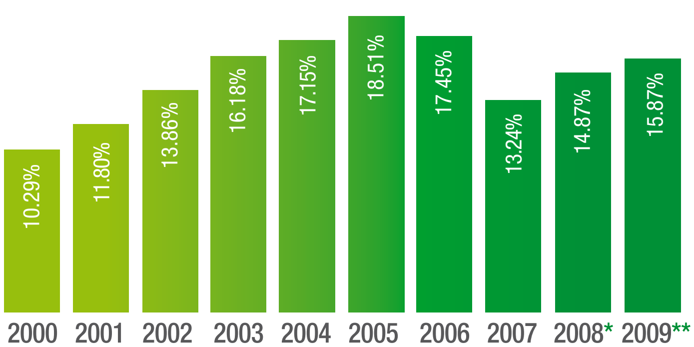
In 2009, commercial loans went down 0.57 percentage points with respect to the 2008 market share reaching 14.1%.

Number of Checking Accounts



At November 2009, Bci's number of current accounts in effect totaled 386,381 equivalent to a 6.06% growth YoY.

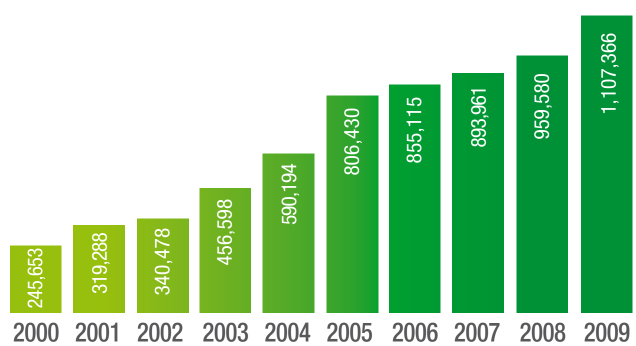
Foreign Trade Operations Market Share



* Starting in 2008, the Sbif reports consolidated loans (including subsidiaries), without including contingency loans nor lending to foreign banks.
** Starting in 2009, it is reported under IFRS.

The market share of foreign trade operations has shown a sustained rise over the last 3 years reaching 15.87% in 2009.

Number of Electronic Checkbooks

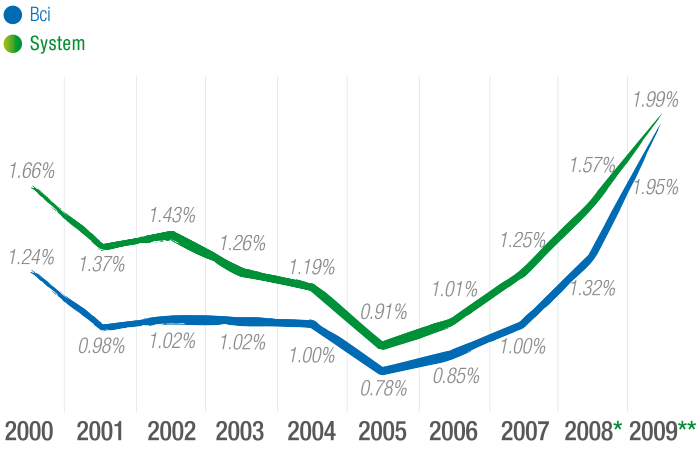


The growth of electronic checkbooks in 2009 introduced by Bci for the first time in the local market in 1989 was 15.40% or over 1 million accounts.

Risk

Expenses in provisions over total loans are still below those of the financial system, maintaining an efficient risk control system. The rise in the index over the last years has been mainly due to the effects of the financial crisis mentioned before as well as to the increase in provisions in segments that have presented a higher risk in 2009 as is the case of the salmon industry, retail and real estate sectors.

Provision Expenses over Total Loans



* Starting in 2008, the Sbif reports consolidated loans (including subsidiaries).
** Starting in 2009, it is reported under IFRS.

THINKING OUTSIDE THE BOX

Being pleased by the fact that we are capable of making wonders and being proud is what has made us be concerned of the things that really matter: creativity, passion, satisfaction in life, sharing adventures, growth and a good service.

Bci's culture

BANCO DE CREDITO E INVERSIONES
MIAMI BRANCH AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009 and 2008

Contents

6. Consolidated financial statements

BANCO DE CREDITO E INVERSIONES
MIAMI BRANCH AND SUBSIDIARIES

BANCO DE CREDITO E INVERSIONES
MIAMI BRANCH AND SUBSIDIARIES

Consolidated statements of financial position

	Note	31.12.2009 Ch$ millions	31.12.2008 as restated Ch$ millions
ASSETS			
Cash and due from banks	5	1,037,783	526,235
Items in the course of collection from banks	5	439,661	220,140
Trading investments	6	844,146	644,083
Securities purchased under resale agreements	7	100,001	33,866
Derivative financial instruments	8	333,395	583,155
Interbank loans	9	140,781	189,088
Loans and accounts receivable to customers, net	10	8,602,991	9,217,572
Available for sale investments	11	1,107,152	814,436
Investments in companies	12	57,085	49,798
Intangible assets	13	78,923	73,131
Bank premises and equipment, net	14	202,640	188,784
Tax receivable	15	4,837	40,109
Deferred income tax	15	23,963	24,268
Other assets	16	148,164	158,272
TOTAL ASSETS		**13,121,522**	**12,762,937**
LIABILITIES			
Deposits and other liabilities payable on demand	17	2,400,959	2,021,931
Items in the course of collection due to other banks	5	292,983	63,572
Securities sold under repurchase agreements	7	333,566	227,414
Saving accounts and time deposits	17	5,491,152	6,071,804
Derivative financial instruments	8	358,490	531,148
Interbank borrowings	18	2,021,957	1,559,761
Bonds payable	19	996,602	1,125,429
Other financial liabilities	19	96,136	126,879
Deferred income tax	15	31,150	22,713
Provisions	20	93,023	99,557
Other liabilities	21	109,351	145,731
TOTAL LIABILITIES		**12,225,369**	**11,995,939**
SHAREHOLDERS' EQUITY			
Attributable to the banks' parent equity holders:			
Capital stock	23	807,143	564,503
Reserves	23	61,293	198,341
Other comprehensive income	23	11,415	(6,044)
Retained earnings	23	16,299	10,197
Non-Controlling Interest		3	1
TOTAL SHAREHOLDERS' EQUITY		**896,153**	**766,998**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**13,121,522**	**12,762,937**

The accompanying notes form an integral part of these consolidated financial statements

BANCO DE CREDITO E INVERSIONES
MIAMI BRANCH AND SUBSIDIARIES

Consolidated statements of income

	Note	As of December 31 2009 Ch$ millions	2008 as restated Ch$ millions
Interest income	24	618,320	1,159,151
Interest expense	24	(203,697)	(686,984)
Net interest income		414,623	472,167
Fees and income from services	25	166,754	146,912
Fees and expenses from services	25	(34,399)	(49,199)
Net fee income		132,355	97,713
(Loss) gain from financial operations, net	26	(133,372)	149,251
Foreign exchange gains (losses), net	27	207,848	(139,851)
Other operating income	32	19,706	13,168
Operating income		641,160	592,448
Provisions for loan losses	28	(148,225)	(93,678)
OPERATING INCOME, NET OF PROVISIONS		**492,935**	**498,770**
Personnel salaries and expenses	29	(160,666)	(143,580)
Administrative expenses	30	(103,497)	(99,150)
Depreciation and amortization	31	(26,897)	(29,224)
Impairment	31	-	-
Other operating expenses	32	(13,430)	(26,908)
TOTAL OPERATING EXPENSES		**(304,490)**	**(298,862)**
NET OPERATING INCOME		**188,445**	**199,908**
Gain attributable to investments in companies	12	2,976	17,194
Income before income taxes		191,421	217,102
Income taxes		(30,647)	(24,899)
Income from continuing operations		160,774	192,203
NET INCOME FOR THE YEAR		**160,774**	**192,203**
Attributable to:			
Equity holders of the parent		160,772	192,202
Non- Controlling Interest		2	1
		160,774	192,203
Earnings per share attributable to			
Equity holders of the parent			
Basic and diluted earnings per share	**23**	**Ch$1,586**	**Ch$ 1,944**

The accompanying notes form an integral part of these consolidated financial statements

BANCO DE CREDITO E INVERSIONES
MIAMI BRANCH AND SUBSIDIARIES

Consolidated statements of comprehensive income

	As of December 31	
	2009	*2008*
		as restated
	Ch$ millions	*Ch$ millions*
NET INCOME FOR THE YEAR	**160,774**	**192,203**
Other comprehensive income		
Cumulative translation adjustment	(1,446)	6,056
Net unrealized gains (losses) on available for sale investments	7,450	(10,867)
Net change in cash flow hedges	11,455	-
Total other comprehensive income	**17,459**	**(4,811)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**178,233**	**187,392**
Attributable to:		
Equity holders of the parent	178,231	187,391
Non-Controlling Interest	2	1
	178,233	187,392

The accompanying notes form an integral part of these consolidated financial statements

BANCO DE CREDITO E INVERSIONES
MIAMI BRANCH AND SUBSIDIARIES

Consolidated statements of changes in shareholders' equity

	Capital	*Reserves*	*Other comprehensive income*			*Retained earnings*	*Total*		
	Capital stock	*Other reserves not deriving from earnings*	*Unrealized gains (losses) on available for sale investmens*	*Cash flow hedges*	*Cumulative translation adjustment*	*Retained earnings*	*Total equity attributable to shareholders*	*Non-Controlling interest*	*Total*
As of January 1, 2008 as restated	**518,37**	**Ch$51,423**	**(1,233)**	**-**	**-**	**77,35**	**645,91**	**1**	**645,91**
Transfers of reserves	-	135,38	-	-	-	-	-135,38	-	--
Dividends paid	-	-	-	-	-	-	-20,68	-20683	-20683
Other comprehensive income	-	-	-10867	-	6,06	-	-4,81	-	-4,81
Net income for the year	-	-	-	-	-	192,2	192,2	-	192,2
Restitution of the price level restatement	46,13	11,54	-	-	-	-57,68	-	-	-
Minimum dividends provision	-	-	-	-	-	-45,62	-45,62	-	-45,62
Total as of December 31, 2008 as restated	**564,5**	**Ch$198,341**	**-12,1**	**-**	**6,06**	**10,2**	**767**	**1**	**767**
Capitalization of reserves	242,64	-137,05	-	-	-	-105,59	-	2	2
Dividends paid	-	-	-	-	-	-848	-848	-	-848
Other comprehensive income	-	-	7,45	11,46	-1,45	-	17,46	-	17,46
Net income for the year	-	-	-	-	-	160,77	160,77	-	160,77
Minimum dividends provision	-	-	-	-	-	-48,23	-48,23	-	-48,23
Total as of December 31, 2009	**807,14**	**Ch$61,293**	**-4,65**	**Ch$11,455**	**4,61**	**16,3**	**896,15**	**3**	**896,15**

The accompanying notes form an integral part of these consolidated financial statements

BANCO DE CREDITO E INVERSIONES
MIAMI BRANCH AND SUBSIDIARIES

Consolidated statements of cash flows

	As of December 31 "2009 Ch$ millions	"2008 "as restated" Ch$ millions
Net income for year	**160,774**	**192,203**
Charges (credits) to income not representing cash flows:		
Depreciation and amortization	26,897	29,224
Provisions for loan losses	148,225	93,678
Fair value adjustments from financial investments	(2,304)	2,552
Gain on investment in companies	(2,976)	-17,194
Net gain on sale of foreclosed assets	-1,564	-1,07
Gain (loss) on sales of the bank's premises and equipment	3	992
Write-off of foreclosed assets	787	621
Other charges (credits) not representing cash flows	22,669	17,539
Net change in interest and fee accruals	-38,132	-25,126
Changes in assets and liabilities that affect operating cash flow:		
Net increase (decrease) in interbank loans	49,532	-41,977
Net increase (decrease) in loans and accounts receivable from customers	673,994	(1,165,381)
Net decrease in trading and available for sale investments	-458,285	-299,992
Increase in deposits and other liabilities payable on demand	378,999	87,43
Increase (decrease) in repurchase and resale agreements of securities	106,089	-26,38
(Decrease increase in saving accounts and time deposits	-721,724	738,599
Increase (decrease) in interbank borrowings	184,481	-5,344
(Decrease) increase in other financial obligations	-31,834	53,406
Loans received from Central Bank of Chile (long term)	3,880,728	439,554
Repayment of loans received from Central Bank of Chile (long term)	(3,289,134)	-352,476
Loans received from abroad at long term	3,716,837	4,458,394
Repayment of loans received from abroad at long term	(4,044,246)	(4,195,083)
Total cash flows provided by (used in) operating activities	**759,809**	**-15,831**
CASH FLOWS FROM INVESTING ACTIVITIES"		
Purchases of premises and equipment	-45,604	-37,662
Proceeds from sales of premises and equipment	945	4,135
Investments in companies	-1,551	-3,622
Proceeds from sale of investments in companies	-	6,259
Dividends received from investments in companies	1,889	475
Proceeds from sales of foreclosed assets	2,176	2,1
Decrease in other assets and liabilities	-26,272	-2,15
Total cash flows used in investing activities	**-68,417**	**-30,465**
CASH FLOWS FROM FINANCING ACTIVITIES"		
Redemption of mortgage-funding notes	-24,989	-53,315
Bonds issued	34,229	126,966
Bonds redeemed	-138,287	-7,838
Dividends paid	-46,464	-61,294
Total financing cash flows	**(175,511)**	**4,519**
CHANGE IN CASH AND DUE FROM BANKS DURING THE YEAR	**515,851**	**-41,777**
CASH AND DUE FROM BANKS AT THE BEGINNING OF THE YEAR	**793,240**	**835,017**
CASH AND DUE FROM BANKS AT THE END OF THE YEAR	**1,309,091**	**793,24**

The accompanying notes form an integral part of these consolidated financial statements

BANCO DE CREDITO E INVERSIONES
MIAMI BRANCH AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Al 31 de diciembre de 2009 y 2008

NOTE 1
GENERAL INFORMATION

NOTE 1.1 - GENERAL INFORMATION

a) Information provided

Banco de Crédito e Inversiones or Banco BCI (the "Bank") is a corporation established in Chile and is regulated by the Chilean Superintendency of Banks and Financial Institutions (SBIF). Its legal address is Avenida El Golf 125, Las Condes, Santiago. The Bank participates in all the businesses and operations permitted by the Chilean General Banking Law, being involved in retail, corporate and real-estate banking, large and medium-sized companies, private banking and asset management services.

The consolidated financial statements of Banco BCI and subsidiaries for the year ended December 31, 2009 and 2008 are the first consolidated financial statements prepared in accordance with the regulations and instructions issued by the Superintendency of Banks and Financial Institutions (SBIF) in its Compendium of Accounting Regulations (Compendium), issued on November 9, 2007. The figures for 2008 have been restated for comparative purposes; therefore, the figures for the previous year differ from those contained in the consolidated financial statements for 2008 which were prepared in accordance with the accounting standards effective in that year. The differences resulting from the application of the accounting regulations issued by the Superintendency of Banks and Financial Institutions to the consolidated shareholders' equity at January 1 and December 31, 2008 and to the consolidated income statements of the Bank for the year ended December 31, 2008 are set out in Note 2 to the accompanying consolidated financial statements.

NOTE 1.2 – PRINCIPAL ACCOUNTING CRITERIA APPLIED

a) Basis of preparation

In accordance with the Compendium of Accounting Regulations issued by the Superintendency of Banks and Financial Institutions (SBIF), the regulatory authority which, in accordance with Article 15 of the General Banking Law, establishes that banks should follow the accounting criteria established by the SBIF, and in all matters not covered by these and where not contrary to its instructions, should apply the generally accepted accounting criteria in accordance with the technical standards issued by the Chilean Institute of Accountants, which are generally consistent with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) .

The new accounting framework applied in the preparation of these consolidated financial statements is the accounting criteria of the SBIF, and incorporates the following significant aspects:

- Changes in accounting policies, valuation criteria and formats of presentation of the consolidated financial statements;

- Incorporation of new consolidated financial statements: the statements of comprehensive income and changes in shareholders' equity;

- A significant increase in information presented in the notes to the consolidated financial statements, particularly those related to operative segments and financial-risk management.

Note 2 describes the principal criteria for the first application used by the Bank in the preparation of these consolidated financial statements. It also provides a reconciliation of balances under the previous and new criteria, with respect to the opening and closing balance sheets as at January 1, 2008 and December 31, 2008, respectively and the corresponding consolidated statement of income and cash flow, for that period.

b) Consolidation

These consolidated financial statements comprise the consolidation of the financial statements of the Bank and its subsidiaries as of December 31, 2009 and 2008 and for the year ended on those dates. The financial statements of the subsidiary companies (including the special-purpose entities that the Bank controls) are prepared for the same years and consistently follow the same accounting criteria as the Bank.

Inter-company balances and any unrealized income or expense arising from group inter-company transactions, are eliminated in the preparation of the consolidated financial statements. Unrealized income arising from transactions with companies whose investment is recorded according to the participation method is eliminated from the investment to the extent of the group's interest in the company in which it participates.

"Subsidiaries" are considered to be those entities over which the Bank has the ability to exercise control, which is generally demonstrated, although not always, by the direct or indirect ownership of at least 50% of the corporate rights in the associated entities or, where such percentage is less or zero in the case of agreements with their shareholders whereby the Bank is granted such control. Control is deemed to exist when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The existence and effect of potential voting rights that are presently exercisable or convertible are taken into account when assessing whether control exists.

Consolidated subsidiaries

The consolidated financial statements include the assets, liabilities and results of the Bank, its subsidiaries and the Miami branch, as follows:

	Participation			
	Direct		*Indirect*	
	2009	*2008*	*2009*	*2008*
	%	*%*	*%*	*%*
SUBSIDIARY				
Análisis y Servicios S.A.	99.00	99.00	1.00	1.00
BCI Asset Management Administradora de Fondos S.A. ex – BCI Administradora de Fondos Mutuos S.A. (1)	99.90	99.90	0.10	0.10
BCI Asesoría Financiera S.A.	99.00	99.00	1.00	1.00
BCI Corredor de Bolsa S.A.	99.95	99.95	0.05	0.05
BCI Corredores de Seguros S.A. ex – Genera Corredores de Seguro Ltda.	99.00	99.00	1.00	1.00
BCI Factoring S.A.	99.97	99.97	0.03	0.03
BCI Securitizadora S.A.	99.90	99.90	0.10	0.10
BCI Administradora General de Fondos S.A. (2)	99.90	99.90	0.10	0.10
Banco de Crédito e Inversiones Sucursal Miami	100.00	100.00	-	-
Servicio de Normalización y Cobranza Normaliza S.A. ex – Servicios de Cobranza Externa Ltda.	99.90	99.90	0.10	0.10
Incentivos y Promociones Limitada (3)	ECE	ECE	ECE	ECE
BCI Activos Inmobiliarios Fondo de Inversión Privado (2)	100.00	100.00	-	-
Fincorp Fondo de Inversión Privado (2)	100.00	100.00	-	-

1) The Superintendency of Securities and Insurance. by its Resolution 164 of March 24, 2008. approved the amendment of the bylaws of the subsidiary BCI Administradora de Fondos Mutuos S.A. to become a general funds management company in accordance with Law 18.045. and changing its name. On April 9, 2008. BCI Administradora de Fondos Mutuos S.A. became known as BCI Asset Management Administradora General de Fondos S.A. for consolidation purposes.

2) BCI Administradora General de Fondos S.A. consolidates its results with BCI Activos Inmobiliarios Fondo de Inversión Privado and Fincorp Fondo de Inversión Privado.

3) Special-purpose entity responsible for the promotion of credit and charge card products. The Bank does not participate in the ownership of this company.

The combined operating assets and liabilities of the subsidiaries represent 13.36% (12.64% in 2008) and 17.39% (15.21 % in 2008) respectively of the corresponding consolidated balances of assets and operating income, respectively.

The effects of unrealized income deriving from transactions with subsidiaries have been eliminated.

For consolidation purposes, the assets and liabilities of the Miami branch have been translated as mentioned in Note 1.2 f)

Jointly controlled entities

Jointly controlled entities are those enterprises over whose activities the Bank has joint control, established by contractual agreement. The consolidated financial statements include the Bank's proportionate share of these enterprises' assets, liabilities, equity, income and expenses on a line-by-line basis, from the date on which joint control commences until the date on which joint control ceases.

Associate entities are those in which the Bank has the ability to exercise a significant influence, but not control or joint control. This ability is normally evident in a participation of 20% or less of the voting rights of the entity and valued by using the equity method on financial statements adjusted to the new standards.

Investments in associates of a private equity nature are designated to be held at fair value with changes through income, consistent with the management basis for such investments.

The following shows the entities in which the Bank has a non-controlling interest:

	Participation	
	2009	*2008*
	%	*%*
COMPANY		
AFT S.A.	20.00	20.00
Centro de Compensación Automático ACH Chile	33.33	33.33
Sociedad Interbancaria de Depósitos de Valores S.A.	7.03	7.03
Transbank S.A.	8.72	8.72
Redbanc S.A.	12.71	12.71
Servipag S.A. (1)	50.00	50.00
Artikos Chile S.A. (1)	50.00	50.00
Nexus S.A.	12.90	12.90
Combanc S.A.	11.52	11.52
Bolsa de Comercio de Santiago	2.08	2.08
Bolsa de Comercio de Santiago	0.15	0.15
Bolsa Electrónica de Santiago	2.50	2.44
Bolsa de Comercio de Valparaíso	1.67	1.67
Acciones Credicorp Ltda.	1.74	1.68

The Bank does not have control on these entities

c) Non-Controlling Interest

Non-Controlling interest represents the portion of losses and earnings and the net assets of which the Bank is not the owner, directly or indirectly. It is presented in the consolidated statement of income, and in shareholders' equity in the consolidated statement of financial position, separately from the equity attributable to the shareholders.

d) Reporting segments

The Bank's reporting segments are determined on the basis of the different business units it manages. These business units provide products and services subject to different risks and returns which performance is evaluated separately by the Bank's key decision-makers organisms.

e) Functional currency

These consolidated financial statements are presented in Chilean pesos, which is the Bank's functional currency. All of the Bank's subsidiaries have defined the Chilean peso as their functional currency. The Miami branch has defined the United States dollar as its functional currency. All the information presented in Chilean pesos has been rounded to the closest million.

f) Foreign currency transactions

As mentioned above, the Bank's functional currency is the Chilean peso; therefore all balances and transactions in currencies other than the peso are considered as "foreign currency". The balances in the financial statements of the consolidated entities whose functional currency is other than the peso are translated to Chilean pesos in the following manner:

a. Assets and liabilities by the application of the exchange rates as of December 31, 2009 and 2008.

b. Income, expenses and cash flows, by the application of the exchange rates on the date of each transaction.

c. Net equity at historic exchange rates.

Foreign currency transactions are those made in currencies other than the Bank's functional currency. Exchange differences produced on the translation of foreign currency balances to the functional currency are taken to income statement.

Exchange differences occurring on translating to Chilean pesos, the Bank's functional currency, the balances of entities whose functional currency is different to the Chilean peso, are presented in the consolidated statement of comprehensive income in the caption "Cumulative translation adjustment". When the element generating such differences is written down, these translation differences are reclassified to the income statement.

As of December 31, 2009, the Bank's foreign currency assets and liabilities are presented at the equivalent value in Chilean pesos, calculated at the accounting exchange rate of Ch$507.75 per US$ 1 (Ch$ 641.50 per US$ 1 in 2008) and the subsidiaries regulated by the SBIF at the exchange rate informed of Ch$ 506.43 per US$ 1 (Ch$629.11 per US$ 1 in 2008).

These exchange rates do not differ significantly from the exchange rate applied by the subsidiaries regulated by the Superintendency of Securities and Insurance.

g) Valuation criteria of assets and liabilities

The following are the valuation criteria of the assets and liabilities shown in the consolidated statement of financial position:

Assets and liabilities at amortized cost:

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility.

In the case of financial assets, the amortized cost also includes adjustments to their value caused by the impairment they have recognized.

The effective interest rate method is a procedure of calculating the amortized cost of a financial instrument by discounting the expected future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the instrument.

Assets at fair value:

For financial instruments traded on active markets, the determination of fair value is based on their quoted prices or prices of recent transactions. This includes instruments traded on local or international exchanges and with quotations by brokers or over-the-counter counterparties.

A financial instrument is considered with quotation in an active market if the prices are regularly and freely available by an exchange, index, broker, dealer, price supplier or regulatory agency and those prices represent current and regular market transactions. If the market does not meet this criterion, this is considered as inactive. The scarcity of recent transactions or an excessive spread between bid-offer prices is an indication that the market is inactive.

For all the rest of financial instruments, fair value is determined by using valuation techniques. In this case, the fair value is estimated from observable data with respect to similar financial instruments, using models for estimating the present value of the expected cash flows or other valuation techniques, using inputs (e.g. swap quotations, exchange rates, volatility, etc.) at the date of the financial statements.

Note 34 details the instruments according to the valuation levels. As of the date of the financial statements, the Bank has no instruments whose fair value has been determined based on non-observable data.

The results of the models are always estimates or approximations of value and cannot be determined with certainty. The valuation techniques used may not therefore reflect all the factors relevant to the Bank's positions. Valuations therefore are adjusted, when appropriate, to the effects of reflecting additional factors, like liquidity risks or counterparty credit risks. Based on the model and the Bank's credit-risk policies, the management believes that these adjustments to the valuations are necessary and appropriate for the effects of presenting reasonably the values of the financial instruments in the consolidated financial statements. The data, prices and parameters used in the valuations are reviewed carefully on a regular basis and are adjusted if necessary.

Assets valued at acquisition cost:

Acquisition cost is understood to be the cost of the acquisition of the asset, adjusted if appropriate by any impairment losses that it may have recognized.

Financial assets and liabilities are measured on the amortized-cost basis, except for:

- Financial derivative instruments, measured at their fair value.
- Assets available for sale, measured at their fair value.
- Trading instruments, measured at their fair value.
- Investments in companies, measured by the equity method.

h) Investment instruments

Investment instruments are classified into two categories: held-to-maturity and available for sale. The held-to-maturity investments category includes only those instruments for which the Bank has the capacity and intention to hold them until their maturity dates. The other investment instruments are considered as available for sale.

Investment instruments are initially booked at their fair value (including transaction costs). Instruments available for sale are later valued at their fair value according to market prices or valuations obtained from the use of models. Unrealized gains or losses due to a change in the fair value are charged or credited to other comprehensive income. When these investments are disposed of or impaired, the amount of the accumulated unrealized gains or losses in other comprehensive income is transferred to the income statement and reported under the caption “Gains (losses) from financial operations, net”.

Held-to-maturity investments are accounted at their amortized cost (using the effective interest rate method) plus accrued interest and adjustments reflecting changes in the inflation-indexed Chilean monetary unit (“UF”) value (“indexation adjustments”), less constituted allowances for impairment when their amount booked is higher than the estimated recovery amount.

Interest and indexation adjustments on held-to-maturity and available for sale investments are reported under the caption “Interest income”.

Regular way purchases and sales of financial instruments held for trading or designated under the fair value option are recognized on trade date, being the date on which the Bank commits to purchase or sell the asset. Other purchases and sales are accounted for as derivatives (forward) until their liquidation.

In accordance with regulations issued by the SBIF, the Bank is prohibited to acquire equity securities. Debt securities to be acquired have to be fixed rate securities and comply with certain minimum rating.

i) Trading instruments

Trading instruments relate to securities acquired with the intention of obtaining gains due to short-term price fluctuations or through trading margins, or which are included in a portfolio in which there is a pattern of taking short-term gains.

Trading instruments are valued at their fair value according to market prices at the closing date of the balance sheet. Gains or losses arising from adjustments for their valuation at fair value, and the results of trading activities, are included under “Net gain (loss) on financial operations” in the income statement.

Accrued interest and indexation adjustments are reported under “Gains (losses) from financial operations, net” in the income statement.

Regular way purchases and sales of financial instruments designated under the fair value option are recognized on trade date, being the date on which the Bank commits to purchase or sell the asset. Other purchases and sales are accounted for as derivatives (forward) until their liquidation.

In accordance with regulations issued by the SBIF, the Bank is prohibited to acquire equity securities. Debt securities to be acquired have to be fixed rate securities and comply with certain minimum rating.

j) Derivative financial instruments

Derivative financial contracts, which include foreign currency and Unidad de Fomento (local inflation-linked unit) forwards, interest-rate futures, currency and interest-rate swaps, currency and interest-rate options and other financial derivative instruments, are measured at their fair value. Fair value is obtained from market quotations, discounted cash flow models and option valuation models, as the case may be. Financial derivatives are accounted for as an asset under the caption “Financial derivative contracts” when their fair value is positive and as a liability when this is negative.

Certain embedded derivatives are accounted as separate derivatives when their risk and characteristics are not closely related to those of the principal contract, and this is not reported at its fair value with its unrealized gains and losses included in income statement.

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

Changes in the fair value of financial derivative contracts held for trading are included in “Gains (losses) from financial operations, net” in the income statement.

If a derivative instrument is classified for accounting hedge purposes, this can be: (1) a fair value hedge of existing assets or liabilities or firm commitments, or (2) a cash flow hedge related to existing assets or liabilities or expected transactions. An instrument for accounting hedge purposes should meet all the following conditions: (a) upon initiating the hedge, the hedge should formally document the relationship between the hedging instrument and hedged item as well as its risk management objectives and its strategy for undertaking the various hedging transactions; (b) it is expected that the hedge will be highly effective; (c) the effectiveness of the hedge can be measured to a reasonable degree and (d) the hedge is highly effective in relation to the risk hedged, both at hedge inception and on an ongoing basis.

Certain transactions with derivatives that do not qualify to be booked as hedge accounting are accounted for and presented as derivatives for trading, even though they provide an economic effective hedge for the management of risk positions.

When a derivative hedges the exposure to changes in the fair value of an existing asset or liability, it is booked at its fair value in relation to the specific risk hedged. Gains or losses arising from the measurement of fair value, both from the item hedged and the hedge derivative, are recognized in the income statement.

If the item hedged in a fair value hedge is a firm commitment, changes in the fair value of the commitment with respect to the risk hedged are booked as an asset or liability with effect in the income statement. Gains or losses from measurement to fair value of the hedge derivative are reported in the income statement. When an asset or liability is acquired as a result of the commitment, the initial recognition of the acquired asset or liability is adjusted to incorporate the accumulated effect of the measurement at fair value of the firm commitment that was presented in the balance sheet.

When a derivative hedges exposure to changes in cash flows of existing assets or liabilities or expected transactions, the effective portion of the changes in the fair value with respect to the risk hedged, is reported in other comprehensive income. Any ineffective portion is recognized directly in the income statement.

When a hedge of fair value of interest rates is carried out for a portfolio and the item hedged is a sum of money instead of certain assets or liabilities, the gains or losses arising from measurement of fair value, both of the portfolio hedged and the hedge derivative, are reported as an effect on the income statement, but the measurement of fair value of the portfolio hedged is reported in the balance sheet under “Other assets” or “Other liabilities”, according to the position of the portfolio hedged at a given moment in time.

k) Loans and accounts receivable to costumers

Loans are non-derivative financial assets with fixed or determined repayments which are not quoted on an active market and which the Bank has no intention of selling immediately or in the near future.

Loans are measured initially at their fair value plus direct transaction costs and later measured at their amortized cost by using the effective interest rate method.

In transactions, where the Bank is the lessor under a leasing contract and transfers substantially all the incidental risks and benefits of the asset leased, it is recognized in the caption “Loans and accounts receivable to customers”.

l) Interest income and expense

Interest income and expense for all interest-bearing financial instruments are booked as accrued by using the effective interest rate method.

However, in the case of past due loans and current loans with a high risk of non-payment, a conservative criterion has been followed of suspending the accrual of interest and indexation adjustments; these are recognized when they are collected.

The first condition that a loan should meet in evaluating the suspension of the accrual is being impaired, as mentioned in 1.2 n).

The following indicates the differentiation of credits with evaluations:

1. 1- Individual
2. 2- Group

1. There are 2 situations in operations with individual evaluations:

Credits subject to suspension:	Suspended by:
a) Loans classified in categories D1 and D2. See Note 1.2 s)	The mere fact of being in impaired portfolio.
b) Loans classified in categories C3 and C4. See Note 1.2 s)	Having been three months in impaired portfolio.

Exceptions are credits that are being repaid normally corresponding to obligations whose flows are independent, as may occur with project financing.

2. For credits with group evaluations:

Credits subject to suspension:	Suspended by:
Credits with real collateral of less than 80%.	The credit or one of its installments is more than six months overdue in their payment.

The percentage of 80% of real collateral coverage refers to the relationship, measured at the time that the credit is considered in the impaired portfolio, between the calculated value of the collateral and the amount of all the operations covered by that collateral, including contingent liabilities.

3. Amount suspended:

The amount of income to be suspended on an accrued basis corresponds to that calculated between the date of suspension and the balance sheet closing, which corresponds to the last day of the month.

4. Date of suspension:

Credits with individual evaluation:

a) Credits classified in categories D1 and D2: will be the date of entry into the impaired portfolio which, in this case, is the date of their classification as categories D1 or D2. If the credit has already a suspended accrual when being classified as "D", the prior or original date of suspension is maintained. See Note 1.2 s).

b) Credits classified in categories C3 and C4: the date of entry into the impaired portfolio of credits classified as C3 or C4; three months should be maintained in impaired portfolio, regardless of the current classification, as it could be that the credit is classified in categories C3 or C4 in the measurement period, but has had a longer permanence in impaired portfolio due to having been previously classified as categories C1 or C2. See Note 1.2 s)

Credit with group evaluations:

The date on which the credit is six months overdue or is unpaid.

m) Fees and income and expenses from services

Fees and income and expenses from services are accounted for in the income statement under different criteria according to their nature, the most significant of which are:

- Those relating to a single act, when the act originating them is produced.
- Those deriving from transactions or services that extend over time, during the life of such transactions or services.
- Those related to financial assets or liabilities are shown through the effective rate over the term of the operation.

n) Impairment

Financial assets:

A financial asset is evaluated on every reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if there is objective evidence that one or more events have had a negative future effect on the asset.

An impairment loss relating to financial assets booked 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 available for sale is calculated by reference to its fair value.

Individually significant financial assets are evaluated individually to determine their impairment. Other financial assets are collectively evaluated in groups that share similar credit-risk characteristics.

All impairment losses are reported in income statement. Any accumulated loss concerning a financial asset available for sale previously accounted for in other comprehensive income is transferred to the income statement.

The reversal of a loss for impairment occurs only if it can be related objectively to an event occurring after this was booked. In the case of financial assets booked at amortized cost and for those available for sale, the reversal is included in the income statement. In the case of financial assets that are variable-rate securities, the reversal is shown directly in other comprehensive income.

For "Loans and accounts receivable from customers", the impaired portfolio is defined according to Chapter B-2 of the SBIF's Compendium of Accounting Regulations as "Credits from debtors for which there is evidence that certain of their obligations will not be met in accordance with the agreed payment conditions, without considering the possibility of recovering that due by exercising the collateral, by taking judicial recovery actions or agreeing different conditions".

The policies for measuring impairment indicate that this is performed monthly subject to the following criteria:

Entry into the impaired portfolio

Individually classified credits with credit-risk classification of C1 or higher are considered into the impaired portfolio. The remaining operations are classified on a group basis and classified as impaired when:

- Credit operations are overdue 90 days or more.
- Restructured operations exist.
- All the operations associated with the customer are considered into the impaired portfolio.

Operations linked to residential mortgage loans or loans to finance further education under Law 20.027may be excluded unless the conditions of default as established in Circular 3.454 of December 10, 2008 are present.

Conditions for exit

• **Individual case:** for having improved their risk classification.

• **Group case:**

a) Non-restructured operations: credit operations in the impaired portfolio may return to the normal portfolio only if the operation in question meets the following conditions:

   - Show at least 6 consecutive payments of principal and interest, paid punctually or with a maximum delay of 30 days.
   - Up to date with all their obligations and have no other credit operation in the impaired portfolio.
   - In any event, no delinquency credits must be recorded in the entire Chilean financial system in the last 90 days (last three periods reported in the SBIF at the date consulted).

b) Restructured operations: may leave the impaired portfolio only if the operation in question meets the following conditions:

   - Show at least 6 consecutive payments of principal and interest, paid punctually or with a maximum delay of 30 days.
   - Up to date with all their obligations and have no other credit operation in the impaired portfolio.
   - Have no other structured operation arranged in the last 6 months.
   - In any event, no delinquency credits must be recorded in the entire Chilean financial system in the last 90 days (last three periods reported in the SBIF at the date consulted).

c) Restructured group portfolio arising from write-off: commercial operations written off that have been restructured may leave the impaired portfolio and return to the normal portfolio only if the operation in question meets the following conditions:

   - Repayment of 30% of the operation originally restructured (total balance of restructured operation) or repayment of the first 6 installments agreed in the restructured commercial operation.
   - Up to date in the repayment of principal and interest.
   - Has no other operation in the impaired portfolio.
   - Has no delinquency credits recorded in the entire Chilean financial system in the last 90 days.

Non-financial assets

The book value of the Bank's non-financial assets, excluding investment properties and deferred taxes is assessed on each reporting date to determine whether there is evidence of impairment. If such evidence should exist, the amount recoverable of the asset is estimated. In the case of goodwill and intangible assets that have indefinite useful lives or which are still not ready to be used, the recoverable amounts are estimated at each reporting date.

The impairment review comprises a comparison of the carrying amount of the asset with its recoverable amount: the higher of the assets or the cash-generating unit's fair value less costs to sell and its value in use. Fair value less costs to sell is calculated by reference to the amount at which the asset could be disposed of in a binding sale agreement in an arm's length transaction evidenced by an active market or recent transactions for similar assets. Value in use is the present value of the expected future cash flows from a cash-generating unit.

Goodwill acquired from January 1, 2009 and onwards is tested annually. An impairment loss relating to goodwill is not reversed. With respect to other assets, the impairment losses presented in previous years are evaluated on each reporting date to assess any indication that a change in circumstances leads to a change in the estimates used to determine the fixed asset's recoverable amount. An impairment loss is reversed if there is a change in the estimates used to determine the amount recoverable. An impairment loss is reversed only to the degree that the book value of the asset does not exceed the carrying value that would have been determined, net of depreciation or amortization, if no impairment loss had been booked.

o) Intangible assets

Goodwill

Goodwill recognized by the Bank before January 1, 2009 is reported at its cost plus the price-level restatement recognized until December 31, 2007, less the accumulated amortization according to the remaining useful life of the asset and amortized using the straight-line method.

Goodwill acquired from January 1, 2009 and onwards is reported at its fair value less impairment losses.

Software

Software acquired by the Bank is shown at cost less accumulated amortization and accumulated impairment losses.

Expenses incurred from internally-developed software are capitalized when the Bank is able to show its intention and ability to complete its development and use, it is probably to generate future economic benefits, and whose cost of completing its development can be measured reliably. The capitalization of costs incurred from internally-developed software includes all direct costs attributable to the software development. Internally-developed software is reported at its capitalized cost less accumulated amortization and accumulated impairment losses.

The capitalization of expenses after the asset is capitalized only occurs when the future economic benefits of the specific assets in the related areas increase. All other expenses are reported in income statement.

The amortization is reported in income statement on a straight-line basis according to the estimated useful life of the software, from the date when it is ready for use. The estimated useful life of software is generally six years.

p) Bank premises and equipment, net

Premises and equipment, except for properties, are reported at cost less accumulated depreciation and impairment losses. The initial cost of the premises and equipment at January 1, 2008, the date of the initial transition to the new Chilean generally accepted accounting principles as established by the Compendium, was determined with reference to their net restated carrying value as of December 31, 2007.

The properties were measured at their commercial appraisal value as of January 1, 2008.

The cost includes expenses that have been directly attributable to the acquisition of the asset and any other cost directly attributable to the process of ensuring that the asset is in a condition to be used.

Depreciation is reported in the consolidated income statement using the straight-line method over the useful lives of each part of an item of premises and equipment. Lease-hold improvements are depreciated over the lesser of the term of the leases and their useful lives unless it is assured that the Bank will obtain the ownership of the property at the termination of the period of the lease.

The estimated useful lives are the following:

	2009	*2008*
Buildings	50 years	50 years
Machinery and equipment	3 - 10 years	3 - 10 years
Installations	7 – 10 years	7 – 10 years
Furniture and fittings	7 years	7 years
Computer equipment	3 – 6 years	3 – 6 years
Property improvements	10 years	10 years

The depreciation methods, useful lives and residual values are calculated on each activation date. Estimates relating to certain items of premises and equipment were revised in 2008.

q) Leases

Operating leases

When the Bank or its subsidiaries act as lessee and the contract qualifies as an operating lease, all payments are charged to operating income.

On the termination of the operating lease contract, any resulting payment of penalties under the contract demanded by the lessor is reported as an expense in the year in which the contract terminated.

Financial leases

In the case of financial leases, the sum of the present values of the installments that will be received from the lessee plus the purchase option, are reported as a financing of third parties and are therefore included in "Loans and accounts receivable from customers".

r) Cash and due from banks

The indirect method has been used in the preparation of the consolidated statement of cash flow by which, starting from the Bank's income statement, non-monetary transactions are added as well as income and expenses associated with cash flows from activities classified as investing or financing.

The following concepts have been taken into account in the preparation of the consolidated statement of cash flows:

- **Cash flows:** inflows and outflows of cash and cash equivalents, these being short-term and highly-liquid investments with a low risk of changes in their value, like deposits with the Central Bank of Chile, deposits in local banks and deposits abroad.

- **Operating activities:** normal activities carried out by banks and other activities that cannot be classified as of investment or financing.

- **Investing activities:** relate to the acquisition, disposal or disposition by other means of long-term assets and other investments not included in cash and cash equivalents.

- **Financing activities:** activities that produce changes in the size and composition of net equity and of liabilities and which do not form part of the operating and investing activities.

s) Allowances for loan losses

The allowances required to cover the risk of loss of assets have been made in accordance with the regulations of the SBIF.

For purposes of assessing the loan portfolio, the Bank assesses loans on an "individual" or "collective" basis and classified it as follows: consumer loans, residential mortgage loans and commercial loans. Individual assessments are performed when the Bank considers the loan "significant" in relation with its loan portfolio, based on the amount of the loan and its size, complexity and credit profile of the borrower. Loans assessed in a collective basis are grouped according to certain common characteristics such as the amount of the loan and the borrower's credit profile.

The required provisions relating to each loan category vary depending on whether the commercial loan is secured by real property, as shown in the table below:

Superintendency's categories	*Bank's categories*	*General commercial loans*	*Estimated loan recovery*
		Average Probability of Default	
A1 — Excellent	1 — Excellent	0.01%	
A2 — Strong	2 — Very Strong	0.126%	
	3 — Strong	0.302%	
A3 — Good	4 — Good	0.528%	
	5 — Acceptable	0.962%	
B — Marginal	6 — Weak	1.762%	
	7 — Marginal	5.608%	
C1 — Weak	8 — Default	2%	97%
C2 — Vigilance	9 — Vigilance	10%	81% to 96%
C3 — Vulnerable	10 — Vulnerable	25%	71% to 80%
C4 — Sub-Standard	11 — Sub-Standard	40%	51% to 70%
D1 — Doubtful	12 — Doubtful	65%	215 to 50%
D2 — Loss	13 — Loss	90%	0% to 20%

Under the new regulations of the SBIF, the concept of voluntary allowances in excess of the minimum required set forth by the Superintendency of Banks has been eliminated. Nevertheless, additional allowances can be made relating to specific sectors, type of customers or responding to a model of minimal allowances, with approval of the Bank's Board of Directors.

The assets are included net of such allowances or including the deduction in the case of loans.

t) Provisions and contingent liabilities

Provisions are recognized for present obligations arising as consequences of past events where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.

A contingent asset or liability is any obligation arising from past events whose existence will be confirmed only if one or more uncertain future events occur that are outside the Bank's control.

u) Severance payments

The Bank and its subsidiaries have no agreements with their staff with respect to indemnity payments for years of service.

v) Current and deferred income taxes

The Bank presents an income tax provision at the end of each period, in accordance with current taxation legislation.

Deferred income tax is recorded by the comprehensive asset-and-liability method, which consists of recognizing a deferred tax on all temporary differences between the carrying and tax values of assets and liabilities to be materialized in the future. Deferred income tax is determined using tax rates and legislation enacted or substantially enacted by the balance sheet date which are expected to apply when the deferred tax asset is realized or the deferred tax liability is settled. The future effects of changes in tax legislation or the tax rates are shown in deferred taxes from the date on which the law approving such changes is promulgated.

w) Derecognition of financial assets and liabilities

The accounting treatment of transfers of financial assets depends on the level and form in which risks and benefits related to the transferred assets are transferred.

1- If the risks and benefits are substantially transferred to third parties, the financial asset transferred is derecognized from the balance sheet, showing simultaneously any right or obligation retained or created as a consequence of the transfer.

2- If the risks and benefits associated with the transferred financial asset are substantially retained, the financial asset transferred is not derecognized from the balance sheet and continues to be measured under the same criteria used before the transfer, including the following disclosure:

a-Recognition of an associated financial liability for an amount equal to consideration received, which is later measured at its amortized cost.

b-Both the income of the financial asset transferred (but not derecognized) and the expenses of the new financial liability.

3- If the risks and benefits associated with the transferred financial asset are not transferred nor substantially retained, there is a distinction as follows:

a- If the assignor entity does not retain control of the financial asset transferred, it is derecognized from the balance sheet and any retained or created right or obligation is reported as a result of the transfer.

b-If the assignor entity retains control of the financial asset transferred, it continues to include it in the balance sheet for an amount equal to its exposure to changes in value that might occur and shows a financial liability related to the financial asset transferred. The net amount of the asset transferred and the associated liability will be the amortized cost of the retained rights and obligations if the asset transferred is measured at its amortized cost, or the fair value of the retained rights and obligations if the asset transferred is measured at its fair value.

Financial assets are only derecognized from the balance sheet when the rights over their cash flows are extinguished or when the implicit rights and benefits have been substantially transferred to third parties. Similarly, the financial liabilities are only derecognized from the balance sheet when the obligations they generate are extinguished or when they are acquired with the intention of cancelling them or replacing them again.

x) Use of estimates and judgments

The relevant estimates and assumptions are revised regularly by the Bank's executive management in order to quantify some assets liabilities, revenues, expenses and uncertainties. Adjustments to the accounting estimates are recognized in the year in which the estimate is revised and in any future year affected.

In particular, information over the most critical areas of estimates of uncertainty and critical judgments in the application of accounting policies that have the most significant effects on the amounts presented in the consolidated financial statements are described in the following notes:

-	NOTE 31	Impairment losses of certain assets.
-	NOTES 6 and 11	Measurement of financial instruments.
-	NOTES 13 and 14	The useful lives of premises and equipment and intangible assets.
-	NOTE 13	The measurement of goodwill.
-	NOTE 15	Utilization of tax loss-carry forwards .
-	NOTE 22	Commitments and contingencies.

y) Non-current assets held for sale

Non-current assets (or disposable group comprising assets and liabilities) which are expected to be recovered, mainly through a sale transaction, rather than through continuous use, are classified as held for sale. From that moment, the assets (or disposable group) are valued at the lower of book value and fair value less sales costs.

z) Securitization

The Bank has no capital instruments like financial liabilities or equity instruments in accordance with that established in securitization processes.

aa) Dividends on common shares

The Bank recognize a provision corresponding to dividends payable coming from the net income for the year that has to be distributed to shareholders in compliance with the Chilean Corporations Law and in accordance with the Bank's dividend policy; this provision is accounted in a complementary equity account of retained earnings.

ab) Earnings per share

Basic earnings per share is determined by dividing the net income attributed to the Bank in a year by the weighted average number of shares in circulation during that year.

ac) Sale and repurchase agreements (including stock borrowing and lending)

Securities may be lent or sold subject to a commitment to repurchase them (a repo). Such securities are retained on the balance sheet when substantially all the risks and rewards of ownership remain with the Bank, and the counterparty liability is included separately on the balance sheet when cash consideration is received.

Similarly, where the Group borrows or purchases securities subject to a commitment to resell them (a reverse repo) but does not acquire the risks and rewards of ownership, the transactions are treated as collateralized loans when cash consideration is paid, and the securities are not included in the balance sheet.

The difference between sale and repurchase price is accrued over the life of the agreements using the effective interest rate method. Securities lent to counterparties are also retained in the financial statements. Securities borrowed are not recognized in the financial statements, unless these are sold to third parties, at which point the obligation to repurchase the securities is recorded as a trading liability at fair value and any subsequent gain or loss included in net trading income.

ad) Comprehensive income

The consolidated statements of comprehensive income includes the consolidated net income for the year and the other comprehensive income presented under the Bank's equity for the cumulative translation adjustments of the Miami branch and the net change in the portfolio available for sale and cash flow hedges. The net income to be considered for the distribution of dividends to the Bank's shareholders relates to the consolidated net income of the year.

NOTE 2

transition to new criteria instructed by the chilean superintendency of banks and financial institutions (sbif)

NOTE 2.1 – RECONCILIATION OF PREVIOUS CHILEAN GENERAL ACCEPTED ACCOUNTING PRINCIPLES TO ACCOUNTING REGULATIONS ISSUED BY THE SBIF

The following reconciliations show the quantification of the impact of the transition to the accounting regulations issued by the SBIF (new standards) as of January 1 and December 31, 2008 in the Bank. The reconciliation provides the impact of the transition according to the following detail:

- Summary of reconciliation of the consolidated shareholders' equity.
- Consolidated statement of financial position as of January 1, 2008.

- Consolidated statement of financial position as of December 31, 2008.
- Summary of reconciliation of the consolidated income statement for the year ended December 31, 2008.
- Consolidated income statement for the year ended December 31, 2008.
- Consolidated statement of cash flow for the year ended December 31, 2008.

Summary of reconciliation of the consolidated shareholders' equity

	at 01.01.2008 Ch$ millions	*Note*	*at 31.12.2008 Ch$ millions*	*Note*
Total shareholders' equity as previously reported	**703,936**		**790,251**	
Adjustment to premises and equipment, net	20,870	(a)	9,067	(i)
Adjustment for application of effective interest rate to financial assets	(18,287)	(b)	(21,052)	(j)
Adjustment for application of effective interest rate to financial liabilities	400	(c)	1,436	(k)
Adjustment to investments in companies	-		(2,698)	(l)
Adjustment to intangible assets	(896)	(d)	(8,655)	(m)
Adjustment for to the recognition of a special-purpose entity	(956)	(e)	(1,620)	(n)
Adjustment to other liabilities	-		(1,457)	(o)
Adjustment to deferred income tax	(18,540)	(f)	(12,718)	(p)
Provision for minimum dividend recognition	(40,612)	(g)	-	
Adjustment to Visa Inc. investment	-		5,334	(q)
Adjustment to Credicorp investment	-		9,279	(r)
Adjustment to foreclosed assets)	(9)	(h)	(6)	(s)
Adjustment to allowance for loan losses derived from the application of effective interest rate to loans	-		(163)	(t)
Total adjustments	**(58,030)**		**(23,253)**	
Total adjustments without provision for minimum dividends	**(17,418)**		**(24,691)**	
Total net shareholders' equity according to new standards	**645,906**		**766,998**	

Adjustments as of January 1, 2008

a) Premises and equipment, net

For properties and land, an appraisal was carried out as of January 1, 2008, adjusting the carrying values of certain assets to their market value at that date. The difference between the carrying values and the appraisal values generated an equity increase amounting Ch$ 20,870 million.

b) Application of effective interest rate to financial assets

Under the new standards, incremental variable debt issuance costs directly associated to a financial instrument are deferred in the life of such instrument. These costs are recognized in the income statement through the effective interest rate, by applying the amortized cost method. Previously, it was possible to capitalize all paid commissions for products like consumer loans, mortgage loans, checking accounts, individual products, plans, etc. and amortize them on a straight-line basis. As defined by the new standards, commissions that could not be associated directly to an issuance of debt and related costs do not qualify as incremental costs are not considered in the use of the effective interest rate method. In addition, certain income collected at the beginning of the operation, like flat and other commissions were deferred by incorporating them in the effective interest rate calculation, under the new standards.

c) Application of effective interest rate to financial liabilities

The financial liabilities operations related to bonds were adjusted as the price differences generated at the time of issuance of the bond were amortized on a straight-line basis over the term of the bond under the previous accounting guidance. According to the new standards, this price difference is recognized in the income statement of the year through the effective interest rate method.

d) Intangible assets

The Bank disposed intangible assets that did not qualify as such on the implementation of the new intangible assets policy in accordance with the new standards. Such disposed intangible assets are mainly related to development of computer systems.

e) Special-purpose entity

The Bank has broadened the scope of consolidation, incorporating those vehicles over which it has control, although without having majority participation. The most significant impact to the financial statements resulting from the consolidation of special-purpose entities reflects the obligation of recognizing the Bank's loyalty scheme (called "Programa Pesos Sonrisas"), which is carried out by an entity in which the Bank has no shareholding.

f) Deferred income tax

Deferred income tax has been calculated for each of the adjustments included in this reconciliation that generate timing differences. A net deferred income tax liability was therefore recognized amounting to Ch$18,540 million.

g) Provision for minimum dividends

Under the new standards, the Bank recognizes a provision for the amount that should be distributed as dividend of the net income for the year, in accordance with the Chilean Corporations Law or its dividend policies. Until 2007, the dividends were recognized as a liability on the date they were approved by the corresponding ordinary shareholders meeting.

h) Adjustment non-monetary assets (foreclosed assets)

Previously, foreclosed assets were measured at their cost plus the price level restatement less a valuation allowance based on an independent appraisal. For determining this allowance, the Bank made the calculation in absolute terms for the whole portfolio of foreclosed assets. Under the new standards, the criterion was modified and the allowance is determined individually for each asset.

Adjustments at December 31, 2008

j) Premises and equipment, net

Previously, premises and equipment were recognized at acquisition cost net of accumulated depreciation plus the restatement for price level changes. At December 31, 2008, as a result of the adoption of the new standards, the recognition of the price-level restatement to premises and equipment was discontinued. In addition to the reversal of the price level restatement of recognized in 2008, and as a result of the adjustment to market value of properties and land at January 1, 2008, the depreciation for the year was recalculated incorporating among other things, the reappraised amounts, residual values and the economic useful lives of the assets. At January 1, 2008, the remaining items of premises and equipment which were not reappraised remained measured at cost plus the price level restatement up to December, 31, 2007.

k) Application of effective interest rate to financial assets

See Note 2.1 a) b) above.

l) Application of effective interest rate to financial liabilities

See Note 2.1 a) c) above.

m) Investments in companies

Previously, investments in other companies where the Bank does not have control (companies that provides supporting the Bank's operations and investments in associates) were accounted for at the purchase value. Under the new standards these investments are measured at their fair value.

n) Intangible assets

As a result of the adoption of the new standards, the price-level restatement of these assets was reversed and the amortization was recalculated. In addition, the Bank disposed intangible assets recognized during 2008 that did not qualify as such in the implementation of a new intangible assets policy, specifically with respect to computer system development.

o) Special-purpose entity.

See Note 2.1 a) e) above.

p) Other liabilities

This adjustment corresponds to the recognition of the obligation of origination costs pending of payment at December 31, 2008.

q) Deferred income tax

Deferred income tax has been calculated for each of the adjustments included in the reconciliation that generate timing differences. As a result, a net deferred liability was recognized amounting to Ch$ 12,718 million.

Visa Inc. investment

The Bank maintained an investment as an issuing member of the Visa credit-card network. Following a restructuring whereby Visa became a corporation, the Bank received shares in VISA Inc. Part of these shares were sold as part of the initial public offering. The remaining shares, not traded on the exchange, are held under a contractual restriction whereby the Bank cannot sell them for a period of three years. The Bank's intention is to sell these shares when this restriction expires; therefore reclassified as available for sale investments.

Under the previous accounting guidance, as of December 31, 2008, these shares were booked at cost. As a result of the category reclassification, these shares were adjusted to fair value, generating a larger asset and a positive effect on the Bank's other comprehensive income Ch$ 5,334 million (net of deferred tax), in accordance with the new standards.

Credicorp Ltda. investment

Previously, the Bank had an investment in Credicorp measured at cost plus the price level restatement at December 31, 2008.The Bank is represented on the board of that company and exercises a significant influence on it; therefore this investment is adjusted by the equity method as required by the new standards, implying an increase in equity of Ch$ 3,, 302 million and a revaluation effect amounting Ch$5,977.

Non-monetary assets (foreclosed assets)

See Note 2.1 a) h) above.

Adjustment to allowances for loans losses as a result of application of effective interest rate

Previously, loan loss allowances were calculated in accordance with the contractual rate. Under the new standards, the application of the effective interest rate method required to perform a recalculation of these allowances, generating a reduction in equity of Ch$ 163 million.

Consolidated Statement of Financial Position: Reconciliation at January 1, 2008 - Assets, Liabilities and Shareholders' Equity

The following table reconciles the transition of the Bank's consolidated statement of financial position as of January 1, 2008 from the previous accounting principles, to the accounting regulations issued by the SBIF:

	Balance sheet as previously reported Ch$ millions	*Effect of the transition Ch$ millions*	*Adjusted balance sheet Ch$ millions*	*Adjustment ref,*
ASSETS				
Cash and due from banks	501,246	-	501,246	
Items in the course of collection from banks	178,416	-	178,416	
Trading investments	626,911	-	626,911	
Securities purchased under resale agreement	63,710	-	63,710	
Financial derivative instruments	210,471	-	210,471	
Interbank loans	258,578	-	258,578	
Loans and accounts receivable from customers, net	7,356,704	6,510	7,363,214	(a)
Available for sale investments	392,869	-	392,869	
Held to maturity investments	-	-	-	
Investments in companies	35,886	-	35,886	
Intangible assets	66,058	(896)	65,162	(b)
Bank premises and equipment, net	148,132	20,870	169,002	(c)
Tax receivable	14,907	-	14,907	
Deferred income tax	31,590	(18,540)	13,050	(d)
Other assets	143,655	(24,806)	118,849	(e)
TOTAL ASSETS	**10,029,133**	**(16,862)**	**10,012,271**	
LIABILITIES				
Deposits and other liabilities payable on demand	1,776,765	-	1,776,765	
Items in the course of collection due to banks	19,416	-	19,416	
Securities sold under repurchase agreement	233,150	-	233,150	
Saving accounts and time deposits	4,772,001	-	4,772,001	
Financial derivative instruments	216,930	-	216,930	
Interbank borrowings	1,116,554	-	1,116,554	
Bonds payable	958,736	(400)	958,336	(f)
Other financial liabilities	66,386	-	66,386	
Deferred income tax	23,422	-	23,422	
Provisions	36,713	956	37,669	(g)
Other liabilities	105,124	40,612	145,736	(h)
TOTAL LIABILITIES	**9,325,197**	**41,168**	**9,366,365**	
SHAREHOLDERS' EQUITY				
Capital	518,369	-	518,369	
Reserves	51,423	-	51,423	
Other comprehensive income	(1,233)	-	(1,233)	
Retained earnings				
Retained earnings from previous years	-	77,346	77,346	(i)
Net income for the period	135,376	(135,376)	-	
Less: Provision for minimum dividends	-	-	-	
Non-Controlling Interest	1	-	1	
TOTAL SHAREHOLDERS' EQUITY	**703,936**	**(58,030)**	**645,906**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**10,029,133**	**(16,862)**	**10,012,271**	

Notes to the reconciliation of the statement of financial position at January 1, 2008

a) Application of the effective interest rate to financial assets

Loans and accounts receivable to customers were adjusted taking into account the capitalization of the incremental origination costs directly associated with the loan and the deferral of related revenue and flat commissions. As described in Note 2.1a) - a) and b) above, this adjustment was carried out through the application of the amortized-cost method. Previously, paid commissions generated a deferred asset that was accounted for separately from the loan; this change created a difference in the amount of the loan and in the revenues recognition which were previously booked according to the contractual conditions of the loan. This adjustment generated an increase in financial assets of Ch$ 6,510 million.

b) Intangible assets

The Bank disposed intangible assets that did not qualify as such in the implementation of the new intangibles policy, specifically with respect to computer system developments.

c) Bank premises and equipment, net

See Note 2.1.a) a).

d) Adjustment for deferred taxes

See Note 2.1 a) f)

e) Adjustment for deferred assets and foreclosed assets

Under the new standards, the application of the effective interest rate method, described in Note 2.1 b) a) above, implied reclassifying to loans and accounts receivable to customers, the amount of the commissions that qualified as origination costs and recognizing in the income statement those that did not. The effect was a reduction in the amount of deferred commissions of Ch$ 24,797 million.

Previously, foreclosed assets were measured at cost plus the level price restatement up to December 31, 2007, less a valuation provision based on an independent appraisal. For determining this provision, the Bank performed a calculation in absolute terms for the whole foreclosed assets portfolio. Under the new standards, this criterion was modified and the provision is determined individually for each asset, generating an adjustment of Ch$ 9 million.

f) Effective rate of financial liabilities

See Note 2.1.a) c)

g) Adjustment in special-purpose entity

As explained in Note 2.1 a) d), the Bank has recorded the effect of the obligation for the total points earned and exchangeable by customers managed through a special-purpose entity. The recognition of this adjustment at January 1, 2008 is equivalent to Ch$ 956 million.

h) Other liabilities

The Bank records in liabilities the part of the net income for the year that has to be distributed as a dividend in accordance with the Corporations Law or its dividend policies. Until 2007, dividends were included as a liability on the date they were approved by the ordinary shareholders meeting.

i) Shareholders´ Equity

As established in the new standards, the aforementioned adjustments were recorded against shareholders' equity in the retained earnings account, or other reserve account where appropriate, generating at January 1, 2008 a charge of Ch$ 58,030 million.

Consolidated Statement of Financial Position: Reconciliation at December 31, 2008 - Assets, Liabilities and Shareholders' Equity

The following table reconciles the transition of the Bank's consolidated statement of financial position as of December 31, 2008 from the previous accounting principles, to the accounting regulations issued by the SBIF:

	Balance sheet as previously reported *Ch$ millions*	*Effect of the transition* *Ch$ millions*	*Adjusted balance sheet* *Ch$ millions*	*Adjustment ref,*
ASSETS				
Cash and due from banks	526,235	-	526,235	
Items in the course of collection from banks	220,140	-	220,140	
Trading investments	644,083	-	644,083	
Securities purchased under resale agreement	33,866	-	33,866	
Financial derivative instruments	583,155	-	583,155	
Interbank loans	189,088	-	189,088	
Loans and accounts receivable from customers, net	9,208,680	8,892	9,217,572	(a)
Available for sale investments	808,009	6,427	814,436	(b)
Held to maturity investments	-	-	-	
Investments in companies	43,217	6,581	49,798	(c)
Intangible assets	81,786	(8,655)	73,131	(d)
Bank premises and equipment, net	179,717	9,067	188,784	(e)
Tax receivable	40,109	-	40,109	
Deferred income tax	49,902	(25,634)	24,268	(f)
Other assets	188,385	(30,113)	158,272	(g)
TOTAL ASSETS	**12,796,372**	**(33,435)**	**12,762,937**	
LIABILITIES				
Deposits and other liabilities payable on demand	2,021,931	-	2,021,931	
Items in the course of collection due to banks	63,572	-	63,572	
Securities sold under repurchase agreement	227,414	-	227,414	
Saving accounts and time deposits	6,071,804	-	6,071,804	
Financial derivative instruments	531,148	-	531,148	
Interbank borrowings	1,559,761	-	1,559,761	
Bonds payable	1,126,865	(1,436)	1,125,429	(h)
Other financial liabilities	126,879	-	126,879	
Deferred income tax	34,536	(11,823)	22,713	(f)
Provisions	97,937	1,620	99,557	(i)
Other liabilities	144,274	1,457	145,731	(j)
TOTAL LIABILITIES	**12,006,121**	**(10,182)**	**11,995,939**	
SHAREHOLDERS' EQUITY				
Attributable to equity holders of the parent:	564,503	-	564,503	
Capital	198,341	-	198,341	
Reserves	(17,740)	11,696	(6,044)	(k)
Other comprehensive income	45,146	(34,949)	(10,197)	
Retained earnings				
	1	-	1	
Non-controlling interest	790,251	(23,253)	766,998	
TOTAL SHAREHOLDERS'EQUITY	**12,796,372**	**(33,435)**	**12,762,937**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY				

Notes to the reconciliation of shareholders' equity at December 31, 2008

a) Effective interest rate of financial assets

As explained in Note 2.1 a) - a) and b) the amount of loans and the recognition of revenues and commissions earned, plus the commissions paid, have been modified as a result of the new standards. In addition to the adjustment made at January 1, 2008, operations during 2008 were recalculated by using the effective interest rate method. The adjustment to loans and accounts receivable to customers, net amounted to Ch$ 9,055 million at December 31, 2008 with a related adjustment to the allowance of loan losses of Ch$ 163 million.

b) Available for sale investments

As explained in Note 2.1 a) - q), As of December 31, 2008, Visa shares were initially booked at cost. As a result of the category reclassification they were adjusted to fair value, generating a larger asset amounting Ch$ 6,427 million.

c) Investments in companies

The price level restatement recognized on these investments during 2008 was reversed due to the criteria of not applying the price level restatement, as the Chilean economy is considered as non-hyperinflationary.

The adjustment also includes the effect in the income statement of not applying the price level restatement to the assets of the investee and the related effect of the depreciation and amortization of such assets.

Considering these mentioned aspects, an increase in assets was generated of Ch$ 6,581 million.

d) Intangible assets

The recognized price level restatement during 2008 on these investments was reversed and the amortization was recalculated for the year based on the new balance. The Bank also wrote off intangible assets that did not qualify as such in the implementation of a new intangibles policy, specifically with respect to software developments. Thus recalculated, a downward adjustment in the asset was generated of Ch$ 8,655 million.

e) Bank premises and equipment, net

As a result of the adjustment to appraisal value of properties and land at January 1, 2008, as described in Note 2.1 a) - c), depreciation for the year 2008 was recalculated. In addition, new residual values of these assets were incorporated, useful lives were modified to assimilate them to the requirements of the new standard and the price level restatement recognized during 2008 was reversed; as a result, the depreciation of the year was recalculated. The effect generated in the assets was an increase of Ch$ 9,067 million.

f) Deferred income tax

Deferred tax has been calculated for each of the adjustments at December 31, 2008 that generate timing differences. As a result, there was a net reduction over the recognized liability, amounting to Ch$ 13,811 million.

g) Other assets

This adjustment relates to the elimination of the paid commissions which do not qualify as origination costs under the new standards (see Note 2.1 a) – b), Note 2.1b) - a) and Note 2.1 c) - a)). Such elimination caused a reduction in the caption other assets amounting Ch$ 30,113 million.

h) Effective interest rate of financial liabilities

As a result of the changes detailed in Note 2.1 a) - c), the financial liability operations performed during 2008 were recalculated in accordance with the new criteria, which generated a reduction in the obligation of Ch$ 1,436 million.

i) Adjustment for special-purpose entity

The Bank has recorded the effect of the obligation generated during 2008 for total points earned and exchangeable by customers managed through the special-purpose entity “Incentivos y Promociones”, which at December 31, 2008 amounted to Ch$1,620 million.

j) Adjustment other liabilities

The obligation corresponds to origination costs which were pending payment at December 31, 2008.

k) Shareholders´ Equity

The application of the aforementioned adjustments that were recorded in equity generated a reduction of Ch$ 23,253 million.

Reconciliation of income statement for the year ended December 31, 2008

The following table reconciles the transition of the Bank's consolidated income statement for the year ended December 31, 2008 from the previous accounting principles to the accounting regulations issued by the SBIF:

	31,12,2008 Ch$ millions	*Note*
Net income as previously reported	152,057	
Adjustment to premises and equipment	(11,803)	(a)
Adjustment for application of effective interest rate to financial assets	(2,765)	(b)
Adjustment for application of effective rate to financial liabilities	1,036	(c)
Adjustment to investments in companies	(2,698)	(d)
Adjustment to intangible assets	(7,759)	(e)
Adjustment for provision special-purpose entity	(664)	(f)
Adjustment to other liabilities	(1,457)	(g)
Adjustment to deferred taxes	5,823	(h)
Adjustment to non-monetary assets (foreclosed assets)	3	(i)
Adjustment to cumulative translation adjustment - Miami Branch	(385)	(j)
Adjustment to Visa Inc. investment		
Adjustment to Credicorp investment	3,302	(k)
Adjustment to allowance for loan losses for application of effective interest rate	(163)	(l)
Subtotal adjustments	**(17,530)**	
Shareholders' equity price-level restatement	57,676	(m)
Net income in accordance to new standards	192,203	

Adjustments at December 31, 2008

a) Bank premises and equipment, net

As a result of the adjustment to appraisal value of properties and land at January 1, 2008, depreciation for the year 2008 was recalculated; adding the residual values of these assets and changes in useful lives and the price level restatement for 2008 was also reversed.

At January 1, 2008, the remaining items of this caption remained measured at cost plus the price level restatement. To adjust their value, the price level restatement for 2008 was reversed and depreciation for 2008 recalculated, incorporating the residual values of the assets and changes in their useful lives.

A reduction amounting Ch$ 11,803 million was recognized in the income statement.

b) Adjustment for application of effective interest rate of financial assets

Loans and accounts receivable from customers were adjusted by using the effective interest rate method, generating a change in the amortization of the loan, which was previously booked according to their contractual conditions of the loan. This adjustment generated a reduction of interest income amounting Ch$ 2,765 million.

c) Adjustment for application of effective interest rate of financial liabilities

Previously, the differential of prices generated at the time of issuance of the bond was amortized on a straight-line basis over the term of the bond. According to the new criteria, financial liabilities are adjusted by using the effective-rate method. This adjustment generated a reduction of interest expense amounting Ch$ 1,036 million.

d) Adjustment to investments in companies

The initial balances of investments in companies were measured at corrected cost at January 1, 2008. For the year 2008, the monetary correction of these investments was reversed as the criterion for applying monetary correction was eliminated because the Chilean economy is treated as non-hyperinflationary. It also includes the effect on the income statement of not applying monetary correction to the assets and the effect on the depreciation and amortization of such assets.

Considering these aspects, a reduction in revenues was generated of Ch$ 2,698 million.

e) Adjustment to intangible assets

For the purposes of the first application, the initial balances of intangible assets were valued at corrected cost at January 1, 2008. For the year 2008, the monetary correction of these investments was reversed as the Chilean economy is treated as non-hyperinflationary, and the amortization for the year recalculated based on this new balance. This adjustment generated a reduction in the income statement of Ch$ 7,759 million.

f) Special-purpose entity

The Bank has recorded the effect of the obligation for all the points earned and exchangeable by customers of the special-purpose entity "Incentivos y Promociones", which at December 31, 2008 amounted to Ch$ 664 million.

g) Adjustment to other liabilities

The obligation for origination costs still pending payment has been booked.

h) Adjustment for deferred taxes

The deferred tax has been calculated for each of the adjustments at December 31, 2008 with respect to timing differences. This generated an increase in the income statement of Ch$ 5,823 million.

i) Non-monetary assets (assets received in lieu of payment)

Previously, assets received in lieu of payment were valued at restated cost less a valuation allowance based on an independent appraisal. In order to determine this allowance, the Bank made a calculation in absolute terms for the whole portfolio of assets received in payment. This criterion was modified and the allowance determined individually for each asset. This improved the income statement by Ch$ 3 million.

j) Adjustment Miami

The Bank has applied the exemption to reset at zero the cumulative translation reserves for their foreign investments arising prior to January 1, 2008. The foreign entity with a functional currency different to the Chilean peso is the Miami branch.

In addition, the translation reserve for 2008, accounted in income statement under the previous standards, was recalculated for that investment as mentioned in Note 1.2 f). This meant a reduction in the income statement of Ch$ 385 million.

k) Adjustment Credicorp

The Bank has a holding in Credicorp valued at restated cost at December 31, 2008, as the Bank is represented on the board of this company and exercises a significant influence over it. This investment has therefore been adjusted to its equity value as required by the standard, which increased the income statement by Ch$ 3,302 million.

l)Adjustment of provision for loans subject to effective rate

See 2.1.t

m) Under the new standards, price level restatement as of December 31, 2008 should be reversed and distributed among the different items that generated it. The corresponding effect not reported in income statement amounted Ch$ (57,676) million.

Consolidated income statement: Reconciliation as of December 31, 2008 for the year ended December 31, 2008.

	As previously reported *MM$*	*Effect of transition* *MM$*	*Adjusted balances* *MM$*	*Adjust, Ref,*
Interest revenue	1,159,985	(834)	1,159,151	(a)
Interest expense	(688,020)	1,036	(686,984)	(b)
Net interest income	471,965	202	472,167	
Fees and income form services	146,912	-	146,912	
Fees expenses from services	(47,171)	(2,028)	(49,199)	(c)
Net fee income	99,741	(2,028)	97,713	
Gains from financial operations, net	149,251	-	149,251	
Foreign exchange gain (loss), net	(139,851)	-	(139,851)	
Other operating revenue	13,042	126	13,168	(d)
Total operating revenue	594,148	(1,700)	592,448	
Provisions for loan losses	(93,678)	-	(93,678)	
NET OPERATING REVENUE	500,470	(1,700)	498,770	
Personnel salaries and expenses	(143,580)	-	(143,580)	
Administrative expenses	(99,150)	-	(99,150)	
Depreciation and amortization	(27,019)	(2,205)	(29,224)	(e)
Impairment	-	-	-	
Other operating expenses	(26,908)	-	(26,908)	
TOTAL OPERATING EXPENSES	**(296,657)**	**(2,205)**	**(298,862)**	
OPERATING INCOME	203,813	(3,905)	199,908	
Income attributable to investments in companies	7,741	9,453	17,194	(f)
Price level restatement	(28,217)	28,217	-	(g)
Income before income taxes	183,337	33,765	217,102	
Income taxes	(31,280)	6,381	(24,899)	(h)
Result from continuing operations	152,057	40,146	192,203	
Result from discontinued operations	-	-	-	
NET INCOME	**152,057**	**40,146**	**192,203**	

Adjustments as of December 31, 2008

a) Interest revenue

Interest and indexation revenue is affected by the effective-rate adjustments of loans and the effect of adjustment of the tax accounts which previously were booked with effects in the price level restatement.

Interest expense

Interest expense is affected by the effective-rate adjustment made of the financial liabilities.

Fees expenses from services

Fees expenses from services are affected by the recognition of the obligation for all the points earned and exchangeable by customers of the special incentives and promotions scheme, plus the effect of the calculation of the valuation allowance of foreclosed assets, and also including the recognition of origination cost obligations that were pending payment at the end of the year.

Other operating revenue

Other operating revenue is affected by the distribution of monetary correction between the items involved.

Depreciation and amortization

Depreciation and amortization is affected by the re-appraisal of premises and equipment and their respective recalculation of depreciation, plus the retirement of intangible assets and their respective amortization, plus the effect of elimination of the price level restatement of the accounts involved.

Investments in companies

Investments in companies are affected by the recognition of the investments by the equity method of Credicorp Ltda., the reconciliation of business-support companies, translation adjustment of Miami and the elimination of the price level restatement of the year.

Price level restatement

Under the new standards, price level restatement as of December 31, 2008 should be reversed and distributed among the different items that generated it. The corresponding effect not reported in income statement amounted Ch$ (57,676) million.

Income taxes

Income tax is affected by the elimination of the complementary deferred tax accounts and the tax effects for the year generated by the adjustments of first application.

Reconciliation of the consolidated statement of cash flows for year ended 31,12,2008

	As previously reported Ch$ millions	*Effect of transition Ch$ millions*	*Adjusted balances*
NET INCOME FOR THE YEAR	152,057	40,146	192,203
Charges (credits) to the income statement not representing cash flows			
Depreciation and amortization	27,019	2,205	29,224
Provisions for loan losses	93,678	-	93,678
Fair value adjustment from financial investments	2,552	-	2,552
Net income from investments in companies	(7,741)	(9,453)	(17,194)
Net gain on sale of assets received in lieu of payment	(1,070)	-	(1,070)
(Gain) loss on sale of bank premises and equipment, net	992	-	992
(Gain) loss on sale of participations in other companies	-	-	-
Write-off of foreclosed assets	621	-	621
Price level restatement	28,217	(28,217)	-
Other charges (credits) not representing cash flows	79,111	(61,572)	17,539
Net change in interest and fees accruals	**(25,880)**	**754**	**(25,126)**
Changes in assets and liabilities not affecting operating cash flows:			
Net (increase) decrease in interbank loans	(41,977)		(41,977)
Net (increase) decrease in loans and accounts receivable to customers	(1,165,381)	-	(1,165,381)
Net (increase) decrease in investment	(299,992)	-	(299,992)
Increase (decrease) in deposits and other liabilities payable on deman	87,430	-	87,430
Increase (decrease) in securities sold under repurchase agreements	(26,380)	-	(26,380)
Increase (decrease) in saving accounts and time deposits	738,599	-	738,599
Increase (decrease) in interbank borrowings	(5,344)	-	(5,344)
Increase (decrease) in other financial obligations	53,406	-	53,406
Loans from Central Bank of Chile (long term)	439,554	-	439,554
Repayment of loans from Central Bank of Chile (long term)	(352,476)	-	(352,476)
Loans obtained from abroad at long term	4,458,394	-	4,458,394
Repayment of loans from abroad at long term	(4,195,083)	-	(4,195,083)
Total cash flows from (used in) operating activities	**40,306**	**(56,137)**	**(15,831)**
CASH FLOWS FROM INVESTMENT ACTIVITIES:			
Acquisitions of premises and equipment	(37,662)	-	(37,662)
Proceeds from sales of premises and equipment	4,135	-	4,135
Investment in companies	(3,622)	-	(3,622)
Sales of investments in companies	6,259	-	6,259
Dividends received on investments	475	-	475
Sale of assets received in payment	2,100	-	2,100
Net (increase) decrease in other assets and liabilities	(2,150)	-	(2,150)
Total cash flows from (used in) investment activities	**(30,465)**	**-**	**(30,465)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Redemption of mortgage-funding notes	(53,315)	-	(53,315)
Bonds issued	126,966	-	126,966
Bonds redeemed	(7,838)	-	(7,838)
Issue of shares for payment	-	-	-
Dividends paid	(61,294)	-	(61,294)
Total financing cash flows	**4,519**	**-**	**4,519**
EFFECT OF INFLATION ON CASH AND DUE FROM BANKS	**(56,137)**	**56,137**	**-**
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	**14,360**	**(56,137)**	**(41,777)**
CASH AND DUE FROM BANKS AT THE BEGINNING OF THE YEAR	**835,017**	**-**	**835,017**
CASH AND DUE FROM BANKS AT THE END OF THE YEAR	**793,240**	**-**	**793,240**

Note 2.2 – Future accounting changes

Effective January 1, 2010, in accordance with SBIF Circular 3489 of December 29, 2009, the Bank should prepare allowances for contingent credits relating to freely-available lines of credit and other contingent credit commitments. The creation of such allowances amounts to Ch$ 5,189 million at December 31, 2009 and its effect will be presented in shareholders' equity.

This Circular 3489 also states that effective July 1, 2010, the Bank should modify the percentages for assigning allowances for loan losses in the respective categories of debtors evaluated individually. The effects of this change in the allowances will be shown in the income statement.

NOTE 3

Material facts

a) dividend distributions and capitalization of earnings

The ordinary shareholders meeting held on March 17, 2009 approved, among other things, the distribution of the net income for 2008, amounting to Ch$152,057 millions, in the following manner:

- A dividend of Ch$470 per share among the total of 98,860,310 shares issued and registered in the shareholders register, which amounted to Ch$46,464 millions.

- Transfer to the Reserve for future capitalization the balance of the net income amounting to Ch$105,593 millions.

b) capital increase

On March 17, 2009, an extraordinary shareholders meeting approved the following:

The capital increase of the Bank by Ch$242,640 millions, carried out as follows:

a) Capitalizing, without the issue of shares, the sum of Ch$134,799 millions corresponding to 100% of the reserve for future capitalization accumulated to December 31, 2008, plus the sum of Ch$2,248 millions corresponding to other equity funds available for capitalization;

b) Capitalizing, without the issue of shares, the sum of Ch$76,021 millions that the ordinary shareholders meeting held immediately prior to this meeting had resolved to transfer to the reserve for future capitalization, and

c) Capitalizing, through the issue of shares free of payment, the sum Ch$29,572 millions, against the reserve for future capitalization.

The capital of the Bank according to its current bylaws amounted to Ch$500,000 millions divided into 98,860,310 shares of the same series and of no par value.

This amount has been increased by force of law by the successive price-level restatements of its capital, in accordance with paragraph 2 of article 10 of the Corporations Law 18,046, based on the balance sheets for 2007 and 2008. The Bank's paid capital, duly restated as of December 31, 2008, therefore amounts to Ch$564,503 millions.

With the approval of the above, the capital stock of Banco de Crédito e Inversiones amounts to Ch$807,143 millions divided into 101,390,060 shares of the same series and of no par value.

NOTE 4

Reporting segments

The report by segments is determined by the Bank on the basis of the different business units which are mainly differentiated by their risks and returns. These are:

Corporate Banking	: Large corporations with annual sales of over UF50,000. Include mainly commercial foreign trade finance, leasing, real-estate companies and derivative instruments.
Retail Banking	: Individuals and SMEs, with sales up to UF50,000 and the Consumer Division.
Treasury and Trading	: Trading operations and management of the Bank's balance sheet.
Subsidiaries and others	: Include the following subsidiaries: Bci Factoring S.A., BCI Asset Management Administradora General de Fondos S.A., BCI Corredores de Seguros S.A., BCI Administradora General de Fondos S.A., BCI Corredor de Bolsa S.A., BCI Asesoría Financiera S.A. and BCI Securitizadora S.A.

The performance of the above commercial areas is measured with the concepts presented in this note, which are based on the accounting principles applied in the Bank's income statement.

Assignment of expenses to the different segments is basically carried out in 3 stages:

Direct expenses: relate to the expenses assignable directly to each of the cost centers of every segment area, which are clearly recognizable and assignable, e.g., staff expenses, extra expenses and depreciation.

Indirect expenses (assignment of centralized expenses): centralized expenses that are booked in a common costs center to the lines of expenses and which, according to the Bank's policy, are distributed between the different cost centers, e.g., telephone expenses which are distributed according to the number of staff per department, target bonuses as a function of historic behavior, etc.

Expenses of support management: these are assigned as a function of the costs in time and resources that come from the different segments based on the requirements that these perform for the support management. These expenses are previously defined and agreed for each of those involved (customers and support management).

a) Condensed income statements

2009	*Corporate Banking Ch$ millions*	*Retail Banking Ch$ millions*	*Treasury and trading Ch$ millions*	*Subsidiaries and others Ch$ millions*	*Consolidated Ch$ millions*
Net interest revenue	145,242	226,644	19,839	22,898	414,623
Net fee income	32,369	50,677	(2,177)	51,486	132,355
Other operating revenue	37,461	1,251	39,244	16,226	94,182
TOTAL OPERATING REVENUES	**215,072**	**278,572**	**56,906**	**90,610**	**641,160**
Provisions for loan losses	(65,401)	(72,326)	319	(10,817)	(148,225)
Net operating expenses	149,671	206,246	57,225	79,793	492,935
TOTAL OPERATING EXPENSES	**(67,357)**	**(187,116)**	**(11,993)**	**(38,024)**	**(304,490)**
OPERATING INCOME	**82,314**	**19,130**	**45,232**	**41,769**	**188,445**
Income from investments in companies	-	-		2,976	2,976
Income before income taxes	82,314	19,130	45,232	44,745	191,421
Income taxes	(13,994)	(3,252)	(7,689)	(5,712)	(30,647)
NET INCOME FOR THE YEAR	**68,320**	**15,878**	**37,543**	**39,033**	**160,774**

2008 As restated	*Corporate Ch$ millions*	*Retail Ch$ millions*	*Finance Ch$ millions*	*Subsidiaries and others Ch$ millions*	*Consolidated Ch$ millions*
Net interest revenue	171,041	208,866	64,109	28,151	472,167
Net fee income	29,143	13,986	(1,636)	56,220	97,713
Other operating revenue	**17,581**	**1,002**	**(5,114)**	**9,099**	**22,568**
Total operating revenues	217,765	223,854	57,359	93,470	592,448
Provisions for loan losses	(25,680)	(57,730)	(3,411)	(6,857)	(93,678)
Net operating expenses	192,085	166,124	53,948	86,613	498,770
Total operating expenses	**(77,925)**	**(135,356)**	**(14,356)**	**(71,225)**	**(298,862)**
OPERATING INCOME	**114,160**	**30,768**	**39,592**	**15,388**	**199,908**
Income from investments in companies	-	-	8,015	9,179	17,194
Income before income taxes	114,160	30,768	47,607	24,567	217,102
Income taxes	(13,050)	(3,625)	(5,442)	(2,782)	(24,899)
NET INCOME FOR THE YEAR	**101,110**	**27,143**	**42,165**	**21,785**	**192,203**

b) Business volumes

			2009		
	Corporate Banking	*Retail Banking*	*Treasury and Trading*	*Subsidiaries and others*	*Consolidated*
ASSETS	5,302,619	4,306,155	3,303,136	209,612	13,121,522
LIABILITIES	5,234,298	4,290,277	3,265,594	170,579	12,960,748
NET INCOME	**68,320**	**15,878**	**37,543**	**39,033**	**160,774**

			2008 As restated		
	Corporate Banking	*Retail Banking*	*Treasury and Trading*	*Subsidiaries and others*	*Consolidated*
ASSETS	5,830,331	3,991,716	2,763,644	177,246	12,762,937
LIABILITIES	5,729,221	3,964,573	2,721,479	155,461	12,570,734
NET INCOME	**101,110**	**27,143**	**42,165**	**21,785**	**192,203**

NOTE 5

CASH AND DUE FROM BANKS

a) The balances included in cash and due from banks, and their reconciliation with the statement of cash flow at the end of each year, are as follows:

	As of December 31	
	2009	*2008 As restated*
	Ch$ millions	*Ch$ millions*
Cash and due from banks		
Cash	225,643	177,966
Deposits with Central Bank of Chile	265,661	131,649
Deposits with domestic banks	1,914	2,316
Foreign deposits	544,565	214,304
Subtotal cash and due from banks	**1,037,783**	**526,235**
Items in the course of collection from and due to banks, net	146,678	156,568
Highly-liquid financial instruments	24,629	76,571
Securities purchased under resale agreement	100,001	33,866
Total cash and due from banks	**1,309,091**	**793,240**

The volume of funds in cash and with the Central Bank of Chile reflects reserve requirements that the Bank has to maintain at monthly average levels.

b) **Transactions in the course of liquidation:**

Transactions in the course of liquidation relate to transactions for which only the settlement remains for increasing or decreasing funds held with Central Bank of Chile or in foreign banks, normally within 12 or 24 business hours (overnights). The following is the detail of these operations at the end of each year:

	As of December 31	
	2009	*2008 As restated*
	Ch$ millions	*Ch$ millions*
Assets		
Documents drawn on other banks (clearing)	137,683	124,617
Funds receivable	301,978	95,523
Subtotal assets	**439,661**	**220,140**
Liabilities		
Funds payable	292,983	63,572
Subtotal liabilities	**292,983**	**63,572**
Transactions in the course of payment, net	**146,678**	**156,568**

NOTE 6

TRADING INSTRUMENTS

The detail of instruments designated as trading financial instruments is as follows:

	As of December 31	
	2009	*2008 As restated*
	Ch$ millions	*Ch$ millions*
Instruments issued by the Chilean Government and Central Bank:		
Instruments issued by the Chilean Central Bank	479,601	249,253
Notes issued by the Chilean Central Bank	21,886	30,891
Other government and Chilean Central Bank instruments	16,435	23,311
Instruments of other domestic institutions:		
Bonds	5,533	3,120
Notes	-	-
Time deposits linked to the UF index	68,134	149,345
Trading instruments	185,983	113,685
Others	38,868	53,563
Instruments issued abroad:	-	-
Bonds	-	-
Notes	-	-
Other instruments	9,149	2,121
Mutual funds investments:		
Funds managed by related entities	18,557	18,794
Funds managed by third parties	-	-
Total	**844,146**	**644,083**

NOTE 7

Securities purchased and sold under agreements to resell and repurchase

Securities purchased under resale agreement:

	Maturity of commitment						
	Up to 3 months		3 months to 1 year				
Entity	*Ch$ millions*	*Average Rate %*	*Ch$ millions*	*Average Rate %*	*Ch$ millions*	*Average Rate %*	*Balance at 31-12-2009 Ch$ millions*
Related individual and/or company	1,063	0,13	8,949	0,14	-	-	10,012
Bank operating in Chile	-	-	-	-	-	-	-
Securities broker	16,778	0,23	203	0,25	-	-	16,981
Other financial institution operating in the country	-	-	-	-	-	-	-
Foreign financial institution	-	-	-	-	-	-	-
Other individual and/or entity	25,519	0,19	47,489	0,19	-	-	73,008
Total 2009	**43,360**		**56,641**		**-**		**100,001**

	Maturity of commitment						
	Up to 3 months		3 months to 1 year				
Entity	*Ch$ millions*	*Average Rate %*	*Ch$ millions*	*Average Rate %*	*Ch$ millions*	*Average Rate %*	*Balance at 31-12-2008 as restated MM$*
Related individual and/or company	-	-	-	-	-	-	-
Bank operating in Chile	-	-	-	-	-	-	-
Securities broker	18,210	0,79	197	1,00	-	-	18,407
Other financial institution operating in the country	-	-	-	-	-	-	-
Foreign financial institution	-	-	-	-	-	-	-
Other individual and/or entity	15,385	0,81	74	0,83	-	-	15,459
Total 2008	**33,595**		**271**		**-**		**33,866**

a) Securities sold under repurchase agreement:

Entity	Up to 3 months		3 months to 1 year		More than 1 year		Balance at 31-12-2009
					Maturity of commitment		
	Ch$ millions	Average rate %	Ch$ millions	Average rate %	Ch$ millions	Average rate %	Ch$ millions
Related individual and/or company	-	-	-	-	-	-	-
Bank operating in Chile	12,245	0.61	-	-	-	-	12,245
Securities broker	2,526	0.83	-	-	-	-	2,526
Other financial institution operating in the country	40,788	0.05	-	-	-	-	40,788
Foreign financial institution	-	-	-	-	-	-	-
Other individual and/or entity	277,618	0.19	389	0.69	-	-	278,007
Total 2009	**333,177**		**389**				**333,566**

Entity	Up to 3 months		3 months to 1 year		More than 1 year		Balance at 31-12-2008 as restated
					Maturity of commitment		
	Ch$ millions	Average rate %	Ch$ millions	Average rate %	Ch$ millions	Average rate %	Ch$ millions
Related individual and/or company	-	-	-	-	-	-	-
Bank operating in Chile	38,182	1.32	6,306	4.50	-	-	44,488
Securities broker	9,970	0.69	-	-	-	-	9,970
Other financial institution operating in the country	-	-	-	-	-	-	-
Foreign financial institution	-	-	-	-	-	-	-
Other individual and/or entity	169,808	0.69	3,148	0.98	-	-	172,956
Total 2008	**217,960**		**9,454**		**-**		**227,414**

Note 8
Financial derivative instruments and accounting hedges

b) The Bank as of December 31, 2009 and 2008 has the following portfolio of derivative instruments at fair value:

	As of December 31			
	2009		*2008*	
	Assets MM$	*Liabilities MM$*	*Assets MM$*	*Liabilities MM$*
Derivatives for trading				
Forwards	138,015	180,000	455,693	395,383
Swaps	185,895	174,645	124,859	126,603
Call Options	-	282	-	191
Put Options	-	-	-	-
Futures	882	-	1,683	872
Others	-	-	-	-
Subtotal	**324,792**	**354,927**	**582,235**	**523,049**
Hedge accounting derivatives				
Forwards	-	-	853	-
Swaps	8,603	3,563	67	8,099
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Others	-	-	-	-
Subtotal	**8,603**	**3,563**	**920**	**8,099**
Total	**333,395**	**358,490**	**583,155**	**531,148**

	Notional amount of contracts with final maturity 2008			Notional amount of contracts with final maturity 2009		
	Up to 3 months	3 months to 1 year	More than 1 year	Upt to 3 months	3 months to 1 year	More than 1 year
	Ch$ millions	Ch$ millions	Ch$ millions	Ch$ millions	Ch$ millions	Ch$ millions
Derivatives for hedging fair value						
Forwards	-	-	-			
Swaps	-	19,885	93,423	20,942	106,837	73,464
Call Options	-	-	-			
Put Options	-	-	-			
Futures	-	-	-			
Others	-	-	-			
Subtotal	**-**	**(19,885)**	**(93,423)**	**20,942**	**106,837**	**73,464**
Derivatives for trading						
Forwards	5,556,170	3,171,861	173,699	3,550,074	4,010,607	666,624
Swaps	82,006	122,380	593,494	1,662,183	3,794,796	4,867,762
Call Options	-	-	-			
Put Options	-	-	-			
Futures	26,171	13,840	39,634	37,782		
Others	-	-	-			
Subtotal	**5,664,347**	**3,308,081**	**806,827**	**5,250,039**	**7,805,403**	**5,534,386**
Derivative for hedging cash flows						
Forwards	-	-	-	-	-	-
Swaps	-	-	-	309,954	-	313,096
Call Options	-	-	-	-	-	-
Put Options	-	-	-	-	-	-
Futures	-	-	-	-	-	-
Others	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**309,954**	**-**	**313,096**
Total	**5,664,347**	**3,288,196**	**713,404**	**5,580,935**	**7,912,240**	**5,920,946**

a) Types of derivatives:

Banco BCI uses derivative hedges to manage the risk of fair value and cash flows to which it is exposed.

The fair-value hedges use swaps to hedge changes in the fair value of an asset or liability in the balance sheet. The Bank hedges a portion of the interest rate risks that it expects to assume from certain available for sale investments denominated in US dollars and long term loans denominated in Ch$. As of December 31, 2009, the amount recognized in income statement amounted to Ch$ (1,831) million (Ch$ 48,154 million in 2008).

The cash flows hedges recognize in other comprehensive income the changes in the fair value of derivatives forming part of the swap hedge. The Bank hedges cash flows from loans denominated in US dollars, deposits denominated in Euros and deposits denominated in Ch$ for certain specific terms. As of December 31, 2009, the amount recognized in income statement amounted to Ch$ 6,871 million.

Note 9
Interbank loans

a) At the close of the consolidated financial statements 2009 and 2008, the balances are as follows:

	As of December 31	
	2009 Ch$ millions	2008 As restated Ch$ millions
Banks in Chile		
Loans and advances to banks	-	-
Blocked deposits in Central Bank of Chile	-	-
Non-transferable notes of Central Bank of Chile	-	-
Other credits with Central Bank of Chile	-	-
Interbank loans	20,000	15,004
Overdrafts	-	-
Non-transferable deposits in banks in country	-	-
Other credits with banks in country	-	-
Allowances and impairments for credits with banks in country	(2)	(2)
Foreign banks		
Foreign Banks Loans	120,980	174,202
Overdrafts	-	-
Non-transferable deposits in foreign banks	-	-
Other credits with foreign banks	-	-
Allowances and impairments for credits with foreign banks	(197)	(116)
Total	**140,781**	**189,088**

b) The allowances and impairments of amounts due by banks are shown as follows:

	2009			2008 As restated		
	Bank in Chile Ch$ millions	Foreign bank Ch$ millions	Total Ch$ millions	Bank in Chile Ch$ millions	Foreign bank Ch$ millions	Total Ch$ millions
Balance at January 1	2	116	118	4	413	417
Write-offs	-	-	-	-	-	-
Allowances established	25	128	153	3	46	49
Allowances released	(25)	(47)	(72)	(5)	(343)	(348)
Impairment	-	-	-	-	-	-
Reversal of impairment	-	-	-	-	-	-
Balances at December 31,	**2**	**197**	**199**	**2**	**116**	**118**

Note 10

Loans and accounts receivable to customers, net

a) Loans and accounts receivable to customers

The composition of the loan portfolio as of December 31, 2009 and 2008 is the following:

	Assets before allowances			*Allowances made*			
2009	*Normal portfolio*	*Impaired portfolio (*)*	*Total*	*Individual*	*Group*	*Total*	*Net assets*
	Ch$ millions	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*
Commercial loans:							
Commercial loans	4,145,540	287,877	4,433,417	(65,619)	(12,812)	(78,431)	4,354,986
Foreign trade finance	535,427	89,029	624,456	(37,557)	(192)	(37,749)	586,707
Debtors in current account	71,564	8,119	79,683	(2,651)	(641)	(3,292)	76,391
Factoring operations	328,846	404	329,250	(3,908)	-	(3,908)	325,342
Leasing operations	433,278	17,789	451,067	(4,783)	(574)	(5,357)	445,710
Other loans and accounts receivable	99,132	1,876	101,008	(765)	(1,600)	(2,365)	98,643
Sub total	**5,613,787**	**405,094**	**6,018,881**	**(115,283)**	**(15,819)**	**(131,102)**	**5,887,779**
Housing loans:							
Loans against notes	94,512	9,052	103,564	-	(579)	(579)	102,985
Endorsable mortgage loans	34,740	6,896	41,636	-	(421)	(421)	41,215
Other housing loans	1,517,439	73,826	1,591,265	-	(5,093)	(5,093)	1,586,172
Leasing operations	-	-	-	-	-	-	-
Other loans and accounts receivable	-	-	-	-	-	-	-
Sub total	**1,646,691**	**89,774**	**1,736,465**	**-**	**(6,093)**	**(6,093)**	**1,730,372**
Consumer loans:							
Consumer loans with installments	777,133	76,566	853,699	-	(49,945)	(49,945)	803,754
Debtors in current account	65,378	1,183	66,561	-	(2,534)	(2,534)	64,027
Credit card debtors	109,968	5,568	115,536	-	(4,589)	(4,589)	110,947
Leasing operations	770	3	773	-	(16)	(16)	757
Other loans and accounts receivable	5,348	62	5,410	-	(55)	(55)	5,355
Sub total	**958,597**	**83,382**	**1,041,979**	**-**	**(57,139)**	**(57,139)**	**984,840**
TOTAL	**8,219,075**	**578,250**	**8,797,325**	**(115,283)**	**(79,051)**	**(194,334)**	**8,602,991**

(*) From 1 January 2009 and in accordance with the provisions of the Compendium of the SBIF Accounting Standards, Chapter B-2, the Bank has identified those loans in its portfolio that meet the condition deteriorated.

2008 As restated	Assets before allowances			Allowances made			
	Normal portfolio	Impaired portfolio	Total	Individual	Group	Total	Net assets
	Ch$ millions	Ch$ millions	Ch$ millions	Ch$ millions	Ch$ millions	Ch$ millions	Ch$ millions
Commercial loans:							
Commercial loans	4,585,281	-	4,585,281	(34,922)	(12,075)	(46,997)	4,538,284
Foreign trade finance	1,063,168	-	1,063,168	(13,000)	(326)	(13,326)	1,049,842
Debtors in current account	125,162	-	125,162	(1,895)	(571)	(2,466)	122,696
Factoring operations	382,757	-	382,757	(4,161)		(4,161)	378,596
Leasing operations	463,685	-	463,685	(2,384)	(533)	(2,917)	460,768
Other loans and accounts receivable	26,798	-	26,798	(58)	(683)	(741)	26,057
Subtotal	**6,646,851**	**-**	**6,646,851**	**(56,420)**	**(14,188)**	**(70,608)**	**6,576,243**
Housing loans:							
Loans against notes	127,096	-	127,096	-	(683)	(683)	126,413
Endorsable mortgage loans	49,189	-	49,189	-	(497)	(497)	48,692
Other housing loans	1,517,403	-	1,517,403	-	(2,674)	(2,674)	1,514,729
Leasing operations	-	-	-	-	-	-	-
Other loans and accounts receivable	236	-	236	-	-	-	236
Subtotal	**1,693,924**	**-**	**1,693,924**	**-**	**(3,854)**	**(3,854)**	**1,690,070**
Consumer loans:							
Consumer loans with installments	819,094	-	819,704	-	(49,947)	(49,947)	769,147
Debtors in current account	68,958	-	68,958	-	(3,115)	(3,115)	65,843
Credit card debtors	107,769	-	107,769	-	(4,282)	(4,282)	103,487
Leasing operations	655	-	655	-	(11)	(11)	644
Other loans and accounts receivable	12,305	-	12,305	-	(167)	(167)	12,138
Subtotal	**1,008,781**	**-**	**1,008,781**	**-**	**(57,522)**	**(57,522)**	**951,259**
TOTAL	**9,349,556**	**-**	**9,349,556**	**(56,420)**	**(75,564)**	**(131,984)**	**9,217,572**

The collateral taken by the Bank to ensure the collection of the rights reflected in its loan portfolio consist of mortgages, pledges over real estate and movable assets, warrants, and mercantile and trade financial instruments. As of December 31, 2008 and 2009, the fair values of the collateral taken correspond to 105.56% and 121.81% of the assets covered, respectively.

In the case of mortgage security, as of December 31, 2009 y 2008, the fair value of the collateral taken represents 105.99% and 108.65% of the balance of the loans outstanding, respectively.

The Bank provides finance to its customers for the acquisition of assets, under financial lease contracts which are presented under this heading. As of December 31, 2009 and 2008 approximately Ch$ 250,443 million and Ch$ 283,334 million respectively correspond to financial leases over movable assets and Ch$ 201,397 million and Ch$ 181,004 respectively in financial leases over real estate.

During the year, the Bank has obtained financial assets corresponding to properties with a value of Ch$ 7,728 million (Ch$ 1,381 million in 2008) through calling in the collateral or receiving the assets in guarantee as foreclosed assets.

b) Portfolio characteristics:

The following shows the portfolio before allowances, as of December 31, 2009 and 2008, analyzed by the economic activity of the customer:

	Loans in Chile		*Loans abroad*		*Total*			
	2009	*2008 As restated*	*2009*	*2008 As restated*	*2009*	*2008 As restated*	*2009*	*2008 As restated*
	Ch $ millions	*Ch $ millions*	*Ch $ millions*	*Ch $ millions*	*Ch $ millions*	*Ch $ millions*	*%*	*%*
Commercial loans:								
Agriculture and livestock except fruit	140,579	133,057	42,826	68,216	183,405	201,273	2,08	2,15
Fruit growing	31,297	22,820	37,721	46,818	69,018	69,638	0,78	0,74
Forestry and wood felling	29,517	35,872	3,691	3,537	33,208	39,409	0,38	0,42
Fishing	25,007	24,992	159,442	214,207	184,449	239,199	2,10	2,56
Mining	28,840	26,660	34,354	71,254	63,194	97,914	0,72	1,05
Crude oil and natural gas	1,677	393	-	-	1,677	393	0,02	0,00
Food, drinks and tobacco	86,029	109,231	63,193	110,043	149,222	219,274	1,70	2,35
Textiles and leather	32,381	28,571	10,263	26,169	42,644	54,740	0,48	0,59
Wood and furniture	24,983	17,926	26,885	44,127	51,868	62,053	0,59	0,66
Paper, printing and publishing	38,396	29,999	10,019	14,908	48,415	44,907	0,55	0,48
Chemicals, oil, derivative, coal, rubber and plastics	105,746	71,513	14,203	39,458	119,949	110,971	1,36	1,19
Manufacture of Metallica and non-metallic minerals, machinery and equipment	127,187	110,212	66,289	125,993	193,476	236,205	2,20	2,53
Other manufacturing	20,716	16,634	24,600	39,159	45,316	55,793	0,52	0,60
Electricity, gas and water	112,929	128,640	121,479	157,477	234,408	286,117	2,66	3,06
Housing construction	436,662	437,109	8,993	14,550	445,655	451,659	5,07	4,83
Other Works and construction	280,745	342,469	14,811	18,276	295,556	360,745	3,36	3,86
Wholesale trade	340,397	378,357	168,555	213,410	508,952	591,767	5,79	6,33
Retail trade, restaurants and hotels	457,092	414,343	117,612	177,206	574,704	591,549	6,53	6,33
Transport and storage	257,097	212,931	66,383	124,933	323,480	337,864	3,68	3,61
Communications	114,288	119,347	5,406	10,373	119,694	129,720	1,36	1,39
Finance and insurance institutions	604,347	638,714	168,208	173,283	772,555	811,997	8,78	8,68
Securities and services provided to companies	557,591	618,457	17,306	36,030	574,897	654,487	6,53	7,00
Communal, social and personal services	886,512	927,023	96,627	72,154	983,139	999,177	11,18	10,69
Subtotal	**4,740,015**	**4,845,270**	**1,278,866**	**1,801,581**	**6,018,881**	**6,646,851**	**68,42**	**71,09**
Housing loans	1,736,465	1,693,924	-	-	1,736,465	1,693,924	19,74	18,12
Consumer loans	1,037,768	1,005,796	4,211	2,985	1,041,979	1,008,781	11,84	10,79
Total	**7,514,248**	**7,544,990**	**1,283,077**	**1,804,566**	**8,797,325**	**9,349,556**	**100,00**	**100,00**

c) Allowances for loan losses

The movement in allowances during 2009 and 2008 is summarized as follows:

	2009			2008		
	Individual allowances	*Group allowances*	*Total*	*Individual allowances*	*Group allowances*	*Total*
	Ch$ millions	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*
Balance at January 1	**52,305**	**79,679**	**131,984**	**29,959**	**55,691**	**85,650**
Charge-offs of impaired portfolio						
Commercial loans	22,163	(45,366)	(23,203)	7,748	(21,319)	(13,571)
Mortgage loans	-	-	-	-	-	-
Consumer loans	-	(60,991)	(60,991)	-	(34,254)	(34,254)
Total charge-offs	**22,163**	**(106,357)**	**(84,194)**	**7,748**	**(55,573)**	**(47,825)**
Allowances established	64,599	150,994	215,593	36,978	129,105	166,083
Allowances released	(27,380)	(41,669)	(69,049)	(22,380)	(49,544)	(71,924)
Impairment				-	-	-
Reversals of impairment				-	-	-
Balance at December 31,	**111,687**	**82,647**	**194,334**	**52,305**	**79,679**	**131,984**

Apart from these allowances for loan losses, allowances are made for country risk to cover operations abroad and additional allowances approved by the board, which are shown in Provisions (Note 20) in liabilities.

Complementary disclosures:

During 2009 and 2008, the Bank made no purchases, sales, substitutions or swaps of credits of the loan portfolio.

Note 11
Investment instruments

As of December 31, 2009 and 2008, the detail of instruments designated as financial instruments available for sale and held to maturity, is as follows:

	2009			*2008 As restated*		
	Available for sale Ch$ millions	*Held to maturity Ch$ millions*	*Total Ch$ millions*	*Available for sale Ch$ millions*	*Held to maturity Ch$ millions*	*Total Ch$ millions*
Investments quoted in active markets:						
Of the Chilean government and Central Bank:						
Instruments issued by the Chilean Central Bank of	149,514	-	149,514	290,052	-	290,052
Treasury bonds or notes	35,749	-	35,749	340	-	340
Other fiscal instruments	12,701	-	12,701	12,003	-	12,003
Other instruments issued in Chile:						
Instruments of other banks in Chile	621,625	-	621,625	225,928	-	225,928
Corporate bonds and commercial paper	137,361	-	137,361	104,405	-	104,405
Other instruments issued in Chile	3	-	3	19	-	19
Instruments issued abroad:						
Instruments of foreign governments or central banks	-	-	-	-	-	-
Instruments issued abroad	150,199	-	150,199	175,262	-	175,262
Other				6,427		6,427
Allowances for impairment	**-**	**-**	**-**	**-**	**-**	**-**
Total	**1,107,152**	**-**	**1,107,152**	**814,436**	**-**	**814,436**

As of December 31, 2009 the available for sale instruments portfolio includes an unrealized net loss of Ch$ 2,386 million (unrealized net income of Ch$ 10,867 million in 2008) reported as other comprehensive income in shareholders´ equity.

* During 2009 and 2008 there are no impairment losses for available for sale instruments.

Note 12

Investments in companies

a) The principal investments in companies as of December 31, 2009 and 2008 are as follows:

Company	*As of December 31*							
	2009				*2008 As restated*			
	Equity	*Participation*	*Value of investment*	*Accrued results*	*Equity*	*Participation*	*Value of investment*	*Accrued results*
	Ch$ millions	*%*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*%*	*Ch$ millions*	*Ch$ millions*
Investments measured by the equity method:								
Redbanc S.A.	5,081	12.71	646	94	5,026	12.71	639	178
Servipag Ltda.	5,424	50	2,712	22	5,394	50.00	2,697	711
Combanc S.A.	3,073	11.52	354	60	3,215	11.52	370	51
Transbank S.A.	6,909	8.72	602	85	7,631	8.72	665	249
Nexus S.A.	6,412	12.9	827	94	6,418	12.90	828	448
Artikos Chile S.A.	1,397	50	698	353	690	50.00	345	114
AFT S,A,	2,915	20	583	-614	5,988	20.00	1,198	839
Centro de Compensación Automático ACH Chile	906	33.33	302	18	885	33.33	295	42
Sociedad Interbancaria de Depósitos de Valores S.A.	1,260	7.03	89	23	1,238	7.03	87	18
Credicorp Ltda.	-	1.74	39,560	2,745		1.68	42,357	14,659
Miami							-933	-385
Investments measured at cost:								
Santiago Stock Exchange	16,350	2.08	340	60	18,500	2.08	385	97
Chilean Electronic Exchange	3,900	2.5	98	6	4,100	2.44	100	6
Valparaíso Stock Exchange	600	1.67	10	1	600	1.67	11	0
Santiago Chamber of Commerce Clearing House	2,100	0.15	3	1	2,780	0.15	4	
SWIFT shares			12	-			13	0
Other shares			34	7			33	9
Bladex shares			219	21			219	18
Corredora de Bolsa complement			736				485	140
Visa shares			9,260					
Total			**57,085**	**2,976**			**49,798**	**17,194**

b) The movement in investments in companies in 2009 and 2008 is the following:

	As of December 31	
	2009	*2008 As restated*
	Ch$ millions	*Ch$ millions*
Initial book value	**51,122**	**35,886**
Acquisition of investments	1,577	3,622
Translation adjustment	(1,819)	1,826
Participation in the results of associates	(1,138)	1,428
Dividends received	(1,889)	(852)
Recognition of fair value of Visa Inc. shares	2,833	139
Revaluation adjustment	6,427	-
Others	(2)	(201)
Conversion adjustments to comply with regulations issued by the SBIF	(26)	7,950
Total	**57,085**	**49,798**

There were no impairments in investments in companies as of December 31, 2009 and 2008,

Note 13

Intangible assets

a) The composition of these as of December 31, 2009 and 2008 is as follows:

Concept	Useful years of life	Remaining years of amortization	2009 Gross balance Ch$ millions	2009 Accumulated amortization and impairment Ch$ millions	2009 Net balance Ch$ millions	2008 As restated Net balance Ch$ millions
Intangible assets acquired independently	6	3	17,870	(11,679)	6,191	3,505
Intangible assets acquired in combination of businesses	10	4	36,201	(20,627)	15,574	19,605
Intangible assets generated internally	6	5	74,310	(17,815)	56,495	49,358
Incorporation rights	-	-	663	-	663	663
Total			**129,044**	**(50,121)**	**78,923**	**73,131**

b) The movement in intangible assets during 2009 and 2008 is the following:

	Intangibles acquired independently Ch$ millions	Intangibles acquired in business combinations Ch$ millions	Intangibles internally generated Ch$ millions	Incorporation rights	Total Ch$ millions
Balances at January 1, 2008 as restated	**15,149**	**23,819**	**46,118**	**-**	**85,086**
Acquisitions	2,713	-	25,065	663	28,441
Disposals	-	-	-	-	-
Transfers	(4,339)	(4,214)	(11,919)	-	(20,472)
Gross balance at December 31, 2008	**13,523**	**19,605**	**59,264**	**663**	**93,055**
Accumulated amortization	(10,018)	-	(9,906)	-	(19,924)
Balances at December 31, 2008 as restated	**3,505**	**19,605**	**49,358**	**663**	**73,131**
Balances at January 1, 2009	**13,523**	**19,605**	**59,264**	**663**	**93,055**
Acquisitions	1,633	-	21,668	-	23,301
Disposals	-	-	(483)	-	(483)
Transfers	2,773	(4,031)	(6,199)	-	(7,457)
Gross balance at December 31, 2009	**17,929**	**15,574**	**74,250**	**663**	**108,416**
Accumulated amortization	(12,228)	-	(17,265)	-	(29,493)
Balances at December 31, 2009	**5,701**	**15,574**	**56,985**	**663**	**78,923**

Note 14

Premises and equipment, net

a) The composition and movement of premises and equipment as of December 31, 2009 and 2008 is as follows:

	Land and buildings Ch$ millions	*Equipment Ch$ millions*	*Others Ch$ millions*	*Total Ch$ millions*
2008				
As restated				
Balance at January 1, 2008	**137,131**	**69,134**	**44,413**	**250,678**
Additions	31,207	15,279	11,195	57,681
Disposals / charge-offs	(6,159)	(5,304)	(1,686)	(13,149)
Transfers	8,332	(4,785)	(2,684)	863
Gross balance at December 31, 2008	**170,511**	**74,324**	**51,238**	**296,073**
Accumulated depreciation	(34,203)	(56,796)	(16,290)	(107,289)
Impairment	-	-	-	-
Bank premises and equipment Balance at December 31, 2008	**136,308**	**17,528**	**34,948**	**188,784**

	Land and buildings Ch$ millions	*Equipment Ch$ millions*	*Others Ch$ millions*	*Total Ch$ millions*
2009				
Balance at January 1, 2009	**170,511**	**74,324**	**51,238**	**296,073**
Additions	25,147	13,657	6,800	45,604
Disposals / charge-offs	(260)	(40)	(642)	(942)
Transfers	(24,333)	(1,422)	(12,323)	(38,078)
Gross balance at December 31, 2009	**171,065**	**86,519**	**45,073**	**302,657**
Accumulated depreciation	(20,484)	(61,659)	(17,874)	(100,017)
Impairment	-	-	-	-
Bank premises and equipment Balance at December 31, 2009	**150,581**	**24,860**	**27,199**	**202,640**

b) As of December 31, 2009 and 2008 the Bank has no operating leasing contracts.

c) As of December 31, 2009 and 2008 the Bank has financial leasing contracts that cannot be rescinded unilaterally. Future payments are detailed as follows:

	Future payments under financial leases Land, buildings and equipment			
	Up to 1 year	*1 to 5 years*	*More than 5 years*	*Total*
As at December 31, 2009	170	852	85	1,107
As at December 31, 2008	170	854	254	1,278

The balances of premises and equipment subject to financial leases at December 31, 2009 and 2008 amount to Ch$ 1,446 million and Ch$ 1,472 million respectively and are shown forming part of “Others” in the premises and equipment caption.

Note 15

Current and deferred income tax

a) Current income tax

At the close of each year, the Bank and its subsidiaries have made a provision for income tax and the special tax under Article 21 of the Tax Law, calculated on the basis of current tax legislation, and is included as a credit of Ch$ 4,837 million in 2009 (Ch$ 40,109 million in 2008). This provision is reported net of recoverable taxes, as detailed below:

	As of December 31	
	2009	*2008 As restated*
	Ch$ millions	*Ch$ millions*
Income tax (at a tax rate 17%)	28,102	28,543
Provision 35% special tax	210	217
Less:		
Monthly provisional tax returns	(28,785)	(65,610)
Monthly provisional tax returns for accumulated losses Article 31-3	-	-
Credit for training expenses	(792)	(1,014)
Credit for acquisition of premises and equipment	(24)	(26)
Credit for donations	(493)	(494)
Others	(3,055)	(1,725)
Total	**(4,837)**	**(40,109)**

b) Income tax

The effect of the tax charge for the years 2009 and 2008 comprises the following concepts:

	2009 Ch$ millions	As of December 31 2008 As restated Ch$ millions
Income taxes charge:		
Current year tax	(25,556)	(24,579)
Credit (charge) for deferred taxes:		
Origination and reversal of timing differences	(4,762)	(12)
Change in timing differences not recognized	-	-
Fiscal benefit previous years	-	-
Recognition of tax losses not previously recognized	-	-
	(4,762)	(12)
Sub total	**(30,318)**	**(24,591)**
Disallowed expenses tax Article 21	(329)	(308)
Monthly provisional tax returns for accumulated losses Article 31-3	-	-
Others	-	-
Sub total	**(329)**	**(308)**
Net credit to income taxes	**(30,647)**	**(24,899)**

c) Reconciliation of the effective tax rate

The following is the reconciliation of the income tax rate with the effective rate applied in determining the tax charge as of December 31, 2009 and 2008:

	2009		2008 As restated	
	Tax rate %	Amount Ch$ millions	Tax rate %	Amount Ch$ millions
Pre-tax income	-	191,421		217,102
Applicable tax rate	17.00		17.00	
Income tax at statutory rate	-	32,542		36,907
Tax effect of non-deductible expenses in calculation of taxable income	-	-		
Permanent differences	0.09	180	0.22	471
Special tax (disallowed expenses)	0.03	56	0.02	52
Non-deductible expenses (financial and non-tax expenses)	0.00	-	0.00	-
Participation in the result of investments in companies	(1.01)	(1,925)	0.63	1,363
Effect of taxes not recognized in income statement derived from the adoption of new standards	0.00	-	(5.87)	(12,714)
Others	(0.10)	(206)	(0.57)	(1,180)
Effective rate and income tax charge	**16.01**	**30,647**	**11.43**	**24,899**

d) Effect of deferred income tax on shareholders' equity

The deferred taxes have been included as a charge or credit to shareholders' equity during 2009 and 2008, comprising the following concepts:

	As of December 31	
	2009	*2008 As restated*
	Ch$ millions	*Ch$ millions*
Investments available for sale	(3,132)	2,208
Total charge (credit) in shareholders' equity	**(3,132)**	**2,208**

e) Effect of deferred income tax on the income statement

The following shows the effects of deferred taxes on the assets, liabilities and income statement assigned for timing differences:

	As of December 31, 2009			*As of December 31, 2008 As restated*		
	Assets	*Liabilities*	*Net*	*Assets*	*Liabilities*	*Net*
	Ch$ millions	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*
Concepts:						
Allowances for loans losses	18,255		18,255	29,548		29,548
Provision for staff vacations and bonuses	2,745		2,745	2,553		2,553
Trading Investments	2,044		2,044	(8)		(8)
Leasing operations (net)			-	(11,202)		(11,202)
Financial derivative instruments			-	(1,196)		(1,196)
Others	919		919	2,365		2,365
Premises and equipment		(9,613)	(9,613)		(5,344)	(5,344)
Transitory assets		(8,061)	(8,061)		(11,692)	(11,692)
Subordinated bonds		(4,275)	(4,275)		(4,555)	(4,555)
Leasing operations (net)		(4,011)	(4,011)		-	-
Financial derivative instruments		(1,287)	(1,287)		-	-
Others		(771)	(770)		(1,122)	(1,122)
Total net assets (liabilities)	**23,963**	**(28,018)**	**(4,054)**	**22,060**	**(22,713)**	**(653)**
Net effect on deferred tax (liabilities) assets	**23,963**	**(31,150)**	**(7,186)**	**24,268**	**(22,713)**	**1,554**

Note 16

Other assets

a) The composition as of December 31, 2009 and 2008 is as follows:

	As of December 31	
	2009	*2008 As restated*
	Ch$ millions	*Ch$ millions*
Assets for leasing (*)	52,636	46,897
Foreclosed assets:		
Assets received in payment	6,104	180
Assets adjudicated in judicial auction	1,846	1,226
Allowances for foreclosed assets (***)	(932)	(16)
Other assets:		
Deposits in guarantee	3,522	2,434
Investments in gold	2,508	2,532
VAT fiscal credit	4,964	8,614
Prepaid expenses	20,411	38,109
Fixed assets for sale (**)		-
Assets recovered from lease agreements available for sale (**)	610	44
Valuation adjustments for macro-hedges	1,645	5,538
Accounts receivable from related companies	248	340
Other accounts receivable	28,037	25,073
Recoverable assets	6,509	6,664
Assets subject to hedge	1,226	4,683
Other assets	18,830	15,954
Total	**148,164**	**158,272**

(*) Relate to fixed assets available for delivery under financial leases.

(**) These include assets recovered from lease agreements for their sale, corresponding to movable assets.

These properties are assets available for sale, which is highly probable to occur. For most of the assets, it is expected to complete the sale within a year from the date the asset is classified as fixed asset for sale and/or Asset recovered from leases held for sale.

(***) The allowances for foreclosed assets received or adjudicated for payment of obligations are recorded as required by the Compendium of Accounting Regulations, Chapter 135- 3, which implies the booking of an allowance for the difference between the initial value plus its additions and its realization value, where the former is higher.

b) The movement in the allowance for assets received or adjudicated in payment during 2009 and 2008 is as follows:

Accumulated amortization and impairment	*Allowances for Assets Ch$ millions*
Balance as of January 1, 2008 as restated	-
Allowances established	-
Allowances released	-
Other changes in book value in year	-
Balance as of December 31, 2008 as restated	-
Allowances established	974
Allowances released	(43)
Other changes in book value in year	-
Balance as of December 31, 2009	**931**

Note 17
Deposits and other commitments

The composition of this heading as of December 31, 2009 and 2008 is as follows:

	As of December 31	
	2009	*2008 As restated*
	Ch$ millions	*Ch$ millions*
Deposits and other liabilities payable on demand		
Checking accounts	1,981,123	1,651,540
Other demand deposits and accounts	228,802	186,150
Other demand obligations	191,034	184,241
Total	**2,400,959**	**2,021,931**
Saving accounts and time deposits		
Time deposits	5,437,190	6,012,956
Savings accounts	52,767	58,187
Other commitments	1,195	661
Total	**5,491,152**	**6,071,804**

Note 18
Borrowings from financial institutions

The composition of borrowings from financial institutions as of December 31, 2009 and 2008 is as follows:

	As of December 31	
	2009	*2008 As restated*
	Ch$ millions	*Ch$ millions*
Loans received from financial institutions and the Chilean Central Bank:		
Repurchase transactions with Central Bank of Chile	719,052	125,331
Other obligations with the Chilean Central Bank	600	1,451
Sub total	**719,652**	**126,782**
Loans from domestic financial institutions:		
Interbank loans	189,549	5,322
Other obligations	669	209
Sub total	**190,218**	**5,531**
Loans from financial institutions abroad:		
Foreign trade financing	637,678	1,276,056
Loans and other obligations	474,409	151,392
Sub total	**1,112,087**	**1,427,448**
Total	**2,021,957**	**1,559,761**

Note 19

Bonds payable and other financial obligations

The composition of this heading as of December 31, 2009 and 2008 is as follows:

	As of December 31	
	2009 As restated	*2008*
	Ch$ millions	*Ch$ millions*
Other financial obligations:		
Obligations with public sector	74,260	105,114
Other domestic obligations	20,309	21,765
Foreign obligations	1,567	-
Total	**96,136**	**126,879**
Debt issued:		
Mortgage finance bonds	170,711	208,780
Bonds	449,704	523,290
Subordinated bonds	376,187	393,359
Total	**996,602**	**1,125,429**

The following issuance of bonds were made during 2009:

On March 27, 2009, bond Series AA amounting to Ch$ 8,378 million at an internal rate of return ("IRR") of 3.81%, maturing on July 1, 2014.

On October 22, 2009, bond Series AA amounting to Ch$ 17,851 million at an IRR of 3.19%, maturing on July 1, 2014.

On October 22, 2009, bond Series AA amounting to Ch$ 8,747 million at an IRR of 3.19%, maturing on July 1, 2014.

The detail of bonds and subordinated bonds is as follows:

Series	*Principal in UF*	*Issuance date*	*Maturity date*	*Average interest rate*	*Balance due stated in UF*	*Balance due Ch$ millions*
Bonds						
SERIES_Q	5,000,000.00	01-03-2005	01-03-2010	3.61%	5,033,947	105,425
SERIES_V	5,000,000.00	01-06-2007	01-06-2012	3.47%	4,935,094	103,355
SERIES_X	5,000,000.00	01-06-2007	01-06-2017	3.80%	4,744,799	99,370
SERIES_AA	10,000,000.00	01-07-2008	01-07-2014	4.06%	6,062,494	126,966
SERIES_AB	10,000,000.00	01-07-2008	01-07-2018	4.35%	696,560	14,588
SUB TOTAL					**21,472,894**	**449,704**

Subordinated bonds	*Principal in UF*	*Issuance date*	*Maturity date*	*Average interest rate*	*Balance due UF*	*Balance due Ch$ millions*
SERIES_C and D	1,000,000.00	01-12-1995	01-12-2016	7.15%	1,095,032	22,933
SERIES E	1,500,000.00	01-11-1997	01-11-2018	7.36%	998,772	20,917
SERIES_F	1,200,000.00	01-05-1999	01-05-2024	7.75%	922,416	19,318
SERIES_G	400,000.00	01-05-1999	01-05-2025	7.95%	315,136	6,600
SERIES_L	1,200,000.00	01-10-2001	01-10-2026	6.38%	1,056,470	22,126
SERIES_M	1,800,000.00	01-10-2001	01-10-2027	6.45%	1,593,491	33,371
SERIES_N	1,500,000.00	01-06-2004	01-06-2029	5.17%	1,405,193	29,429
SERIES_O	1,500,000.00	01-06-2004	01-06-2030	3.99%	1,398,674	29,292
SERIES_R	1,500,000.00	01-06-2005	01-06-2038	4.70%	520,068	10,892
SERIES_S	2,000,000.00	01-12-2005	01-12-2030	4.86%	1,843,271	38,603
SERIES_T	2,000,000.00	01-12-2005	01-12-2031	4.44%	1,904,468	39,885
SERIES_U	2,000,000.00	01-06-2007	01-06-2032	4.21%	1,834,930	38,429
SERIES_W	4,000,000.00	01-06-2008	01-06-2036	4.05%	1,400,656	29,334
SERIES_Y	4,000,000.00	01-12-2007	01-12-2030	4.25%	1,673,959	35,058
SUB TOTAL					**17,962,536**	**376,187**
Total					**39,435,430**	**825,891**

Note 20

Provisions and allowances

a) The composition of this heading as of December 31 is as follows:

	As of December 31 2009 Ch$ millions	2008 As restated Ch$ millions
Staff benefits and salaries	15,215	12,820
Provision for minimum dividends	48,232	45,617
Contingent credit risks	4,800	3,200
Contingencies (1)	23,891	36,145
Country risk	885	1,775
Total	**93,023**	**99,557**

(1) Mainly corresponds to additional allowances for loan losses established by the Bank.

b) The following shows the movements in provisions and allowances in 2009 and 2008:

	PROVISIONS FOR					
	Staff benefits and remuneration Ch$ millions	Minimum dividends Ch$ millions	Contingent credit risk Ch$ millions	Contingencies Ch$ millions	Country risk Ch$ millions	Total MM$
Balances at January 1, 2008 as restated	12,433	-	3,382	21,314	1,467	38,596
Provisions established	9,230	45,617	618	16,185	504	72,154
Provisions cancelled	(8,843)	-	-	-	-	(8,843)
Provisions released	-	-	(800)	(1,354)	(196)	(2,350)
Other movements	-	-	-	-	-	-
Balances at December 31, 2008 as restated	**12,820**	**45,617**	**3,200**	**36,145**	**1,775**	**99,557**
Balances at January 1, 2008	12,820	45,617	3,200	36,145	1,775	99,557
Provisions established	12,182	2,615	1,600	2,741	-	19,138
Provisions cancelled	(9,787)	-	-	-	-	(9,787)
Provisions released	-	-	-	(14,995)	(890)	(15,885)
Other movement	-	-	-	-	-	-
Balances at December 31, 2009	**15,215**	**48,232**	**4,800**	**23,891**	**885**	**93,023**

c) Provisions for staff benefits and salaries

	As of December 31	
	2009	2008 As restated
	Ch$ millions	Ch$ millions
Provision for other staff benefits	8,825	5,928
Provision for vacations	6,390	6,892
Others	-	-
Total	**15,215**	**12,820**

The provision for other staff benefits reflects bonuses for compliance with targets which will be paid in the following year.

Note 21

Other liabilities

The composition of this heading as of December 31, 2009 and 2008 is as follows:

	As of December 31	
	2009	2008 As restated
	Ch$ millions	Ch$ millions
Accounts and notes payable	77,525	77,676
Unearned income	3,594	6,948
Valuation adjustment for macro-hedges	33	61
Sundry creditors	16,999	54,244
Other liabilities	11,200	6,802
Total	**109,351**	**145,731**

Note 22

Contingencies and commitments

a) Commitments and liabilities booked off balance sheet in memorandum accounts:

The Bank, its subsidiaries and the Miami branch abroad have recorded the following balances related to commitments and business liabilities in off-balance sheet memorandum accounts:

	As of December 31	
	2009	*2008 As restated*
	Ch$ millions	*Ch$ millions*
CONTINGENT CREDITS		
Guarantees		
Guarantees in Chilean currency		-
Guarantees in foreign currency	176,989	246,860
Confirmed foreign letters of credit	15,260	5,308
Documentary letters of credit issued	84,689	50,353
Performance bonds		
Performance bonds in Chilean currency	437,925	327,312
Performance bonds in foreign currency	86,316	118,124
Interbank letters of guarantee		-
Immediately available lines of credit	1,613,663	1,486,425
Other credit commitments		
Loans for further education Law 20,027		
Others		
Other contingent credits	104,115	
OPERATIONS ON BEHALF OF THIRD PARTIES		
Collections		
Foreign collections	79,770	104,930
Domestic collections	85,866	77,160
SECURITIES IN CUSTODY		
Securities held by the Bank in custody	498,645	531,922
Total	**3,183,238**	**2,948,394**

b) Lawsuits and legal actions

The Bank and its subsidiaries have pending various legal demands related to their businesses and which, in the opinion of the management and their internal legal advisers, will not result in additional liabilities to those previously recorded by the Bank and its subsidiaries. The management has therefore not considered it necessary to make an additional provision to that already made for these contingencies, Note 20 a).

c) Guarantees granted for operations

- **Direct commitments**

As of December 31, 2009, BCI Corredor de Bolsa S.A. has guaranteed commitments for simultaneous operations on the Santiago Stock Exchange, amounting to Ch$ 43,103 million (Ch$18,158 million in 2008).

As of December 31, 2009, BCI Corredor de Bolsa S.A. has given guarantees for correct compliance of SCL system operations settlements on the Santiago Stock Exchange, amounting to Ch$ 440 million (Ch$ 414 million in 2008).

As of December 31, 2009, BCI Corredor de Bolsa S.A. has granted guarantees abroad for international market transactions amounting to Ch$ 51 million (Ch$ 61 million in 2008).

As of December 31, 2009, BCI Corredor de Bolsa S.A. has given guarantees for correct compliance of short-sale transactions on the Santiago Stock Exchange, amounting to Ch$ 1,100 million (Ch$ 487 in 2008).

- **Business guarantees**

As of December 31, 2009, BCI Corredor de Bolsa S.A. has given its guarantee for UF 20,000 for compliance with the provisions of Article 30 of Law 18,045, which are to ensure the correct and faithful compliance of all its obligations as a securities intermediary and whose beneficiaries are the present and future creditors having operations with the stock broking firm. This guarantee is in the form of a policy contracted on August 19, 2009, No. 027051 and expiring on August 19, 2010, with Compañía de Seguros Mapfre Garantía y Crédito, with the Santiago Stock Exchange being the representative of the possible beneficiary creditors.

- **Insurance for staff loyalty**

As of December 31, 2009, BCI Corredor de Bolsa S.A. has an insurance policy with BCI Corredores de Seguros S.A., which covers Banco Crédito e Inversiones and its subsidiaries by an Integral Bank Policy No 1072133 whose period of cover runs from November 30, 2009 to November 30, 2010, for an amount of UF 150,000.

d) Contingent credits and liabilities

In meeting the needs of its customers, the Bank has acquired various irrevocable commitments and contingent obligations. While these obligations are not included in the balance sheet, they contain credit risks and are therefore part of the Bank's global risk.

The following table shows the contractual amounts of the operations that commit the Bank to grant credits and the amount of allowances made for the credit risk assumed:

	2009 *Ch$ millions*	*2008* *As restated* *Ch$ millions*
Guarantees	176,989	246,860
Documentary letters of credit	84,689	50,353
Performance bonds	524,241	445,436
Amounts available to credit-card holders	753,200	616,721
Others	-	-
Allowances established	(4,800)	(3,200)
Total	**1,534,319**	**1,356,170**

Note 23
Shareholders' equity

a) Capital and preference shares

As of December 31, 2009 and 2008, the Bank has been authorized to issue of 101,390,060 and 98,860,310 shares respectively, which are subscribed and paid and of the sole series and of no par value.

The movement of shares during 2009 and 2008 is the following:

	Common shares	
	2009	*2008*
	Number	*Number*
Issued at January 1,	98,860,310	98,860,310
Issue of free shares	2,529,750	-
Issue of unpaid shares	-	-
Share options exercised	-	-
Issued at December 31,	101,390,060	98,860,310

The distribution of shareholders at each year-end is as follows:

As of December 31

2009	*Shares*	
	No of shares	*% shareholding*
Empresas Juan Yarur S.A.C.	54,378,967	53.63
Jorge Yarur Bascuñan	4,284,796	4.23
Sociedad Financiera del Rimac S.A.	3,522,791	3.47
Inversiones BCP Ltda.	3,444,476	3.40
AFP Habitat S.A.	2,239,467	2.21
AFP Provida S.A.	2,207,296	2.18
Inversiones Jordan Dos S.A.	2,025,325	2.00
AFP Cuprum S.A.	1,603,035	1.58
AFP Capital S.A.	1,564,686	1.54
Tarascona Corporation	1,493,801	1.47
Inversiones Millaray S.A.	1,212,499	1.20
Banco Chile - third parties	1,190,902	1.17
Inmobiliaria e Inversiones Cerro Sombrero S.A.	1,112,448	1.10
Bci Corredor de Bolsa S.A.	1,060,916	1.05
Luis Enrique Yarur Rey	990,363	0.98
Banchile Corredores de Bolsa S.A.	913,156	0.90
Banco Itau	871,625	0.86
Larrain Vial S.A. Corredores de Bolsa	745,728	0.74
Bolsa Electrónica de Chile Bolsa de Valores	736,141	0.73
Inmobiliaria y Comercial Recoleta Sur Ltda.	600,046	0.59
Celfin Capital S.A. Corredores de Bolsa	586,291	0.58
Modesto Collados Nuñez	586,039	0.58
Penta Corredores de Bolsa S.A.	540,480	0.53
Inversiones VYR Ltda.	539,586	0.53
Moneda S.A. Administradora de Fondos de Inversión	424,000	0.42
Other shareholders	12,515,200	12.33
Total	**101,390,060**	**100.00**

2008	Shares	
	No, of shares	*% shareholding*
Empresas Juan Yarur S.A.C.	53,022,147	53.63
Jorge Yarur Bascuñan	4,177,884	4.23
Sociedad Financiera Del Rimac S.A.	3,434,892	3.47
Inversiones BCP Ltda.	3,358,531	3.40
AFP Habitat S.A. for pension funds	2,410,549	2.44
AFP Provida S.A. for pension funds	2,369,533	2.40
AFP Cuprum S.A. for pension funds	2,088,937	2.11
Banco de Chile on behalf of third parties	1,994,113	2.02
Inversiones Jordan Dos S.A.	1,974,790	2.00
Tarascona Corporation	1,456,528	1.47
AFP Capital S.A. for pension funds	1,323,271	1.34
Inversiones Millaray S.A.	1,182,245	1.20
Inmobiliaria e Inversiones Cerro Sombrero S.A.	1,084,691	1.10
BCI Corredor de Bolsa S.A.	1,082,281	1.09
Luis Enrique Yarur Rey	965,652	0.98
Banco Itaú on behalf of third parties	930,234	0.94
Banchile Corredoras de Bolsa S.A.	825,061	0.83
Larrain Vial S,A, Corredores de Bolsa	781,328	0.79
Rentaequipos Comercial S.A.	712,964	0.72
Inmobiliaria y Comercial Recoleta Sur Ltda.	585,074	0.59
Modesto Collados Núñez	571,416	0.58
Inversiones VYR Ltda.	526,123	0.53
Penta Corredores de Bolsa S.A.	399,905	0.40
Celfin Capital S.A.Corredores de Bolsa	394,217	0.40
Inmobiliaria e Inversiones Chosica S.A.	377,736	0.38
Others	10,830,208	10.96
Total	**98,860,310**	**100.00**

c) Dividends

During the years ended December 31, 2009 and 2008, the following dividends were declared and paid by the Bank:

	As of December 31	
	2009	*2008 As restated*
	Ch$	*Ch$*
Ch$ per common share	470	620

d) Nature and purpose of the reserves:

Translation reserves:

The translation reserve includes all foreign currency differences from the translation of foreign currency operations, plus the liabilities of net investment hedges of the Bank in foreign currency operations.

Hedge reserves:

The hedge reserve includes the effective portion of all accumulated net changes in the fair value of the cash flow of derivative hedging instruments related to hedging transactions that have not yet occurred.

Reserves for fair value:

The reserve for fair value includes the accumulated net changes in the fair value of available for sale investments until the investment is recognized or impaired.

e) Capital requirements

The basic capital for the year 2009 is equivalent to the net amount that should be shown in the financial statements as Equity attributable to equity holders, as indicated in the Compendium of Accounting Regulations. As required by the General Banking Law, the Bank should maintain a minimum ratio of Effective equity to consolidated risk-weighted assets of 8%, net of required allowances, and a minimum ratio of Net capital base to consolidated total assets of 3%, net of required allowances. Effective equity for these purposes is Capital and reserves or Net capital with the following adjustments: a) the addition of subordinated bonds up to 50% of Net capital base, b) plus additional provisions, c) less all goodwill and d) assets that correspond to investments in non-consolidated subsidiaries.

The assets are weighted according to risk category to which is assigned a percentage risk according to the amount of capital necessary to support each of these assets, 5 risk categories are applied (0%, 10%, 20%, 60% and 100%), e.g., cash, deposits with other banks and financial instruments issued by the Central Bank of Chile have 0% risk, which means that, under current regulations, no capital is needed to support these assets. Premises and equipment have a 100% risk, which means that a minimum capital of 8% of these assets should be held.

All derivative instruments traded off the market are considered in the determination of risk assets with a conversion factor over the notional values, thus obtaining the amount of the exposure to credit risk (or "credit equivalent"). Duly weighted off balance sheet contingent credits are also considered as a "credit equivalent".

The amounts of Net capital base and Effective equity at the end of each year are as follows:

	Consolidated assets		*Risk-weighted assets*	
	2009	*2008*	*2009*	*2008*
	Ch$ millions	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*
Assets in balance sheet (net of allowances)				
Cash and due from banks	1,037,783	526,235	-	-
Transactions in the course of liquidation	439,661	220,140	169,992	58,568
Trading instruments	844,146	644,083	136,278	115,330
Securities repurchased under sale agreement	100,001	33,866	100,001	19,596
Financial derivative instruments	333,395	583,155	276,067	466,956
Interbank loans	140,781	189,088	124,781	176,832
Loans and accounts receivable to customers	8,602,991	9,217,572	7,910,423	8,519,120
Available for sale investments	1,107,152	814,436	435,869	344,838
Held to maturity investments	-	-	-	-
Investments in companies	57,085	49,798	57,085	49,798
Intangible assets	78,923	73,131	73,099	65,052
Bank premises and equipment, net	202,640	188,784	202,640	188,784
Recoverable taxes	33,376	47,114	7,265	7,416
Deferred income taxes	23,963	24,268	2,396	2,427
Other assets	148,164	158,272	88,502	115,835
Off balance sheet assets				
Contingent credits	801,041	747,019	480,625	448,211
Additions and deductions	**23,122**	**84,067**	**-**	**-**
Total risk-weighted assets	**13,974,224**	**13,601,028**	**10,065,023**	**10,578,763**

	Amount 2009 Ch$ millions	Amount 2008 Ch$ millions	Ratio 2009 %	Ratio 2008 %
Net capital base	**896,150**	**766,997**	**6.41**	**5.64**
Effective equity	**1,213,274**	**1,153,705**	**12.05**	**10.91**

NOTE 24
INTEREST REVENUE AND EXPENSES

At the close of consolidated financial statements, the composition of interest revenue is the following:

	As of December 31					
	2009			2008 As restated		
	Interest Ch$ millions	*Indexation Ch$ millions*	*Total Ch$ millions*	*Interest Ch$ millions*	*Indexation Ch$ millions*	*Total Ch$ millions*
Securities sold under repurchase agreements	540	4,591	5,131	2,047	-	2,047
Interbank loans	3,407	-	3,407	8,270	-	8,270
Commercial loans	405,818	(71,789)	334,029	449,240	227,906	677,146
Mortgage loans	78,228	(39,684)	38,544	66,843	135,583	202,426
Consumer loans	203,776	(706)	203,070	197,374	2,735	200,109
Investment instruments	39,346	(4,359)	34,987	34,660	9,023	43,683
Other interest or indexation revenue (*)	3,838	947	4,785	16,273	6,245	22,518
Result from accounting hedges (MTM)	(5,633)	-	(5,633)	2,952	-	2,952
Total interest revenues	**729,320**	**(111,000)**	**618,320**	**777,659**	**381,492**	**1,159,151**

(*) Includes interest on overnight deposits, Central Bank liquidity deposits and others.

At the close of the year, the composition of interest expense is the following:

	As of December 31	
Concept	*2009 Ch$ millions*	*2008 As restated Ch$ millions*
Deposits and other liabilities payable on demand	(928)	(1,017)
Securities sold under repurchase agreements	(6,217)	(22,491)
Time deposits and saving accounts	(138,971)	(477,303)
Interbank borrowings	(26,821)	(47,622)
Bonds payable	(22,614)	(137,217)
Other financial obligations	(4,607)	(5,043)
Result from accounting hedges	(3,188)	4,753
Other interest and indexation expenses	(351)	(1,044)
Total interest expenses	**(203,697)**	**(686,984)**

Note 25
Fee income and expense

During 2009 and 2008 the Bank shows the following fee income and expense:

	As of December 31	
	2009	2008 As restated
	Ch$ millions	Ch$ millions
Fee income:		
Fees for lines of credit and overdrafts	12,486	16,137
Fees for guarantees and letters of credit	7,844	6,341
Fees for card services	24,475	22,440
Fees for account administration	26,133	24,295
Fees for collections and payments	29,616	22,656
Fees for securities trading and management	3,866	2,074
Fees for mutual or other funds	19,067	15,839
Remuneration for insurance broking	20,995	17,066
Remuneration for services provided	18,792	13,426
Other fees earned	3,480	6,638
Total fee income	**166,754**	**146,912**
Fee expense:		
Remuneration for card operations	(18,219)	(18,073)
Fees for trading investments	(5,620)	(4,185)
Fees for interbank transactions	-	-
Other fees paid	(10,560)	(26,941)
Total fee expense	**(34,399)**	**(49,199)**

NOTE 26
RESULT OF FINANCIAL OPERATIONS

The detail of the (loss) gain of financial operations for 2009 and 2008 are as follows:

	As of December	
	2009	*2008 As restated*
	Ch$ millions	*Ch$ millions*
Trading investments	31,554	49,389
Financial derivative instruments	(180,620)	106,602
Other instruments at fair value with effect on income statement	-	276
Available for sale investments	14,018	(7,081)
Others	1,676	65
Total	**(133,372)**	**149,251**

NOTE 27
RESULT OF NET EXCHANGE DIFFERENCES

The detail of the foreign exchange gain (loss) at the end of each year is as follows:

	As of December	
	2009	*2008 as*
	Ch$ millions	*Ch$ millions*
Exchange difference		
Gains from exchange differences	2,171,991	1,324,909
Losses from exchange differences	(1,954,426)	(1,484,740)
Sub total	**217,565**	**(159,831)**
Foreign currency indexation		
Result from assets linked in foreign currency	(9,612)	19,794
Result from liabilities linked to foreign currency	(105)	186
Sub total	**(9,717)**	**19,980**
Total	**207,848**	**(139,851)**

Note 28
Allowances for loan losses and impairment

The movement during 2009 and 2008 in the income statement for allowances for loan losses and impairments is summarized as follows:

		Loans and accounts receivable from customers				
2009	*Due by banks Ch$ millions*	*Commercial loans Ch$ millions*	*Mortgage loans Ch$ millions*	*Consumer loans Ch$ millions*	*Contingent credits Ch$ millions*	*Total Ch$ millions*
Constitution of allowances:						-
Individual allowances	152	64,599	-	33,723	1,577	100,051
Group allowances	-	63,257	2,276	54,038	23	119,594
Result from constitution of allowances	**152**	**127,856**	**2,276**	**87,761**	**1,600**	**219,645**
Charges for impairment:						
Individual impairment	-	-	-	-	-	-
Group impairment	-	-	-	-	-	-
Result from impairment	**-**	**-**	**-**	**-**	**-**	**-**
Release from allowances:						
Individual allowances	(70)	(1,705)	-	-	-	(1,775)
Group allowances	-	(33,979)	-	(12,404)	(1)	(46,384)
Result from release of allowances	**(70)**	**(35,684)**	**-**	**(12,404)**	**(1)**	**(48,159)**
Recovery of assets written off	-	(8,476)	-	(14,785)	-	(23,261)
Reversal of impairment	-	-	-	-	-	-
Provisions for loan losses	**82**	**83,696**	**2,276**	**60,572**	**1,599**	**148,225**

2008 As restated	Due by banks Ch$ millions	Commercial loans Ch$ millions	Mortgage loans Ch$ millions	Consumer loans Ch$ millions	Contingent credits Ch$ millions	Total Ch$ millions
	Loans and accounts receivable from customers					
Constitution of allowances:						
Individual allowances	49	36,978	-	27,161	618	64,806
Group allowances	-	46,013	1,063	54,869	-	101,945
Result from constitution of allowances	**49**	**82,991**	**1,063**	**82,030**	**618**	**166,751**
Charges for impairment:						
Individual impairment	-	-	-	-	-	-
Group impairment	-	-	-	-	-	-
Result from impairment	**-**	**-**	**-**	**-**	**-**	**-**
Release of allowances:						
Individual allowances	(348)	(352)	-	-	(145)	(845)
Group allowances	-	(33,485)	-	(8,257)	(655)	(42,397)
Result from release of allowances	**(348)**	**(33,837)**	**-**	**(8,257)**	**(800)**	**(43,242)**
Recovery of assets written off	-	(7,980)	-	(21,851)	-	(29,831)
Reversal of impairment						
Provisions for loan losses	**(299)**	**41,174**	**1,063**	**51,922**	**(182)**	**93,678**

The management believes that the allowances for loan losses and impairment cover all eventual losses that could derive from the non-recovery of assets, according to the information examined by the Bank.

Note 29
Staff remuneration and expenses

The composition of these expenses during 2009 and 2008 is as follows:

	As of December 31	
	2009	2008 As restated
	Ch$ millions	Ch$ millions
Staff remuneration	78,018	69,643
Bonuses or awards	65,190	54,005
Severance payments	6,247	7,315
Training expenses	1,994	2,556
Other staff expenses	9,217	10,061
Total	**160,666**	**143,580**

Note 30
Administrative expenses

The composition of these as of December 31, 2009 and 2008 is as follows:

	As of December 31	
	2009	*2008 As restated*
	Ch$ millions	*Ch$ millions*
General administrative expenses		
Maintenance and repairs of bank premises and equipment	4,853	3,618
Office rentals	15,588	12,577
Equipment rental	323	493
Insurance premiums	1,408	1,296
Office materials	3,964	3,424
Computer and communications expenses	20,333	16,444
Lighting, heating and other services	5,042	4,302
Security and custody transportation service	7,085	5,953
Representation expenses and staff travel	1,706	2,364
Judicial and notary expenses	1,766	1,440
Fees for technical reports	2,517	2,557
Clearing services	1,858	1,666
Consultancies	1,439	2,808
Postal-related expenses	1,370	983
Other general administrative expenses	8,875	9,752
Sub-contracted services		
Data processing	3,621	4,305
Sale of products	154	1,394
Credit evaluation	-	-
Others	2,300	2,646
Directors' expenses	-	-
Directors' remuneration	1,978	2,048
Other board expenses	319	76
Publicity and advertising	11,430	13,764
Taxes, property taxes, contributions	-	-
Property taxes	1,060	1,161
Licenses	918	963
Other taxes	98	311
Contribution to the SBIF	3,492	2,805
Total	**103,497**	**99,150**

Note 31

Depreciation, amortization and impairment

a) The amounts charged to the income statement for depreciation and amortization during 2009 and 2008 are as follows:

	As of December 31	
	2009	*2008 As restated*
	Ch$ millions	*Ch$ millions*
Depreciation and amortization		
Depreciation premises and equipment	13,368	8,509
Impairment of premises and equipment	-	-
Amortization of intangible assets	13,529	20,715
Impairment of intangible assets	-	-
Balances as of December 31	**26,897**	**29,224**

b) The composition of the charge for impairment as of December 31, 2009 and 2008 is as follows:

	As of December 31	
	2009	*2008 As restated*
	Ch$ millions	*Ch$ millions*
Impairment of available for sale investments	-	-
Impairment of held to maturity investments	-	-
Total	**-**	**-**

c) The reconciliation of the book values as of January 1, 2008 and 2009 with the balances as of December 31, 2009 and 2008 is as follows:

	Depreciation, amortization and impairment							
	2009				*2008 As restated*			
	Premises and equipment	*Intangible*	*Investment instruments*	*Total*	*Premises and equip-ment*	*Intangible*	*Investment instruments*	*Total*
Balances as of January 1,	86,649	19,924	-	106,573	86,694	11,797	-	98,491
Charges for depreciation, amortization and impairment for the year	13,368	13,529	-	26,897	8,509	20,715	-	29,224
Retirements and sales in the year	-	(3,959)	-	(3,959)	(8,554)	(12,588)	-	(21,142)
Balances at December 31,	**100,017**	**29,494**	**-**	**129,511**	**86,649**	**19,924**	**-**	**106,573**

Note 32
Other operating income and expenses

a) Other operating income

During 2009 and 2008, the Bank shows the following other operating income:

	As of December 31	
	2009	*2008 As restated*
Concept	*Ch$ millions*	*Ch$ millions*
Revenue from assets received in lieu of payment		
Gain on sale of assets received in lieu of payment	1,564	1,082
Other income	-	-
Sub total	**1,564**	**1,082**
Release of allowances for contingencies		
Allowances for country risk	721	196
Special allowances for foreign loans losses	-	-
Additional allowances for loans	10,567	450
Sub total	**11,288**	**646**
Other income		
Gain on sale of bank premises and equipment	27	198
Insurance claims	-	5
Foreign currency forward gains	-	2,892
Leasing income	1,736	3,941
Other income	5,091	4,404
Sub total	**6,854**	**11,440**
Total	**19,706**	**13,168**

b) Other operating expenses

During 2009 and 2008, the Bank shows the following other operating expenses:

	As of December 31	
	2009	2008 As restated
Concept	*Ch$ millions*	*Ch$ millions*
Allowances and expenses for assets received in payment		
Allowances for assets received in payment	922	12
Write-off of assets received in payment	787	621
Maintenance expenses of assets received in payment	489	174
Sub total	**2,198**	**807**
Allowances for contingencies		
Allowances for country risk	-	367
Additional allowances for loans losses	-	15,517
Other allowances for contingencies	713	930
Sub total	**713**	**16,814**
Other expenses		
Loss on sale of premises and equipment	30	1,190
Contributions and donations	1,800	1,086
Write-offs of judicial and notary expenses	2,082	53
Leasing charges	1,780	623
Non-operating write-offs	952	913
Agreement expenses	824	572
Other expenses	3,051	4,850
Sub total	**10,519**	**9,287**
Total	**13,430**	**26,908**

Note 33
Operations with related parties

a) Loans with related parties

The following shows loans and accounts receivable, contingent loans and trading and investment instruments, corresponding to related entities:

	December 31,					
	2009			*2008 As restated*		
	Productive companies Ch$ millions	*Investment companies Ch$ millions*	*Individuals Ch$ millions*	*Productive companies Ch $ millions*	*Investment companies Ch $ millions*	*Individuals Ch $ millions*
Loans and accounts receivable:						
Commercial loans	107,323	13,195	2,948	112,547	16,304	2,638
Mortgage loans	-	-	9,717	6	-	9,885
Consumer loans losses	-	-	903	-	-	600
Total loans	107,323	13,195	13,568	112,553	16,304	13,123
Allowances for loans	(4,322)	(78)	(48)	(655)	(64)	(122)
Net loans	103,001	13,117	13,520	111,898	16,240	13,001
Contingent loans:	2,817	-	-	1,200	-	-
Total contingent loans	2,817	-	-	1,200	-	-
Allowances for contingent loans	-	-	-	-	-	-
Net contingent loans	2,817	-	-	1,200	-	-
Acquired instruments:						
For trading	-	-	-	-	-	-
For investment	307	-	-	7,863	-	-
Total acquired instruments	**307**	**-**	**-**	**7,863**	**-**	**-**

b) Other transactions with related parties

During 2009 and 2008 the institution has carried out the following transactions with related parties in amounts exceeding 1,000 UF:

Name	*Description*	*Amount of transaction Ch$ millions*	*Effect on income statement Charge Ch$ millions*	*Credit Ch$ millions*
2009				
Santiago Stock Exchange	Rental of terminals	76	76	-
Centro de automatizado S.A.	Clearing house services	209	209	-
Compañía de Formularios Continuos Jordan (Chile) S.A.	Form printing	2,396	2,396	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Card processing	3,168	3,168	-
Redbanc S.A.	Operation of automated teller machines	2,815	2,815	-
Servipag Ltda.	Collection and payment of services	5,235	5,235	-
Transbank S.A.	Credit card administration	4,940	4,940	15,905
Vigamil S.A.C.	Form printing	195	195	-
Viña Morandé S.A.	Purchase of supplies	57	57	-
2008 As restated				
Santiago Stock Exchange	Rental of terminals	103	103	-
Centro de automatizado S.A.	Clearing house services	259	259	-
Compañía de Formularios Continuos Jordan (Chile) S.A.	Form printing	2,678	2,250	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Card processing	3,007	3,007	-
Redbanc S.A.	Operation of automated teller machines	2,897	2,434	-
Servipag Ltda.	Collection and payment of services	6,243	6,243	-
Transbank S.A.	Credit card administration	4,328	4,328	14,777
Vigamil S.A.C.	Form printing	147	123	-
Viña Morandé S.A.	Purchase of supplies	39	33	-

All these transactions were carried out on market conditions prevailing at the time.

c) Other assets and liabilities with related parties

	As of December 31	
	2009	2008 As restated
	Ch$ millions	Ch$ millions
ASSETS		
Financial derivative instruments	-	-
Others	-	-
LIABILITIES		
Financial derivative instruments	-	-
Demand deposits	33,025	34,141
Deposits and other borrowings	43,495	24,001
Other liabilities		-

d) Operations with related parties

		As of December 31			
		2009		2008 As restated	
Type of revenue or expense	*Entity*	*Revenue*	*Expense*	*Revenue*	*Expense*
		Ch$ millions	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*
Revenues and expenses (net)	Various	4,642	(806)	12,885	(1,895)
Operational support expenses	Business support companies	(15,905)	(19,091)	14,777	(18,780)
Total		**20,547**	**(19,897)**	**27,662**	**(20,675)**

e) Payment to directors and key management personnel

The remuneration received by key personnel relates to the following categories:

	As of December 31	
	2009	*2008 As restated*
	Ch$ millions	*Ch$ millions*
Short-term remuneration to personnel (*)	9,028	10,528
Post-employment benefits	-	-
Other long-term benefits	-	-
Severance indemnities	972	300
Stock-based payments	-	-
Total	**10,000**	**10,828**

(*) The total expense relating to the directors amounted to Ch$ 2,297 million, in 2009 (Ch$ 2,124 million in 2008).

f) Group entities

The Bank has the following participations in group entities:

	Participation	
Company	*2009*	*2008 As restated*
	%	*%*
Redbanc S.A.	12.71	12.71
Servipag Ltda.	50.00	50.00
Combanc S.A.	11.52	11.52
Transbank S.A.	8.72	8.72
Nexus S.A.	12.90	12.90
Artikos Chile S.A.	50.00	50.00
AFT S.A.	20.00	20.00
Centro de Compensación Automático ACH Chile	33.33	33.33
Sociedad Interbancaria de Depósitos de Valores S.A.	7.03	7.03
Credicorp Ltda.	1.74	1.68

g) Composition of key personnel

The composition of the key personnel of the Bank and its subsidiaries at December 31, 2009 is the following:

Position	*No, of executives*
Director	9
Chief executive	10
Division and area manager	20
Total	**39**

h) Transactions with key personnel

As of December 31, 2009 and 2008, the Bank has carried out the following transactions with key personnel:

	As of December 31					
	2009			*2008 As restated*		
	Balance debt Ch$ millions	*Total income Ch$ millions*	*Income to key executives Ch$ millions*	*Balance debt Ch$ millions*	*Total income Ch$ millions*	*Income to key executives Ch$ millions*
Credit cards and other benefits	229	579,776	21	139	957,152	19
Mortgage loans	1,365	38,544	24	1,619	202,426	203
Guarantees	1,350	-	-	2,863	-	-
Others	-	-	-	-	-	-
Total	**2,944**	**618,320**	**45**	**4,621**	**1,159,578**	**222**

i) Related contracts

N°	Related	As is the service	Concept	Description of Contract	Term	Condition
1	Santiago Stock Exchange	Exchange management system processing operated by Bci Corredora bolsa.	Terminals rental	Exchange management software rented	Indefinite	Automatic renovation
2	Centro de automatizado S.A. (CCA)	Electronic transaction clearing house	Claearing house services	Participant and incorporation in electronic transfer center to facilitate the Bank's funds transfer operations in the originating banking institution and receiving banking institution	Indefinite	Automatic renovation every 1 year
3	Compañía de Formularios Continuos Jordan (Chile) S.A.	Check printing and preparation	Form printing	Contract for the printing of basic lists, special forms and security documents like checks and drafts	Indefinite	Automatic renovation every 1 year
4	Operadoras de Tarjetas de Crédito Nexus S.A.	Credit card processing (issuer)	Card processing	MASTERCARD, VISA and TARJETA DEBITO credit-card operation related to processing as issuer	Indefinite	Automatic Renewal every 3 years,
5	Redbanc S.A.	Operational management of ATM's, Redcompra and RBI	Operation of automated teller machines	The company offers the participant the use by its customers or users of electronic data transfer service through automated teller machines or other real or virtual electronic means.	Indefinite	Automatic Renewal every 3 years
6	Servipag Ltda.	Service collections and payments, check payments and receipt of deposits and administration of our cash service	Service collections and payments	Service contracted for resolution of collection transactions received at Bci's bills for processing and crediting to customers	Indefinite	Automatic Renewal
7	Transbank S.A.	Credit card operation processing (purchaser)	Credit card administration	Provision of Visa and MasterCard credit card transactions related to the purchaser	Indefinite	Automatic Renewal every 2 years,
8	Vigamil S.A.C.	Provider of envelopes and forms	Form printing	Occasional purchases	Not applicable	not applicable
9	Viña Morandé S.A.	Not an habitual supplier	Purchase of inputs	Occasional purchases	Not applicable	not applicable

Note 34

Fair value of assets and liabilities at amortized cost

a) Financial instruments that are not measured at fair value in the financial statements

The following table summarizes the book and fair values of the principal financial assets and liabilities which are not included in the Bank's consolidated financial statements at the fair values.

	2009		*2008 As restated*	
	Book value Ch$ millions	*Fair value Ch$ millions*	*Book value Ch$ millions*	*Fair value Ch$ millions*
Assets				
Loans and accounts receivable from customers				
Commercial loans	4,354,986	4,142,894	4,816,043	4,756,327
Other mortgage loans	1,586,172	1,679,503	1,505,167	1,449,612
Consumer loans	803,754	971,231	969,485	1,024,634
Foreign trade finance	586,707	574,375	1,049,842	988,512
Leasing operations	445,710	415,894	460,768	540,552
Factoring operation	325,342	313,171	378,596	397,582
Others	500,320	500,319	37,671	37,672
Sub total	8,602,991	8,597,387	9,217,572	9,194,891
TOTAL	**8,602,991**	**8,597,387**	**9,217,572**	**9,194,891**
Liabilities				
Deposits and liabilities payable on demand				
Time deposit and saving accounts	5,437,190	5,534,423	6,012,956	5,975,044
Others	53,962	53,962	58,848	58,848
Sub total	5,491,152	5,588,385	6,071,804	6,033,892
Borrowings form financial institutions				
Securities sold under repurchased agreements with Central Bank	719,052	717,825	125,331	124,656
Foreign trade finance	637,678	572,343	1,276,056	1,217,325
Others	665,227	665,228	158,374	158,374
Sub total	2,021,957	1,955,396	1,559,761	1,500,355
Debt issued				
Bonds and subordinated bonds payable	825,891	904,266	916,649	955,574
Others	170,711	170,711	208,780	208,780
Sub total	996,602	1,074,977	1,125,429	1,164,354
TOTAL	**8,509,711**	**8,618,758**	**8,756,994**	**8,698,601**

The Bank has identified those financial assets and liabilities at amortized cost of greatest relevance to the information shown in this Note. In doing so, it has taken into account both the quantitative materiality of the instrument and its nature, contemplating for example the term of the instrument, type, etc.

The instruments have been grouped in classes in order to facilitate their comparison with the balances in the statement of financial position. The instruments classified as "others" are those for which their amortized cost has been considered as a reasonable approximation of their fair value.

Loans and accounts receivable from customers, net

Loans and accounts receivable from customers are shown net of their allowances for credit risk or impairment. The estimated fair value of the loans represents the discounted future cash flows expected to be received.

The cash flows are discounted at the relevant market interest rate according to the type of instrument, current at the close of each year. In determining the rate, they are differentiated by term and currency.

The criteria used for the incorporation of credit risk of the assets considered for these purposes are:

1. Based on the models of estimation of expected loss, it is possible to determine the credit quality (at least in qualitative terms) for their residual term of the portfolio related to the following assets commercial loans, housing mortgage loans and consumer loans.

2. In quantitative terms, the percentage allowance assigned to an operation is a variable of approximation to the credit profile of such operation.

3. The resultant amount from applying the 'allowances / total loans' factor to the present value of the respective loans is an approximation to the adjustment for credit risk.

Deposits and liabilities payable on demand

The estimated fair value of deposits and liabilities payable on demand, without an established term, including non-interest bearing accounts, is the amount payable when the customer demands it. The amortized cost of these deposits is a reasonable approximation of their fair value.

The fair value of time deposits has been estimated on the basis of discounted future cash flows based on interest-rate structures adjusted based on transactions observed at the valuation date.

Interbank borrowings

The fair value of liabilities to financial institutions has been determined using discounted cash flow models, based on the relevant interest-rate curve for the remaining term of the instrument to its maturity.

Debt issued

The aggregate fair value of the bonds has been calculated based on market prices current at the close of each year.

b) Financial instruments measured at fair value

Please refer to Note 1.2. for further detail about the criteria used to determine the fair value.

c) Hierarchy used for determining fair value

The regulation specifies a hierarchy for the techniques of valuation, based on whether the inputs used in those techniques are observable or non-observable data. Observable inputs reflect market data taken from independent sources, while non-observable inputs reflect the assumptions of the Bank and subsidiaries with respect to the behavior of the market. The following hierarchy has been created based on these types of input:

Level 1 – Quotation values (without adjustment) on active markets for assets and liabilities identical to those being valued. This level includes debt instruments, whether fixed or variable income, equity instruments and financial derivative instruments traded on local or international exchanges.

Level 2 – Other inputs observable directly (like prices) or indirectly (i.e., price derivative) for assets and liabilities, which are not quotation values included in Level 1. The sources used for parameters like the LIBOR curve or credit risk of the counterparty, e.g., Bloomberg, Reuters and similar firms.

Level 3 – Inputs that are not based on observable market data (non-observables inputs). This level includes equity and debt instruments that have significant non-observable components.

This hierarchy requires that when there is observable market data, these should be used. The Bank and subsidiaries believe that relevant observable market data are used whenever possible in their valuations.

The following table shows the assets and liabilities that are shown at fair value in the financial statements, classified in their respective levels of hierarchy described above:

December 31, 2009	*Level 1*	*Level 2*	*Level 3*	*Total*
Financial assets at fair value				
Trading instruments				
Debt instruments	520,044	324,102	-	844,146
Equity instruments	-	-	-	-
Financial derivative instruments	882	323,910	-	324,792
Hedge derivatives	-	8,603	-	8,603
Available for sale investments				
Debt instruments	149,514	957,638	-	1,107,152
Equity instruments	-	-	-	-
Total Assets	**670,440**	**1,614,253**	**-**	**2,284,693**
Financial liabilities at fair value				
Derivatives	-	354,927	-	354,927
Hedge derivatives	-	3,563	-	3,563
TOTAL LIABILITIES	**-**	**358,490**	**-**	**358,490**

Transfers between Levels 1 and 2

The Bank and subsidiaries have made no transfers of financial assets or liabilities between levels 1 and 2 during 2009.

Reconciliation of movements of valuation Level 3

As of December 31, 2009 and 2008, the Bank and subsidiaries hold no financial assets or liabilities that have been valued as a function of non-observable market data.

Note 35

Risk management (unaudited)

MARKET RISK

1.Introduction

BCI's business activities involve identifying, evaluating, accepting and managing different kinds of risk and combinations of them. The principal categories of risk to which the corporation is exposed are the risks of credit, liquidity, market, operations, legal and reputation.

BCI's policies are designed to identify and analyze these risks, establish limits and adequate controls, and monitor the risks and compliance with these limits through the use of reliable and modern information systems, BCI periodically revises its risk management policies and systems to reflect changes in the markets, regulations, products and new best practices.

With respect to financial risks, the organization's structure is designed to manage these risks efficiently, transparently and in good time. This consists of strategic units involving the board, the Executive Committee, the Finance and Risk Committee and ALCO, plus operative units like the Finance and International management, the Corporate Risk management and various support units like Accounting, Middle and Back Office and Management and Process Control.

The senior strategic unit is the board of directors. Its principal responsibilities in financial risk management are to establish policies and suitable levels of risk, exposure limits, the monitoring of risks and ensuring best practices through the constant evaluation of the actions of the Finance and International and Corporate Risk management areas. The board delegates to the Executive Committee and the Finance and Risk Committee the supervision and support of the strategic definitions in their relations with the corporate management areas.

The Finance and Risk Committee also analyzes in detail the strategies and models associated with the treasury function, both the trading portfolio and the Bank's books, and the returns and risks associated with such strategies.

ALCO (the Asset and Liabilities Committee) is that where the corporation's assets and liabilities policy is discussed and agreed for the approval of the board or Executive Committee. The general objectives of the ALCO Committee are to ensure the Bank's adequate liquidity, protect the capital, take decisions on the financing of loans and maximize the financial margin subject to the risk restrictions imposed by the board and the Finance and Risk Committee.

The Finance and International Management has the main role of managing the liquidity, solvency, financing and market risk defined by the board as a Bank objective, through the taking of positions and management of liquidity ratio, adjusting them to the guidelines included in the Treasury Business Policies.

The Corporate Risk Management and its Operational Risk, Credit Risk and Market Risk units, are responsible for the integral management of the Bank's risk. While many years ago it was common in the industry to have an independent management of these risks, the deepening of derivative markets and the acceptance of common methodologies, like the concept of maximum loss, value at risk, etc., have made limits increasingly more extensive. This management area therefore has a corporate remit, with an integral vision of the risks involved.

The Market Risk Management has the role of identifying and proposing methods for measuring and controlling market risk: interest rates, exchange rates, volatility, maximum loss, etc., according to the corporation's guidelines, the setting of risk limits and their monitoring, and ensuring compliance. It is responsible also for defining the methodology for valuing the financial assets and liabilities held by the corporation in or off its balance sheet.

In accordance with best practices, the Bank defines the segregation of activities between areas that could present conflicts of interest in their objectives, like:

i. Finance and International
ii. Support areas, operative departments (back office, middle office)
iii. Financial control and planning (accounting, management control)
iv. Market risk, the responsibility of the Corporate Risk Management
v. Credit risk, the responsibility of the Corporate Risk Management

The total segregation of functions implies a physical and organizational separation of the areas.

2.Liquidity and funding

The corporation's liquidity management model seeks to guarantee, even in the face of unexpected events, the Bank's adequate capacity to meet to its short-term obligations satisfactorily.

BCI has continuously monitored the impact of recent events on the financial markets, introducing more conservative assumptions when justified.

The management of liquidity and funding is basically carried out by Treasury in accordance with practices and limits reviewed periodically in ALCO and authorized by the board.

These limits may vary according to the depth and liquidity seen in the markets in order to comply with the objectives to be met in the event of unexpected losses of capital while providing funding at a competitive cost.

Although the Central Bank of Chile eliminated the technical reserve requirements in 2008, the corporation has internally set minimum liquidity limits and carried out periodic simulations of financing stress to balances of checking accounts and deposits, the Bank's principal sources of funding.

At the regulatory level, liquidity is measured and reported to the SBIF through a standardized liquidity position return. In accordance with banking regulations, BCI uses econometric behavior models for forecasting inflows and outflows in retail accounts. The Bank has met the regulator's limits with sufficient room (liquidity/basic capital of less than 1,0 at 30 days and less than 2,0 at 90 days). The periodic use of stress scenarios serves to anticipate future difficulties and take preventive actions.

The Bank has set conservative limits, forcing itself to maintain a large volume of liquid assets which, in the event of an unexpected requirement, can constitute liquidity through repurchase agreements with the Central Bank of Chile, The counter-cyclical nature of this liquidity reserve is adjusted to the spirit of the latest recommendations of the BIS for perfecting Basel II.

The normalization of global financial markets seen during 2009 translated into a reduction in interbank spreads and thus the cost of financing. The Libor- Overnight Index Swap spread serves as a barometer of the willingness by banks to lend US dollars fell to pre-crisis levels. Something similar was seen in the local market, helped by the additional liquidity tools (FLAP) granted by the Central Bank, led the spread between the prime borrowing rate and the chamber swap rate to levels close to zero in the second half of the year.

In the measurement of internal and regulatory liquidity, a reasonable and counter-cyclical level of liquidity was noted, in line with the Bank's policies. While at the start of the year, liquidity ratios to capital were around zero, toward the end of the year they reached around 0,8 times capital, above the regulatory limit of 1,0. Reduced uncertainty about access to credit enabled the treasury to seek cheaper funding through deposits.

Even at moments of greatest uncertainty produced by the global financial crisis, there were no signs of runs on deposits or checking account balances, thus ratifying the public's trust in the Chilean banking system in general.

Fig, 1 Principal sources of liquidity
Year 2009 (basis 100)

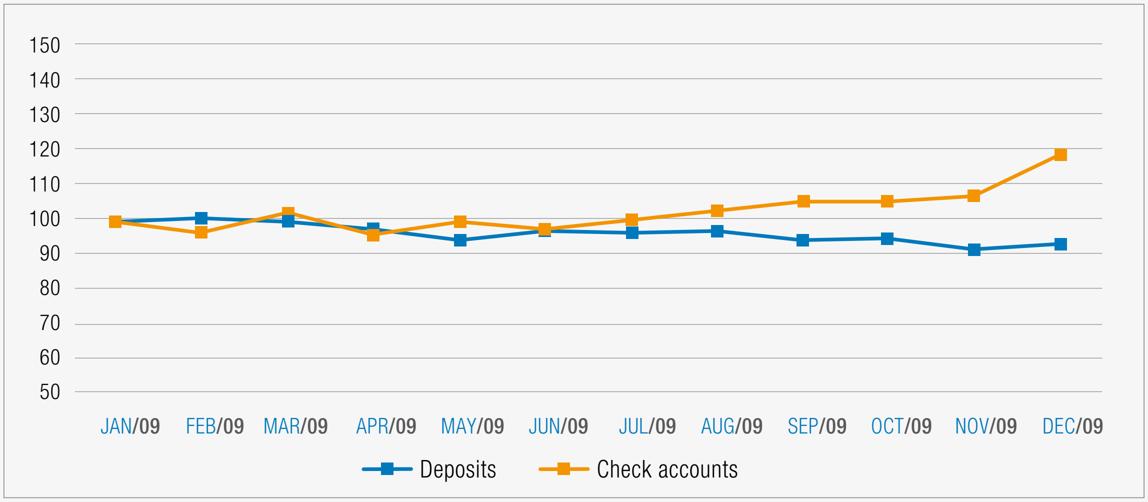


Fig 3, Diversification sources of funding by type of customer
Year 2009 (%)

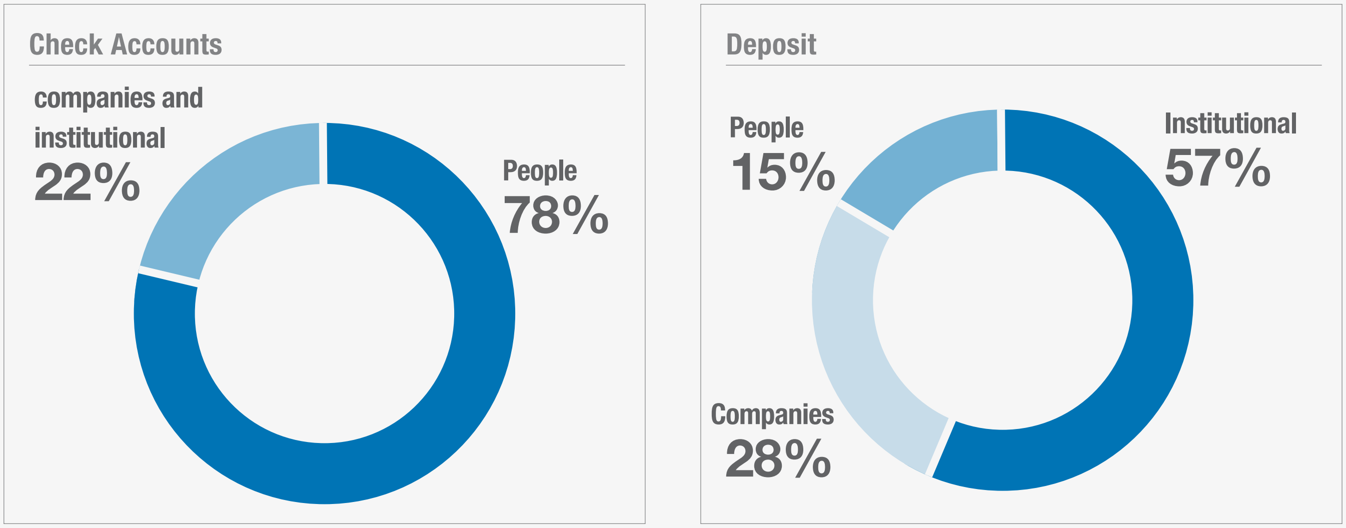
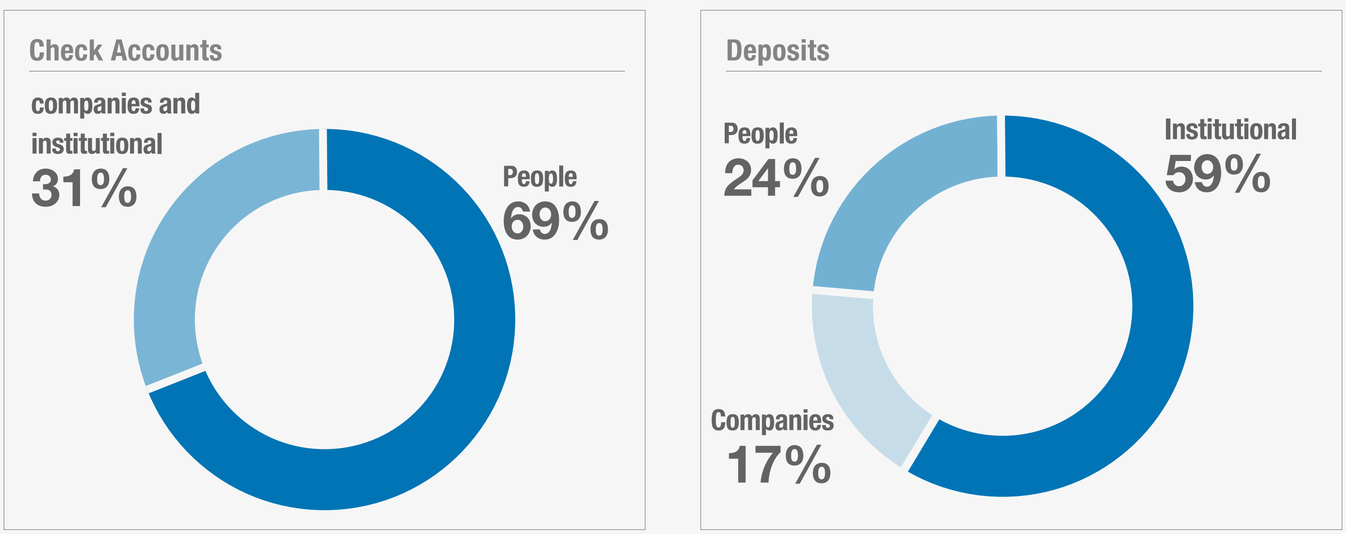


Fig 4, Diversification sources of funding by type of customer
Year 2008 (%)



Variations 2009

The short-term liquidity ratios remained satisfactory, comfortably within the regulatory limits of 1 times basic capital (measured at 30 days) and 2 times capital (measured at 90 days).

Fig 5, Liquidity ratios
Years 2009-2008 (maximum = 1)

(a) Total Short-Term Liquidity (% of Basic Capital)

			Year 2009			*Year 2008*
	Average	*Maximum*	*Minimum*	*Maximum*	*Minimum*	*Close*
Liquidity 30 days	0.37	0.87	(0.50)	0.70	(0.77)	(0.31)
Liquidity 90 days (*)	0.56	0.86	0.05	0.51	(0.20)	0.04

(*) measurements with respect to two times of the basic capital

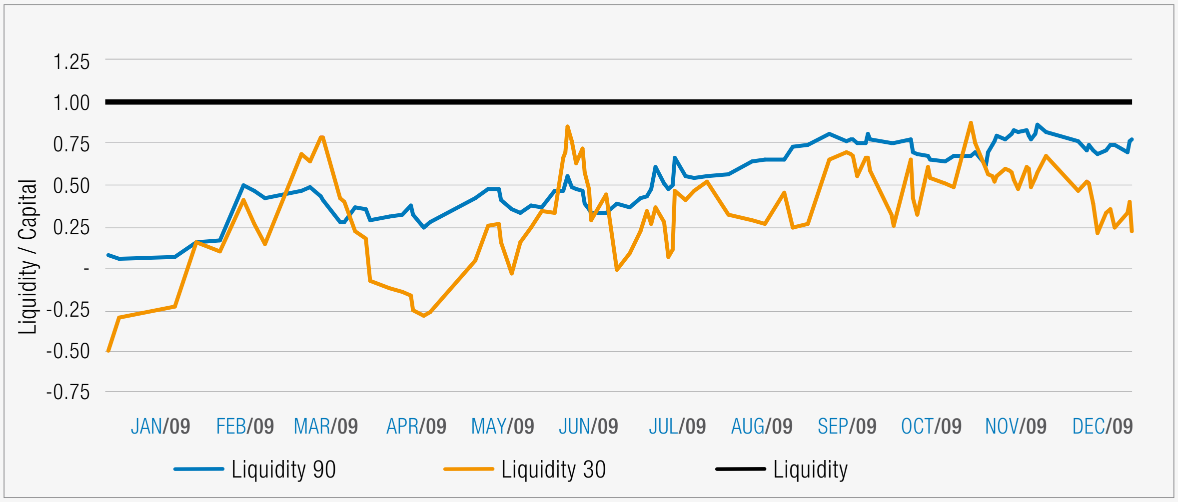
(b) Short-Term Liquidity Ch$-UF (% of Basic Capital)

			Year 2009			*Year 2008*
	Average	*Maximum*	*Minimum*	*maximum*	*Minimum*	*Close*
Liquidity 30 days	0.15	0.71	(0.34)	0.31	(0.92)	(0.26)

(c) Short-Term Liquidity FX (% of Basic Capital)

			Year 2009			*Year 2008*
	Average	*maximum*	*Minimum*	*maximum*	*Minimum*	*Close*
Liquidity 30 days	0.22	0.61	(0.25)	0.64	(0.22)	(0.05)

Fig 6, Liquidity evolution 2009 (cap = 1)
Liquidity 30 days = Liquidity/Basic capital
Liquidity 90 days = Liquidity/2*Basic Capital



3. Market risk

Market risk is the risk inherent in price movements of financial assets. Movements in interest rates, the exchange rate, commodity and share, credit spreads, volatility etc., constitute a market risk. This is shown in the possibility of incurring losses that translate to the income statement or the balance sheet, depending on the type of financial instrument and its respective accounting treatment.

BCI separates its exposure to market risk trading and non-trading portfolios. Trading portfolios include market making, own trading and other positions valued to market and that have a short and high turnover investment horizon.

Non-trading portfolios derive mainly from the management of interest rates associated with the loans of the retail and commercial banking areas, plus a financial investments portfolio. These portfolios have a lower turnover and their change in fair value does not affect the income statement for a longer period, when they are effectively sold. The Bank does not currently have instruments classified as held to maturity.

A series of tools are used to monitor the market risk of positions in each category. These include a sensitivity analysis, VaR and stress analysis.

b) Principal positions

The following shows the principal balance sheet positions by maturity or re-pricing band and their comparison with 2008.

Fig 7, Bank's book to maturity or re-pricing by currency 31/12/09 (Ch$ millions)

ASSETS	1Y	5Y	10Y	10Y+	Total
Ch$	4,003,759	1,479,056	79,415	13,639	5,575,869
UF	2,474,719	1,937,426	826,099	527,138	5,765,382
MX	1,776,026	191,139	124,699	11,594	2,103,458
TOTAL	**8,254,504**	**3,607,621**	**1,030,213**	**552,371**	**13,444,709**

LIABILITIES	1Y	5Y	10Y	10Y+	Total
Ch$	5,180,529	1,479,056	21,200	0	6,680,785
UF	1,739,480	1,023,617	313,606	453,336	3,530,039
MX	2,368,065	232,705	14,728	318	2,615,816
TOTAL	**9,288,074**	**2,735,378**	**349,534**	**453,654**	**12,826,640**

GAP	1Y	5Y	10Y	10Y+	Total
Ch$	(1,176,770)	0	58,215	13,639	(1,104,916)
UF	735,239	913,809	512,493	73,801	2,235,342
MX	(592,039)	(41,565)	109,971	11,275	(512,358)
TOTAL	**(1,033,570)**	**872,244**	**680,679**	**98,715**	**618,068**

Fig 8, Banking book: Liquidity to maturity or re-pricing by currency Positions 31/12/09 (Ch$ millions)

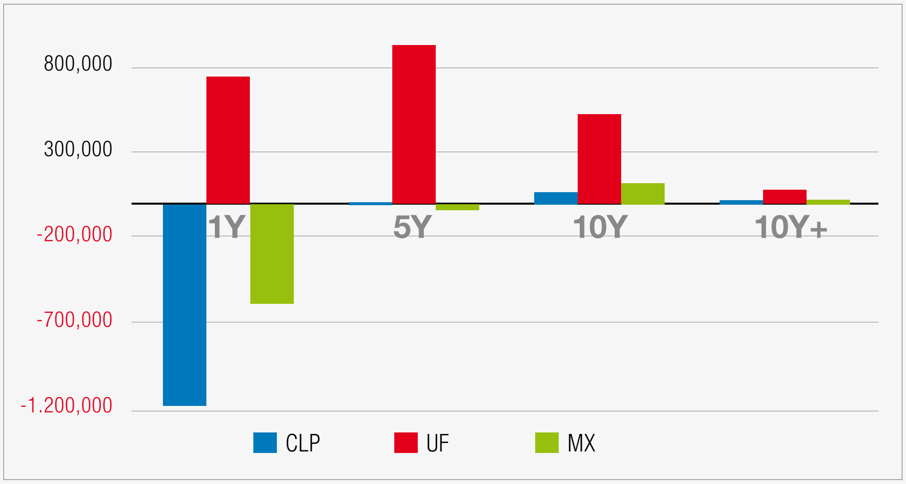


Fig 9, Bank's book to maturity or re-pricing by currency 31/12/08 (Ch$ millions)

ASSETS	1Y	5Y	10Y	10Y+	Total
Ch$	2,766,301	1,101,494	56,065	2,572	3,926,432
UF	1,305,697	1,967,320	824,030	428,131	4,525,178
MX	1,409,635	261,870	215,634	21,218	1,908,357
TOTAL	**5,481,633**	**3,330,684**	**1,095,729**	**451,921**	**10,359,967**

LIABILITIES	1Y	5Y	10Y	10Y+	Total
Ch$	2,665,385	1,070,704	0	0	3,736,089
UF	1,270,235	1,506,184	338,564	325,760	3,440,743
MX	1,631,011	204,908	11,461	211	1,847,591
TOTAL	**5,566,631**	**2,781,796**	**350,025**	**325,971**	**9,024,423**

GAP	1Y	5Y	10Y	10Y+	Total
Ch$	(259,586)	(186,412)	54,347	2,072	(389,579)
UF	(231,305)	545,569	409,311	186,703	910,278
MX	(733,625)	21,577	167,283	15,288	(529,477)
TOTAL	**(1,224,516)**	**380,734**	**630,941**	**204,063**	**(8,778)**

Fig 10, Bank's book to maturity or re-pricing by currency 31/12/08 (Ch$ millions)

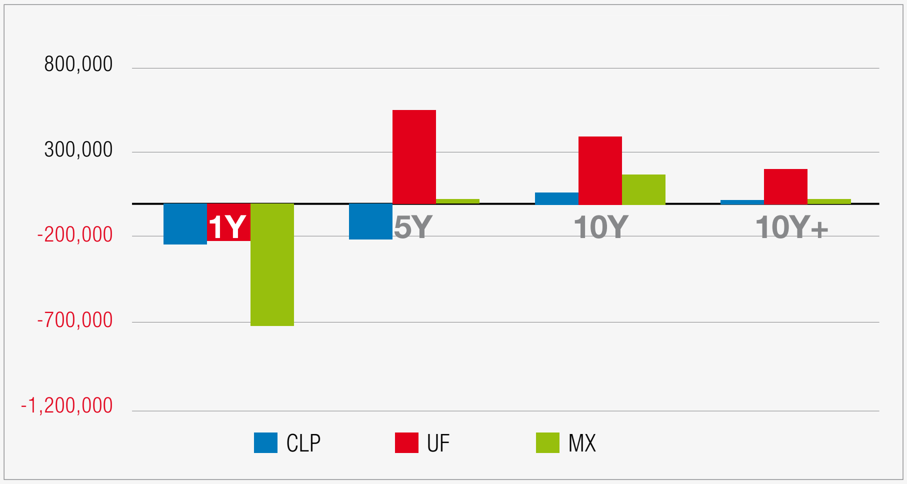


Fig 11, Bank's book by maturity or currency re-pricing
Positions 31/12/09 (Ch$ millions)

ASSETS	1Y	5Y	10Y	10Y+
Central Bank of Chile	54,360	200,512	112,696	10,028
Banks and financial institutions in Chile	274,115	13,178	3,457	5,367
Purchases under repurchase agreements	31,760	-	-	-
Commercial loans	3,688,332	1,374,499	288,374	61,451
Consumer loans	539,659	663,286	11,852	665
Endorsable housing mortgage loans	485,733	745,688	416,554	366,382
Housing mortgage loans with funding notes	32,588	107,205	73,789	29,398
Cash	941,105	-	-	-
Chilean government	6,829	47,568	1,017	24
Consumer leasing	525	346	156	-
Commercial leasing operations	282,369	229,747	65,678	23,951
Other entities in Chile	281,535	150,701	56,641	55,104
Other assets	787,184	74,797	-	-
Other housing mortgage loans	72	93	-	-
Swaps	848,341	-	-	-
Total Assets	**8,254,507**	**3,607,620**	**1,030,214**	**552,370**

LIABILITIES				
Straight bonds	112,053	274,228	133,453	-
Subordinated bonds	27,155	109,105	114,783	427,569
Deferred-drawing savings accounts	48,333	-	-	-
Unconditional-drawing savings accounts	4,433	-	-	-
Sight deposits	1,018,656	1,360,786	-	-
Time deposits	5,102,552	225,623	-	-
Credit notes	21,203	94,916	64,935	25,767
Other liabilities	736,826	74,258	-	-
Loans and other obligations from abroad	853,236	174,887	-	-
Loans and other obligations contracted in Chile	744,803	39,414	24,977	318
Swaps	475,101	382,160	11,387	-
Sales under repurchase agreements	143,723	-	-	-
Total Liabilities	**9,288,074**	**2,735,377**	**349,535**	**453,654**

Fig 12, Bank's book by maturity or currency re-pricing
Positions 31/12/08 (Ch$ millions)

ASSETS	**1Y**	**5Y**	**10Y**	**10Y+**
Central Bank of Chile	161,737	106,465	95,528	8,853
Banks and financial institutions in Chile	8,862	3,542	2,285	5,197
Commercial loans	4,070,024	1,111,746	239,740	60,660
Consumer loans	413,402	500,692	8,599	141
Endorsable housing mortgage loans	383,860	581,467	296,519	290,559
Housing mortgage loans with funding notes	26,673	93,906	79,206	34,950
Cash	582,975	-	-	-
Futures	-	-	-	-
Chilean government	1,449	8,055	580	16
Consumer leasing	452	354	50	-
Commercial leasing operations	293,037	236,352	60,233	18,955
Other entities in Chile	152,118	99,047	29,136	41,252
Other foreign entities	-	-	78,905	-
Other assets	783,030	86,376	168	-
Other housing mortgage loans	77	157	2	-
Swaps	99,869	-	-	-
Total Assets	**6,977,565**	**2,828,159**	**890,951**	**460,583**

LIABILITIES				
Straight bonds	242,414	214,526	107,263	0
Subordinated bonds	97,080	51,974	71,907	223,848
Deferred-drawing savings accounts	53,382	0	0	0
Unconditional-drawing savings accounts	4,735	0	0	0
Sight deposits	1,025,921	986,071	0	0
Time deposits	4,919,874	827,410	0	0
Futures	0	0	0	0
Credit notes	16,432	79,854	71,215	32,477
Other liabilities	365,411	85,296	0	0
Loans and other obligations from abroad	1,144,847	119,834	320	0
Loans and other obligations contracted in Chile	243,367	4,837	870	0
Swaps	13,613	77,626	8,435	195.237959
Sales under repurchase agreements	75,007	0	0	0
Total Liabilities	**8,202,083**	**2,447,428**	**260,010**	**256,520**

We detail below the principal positions of investments available for sale by type of issuer and currency. Also shown is the credit rating of these positions at the end of last year.

Fig 13, Investments Available for Sale
Positions 31/12/09

	Ch$	UF	USD	EUR	OTHERS
Sovereign bonds	172,636	36,202	2,504	16,364	-
Corporate bonds	104,598	26,167	78,128	-	-
Financial Institution Bonds	2,053	8,926	50,645	-	-
Mortgage-Funding Notes	-	65,283	-	-	-
Time Deposits	279,769	271,273	-	-	-
Total	**559,056**	**407,851**	**131,277**	**16,364**	**-**

Fig 14, Investments Available for Sale
Chilean-Issued Bond and Mortgage-Funding Notes Portfolio Credit Rating 31/12/09 (%)

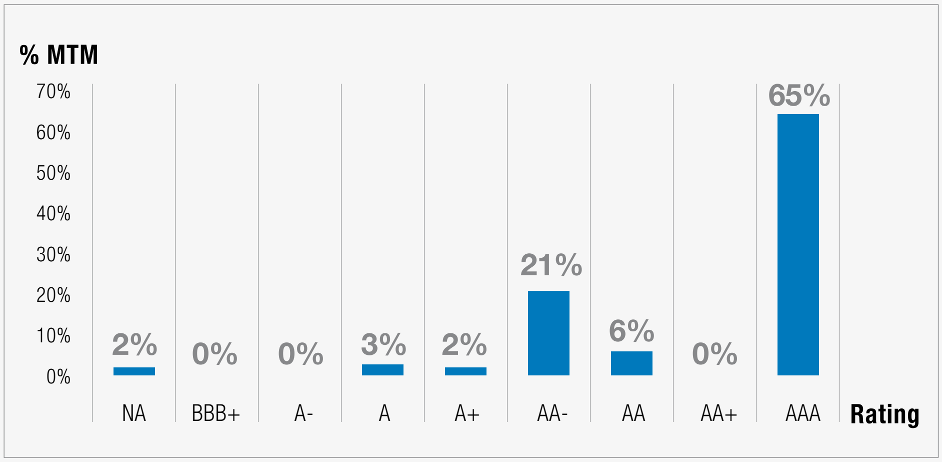
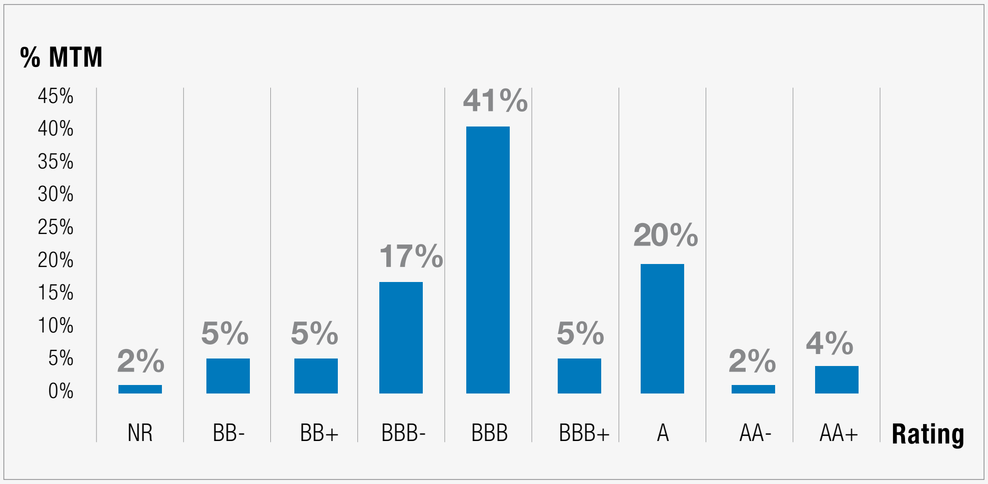


Fig 15, Investments Available for Sale
International-Issued Bond Portfolio Credit Rating 31/12/09 (%)



b) Sensitivity analysis

Sensitivity measurements are used to monitor the market risk of positions for movements in each of the risk factors. For example, a change in present value in the event of a movement of 100 basis points in the interest rate. This type of model is especially useful for measuring the risk of the liquidity ratio between assets and liabilities, i.e., essentially the banking book.

The regulatory sensitivity measurements carry out these analyses by applying shocks to interest rates, exchange rates, inflation, commodities and shares positions and exposure to derivative instruments, according to predetermined sensitivities.

The Corporation also takes measurements for sub-portfolios and different risk factors. Among the models used is Market Value Sensitivity, MVS, which measures the economic value of equity in the event of a parallel movement of 100 basis points in interest rates. For a short-term horizon, the Spreads at Risk, SAR, model is used, which measures the impact on the income statement in 12 months time of a parallel movement in rates. For both models, there are explicit internal limits measured as a ratio of capital (for MVS) and of fi8nancial margin (for SAR).

c) Value at Risk

Value at Risk (VaR) is a technique that estimates potential losses that might occur in positions as a result of interest-rate movements or market-price changes over a period of time and for a given level of confidence.

The current VaR methodology is based on the Risk metrics parametric model. This forecasts maximum losses over a period of 10 days with 99% confidence, and includes over 200 risk factors like risk-free rate structures, swap curves, corporate curves, foreign exchange parities, swap basis, etc.

The volatilities of risk factors are estimated together using the exponential smoothing technique which assigns greater importance to recent events than older ones. A GARCH (Generalized Autoregressive Conditional Heteroskedasticity) is used for calibration.

BCI routinely checks the precision of its VaR models through back testing of the daily results observed against the VaR numbers. Statistically in normal conditions, it would be expected to see losses in excess of VaR on 1% of days.

VaR Stress Testing
BCI recognizes the limitations of the VaR models, particularly in the presence of extreme events that have not been observed in recent historic information, intra-day events in the portfolio are not reflected nor the feasibility of liquidating the portfolio in a given number of days. Stress situations are therefore modeled to evaluate potential impacts on the value of portfolios in the most extreme, although possible, events. The scenarios used are the following:

- Scenarios of sensitivity that consider movements in the risk factors not captured by recent history
- Hypothetical scenarios that consider possible macroeconomic events
- Historic scenarios that incorporate fluctuations noted during historic extreme events

VaR Limits

The Corporation has set specific corporate VaR limits for the trading portfolios, investments available for sale and those items of the banking book valued to market. There is a specific sub-limit for the foreign exchange options book.

Position limits

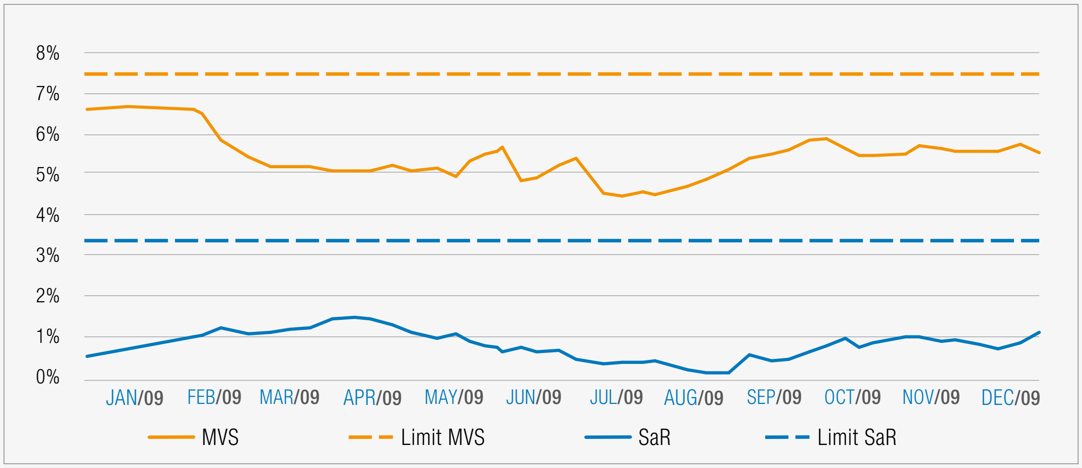
In addition to the limits of the predictive-type risk models like VaR and the analysis of sensitivity, there are accounting limits of maximum positions and stop-loss limits per desk, broker and, for some special portfolios, early warning of net exposure limits.

Variations

- Analysis of sensitivity of the banking book

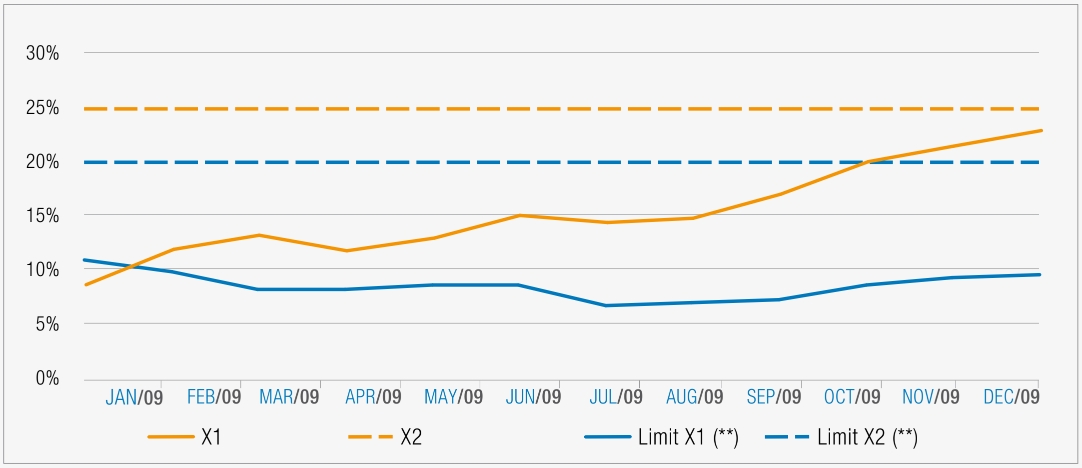
Credit activities remained depressed during the first months of the year, which facilitated the maintenance of cover for interest-rate risks of the banking book. The long-term MVS measurement averaged 5.39% of the capital over a limit of 7.5% during 2009 (6.59% in 2008). The SAR averaged 0.87% over the financial margin for a limit of 3.35% (1.75% in 2008). During the second half, there was a reactivation of credit and the consequent increase in the rate risk of the book, although at levels much below the internal limits.

Fig 16, MVS - SAR
Year 2009



The regulatory X1 (exposure to short-term market risk) and X2 (exposure to long-term market risk) indicators were comfortably within the limits during 2009, although the short-term indicator gap reduced toward the year-end due to larger liquidity ratios observed in pesos and UF compared to the end of 2008.

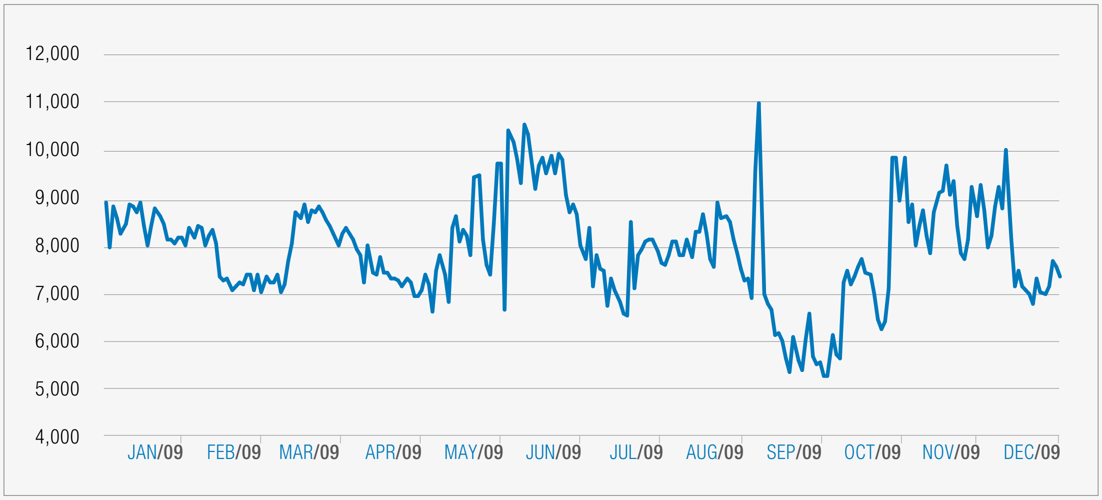
Fig 18, Regulatory Market Risk X1 – X2
2009



- Value at Risk

The following shows the results of VaR at 10 days for 2009:

Fig 20, Value at Risk
2009 (Ch$ millions)



The improvement in the global scenario translated into a general reduction in the volatility of the financial assets. Interest rates, currencies and basis of derivative instruments traded OTC reduced in their levels of volatility and correlation. This meant a reduction in the risk of portfolios valued to market, providing an opportunity to re-balance positions in order to use the capital efficiently. The total VaR at 10 days averaged Ch$7,959 million during 2009 (Ch$8,314 million in 2008), below the internal limit of Ch$11,000 million, providing a certain room for unexpected increases in volatility. The interest-rate risk averaged Ch$7,934 million while the currency risk was Ch$708 million. In trading, the aggregate average was Ch$4,617 million, Ch$4,558 million for interest rate and Ch$718 million for foreign currency. Finally, for the non-trading portfolios (investments and derivatives from the banking book), the total VaR averaged Ch$7,762 million, Ch$7,774 million for rate risk and Ch$614 million for currency risk. The reduction in credit spreads translated into a reduction in market risk of the financial investment portfolio during the year, ending 2009 at levels of Ch$4,500 million.

Inflation, and therefore shorter-term interest rates, continued to show certain volatility during the year. Economists have had difficulty in forecasting the IPC partly due to a change in its calculation method.

The unavoidable tendency to fend against the cycle of the Central Bank is another element of uncertainty and interest-rate volatility.

Fig 21, Value at Risk by desk and type of risk 2008 (Ch$ millions)

(a) VaR Group by type of risk (Ch$ millions)

	12 months to December 31, 2009			
	Average	*Maximum*	*Minimum*	*End*
FX risk	708	2,899	26	907
Interest rate risk	7,934	10,791	5,252	7,107
VaR Total	**7,959**	**10,898**	**5,394**	**7,401**

(b) VaR trading portfolio by type of risk (Ch$ millions)

	12 months to December 31, 2009			
	Average	*Maximum*	*Minimum*	*End*
FX risk	718	3,186	18	1,012
Interest rate risk	4,558	6,881	2,753	3,465
VaR Total	**4,617**	**7,132**	**2,692**	**3,647**

(c) VaR non-trading portfolio by type of risk (Ch$ millions)

	12 months to December 31, 2009			
	Average	*Maximum*	*Minimum*	*End*
FX risk	614	2,212	48	512
Interest rate risk	7,774	11,391	4,794	6,848
VaR Total	**7,762**	**11,520**	**4,759**	**6,911**

Fig 22, Value at Risk by table and type of risk
Year 2008 (Ch$ millions)

(a) VaR Group by type of risk (Ch$ millions)

	12 months to December 31, 2008			
	Average	*Maximum*	*Minimum*	*End*
VaR Total	**8,314**	**13,827**	**4,348**	**11,129**

f) Fair value

The Market-risk Management is responsible for defining the valuation methods while Operations is responsible for their execution. The fundamental principle of the valuation task is to faithfully record the prices prevailing in the markets. In addition, prices in the local market of less-liquid financial assets like corporate bonds or mortgage-funding notes have to be valued consistently. But not only the accounting information depends on this valuation; the value-at-risk indicators are also based on these prices so the volatility implicit in any valuation model is also very relevant.

Following international accounting principles, the corporation uses quotations or latest-transaction prices to value those instruments whose markets are active and market prices are always available. In Note 34, we show the classification of financial instruments according to valuation level. The following is a brief explanation of this order.

Foreign currency positions, bonds of the Central Bank of Chile and futures contracts and other instruments traded on exchanges which have very liquid markets where their prices or quotations are always known. These instruments are included in Level 1.

Deposits and derivative instruments traded over- the- counter have quotations by the different brokers who guarantee the existence of the prices or market inputs necessary for their valuation. These derivative instruments include currency and interest-rate forward contracts, rate swaps, cross-currency swaps and foreign currency options. Normally, for those terms other than those quoted, curve-construction and interpolation techniques are used, which are standard in the markets. Less liquid fixed-income instruments like some sovereign bonds, corporate bonds and Chilean mortgage-funding notes, are valued, except when there are prices, based on fair-value models based on prices or factors directly observable in the market. All these instruments are classified at valuation Level 2.

The base model for the valuation of fairly-illiquid fixed-income instruments on the domestic market is a dynamic interest-rate one that uses panels of incomplete data and incorporates all recent price history of the documents in question and of instruments of similar characteristics in terms of issuer, credit rating, term, etc. The fair-value models used, whether own or external are tested periodically and their back testing is audited by independent parties.

All instruments whose market prices or factors are not directly observable are classified in Level 3.

g) Derivative instruments

As of December 31, 2009, BCI had gross positions of almost Ch$ 35 million in derivative instruments, the net exposure being approximately Ch$ 1 million, taking into account both notional and future interest. The derivative instruments are divided into two large groups: (1) instruments for accounting hedges and (2) instruments for trading purposes. According to current accounting regulations, the former seek to mitigate fluctuations in the market value of investments on cash flows, or the change in value of investments abroad due to exchange rate effects. Instruments for trading seek to hedge economic risks or obtain gains through trading transactions.

The market risk associated with derivative instruments is measured through their VaR. This includes additional risk factors to the fixed-income portfolio like the non-lineal relationship between the underlying and derivative prices and the volatility of the risk factors. The VaR correlated to each position is aggregated to obtain the VaR of the portfolio. Position and stop-loss limits serve to complement the VaR for managing the risk of derivatives included in a portfolio.

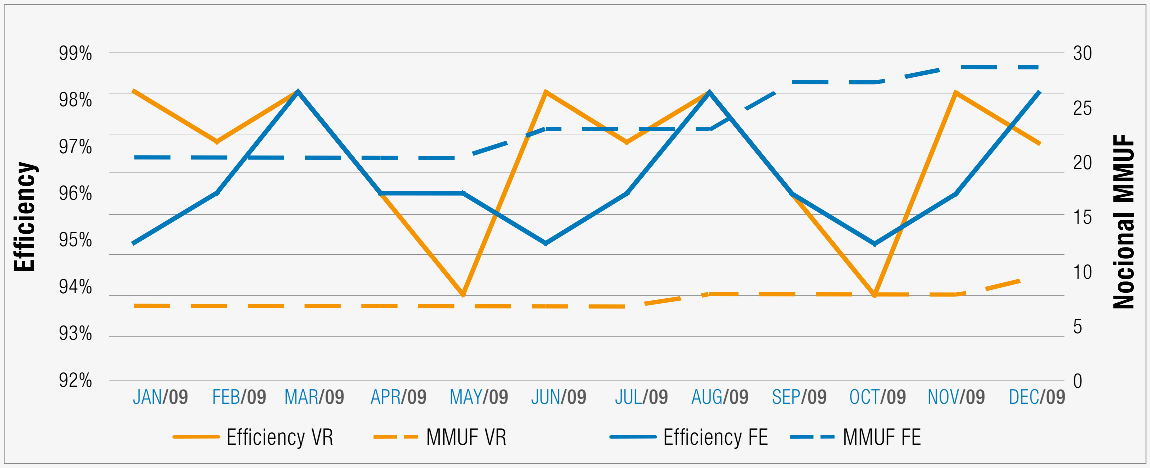
h) Counterparty risk

Despite the possibility of the netting of positions with some counterparty in a credit event, BCI manages its counterparty risk in absolute terms, i.e. the present exposure of positions with credit risk are added to the maximum future exposure for a certain level of confidence using the VaR model at 99% confidence. Montecarlo simulation techniques are used to calculate maximum future exposures by counterparty. Specific limits per counterparty ensure that they do not pass accepted risk levels and a proper diversification is achieved.

i) Accounting hedges

BCI uses accounting hedges to manage the fair-value and cash-flow risks to which it is exposed, Fair-value hedges use a derivative to cover changes in the fair value of an asset or liability. Cash-flow hedges however show in net equity the changes in fair value of the derivative forming part of the hedge. The treatment of this type of instrument strictly follows the international accounting standard IAS 39, Market Risk is responsible for checking the efficiency of the hedges, Efficiency indicators are constantly monitored and reported to ALCO. As of December 31, 2009 the total notional amount of cash-flow hedges was UF 24 million while fair-value hedges amounted to UF 10,6 million.

Fig 24, Amount, Type and Efficiency Accounting Hedges 2009 (UF millions)



CREDIT RISK

Risk management structure

The Bank has structured its credit process on the basis of personal and non-delegatable discretionary limits authorized by the board.

Based on these credit powers, operations are approved at different levels of management, always requiring the concurrence of two executives with discretional limits.

As the amount of the operation rises, this is approved by couples of more senior executives and senior management committees, until reaching the highest level represented by the board's Executive Committee.

Systems and reports used for monitoring risk management

The Bank has different processes and procedures for the management of credit risk, the main one being the annual renewal of lines of credit for commercial customers.

This implies that at least once a year the financial and operational position of customers operating with commercial loans is reviewed.

In the case of Mass Banking, the follow-up and control of risks is carried out through behavior statistical models.

For the two types of customers mentioned, individuals and companies, there are also follow-up processes of payment compliance and overdue payments, both by the Bank internally and the financial system as a whole.

Loan quality by class of financial asset

The quality of credits is described in accordance with the regulations of the SBIF, as follows:

2009	*A1*	*A2*	*A3*	*B*	*Risk above normal*	*Group*	*Subsidiaries*	*Total*
	Ch$ millions	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*
Debt:								
Due by banks	30,322	99,159	3,546	291	-	-	7,662	140,980
Loans and accounts receivable from customers	68,599	824,696	1,803,581	1,633,124	300,714	3,714,430	452,181	8,797,325
Total debt	**98,921**	**923,855**	**1,807,127**	**1,633,415**	**300,714**	**3,714,430**	**459,843**	**8,938,305**
Allowances:								
Due by banks	3	145	45	6	-	-	-	199
Loans and accounts receivable from customers	7	2,035	7,991	13,060	86,246	79,053	5,942	194,334
Total allowances	**10**	**2,180**	**8,036**	**13,066**	**86,246**	**79,053**	**5,942**	**194,533**

2008	*A1*	*A2*	*A3*	*B*	*Risk above normal*	*Group*	*Subsidiaries*	*Total*
	Ch$ millions	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*
Debt:								
Due by banks	147,022	20,214	5,765	486	-	-	15,719	189,206
Loans and accounts receivable from customers	124,213	1,137,166	2,334,064	1,443,958	151,682	3,561,694	597,205	9,349,982
Total debt	**271,235**	**1,157,380**	**2,339,829**	**1,444,444**	**151,682**	**3,561,694**	**612,924**	**9,539,188**
Allowances:								
Due by banks	(32)	(35)	(42)	(9)	-			(118)
Loans and accounts receivable from customers	(17)	(2,231)	(8,947)	(9,932)	(30,205)	(74,895)	(5,593)	(131,820)
Total allowances	**(49)**	**(2,266)**	**(8,989)**	**(9,941)**	**(30,205)**	**(74,895)**	**(5,593)**	**(131,938)**

The quality of credits is described in accordance with the regulations of the SBIF, as follows:

	Less than 30 days		*31 to 90 days*		*More than 90 days*		*Total*	
	2009	*2008*	*2009*	*2008*	*2009*	*2008*	*2009*	*2008*
	Ch$ millions	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*
Due by banks	-	-	-	-	-	-	-	-
Loans and accounts receivable from customers	18,085	25,043	18,584	31,152	100,585	100,244	137,254	156,439
Total	**18,085**	**25,043**	**18,584**	**31,152**	**100,585**	**100,244**	**137,254**	**156,439**

OPERATIONAL RISK

Due to the importance of a proper administration and control of operational risks, BCI introduced a specialized management whose organization is aligned with the principles defined in Basel. Banco BCI has operational-risk specialists in the areas of processes, technology, regulatory compliance, continuity of business and asset-laundering risk, whose function is to ensure the correct identification, measurement and management of the operational risks of the BCI Corporation.

Operational risks are identified using a risk-evaluation method of processes and managed through action plans and monthly-revised control indicators. During 2009, BCI introduced to its operational-risk methodology a monetary evaluation (impact and probability of occurrence) of the risks to critical processes.

Operational risk management

BCI manages its operational risks with the active participation of those responsible for the areas through three management committees: a process and supplier's operating-risks committee, a technology and business continuity operating-risk committee and one specialized in finance operating risks. These meet periodically and their purpose is to revise losses that have occurred, carry out plans for correcting their causes and managing mitigation plans for operational risks identified in the process revisions.

Calculations of Basel capital requirements

Bci has participated in capital-calculation exercises according to the standards of Basel II (QIS), a calculation integrating credit and financial or market risks with operating risk as a global indicator of risk exposure. BCI in 2009 has also revised and strengthened the procedures for calculating capital in order to ensure consistency.

Control of asset laundering and financing of terrorism

As an additional form of concern for its customers, staff and shareholders, Bci has taken special care concerning the impact that asset laundering could have on the community.

The board of the corporation therefore ensures correct compliance with the policies and procedures in use by the Bank and its subsidiaries. Also revised are the effective procedures based on the "know your customer" concept on which asset-laundering prevention and financing of terrorism is based, and the existence of an internal code of conduct.

Bci provides training for its staff through annual formation plans, courses that strengthen the prevention of asset laundering. This prevention function is feasible thanks to strong technological support, with specialized instruments in the detection of irregular transactions and analysis management.

During 2009, the capacity for detecting and analyzing suspicious transactions has been improved by the incorporation of greater capacity and speed in the computer systems used, through an analysis model focused on the level of risk of the transaction / customer compared to the analysis of the previous amount of the transaction. Policies and procedures for strengthening the control of high-risk zones and activities have also been made.

Security of information

For the security of information on customers, businesses and strategies, Bci has defined an information security policy and guidelines for ensuring compliance with existing regulations on this matter.

This policy is backed by a series of procedures, specific access rules and computer tools for the protection of resources, which are carried out through the Bank's exhaustive systems security plan.

BCI also has a team of specialized professionals who constantly monitor (24 hours a day, 7 days a week) attempts to break into the Bank's systems and data bases. During 2009 BCI has continued to strengthen the security of the systems and the information on its customers through the introduction of new strategies and actions for increasing protection of the Bank's personal computers and data bases.

Notable is the certification of quality standard of processes and controls at the international level, Bci is the first bank in Chile to obtain an ISO 27001 certification in a certain area (individuals and companies internet). This certification was again obtained by BCI in 2009 following an exhaustive revision process.

Management self-evaluation

The board is responsible for analyzing and approving management's self-evaluation of the Bank and its subsidiaries, a process that includes all the matters considered by the SBIF, incorporating this year the evaluation scale contemplated in SBIF's Circular 3,328.

Bci was therefore classified in 2008 in the Material Compliance category, being an entity that complies significantly with best practices and the application of healthy principles that characterize a proper management.

Note 36

Maturities of assets and liabilities

As of December 31, 2009 and 2008, the detail of maturities of assets and liabilities is the following:

2009	*At sight*	*Up to 1 month*	*1 to 3 months*	*3 to 12 months*	*Subtotal Up to 1 year*	*1 to 5 years*	*Over 5 years*	*Subtotal Over 1 year*	*Total*
	Ch$ millions	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*
Assets									
Cash and due from banks	1,037,783	-	-	-	1,037,783	-	-	-	1,037,783
Items in the course of collection from banks	439,661	-	-	-	439,661	-	-	-	439,661
Trading investments	-	611,531	48,481	85,553	745,565	75,361	23,220	98,581	844,146
Securities purchased under resale agreements	-	36,538	6,461	56,463	99,462	-	539	539	100,001
Derivative financial instruments	-	112,358	111,152	108,436	331,946	1,449	-	1,449	333,395
Due by banks (*)	-	23,100	13,943	39,807	76,850	64,129	-	64,129	140,979
Loans and accounts receivable from customers,net (**)	-	1,079,995	884,900	1,561,554	3,526,449	2,854,283	2,316,561	5,170,844	8,697,293
Investment available for sale	-	819,034	105,622	62,235	986,891	75,899	44,362	120,261	1,107,152
Investment held to maturity	-	-	-	-	-	-	-	-	-
Total assets	**1,477,444**	**2,682,556**	**1,170,559**	**1,914,048**	**7,244,607**	**3,071,121**	**2,384,682**	**5,455,803**	**12,700,410**
Liabilities									
Deposits and other liabilities payable on demand	2,400,959	-	-	-	2,400,959	-	-	-	2,400,959
Items in the course of collection due to banks	292,983	-	-	-	292,983	-	-	-	292,983
Securities sold under repurchase agreements	-	169,811	16,121	66,215	252,147	64,897	16,522	81,419	333,566
Time deposits and other obligations (***)	-	1,995,888	1,496,082	1,739,228	5,231,198	207,187	-	207,187	5,438,385
Derivative financial instruments	-	121,059	116,488	118,751	356,298	2,192	-	2,192	358,490
Interbank borrowings	-	658,602	370,448	616,523	1,645,573	376,252	132	376,384	2,021,957
Debt instruments issued	-	2,030	107,153	15,339	124,522	342,092	529,988	872,080	996,602
Other financial obligations	-	28,695	1,217	1,225	31,137	39,725	25,274	64,999	96,136
Total liabilities	**2,693,942**	**2,976,085**	**2,107,509**	**2,557,281**	**10,334,817**	**1,032,345**	**571,916**	**1,604,261**	**11,939,078**

(*) Gross amounts.

(**) Exclude amounts already matured and allowance made.

(***) Exclude term savings accounts.

2008	*At sight*	*Up to 1 month*	*1 to 3 months*	*3 to 12 months*	*Subtotal Up to 1 year*	*1 to 5 years*	*Over 5 years*	*Subtotal Over 1 year*	*Total*
	Ch$ millions	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*	*Ch$ millions*
Assets									
Cash and due from banks	526,235	-	-	-	526,235	-	-	-	526,235
Items in the course of collection from banks	220,140	-	-	-	220,140	-	-	-	220,140
Trading investments	-	396,734	30,400	92,937	520,071	75,729	48,283	124,012	644,083
Securities purchased under resale agreements	-	32,753	847	266	33,866	-	-	-	33,866
Derivative financial instruments	-	70,920	119,161	269,783	459,864	123,069	222	123,291	583,155
Due by banks (*)	-	25,267	5,465	146,383	177,115	11,420	671	12,091	189,206
Loans and accounts receivable from customers,net (**)	-	1,629,047	1,103,210	3,551,953	6,284,210	2,625,834	362,996	2,988,830	9,273,040
Investment available for sale	6,427	658,130	1,035	25,372	690,964	82,064	41,408	123,472	814,436
Investment held to maturity	-	-	-	-	-	-	-	-	-
Total assets	**752,802**	**2,812,851**	**1,260,118**	**4,086,694**	**8,912,465**	**2,918,116**	**453,580**	**3,371,696**	**12,284,161**
Liabilities									
Deposits and other liabilities payable on demand	2,021,931	-	-	-	2,021,931	-	-	-	2,021,931
Items in the course of collection due to banks	63,572	-	-	-	63,572	-	-	-	63,572
Securities sold under repurchase agreements	-	196,094	20,817	10,503	227,414	-	-	-	227,414
Time deposits and other obligations (***)	-	1,894,261	1,341,565	2,661,680	5,897,506	116,111	-	116,111	6,013,617
Derivative financial instruments	-	169,213	176,043	157,737	502,993	28,155	-	28,155	531,148
Interbank borrowings	-	180,865	238,080	1,011,745	1,430,690	128,536	535	129,071	1,559,761
Debt instruments issued	-	954	4,041	314,896	319,891	263,652	541,886	805,538	1,125,429
Other financial obligations	-	56,249	2,943	2,646	61,838	43,186	21,855	65,041	126,879
Total liabilities	**2,085,503**	**2,497,636**	**1,783,489**	**4,159,207**	**10,525,835**	**579,640**	**564,276**	**1,143,916**	**11,669,751**

(*) Gross amounts.
(**) Exclude amounts already matured and allowance made.
(***) Exclude term savings accounts.

NOTE 37

SUBSEQUENT EVENTS

On February 27, 2010 an earthquake stuck the central and south regions from Chile. The quake and aftershocks caused several damages to the infraestructure as roads, bridges, ports and airports. These damages will have an adverse impact on the Chilean economy, and in particular on export businesses that operate in the affected areas, including the forestry, salmon and wine industries. The effects of this earthquake will impact adversely many of the Bank's corporate and retail customers as well as retail customers living in the south region and in the abovemention industries and it is likely that these events will adversely affect the asset quality of the loan portfolio and the results of operations. Besides, the Bank has estimated the damages to its branches in a total amount of ThCh$ XXXXX including insurance copayments.

Fernando Vallejos Vásquez

Accounting Manager

Lionel Olavarría Leyton

Chief Executive Officer

PRICEWATERHOUSECOOPERS

Independent Acountants' Report

Santiago, February 25, 2010

To the Shareholders and Board of Directors of
Banco de Crédito e Inversiones, Miami Branch and subsidiaries

1 We have audited the accompanying consolidated statements of financial position of Banco de Crédito e Inversiones, Miami Branch and subsidiaries as of December 31, 2009 and 2008 and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the years then ended. These consolidated financial statements (including the related notes thereto) are the responsibility of the Bank's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

2 We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

3 In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Banco de Crédito e Inversiones, Miami Branch and subsidiaries as of December 31, 2009 and 2008, the results of their operations, comprehensive income, changes in shareholders' equity and cash flows for the years then ended, in conformity with the accounting regulations issued by the Chilean Superintendency of Banks and Financial Institutions.

4 As explained in Note 1 to the consolidated financial statements, the consolidated financial statements of Banco de Crédito e Inversiones, Miami Branch and subsidiaries for the year ended December 31, 2009 and 2008 are the first consolidated financial statements prepared in accordance with the regulations and instructions issued by the Superintendency of Banks and Financial Institutions (SBIF) in its Compendium of Accounting Regulations (Compendium), issued on November 9, 2007. The figures for 2008 have been restated for comparative purposes; therefore, the figures for the previous year differ from those contained in the consolidated financial statements for 2008 which were prepared in accordance with the accounting standards effective in that year. The differences resulting from the application of the accounting regulations issued by the Superintendency of Banks and Financial Institutions to the consolidated shareholders equity at January 1 and December 31, 2008 and to the consolidated income statement of the Bank for the year then ended are set out in Note 2 to the accompanying consolidated financial statements.

Roberto J. Villanueva B.

PricewaterhouseCoopers

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" Thanks "