BANCO DE CREDITO E INVERSIONES
MIAMI BRANCH AND SUBSIDIARIES

Consolidated Financial Statements

December 31st, 2010 and 2009

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INDEPENDENT AUDITOR'S REPORT

Santiago, February 24th, 2011

Messrs Shareholders and Directors
Banco de Crédito e Inversiones

1. We have performed the audit to the consolidated statements of financial position of Banco de Crédito e Inversiones, Miami Branch and subsidiaries as of December 31st 2010 and 2009 and to the corresponding consolidated statements of results, comprehensive results, changes in equity and cash flows for the years ending in the aforementioned dates. The preparation of said financial statements (which include their corresponding notes) is responsibility of Banco de Crédito e Inversiones Management. Our responsibility consists on issuing an opinion about these financial statements based on the audits we performed.

2 Our audits were performed in accordance with the auditing standards generally accepted in Chile. Such standards require us to plan and perform our job in order to achieve a reasonable grade of confidence that the financial statements are exempt of significant incorrect representations. An audit comprises the examination, based on proofs, of evidence that support the amounts and information revealed in the consolidated financial statements. An audit also comprises an evaluation of the accounting principles used and the significant estimations made by the Bank's Management, as well as an evaluation of the general presentation of the consolidated financial statements. We consider that our audits constitute a reasonable base to support our opinion.

3 In our opinion, the mentioned consolidated financial statements present reasonably, in all their significant aspects, the financial situation of Banco de Crédito e Inversiones, Miami Branch and subsidiaries as of December 31st, 2010 and 2009, the results of their operations, their comprehensive results, the changes in equity and the cash flows for the years ending in those dates, in accordance with the Accounting Standards and Instructions issued by the Superintendence of Banks and Financial Institutions (SBIF).

4 As indicated in note 3 a) to the consolidated financial statements, in accordance with the Superintendence of Banks and Financial Institutions, Banco de Crédito e Inversiones decided to record before December 31st, 2010 the largest provisions over the individual debtors portfolio, required by the regulations of Chapter B1 of the Accounting Standards Compendium as of 2011. This implied the recording of an additional provision for MCh$10,295 which is stated under the "Provisions" item of the Statements of Financial Position, charged to the result of 2010 period.

Fernando Orihuela B.

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BANCO DE CREDITO E INVERSIONES, MIAMI BRANCH AND SUBSDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As of December 31st 2010	2009
		MCh$	MCh$
ASSETS			
Cash and due from banks	6	1,047,633	1,037,783
Items in the course of collection from banks	6	306,023	439,661
Trading investments	7	849,155	844,146
Securities purchased under resale agreements	8	89,595	100,001
Derivative financial instruments	9	459,630	333,395
Interbank loans	10	101,106	140,781
Loans and accounts receivable with clients	11	9,291,070	8,602,991
Available for sale investments	12	497,532	1,116,412
Held-to-maturity investment securities		-	-
Investment in companies	13	52,037	47,825
Intangible assets	14	75,949	78,923
Premises and equipment	15	208,409	202,640
Tax receivable	16	-	4,837
Deferred income tax	16	34,886	23,963
Other assets	17	191,149	148,164
TOTAL ASSETS		13,204,174	13,121,522
LIABILITIES			
Deposits and other liabilities payable on demand	18	2,844,029	2,400,959
Items in the course of collection due to other banks	6	184,437	292,983
Securities sold under repurchase agreements	8	317,784	333,566
Saving accounts and time deposits	18	5,467,545	5,491,152
Derivative financial instruments	9	487,478	358,490
Interbank borrowings	19	1,221,601	2,021,957
Bonds payable	20	1,129,914	996,602
Other financial liabilities	20	111,596	96,136
Current Income taxes	16	31,052	-
Deferred income tax	16	34,109	31,150
Provisions	21	145,682	93,023
Other liabilities	22	189,781	109,351
TOTAL LIABILITIES		12,165,008	12,225,369
SHAREHOLDERS' EQUITY			
Attributable to the owners of the parent			
Capital stock	24	882,273	807,143
Reserves	24	-	61,293
Other comprehensive income	24	6,623	11,415
Retained earnings:			
Retained earnings from previous periods	24	(5,188)	(96,241)
Period earnings	24	222,075	160,774
Less: Provision for minimum dividends	24	(66,623)	(48,232)
Non-controlling interest		6	1
TOTAL SHAREHOLDERS' EQUITY		1,039,166	896,153
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		13,204,174	13,121,522

The accompanying notes N°1 to 38 form an integral part of these consolidated financial statements.

BANCO DE CREDITO E INVERSIONES, MIAMI BRANCH AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF RESULTS

	Notes	As of December 31st 2010 MCh$	2009 MCh$
Interest income	25	755,283	618,320
Interest expense	25	(239,559)	(203,697)
Net interest income		515,724	414,623
Fees and income from services	26	189,116	166,754
Fees and expenses from services	26	(40,552)	(34,399)
Net fee and commission income		148,564	132,355
Gain (loss) from financial operations, net	27	(36,628)	(133,372)
Foreign exchange (loss) gain, net	28	101,845	207,848
Other operating income	33	18,726	19,706
Total operating revenues		748,231	641,160
Provisions for loan losses	29	(116,247)	(148,225)
OPERATING INCOME, NET OF PROVISIONS		631,984	492,935
Personnel salaries and expenses	30	(177,282)	(160,666)
Administrative expenses	31	(119,244)	(103,497)
Depreciation and amortization	32	(36,716)	(26,897)
Impairments	32	(1,810)	-
Other operating expenses	33	(42,699)	(13,430)
TOTAL OPERATING EXPENSES		(377,751)	(304,490)
NET OPERATING INCOME		254,233	188,445
Gain attributable to investments in other companies	13	7,051	2,976
Income before income tax		261,284	191,421
Income tax	16	(39,204)	(30,647)
Income from continuing operations		222,080	160,774
Income from discontinuing operations		-	-
CONSOLIDATED NET INCOME FOR THE PERIOD		222,080	160,774
Attributable to:			
Owners of the parent		222,075	160,774
Non-controlling interest		5	-
		222,080	160,774
Earnings per share attributable to owners of the parent:			
Basic earnings per share	24	$ 2,154	$ 1,586
Diluted earnings per share	24	$ 2,154	$ 1,586

The accompanying notes N°1 to 38 form an integral part of these consolidated financial statements.

BANCO DE CREDITO E INVERSIONES, MIAMI BRANCH AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE RESULTS

	As of December 31st	
	2010	2009
	MCh$	MCh$
CONSOLIDATED NET INCOME FOR THE PERIOD	222,080	160,774
Other comprehensive income:		
Cumulative translation adjustment	(6,168)	(1,446)
Net unrealized gains on available for sale investments	10,474	12,790
Net change in cash flow hedges	(9,838)	11,455
Income tax related with other comprehensive results	740	(5,340)
TOTAL OTHER COMPREHENSIVE RESULTS	(4,792)	17,459
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	217,288	178,233
Attributable to:		
Owners of the parent	217,283	178,233
Non-controlling interest	5	-
	217,288	178,233

The accompanying notes N°1 to 38 form an integral part of these consolidated financial statements.

BANCO DE CREDITO E INVERSIONES, MIAMI BRANCH AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Capital	Reserves	Valuation Accounts				Income	Shareholders' Equity		
	Capital stock	Other reserves not deriving from earnings	Unrealized gains (losses) on available for sale investments	Cash flow hedge	Cumulative translation adjustment	Total	Retained earnings	Total equity attributable to shareholders	Non-controlling interest	Total shareholders equity
As of January 1st, 2009	564,503	198,341	(12,100)	-	6,056	(6,044)	10,197	766,997	1	766,998
Capitalization of reserves	242,640	(137,048)	-	-	-	-	(105,592)	-	-	-
Dividend payment	-	-	-	-	-	-	(846)	(846)	-	(846)
Other comprehensive income	-	-	7,450	11,455	(1,446)	17,459	-	17,459	-	17,459
Net income for the period (2009)	-	-	-	-	-	-	160,774	160,774	-	160,774
Minimum dividend provision (2009)	-	-	-	-	-	-	(48,232)	(48,232)	-	(48,232)
As of December 31st, 2009	807,143	61,293	(4,650)	11,455	4,610	11,415	16,301	896,152	1	896,153
As of January 1st, 2010	807,143	61,293	(4,650)	11,455	4,610	11,415	16,301	896,152	1	896,153
Capitalization of reserves	75,130	(61,293)	-	-	-	-	(13,837)	-	-	-
Provision on contingents	-	-	-	-	-	-	(5,189)	(5,189)	-	(5,189)
Dividend payment	-	-	-	-	-	-	(2,463)	(2,463)	-	(2,463)
Other comprehensive income	-	-	9,972	(8,596)	(6,168)	(4,792)	-	(4,792)	-	(4,792)
Net income for the period (2010)	-	-	-	-	-	-	222,075	222,075	5	222,080
Minimum dividend provision (2010)	-	-	-	-	-	-	(66,623)	(66,623)	-	(66,623)
As of December 31st, 2010	882,273	-	5,322	2,859	(1,558)	6,623	150,264	1,039,160	6	1,039,166

The accompanying notes N°1 to 38 form an integral part of these consolidated financial statements.

BANCO DE CREDITO E INVERSIONES, MIAMI BRANCH AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

	As of December 31st	
	2010	2009
	MCh$	MCh$
NET INCOME (LOSS) FOR THE PERIOD	222,080	160,774
Charges (credits) to income not representing cash movement		
Depreciation and amortization	36,716	26,897
Impairments	1,810	-
Provisions for loan losses	116,247	148,225
Adjustments for financial investments at fair value	(290)	(2,304)
Net gain attributable to investment in companies	(7,051)	(2,976)
Net gain on sale of foreclosed assets	(2,165)	(642)
(Gain) loss on sale of premises and equipment	1,207	3
Write-off of foreclosed assets	1,795	787
Other charges (credits) not representing cash movement	106,312	57,537
Net change in interest, indexation & fees accrued on asset and liabilities	(42,015)	59,112
Changes in assets and liabilities affecting operating cash flows:		
(Increase) net decrease in interbank loans	39,507	47,083
(Increase) net decrease in loans and accounts receivable from customers	(779,535)	258,718
(Increase) net decrease in trading and available for sale investments	588,382	(511,945)
Increase (decrease) in deposits and other liabilities payable on demand	443,073	379,057
Increase (decrease) in repurchase and resale agreements of securities	(15,852)	106,213
Increase (decrease) in saving accounts and time deposits	63,132	(439,580)
Increase (decrease) in interbank borrowings	(29,721)	184,481
Increase (decrease) in other financial obligations	15,630	(29,650)
Loans received from the Central Bank of Chile (long term)	2,847,908	3,881,365
Repayment of loans received from the Central Bank of Chile (long term)	(3,566,270)	(3,289,134)
Loans received from abroad at long term	7,268,624	3,716,837
Repayment of loans received from abroad at long term	(7,320,790)	(4,020,151)
Total cash flows (used in) provided by operating activities	(11,266)	730,707
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of premises and equipment	(55,493)	(45,604)
Sale of premises and equipment	2,770	939
Investment in companies	(1,580)	(1,551)
Sale of investment in companies	29	-
Dividends received from investments	2,085	1,889
Proceeds from sale of foreclosed assets	11,443	2,176
(Increase) net decrease of other assets and liabilities	(15,504)	29,543
Total cash flow used in investing activities	(56,250)	(12,608)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Redemption of mortgage funding notes	(27,059)	(24,989)
Bonds issued	235,407	34,229
Redemption of bonds	(118,941)	(165,024)
Dividends paid	(50,695)	(46,464)
Total cash flows provided by (used in) financing activities	38,712	(202,248)
CHANGE IN CASH AND DUE FROM BANKS DURING THE PERIOD	(28,804)	515,851
CASH AND DUE FROM BANKS AT THE BEGINNING OF THE PERIOD	1,309,091	793,240
CASH AND DUE FROM BANKS AT THE END OF THE PERIOD	1,280,287	1,309,091

The accompanying notes N°1 to 38 form an integral part of these consolidated financial statements.

NOTE 1 – GENERAL INFORMATION

a) The Bank

Banco de Crédito e Inversiones or Banco BCI (the "Bank") is a corporation established in Chile and regulated by the Superintendencia de Bancos e Instituciones financieras (SBIF). Its legal domicile is Avenida El Golf 125, Las Condes, Santiago. The consolidated financial statements as of December 31st, 2010 and 2009 include the Bank and its subsidiaries, as well as the Miami branch detailed in the following report. The Bank participates in all the businesses and operations permitted by the 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 statement of comprehensive results includes the net income of the period and the other comprehensive results recorded in equity, including the translation adjustment between the Chilean Peso and the American Dollar originated by Miami branch. The results to be considered for the distribution of dividends correspond to the net income of the period attributable to the owners of the parent, as inferred from the consolidated statement of results.

b) Consolidated subsidiaries and special-purpose entities

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

	Stake			
	Direct		Indirect	
Company	2010	2009	2010	2009
	%	%	%	%
Análisis y Servicios S.A.	99.00	99.00	1.00	1.00
BCI Asset Management Administradora de Fondos S.A.	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.	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	-	-
BCI Administradora General de Fondos S.A. (1)	99.90	99.90	-	-
Banco de Crédito e Inversiones Sucursal Miami	100.00	100.00	-	-
Servicio de Normalización y Cobranza Normaliza S.A.	99.90	99.90	0.10	0.10
Incentivos y Promociones Limitada (2)	CE	CE	CE	CE
FIP Activos Inmobiliarios (1)	100.00	100.00	-	-
Fincorp Fondo de Inversión Privado(1)	-	100.00	-	-
Terrenos y Desarrollo S.A. (1)	100.00	-	-	-

(1) For consolidation purposes, the subsidiary BCI Administradora General de Fondos S.A. consolidates its results with FIP Activos Inmobiliarios, Fincorp Fondo de Inversión Privado and Terrenos y Desarrollo S.A.
(2) Special-purpose entity that is in charge of the promotion of products of credit and debit cards. The Bank does not participate in the ownership of this company.

The assets and operating income of the subsidiaries as a whole represent 18.85% (13.36% in 2009) and 36.69% (17.39% in 2009) respectively, of the corresponding balance of assets and consolidated operating income respectively.

The effects of unrealized results arising from transactions with the subsidiaries have been eliminated and the participation of minority investors has been recorded, which is shown in the consolidated statement of results under the "non-controlling interest" account.

For consolidation purposes, the assets and liabilities of the Miami branch have been translated to Chilean pesos at the accounting exchange rate representation at the closure of each year and the income-statement accounts at the average accounting exchange rate representation for each month.

NOTE 2 – PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation

In accordance with the Compendium of Accounting Regulations issued by the Superintendence 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).

b) Basis of consolidation

The consolidated financial statements comprise the consolidated financial statements of the Bank, Miami branch and subsidiaries as of December 31st, 2010 and 2009, for the years ending in those dates. The financial statements of the subsidiaries (including the special-purpose entities that the Bank controls) are prepared with the same date as the Bank's, using consistent accounting policies.

The intercompany balances and any unrealized income or expense arising from intercompany transactions between entities within the consolidation perimeter are eliminated during the preparation of these financial statements. The unrealized income arising from transactions with companies whose investment is recorded by the participation method are eliminated from the investment to the extent of the group's interest in these companies.

i) Subsidiaries

Are those entities over which the Bank can exert control, an ability displayed in general, although not only for the ownership, direct or indirect, of at least 50% of the social rights of the associated entities or even being that percentage inferior or null if, as in the case of agreements with the shareholders of said entities, the control is given to the Bank. Control is understood as the power to significantly influence over the financing and operating policies of an entity in order to obtain benefits from its activities. The financial statements have been prepared using standard accounting policies for similar transactions and other events in equivalent circumstances.

ii) Special-purpose entities

The special-purpose entities (SPEs) are generally created to accomplish specific and well-defined objectives, such as the achievement of customers' loyalty. A SPE is consolidated if the Bank, based on the evaluation of the fundamentals of the SPE's relationship with the Bank and the risks and advantages of the SPE, concludes it has control over the SPE.

c) Non-controlling interest

It represents the portion of earnings and losses and net assets of which, directly or indirectly, the Bank is not owner. Non-controlling interest is presented separately in the consolidated statements of results, of comprehensive results and of financial position.

d) Operating currency

These consolidated financial statements are presented in Chilean pesos, the operating currency of the Bank. Likewise, all the entities of the group have defined the Chilean peso as the operating currency, except for Miami branch, which has established the American dollar as its operating currency.

The balances of the financial statements of the consolidated entities whose operating currency is other than the Chilean peso are converted into Chilean pesos in the following way:

i. The assets and liabilities, by application of the exchange rates as of December 31st, 2010 and 2009.
ii. The income and expenses and cash flows, by application of the average accounting representation exchange rates of each month.

The cumulative translation adjustments produced when translating into Chilean pesos, the operating currency of the Bank, the balances of entities whose operating currency is other than the Chilean peso are exposed in the consolidated statement of comprehensive results under the "Cumulative translation adjustments" account. When the decrease of the element that generated them occurs, these cumulative translation adjustments are reclassified as results.

All the information presented in Chilean pesos has been rounded off to the closest million unit.

e) Operating segments

The operating segments of the Bank are determined on the basis of the different business units in which it is managed. These business units provide products and services subject to different risks and performances and therefore the key decision-making organisms of the Bank evaluate separately the performance of the same.

f) Transactions in foreign currency

As it was stated previously, the operating currency of the Bank is the Chilean peso. Therefore, all the balances and transactions denominated in currencies different than the peso are considered denominated in "foreign currency". The differences in the exchange rate produced when converting the balances from foreign currency into operating currency are registered in results.

As of December 31st, 2010, the assets and liabilities in foreign currency of the Bank are shown as their equivalent value in pesos, calculated at the accounting representation exchange rate of Ch$467.28 per US$1 (Ch$507.75 per US$1 in 2009).

The monetary assets and liabilities of the entities consolidated in foreign currency are converted to the observed exchange rate informed by the Central Bank of Chile, defined at the closure of operations of the last working day of the month, which ascends to Ch$468.01 per US$1 as of December 31st, 2010 (Ch$507.10 per US$1 as of December 31st, 2009).

These exchange rates do not differ significantly from the exchange rate applied by the subsidiaries supervised by the Superintendencia de Valores y Seguros (SVS).

g) Assets and liabilities valuation criteria

The assets and liabilities valuation criteria registered in the consolidated statements of financial position are the following:

i) Assets and liabilities valued at amortized cost:

Amortized cost is understood as the acquisition cost of a financial asset less the incremental costs (in more or less, depending on each case) by the share systematically allocated to the losses and profits accounts of the difference between the initial amount and the corresponding reimbursement value at maturity.

In the case of financial assets, the amortized cost includes, in addition, the corrections to its value motivated by the impairment they had experienced.

In the case of financing instruments, the share systematically allocated to the losses and profits accounts is registered by the effective rate method. The effective rate evens the value of a financing instrument to the total of its cash flows estimated by all the concepts along its remaining useful life, without considering impairment, which is recorded as a result of the period in which it is originated.

ii) Assets valued at fair value:

For financing instruments traded in active markets, the determination of fair values is based on their listing or recent transaction prices. This includes instruments traded in local or international stock markets, brokers' pricings or "Over the counter" counterparts.

A financing instrument is considered as priced in an active market if the prices are regularly and freely available from a market, index, broker, dealer, price provider or regulatory agency and if those prices represent current and regular market transactions. If the market does not comply with these criteria, it is considered as inactive. The shortage of recent transactions or a too-wide spread between bid-offer prices are indicators that the market is inactive.

For the rest of the financing instruments, the fair value is determined by using valuation techniques. In these techniques, the just value is estimated from observable data with respect to similar financing instruments, using models to estimate the current value of the expected cash flows or other valuating techniques, using inputs (e.g. deposits, swaps, exchange rates, volatilities, etc.) existing at the date of the financial statements.

As of the dates of the financial statements, the Bank has no instruments whose just value had been determined based on unobservable data. However, for this type of instruments, the Bank has models developed internally, which are based on techniques and methods generally recognized in the industry. When the data used in the models is unobservable, the Bank must perform assumptions in order to estimate the just values. These valuations are known as Level 3 valuations. The instruments according to their valuation level are detailed in Note 35.

The Bank has not considered its own credit risk spread in the valuation of the derivative liabilities. The effect of the implicit risk in the fair value has been estimated from the provisions.

The results of the models are always an estimate or approximation of the value and cannot be determined with certainty. Consequently, the valuation techniques applied may not reflect all the relevant factors for the Bank's positions. Therefore, the valuations are adjusted, when it corresponds, in order to reflect additional factors, such as liquidity or credit risks of the counterpart. Based on the model and the credit risk policies of the Bank, the Management estimates that these adjustments to the valuations are necessary and appropriate in order to reasonably present the values of the financing instruments in the consolidated financial statements. The data, prices and parameters used in the valuations are carefully and regularly checked, and adjusted if necessary.

iii) Assets valued at acquisition cost:

Revised acquisition cost is understood as the cost of the transaction for the acquisition of the asset, corrected in its case, by the impairment losses it had experienced.

The consolidated financial statements have been prepared based on the amortized cost, except for:

- The derivative financing instruments, measured at their fair value.
- The long-lasting assets available for sale, measured at fair value, when the value is lower than its book value less its selling costs.
- The trading instruments, measured at fair value.
- The financial assets available for sale, measured at fair value.
- The premises and equipment, measured at fair value when the Superior Management has considered valuating said assets and considering said value as a cost attributed for the first adoption.

iv) Disposal of financial assets and liabilities

The accounting treatment of financial assets transfers is conditioned by the degree and the way in which the risks and benefits associated to the assets are transferred to third parties:

1 If the risks and benefits are substantially transferred to third parties, such as the case of unconditional sales, sales with repurchase agreement for their fair value at the date of repurchase, sales of financial assets with deep-in-the-money put or call options with a high probability of not exerting it, the use of assets in which the transferor does not retain subordinate financings or grants any type of credit improvement to the new titleholders and other similar cases, the transferred financial asset is disposed of the balance, and recognizing at the same time any right or obligation retained or created as a consequence of the transfer.

2 If the risks and benefits associated to the transferred financial asset are substantially retained, such as the case of sales of financial assets with repurchase agreement for a fixed price or sale price plus interest, of securities loan agreements in which the borrower has the obligation of returning the same or similar assets and other cases, the transferred financial asset is not disposed of from the balance and keeps being valued with the same criteria used before the transfer. On the contrary, they are recorded in accounting:

   a. A financial liability associated by an equal value of the received repayment, which is valued afterwards at its amortized cost.

   b. The income from the transferred financial asset (but not disposed of) and the expenses of the new financial liability.

3 If the risks and benefits associated to the transferred financial asset are not substantially retained or transferred, such as the case of sales of financial assets with no deep-in-the-money call or put options with high or low probability of exerting it, of the uses in which the transferor assumes a subordinate financing or other type of credit improvement for part of the transferred asset and other similar cases, a distinction is made:

a. If the transferor entity does not retain control of the transferred financial asset, it is disposed of the balance, and any other right or obligation retained or created as a consequence of the transfer is recorded.

b. If the transferor entity retains control of the transferred financial asset, it is still recorded in the balance for an amount equal to its exposition to the value changes it may experience and records a financial liability associated to the transferred financial asset. The net amount of the transferred asset and the associated liability shall be the amortized cost of the retained rights and obligations if the transferred asset is measured by its amortized cost or the fair value of the retained rights and obligations if the transferred asset is measured by its fair value.

According to the aforementioned, the financial assets are only disposed of the balance when the rights over the cash flows they generate are extinguished or when the risks and benefits associated to them have been substantially transferred to third parties.

In a similar way, the financial liabilities are disposed of the balance only when the obligations they generate are extinguished or when they are acquired with the intention of extinguishing or relocating them.

h) Investment instruments

The investment instruments are classified into two categories: held to maturity and available for sale. The category of financial assets held to maturity includes only those instruments in which the Bank has the capacity and intention of keeping them until their maturity. The rest of the investment instruments are considered as available for sale.

The investment instruments are initially recorded at their just value, including transaction costs. The instruments available for sale are then valuated at their fair value according to market prices or valuations obtained from models. The unrealized income or losses originated by the change in its fair value are recorded with charge or payment to other comprehensive results. When these investments are transferred or become impaired, the amount of adjustments at fair value accumulated in equity is transferred to results and is informed under “Net gain (loss) from financial operations”.

The investments in financial assets held to maturity are registered at their amortized cost value plus interests and readjustments accrued, less the provisions for impairment constituted when its registered value is superior to the estimate recovery value.

The interests and readjustments of investments held to maturity and available for sale are included in the “Interest income” account.

The purchases and sales of investment instruments that must be submitted within the period established by the market's regulations or conventions are recorded at the date of negotiation, in which the purchase or sale of the asset is agreed. The rest of the sales or purchases are treated as derivatives (forwards) until their liquidation.

i) Trading investments

The trading investments correspond to securities acquired with the intention of generating profits from the price fluctuation in the short-term or through gross earnings' margins, or that are included in a portfolio in which there is a short-term profit taking pattern.

Trading investments are valued at their fair value in accordance with market prices at the date of the balance's closure. The transaction costs are translated directly into results. The profits or losses coming from the adjustments for their valuation at fair value, as well as the results from the trading activities, are included in the "Net gain (loss) of financial operations" account of the consolidated statement of results.

The interests and readjustments accrued are informed in the "Net gain (loss) of financial operations" account of the consolidated statement of results.

All the purchases and sales of trading investments that must be submitted within the period established by the market's regulations or conventions are recorded at the date of negotiation, in which the purchase or sale of the asset is agreed. Any other purchase or sale is treated as a derivative (forward) until the liquidation.

j) Transactions of securities purchased under resale agreements

Transactions of resale agreements are performed as a form of investment. Under these agreements, financing instruments are purchased, which are included as assets in the "securities purchased under resale agreements" account, which are valued according to the agreed interest rate.

Transactions of resale agreements are also performed as a form of financing. In this matter, the investments that are sold subject to a repurchase obligation and that serves as guarantee for the loan are part of their respective accounts "trading investments" or "investments available for sale". The repurchase obligation of the investment is classified under liabilities as "securities purchased under resale agreements", which is valued according to the agreed interest rate.

k) Derivatives

The derivative financing instruments , which include forwards in foreign currency and Unidades de Fomento (UF), interest rate futures, swaps of currency and interest rate, currency and interest rate options and other derivative financial instruments are recorded initially in the balance at their just value (including transaction costs) and subsequently valued at their fair value. The fair value is obtained from market pricings, discounted cash flow models and pricing valuation models as it corresponds. The derivative instruments are recorded as an asset when their fair value is positive and as a liability when it is negative in the "derivative financial instruments" account.

Certain derivatives incorporated in other financing instruments are treated as separate derivatives when their risk and characteristics are not closely related with those of the main agreement and this is not recorded at its fair value with its unrealized gains and losses included in the results.

At the moment of subscribing a derivative agreement, it must be assigned by the Bank as derivative instrument for trading or for accounting hedge purposes.

The changes in the fair value of derivative instruments held for trading are included in the “Net gain (loss) of financial operations” account of the consolidated statement of results.

If the derivative instrument is classified for accounting hedge purposes, it 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. A hedge ratio for accounting hedge purposes must comply with all the following conditions: (a) at the moment of initiating a hedge ratio, it must be formally documented; (b) the hedge is expected to be highly effective; (c) the hedge effectiveness can be measured in a reasonable way and (d) the hedge is highly effective in relation with the risk covered continuously along the duration of the hedge ratio.

Certain transactions with derivatives that do not qualify for being classified as hedging derivatives are treated and recorded as trading derivatives, even when they provide effective hedging for the management of risk positions.

When a derivative hedges the exposure to changes in the fair value of an existing item of the asset or liability, it is recorded at its fair value regarding the specific risk covered. The gains or losses coming from the fair value measurement, both from the hedged item and hedging derivative, are recorded with effect in the results of the period.

If the item hedged in a fair value hedging is a firm commitment, the changes in the fair value of the commitment regarding the covered risk are recorded as assets or liabilities with effect in the results of the period. Gains or losses from the fair value measurement of the hedging derivative are recorded with effect in the results of the period. When a new 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 valuation at fair value of the firm commitment recorded in the consolidated statement of financial position.

When a derivative hedges exposure to changes in the cash flows of existing assets or liabilities, or expected transactions, the effective portion of its changes in fair value is recorded in shareholders’ equity. Any ineffective portion is recorded directly in the results of the period.

The amounts recorded directly in shareholders’ equity are registered in results in the same periods in which the assets or liabilities hedged affect the results.

When a fair value interest rate hedge is performed for a portfolio and the item hedged is a currency amount instead of specific assets or liabilities, the gains or losses coming from the fair value measurement, both of the hedged portfolio and the hedge derivative, are recorded with effect to the results of the period, but the fair value measurement of the hedged portfolio is presented in the statement of financial position under the “Other assets” or “Other liabilities” accounts, depending on the position of the hedged portfolio at some time.

l) Loans and accounts receivable with clients

Loans receivable are non-derivative financial assets with fixed or determined charges that are not priced in an active market and which the Bank does not intend to sell immediately or in short-term.

Loans receivable are initially measured at their fair value plus direct costs of transaction and subsequently measured at their amortized cost using effective interest rate method.

The regulatory framework that regulates this subject is located in item N°3 of Chapter B-2 of the Accounting Standards Compendium.

i) Leasing contracts

Accounts receivable from leasing contracts, included under the "loans and accounts receivable with clients" account correspond to periodic installments of contracts leasing that comply with the requisites to be qualified as financial leasing and are presented net at their nominal value of the non-accrued interests at the closure of the period.

ii) Factoring operations

The Bank and its subsidiary BCI Factoring S.A. perform operations with their clients, in which they receive invoices and other credit representative trading instruments with or without responsibility from the transferor, anticipating a percentage of the total amount receivable of the debtor of the transferred documents.

m) Credit risk provisions

The provisions demanded to cover the loss risks of the assets have been constituted according with the regulations of the Superintendencia de Bancos e Instituciones Financieras (SBIF). The assets are presented net of said provisions, or showing the reduction in the case of investments.

According to the established by the Superintencia de Bancos e Instituciones Financieras, models and methods based on individual and group analysis of the debtors are used to constitute the investments' provisions.

i) Individual evaluation provisions

The individual analysis of debtors is applied to the legal body and natural person clients' segments which, for their size, complexity and level of exposition with the entity, makes it necessary to know them comprehensively. Likewise, it requires the assignation for each debtor and its respective investments of a risk category, which must consider at least one of the following for the individual analysis: industry or sector, partners and administration, financial position, payment behavior and capacity.

One of the following categories must be assigned to each debtor with its credits after the analysis is done:

a1. Categories A1, A2 and A3 correspond to debtors with no noticeable risk, whose payment capacity will remain effective when facing adverse business, economic or financial situations.

a2. Category B corresponds to debtors that present some risk, but show no signs of impairment, to the exert that when facing predictable adverse business, economic or financial situations, the analyzed debtors would cease to pay for one of their obligations.

a.3 Categories C1, C2, C3, C4, D1 and D2 correspond to debtors with insufficient payment capacity.

In order to determine the provisions on debtors classified in A1, A2, A3 and B categories, the provision percentages approved by the board are used.

On the other hand, debtors classified in C1, C2, C3, C4, D1 and D2 categories are given, according to the regulations, the following provision levels:

Category	Expected loss range risk scale	Provision
C1	More than 0 up to 3 %	2%
C2	More than 3% up to 20%	10%
C3	More than 20% up to 30%	25%
C4	More than 30 % up to 50%	40%
C5	More than 50% up to 80%	65%
C6	More than 80%	90%

ii) Group evaluation provisions

The group evaluation is used to analyze a large number of operations whose individual amounts are low. For this purpose, the Bank uses models based on the debtors and their credit attributes and models based on the behavior of a group of credits. On group evaluations, the provisions will always be constituted according to the loss expected by the used models.

iii) Additional provisions

In accordance with the regulations issued by the Superintendencia de Bancos e Instituciones Financieras, the Bank has constituted additional provisions on its loans portfolio evaluated individually, considering the expected impairment of said portfolio. The calculation of this provision is made based on the historical experience of the Bank, and in consideration of contingent macroeconomic prospects or adverse circumstances that may affect a sector, industry, debtors or project groups.

iv) Write-off of foreclosed assets

Loans and accounts receivable must be computed from the beginning of their arrears, this is, when the delay of an operation reaches the write-off term displayed below:

Type of loan	Term
Consumer loans with or without collateral	6 months
Other operations without collateral	24 months
Commercial loans with collateral	36 months
Mortgage loans for housing	48 months
Consumer leasing	6 months
Other non-real estate leasing operations	12 months
Real estate leasing (commercial or housing)	36 months

The term corresponds to the time passed from the date in which the payment of part or the whole obligation in arrears was demandable.

v) Recovery of writen-off assets

The recovery of written-off investments is recorded directly as income in the consolidated statement of comprehensive results.

n) Income and expenses from interests and readjustments

The income and expenses from interests and readjustments are recorded in accounting according to their period of accrual at effective rate.

However, in case of matured loans and outstanding investments with high risk of irrecoverability, the conservative criteria of suspending the interests and readjustments accrual has been followed.

i) Amount to be suspended:

The amount to be suspended from the income on the accrued basis corresponds to the amount calculated between the suspension date and the balance cut-off date. The balance cut-off date corresponds to the last day of the month.

ii) Suspension date:

Individual evaluation loans:

Case a) Loans classified under D1 and D2 categories: it will correspond to the entry date to the impaired portfolio which is identified in this case by the date of classification under the D1 or D2 category.

Case b) Loans classified under C3 and C4 categories: it will correspond to the entry date of loans classified as C3 and C4 to the impaired portfolio, and must remain for three months in said portfolio, notwithstanding the current classification, since it may come to pass that during the measurement period it can be classified as C3 or C4, but remain longer in the impaired portfolio, for being classified previously as C1 or C2.

Group evaluation loans:

In the case of loans with collateral below 80%, it is suspended when the loan or one of the installments has reached 6 months of arrears in its payment.

The 80% hedging of collateral refers to the ratio, measured at the entry date of loans to the impaired portfolio, between the value of the calculated collateral and the value of all the operations hedged by said collateral, included in contingent loans.

o) Income and expenses from fees

Income and expenses from fees are recorded in the results with different criteria according to their nature. The most significant are:

- Those corresponding to singular acts, when the act which originates them is produced.
- Those originating from transactions or services extended in time along the duration of said transactions or services.
- Those linked to financial assets or liabilities are recorded by their effective rate along the duration of the operation.

p) Impairment

i) Financial assets:

A financial asset is valued on each submission date to determine if objective evidence of impairment exists. A financial asset is impaired if there is objective evidence showing that one or more events have had a future negative effect in the asset.

A loss due to impairment, regarding financial assets registered at their amortized cost, is calculated as the difference between the book value of the asset and the current value of the estimate cash flows, discounted from the effective interest rate.

A loss due to impairment, regarding a financial asset available for sale, is calculated in relation with its fair value.

Financial assets that are individually significant are examined individually to determine their impairment. The remaining financial assets are evaluated in groups that share similar credit risk characteristics.

All the losses due to impairment are recorded in the results. Any accumulated loss in relation with a financial asset available for sale previously recorded in equity is transferred to the results.

Reversion of a loss due to impairment only occurs if it can be objectively related with an event occurring after it was recorded. In the case of financial assets recorded at amortized cost and of those available for sale that are securities for sale, it is recorded in the result. In the case of financial assets that are variable income securities, reversion is recorded directly in equity.

For assets of the "Loans and accounts receivable with clients" account, the impaired portfolio is defined according to Chapter B-2 of the Accounting Standards Compendium of the SBIF as "loans of the debtors on which there is evidence that they will not comply with any of their obligations in the agreed payment conditions, without the possibility of recovering the debited by resorting on the collateral by means of exercise of judicial collection actions or negotiating different conditions".

Policies regarding impairment measurement indicate that it is measured monthly and subject to the following criteria:

ii) Entry to the impaired portfolio

It is distinguished in operations classified individually, those that enter for credit risk classification equal or superior to C1.

The rest of the operations are classified in groups and enter when they are:

- Operations of loans with arrears larger or equal to 90 days.
- Renegotiated operations.
- 100% of the operations associated with the client are moved to the impaired portfolio.

Operations related with mortgage loans for housing or loans for superior studies financing of the Law N°20,027 are excluded as long as no un-fulfillment conditions of those established in Circular N°3,454 of December 10th, 2008 arise.

The behavior in the financing system is not considered to determine the entry to the impaired portfolio.

Exit conditions

- Individual case: having improved its risk classification.

- Group case:

a) Non-renegotiated operations: loan operations in the impaired portfolio may return to the regular portfolio only if the operation complies with the following conditions:

- Record at least 6 consecutive installments of capital and interest, paying them on schedule or with a maximum delay of 30 days.
- Have all its obligations up to date and have no other loan operations in the impaired portfolio.
- In any case, it must not register any arrears in the rest of the financial system in the last 90 days (last three periods informed in the SBIF at the date of inquiry).

b) Renegotiated operations: they may exit the impaired portfolio only if the operation complies with the following conditions:

- Record at least 6 consecutive installments of capital and interest, paying them on schedule or with a maximum delay of 30 days.
- Have all its obligations up to date and have no other loan operations in the impaired portfolio.
- Have no other renegotiated operation issued within the last 6 months.
- In any case, it must not register any arrears in the rest of the financial system in the last 90 days (last three periods informed in the SBIF at the date of inquiry).

c) Group renegotiated portfolio originated from write-off: written-off operations that had been renegotiated may exit the impaired portfolio and enter the normal portfolio only if the operation complies with the following conditions:

- Payment of 30% of the originally renegotiated operation (total balance of the negotiated operation) or have paid the first 6 maturities negotiated in the renegotiated operation.
- Have its capital and interests payment up to date.
- Have no other operations in the impaired portfolio.
- Records no arrears in the rest of the financial system in the last 90 days.

iii) Non financial assets

The book value of non financial assets of the Bank, excluding investment properties and deferred taxes is checked on every submission date to determine if indications of impairment exist. If such indications exist, then the amount of the asset to be recovered is calculated. In the case of goodwill and intangible assets with an indefinite useful life or which are not available for use yet, the amounts to be recovered are estimated on each submission date.

A loss from impairment in relation with goodwill is not repaid. Regarding other assets, losses from impairment recorded in previous periods are evaluated on each submission date in search for anything that may indicate that the loss has decreased or disappeared. A loss from impairment is repaid if a change in the estimations used to determine the recoverable amount has occurred. A loss from impairment is repaid as long as the book value of the asset does not exceed the book value that had been determined; net of depreciation or amortization, if no loss from impairment has been recorded.

q) Investment in companies

Companies with significant influence

Investments in companies are those over which the Bank has the ability of exerting a significant influence, although not control or joint control. This capacity is usually expressed in a share between 20% and 50% of the voting rights of the entity and it is valued using the method of share over financial statements adjusted to new regulations.

Joint ventures are those entities where the Bank has joint control with other investors. The shares in joint venture entities are valued using the method of share over financial statements of said entities adjusted to new regulations.

The entities valued using the share methods are detailed below:

	Share	
Company	2010	2009
	%	%
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 Ltda.	50.00	50.00
Artikos Chile S.A.	50.00	50.00
Nexus S.A.	12.90	12.90
Combanc S.A.	10.50	11.52
Bolsa de Comercio de Santiago	2.08	2.08
CCLV Contraparte Central S.A.	0.15	0.15
Bolsa Electrónica de Chile	2.44	2.50
Bolsa de Valores de Valparaíso	1.67	1.67
Credicorp Ltda.	1.77	1.74

r) Investment in other companies

Investments in other companies are those where the Bank has no significant influence and are presented at their acquisition cost.

s) Intangible assets

i) Goodwill

The goodwill represents the excess of acquisition cost over fair value of the company's share in the identifiable net assets of the subsidiary in the date of acquisition.

The goodwill originated before January 1st, 2009 is recorded at its cost value corrected until December 31st, 2007, less the accumulated amortization according to the remaining useful life of the same.

The goodwill originated as of January 1st, 2009 is recorded at its fair value, less losses from impairment.

ii) Software

The software acquired by the Bank is recorded at its cost less the accumulated amortization and losses from impairment.

The expenses in software developed internally are recorded as assets when the Bank is capable of proving its intention and ability to complete its development and use it internally to generate future economic benefits, and can measure the cost of completing its development confidently. The costs capitalization of the software developed internally includes all the direct costs attributable to the development of the software, and it is amortized over the basis of its useful life. The software developed internally is recorded at its capitalized cost less the accumulated amortization and losses from impairment.

The subsequent expenses of the recorded asset are capitalized only when the future economic benefits of the specific assets in the related areas increase. The rest of the expenses are recorded in the results.

Amortization is recorded in results over straight-line according to the estimate useful life of the software, starting on the date it is ready for use. The estimate useful life of the software is usually of six years.

t) Premises and equipment (Fixed assets)

The items of the premises and equipment account, excluding real property, are measured at cost less accumulated depreciation and losses from impairment.

Real property was valued at their commercial valuation on December 31st, 2007.

The cost includes expenses attributed directly to the asset acquisition and any other cost directly attributable to the process of having the asset in conditions to be used.

When part of an item of the fixed asset has a different useful life, it is recorded as a separate item (real property remodeling).

Depreciation is recorded in the consolidated statement of results based on the straight-line depreciation method over the useful life of each part of an item of the fixed asset. Leased assets are depreciated in the shortest period between the lease and their useful lives, unless it is certain that the Bank will obtain the property at the end of the leasing period.

The estimate useful lives for the current and comparative periods are the following:

	2010	2009
Buildings	50 years	50 years
Machinery and equipments	3 - 10 years	3 - 10 years
Facilities	7 - 10 years	7 - 10 years
Furniture and fixtures	7 years	7 years
Computing equipment	3 - 6 years	3 - 6 years
Real property improvements	10 years	10 years

u) Assets received in payment

Assets received in payment are classified under the "Other assets" account. They are recorded at the lower value between their acquisition cost and net realizable value less required regulatory write-offs and are recorded net of provisions. The regulatory write-offs are required by the Superintendencia de Bancos e Instituciones Financieras if the asset is not sold within one year from its reception.

v) Personnel benefits:

i) Personnel vacations

The annual cost of personnel vacations and benefits are recorded on accrual basis.

ii) Short-term benefits

The entity contemplates an annual incentives plan for its personnel for achieving objectives, consisting on a determined number or portion of monthly remunerations and is provisional on the basis of the estimate amount to be distributed.

iii) Indemnification for years of service

The Bank and its subsidiaries have no payments agreed with its personnel for the concept of indemnification for years of service.

w) Leases

i) Operating lease

When the Bank or the subsidiaries act as lessee and the contract qualifies as operating lease, the total amount of the payments is recorded in the operating results.

At the end of the operating lease period, any payment for penalizations to the contract required by the lessor is recorded as expenses of the period in which said contract ended.

ii) Financial lease

In the case of financial leases, the sum of the current values of the installments they will receive from the lessee plus the purchase option is recorded as financing to third parties, and is therefore recorded in the "loans and accounts receivable with clients" account.

The assets leased between consolidating entities are recorded as being for personal use in the consolidated financial statements.

x) Cash flows statement

For the elaboration of the consolidated statement of cash flows, the indirect method is used, in which, starting from the consolidated statement of the Bank, the non-monetary transactions are incorporated, as well as the income and expenses associated with the cash flows from activities classified as being of investment or financing.

For the elaboration of the consolidated statement of cash flows the following concepts are considered:

- Cash flows: the cash and cash equivalent inflow and outflow, understood as the short-term investments of great liquidity and low risk of changes in their value such as: deposits in the Central Bank of Chile, in local Banks and abroad.

- Operating activities: they correspond to normal activities performed by the Banks, as well as other activities that cannot be qualified as investment or financing activities.

- Investment activities: they correspond to the acquisition, alienation or disposition by other means of long-term assets and other investments not included in cash and cash equivalent.

- Financing activities: the activities that cause changes in size and composition of net equity and liabilities and that do not form part of the operating and investment activities.

y) Contingent provisions and liabilities

Provisions are liabilities on which there is uncertainty regarding their quantity or maturity. These provisions are recorded in the balance when they comply with the following requirements in a copulative way:

- It is a current obligation resulting from previous events and,
- At the date of the consolidated financial statements it is likely that the Bank or its subsidiaries will have to dispose of resources in order to extinguish the obligation and the amount of these resources can be measured in a reliable way.

A contingent asset or liability is any obligation arising from previous events and whose existence will be confirmed only if one or more uncertain future events happen and which are not under the Bank's control.

Provisions (which are measured having in consideration the best available information regarding the consequences of the related event and are re-estimated on every accounting closure) are used to face specific obligations for which they were originally recorded, proceeding to their reversion, total or partial, when said obligations disappear or decrease.

Provisions are classified according to the covered obligations, which are:

- Provisions for benefits and remunerations of the personnel.
- Provision for minimum dividends.
- Provisions for contingent credit risk.
- Provisions for contingencies.

z) Use of estimates and judgement

The preparation of the consolidated financial statements require the management of the Bank to perform judgment, estimates and assumptions that affect the application of the accounting policies and the amount of assets, liabilities, income and expenses presented. The real results may differ from these estimates.

The relevant estimates and assumptions are revised on a regular basis by the High Management of the Bank in order to quantify certain assets, liabilities, income, expenses and uncertainties. The revision of the accounting estimates are recorded in the period in which the estimate is revised and in any future period affected.

In particular, the information regarding more significant areas of uncertainties and critical judgment estimates in the application of accounting policies that have the most important effect on the amounts recorded in the consolidated financial statements are described in the following notes:

- Losses from impairment of certain assets.
- Valuation of financial instruments.
- Useful life of material and intangible assets.
- Goodwill valuation.
- Use of tax losses.
- Commitments and contingencies.

aa) Income tax and deferred tax

The Bank has recorded a first-category income tax expense at the closure of each period, in accordance with the tax regulations in force.

The Bank records, when it corresponds, assets and liabilities from deferred taxes from the future estimate of the tax effects attributable to differences between the book value of the assets and liabilities and their tax values. The measurement of assets and liabilities for deferred taxes is performed based on the tax rate that, according to the tax regulations in force, must be applied in the year in which the liabilities for deferred taxes are performed or liquidated. The future effects of changes in the tax regulations or in tax rates are recorded in the deferred taxes as of the date in which the law that approves said changes is published.

ab) Non-current assets held for sale

Non-current assets (or alienable group that comprises assets and liabilities) that are expected to be recovered mainly through sales, instead of being recovered by their continuous use, are classified as held for sale. Immediately before this classification, the assets (or elements of an alienable group) are re-measured according to the accounting policies of the Bank. From this moment, the assets (or alienable group) are measured at the lower value between book value and fair value less the sales cost.

ac) Securitization

The Bank does not present capital instruments such as financial liabilities or equity instruments according to the established in the securitization processes.

ad) Dividends on common shares

The Bank shows in the liabilities part of the period’s profit that must be distributed among the shareholders in compliance with the Corporate Law or dividends policies. A provision with charge to the complementary equity account of the retained profits is constituted.

ae) Earnings per share

The basic benefit per share is determined by dividing the net result attributable to the Bank during the period with the weighted average number of shares in circulation during that period.

NOTE 3 ACCOUNTING CHANGES

a) New regulations, amendments and instructions adopted by the Bank and its subsidiaries.

On December 2009, the SBIF issued Circular N°3,489 which introduces changes in several chapters of the Accounting Standards Compendium of the SBIF. Among the changes it is mentioned that as of January 2010, the Bank shall complement the base on which the provisions for insolvency regarding contingent operations are determined, including now as well the credit lines made available for clients, other contingent credits and other loan commitments. In addition, it shall also apply the changes in risk exposure applicable to contingent credits, which appear on chapter B-3 of the Accounting Standards Compendium of the SBIF. The accumulated effect of these arose to MCh$5,189 net of deferred taxes, which was recorded against equity of Consolidated Statement of Financial Position. It is worth mentioning that according to specific instructions of the SBIF in Letter to the Management N°10 dated on December 21st, 2010, it was established that it won't be necessary to calculate retrospectively the balance for 2009.

On June 2010, the SBIF issued Circular N°3,502 which instructs that the temporary regulations on provisions in force must be maintained until the closure of the current period and establish, at the same time and until the end of the current year, a minimum provision of 0.5% for the normal portion of the portfolio valued on an individual basis. In addition, the Letter to the Management of the Bank N°9 was issued on December 21st, 2010 which specifies the accounting treatment for the effects originating from the application of this minimum provision. As of December 31st, 2010, the application of the changes mentioned herein had an accumulated effect of MCh$688, which was recorded against results according to the established on the previously mentioned letter to the management.

On August 2010, the SBIF issued Circular N°3503 which includes certain modifications on provision and impaired portfolio included on Chapters B-1, B-2, B-3 and C-1. Said modifications become in force as of January 1st, 2011, except for dispositions related to the additional provisions included in N°9 of Chapter B-1, which become in force as of the issuing of this Circular. In addition, and as complement to the aforementioned Circular, the Letter to the Management N°9 was issued on December 21st, 2010, which specifies that the adjustments as a consequence of the application of the modifications in force as of January 1st, 2011 can be performed within the first three months of 2011. However, there is no impediment for the entities to anticipate the recognition of collaterals, in whole or in part, constituting larger provisions, temporarily as additional, with charge to the period results. As of December 31st, the Bank has decided to anticipate the recording of the changes previously mentioned for a total amount of MCh$10,295 before taxes.

Circular N° 3,488 – Dated on December 29, 2009, the SBIF and the Servicio de Impuestos Internos (SII- IRS equivalent) issued the combined circulars N°3,488 and N°69 respectively, which fixed the date on which the tax is chargeable by the SII of the "Record of provisioned or written-off credits for tax purposes", postponing for 2010 the requirement of the details requested in the note to the financial statements. Both obligations established in circulars N° 47 and N°3,478 of the SII and SBIF respectively, issued on August 18, 2009 regarding the tax treatment of the provisions, write-offs, re-negotiations and remission of credits granted by the Banks. The Bank adopted the changes indicated on both circulars on its consolidated financial statements as of December 31st, 2010. The detail of the disclosures required by these circulars is presented on Note 16.

Circular N° 3,497 – Dated on March 30th, 2010, the SBIF issues this circular in order to maintain consistency between the names currently used by the international standards to distinguish the share of equity and consolidated results that corresponds to the people that have no control of the consolidated entities. On title II, Chapter C-1, the term "Minority interest" is replaced with "Non-controlling interest" on every entry. In addition, the expressions "result attributable to equity holders", "attributable to the equity holders of the parent", "equity holders of the parent", and "attributable to equity holders" are replaced with the expressions: "result attributable to the owners", "of the owners of the parent", "owners of the parent and “of the owners” respectively. The expressions “attributable to equity holders” and “minority interest” appearing in Chapter C-3 are replaced with “of the owners” and “non-controlling interest” respectively. The Bank’s Management adopted these changes in the consolidated financial statements as of December 31st, 2010.

Circular N° 3,502 – Dated on June 10th, 2010, the SBIF issued this circular that instructs to maintain the temporary regulations on provisions in force until the closure of the 2010 period and establish at the same time, until the closure of 2010, a minimum provision of 0.5% for the normal portion of the portfolio valued on individual basis.

Circular N° 3,503 – On August 12th, 2010, the SBIF issues this circular that modifies and complements the instructions established on Chapters B-1 (Provisions for credit risk), B-2 (Impaired credits and write-offs), B-3 (Contingent credits) and C-1 (Annual financial statements) for provisions and impaired portfolio. The dispositions established by this circular are in force as of January 1st, 2011, except for the dispositions related with additional provisions contained in N°9 of Chapter B-1 which became in force immediately as of the date of publication of this circular. The Bank has decided to anticipate the effects of recording the regulating changes previously listed.

b) New regulations, amendments and interpretations of mandatory application for the first time in financial statements starting as of January 1st, 2010 but not currently relevant for the Bank and its subsidiaries (even though they can affect the future accounting of events and transactions).

International Accounting Standards Board

IFRS (IFRS) 2 (amendment): “Group cash settled share based payment transactions”, in force as of January 1st, 2010. In addition to the included in IFRIC 8 “Scope of IFRS 2” and IFRIC 11, IFRS 2 “Group and transactions of own shares”, the amendment expands the guide established in IFRIC 11 to include the classification of group agreements which were not covered by said interpretation initially.

IFRS 3 (revised), “Combination of businesses” and subsequent amendments to IAS 27 “Separate and Consolidated Financial Statements”, IAS 28 “Investment in Associates” and IAS 31 “Interests in Joint Ventures” are effective in a prospective way for those business combinations whose acquisition date occurs in periods starting as of July 1st, 2009 or later. The revised standard continues with the application of the combination of businesses acquisition method, but with some significant changes when compared with IFRS 3. For example, all payments generated from the purchase of the business are recorded at their fair value in the date of acquisition, with contingent payments classified as debt first, and subsequently re-evaluated with changes in the statement of results. There is an option, to be used on each acquisition, to measure the minority interest in the acquirable whether it is at fair value or based on the proportional part of the minority interest share in the net assets of the acquired business. All costs related to the acquisition are recorded as expenses at the moment they are incurred into.

IFRS 5 (amendment) “Non-current assets held for sale and discontinued operations”. The amendment clarifies that IFRS 5 specifies the required disclosures regarding non-current assets (or alienable groups) classified as held for sale or discontinued operations. It also clarifies that the general requirements of IAS 1 apply, particularly paragraph 15 (to reach a reasonable presentation) and paragraph 125 (sources of uncertain estimates) of IAS 1.

IAS 1 (amendment) “Presentation of financial statement”. The amendment clarifies that the potential extinction of a liability from the issue of equity is not relevant for its classification as current or non-current. The amendment allows to classify a liability as non-current (as long as the entity has an unconditional right for deferring the extinction by means of cash or other assets transaction for at least 12 months after the closure date of the period) despite the fact that the entity could be required by the counterpart to extinguish by purchasing a share at any moment.

IAS 27 (revised) requires that the effects of all transactions with minority interests that do not imply changes in control be recorded in equity and do not result in goodwill or profits or losses. The regulation also specifies the accounting when the control is lost. In this case, any interest remaining in the entity is re-measured at fair value, and said re-measure is recorded as income and losses in the results.

IAS 36 (amendment), “Assets impairment”, in force as of January 1st, 2010. The amendment clarifies that the largest cash-generating unit (or group of units) to which the goodwill can be allocated for impairment evaluation purposes is an operative segment, as defined on paragraph 5 of IFRS 8 “Operative segments” (this is, before the addition of segments with similar economic characteristics).

IFRIC 9, “Re-evaluation of implicit derivatives” and IAS 39 “Financing instruments: recording and measurement”, in force as of July 1st, 2009. This amendment requires an entity to evaluate if an implicit derivative should be separated from the contract that originates it when the entity re-classifies a hybrid financial asset, outside the fair value category through the result. This evaluation will be performed based on the circumstances that existed after the date in which the entity formed part of the contract, and the date of any contract modification that significantly modifies the cash flow of the contract. If the entity cannot perform this evaluation, the hybrid instrument must remain classified at fair value through the whole result.

IFRIC 16, “Net investment hedge of a foreign operation”, in force as of July 1st 2009. This amendment states that in a net investment hedging of a foreign operation, the designated (and classifiable) hedging instrument can be maintained by any entity or entities within the group, including the foreign operation itself, as long as the requirements of designation, documentation and effectiveness of the IAS 39 are satisfied. In particular, the group should document clearly its hedging strategy due to the possibility of different designations at different group levels.

IFRIC 17 “Distribution of non-cash assets to the owners” (in force as of July 1st, 2009). The interpretation was published in November 2008. This interpretation provides an accounting guide for agreements through which an entity distributes non-cash assets to the shareholders, whether as it was a reserves distribution or as dividends. IFRS 5 has also been modified to demand that assets be classified as held for distribution only when they are available for distribution in their current condition and their distribution is highly possible.

IFRIC 18, “Transfer of assets from clients”, in force as of July 1st, 2009 for the transfer of received assets. This interpretation clarifies the requirements of the IFRSs for agreements in which an entity receives a PPE item from a client, which the entity must subsequently use, whether for connecting the client to a network or to grant the client access to assets or services provided by the entity (such as electricity, gas or water). In some cases the entity receives money from the client, which can be used only to acquire or build the PPE item in order to connect the client to a network, grant him access to assets or services (or both).

(c) New regulations, amendments and interpretations issued but not yet in force for the financial year starting on January 1st, 2010 and not adopted prematurely.

The impact of these new regulations and interpretations in the Bank and its subsidiaries are presented below:

c.1) Superintendencia de Bancos e Instituciones Financieras

Circular N° 3,510 – Dated on October 8th, 2010, this circular is issued in order to adequate the formats to the new instructions on provisions and to cover certain needs of information with an extended breakdown and also replaces Chapter C-3 of the Accounting Regulations Compendium on "Monthly statements of position for the SBIF". The changes introduced in Chapter C-3 correspond only to the elimination or creation of lines or items indicated on the Annex attached to this Circular, which will be applied from the information referred as of January 31st, 2011.

c.2) International Accounting Standards Board

IFRS 1, "First IFRS adoption", in force as of July 1st, 2010: *a) Changes to the accounting policy in the first year of adoption*: it clarifies that, if the first-time adopters change their accounting policies or the use of exceptions in IFRS1 after publishing an interim financial statement according to IAS 34 (Interim financial statements), those changes will need to be explained and the reconciliation between the previous GAAPs and IFRS updated. *b) Re-evaluation as attributed cost*: it allows first-time adopters to use an "event-driver Fair value" as attributed cost, even if the event occurs after the transition date, but before the first financial statements issued under IFRS. When said re-measurement occurs after the date of transition to IFRS, but during the period covered by the first financial statement under IFRS, no subsequent adjustment to that "event-driver fair value" will be recorded in equity. *c) Use of estimate cost for operations subject to rate regulation*: the entities subject to rate regulation are authorized to use the book value of PPEs or intangible assets as estimate cost under an "item to item" basis. The entities using this exception will require checking for existence of impairment for each item (IAS 36) at the date of the transition.

IFRS 3, "Combinations of businesses", in force as of July 1st, 2010. Deals with the following subjects: a)Transition requirements for contingent considerations coming from a combination of businesses that occurred before the effective date of IFRS (R): it clarifies amendments to IFRS 7, financing instruments, IAS 32 presentation, financing instruments: presentation and IAS 39, financing instruments, recording and measurement that the exception for contingent considerations does not apply for those contingent considerations arising from combinations of businesses on whose acquisition date precedes the application of IFRS 3 (revised in 2008); b) Measurement of non-controlling interest: the option of measuring the non-controlling interest at its fair value, or in the proportional part of the net assets of the acquired, applies only to the instruments that represent the interests of the current property and shall give right to its titleholders to a portion of the net assets in case of liquidation. Any other component of the non-controlling interest is measured at its fair value unless IFRS requires another unit or basis for measurement. c) Payment of shares based on rewards that can be non-replaceable or voluntarily replaceable: On IFRS 3 it applies to all transactions based on shares payments that are part of a combination of businesses, including payments based on rewards that can be non-replaceable and voluntarily replaceable.

IFRS 7 "Financing instruments". Emphasizes the interaction between quantity and quality, disclosing every aspect associated with the nature and extent of the risks, associating it with the financing instrument.

IFRS 9 “Financing instruments”, issued on November 2009. This regulation is the first step in the process of replacement of IAS 39, “Financing instruments, recording and measurement”. IFRS 9 introduces new requirements for the classification and measurement of financing assets. The regulation is not applicable before January 1st, 2013, but premature adoption is allowed. (According to SBIF instructions, this regulation will not be adopted prematurely; it will be adopted as of January 1st, 2013).

IAS 1 “Presentation of financial statements”, in force as of January 1st, 2011, with retrospective application. It clarifies that an entity shall present an analysis of other comprehensive results for each component of the equity in the statement of changes on equity or in notes to the financial statements.

IAS 12 “Income tax” (amendment), in force as of January 1st, 2012. It refers to the determination of deferred tax on investment properties measured at fair value. The amendments introduce a refutable assumption that the deferred tax related to said property should be measured on the basis that the book value will be recovered through the sale. In addition, these modifications incorporate the SIC-21 Income tax – recovery of re-evaluated non-depreciable assets in IAS 12.

IAS 24 (revised) “Related party disclosures”, issued on November 2009. This revision replaces IAS 24 “Related party disclosures” issued in 2003. IAS 24 (revised) is mandatory for periods initiated as of January 1st, 2011. Its premature application in part or in whole is allowed. However, the regulation has not been adopted yet by the European Union. The revised regulation clarifies and simplifies the definition of related party and eliminates the requirement of disclosing the detail of all the transactions related with government entities in the case of entities related to the government.

IAS 27 “Consolidated and separated financial statements”, in force as of July 1st, 2010. It clarifies that the amendments of IAS 27 that affected IAS 21, IAS 28 and IAS 31 apply prospectively for annual periods starting after or in July 1st, 2009 or before, when IAS 27 is applied before that.

IAS 32 “Classification of rights issues” (amendment), issued on October 2009. The amendment applies to annual periods starting on February 1st, 2010. Its premature application is allowed. The amendment refers to the accounting methods of rights issues denominated in a currency different from the issuer’s. Assuming that certain conditions are met, said rights issues will now be classified as equity, notwithstanding the currency in which the price for the period is denominated. Previously, they had to be accounted as a derivative liability. The amendment applies retrospectively in accordance with IAS 8 “Accounting policies, changes in accounting estimates and errors”.

IAS 34, “Interim financial statement”, in force as of January 1st, 2011 with retrospective application. It provides an illustrated guide on how the disclosure principle of IAS 34 and associated requirements should be applied: the circumstances that may affect the value of financing instruments and their classification; financing instruments transfer among the different hierarchy level of fair value; changes in the classification of financial assets and changes in contingent assets and liabilities.

IAS 38 (amendment), “Intangible assets”, in force as of July 1st, 2010. The amendment clarifies the guide in the fair value measurement of an intangible asset acquired in a combination of businesses and allows the grouping of intangible assets as unique assets if every asset has a similar economic useful life.

IFRIC 19, “Extinguishing financial liabilities with equity instruments” in force as of July 1st, 2010. The interpretation clarifies the accounting when the terms of a financial liability are re-negotiated and result in the issuance of equity instrument for the creditor destined to total or partial extinction of the financial liability (exchange or swap of a debt for equity). Recognition of the income or loss is required, which is measured as the difference between the book value of the financial asset and the fair value of the equity instrument issued. If the fair value of the equity instrument cannot be measured reliably, the equity instrument must be measured to reflect the fair value of the extinguished financial obligation.

IFRIC 14, “Prepayments of a Minimum Funding Requirement” (amendment). The amendment corrected an unintended consequence of IFRIC 14, “IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”. Without the amendment, the entities wouldn’t be able to record as assets certain voluntary prepaid contributions associated with minimum funding requirements. This situation was not consistent with the foreseen when issuing IFRIC 14, therefore the amendment rectifies this involuntary consequence. The amendment is in force as of January 1st, 2011 and must be applied retrospectively the submitted comparative periods. Its premature application is allowed.

IFRIC 13, “Customer loyalty programs”, in force as of January 2011. The meaning of “fair value” is clarified in the context of measurement of credits given as rewards in the customer loyalty programs.

NOTE 4 – RELEVANT FACTS

a) Dividends distribution and income capitalization.

In the Regular Shareholders Meeting, celebrated on March 30, 2010, the distribution of the net income of the 2009 period, amounting MCh$160,774 was approved as follows:

- Distribute a dividend of Ch$500 per share among the total of 101,390,060 shares issued and inscribed in the Shareholders’ Registry, amounting MCh$50,695.
- Cover the net loss due to adjustments for the first-time application of the new regulations recorded in the retained income account for MCh$34,949.
- Assign the remaining income balance of the period to the fund of reserves for future capitalization, amounting MCh$75,130.

b) Increase of capital stock

On March 30th, 2010, in Special Shareholders Meeting, the following was approved, among other subjects:

A capital stock increase amounting MCh$75,130 through the capitalization of reserves coming from income.

1) Capitalizing, with no shares issue, the amount of MCh$45,438 and,

2) Capitalizing, by issuance of 1,716,095 paid-up shares, the amount of MCh$29,692.

The capital stock of the Bank, in conformity with the bylaws in force, amounted to MCh$807,143 divided in 101,390,060 shares of the same series with no nominal value. As a consequence of the agreed capital increase, the social capital of Banco de Crédito e Inversiones amounts to MCh$882,273 and will be divided into 103,106,155 shares of the same series with no nominal value.

c) Issuance and placement of bonds

During 2010, the following issuances of subordinate bonds were performed:

- Dated on March 1st, 2010, a bond series AC for an amount of UF 6,000,000 divided into two sub series AC1 and AC2, each one for UF 3,000,000 whose maturity will be on March 1st, 2040.

- Dated on June 1st, 2010, a bond series AD for an amount of UF 7,000,000 divided into two sub series AD1 for UF 4,000,000 whose maturity will be on June 1st, 2040 and AD2 for UF 3,000,000 whose maturity will be on June 1st, 2042.

During 2010, the following placements of subordinate bonds were performed:

- Dated on March 30th, 2010, bond series AC2 for an amount of UF 1,000,000 to a 4.6% IRR (Internal Rate of Return) whose maturity will be on March 1st, 2040.

- Dated on May 17th, 2010, bond series AC1 for an amount of UF 2,000,000 to a 3.85% IRR (Internal Rate of Return) whose maturity will be on March 1st, 2040.

- Dated on May 25th, 2010, bond series AC1 for an amount of UF 1,000,000 to a 3.85% IRR (Internal Rate of Return) whose maturity will be on March 1st, 2040.

- Dated on May 25th, 2010, bond series AC2 for an amount of UF 2,000,000 to a 3.85% IRR (Internal Rate of Return) whose maturity will be on March 1st, 2040.

During 2010, the following placements of current bonds were performed:

- Dated on March 23rd, 2010, bond series AA for an amount of UF 100,000 to a 3.02% IRR (Internal Rate of Return) whose maturity will be on July 1st, 2014.

- Dated on May 19th, 2010, bond series AB for an amount of UF 2,000,000 to a 3.45% IRR (Internal Rate of Return) whose maturity will be on July 1st, 2018.

- Dated on June 23rd, 2010, bond series AB for an amount of UF 280,000 to a 3.54% IRR (Internal Rate of Return) whose maturity will be on July 1st, 2018.

- Dated on June 23rd, 2010, bond series AB for an amount of UF 100,000 to a 3.55% IRR (Internal Rate of Return) whose maturity will be on July 1st, 2018.

– Dated on June 23rd, 2010, bond series AB for an amount of UF 1,620,000 to a 3.55% IRR (Internal Rate of Return) whose maturity will be on July 1st, 2018.

– Dated on September 24th, 2010, bond series AB for an amount of UF 400,000 to a 3.56% IRR (Internal Rate of Return) whose maturity will be on July 1st, 2018.

– Dated on September 27th, 2010, bond series AB for an amount of UF 100,000 to a 3.56% IRR (Internal Rate of Return) whose maturity will be on July 1st, 2018.

– Dated on September 30th, 2010, bond series AB for an amount of UF 150,000 to a 3.78% IRR (Internal Rate of Return) whose maturity will be on July 1st, 2018.

– Dated on October 1st, 2010, bond series AB for an amount of UF 1,200,000 to a 3.8% IRR (Internal Rate of Return) whose maturity will be on July 1st, 2018.

– Dated on November 19th, 2010, bond series AA for an amount of UF 1,000,000 to a 3.49% IRR (Internal Rate of Return) whose maturity will be on July 1st, 2014.

– Dated on December 20th, 2010, bond series AB for an amount of UF 1,000,000 to a 3.84% IRR (Internal Rate of Return) whose maturity will be on July 1st, 2018.

d) Pending subordinate bonds

The following subordinate bonds are currently under placement process:

– Dated on January 7th, 2011, bond series AD2 for an amount of UF 200,000 to a 4.05% IRR (Internal Rate of Return) whose maturity will be on June 1st, 2042.

– Dated on January 7th, 2011, bond series AD2 for an amount of UF 400,000 to a 4.05% IRR (Internal Rate of Return) whose maturity will be on June 1st, 2042.

– Dated on January 7th, 2011, bond series AD2 for an amount of UF 165,000 to a 4.05% IRR (Internal Rate of Return) whose maturity will be on June 1st, 2042.

– Dated on January 11th, 2011, bond series AD2 for an amount of UF 235,000 to a 4.05% IRR (Internal Rate of Return) whose maturity will be on June 1st, 2042.

e) Changes in the Board of Directors

On Regular Shareholders Meeting celebrated on March 30th, 2010, nine new directors were appointed, who will be holding the position for three-year tenure.

The new members of the Board of directors, during the following 3 years are:

President	:	Mr. Luis Enrique Yarur Rey
Vicepresident	:	Mr. Andrés Bianchi Larre
Directors	:	Mr. Juan Manuel Casanueva Préndez
		Mr. Juan Edgardo Goldenberg Peñafiel
		Mr. Alberto López-Hermida Hermida
		Mr. Dionisio Romero Paoletti
		Mr. Francisco Rosende Ramírez
		Mr. Ignacio Yarur Arrasate
		Mr. Daniel Yarur Elsaca

Members who were not re-elected are:

Mr. Jorge Cauas Lama, Vicepresident
Mr. Sergio de Amesti Heusser
Mr. Pedro Corona Bozzo
Mr. Dionisio Romero Seminario

NOTE 5 – OPERATING SEGMENTS

5.1 New segments structure

The segments report is presented by the Bank based on the newly defined business structure, as of May, 2010, which is oriented towards optimizing the customer service with products and services, according to their relevant commercial characteristics.

These are:

Commercial Banking	: Includes operations with large corporations with annual sales of over UF 12,000, involving commercial financing, leasing, real-estate companies and derivative instruments.
Retail Banking	: Includes operations with individuals and corporations, with sales up to UF 12,000.
Wholesale Banking	: Involves operations in areas that manage their own trading position, distribution area, corporate companies and private banking, and balance area.
Subsidiaries and other	: Includes the 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. y BCI Securitizadora S.A.

The performance of these commercial areas is measured with the concepts presented in this note, which in turn are based on the accounting principles applied in the Bank's consolidated statement of condensed results.

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

Direct expenses: Corresponding to the expenses allocated directly to each of the cost centers of every segment area, which are clearly recognizable, e.g. staff expenses, materials and supplies, and depreciation.

Indirect expenses (assignment of centralized expenses): There are expenses that are booked in a common costs center that, according to the Bank's policy, are distributed between the different segments, e.g. telephone expenses which are distributed according to the number of staff per department, real estate depreciation in relation with m2 used, etc.

Expenses from support managements: these are assigned as a function of the costs in time and resources that come from the different segments based on the requirements requested to the support managements. These expenses are previously defined and agreed for each of the areas involved (user and support managements).

a) Condensed income statement

ACCUMULATED DECEMBER 2010 NEW STRUCTURE	December 31st, 2010				
	Commercia l Banking	Retail Banking	Finances and investment	Subsidiarie s	Consolidated
	MCh$	MCh$	MCh$	MCh$	MCh$
Net interest income	133,234	186,277	173,361	22,852	515,724
Net commission income	24,785	52,817	11,638	59,324	148,564
Other operating income	2,936	2,364	55,090	23,553	83,943
Total operating income	160,955	241,458	240,089	105,729	748,231
Credit risk provisions	(54,912)	(57,658)	1,016	(4,693)	(116,247)
Net operating income	106,043	183,800	241,105	101,036	631,984
Total operating expenses	(65,854)	(177,363)	(30,266)	(70,162)	(343,645)
NET OPERATING INCOME	40,189	6,437	210,839	30,874	288,339

The "Other operating income" concept includes those corporate expenses that, due to their nature, are not directly identifiable with the business and therefore are not assigned.

The "Income from investment in companies" concept contains revenues that cannot be assigned directly to the indicated segments.

b) Operating income reconciliation by segment and income for the period.

	MCh$
Segments operating income	288,339
Other unassigned operating expenses	(34,106)
Consolidated operating income	254,233
Income from investment in companies	7,051
Income net of income tax	261,284
Income tax	(39,204)
Income for the period	222,080
	======

c) Business volumes

ACCUMULATED DECEMBER 2010 NEW STRUCTURE	December 31st, 2010				
	Commercia l Banking	Retail Banking	Wholesale Banking	Subsidiarie s	Consolidate d
	MCh$	MCh$	MCh$	MCh$	MCh$
ASSETS	6,583,052	3,560,42 5	2,809,537	251,160	13,204,174
LIABILITIES	6,542,863	3,553,98 8	2,598,698	220,286	12,915,835
INCOME	40,189	6,437	210,839	30,874	288,339

5.2 Previous segment structure

The segments report until 2009 was detailed according to the business units, which were mainly differentiated by the risks and performance affecting them. These were:

Corporate area	: Includes operations with large corporations with annual sales of over UF 50,000, involving commercial finances for foreign trade, leasing, real-estate companies and derivative instruments.
Retail area	: Includes operations with individuals and SMEs, with sales up to UF 50.000 as well as the Consumer Division.
Wholesale Banking	: Includes trading and investment operations and the Bank's balance management.
Subsidiaries	: Includes the 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. y BCI Securitizadora S.A.

The performance of these commercial areas is measured with the concepts presented in this note, which in turn are based on the accounting principles applied in the Bank's consolidated statement of condensed results.

The allocation of expenses to the different segments was carried out as follows:

Direct expenses: Corresponding to the expenses allocated 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): There are 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, goals bonuses as a function of historic behavior, etc.

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

Therefore, until 2009, 100% of the expenses were distributed in the businesses, including the denominated corporate expenses which were assigned through discretional distribution basis.

The income statement using the old structure is attached below, to make them comparable with the information as of 2009.

Generating 2009 under the new structure implied a high complexity and cost in time and resources, since it would have been necessary to reprocess the information for each month of the period and recalculate information of the affected systems and products.

a) Condensed income statement

ACCUMULATED DECEMBER 2010	December 31st, 2010				
	Corporate	Retail	Wholesale	Subsidiaries and others	Consolidated
	MCh$	MCh$	MCh$	MCh$	MCh$
Net interest income	125.161	226.039	141.673	22.851	515.724
Net commission income	32.697	58.475	(1.932)	59.324	148.564
Other operating income	31.182	2.358	26.739	23.664	83.943
Total operating income	189.040	286.872	166.480	105.839	748.231
Provisions for credit risk	(45.603)	(66.578)	738	(4.804)	(116.247)
Net operating income	143.437	220.294	167.218	101.035	631.984
Total operating expenses	(68.218)	(217.263)	(22.113)	(70.157)	(377.751)
Operating income	75.219	3.031	145.105	30.878	254.233
Income from investment in companies	-	-	-	7.051	7.051
Income before income tax	75.219	3.031	145.105	37.929	261.284
Income tax	(12.787)	(515)	(24.668)	(1.234)	(39.204)
NET OPERATING INCOME	62.432	2.516	120.437	36.695	222.080

ACCUMULATED DECEMBER 2009	December 31st, 2009				
	Corporate	Retail	Wholesale	Subsidiaries and others	Consolidated
	MCh$	MCh$	MCh$	MCh$	MCh$
Net interest income	145,242	226,644	19,839	22,898	414,623
Net commission income	32,369	50,677	(2,177)	51,486	132,355
Other operating income	37,461	1,251	39,244	16,226	94,182
Total operating income	215,072	278,572	56,906	90,610	641,160
Provisions for credit risk	(65,401)	(72,326)	319	(10,817)	(148,225)
Net operating income	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 investment in companies	-	-		2,976	2,976
Income before income tax	82,314	19,130	45,232	44,745	191,421
Income tax	(13,994)	(3,252)	(7,689)	(5,712)	(30,647)
NET OPERATING INCOME	68,320	15,878	37,543	39,033	160,774

b) Business volumes

ACCUMULATED DECEMBER 2010	December 31st, 2010				
	Corporate	Retail	Wholesale	Subsidiaries and others	Consolidated
	MCh$	MCh$	MCh$	MCh$	MCh$
ASSETS	6,019,548	4,123,928	2,809,537	251,161	13,204,174
LIABILITIES AND EQUITY	5,957,116	4,121,412	2,689,100	214,466	12,982,094
INCOME	62,432	2,516	120,437	36,695	222,080

ACCUMULATED DECEMBER 2009	December 31st, 2009				
	Corporate	Retail	Finances	Subsidiaries and others	Consolidated
	MCh$	MCh$	MCh$	MCh$	MCh$
ASSETS	5,302,619	4,306,155	3,303,136	209,612	13,121,522
LIABILITIES AND EQUITY	5,234,299	4,290,277	3,265,593	170,579	12,960,748
INCOME	68,320	15,878	37,543	39,033	160,774

NOTE 6 – CASH AND CASH EQUIVALENT

a) The following is the detail of balances included under cash and cash equivalent and their reconciliation with the consolidated statement of cash flows at the closure of each period:

	As of December 31st	
	2010	2009
	MCh$	MCh$
Cash and due from banks		
Cash	225,798	225,643
Deposits with the Banco Central de Chile	480,270	265,661
Deposits with domestic banks	8,254	1,914
Foreign deposits	333,311	544,565
Cash and due from Banks subtotal	1,047,633	1,037,783
Items in the course of collection from banks	121,586	146,678
Highly-liquid financial instruments	21,473	24,629
Securities purchased under resale agreements	89,595	100,001
Total cash and cash equivalent	1,280,287	1,309,091

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

b) Items in the course of collection from banks:

Operations 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 period:

	As of December 31st	
	2010	2009
	MCh$	MCh$
Assets		
Due from Banks (interbank)	133,112	137,683
Funds receivable	172,911	301,978
Subtotal assets	306,023	439,661
Liabilities		
Funds payable	184,437	292,983
Subtotal liabilities	184,437	292,983
Items in the course of collection from Banks, net	121,586	146,678

NOTE 7- TRADING INVESTMENTS

The following is the detail of instruments designated as trading investments:

	As of December 31st	
	2010	2009
	MCh$	MCh$
Instruments of the Government and Central Bank of Chile:		
Bonds of Central Bank of Chile	386,978	479,601
Promissory notes of Central Bank of Chile	4,422	21,886
Other instruments of the Government and Central Bank of Chile	15,304	16,435
Instruments of other domestic institutions:		
Bonds	6,631	5,533
Time deposits	283,803	213,808
Letters of credit	6,351	10,777
Documents issued by other financing institutions	50,142	33,569
Other instruments	60,871	34,831
Instruments of other foreign institutions		
Bonds	-	-
Promissory notes	-	-
Other instruments	4,163	9,149
Investment in mutual funds:		
Funds administrated by related entities	30,490	18,557
Funds administrated by third parties	-	-
Total	849,155	844,146

NOTE 8 – REPURCHASE AGREEMENTS AND SALE OF SECURITIES

a) Securities purchased under resale agreements:

Type of entity	Maturity of the agreement: Up to 3 months MCh$	Up to 3 months Average rate %	Between 3 months-1 year MCh$	Between 3 months-1 year Average rate %	Over 1 year MCh$	Over 1 year Average rate %	Balance as of 31.12.2010 MCh$
Related individual or corporation	39,636	0.45	636	0.47	-	-	40,272
Bank operating in the country	-	-	-	-	-	-	-
Securities broker	7,132	0.33	-	-	-	-	7,132
Other financing institution operating in the country	-	-	-	-	-	-	-
Foreign financing institution	-	-	-	-	-	-	-
Other individual or corporation	33,958	0.51	8,233	0.52	-	-	42,191
Total	80,726		8,869		-		89,595

Type of entity	Maturity of the agreement: Up to 3 months MCh$	Up to 3 months Average rate %	Between 3 months-1 year MCh$	Between 3 months-1 year Average rate %	Over 1 year MCh$	Over 1 year Average rate %	Balance as of 31.12.2009 MCh$
Related individual or corporation	1,063	0.13	8,949	0.14	-	-	10,012
Bank operating in the country	-	-	-	-	-	-	-
Securities broker	16,778	0.23	203	0.25	-	-	16,981
Other financing institution operating in the country	-	-	-	-	-	-	-
Foreign financing institution	-	-	-	-	-	-	-
Other individual or corporation	25,519	0.19	47,489	0.19	-	-	73,008
Total	43,360		56,641		-		100,001

b) Securities sold under repurchase agreements:

Type of entity	Up to 3 months MCh$	Up to 3 months Average rate %	Between 3 months-1 year MCh$	Between 3 months-1 year Average rate %	Over 1 year MCh$	Over 1 year Average rate %	Balance as of 31.12.2010 MCh$
Related individual or corporation	17,751	0.22	-	-	-	-	17,751
Bank operating in the country	70,243	0.30	-	-	-	-	70,243
Securities broker	13,503	0.35	-	-	-	-	13,503
Other financing institution operating in the country	3,972	0.25	-	-	-	-	3,972
Foreign financing institution	-	-	-	-	-	-	-
Other individual or corporation	212,116	0.78	199	1.70	-	-	212,315
Total	317,585		199		-		317,784

Type of entity	Up to 3 months MCh$	Up to 3 months Average rate %	Between 3 months-1 year MCh$	Between 3 months-1 year Average rate %	Over 1 year MCh$	Over 1 year Average rate %	Balance as of 31.12.2009 MCh$
Related individual or corporation	-	-	-	-	-	-	-
Bank operating in the country	12,245	0.61	-	-	-	-	12,245
Securities broker	2,526	0.83	-	-	-	-	2,526
Other financing institution operating in the country	40,788	0.05	-	-	-	-	40,788
Foreign financing institution	-	-	-	-	-	-	-
Other individual or corporation	277,618	0.19	389	0.69	-	-	278,007
Total	333,177		389		-		333,566

NOTE 9 – DERIVATIVE INSTRUMENTS AND ACCOUNTING HEDGE

a) As of December 31st, 2010 and 2009, the Bank and its subsidiaries hold the following portfolio of derivative instruments:

	As of December 31st			
	2010		2009	
	Assets	Liabilities	Assets	Liabilities
	MCh$	MCh$	MCh$	MCh$
Trading derivatives				
Forwards	162,423	233,970	138,015	180,000
Swaps	292,678	244,584	185,895	174,645
Call options	46	357	-	282
Put options	478	1,556	-	-
Futures	852	113	882	-
Others	-	-	-	-
Subtotal	456,477	480,580	324,792	354,927
Accounting hedge derivatives				
Forwards	-	-	-	-
Swaps	3,153	6,898	8,603	3,563
Call options	-	-	-	-
Put options	-	-	-	-
Futures	-	-	-	-
Others	-	-	-	-
Subtotal	3,153	6,898	8,603	3,563
Total	459,630	487,478	333,395	358,490

	Nominal amount of contracts with final maturity			Nominal amount of contracts with final maturity		
	2010			2009		
	Up to 3 months	Between 3 months-1 year	Over 1 year	Up to 3 months	Between 3 months-1 year	Over 1 year
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Fair value hedging derivatives						
Forwards	-	-	-	-	-	-
Swaps	12,103	42,846	86,530	20,942	106,837	73,464
Call options	-	-	-	-	-	-
Put options	-	-	-	-	-	-
Futures	-	-	-	-	-	-
Others	-	-	-	-	-	-
Subtotal	12,103	42,846	86,530	20,942	106,837	73,464
Trading derivatives						
Forwards	8,427,656	5,110,706	530,997	3,550,074	4,010,607	666,624
Swaps	1,859,464	4,198,265	9,582,204	1,662,183	3,794,796	4,867,762
Call options	20,315	14,248	-	-	-	-
Put options	30,876	13,781	-	-	-	-
Futures	2,727	-	-	37,782	-	-
Others	-	-	-	-	-	-
Subtotal	10,341,038	9,337,000	10,113,201	5,250,039	7,805,403	5,534,386
Cash flow hedging derivatives						
Forwards	-	-	-	-	-	-
Swaps	-	118,006	646,026	309,954	-	313,096
Call options	-	-	-	-	-	-
Put options	-	-	-	-	-	-
Futures	-	-	-	-	-	-
Others	-	-	-	-	-	-
Subtotal	-	118,006	646,026	309,954	-	313,096
Total	10,353,141	9,497,852	10,845,757	5,580,935	7,912,240	5,920,946

b) Types of derivatives

The Bank uses accounting hedges to manage the fair value and cash flow risk they are exposed to. The fair value hedges use swaps to cover the change in fair value of an asset or liability in the balance. As of December 31st, 2010 it amounts to MCh$2,835 (MCh$1,831 in 2009).

Cash flow hedges record in the net equity the changes in fair value of the derivatives forming part of the swap hedge. As of December 31st, 2010, it amounts to MCh$504 (MCh$6,871 in 2009).

NOTE 10 – DUE FROM BANKS

a) At the closure of the consolidated financial statements of 2010 and 2009, the balances of the "Due from Banks" account are the following:

	As of December 31st 2010 MCh$	As of December 31st 2009 MCh$
Domestic Banks		
Loans and advances to banks	-	-
Unavailable deposits in the Central Bank of Chile	-	-
Non-transferrable securities of the Central Bank of Chile	-	-
Other due from Central Bank of Chile	-	-
Interbank loans	-	20,000
Current accounts overdrafts	-	-
Non-transferrable deposits with domestic banks	-	-
Other due from domestic banks	-	-
Credit provisions and impairment with domestic banks	-	(2)
Foreign Banks		
Loans to foreign banks	101,281	120,980
Current accounts overdrafts	-	-
Non-transferrable deposits with foreign banks	-	-
Other due from foreign banks	-	-
Credit provisions and impairment with foreign banks	(175)	(197)
Total	101,106	140,781

b) The amount for credit provisions and impairment due from Banks for each period is as follows:

Detail	2010 Domestic Bank MCh$	2010 Foreign Bank MCh$	2010 Total MCh$	2009 Domestic Bank MCh$	2009 Foreign Bank MCh$	2009 Total MCh$
Balance as of January 1st	2	197	199	2	116	118
Write-off	-	-	-	-	-	-
Constituted provisions	166	180	346	25	128	153
Released provisions	(168)	(202)	(370)	(25)	(47)	(72)
Impairment	-	-	-	-	-	-
Impairment Reversion	-	-	-	-	-	-
Balance as of December 31st	-	175	175	2	197	199

NOTE 11 – LOANS AND ACCOUNTS RECEIVABLE WITH CLIENTS

a) Loans and accounts receivable with clients

As of December 31st 2010 and 2009, the composition of the loans portfolio is as follows:

2010	Assets before provisions			Constituted provisions			Net asset
	Normal portfolio	Impaired portfolio (*)	Total	Individual provisions	Group provisions	Total	
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Commercial loans:							
Commercial loans	4,286,206	302,195	4,588,401	(81,011)	(17,027)	(98,038)	4,490,363
Foreign Exchange loans	660,069	86,484	746,553	(49,558)	(339)	(49,897)	696,656
Current account debtors	83,973	10,078	94,051	(3,296)	(682)	(3,978)	90,073
Factoring operations	419,585	1,051	420,636	(5,080)	-	(5,080)	415,556
Leasing operations	466,617	18,668	485,285	(6,729)	(415)	(7,144)	478,141
Other loans and accounts receivable	106,281	2,230	108,511	(40)	(1,838)	(1,878)	106,633
Subtotal	6,022,731	420,706	6,443,437	(145,714)	(20,301)	(166,015)	6,277,422
Mortgage loans:							
Loans with letter of credit	76,025	7,395	83,420	-	(604)	(604)	82,816
Endorsable mortgage loans	29,583	5,899	35,482	-	(654)	(654)	34,828
Other mortgage loans	1,700,770	93,875	1,794,645	-	(7,809)	(7,809)	1,786,836
Leasing operations	-	-	-	-	-	-	-
Other loans and accounts receivable	-	-	-	-	-	-	-
Subtotal	1,806,378	107,169	1,913,547	-	(9,067)	(9,067)	1,904,480
Consumer loans:							
Consumer loans in installments	866,458	83,113	949,571	-	(56,518)	(56,518)	893,053
Current account debtors	63,376	5,549	68,925	-	(4,548)	(4,548)	64,377
Credit card debtors	146,083	5,051	151,134	-	(4,280)	(4,280)	146,854
Leasing operations	866	52	918	-	(12)	(12)	906
Other loans and accounts receivable	4,010	23	4,033	-	(55)	(55)	3,978
Subtotal	1,080,793	93,788	1,174,581	-	(65,413)	(65,413)	1,109,168
TOTAL	8,909,902	621,663	9,531,565	(145,714)	(94,781)	(240,495)	9,291,070

(*) As of January 1st, 2009 and according to the established in the Accounting Standards Compendium of the SBIF, Chapter B-2, the Bank has identified those loans in its portfolio that comply with the impairment condition.

2009	Assets before provisions Normal portfolio	Impaired portfolio	Total	Constituted provisions Individual provisions	Group provisions	Total	Net asset
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Commercial loans:							
Commercial loans	4,145,540	287,877	4,433,417	(65,619)	(12,812)	(78,431)	4,354,986
Foreign Exchange loans	535,427	89,029	624,456	(37,557)	(192)	(37,749)	586,707
Current account debtors	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
Subtotal	5,613,787	405,094	6,018,881	(115,283)	(15,819)	(131,102)	5,887,779
Mortgage loans:							
Loans with letter of credit	94,512	9,052	103,564	-	(579)	(579)	102,985
Endorsable mortgage loans	34,740	6,896	41,636	-	(421)	(421)	41,215
Other mortgage loans	1,517,439	73,826	1,591,265	-	(5,093)	(5,093)	1,586,172
Leasing operations	-	-	-	-	-	-	-
Other loans and accounts receivable	-	-	-	-	-	-	-
Subtotal	1,646,691	89,774	1,736,465	-	(6,093)	(6,093)	1,730,372
Consumer loans:							
Consumer loans in installments	777,133	76,566	853,699	-	(49,945)	(49,945)	803,754
Current account debtors	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
Subtotal	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

The collaterals adopted by the Bank to assure the charge of rights reflected in its loans portfolio correspond to mortgage, collateral on movable and real property assets, warrants and mercantile and commercial financing instrument types. As of December 31st 2010 and 2009, the fair values of the adopted collaterals correspond to 103.15% and 105.56% of the covered assets, respectively.

In the case of mortgage collaterals, as of December 31st, 2010 and 2009, the fair value of the adopted collaterals corresponds to 104.96% and 105.99% of the balance receivable from loans, respectively.

The Bank finances to its clients the acquisition of property, both movable and real estate by means of financial lease agreements presented in this account. As of December 31st 2010 and 2009, approximately MCh$283,588 and MCh$250,443 correspond to financial leases on movable assets respectively, and MCh$202,615 and MCh$201,397 correspond to financial leases on real property respectively.

During the period, the Bank has obtained financial assets corresponding to real estate for an amount of MCh$4,986 for 2010 and MCh$7,728 for 2009 through execution of collaterals or pledge of collateral assets. Characteristics of the portfolio:

As of December 31st 2010 and 2009, the portfolio before provisions presents a breakdown according to the economic activity of the client, as follows:

	Credit in the country		Credit abroad		Total			
	2010	2009	2010	2009	2010	2009	2010	2009
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	%	%
Commercial loans:								
Agriculture and stockbreeding except fruit growing	149,756	140,579	47,082	42,826	196,838	183,405	2.07	2.08
Fruit growing	31,600	31,297	46,141	37,721	77,741	69,018	0.82	0.78
Forestry and Wood extraction	38,291	29,517	11,797	3,691	50,088	33,208	0.53	0.38
Fishing	16,989	25,007	129,120	159,442	146,109	184,449	1.53	2.10
Mines and quarries exploitation	30,950	28,840	23,361	34,354	54,311	63,194	0.57	0.72
Crude oil and natural gas production	1,860	1,677	-	-	1,860	1,677	0.02	0.02
Food, beverages and tobacco industry	81,914	86,029	51,499	63,193	133,413	149,222	1.40	1.70
Textile and leather industry	67,123	32,381	12,503	10,263	79,626	42,644	0.84	0.48
Wood and furniture industry	23,445	24,983	29,433	26,885	52,878	51,868	0.55	0.59
Paper, printing and editorial industry	29,698	38,396	9,351	10,019	39,049	48,415	0.41	0.55
Chemicals and oil derivatives, coal, rubber and plastic industry.	115,920	105,746	27,557	14,203	143,477	119,949	1.50	1.36
Fabrication of metallic and non-metallic mineral products, machinery and equipment.	148,854	127,187	61,102	66,289	209,956	193,476	2.20	2.20
Other manufacturing industries	20,651	20,716	51,235	24,600	71,886	45,316	0.75	0.52
Electricity, gas and water	189,972	112,929	89,241	121,479	279,213	234,408	2.93	2.66
House building	416,014	436,662	27,646	8,993	443,660	445,655	4.65	5.07
Other Works and buildings	281,284	280,745	20,127	14,811	301,411	295,556	3.16	3.36
Wholesale trading	390,437	340,397	234,752	168,555	625,189	508,952	6.56	5.79
Retail trading, restaurants and hotels	525,124	457,092	117,790	117,612	642,914	574,704	6.75	6.53
Transport and storing	258,605	257,097	72,850	66,383	331,455	323,480	3.48	3.68
communications	111,696	114,288	4,311	5,406	116,007	119,694	1.21	1.36
Financing and insurance establishments	795,452	604,347	63,299	168,208	858,751	772,555	9.01	8.78
Real estate and services provided to companies	620,892	557,591	21,595	17,306	642,487	574,897	6.74	6.53
Communal, social and personal services	924,198	886,512	20,920	96,627	945,118	983,139	9.92	11.18
Subtotal	5,270,725	4,740,015	1,172,712	1,278,866	6,443,437	6,018,881	67.60	68.42
Mortgage loans	1,913,547	1,736,465	-	-	1,913,547	1,736,465	20.08	19.74
Consumer loans	1,167,742	1,037,768	6,839	4,211	1,174,581	1,041,979	12.32	11.84
Total	8,352,014	7,514,248	1,179,551	1,283,077	9,531,565	8,797,325	100.00	100.00

b) Provisions

The provisions movement during the 2010 and 2009 periods is summarized as follows:

	2010			2009		
	Individual provisions	Group provisions	Total	Individual provisions	Group provisions	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balance as of January 1st	115,283	79,051	194,334	56,927	75,056	131,983
Impaired portfolio write-offs						
Commercial loans	(6,518)	(25,297)	(31,815)	(8,497)	(19,464)	(27,961)
Mortgage loans	-	(2,779)	(2,779)	-	(1,639)	(1,639)
Consumer loans	-	(63,318)	(63,318)	-	(75,453)	(75,453)
Total Write-offs	(6,518)	(91,394)	(97,912)	(8,497)	(96,556)	(105,053)
Constituted provisions	40,692	162,907	203,599	68,558	148,570	217,128
Released provisions	(3,743)	(55,783)	(59,526)	(1,705)	(48,019)	(49,724)
Impairment	-	-	-	-	-	-
Impairment reversions	-	-	-	-	-	-
Balance as of December 31st	145,714	94,781	240,495	115,283	79,051	194,334

In addition to these provisions for credit risk, the provisions for country risk are maintained to cover operations abroad and additional provisions agreed by the Board, which are presented as liabilities in the "Provisions" account (Note 21).

Complementary revelations:

During 2010 and 2009 the Bank has not performed operations of purchase, sale, substitution or swap of credits of the loans portfolio.

NOTE 12 – INVESTMENT INSTRUMENTS

As of December 31st 2010 and 2009, the detail of instruments designated as financing instruments available for sale and held to maturity is the following:

	2010			2009		
	Available for sale	Held to maturity	Total	Available for sale	Held to maturity	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Investments priced in active markets						
Government and Central Bank of Chile						
Instruments of the Central Bank	99,754	-	99,754	149,514	-	149,514
Bonds or promissory notes of Treasury	-	-	-	35,749	-	35,749
Other fiscal instruments	29,370	-	29,37	12,701	-	12,701
Other instruments issued in the country						
Instruments from other Banks of the country	125,856	-	125,856	621,625	-	621,625
Bonds and instruments from companies	105,647	-	105,647	137,361	-	137,361
Other instruments issued in the country	51	-	51	3	-	3
Instruments issued abroad:						
Instrument from foreign governments or Central Banks	14,293	-	14,293	-	-	-
Bonds issued abroad	115,712	-	115,712	150,199	-	150,199
Others	6,849		6,849	9,260	-	9,260
Impairment provision (*)	-	-	-	-	-	-
Total	497,532	-	497,532	1,116,412	-	1,116,412

As of December 31st, 2010, the portfolio of instruments available for sale includes an unrealized profit net of deferred taxes of MCh$5,322 (unrealized net loss of MCh$4,650 in 2009) recorded as valuation adjustments in equity.

(*) During the 2010 and 2009 period, there is no evidence of impairment in the instruments available for sale.

NOTE 13 – INVESTMENT IN COMPANIES

a) As of December 31 2010 and 2009, the main investments in companies are detailed below:

Company	As of December 31st 2010				2009			
	Equity	Share	Investment value	Accrued result	Equity	Share	Investment value	Accrued result
	MCh$	%	MCh$	MCh$	MCh$	%	MCh$	MCh$
Investments valued at equity value:								
Redbanc S.A	4,764	12.71	606	26	5,081	12.71	646	94
Servipag Ltda.	6,176	50.00	3,088	376	5,424	50.00	2,712	22
Combanc S.A.	3,347	10.50	351	44	3,073	11.52	354	60
Transbank S.A.	6,205	8.72	541	97	6,909	8.72	602	85
Nexus S.A.	6,412	12.90	827	114	6,412	12.90	827	94
Artikos Chile S.A.	1,840	50.00	920	222	1,397	50.00	698	353
AFT S.A	3,879	20.00	776	304	2,915	20.00	583	(614)
Centro de Compensación Automático ACH Chile	1,039	33.33	346	47	906	33.33	302	18
Sociedad Interbancaria de Depósitos de Valores S.A.	1,392	7.03	98	30	1,260	7.03	89	23
Credicorp Ltda.	1,364,393	1.77	24,214	5,537	2,273,563	1.74	39,560	2,745
Goodwill Inversión Credicorp Ltda.	-	-	18,477	-	-	-	-	-
Bolsa de Comercio de Santiago	18,492	2.08	385	79	16,350	2.08	340	60
Bolsa Electrónica de Chile	4,676	2.44	114	6	3,900	2.44	98	6
Bolsa de Valores de Valparaíso	678	1.67	11	-	600	1.67	10	1
CCLV Contraparte Central S.A.	5,714	0.15	9	-	2,100	0.15	3	1
Complemento Corredora de bolsa	-	-	1,009		-	-	736	-
Investments valued at cost:								
SWIFT shares	-	-	12	-	-	-	12	-
Other shares	-	-	34	69	-	-	34	7
Bladex shares	-	-	219	100	-	-	219	21
Total			52,037	7,051			47,825	2,976

b) The variation of investment in companies for the 2010 and 2009 periods is the following:

	As of December 31st	
	2010	2009
	MCh$	MCh$
Balance at the beginning of the period	47,825	51,122
Investments acquisition	1,564	1,577
Conversion adjustment	(2,466)	(1,819)
Share over income	6,902	(1,138)
Dividends received	(1,812)	(1,733)
Minimum dividends provision	(166)	(156)
Others	190	(28)
Total	52,037	47,825

As of December 31st 2010 and 2009, no impairment in the investments was produced.

NOTE 14 – INTANGIBLE ASSETS

a) The composition of the account as of December 31st 2010 and 2009 is the following:

			2010			2009
Concept	Years of useful life	Remaining amortization years	Gross balance MCh$	Amortization and impairment accumulated MCh$	Net balance MCh$	Net balance MCh$
Intangibles acquired independently	6	3	20,942	(13,889)	7,053	6,191
Intangibles acquired in business combinations	10	3	36,201	(24,613)	11,588	15,574
Intangibles generated internally	6	4	84,583	(28,738)	55,845	56,495
Incorporation rights			1,463	-	1,463	663
Total			143,189	(67,240)	75,949	78,923

b) The variation of the intangible assets account during the 2010 and 2009 periods is the following:

	Intangibles acquired independently MCh$	Intangibles acquired in business combinations MCh$	Intangibles generated internally MCh$	Incorporation rights	Total MCh$
Balance as of January 1st, 2009	13,523	19,605	59,264	663	93,055
Acquisitions	1,633	-	21,668	-	23,301
Withdrawals	-	-	(483)	-	(483)
Others	3,263	(4,031)	(6,689)	-	(7,457)
Gross balance as of December 31st, 2009	18,419	15,574	73,760	663	108,416
Accumulated amortization	(12,228)	-	(17,265)	-	(29,493)
Balance as of December 31st, 2009	6,191	15,574	56,495	663	78,923
Balances as of January 1st, 2010	18,419	15,574	73,760	663	108,416
Acquisitions	2,585	-	35,045	800	38,430
Withdrawals/transfers	(62)	-	(24,222)	-	(24,284)
Amortization of the period	-	(3,986)	-	-	(3,986)
Reclassification		-		-	
Gross balance as of December 31st, 2010	20,942	11,588	84,583	1,463	118,576
Accumulated amortization	(13,889)	-	(28,738)	-	(42,627)
Balances as of December 31st, 2010	7,053	11,588	55,845	1,463	75,949

NOTE 15 – PREMISES AND EQUIPMENT

a) The composition and variation of premises and equipment as of December 31st 2010 and 2009 is the following:

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

2010 Cost	Plots of land and buildings MM$	Equipment MM$	Others MM$	Total MM$
Balance as of January 1st 2010	171,065	86,519	45,073	302,657
Additions	22,896	16,813	15,784	55,493
Discards/discharges	(4,830)	(5,250)	(2,282)	(12,362)
Transfers	(6,572)	(2,926)	(13,046)	(22,544)
Others	(65)	(479)	(1,467)	(2,011)
Impairment (1)	(2,590)	(1,318)	(346)	(4,254)
Gross balance as of December 31st 2010	179,904	93,359	43,716	316,979
Accumulated depreciation	(23,598)	(67,472)	(19,944)	(111,014)
Impairment (1)	964	1,220	260	2,444
Total accumulated depreciation	(22,634)	(66,252)	(19,684)	(108,570)
Net premises and equipment Balance as of December 31st 2010	157,270	27,107	24,032	208,409

(1) On February 27th 2010, an earthquake affected the central and southern region of the country, causing damages to the infrastructure of certain Bank's assets. The Bank has recorded expenses reaching MCh$1,810. The recoveries obtained from insurance companies amounted to MCh$941.

b) As of December 31st 2010 and 2009 the Bank has no operating lease agreements.

c) As of December 31st 2010 and 2009 the Bank has financing lease agreements that cannot be rescinded unilaterally. The information of future payments is detailed as follows:

	Future payments of financing lease agreements			
	Up to 1 year	1 to 5 years	More than 5 years	Total
As of December 31st 2010	174	778	36	988
As of December 31st 2009	170	852	85	1,107

On the other hand, the balances for premises and equipment under financing lease as of December 31st 2010 amount to MCh$1,689 (MCh$1,446 as of December 31st 2009) and are presented as part of the "Others" account of premises and equipment.

NOTE 16 – CURRENT TAX AND DEFERRED TAX

(a) Current tax

The Bank and its subsidiaries at the closure of each period have constituted the provision of first-category income tax and the provision of Unique Tax of Article N°21 of the Income Law, which was determined based on the tributary legal dispositions in force and have reflected liabilities amounting MCh$31,052 as of December 31st 2010 (assets for MCh$4,837 in 2009). Said provision is presented net of collectible taxes, as detailed below:

	As of December 31st	
	2010	2009
	MCh$	MCh$
Income tax (17% tax rate)	54,418	28,102
35% provision unique tax	219	210
Less:		
Monthly provisional payments	(18,046)	(28,785)
Credit for training expenses	(915)	(792)
Credit for acquisition of premises and equipment	(24)	(24)
Credit for donations	(881)	(493)
Collectible income tax	(3,081)	(2,396)
Other collectible taxes and withholdings	(638)	(659)
Total	31,052	(4,837)

(b) Income tax

The effect of taxes on the income during the periods comprehended between January 1st and December 31st 2010 and 2009 is the following:

	As of December 31st	
	2010	2009
	MCh$	MCh$
Income tax charges:		
Current year tax	(54,418)	(28,102)
Surplus/deficit previous year provision	6,884	-
	(47,534)	(28,102)
Credit (charge) for deferred taxes:		
Origination and reversal of timing differences	7,613	(3,401)
Rate change of 1st category income tax	(389)	-
	7,224	(3,401)
Subtotal	(40,310)	(31,503)
Disallowed expenses tax article N°21	(115)	(329)
Others	1,221	1,185
	1,106	856
Net credit (charge) to income statement	(39,204)	(30,647)

(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 31st 2010 and 2009.

	2010		2009	
	Tax rate	Amount	Tax rate	Amount
	%	MCh$	%	MCh$
Pre-tax income		261,279		191,421
Applicable tax rate	17.00		17.00	
Statutory income tax rate in force as of 31.12		44,417		32,542
Tax effect of non-deductible expenses in calculation of taxable income				
Permanent differences	(0.97)	(2,539)	0.09	180
Special tax (disallowed expenses)	0.04	115	0.03	56
Effect of rate change	(0.15)	(389)	-	-
Result from investing in companies	(0.42)	(1,090)	(1.01)	(1,925)
Others	(0.50)	(1,310)	(0.10)	(206)
Effective rate and income tax charge	15.00	39,204	16.01	30,647

The effective income tax rate for 2010 and 2009 is 15.00% and 16.01% respectively.

(d) Effect of deferred taxes on equity

The deferred tax recorded with charges or credit to equity as of December 31st 2010 and 2009 is composed as follows:

	Accumulated as of December 31st		Effect on period
	2010	2009	2010
	MCh$	MCh$	MCh$
Financial investments available for sale	(1,687)	(1,185)	(502)
Cash flow hedges	(705)	(1,947)	1,242
Effect of deferred tax on equity	(2,392)	(3,132)	740

(e) Effect of deferred taxes on results

During 2010 and 2009 the Bank has recorded in its consolidated financial statements the effects of deferred taxes according to IAS 12.

The effect of income taxes on assets, liabilities and results assigned by temporary differences is presented as follows:

	As of December 31st					
	2010			2009		
	Assets	Liabilities	Net	Assets	Liabilities	Net
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Concepts:						
Provisions for loan losses	26,822	-	26,822	18,255	-	18,255
Provisions for personnel vacations and bonuses	3,838	-	3,838	2,745	-	2,745
Securities trading	-	(1,228)	(1,228)	2,044	-	2,044
Others	4,226	-	4,226	919	-	919
Property, plant and equipment	-	(13,732)	(13,732)	-	(9,613)	(9,613)
Transitory assets	-	(9,598)	(9,598)	-	(8,061)	(8,061)
Subordinate bonds	-	(4,318)	(4,318)	-	(4,275)	(4,275)
Leasing operations (net)	-	(66)	(66)	-	(4,011)	(4,011)
Derivative contracts operations	-	(57)	(57)	-	(1,287)	(1,287)
Others	-	(2,718)	(2,718)	-	(771)	(771)
Total net assets (liabilities)	34,886	(31,717)	3,169	23,963	(28,018)	(4,055)
Net effect for deferred tax assets	34,886	(34,109)	777	23,963	(31,150)	(7,187)

(f) Tax treatment of loans and accounts receivable, provisions, write-offs and recoveries.

A. Loans and accounts receivable

Loans and accounts receivable with clients as of 31.12.2010	Assets at financial statement value	Assets at tax value		
		Total	Matured portfolio with collateral	Matured portfolio without collateral
	MCh$	MCh$	MCh$	MCh$
Commercial loans	4,798,268	4,798,185	63,289	63,326
Consumer loans	1,147,534	1,143,429	10,385	70,393
Mortgage loans for housing	1,728,915	1,725,913	29,798	543

Loans and accounts receivable with clients as of 31.12.2009	Assets at financial statement value	Assets at tax value		
		Total	Matured portfolio with collateral	Matured portfolio without collateral
	MCh$	MCh$	MCh$	MCh$
Commercial loans	4.699.560	4.699.403	40.988	68.042
Consumer loans	1.013.057	1.010.646	7.696	64.443
Mortgage loans for housing	1.566.150	1.563.433	23.736	1.381

B. Provisions

Provisions on matured portfolio	Balance as of 01.01.2010	Write-offs on Provisions	Constituted provisions	Released provisions	Balance as of 31.12.2010
	MCh$	MCh$	MCh$	MCh$	MCh$
Commercial loans	79,934	(13,414)	51,412	(28,399)	89,533
Consumer loans	65,063	(36,124)	70,535	(27,636)	71,838
Mortgage loans for housing	3,148	-	2,167	(1,868)	3,447

Provisions on matured portfolio	Balance as of 01,01,2009	Write-offs on Provisions	Constituted provisions	Released provisions	Balance as of 31,12,2009
	MCh$	MCh$	MCh$	MCh$	MCh$
Commercial loans	9,149	(13,564)	111,178	(26,829)	79,934
Consumer loans	7,305	(33,654)	100,338	(8,926)	65,063
Mortgage loans for housing	-	-	3,148	-	3,148

C. Write-offs and recoveries

Direct write-offs and recoveries as of 31.12.2010	MCh$	D. application of Art.31 Nº4 subsections one and three
Direct write-offs Art.31 Nº4 subsection two	41,476	Write-off according to subsection one
Condonations that originated provisions release	-	Condonations according to subsection three
Recoveries or renegotiations of written-off credits	-	

Direct write-offs and recoveries as of 31.12.2009	MCh$	D. application of Art.31 Nº4 subsections one and three
Direct write-offs Art.31 Nº4 subsection two	48,602	Write-off according to subsection one
Condonations that originated provisions release	-	Condonations according to subsection three
Recoveries or renegotiations of written-off credits	-	

NOTE 17- OTHER ASSETS

a) As of December 31st 2010 and 2009 the composition of the account is the following:

	2010	2009
	MCh$	MCh$
Assets for leasing (*)	71,704	52,636
Assets received in payment or awarded		
Assets received in payment	3,083	6,104
Assets awarded from judicial auctions	2,005	1,846
Provisions for assets received in payment or awarded (**)	(259)	(932)
Other assets:		
Guarantee deposits	8,721	3,522
Investments in gold	2,973	2,508
VAT fiscal credit	4,980	4,964
Expenses paid in advance	13,732	20,411
Leasing assets recovered for sale (***)	699	610
Valuation adjustments for macro-hedges	-	1,645
Accounts receivable with related companies	251	248
Accounts receivable	33,490	28,037
Assets to be recovered	8,062	6,509
Object of assets hedge	21,899	1,226
Other assets	19,809	18,830
Total	191,149	148,164

(*) Correspond to premises and equipment available to be delivered under financing lease.

(**) the record of provisions on assets received in payment or awarded are recorded according to the stipulated in the Accounting Standards Compendium Chapter B-5 number 3, which implicates recording a provision by the difference between the initial value plus additions and the realization value, when the first is higher.

(***) within the same account, the recovered assets from leasing for sale are included, which correspond to movable assets.

This real property is assets available for sale, which is highly likely to happen. For most of the assets, the sale is expected to be fulfilled in a one-year term starting from the date when the asset is classified as “premises and equipment asset available for sale and/or asset recovered in leasing held for sale”.

b) The variation of provision on assets received in payment or awarded, during the 2010 and 2009 periods is the following:

Accumulated amortization and impairment	Provisions on assets
	MCh$
Balance as of January 1st 2009	-
Constitution of provisions	974
Provisions release	(42)
Other changes in book value of the period	-
Balance as of December 31st 2009	932
Constitution of provisions	243
Provisions release	(916)
Other changes in book value of the period	-
Balance as of December 31st 2010	259

NOTE 18 – DEPOSITS AND OTHER OBLIGATIONS PAYABLE ON DEMAND AND TIME DEPOSITS

As of December 31st 2010 and 2009 the composition of the account is the following:

	As of December 31st	
	2010	2009
	MCh$	MCh$
Deposits and other obligations payable on demand		
Current accounts	2,378,568	1,981,123
Other deposits and accounts payable on demand	276,284	228,802
Other obligations payable on demand	189,177	191,034
Total	2,844,029	2,400,959
Deposits and other time deposits		
Time deposits	5,414,284	5,437,190
Time savings accounts	51,549	52,767
Other time credit balances	1,712	1,195
Total	5,467,545	5,491,152

NOTE 19 – BANK BORROWINGS

At the closing of the consolidated financial statements 2010 and 2009, the composition of this heading is as follows:

	As of December 31	
	2010	2009
	Ch$ millions	Ch$ millions
Loans received from financial institution and Central Bank of Chile:		
Repo Operations with Central Bank of Chile	183	719,052
Others Central Bank of Chile	-	600
Subtotal	183	719,652
Loans received from financial institutions of the country:		
Loans received from other Banks (interbank loans)	160,873	189,549
Other liabiltities	58	669
Subtotal	160,931	190,218
Loans received from abroad financial institutions:		
Loans received from abroad	722,992	637,678
Loans and other liabilities	337,495	474,409
Subtotal	1,060,487	1,112,087
Total	1,221,601	2,021,957

NOTE 20 - DEBT INSTRUMENT ISSUED AND OTHER FINANCIAL OBLIGATIONS

As of December 31 of 2010 and 2009, the composition of the heading is as follows:

	As of December 31	
	2010	2009
	Ch$ millions	Ch$ millions
Other financial obligations:		
Obligations with public sector	79,720	74,260
Other obligations in Chile	29,472	20,309
Obligations abroad	2,404	1,567
Total	111,596	96,136
Debt instruments issued:		
Letter of credit	142,336	170,711
Straight Bonds	493,735	449,704
Subordinated Bonds	493,843	376,187
Total	1,129,914	996,602

The detail as of December 31, 2010 of straight and subordinated bonds is as follows:

STRAIGHT BONDS

Series	Principal in UF	Stated in UF	Issuance Date	Maturity Date	Average Interest Rate	Balance due stated in UF	Balance due Ch $ millions
SERIE_V	5,000,000	5,000,000	01-06-2007	01-06-2012	3.47%	4,965,961	106,547
SERIE_X	5,000,000	5,000,000	01-06-2007	01-06-2017	3.80%	4,776,578	102,484
SERIE_AA	10,000,000	8,390,000	01-07-2008	01-07-2014	3.92%	7,292,588	156,467
SERIE_AB	10,000,000	7,850,000	01-07-2008	01-07-2018	3.70%	5,976,883	128,237
Subtotal	30,000,000	26,240,000				23,012,010	493,735

SUBORDINATED BONDS

Series	Principal in UF	Stated in UF	Issuance Date	Maturity Date	Average Interest Rate	Balance due stated in UF	Balance due Ch $ millions
SERIE_C y D	2,000,000	2,000,000	01-12-1995	01-12-2016	6.92%	968,151	20,772
SERIE_E	1,500,000	1,500,000	01-11-1997	01-11-2018	7.36%	916,631	19,667
SERIE_F	1,200,000	1,200,000	01-05-1999	01-05-2024	7.75%	885,689	19,003
SERIE_G	400,000	400,000	01-05-1999	01-05-2025	7.95%	304,079	6,525
SERIE_L	1,200,000	1,200,000	01-10-2001	01-10-2026	6.38%	1,020,266	21,891
SERIE_M	1,800,000	1,800,000	01-10-2001	01-10-2027	6.45%	1,543,948	33,126
SERIE_N	1,500,000	1,500,000	01-06-2004	01-06-2029	5.17%	1,362,086	29,224
SERIE_O	1,500,000	1,500,000	01-06-2004	01-06-2030	3.99%	1,352,948	29,028
SERIE_R	1,500,000	1,500,000	01-06-2005	01-06-2038	4.70%	544,632	11,685
SERIE_S	2,000,000	2,000,000	01-12-2005	01-12-2030	4.86%	1,790,820	38,423
SERIE_T	2,000,000	2,000,000	01-12-2005	01-12-2031	4.44%	1,852,064	39,737
SERIE_U	2,000,000	2,000,000	01-06-2007	01-06-2032	4.21%	1,841,173	39,503
SERIE_Y	4,000,000	4,000,000	01-12-2007	01-12-2030	4.25%	1,745,103	37,442
SERIE_W	4,000,000	4,000,000	01-06-2008	01-06-2036	4.05%	1,457,379	31,269
SERIE_AC	6,000,000	6,000,000	01-03-2010	01-03-2040	4.04%	5,432,070	116,548
SERIE_AD 1	4,000,000	-	01-06-2010	01-06-2040	-	-	-
SERIE_AD 2	3,000,000	-	01-06-2010	01-06-2042	-	-	-
Subtotal	39,600,000	32,600,000				23,017,039	493,843
TOTAL	69,600,000	58,840,000				46,029,049	987,578

NOTE 21 - PROVISIONS

a) As of December 31, the composition of this heading is as follows:

	As of December 31	
	2010	2009
	Ch$ millions	Ch$ millions
Provisions for staff benefits and remuneration	17,844	15,215
Provisions for minimum dividends	66,623	48,232
Provisions for contingent credit risks	5,033	4,800
Provisions for contingencies (*)	55,300	23,891
Provisions for country risk	882	885
Total	145,682	93,023

(*) Other accruals are included according to the Superintendence of Banks and Financial Institutions (SBIF).

b) Movement in provisions during the ended period as of 2010 and 2009 are described as follows:

	PROVISIONS FOR					
	Staff benefits & remuneration	Provision for minimum dividends	Contingent credit risk	Provisions for contingencies	Provisions for country risk	Total
	Ch$ millions	Ch$ millions	Ch$ millions	Ch$ millions	Ch$ millions	Ch$ millions
Balances as of January 1, 2009	12,820	45,617	3,200	36,145	1,775	99,557
Allocated Provisions	12,182	48,232	1,600	2,741	-	64,755
Cancellation of provisions	(9,787)	(45,617)	-	-	-	(55,404)
Release of provisions	-	-	-	(14,995)	(890)	(15,885)
Other movements	-	-	-	-	-	-
Balances as of December 31, 2009	15,215	48,232	4,800	23,891	885	93,023
Balances as of January 1, 2009	15,215	48,232	4,800	23,891	885	93,023
Allocated Provisions	14,936	66,623	233	31,409	6	113,207
Cancellation of provisions	(12,307)	(48,232)	-	-	-	(60,539)
Release of provisions	-	-	-	-	(9)	(9)
Other movements	-	-	-	-	-	-
Balances as of December 31, 2010	17,844	66,623	5,033	55,300	882	145,682

c) Provisions for staff benefits and remuneration

	As of December 31	
	2010	2009
	Ch$ millions	Ch$ millions
Provision for other staff benefits	11,111	8,825
Accrued vacations	6,733	6,390
Other accruals	-	-
Total	17,844	15,215

The provision for other staff benefits reflects bonuses related to compliance of goals which will be paid in the following year.

NOTA 22 – OTHER LIABILITIES

The composition of this heading as of December 31, 2010 y 2009 is as follows:

	As of December 31	
	2010	2009
	Ch$ millions	Ch$ millions
Accounts and notes payable	95,515	77,525
Unearned income	27,982	3,594
Valuation adjustment for macro-hedges	65	33
Sundry creditors	52,815	16,999
Other liabilities	13,404	11,200
Total	189,781	109,351

NOTE 23 COMMITMENTS AND CONTINGENCIES

a) Commitments and liabilities booked off balance 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	
	2010	2009
	Ch$ millions	Ch$ millions
CONTINGENT CREDITS		
Guarantees:		
Guarantees in Chilean Currency	-	-
Guarantees in Foreign currency	197,602	176,989
Confirmed foreign letters o credit	35,352	15,260
Documentary letters of credit issued	72,773	84,689
Performance bonds:		
Performance bonds in Chilean currency	524,102	437,925
Performance bonds in foreign currency	90,539	86,316
Interbank letters of guarantee	-	-
Immediately available lines of credit	1,895,360	1,613,663
Other credit commitments:		
Loans for further education Law 20,027	64,952	-
Others	185,204	104,115
Other contingent credits	-	-
OPERATIONS ON BEHALF OF THIRD PARTIES		
Collections:		
Foreign collections	86,504	79,770
Domestic collections	99,018	85,866
SECURITIES IN CUSTODY		
Securities held by the Bank in custody	494,961	498,645
Total	3,746,367	3,183,238

b) Lawsuits and legal actions

The Bank and its subsidiaries have various legal lawsuits pending 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 not considered necessary to allocate additional provisions to that already made for these contingencies, Note 21 a).

c) Guarantees granted for operations

- Direct commitments

As of December 31, 2010, BCI Corredor de Bolsa S.A. has guaranteed commitments for stock repos operations on the Santiago Stock Exhange, amounting to Ch$ 73, 181 million (Ch$ 44, 181 million in 2009).

As of December 31, 2010, 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$ 1,563 million.

As of December 31, 2010, BCI Corredor de Bolsa S.A. has granted guarantees abroad for international market transactions amounting to Ch$ 46 million (Ch$ 52 million in 2009).

As of December 31, 2010, BCI Corredor de Bolsa S.A. has granted guarantees of the commitments by loans and short-sale transactions on the Chilean Electronic Stock Exchange, amounting to Ch$ 7, 094 million.

As of December 31, 2010 BCI Corredor de Bolsa S.A. has contracted the following insurance policies to fulfill as indicated in letter d) of Article 58 of law-ranking decree 51, 1931, to respond of the correct compliance of all obligations come from their activity:

- Policy of Guarantee for Insurance brokers N° 4323076 for an amount covered of UF 500 contracted with Compañía de Seguros Generales Consorcio Nacional de Seguros S.A. whose period of coverage runs from April 15, 2010 to April 14, 2011, establishing as right of the insurance company of repeating against the own Insurance broker, all the amounts that the first one had paid in order to pay third parties affected by the inadequate intermediation of the Insurance company.

- Policy of Responsibility Civil Professional for Insurance brokers N° 4323077 for an amount covered of UF 60,000 with a deductible of UF 500 with Insurance company Seguros Generales Consorcio Nacional de Seguros S.A. whose period of coverage runs from April 15, 2010 to April 14, 2011, with the purpose of preserving to the Insurance companyagainst possible lawsuits by third parties having the insurance company the ability to request the Insurance company the repayment of that paid to the third claimant.

As of December 31 during 2010, BCI Factoring S.A.has approved credit lines for operators of Factor Chain International for Ch$ 9,298 millions (Ch$ 3,204 millions in 2009) equivalent to MMUS $20 (MMUS $6 year 2009) of those which, they have been used MM $942 (MM $526 year 2009) equivalent to MMUS $2 (MMUS $1 year 2009).

- Guarantees by operations

As of December 31 during 2010 BCI Corredor de Bolsa S.A. constituted a guarantee amounting to UF 20,000 to comply with is indicated in Article 30 of Law 18, 045 that involves the correct compliance of all its obligations as a stock intermediary and whose beneficiaries are the creditors, present or future that migh or might not have relative to its operations as Stockbroker. This guarantee corresponds to a policy contracted on August19, 2010 Nº027051 and whose expiration date will be on August 19, 2011 with Compañía de Seguros de Mapfre Garantía y Crédito, being Santiago Stock Exchange , the representative of the possible beneficiary creditors.

BCI Asset Management Administradora General de Fondos S.A. maintains performance bonds with Banco Crédito e Inversiones as indicated in article 226 of Law 18. 045 of the Stock market and pointed out in the NCG Number 125 during 2001, which specify that the General Administrators of Funds should maintain a guarantee permanently for each managed fund, which will always be equivalent to UF 10,000 or 1% of the average equity of the previous year to the date of its determination.

Likewise, with the purpose of fulfilling by the Title IV of the Circular 1790, the defined mutual funds as having structured guaranteed, will have in all moment a guarantee granted by a third party that is independent from the managing society.

BCI Administradora General de Fondos S.A. in application of General Rule 125 given by the Superintendence of Securities and Insurances, the Society maintains performance bonds with Banco Créditos e Inversiones in favor of shareholders.

- Civil employee fidelity or employee loyalty Insurance

As of December 31 during 2010, BCI Corredor de Bolsa S.A. has an insurance taken by BCI Corredores de Seguros S.A. that protects Banco Crédito e Inversiones and its subsidiaries according to Bank Integral Policy Nº 1456760 whose validity is from November 30, 2010 to November 30, 2011 with a coverage of UF 100,000.

d) Contingent credits and liabilities

In order to satisfy the needs of its customers, the Bank has acquired various irrevocable commitments and contingent obligations, these obligations are not shown 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 grants credits and the amount of allowances made for the credit risk assumed.

	As of December 31	
	2010	2009
	Ch$ millions	Ch$ millions
Guarantees	197,602	176,989
Documentary letters of credit	72,773	84,689
Bid bonds	614,641	524,241
Amounts available to credit-card holders	943,165	753,200
Others	-	-
Provisions established	(5,033)	(4,800)
Total	1,823,148	1,534,319

NOTE 24 – STOCKHOLDER'S EQUITY

a) Social capital and preferred shares

Changes in shares during 2010 and 2009 are the following:

	Common shares		Non-redeemable preferred shares		Redeemable preferred shares	
	2010	2009	2010	2009	2010	2009
	Number	Number	Number	Number	Number	Number
Issued at January 1	101,90,060	98,860,310				
Issue of shares paid	1,716,095	2,529,750				
Issue of shares due	-	-				
Exercised stock options	-	-				
Issued at December 31	103,106,155	101,390,060	-	-	-	-

The ordinary shareholders meeting held on March 30, 2010 which was registered in the public deed drawn up in the Santiago Notary office of Mr. Patricio Zaldívar Mackenna on April 12, 2010 to improve the Bank's capital in CH$ 882,273,373,667, an increase that considered capitalization reserves from profits amounting CH$ 75,130,363,503 in the following manner: (i) the amount of Ch$ 29,691,875,690 through issue of 1,716,095 of fully paid-in shares; and (ii) the amount of CH$ 45,438,487,813, without shares issue.

The referred capital increase was approved by the Superintendence of Banks and Financial Institutions (SBIF) by means of Resolution N° 77 dated May 13, 2010. The corresponding Certificate and extract of the Resolution indicated above is in the official document nº24.098 in entry Nº 16.516 from Registro de Comercio del Conservador de Bienes Ráices de Santiago dated on 20 of May of 2010 and it was published in theOfficial Gazette dated on May 19, 2010.

The Superintendence of Banks and Financial Institutions (SBIF) registered the shares issued at Registro de Valores Nº 2/2010 dated on June 2, 2010. In meeting held on May 25, 2010, the Board of Directors decided to issue fully paid-in shares with July 2 date for the effective year.

They will have right to receive the new shares, to ratio of 0, 01692567 of paid-in shares for each Bank share, the shareholders who have been registered in the Shareholder's record as of June 25, 2010.

The same day July 2, 2010, the referred fully paid-in shares will be properly registered in the name of each shareholder.

b) At closing of December 31 of each year, the distribution of shareholders is as follows:

2010	Shares	
	Number of shares	% Stake
Empresas Juan Yarur S.A.C.	55,399,367	53.73
Jorge Yarur Bascuñan	4,357,319	4.23
Inversiones BCP Ltda.	3,628,986	3.52
Sociedad Financiera del Rimac S.A.	3,582,417	3.47
AFP Provida S.A.	2,403,024	2.33
AFP Cuprum S.A.	2,073,055	2.01
Inversiones Jordán Dos S.A.	2,059,605	2.00
AFP Habitat S.A.	1,871,074	1.81
Banco de Chile por cuenta de terceros	1,666,230	1.62
AFP Capital S.A.	1,535,300	1.49
Tarascona Corporation	1,519,085	1.47
Banco Itau por cuenta de Inversionistas	1,506,061	1.46
BCI Corredor de Bolsa S.A. por cuenta de terceros	1,248,253	1.21
Inversiones Millaray S.A.	1,233,021	1.20
Inmobiliaria e Inversiones Cerro Sombrero S.A.	1,131,277	1.10
Luis Enrique Yarur Rey	1,007,126	0.98
Celfin Capital S.A. Corredores de Bolsa	971,768	0.94
Banco Santander por cuenta de Inversionistas Extranjeros	756,780	0.73
Larraín Vial S.A. Corredores de Bolsa	704,225	0.68
Banchile Corredores de Bolsa S.A.	650,238	0.63
Inmobiliaria y Comercial Recoleta Sur Ltda.	610,202	0.59
Modesto Collados Núñez	595,958	0.58
Inversiones VYR Ltda.	548,719	0.53
Corpbanca Corredores de Bolsa S.A.	483,705	0.47
Santander S.A. Corredores de Bolsa	465,515	0.45
Otros Accionistas	11,097,845	10.77
Total	103,106,155	100.00

2009	Shares	
	Number of shares	% Stake
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 Jordán 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 cuenta 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. por cuenta de terceros	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 cuenta de Inversionistas	871,625	0.86
Larraín 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
Otros Accionistas	12,515,200	12.33
Total	101,390,060	100.00

c) Dividends

During the period ended December 31, 2010 y 2009, the following dividends were declared and paid by the Bank:

	As of December 31	
	2010	2009
	Ch$	Ch$
Dividends per common share	500	470

d) As of December 31, the composition of diluted and basic earnings is as follows:

	As of December 31	
	2010	2009
	$	$
Basic earnings per share	2,154	1,586
Diluted eranings per share	2,154	1,586

e) Net exchange differences

As of December 31, 2010 and 2009, the reconciliation of net exchange differences as a separate component from the stockholders' equity is the following:

	Ch$ millions
Balance as of January 1, 2009	6,056
Charges Net exchange differences	(1,446)
Final balance as of December 31, 2009	4,610
Balance as of January 1, 2010	4,610
Charges Net exchange differences	(6,168)
Final Balance as of December 31, 2010	(1,558)

f) Nature and purpose of the reserves:

Conversion reserves:

The conversion reserve includes all the exchange rate differences from foreign currencies, as well as the liabilities hedging of the net investments of the Bank in foreign currency operations.

Hedging reserves:

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

Reserves for fair value:

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

g) Capital requirements

The basic capital for the year 2010 is equivalent to the net amount that should be shown in the financial statements as Shareholders'equity attributable to equity holders, as indicated in the Compendium of Accounting Regulations. According to General Banking Law, the Bank should maintain a minimum ratio of effective stockholders' equity to consolidated risk-weighted assets of 8%, net of required allowances, and a minimum ratio of net basic capital to Consolidated total assets of 3%, net of required allowances. Effective stockholders' 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) additional provisions are added, c) all goodwill and paid premium are deducted 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, five 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, according to the effective regulations, capital is not needed to endorse these assets. Premises and equipment have a 100% risk, which means that a minimum capital of 8% of these assets should be held.

All OTC derivative securities are considered in the determination of risk assets with a conversion factor over the notional values, thus obtaining the amount of credit risk exposure (or "credit equivalent"). Off-balance contingent credits are also considered as a "credit equivalent".

The levels of basic capital and effective shareholders' equity at the closing of each period are as follows:

	Consolidated assets		Risk-weighted assets	
	2010	2009	2010	2009
	Ch$ millions	Ch$ millions	Ch$ millions	Ch$ millions
Balance sheet assets (net of provisions)				
Cash and deposits from banks	1,047,633	1,037,783	-	-
Trading operations pending settlement	306,023	439,661	82,016	169,992
Securities held for trading	849,155	844,146	172,141	136,278
Investments purchased under agreements to resell	89,595	100,001	89,595	100,001
Derivative instruments	459,630	333,395	322,338	276,067
Loans and receivables from banks	101,106	140,781	101,106	124,781
Credits and accounts receivable from customers	9,291,070	8,602,991	8,528,993	7,910,423
Available-for-sale investments securities	497,532	1,116,412	263,760	435,869
Held-to-maturity investment securities	-	-	-	-
Investments in other companies	52,037	47,825	58,886	57,085
Intangible asets	75,949	78,923	71,673	73,099
Premises and equipment, net	208,409	202,640	208,409	202,640
Income taxes	23,915	33,376	6,655	7,265
Deferred taxes	34,886	23,963	3,489	2,396
Other assets	191,149	148,164	141,445	88,502
Off-balance sheet assets				
Contingent loans	1,664,130	801,041	998,478	480,625
Additions and deductions	(8,413)	23,122	-	
Total risk-weighted assets	14,883,806	13,974,224	11,048,984	10,065,023

	Amount		Ratio	
	2010	2009	2010	2009
	Ch$ millions	Ch$ millions	%	%
Basic capital	1,039,166	896,153	6,98	6,41
Effective shareholders' equity	1,500,522	1,213,274	13,58	12,05

NOTE 25 – INTEREST REVENUE AND EXPENSES

a) At the closing of consolidated financial statements, the composition of interest revenue and expenses is the following:

	As of December 31					
	2010			2009		
Concept	Interest	Readjustment	Total	Interest	Readjustment	Total
	Ch$ millions	Ch$ millions	Ch$ millions	Ch$ millions	Ch$ millions	Ch$ millions
Repurchase agreements	870	1,724	2,594	540	4,591	5,131
Interbanks loans	1,821	-	1,821	3,407	-	3,407
Commercial loans	349,462	51,417	400,879	405,818	(71,789)	334,029
Mortgage loans	81,587	42,558	124,145	78,228	(39,684)	38,544
Consumer loans	192,244	574	192,818	203,776	(706)	203,070
Investment instruments	31,593	7,723	39,316	39,346	(4,359)	34,987
Other interest or indexation revenue (*)	3,111	1,010	4,121	3,838	947	4,785
Result from accounting hedges (MTM)	(10,411)	-	(10,411)	(5,633)	-	(5,633)
Total interest revenues	650,277	105,006	755,283	729,320	(111,000)	618,320

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

b) At the closing of the year, the composition of interest expense is the following:

	As of December 31	
	2010	2009
Concept	Ch$ millions	Ch$ millions
Demand deposits	(675)	(928)
Repurchase agreements	(4,085)	(6,217)
Time deposits and borrowings	(135,911)	(138,971)
Borrowings from financial institutions	(19,437)	(26,821)
Debt issued	(70,757)	(22,614)
Other financial obligations	(4,158)	(4,607)
Result from accounting hedges	(4,126)	(3,188)
Other interest and indexation expenses	(410)	(351)
Total interest expenses	(239,559)	(203,697)

NOTE 26 – FEE INCOMES AND EXPENSES

During 2010 and 2009 the composition of fee incomes and expenses is the following:

	As of December 31	
	2010	2009
	Ch$ millions	Ch$ millions
Income by comissions:		
Commissions for lines of credit and overdrafts	16,270	12,486
Commissions for guarantees and letters of credit	7,792	7,844
Commissions for card services	29,749	24,475
Commissions for account administration	28,318	26,133
Commissions for collections and payments	29,429	29,616
Commissions for securities trading and management	7,287	3,866
Commissions for mutual or other funds	25,344	19,067
Remuneration for insurance broking	26,331	20,995
Remuneration for services provided	15,417	18,792
Other commissions earned	3,179	3,480
Total fee income		
Income by comissions:	189,116	166,754

Fee expenses		
Remuneration for card operations	(20,424)	(18,219)
Commissions for securities Trading	(6,696)	(5,620)
Other fees paid	(13,432)	(10,560)
Total fee expense	(40,552)	(34,399)

NOTE 27- RESULT OF FINANCIAL OPERATIONS

As of December 31, 2010 y 2009, the detail of financial operations is as follows:

	As of December 31	
	2010	2009
	Ch$ millions	Ch$ millions
Trading portfolio	66,196	31,554
Financial derivative instruments	(104,767)	(180,620)
Other instruments at fair value with effect on results	(1,663)	-
Portfolio available for sale	(2,122)	14,018
Others	5,728	1,676
Total	(36,628)	(133,372)

NOTE 28 – RESULT OF NET EXCHANGE DIFFERENCES

The detail of the exchange results at the end of each year is as follows:

	As of December 31	
	2010	2009
	Ch$ millions	Ch$ millions
Exchange difference		
Gains from exchange differences	5,455,050	2,171,991
Losses from exchange differences	(5,340,336)	(1,954,426)
Sub total	114,714	217,565
Foreign currency indexation		
Result from assets linked in foreign currency	(12,869)	(9,717)
Result from liabilities linked to foreign currency	(12,869)	(9,717)
Sub total	101,845	207,848

NOTE 29 –PROVISION FOR CREDIT IMPAIRMENT

The movement during 2010 and 2009 in the results for provision for credit impairment is summarized as follows:

2010	Due from banks	Loans and accounts receivable from customers: Commercial loans	Mortgage loans	Consumer loans	Contingent loans	Total
	MM$	MM$	MM$	MM$	MM$	MM$
Provisioning:						
Individual provision	346	34,864	-	-	4,647	39,857
Collective provision	-	62,544	9,042	94,243	397	166,226
Result from provisioning	346	97,408	9,042	94,243	5,044	206,083
Impairment charges:						-
Individual impairment	-	-	-	-	-	-
Collective impairment	-	-	-	-	-	-
Result from impairments	-	-	-	-	-	-
Release of provision:						
Individual provision	(370)	(3,743)	-	-	-	(4,113)
Collective provision	-	(26,108)	(6,104)	(23,571)	-	(55,783)
Income from release of provisions	(370)	(29,851)	(6,104)	(23,571)	-	(59,896)
Recovery of written-off assets	-	(8,451)	-	(21,489)	-	(29,940)
Impairment Reversal	-	-	-	-	-	-
Net provision by risk credit	(24)	59,106	2,938	49,183	5,044	116,247

2009	Due from banks	Loans and receivables from customers: Commercial loans	Mortgage loans	Consumer loans	Contingent loans	Total
	MM$	MM$	MM$	MM$	MM$	MM$
Provisioning:						
Individual provision	152	64,599	-	33,723	1,577	100,051
Collective provision	-	63,257	2,276	54,038	23	119,594
Result from provisioning	152	127,856	2,276	87,761	1,600	219,645
Impairment charges:						
Individual impairment	-	-	-	-	-	-
Collective impairment	-	-	-	-	-	-
Result from impairments	-	-	-	-	-	-
Release of provision:						
Individual provision	(70)	(1,705)	-	-	-	(1,775)
Collective provision	-	(33,979)	-	(12,404)	(1)	(46,384)
Income from release of provisions	(70)	(35,684)	-	(12,404)	(1)	(48,159)
Recovery of written-off assets	-	(8,476)	-	(14,785)	-	(23,261)
Impairment Reversal	-	-	-	-	-	-
Net Provisions for loan losses	82	83,696	2,276	60,572	1,599	148,225

In opinion of the management, the provisions constituted by credit risk and impairment cover all eventual losses that can be derived of the non recovery of assets, according to the antecedents examined by the Bank.

NOTE 30 – STAFF REMUNERATION AND EXPENSES

a) The composition of staff remuneration and expenses during 2010 and 2009, is as follows:

	As of December 31	
	2010	2009
	Ch$ millions	Ch$ millions
Staff remuneration	85,074	78,018
Bonuses or awards	73,992	65,190
Severance payments	5,672	6,247
Training expenses	1,876	1,994
Other staff expenses	10,668	9,217
Total	177,282	160,666

NOTE 31 – ADMINISTRATIVE EXPENSES

The composition of this heading as of December 31, 2010 y 2009, is as follows:

	As of December 31	
	2010	2009
	Ch$ millions	Ch$ millions
General administrative expenses		
Maintenance and repairs of bank premises and equipment	7,600	4,853
Office rentals	17,220	15,588
Equipment rental	259	323
Insurance premiums	1,582	1,408
Office materials	3,807	3,964
Computer and communications expenses	21,149	20,333
Lighting, heating and other services	4,672	5,042
Security and custody transportation service	6,807	7,085
Representation expenses and staff travel	1,781	1,706
Judicial and notary expenses	1,279	1,766
Fees for technical reports	3,823	2,517
Clearing services	1,873	1,858
Consultancies	3,787	1,439
Postal-related expenses	1,453	1,370
Other general administrative expenses	10,488	8,875
Sub-contracted services		
Data processing	4,178	3,621
Sale of products	77	154
Others	3,806	2,300
Directors' expenses		
Directors' remuneration	2,079	1,978
Other board expenses	198	319
Publicity and advertising	15,198	11,430
Taxes, property taxes, contributions		
Contribuciones de bienes raíces	1,128	1,060
Licenses	1,155	918
Other taxes	206	98
Contribution to the SBIF	3,639	3,492
Total	119,244	103,497

NOTE 32 – DEPRECIATION, AMORTIZATION AND IMPAIRMENT

a) The amounts related to charges in results by depreciation and amortization during 2010 y 2009, are as follows:

	As of December 31	
	2010	2009
	Ch$ millions	Ch$ millions
Depreciation and amortization		
Depreciation of fixed assets	19, 382	13,368
Amortization of intangible assets	17, 334	13,529
Balances as of December 31	36, 716	26,897

b) As of December 31, 2010 y 2009, the composition of the charge for impairment is as follows:

	As of December 31	
	2010	2009
	Ch$ millions	Ch$ millions
Premises and Equipment	1,810	-
Intangible assets	-	-
Total	1,810	-

c) The reconciliation of the book values as of January 1, 2009 and 2010 and balances as of December 31, 2010 and 2009 is as follows:

	Depreciation, amortization and impairment					
	2010			2009		
	Premises and equipment	Intangible	Total	Premises and Equipment	Intangible	Total
Balances as of January 1:	100,017	29,493	129,510	86,649	19,924	106,573
Charges for depreciation and amortization	19,382	17,334	36,716	13,368	13,529	26,897
Impairment for the period	1,810	-	1,810	-	-	-
Retirements and sales for the period	(12,639)	(4,200)	(16,839)	-	(3,960)	(3,960)
Balances as of December 31,	108,570	42,627	151,197	100,017	29,493	129,510

NOTE 33 – OTHER OPERATING INCOME AND EXPENSES

a) Other operating income

During 2010 and 2009, the operating incomes are the following:

	As of December 31	
	2010	2009
Concept	Ch$ millions	Ch$ millions
Revenue from assets received in lieu of payment		
Gain on sale of assets received in lieu of payment	2,556	1,564
Other income	1	-
Sub total	2,557	1,564
Release of allowances for contingencies		
Allowances for country risk	111	721
Special allowances for foreign loans losses	-	-
Additional allowances for loans	-	10,567
Otras provisiones por contingencia	42	
Subtotal	153	11,288
Other income		
Gain on sale of bank premises and equipment	168	27
Insurance claims	941	-
Foreign currency forward gains	-	-
Leasing income	1,480	1,736
Other income	13,427	5,091
Sub total	16,016	6,854
Total other operating expenses	18,726	19,706

b) Other operating expenses

During 2010 and 2009, the following are the other operating expenses:

	As of December 31	
	2010	2009
Concept	Ch$ millions	Ch$ millions
Allowances and expenses for assets received in payment		
Allowances for assets received in payment	391	922
Write-off of assets received in payment	1,795	787
Maintenance expenses of assets received in payment	637	489
Subtotal	2,823	2,198
Allowances for contingencies		
Allowances for country risk	6	-
Additional allowances for loans losses	24,253	-
Other allowances for contingencias	769	713
Subtotal	25,028	713
Other expenses		
Loss on sale of premises and equipment	1,375	30
Contributions and donations	2,426	1,800
Write-offs of judicial and notary expenses	1,496	2,082
Leasing charges	3,406	1,780
Non-operating write-offs	1,387	952
Agreement expenses	570	824
Other expenses	4,188	3,051
Subtotal	14,848	10,519
Total of other operating expenses	42,699	13,430

NOTE 34 – TRANSACTIONS WITH RELATED PARTIES

a) Credits with related parties

The following shows credits and accounts receivable, contingent loans and trading and available for sale investments with related parties:

	As of December 31					
	2010			2009		
	Productive companies	Investment companies	Individuals	Productive companies	Investment companies	Individuals
	MM$	MM$	MM$	MM$	MM$	MM$
Credits and accounts receivable:						
Commercial loans	74,384	9,907	2,847	107,323	13,195	2.948
Mortgage loans	-	-	11,462	-	-	9.717
Consumer loans losses	-	-	2,029	-	-	903
Gross loans	74,384	9,907	16,338	107,323	13,195	13.568
Provisions for loan losses	(6,369)	(39)	(92)	(4,322)	(78)	(48)
Net loans	68,015	9,868	16,246	103,001	13,117	13,520
Contingent loans	2,296	-	-	2.817	-	-
Provision for contingent loans	2,296	-	-	2.817	-	-
Allowances for contingent loans	(50)	-	-	-	-	-
Net contingent loans	2,246	-	-	2.817	-	-
Instruments acquired:						
For trading	-	-	-	-	-	-
For investment	272	-	-	307	-	-
Total acquired instruments	272	-	-	307	-	-

b) Other transactions with related parties

During 2010 and 2009, the Bank has carried out the following transactions with related parties in amounts exceeding 1,000 UFs:

Company	Description	Transaction amount	Credit (debit) to income: Income	Credit (debit) to income: Expense
		Ch$ millions	Ch$ millions	Ch$ millions
2010				
Artikos Chile	Rental of terminals	420	420	-
Bolsa de Comercio de Santiago	Clearing house services	69	69	-
Centro Automatizado S.A.	Form printing	312	312	-
Compañia de Formularios Continuos Jordán (Chile) S.A.	Card processing	2,127	2,127	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Operation of automated teller machines	3,780	3,780	-
Redbanc S.A.	Collection and payment of services	2,891	2,891	-
Servipag S.A.	Credit card administration	5,918	5,918	-
Transbank S.A.	Form printing	23,704	4,783	18,921
Vigamil S.A.C.	Purchase of supplies	27	27	-
Viña Morandé S.A.		60	60	-
2009				
Bolsa de Comercio de Santiago	Rental of terminals	76	76	-
Centro de Automatizado S.A.	Clearing house services	209	209	-
Compañía de Formularios Continuos Jordán (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	20,845	4,940	15,905
Vigamil S.A.C.	Form printing	195	195	-
Viña Morandé S.A.	Purchase of supplies	57	57	-

All these transactions were carried out under the effective market conditions to the date on which they were made.

c) Other assets and liabilities with related parties

	As of December 31	
	2010	2009
	Ch$ millions	Ch$ millions
ASSETS		
Derivative financial instruments	-	-
Other assets	-	-
LIABILITIES		
Derivative financial instruments	-	-
Demand deposits	31,204	33,025
Other deposits and borrowings	134,075	43,495
Other liabilities	-	-

d) Trading income with related parties

		As of December 31			
		2010		2009	
Type of income or expense recognized	Entity	Incomes	Expenses	Incomes	Expenses
		Ch$ millions	Ch$ millions	Ch$ millions	Ch$ millions
Income and expenditure (net)	Various	5,921	(1,817)	4,642	(806)
Operating expenses	Business line support companies	18,921	(20,387)	15,905	(19,091)
Total		24,842	(22,204)	20,547	(19,897)

e) Payments to Board of Directors and key management personnel

Salaries received by the key personnel correspond to the following categories:

	As of December 31	
	2010	2009
	Ch$ millions	Ch$ millions
Short-term benefits to employees (*)	4,476	9,028
Post-employment benefits	-	-
Other long-term benefits	-	-
Contract Termination	1,420	972
Stock-based Payment	-	-
Total	5,896	10,000

(*) The total expenses relating to Board of Directors and its subsidiaries amounted to Ch$ 2,277 million during the year 2010 (Ch$ 2,297 million during 2009)

f) Investments in related parties

The Bank has the following investments in related parties:

Society	Investment 2010 %	Investment 2009 %
Redbanc S.A.	12.71	12.71
Servipag Ltda.	50.00	50.00
Combanc S.A.	10.50	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.	1.77	1.74

g) Composition of Key personnel

As of December 31, the composition of the key personnel of the Bank and its subsidiaries is as follows:

Position	Number of executives
Director	9
General Manager	9
Division and Area Manager	15
Total	33

h) Transactions with key personnel

As of December 31 during 2010 and 2009, the Bank has carried out the following transactions with the key personnel:

	As of December 31					
	2010			2009		
	Debt Balance MM$	Total Income MM$	Income received by key executives MM$	Debt balance MM$	Total Income MM$	Income received by key executives MM$
Credit cards and other benefits	472	631,138	22	229	579,776	21
Mortgage loans	1,250	124,145	71	1,365	38,544	24
Guarantees	1,420	-	-	1,350	-	-
Others	-	-	-	-	-	-
Total	3,142	755,283	93	2,944	618,320	45

i) Related contracts

Nº	Related	Related Service	Concept	Description of the contract	Term	Condition
1	Bolsa de Comercio de Santiago	Processing of the stock market system, which operates with BCI Corredora de Bolsa	Terminal lease	Software called stock market is contracted	Indefinite	Automatic renovation
2	Centro de Automatizado S.A. (CCA)	Electronic Clearing house	Clearing Services	Participation and incorporation to the electronic fund transference center to facilitate the materialization of the operations of transference of the bank's funds. The Bank operates in cet like ifo (original banking institution) and like IFRS (receiving banking institution)	Indefinite	Automatic renovation for 1 year
3	Compañía de Formularios Continuos Jordan (Chile) S.A.	Print servers, preparation of checkbooks	Printing forms	The special printing services of basic listings printing, special forms, and valuables as checks are contracted.	Indefinite	Automatic renovation for 1 year
4	Operadoras de Tarjetas de Crédito Nexus S.A.	Processing operations of credit card (issuing role)	Card Processing	Operation of credit cards MASTERCARD, VISA and CARD DEBIT in relation to the processing of the issuing role	Indefinite	Automatic renovation for 3 years.
5	Redbanc S.A.	Administration of operations of ATM's;Redcompra and RBI	ATM Operation	The society in its fulfillment of its social commitment will offer its clients or users, the service of electronic transference of data through automatic tellers or other real or virtual electronic means.	Indefinite	Automatic renovation for 3 years.
6	Servipag Ltda.	Collection and payment of services, check payment and reception of deposits and administration of our service of cash	Collection and service payments	The resolution service of collection transactions done in bci tellers in order to process clients transactions is contracted.	Indefinite	Automatic renovation
7	Transbank S.A.	Processing operations of credit card (acquiring role)	Credit card management	Benefit of services of the VISA credit card, MasterCard in relation to the acquiring role	Indefinite	Automatic renovation for 2 years.
8	Vigamil S.A.C.	Supplier of envelopes and forms	Printing of forms	Occasional purchases	it does not apply	it does not apply
9	Viña Morandé S.A.	It is not a regular supplier	Purchase of supplies	Occasional purchases	it does not apply	it does not apply
10	Artikos Chile S.A.	Portal of purchases and logistic services	Purchase of supplies	Services of electronic purchase of goods and/or logistic services.	Indefinite	Automatic renovation for 1 year.

NOTE 35 – FAIR VALUE OF ASSETS AND LIABILITIES

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.

BCI has identified those financial assets and liabilities at redeemed cost of greatest relevance to the information shown in this Note. For this, 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 redeemed cost has been considered as a reasonable approach of their fair value.

	Year 2010		Year 209	
Bonds and subordinated bonds	987,578	1,090,721	825,891	904,266
Other	142,336	151,226	170,711	170,711
Subtotal	1,129,914	1,241,947	996,602	1,074,977
TOTAL	7,819,060	7,988,983	8,509,711	8,618,758

Loans and accounts receivable from customers

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

Cash flows are discounted at the relevant market interest rate according to the instrument type, effective to the closing of each exercise. In determining the rate, they are differentiated by term and currency.

The approaches used for the incorporation of credit risk of the assets considered for these effects are:

1. Based on the models of estimation of expected loss, it is possible to appreciate the credit quality of the portfolio (at least in qualitative terms), for the residual term of the operations comprising the asset accounts considered (commercial loans, housing mortgage loans and consumer loans).

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

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

Time deposits and other borrowings

The estimated fair value of demand accounts and deposits, without an established term, including non-interest bearing accounts, is the amount payable when the customer demands it. The redeemed 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.

Bank 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 the effective market prices at the closing of each exercise.

b) Financial instruments measured at fair value

Please, refer to Note 2 g ii) for further detail about the criteria used to determine the fair value.

c) Hierarchy used for determining fair value

The normative distinguishes among different hierarchies of used inputs for the techniques of valuation, discriminating in observable or "non-observable inputs". Observable Inputs reflect market data taken from independent sources, while non observable inputs reflect the assumptions of the Bank and subsidiaries in relation to market behavior. The following hierarchy has been created based on these types of input:

Level 1 – Quotation values on active markets for assets and liabilities identical to those being valued. This level includes the debt instruments, whether fixed or variable income, equity instruments and financial derivative instruments trade 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 such parameters like LIBOR curve or credit risk of the counterparty, i.e. Bloomberg, Reuters and similar companies.

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.

Financial assets and liabilities classified by valuation levels

The following chart shows the assets and liabilities that are presented at fair value in the financial statements, classified in their respective levels of hierarchy described previously:

Fair value (Ch$ millionsas of December 31, 2010	Level 1	Level	Level 3	Total
Financial assets at fair value				
by results				
Trading instruments				
Debt instruments	386,122	173,563		559,685
Equity instruments				
Financial derivative contracts				
Instruments designated at fair value				
Hedge derivates				
Available for sale investment				
Debt instruments	2,631	359,079		361,710
Equity instruments				
Total Assets	388,753	532,642		921,395
Financial liabilities at fair value				
For losses and gains				
Derivatives	120	22,173		22,293
Hedge derivatives		3,747		3,747
Total liabilities	120	25,920		26,040

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 2010.

Reconciliation of movements of valuation Level 3

As of December 31, 2010 the consolidated balance sheet doesn't have assets valorized based on inputs level 3.

NOTE 36 – RISK MANAGEMENT

MARKET RISK 2010

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 credit risks, 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 checks its risk management policies and systems to reflect changes in the markets, regulations, products and new best practices.

In relation 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. These are divided in operative units like Corporate Risk management and Balance areas, Trading and Institutional, and Distribution and Corporate depending on Investment and Finance division. All this information is managed and analyzed by 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 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 Investment 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 - Asset & 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 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 diffuse. This management area therefore has a corporate remit, with an integral vision of the risks involved.

The Market Risk Management has the role of measuring and controlling market risk, being them in or off is balance sheet. Pricing risks associated to interest rates, exchange rates, volatility, maximum loss, etc.,
The above-mentioned is supplemented with analysis of scenarios and simulations to obtain a better measure of the risk. It is also responsible for defining the methodology for valuing the financial assets and liabilities measured at fair value held by the corporation in or off are 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 Division
ii. Support Areas, operative departments (*Back Office, Middle Office*)
iii. Control and Financial planning (Accounting, management control)
iv. Financial and Credit risk, depending on Corporate Risk Management.

The total segregation of functions implies a physical and organizational separation of the areas.

2. Liquidity and financing

The corporation's liquidity management model seeks to guarantee, even in case 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.

From the year 2008, the Corporation has internally set minimum liquidity limits, parallel to the limits of Technical Reserve requirements, and carried out periodically simulations of financing stress to balances of current accounts and deposits, the Bank's principal sources of funding.

At normative level, liquidity is measured and reported to the SBIF through the standardized liquidity position report. According to bank regulations, BCI uses econometric behavior models for forecasting inflows and outflows in real accounts. The bank has met the regulator's limits with sufficient room (mismatch/basic capital of less than 1,0 at 30 days and less than 2,0 at 90 days). The periodic use of stress scenarios, they are good 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-OIS 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.
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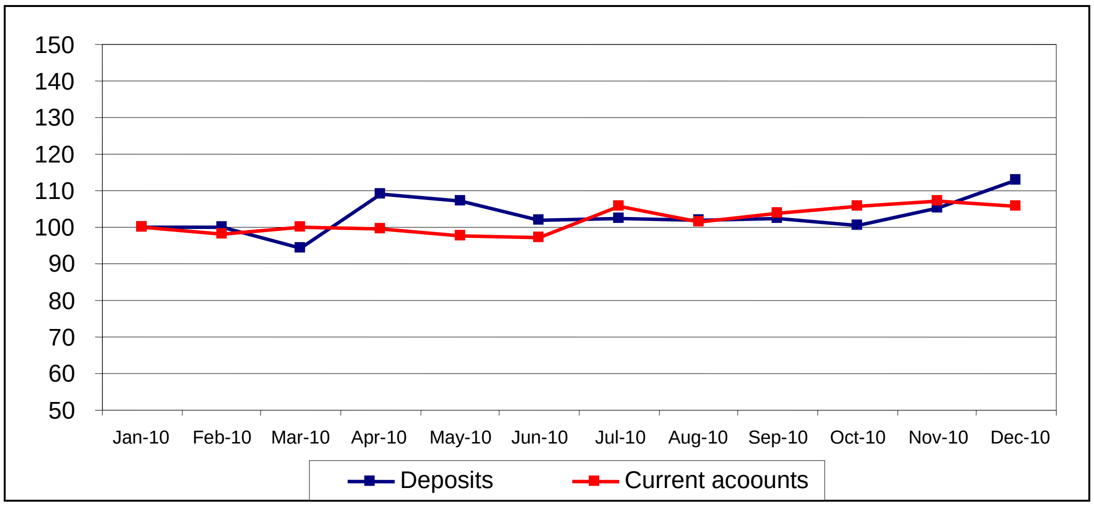
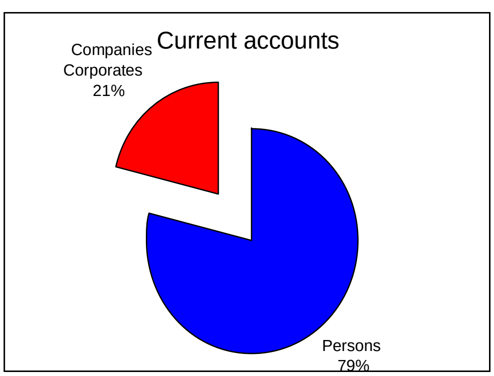
In the measurement of liquidity, both internal and regulatory, a reasonable and counter-cyclical level of liquidity was noted, in line with the Bank's policies. While at the start of the year, mismatch ratios to capital were around zero, toward the end of the year they reached around 0,8 times capital, above the regulatory limit of 1,0, Reduced uncertainty about access to credit enabled the treasury to seek cheaper funding through deposits.

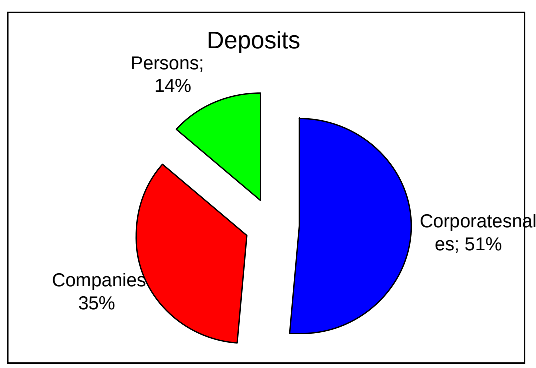
Even at moments of greatest uncertainty produced by the global financial crisis, there were no signs of runs on deposits or checking account balances, thus ratifying the public's trust in the Chilean banking system in general.

Evolution of principal sources of liquidity
Year 2010 (base 100)

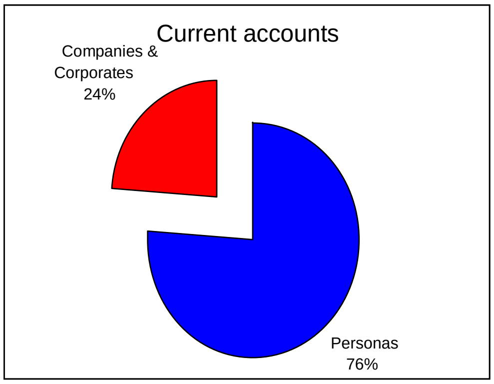


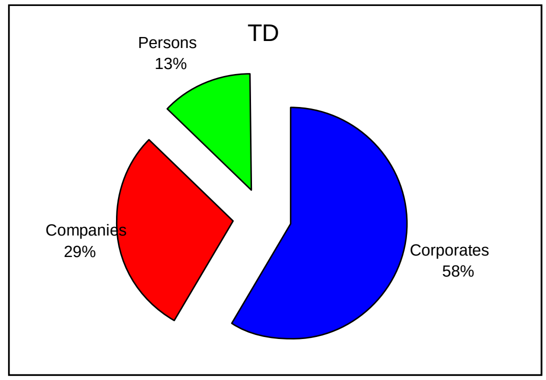
Diversification sources of liquidity by type of customer
Year 2010 (%)





Diversification sources of liquidity by type of consumer
Year 2009 (%)





a. Variations during year 2010

The short-term mismatch ratios remained satisfactory, comfortably within the regulatory limits of one time basic capital (measured at 30 days) and 2 times capital (measured at 90 days).

Liquidity ratios
Year 2010-2009 (maximun = 1)

(a) Total Short-term mismatch (% of basic capital)

	Year 2010				Year 2009			
	Average	Maximum	Minimum	Closing	Average	Maximum	Minimum	Closing
Mismatch 30 days	0.62	0.91	0.14	0.41	0.37	0.87	(0.50)	0.22
Mismatch 90 days (*)	0.72	0.88	0.53	0.77	0.56	0.86	0.05	0.77

(*) measurement in relation to times Basic capital

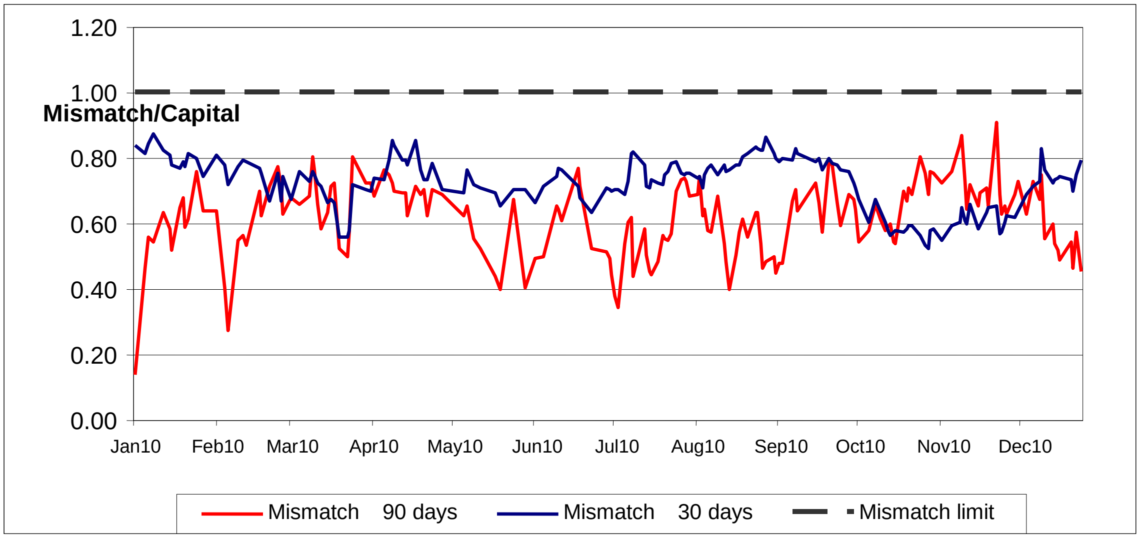
(b) Short-term mismatch CLP-UF (% of Basic Capital)

	Year 2010				Año 2009			
	Average	Maximum	Minimum	Closing	Average	Maximum	Minimum	Closing
Mismatch 30 days	0.33	0.67	(0.06)	0.22	0.15	0.71	(0.34)	0.13

(c) Short-term mismatch FX (% of Basic Capital)

	Year 2010				Year 2009			
	Average	Maximum	Minimum	Closing	Average	Maximum	Minimum	Closing
Mistmatch 30 days	0.29	0.64	(0.17)	0.19	0.22	0.61	(0.25)	0.09

Evolution Liquidity Year 2010 (maximum = 1)
Liquidity 30 days = Mismatch/Basic Capital
*Liquidity 90 days = Mismatch/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, *commodities and shares prices, credit spreads,* volatility, etc., constitute a risk known as market risk. This it is manifested in the possibility of incurring in losses that will be translated to the states of results or the balance depending on the type of financial instrument and their respective countable treatment.

BCI separates its exposure to market risk between trading portfolios and available portfolios for sale or held-to-maturity. Trading portfolios include positions like consequence from sales flow to corporate and institutional clients, position as a consequence of *market making* business, and *hedge positions or trading* owner. The second portfolios maintain positions that taken out from interest rates management associated to banking loans and commercial areas, also including a portfolio of financial investments. These portfolios have smaller rotation and their change in fair value doesn't affect the result until a bigger term when they are exactly sold. Nowadays, the bank doesn't have classified instruments 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. The corporation uses the Algorithmic platforms to support the measurement, management of market risk and counterpart.

a) Principal positions

The following shows the principal balance sheet positions by maturity or re-pricing band and their comparison with 2009.

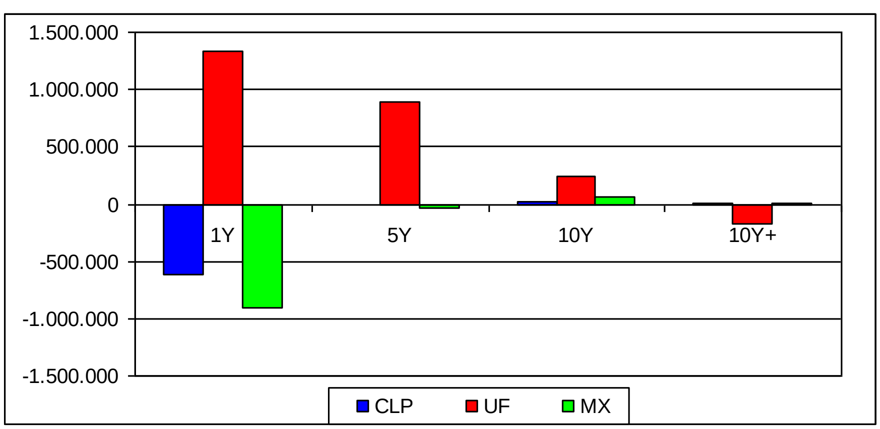
Bank's book to maturity or re-pricing by currency
Positions 31/12/10 (Ch$ millions)

ASSETS	1Y	5Y	10Y	10Y+	Total
CLP	4,460,977	997,457	51,361	11,900	5,521,695
UF	2,685,645	2,137,348	710,070	459,527	5,992,589
MX	1,709,315	140,730	92,895	9,319	1,952,261
TOTAL	8,855,937	3,275,535	854,326	480,747	13,466,545

LIABILITIES	1Y	5Y	10Y	10Y+	Total
CLP	5,070,171	997,457	32,338	-	6,099,966
UF	1,348,009	1,245,360	461,674	630,693	3,685,736
MX	2,617,329	177,749	27,399	2,579	2,825,056
TOTAL	9,035,509	2,420,566	521,411	633,272	12,610,758

MISMATCH	1Y	5Y	10Y	10Y+	Total
CLP	(609,195)	-	19,024	11,900	(578,271)
UF	1,337,637	891,988	248,395	(171,166)	2,306,853
MX	(908,014)	(37,018)	65,497	6,740	(872,795)
TOTAL	(179,572)	854,969	332,916	(152,526)	855,787

Banking book: mismatch to maturity or re-pricing by currency
Positions 31/12/10 (Ch$ millions)



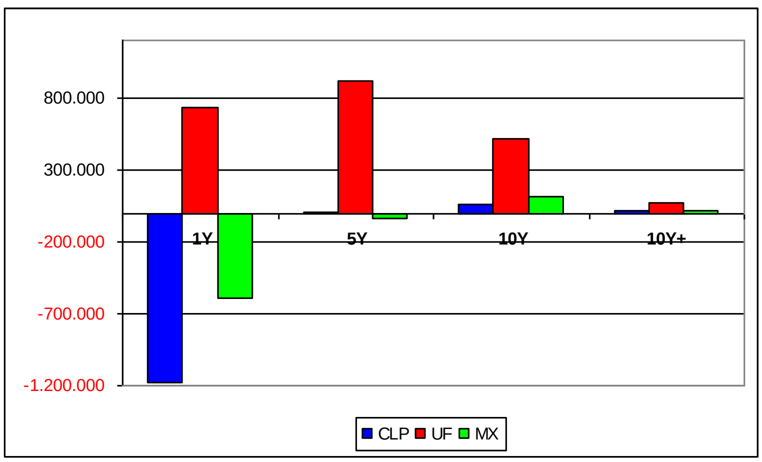
Bank's book to maturity or re-pricing by currency
Loans 31/12/09 (Ch$ millions)

ASSETS	1Y	5Y	10Y	10Y+	Total
CLP	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
CLP	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

MISMATCH	1Y	5Y	10Y	10Y+	Total
CLP	(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

Bank's book: mismatch to maturity or re-pricing by currency
Positions 31/12/09 (Ch$ millions)



Bank's book to maturity or re-pricing by account
Positions 31/12/10 (Ch$ millions)

ASSETS	1Y	5Y	10Y	10Y+
Central Bank of Chile	38,270	144,189	77,326	8,118
Banks and financial institutions of the country	9,328	42,946	6,224	957
Purchases under repurchase agreements	13,454	-	-	-
Commercial loans	4,352,457	1,235,202	130,633	10,911
Consumer loans	777,091	481,762	4,370	2,733
Endorsable housing mortage loans	556,449	860,055	463,913	389,693
Housing mortage loans with funding notes	26,112	84,467	48,829	13,404
Cash	993,243	-	-	-
Chilean government	2,836	17,541	4,105	39
Consumer leasing	642	397	159	-
Commercial leasing operations	309,589	246,300	73,385	23,242
Other entities in Chile	27,537	123,278	45,382	31,650
Other assets	902,430	39,361	-	-
Other housing mortgage loans	48	37	-	-
Swaps	846,451	-	-	-
Total Assets	8,855,937	3,275,535	854,326	480,747

LIABILITIES	1Y	5Y	10Y	10Y+
Straight bonds	6,177	301,559	280,496	-
Subordinated bonds	31,939	128,253	131,194	612,732
Deferred-drawing savings accounts	46,165	-	-	-
Unconditional-drawing savings accounts	5,383	-	-	-
Sight deposits	1,868,155	972,261	-	-
Time deposits	5,347,700	38,835	-	-
Credit notes	19,147	82,880	49,794	17,961
Other liabilities	608,142	-	-	-
Loans and other obligations from abroad	798,021	127,062	-	-
Loans and other obligations contracted in Chile	37,576	33,407	39,607	2,579
Swaps	137,585	736,309	20,320	-
Sales under repurchase agreements	129,519	-	-	-
Total Liabilities	9,035,509	2,420,566	521,411	633,272

Bank's book to maturity or re-pricing by account
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 of the country	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 mortage loans	485,733	745,688	416,554	366,382
Housing mortage 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	1Y	5Y	10Y	10Y+
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

We detail below the principal positions of investments available for sale by type of issuer and currency. Also shown is the risk classification of these positions at the end of last year.

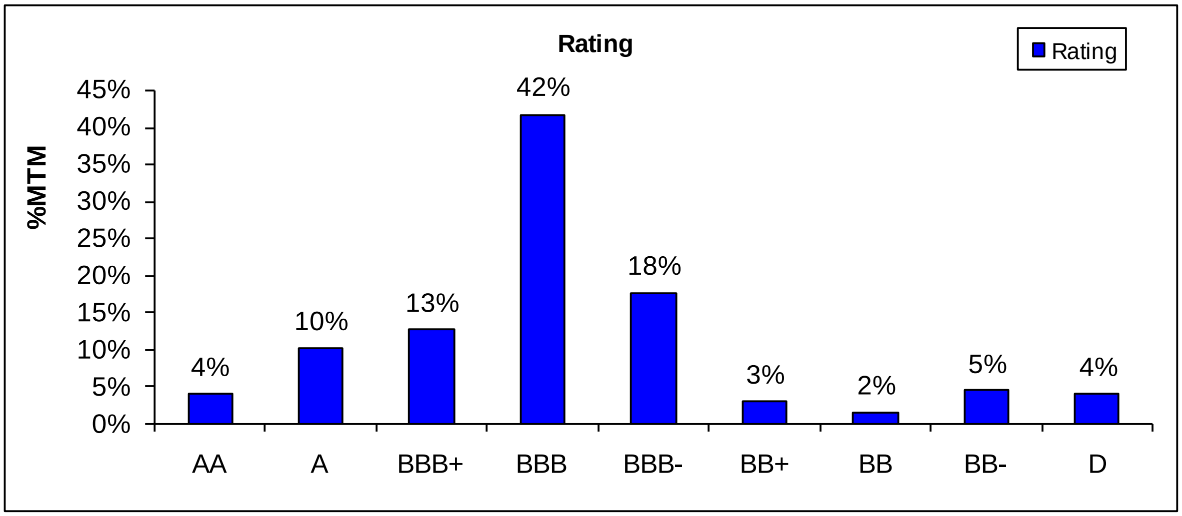
13.a Investments available for sale
Positions 31/12/10 (Ch$ millions)

As of December 31, 2010 (Ch$ millions)	CLP	UF	USD	EUR	OTRAS
Sovereign bonds	53,515	75,609	2,136	11,798	-
Corporate bonds	92,153	8,621	94,757	-	-
Financial Institution Bonds	3,503	40,950	13,785	-	-
Mortgage-Funding Notes	-	69,399	-	-	-
Time Deposits	8,723	3,282	-	-	-
Total	**157,894**	**197,861**	**110,678**	**11,798**	**-**

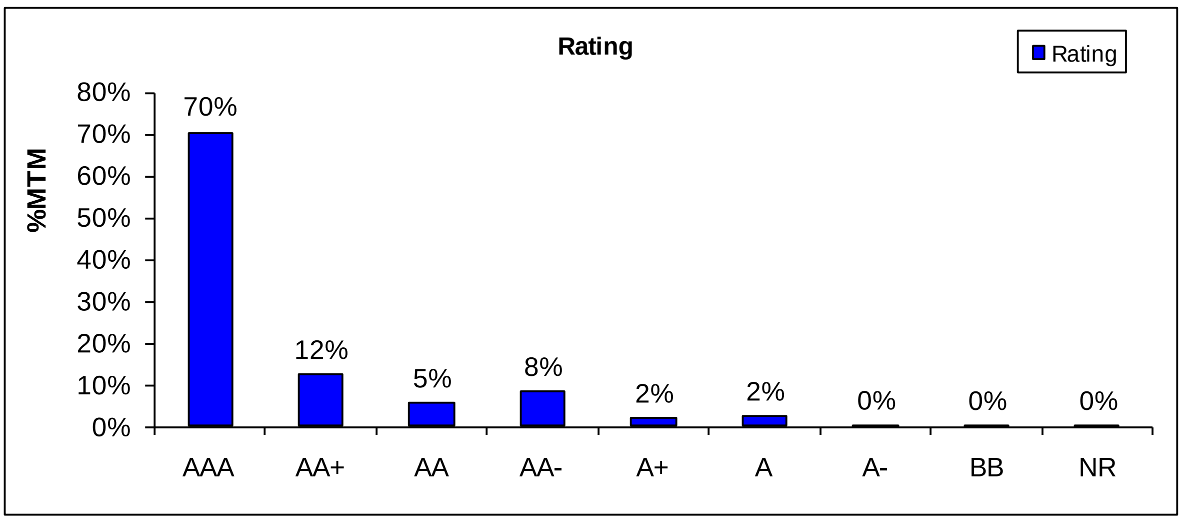
Investments available for Sale
Positions 31/12/09 (Ch$ millions)

As of December 31, 2009 (Ch$ millions)	CLP	UF	USD	EUR	OTRAS
Sovereign bonds	172,754	27,645	2,401	15,838	-
Corporate bonds	106,225	26,167	92,739	-	-
Financial Institution Bonds	2,052	8,926	38,452	-	-
Mortgage-Funding Notes	-	65,284	-	-	-
Time Deposits	271,495	271,273	-	-	-
Total	**552,526**	**399,295**	**133,592**	**15,838**	**-**

Investments available for Sale
International-Issued Bond Portfolio Credit Rating 31/12/10 (%)



Investments available for Sale
Bond Portfolio Risk Rating and LCH of National Issuance 31/12/10 (%)



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 a mismatch 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 change in 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 results 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 financial 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 certain level of confidence.

The current VaR methodology is based on the *Riskmetrics* 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. Model's parameters have been calibrated for the portfolio of the bank, in contrast with the factor of classic fall-off of *Riskmetrics* 0,94.

BCI routinely checks the precision of its VaR models through backtesting of the daily results observed against the VaR numbers, controlling by rebalances of portafolios. Statistically in normal conditions, it would be expected to see losses in excess of VaR on 1% of days. As of December 31, the backtestings locate the models in the green zone of Basel II – less than 4 verdicts.

- Stress Testing VaR

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. Therefore, stress situations are modeled to evaluate potential impacts on the value of portfolios in the most extreme, although possible events. The scenarios used are the following:

- Historic scenarios that incorporate fluctuations noted during historic extreme events.
- Scenarios of sensitivity that consider movements in risk factors that are not captured by the recent history.
- Hypothetical scenarios that consider posible macroeconomic events.

– VaR Limits

The Corporation has set specific corporate Var limits

The Corporation has set specific limits to the corporate VaR, as well as sub-limits to the *trading* portfolios, investments available for the sale, and those items of the banking book valued to market. There is a specific sub-limit for the FX options book.

d. Position limits

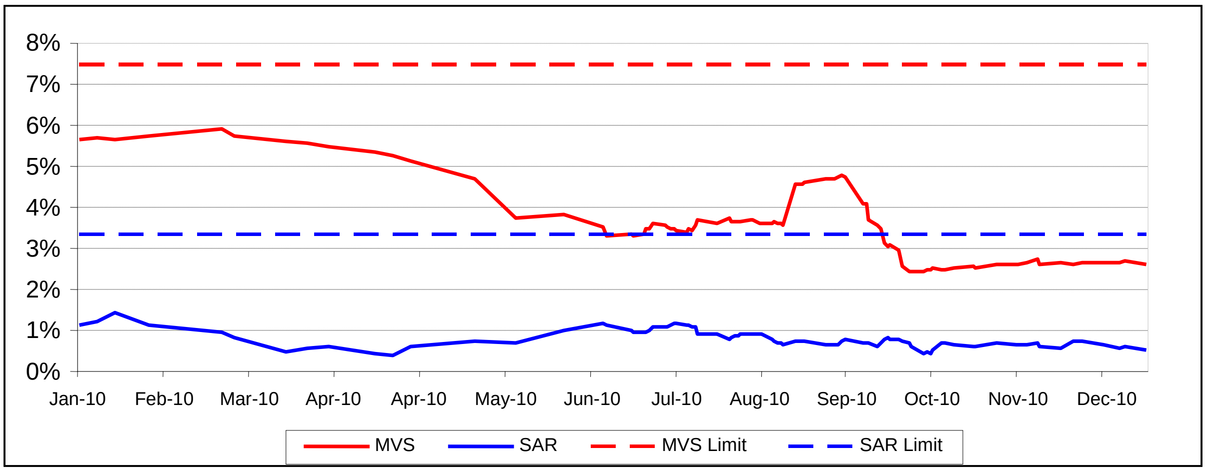
In addition to the limits of the predictive- type risk models like VaR and the analysis of sensitivity, there are accounting limits of maximum positions and *Stop Loss* limits per desk and for some special portfolios, net exposure limits.

e. Variations

- Analysis of sensitivity of the bank's book

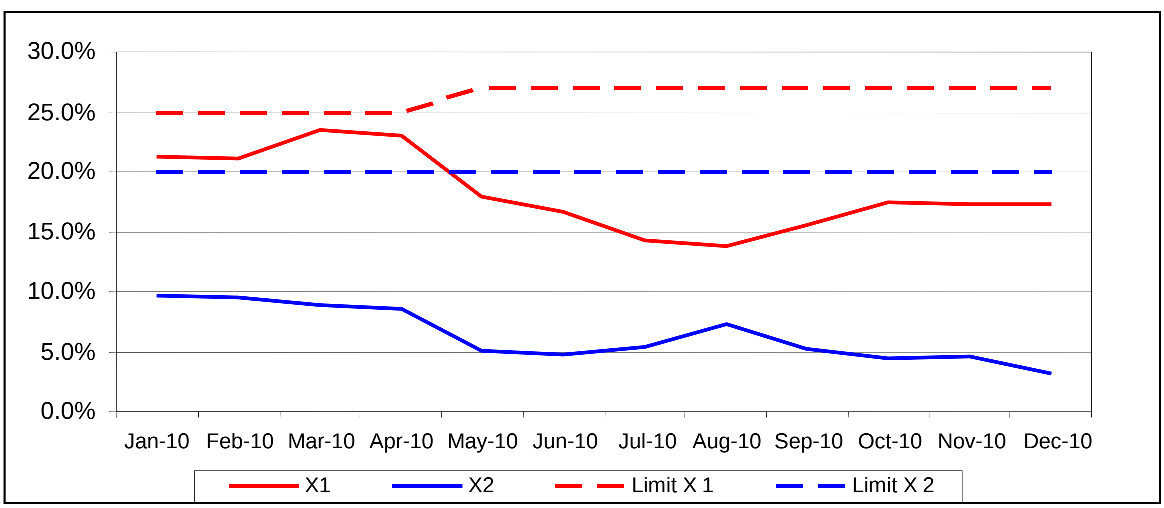
Credit activities remained depressed during the first months of the year, accounting hedging and issuance of bonds, helped to maintain the limited interest-rate risks of the *banking book*. The long-term MVS measurement averaged 3.66% of the capital over a limit of 7.5% during 2010 (5.39% in 2009). The SAR had an annual average of 0.80% over the financial margin for a limit of 3.35% (0.87% in 2009). During the second half year, there was a reactivation of credit and therefore an increase in the rate risk of the book, although with levels very below the internal limits.

MVS - SAR
Year 2010



The evolution of regulatory indexes X1 (exposure to the short-term market risk) and X2 (exposure to the long-term market risk) registered a gap regarding the limits during 2010, although the breach of the short-term index has decreased during the ended year for the greater mismatches observed in pesos and UF regarding the closing of the year 2008.

Regulatory Market Risk X1 – X2
Year 2010

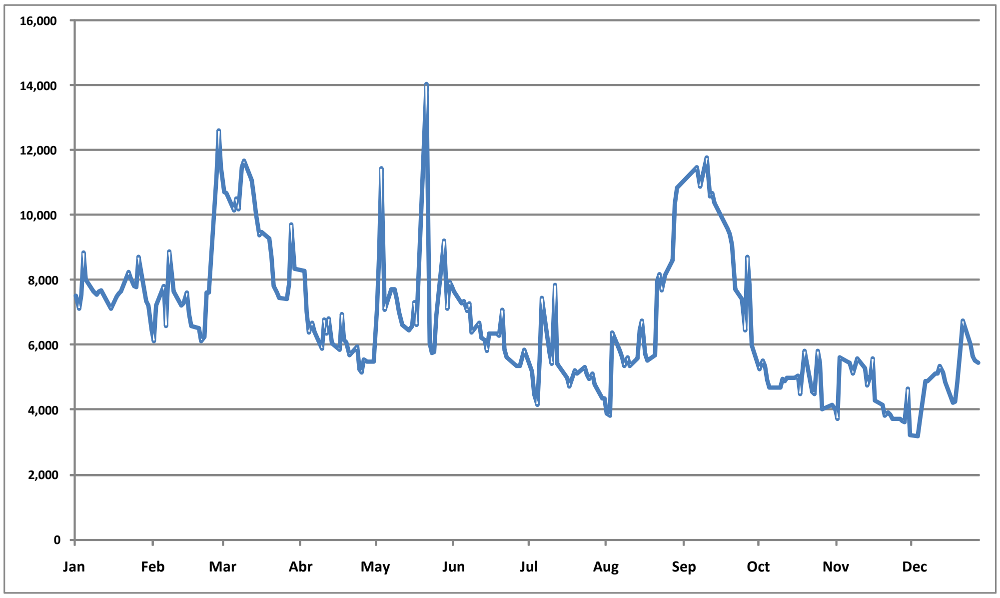


X1: Limit on Financial Margin
X2: Limit on Effective Shareholders' equity

- Value at Risk

The following shows the evolution of VaR at 10 days for 2010:

Value at Risk
Year 2010 (Ch$ millions)



According to the trend of the previous year, during 2010 a volatility decrease was observed in almost all the assets. The credit spreads continued diminishing, and then their volatility. The appetite for risk pressed the dollar price in most of the currencies, whereas the interest rates started upward during the second half of the year. This tendency was momentarily interrupted by credit situation of the euro area (PIIGS) or by doubts regarding the North American economic cycle. In the local market, inflation surprises became less frequent, so it implied smaller volatility in pesos rates and UF.

In this context, the total risk of negotiation and available instruments for the sale averaged Ch$ 6,706 million measured to term of 10 days. This is 15, 7 % less than risk average of 2009 (Ch$ 7,959 million) in spite of the increase of the gross exposure as consequence of the increment of business of sales & trading.
The interest rate risk averaged Ch$ 6,417 million, whereas that foreign currency was Ch$1, 651 million. In *trading*, the added average was Ch$ 3,810 million, Ch$3,184 million for interest rate and Ch$2, 059 millions for foreign currency. Finally, for non-trading portfolios (investments and derivates from banking book) the total VaR averaged Ch$3,629 million, Ch$3,633 million for rate risk and Ch$243 million for currency risk.

Value at Risk by desk and type of risk
Year 2010 (Ch$ millions)

(a) VaR Group by type of risk (Ch$ millions)

	12 months to December 31, 2010			
	Average	Maximum	Minimum	Final
FX Risk	1,651	9,719	71	629
Interest rate risk	6,417	13,152	3,136	7,107
VaR Total	7,042	13,004	3,620	6,050

(b) VaR portfolio trading by type of risk (Ch$ millions)

	12 months to December 31, 2010			
	Average	Maximum	Minimum	Final
Fx Risk	2,059	9,804	91	682
Interest rate risk	3,184	8,938	968	1,969
Total VaR	3,811	10,867	1,156	2,197

(c) VaR portfolio no-trading by type of risk (Ch$ millions)

	12 months to December 31, 2010			
	Average	Maximum	Minimum	Final
FX Risk	243	627	12	115
Interest rate risk	3,634	5,390	2,035	4,430
Total VaR	3,630	5,404	2,063	4,444

Value at Risk per desk and type of risk
Year 2009 (Ch millions)

(a) VaR Group by type of risk (Ch$ millions)

	12 months to December 31, 2009			
	Average	Maximum	Minimum	Final
FX Risk	708	2,899	26	907
Interest rate risk	7,934	10,791	5,252	7,107
Total VaR	7,959	10,898	5,394	7,401

(b) VaR portfolio trading by type of risk CH$ millions)

	12 months to December 31, 2009			
	Average	Maximum	Minimum	Final
FX Risk	718	3,186	18	1,012
Interest rate risk	4,558	6,881	2,753	3,465
Total VaR	4,617	7,132	2,692	3,647

(c) VaR portfolio no-trading by type of risk (CH$ millions)

	12 months to December 31, 2009			
	Average	Maximum	Minimum	Final
FX Risk	614	2,212	48	512
Interest rate risk	7,774	11,391	4,794	6,848
Total VaR	7,762	11,520	4,759	6,911

f. Fair Value

The Market-risk Management is responsible for defining the valuation methods of assets and liabilities measured at fair value, while Operations is responsible for their execution. The fundamental principle of the valuation task to fair value is establishing the exit price of an asset or liability in a normal transaction in a representative market. But not only the accounting information depends on this valuation; the value-at-risk indicators are also based on these prices so the implied volatility in any valuation model is also very relevant.

According to international accounting principles, quotations or observable prices of identical assets and liabilities will be measured, if they are available. These are known as Inputs of Level 1 If there are no identical assets and liabilities, the measurement will be carried out based on observable prices. In general, classify in this group interpolations for the case of derivate instruments and matrix pricing or other models for instruments of fixed income. This class is known as Inputs Level 2. Lastly, when it is not possible to have the previous inputs, the measurement is carried out based on inputs that are not directly observables in the market. These are the Inputs Level 3. In the Note 35 we show the classification of the financial instruments according to valuation level. The following is a brief explanation of this order.

Foreign currency positions, bonds from the Central Bank of Chile and futures contracts and other instruments traded on stock exchanges have very liquid markets where their prices or quotations for identical instruments are usually observable. These instruments are included in Level 1.

In spite of being liquid, some markets need brokers to join offer and demand and allow transactions to be carried out. Usually, the deposits and derivative instruments traded over-the-counter are in this category. These have quotations from different brokers, that guarantee the existence of prices or market inputs necessary for their valuation. Among the derivative instruments are forward contracts of currency and interest rates, swaps of rates, cross currency swaps, and foreign currency options. In general, for those terms different to quoted, construction techniques of curves and interpolation that are standard in the markets. Less liquid instruments of fixed income, like some sovereign funds, corporate bonds and mortgage bonds of national issue are valued - unless prices exist - based on models of fair value, based on prices or factors directly observable from market. All these instruments are classified in Level 2 of valuation.

The base model for the valuation of fixed-income instruments with less liquidity 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 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 backtesting is audited by independent parties.

All instruments whose market prices or factors are not directly observable are classified in Level 3.

Derivative instruments

As of December 31, 2009, BCI had gross positions of almost Ch$ 58 million in derivative instruments, the net exposure being approximately Ch$ 147 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.

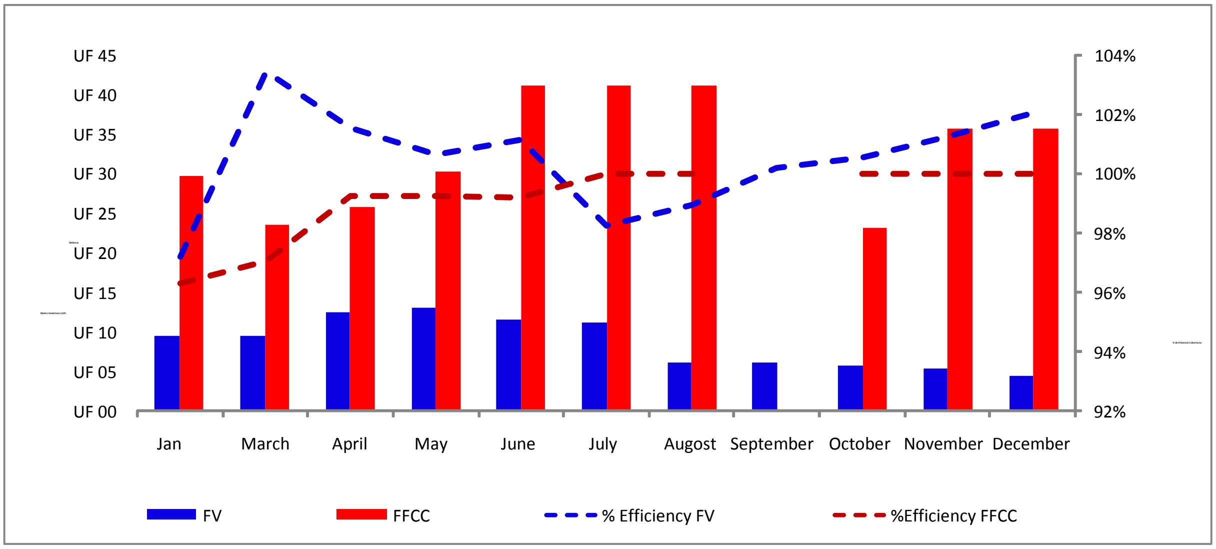
g. Counterpart risk

Despite the possibility of the *netting* of positions with some counterparty in a credit event, BCI manages its counterparty risk in absolute terms. That means, the present exposure of positions with credit risk are added to the maximum future exposure for a certain level of confidence using the *value-at-risk* (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.

h. Accounting hedges

BCI uses accounting hedges to manage the fair-value and cash-flow risks to which it is exposed, Fair-value hedges use derivative instruments to cover changes in fair value of an asset or liability in the balance sheet. 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, 2010 the total notional amount of cash-flow hedges was UF 35,6 million while fair-value hedges amounted to UF 4,4 million.

Amount, Type and Efficiency Accounting Hedges
Year 2010 (UF millions)



CREDIT RISK

Risk management structure.

The Bank has structured its credit process on the basis of personal and non-delegate 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.

Provisions by credit risk

According to indicated by the SBIF, the Banks should permanently maintain evaluated their portfolio of loans and contingent credits, in order to prepare opportune and sufficiently provisions in the event of losses.
For the above-mentioned, the Bank has a series of models that are applied regarding to portfolio type and operation. These models are approved by board of directors.

Models based on individual analysis of debtors

This model is applied for companies that for their size, complexity or exposure level with the entity, are necessary to know and analyze them in detail.
These models consider the analysis of aspects like the financial situation of debtors, payment behavior, knowledge and shareholders' experience and business management, as well as commitment grade of them with the company. The industrial area where the company is inserted and relative position of the company according to industry analysis.

Models of collective evaluation

The collective evaluations are relevant to approach a high number of operations whose individual amounts are low, either natural or small size companies.
According to current regulations of the SBIF, the bank uses two alternative methods to determine the provisions for retailer credits that are evaluated in collective form. Under the first method, it is considered the experience that explains the payment behavior of each homogeneous debtors group and recovery using the execution of guarantees and debt collecting in due time, in order to estimate a percentage of prospective losses that is directly applied to the amount of credits from the respective group.
Under the second model, the bank divided into debtor homogeneous groups, as indicated, associating to each group a certain non-fulfillment probability and a recovery percentage based on a historical analysis. The amounts of provisions is obtained applying the percentage of estimated no fulfillment by the recovery percentage and by the total amount of placements for each group.

Monitoring and credit portfolio control

The Bank has different processes and procedures for the follow-up and credit control risk, the principal is the annual renovation of credit lines of companies (client) and/or natural people with trade draft.
At least once a year, the financial and operational situation of the clients that operate with commercial credits is checked.
In the case of Retail Banking there is a statistical motor of decision for credits, it allows to delimit the risk of clients from the raising. The follow-up and control risk is carried out through a series of statistical models of behavior, according to the clients' characteristics; these are decision engine models, allowing the automatic and monthly clients' classification.
For the two types of mentioned clients "individual and companies", processes of the follow-up of delay and compliance on payments, both inside the bank and on the financial system, as well as different formal instances of follow-up in special cases that require more periodic revisions according to exposure level, operation complexity, corporate concentration and risk evolution, economic groups, exposures to exterior.

Loan quality by class of financial asset

In relation to loan quality, these are described in accordance with the regulations of the SBIF, the detail by loan quality is summarized as follows:

2010	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	343	92,067	1,557	264	-	-	7,050	101,281
Loans and accounts receivable from customers	71,152	1,031,581	1,967,696	1,438,308	288,423	4,149,430	584,975	9,531,565
Total debt	71,495	1,123,648	1,969,253	1,438,572	288,423	4,149,430	592,025	9,632,846
Allowance:								
Due by Banks	-	155	15	5	-	-	-	175
Loans and accounts receivable from customers	62	2,213	8,790	11,970	115,068	94,782	7,610	240,495
Total allowances	62	2,368	8,805	11,975	115,068	94,782	7,610	240,670

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 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
Alowance:								
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

The analysis of doubtful debts age by financial asset type, is as follows.

	Less than 30 days		Between 30 and 89 days		More tan 90 days or more		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
	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	21,364	18,085	21,777	18,584	112,527	100,585	155,668	137,254
Total	**21,364**	**18,085**	**21,777**	**18,584**	**112,527**	**100,585**	**155,668**	**137,254**

OPERATIONAL RISK

Due to the importance of a proper administration and control of operational risks, BCI introduced in 2006, a specialized management whose organization is aligned with the principles defined in Basle.

Bank BCI has operational- risk specialists in the areas of processes, technology, continuity of business and administration of operational risk, being the objective to avoid errors in the processes, unexpected losses and to optimize the use of required capital.

BCI applies a common methodology in the identification, quantification, mitigation and report of its operational risks, what allows having risks that it is possible to prioritize according to its importance and quantification of these giving a monetary measure of the possible impact of these risks in the organization.

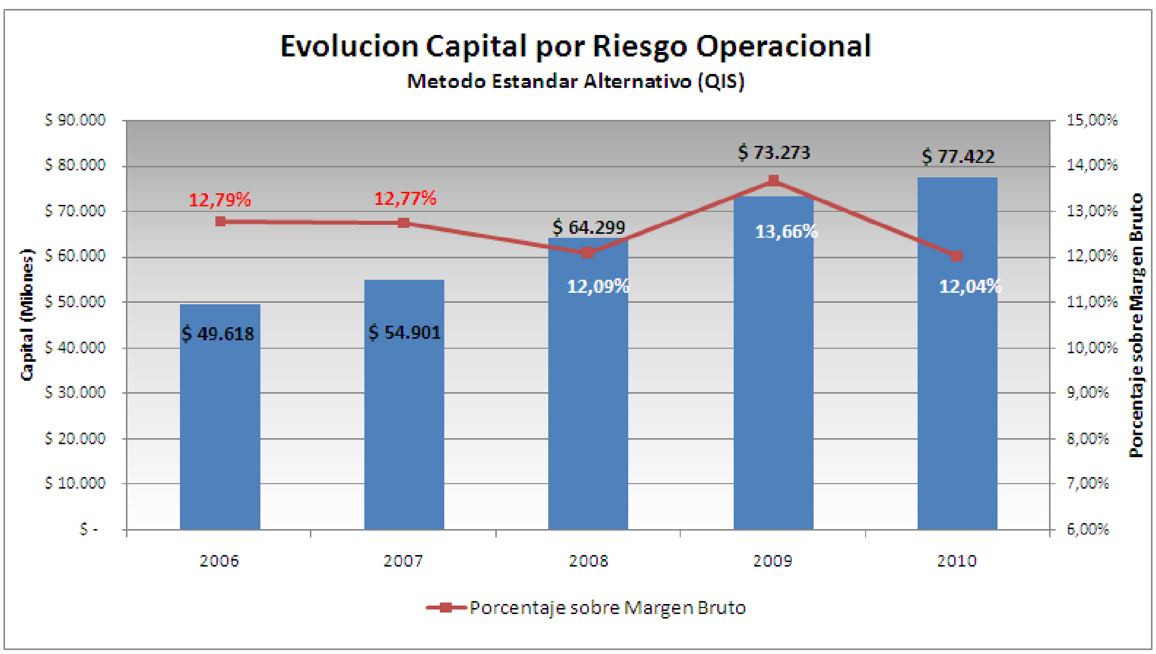
During 2010 risk-management was straightened by means of the definition and implementation of levels of metric, owners of risks and upgrade of maps of risks of critical processes (PE and VAR).
Also during this year the implementation of a Software of Operational Risk of worldwide class, dedicated to identification process and risk management.

Operational risk management

BCI manages its operational risks with the active participation of those responsible for the areas through four management committees. A process and suppliers operating-risks committee, a technology and business continuity operating-risk committee and one specialized in finance operating risks. These meet periodically and their objective is checking losses that have occurred, carry out plans for correcting their causes and managing mitigation plans for operational risks identified in the process revisions.

Capital Calculation according to Basle

Bci has participated in capital calculation exercises according to the standards of Basle II (QIS), a calculation integrating credit and financial or market risks with operating risk as a global indicator of risk exposure. BCI in 2010 has also carried out the first exercise of Calculation of Capital Risk Operational finished Advanced Model (first bank in Chile to get it).



Note: Capital 2010 refers to Estimate carried out in August 2010

Security of information

For the security of their clients' information and BCI assets, the bank, BCI has defined a strategy, together with a specialized organization, and guidelines defined in "Politics and Guidelines of information security", the one that allows giving execution to the normative one existent on this matter.

This policy is supported 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 has a team of specialized professionals who monitor (24 hrs a day, 7 days a week) attempts to break into the Bank's systems and databases. During 2010 BCI has continued an invigoration plan in Security of the Information allowing that BCI and their clients didn't have any significant damage for this concept.

A notable event in the security of information in 2010, was achieve the re-certification in the international norm ISO 27001 of the processes BCI and controls in the environment web for three years more.

Continuity of Business

The earthquake in 2010 was a demanding test for plans and strategies of business continuity that BCI has elaborated with dedication during the last years. The result was very satisfactory, allowing that BCI operation and services to the clients operated without interruptions, with the exception of the areas of disasters, in those that for one period the service of these subsidiaries was interrupted.

Additionally, during 2010 contingency places were successfully implemented for the financial operations of BCI, being a complement for the alternative operation place of technological systems that BCI already had some years ago.

NOTE 37 – MATURITIES OF ASSETS AND LIABILITIES

As of December 31, 2010 y 2009, the detail of maturities of assets and liabilities is the following:

2010	NIB	Up to 1 month	1 to 3 months	3 to 12 months	Subtotal up to 1 year	1 to 5 years	More tan 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 bank deposits	1,047,633	-	-	-	1,047,633	-	-	-	1,047,633
Operations pending settlement	306,023	-	-	-	306,023	-	-	-	306,023
Trading instruments	-	591,683	113,122	70,306	775,111	31,766	42,278	74,044	849,155
Repurchase agreements and loans of securities	-	56,629	21,502	8,797	86,928	-	2,667	2,667	89,595
Financial derivative contracts	-	79,697	87,643	214,078	381,418	71,349	6,863	78,212	459,630
Due by Banks (*)	-	15,697	2,902	48,063	66,662	34,619	-	34,619	101,281
Loans and accounts receivable from customers (**)	-	1,206,504	973,721	1,768,066	3,948,291	2,986,429	2,485,391	5,471,820	9,420,111
Investment instruments available for sale	6,849	391,239	664	2,893	401,645	76,607	19,280	95,887	497,532
Investment instruments held to maturity	-	-	-	-	-	-	-	-	-
Total assets	1,360,505	2,341,449	1.199.554	2,112,203	7,013,711	3,200,770	2,556,479	5,757,249	12,770,960
Liabilities									
NIBDs and other obligations	2,844,029	-	-	-	2,844,029	-	-	-	2,844,029
Operations pending settlement	184,437	-	-	-	184,437	-	-	-	184,437
Repurchase agreements and loans of securities	-	286,676	30,909	199	317,784	-	-	-	317,784
Term deposits and other obligations (***)	-	1,973,975	1,713,435	1,693,337	5,380,747	35,249	-	35,249	5,415,996
Financial derivative contracts	-	143,286	118,081	130,753	392,120	85,200	10,158	95,358	487,478
Borrowings from Banks	-	102,479	295,411	504,580	902,470	319,053	78	319,131	1,221,601
Debt instruments issued	-	-	3,279	31,636	34,915	364,236	730,763	1,094,999	1,129,914
Other financial obligations	-	35,736	652	6,415	42,803	30,407	38,386	68,793	111,596
Total liabilities	3,028,466	2,542,152	2,161,767	2,366,920	10,099,305	834,145	779,385	1,613,530	11,712,835

(*) Include gross amounts.
(**) Exclude amounts already matured and allowance made.
(***) Exclude term savings accounts.

2009	At sight	Up to 1 month	1 to 3 months	3 to 12 months	Subtotal up to 1 year	1 to 5 years	More tan 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 bank deposits	1.037.783	-	-	-	1.037.783	-	-	-	1.037.783
Operations pending settlement	439.661	-	-	-	439.661	-	-	-	439.661
Trading instruments	-	611.531	48.481	85.553	745.565	75.361	23.220	98.581	844.146
Repurchase agreements and loans of securities	-	36.538	6.461	56.463	99.462	-	539	539	100.001
Financial derivative contracts	-	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 (**)	-	1.079.995	884.900	1.561.554	3.526.449	2.854.283	2.316.561	5.170.844	8.697.293
Investment instruments available for sale	9.260	819.034	105.622	62.235	996.151	75.899	44.362	120.261	1.116.412
Investment instruments held to maturity	-	-	-	-	-	-	-	-	-
Total assets	1.486.704	2.682.556	1.170.559	1.914.048	7.253.867	3.071.121	2.384.682	5.455.803	12.709.670
Liabilities									
NIBDs and other obligations	2.400.959	-	-	-	2.400.959	-	-	-	2.400.959
Operations pending settlement	292.983	-	-	-	292.983	-	-	-	292.983
Repurchase agreements and loans of securities	-	169.811	16.121	66.215	252.147	64.897	16.522	81.419	333.566
Term deposits and other obligations (***)	-	1.995.888	1.496.082	1.739.228	5.231.198	207.187	-	207.187	5.438.385
Financial derivative contracts	-	121.059	116.488	118.751	356.298	2.192	-	2.192	358.490
Borrowings from Banks	-	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

(*) Include gross amounts.
(**) Exclude amounts already matured and allowance made.
(***) Exclude term savings accounts.

NOTE 38 – SUBSEQUENT FACTS

There have been no subsequent events that have had or might have an influence over the presentation of these consolidated financial statements between December 31, 2010 and the date of issue of these consolidated financial statements.

Fernando Vallejos Vásquez Gerente de Contabilidad	Lionel Olavarría Leyton Gerente General