Condensed Consolidated Financial Statements

June 30, 2010 and 2011

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	Notes	June 30 2011 MCh$	December 31 2010 MCh$
ASSETS			
Cash and due from Banks	**5**	904,469	1,047,633
Items in the course of collection from Banks	**5**	855,007	306,023
Trading investments		1,050,150	849,155
Securities purchased under resale agreements		123,529	89,595
Derivative financial instruments		508,138	459,630
Interbank loans		74,383	101,106
Loans and accounts receivable with clients		10,136,993	9,291,070
Available for sale investments		741,285	497,532
Held-to-maturity investment securities		-	-
Investment in companies		54,476	52,037
Intangible assets		73,987	75,949
Premises and equipment	**8**	210,835	208,409
Tax receivable	**10**	-	-
Deferred income tax	**10**	40,619	34,886
Other assets		164,777	191,149
TOTAL ASSETS		**14,938,648**	**13,204,174**
LIABILITIES			
Deposits and other liabilities payable on demand		2,898,976	2,844,029
Items in the course of collection due to other Banks	**5**	852,322	184,437
Securities sold under repurchase agreements		273,590	317,784
Savings accounts and time deposits		5,758,607	5,467,545
Derivative financial instruments		523,954	487,478
Interbank borrowings		1,698,033	1,221,601
Bonds payable	**11**	1,322,749	1,129,914
Other financial liabilities	**11**	107,264	111,596
Current income taxes	**10**	13,469	31,052
Deferred income tax	**10**	34,834	34,109
Provisions	**12**	136,183	145,682
Other liabilities		179,258	189,781
TOTAL LIABILITIES		**13,799,239**	**12,165,008**
SHAREHOLDERS' EQUITY			
Attributable to the owners of the parent			
Capital stock	**14**	1,026,985	882,273
Reserves	**14**	1,294	-
Other comprehensive income	**14**	14,451	6,623
Retained earnings	**14**		
Earnings retained from previous periods		-	(5,188)
Earnings of the period		138,107	222,075
Less: provision for minimum dividends		(41,432)	(66,623)
TOTAL SHAREHOLDERS' EQUITY OF THE OWNERS OF THE PARENT		**1,139,405**	**1,039,160**
Non-controlling interest		**4**	**6**
TOTAL SHAREHOLDERS' EQUITY		**1,139,409**	**1,039,166**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**14,938,648**	**13,204,174**

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

	Notes	As of June 30 2011 MCh$	As of June 30 2010 MCh$
Interest income		469,183	363,054
Interest expense		(189,003)	(115,570)
Net interest income		**280,180**	**247,484**
Fees and income from services		102,126	89,202
Fees and expenses from services		(21,144)	(19,052)
Net fee and commission income		**80,982**	**70,150**
Gain (loss) from financial operations, net		6,107	125,410
Foreign Exchange (loss) gain, net		27,143	(84,851)
Other operating income		6,191	4,996
Operating revenues		**400,603**	**363,189**
Provisions for loan losses	**15**	(60,030)	(88,642)
OPERATING INCOME, NET OF PROVISIONS		**340,573**	**274,547**
Personnel salaries and expenses		(97,668)	(83,902)
Administrative expenses		(57,789)	(54,618)
Depreciation and amortization	**9**	(17,688)	(16,696)
Impairment	**9**	-	-
Other operating expenses		(7,633)	(5,612)
TOTAL OPERATING EXPENSES		**(180,778)**	**(160,828)**
NET OPERATING INCOME		**159,795**	**113,719**
Gain attributable to investment in other companies		3,845	2,578
Income before income tax		**163,640**	**116,297**
Income tax	**10**	(25,533)	(18,054)
Income from continuing operations		**138,107**	**98,243**
Income from discontinued operations		**-**	**-**
CONSOLIDATED NET INCOME FOR THE PERIOD		**138,107**	**98,243**
Attributable to:			
Owners of the parent		138,107	98,242
Non-Controlling interest		-	1
		138,107	**98,243**
Earnings per share attributable to owners of the parent			
Basic earnings per share	**14**	$ 1,339	$ 969

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

	As of June 30	
	2011	2010
	MCh$	MCh$
CONSOLIDATED NET INCOME FOR THE PERIOD	**138,107**	**98,243**
Other comprehensive income		
Cumulative translation adjustment	(1,986)	(6,293)
Net unrealized gains on available for sale investments	2,146	2,729
Net change in cash flow hedges	8,178	(5,968)
Income tax related with other comprehensive income	(510)	(1,585)
Total other comprehensive income	**7,828**	**(11,117)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**145,935**	**87,126**
Attributable to:		
Owners of the parent	145,935	87,125
Non-Controlling interest	-	1
	145,935	**87,126**

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

BANCO DE CREDITO E INVERSIONES, MIAMI BRANCH AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Capital	Reserves	Valuation Accounts				Income				Shareholders' Equity		
	Capital Stock	Other reserves deriving from earnings	Investment instruments available for sale	Cash flow hedge	Cumulative translation adjustment	Total	Retained earnings	Earnings of the period	Minimum dividend provision	Total	Total equity attributable to shareholders	Non-controlling interest	Total shareholders' equity
As of January 1, 2010	**807,143**	**61,293**	**(4,650)**	**11,455**	**4,610**	**11,415**	**(96,241)**	**160,774**	**(48,232)**	**16,301**	**896,152**	**1**	**896,153**
Capitalization of reserves	75,130	(61,293)	-	-	-	**-**	98,705	(160,774)	48,232	**(13,837)**	-	-	**-**
Others	-	-	-	-	-	**-**	4,905	-	-	**4,905**	4,905	-	**4,905**
Dividend payment 2009	-	-	-	-	-	**-**	(2,464)	-	-	**(2,464)**	(2,464)	-	**(2,464)**
Other comprehensive results	-	-	2,366	(7,190)	(6,293)	**(11,117)**	-		-	**-**	(11,117)	-	**(11,117)**
Income for the 2010 period	-	-	-	-	-	**-**	-	98,242	-	**98,242**	98,242	3	**98,245**
Minimum dividend provision 2010	-	-	-	-	-	**-**	-		(29,473)	**(29,473)**	(29,473)	-	**(29,473)**
As of June 30, 2010	**882,273**	**-**	**(2,284)**	**4,265**	**(1,683)**	**298**	**4,905**	**98,242**	**(29,473)**	**73,674**	**956,245**	**4**	**956,249**
						-				**-**			
As of January 1, 2011	**882,273**	**-**	**5,322**	**2,859**	**(1,558)**	**6,623**	**(5,188)**	**222,075**	**(66,623)**	**150,264**	**1,039,160**	**6**	**1,039,166**
Capitalization of reserves	144,712		-	-	-	**-**	10,740	(222,075)	66,623	**(144,712)**	-	(2)	**(2)**
Dividend payment 2010	-	-	-	-	-	**-**	(5,552)	-	-	**(5,552)**	(5,552)	-	**(5,552)**
Other comprehensive results	-	1,294	3,154	6,660	(1,986)	**7,828**	-	-	-	**-**	9,122	-	**9,122**
Income for the 2011 period	-	-	-	-	-	**-**	-	138,107	-	**138,107**	138,107	-	**138,107**
Minimum dividend provision 2011	-	-	-	-	-	**-**	-	-	(41,432)	**(41,432)**	(41,432)	-	**(41,432)**
As of June 30, 2011	**1,026,985**	**1,294**	**8,476**	**9,519**	**(3,544)**	**14,451**	**-**	**138,107**	**(41,432)**	**96,675**	**1,139,405**	**4**	**1,139,409**

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

	As of June 30	
	2011	2010
	MCh$	MCh$
CONSOLIDATED INCOME FOR THE PERIOD	138,107	98,243
(Charges) credits to income not representing cash movement:		
Depreciation and amortization	17,688	16,696
Impairment	-	-
Provisions for loan losses	60,030	88,642
Adjustments for financial investments at fair value	(1,665)	(8,280)
Net gain attributable to investment in companies	(3,845)	(2,578)
Net gain on sale of foreclosed assets	(677)	(335)
(Gain) loss on sale of premises and equipment	(11)	266
Write-off of foreclosed assets	2,236	780
Other charges (credits) not representing cash movement	25,103	(2,994)
Net change in interest, indexation & fees accrued on assets and liabilities	(6,898)	613
Changes in assets and liabilities affecting operating cash flows		
(Increase) Net decrease in interbank loans	26,666	18,808
(Increase) Net decrease in loans and accounts receivable from customers	(870,488)	(404,318)
(Increase) Net decrease in trading and available for sale investments	(301,115)	179,677
Increase (decrease) in deposits and other liabilities payable on demand	54,951	193,623
Increase (decrease) in repurchase and resale agreements of securities	(44,138)	(19,967)
Increase (decrease) in savings accounts and time deposits	249,994	(454,956)
Increase (decrease) in interbank borrowings	29,689	(10,363)
Increase (decrease) in other financial obligations	(4,226)	1,196
Loans received from Banco Central de Chile (long term)	53	2,724,363
Repayment of loans received from Banco Central de Chile (long term)	(61)	(2,832,474)
Loans received from abroad at long term	5,925,219	2,949,351
Repayment of loans received from abroad at long term	(5,478,375)	(2,869,522)
Total cash flows used in by operating activities	**(181,763)**	**(333,529)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of premises and equipment	(36,763)	(20,521)
Sale of premises and equipment	14	344
Investment in companies	(1,640)	(1,580)
Dividends received from investments	1,898	2,046
Proceeds from sale of foreclosed assets	1,327	2,403
(Gain) net loss of other assets and liabilities	(7,619)	(41,075)
Total cash flows used in (provided by) investing activities	**(42,783)**	**(58,383)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Redemption of mortgage funding notes	(22,128)	(8,482)
Bonds issued	191,983	174,045
Redemption of bonds	(5,711)	(89,734)
Dividends paid	(72,174)	(50,695)
Total cash flows provided by (used in) financing activities	**91,970**	**25,134**
CHANGE IN CASH AND DUE FROM BANKS DURING THE PERIOD	**(132,576)**	**(366,778)**
CASH AND DUE FROM BANKS AT THE BEGINNING OF THE PERIOD	**1,280,287**	**1,309,091**
CASH AND DUE FROM BANKS AT THE END OF THE PERIOD	**1,147,711**	**942,313**

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

NOTE 1 – GENERAL INFORMATION

NOTE 1.1 – GENERAL INFORMATION

a) Information provided

Banco de Crédito e Inversiones or Banco BCI (the "Bank") is a corporation established in Chile and regulated by the Superintendencia de Bancos e Instituciones Financieras (SBIF). Its legal domicile is Avenida El Golf 125, Las Condes, Santiago. The condensed consolidated financial statements as of June 30, 2011 include the Bank and its subsidiaries detailed in the following report, as well as the Miami Branch. 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 condensed consolidated financial statements of Banco BCI, Miami branch and subsidiaries for the period ended on June 30, 2011 and 2010 are prepared in accordance with the regulations and instructions of the SBIF in its Compendium of Accounting Regulations dated on November 9th, 2007.

The consolidated statement of condensed comprehensive results includes the consolidated earnings of the period and the comprehensive results recognized in the Bank's equity, including the exchange rate differences of the Miami branch and the net change in the portfolio available for sale and in cash flow hedges. The results to be considered for the distribution of dividends to the Bank's shareholders correspond to the consolidated operating income of the period attributable to the owners of the Bank, as stated in the condensed consolidated statement of results.

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

	Stake			
	Direct		Indirect	
Company	2011	2010	2011	2010
	%	%	%	%
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
BCI Activos Inmobiliarios Fondo de Inversión Privado(1)	100.00	100.00	-	-
Terrenos y Desarrollo S.A. (1)	100.00	100.00	-	-

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

NOTE 1.1 – GENERAL INFORMATION (continued)

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

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

NOTE 1.2 – 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 to 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).

Therefore, the Bank declares that the financial information at the closure of the first semester of 2011 and 2010 has been taken out from the condensed consolidated financial statements corresponding to said dates, carried out according to the International Accounting Standard (IAS) 34, “Interim Financial Reporting”.

According to the established by IAS 34, the interim financial report is prepared only with the intention of updating the contents of the last annual Consolidated Financial Statements, emphasizing the new activities, events and circumstances occurring during the first semester after the closure of the period, not duplicating the information previously published in the last Consolidated Financial Statements.

Therefore, the present Financial Statements do not include all the information that the complete Consolidated Financial Statements would require, which are prepared according to the International Accounting Standards and financial information agreed by the IASB. These Financial Statements should be read along with the annual Consolidated Financial Statements of the Banco de Crédito e Inversiones corresponding to the annual period ended on December 31, 2010 for their adequate comprehension.

b) Credit Risk Provisions

On August 12th, 2010, the SBIF issues circular 3503 which 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. The Bank decided to anticipate the effects of recording the regulating changes previously listed.
The following are the modifications performed by this circular:

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. In the case of contingent assets, they are presented as liabilities in the “Provisions” account.

In accordance with the stipulated by the SBIF, models or methods based on group and individual analysis of the debtors are used to constitute the investments’ provisions.

NOTE 1.2 – PRINCIPAL ACCOUNTING POLICIES (continued)

Individual evaluation provisions

The individual evaluation of the debtors is necessary when it involves companies which, due to their size, complexity or level of exposure with the entity, are required to be known and analyzed in detail.

Naturally, the analysis of the debtors should be focused on their capacity and disposition to comply with their credit obligations by means of sufficient and reliable information, and analyzing their credits in matters of warrants, terms, interest rates, currency, readjustability, etc.

For the effects of creating the provisions, the debtors and their operations related with contingent investments and loans must be classified in their corresponding category, before being assigned to one of the following portfolio status: Normal, Substandard and Noncompliance.

Portfolios in Normal and Substandard compliance

The Portfolio in Normal compliance includes those debtors whose payment capacity allows them to comply with their obligations and commitments, condition that according to their economic-financial situation evaluation, is not expected to change. The classifications assigned to this portfolio are categories A1 to A6.

The Substandard Portfolio includes the debtors with financial difficulties or significant worsening of their payment capacity and present reasonable doubt regarding the total reimbursement of capital and interests in the contractually agreed terms, showing a low slack to comply with their financial obligations in short term.

In addition, those debtors that present arrears over 30 days during the last time will also be part of the Substandard Portfolio. The classifications assigned to this portfolio are categories B1 to B4.

As a result of an individual analysis of these debtors, the banks must classify them under the following categories, assigning them, subsequently, the probability percentages of noncompliance and loss given the noncompliance which give as a result the consequent percentage of expected loss:

Type of portfolio	Debtor category	Noncompliance probability (%)	Loss due to noncompliance (%)	Expected loss (%)
Normal Portfolio	A1	0.04	90.0	0.03600
	A2	0.10	82.5	0.08250
	A3	0.25	87.5	0.21875
	A4	2.00	87.5	1.75000
	A5	4.75	90.0	4.27500
	A6	10.00	90.0	9.00000
Substandard portfolio	B1	15.00	92.5	13.87500
	B2	22.00	92.5	20.35000
	B3	33.00	97.5	32.17500
	B4	45.00	97.5	43.87500

Provisions on normal and substandard portfolios in compliance

In order to determine the amount of provisions to be constituted for the Normal and Substandard Portfolios in compliance, the exposure subject to provisions must be estimated first, to which the respective loss percentages (expressed in decimals) will be applied, which are comprised by the noncompliance probability (PI in Spanish) and loss due to noncompliance probability (PDI in Spanish) established for the category in which the debtor and/or guarantor is classified, as corresponds.

The exposure subject to provisions corresponds to the investments plus the contingent loans, less the amount to be recovered by means of the execution of the guaranties. Likewise, investment is understood as the book value of loans and accounts receivable from the respective debtor, while contingent loans is understood as the value resulting from applying the indicated in N°3 of Chapter B-3.

NOTE 1.2 – PRINCIPAL ACCOUNTING POLICIES (continued)

Overdue Portfolio

The Overdue Portfolio includes the debtors and their loans for which their recovery is considered remote, since they show impaired or no payment capacity at all. This portfolio includes those debtors with evident signs of possible bankruptcy, as well as those in which a forced debt restructuration is necessary in order to avoid their noncompliance, and also includes any debtor presenting arrears equal or above 90 days in the payment of interests or capital of any loan. This portfolio includes debtors classified under categories C1 to C6 in the classification scale established below and all the loans, including 100% of the amount of contingent loans that those debtors maintain.

For the effects of constituting the provisions on the said overdue portfolio, provision percentages are used, which must be applied on the amount of the exposure, which corresponds to the sum of investments and contingent loans held by the same debtor. In order to apply this percentage, an expected loss rate must be estimated first, deducting from the amount of exposure the recoverable amounts by means of execution of guarantees and, in case of having solid data that justifies them, deducting also the current value of the recoveries that can be obtained by executing collection actions, net of expenses associated to them. That loss rate must be classified into one of the six categories defined according to the range of losses effectively expected by the bank for all the operations of a same debtor.

These categories, their range of losses according to the estimated by the bank, and the provision percentages which must be applied on the amounts of the exposures are indicated in the table below:

Type of Portfolio	Risk Scale	Expected Loss Range	Provision (%)
Overdue Portfolio	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

c) Reclassifications

Due to the modifications implemented by Circular 3503 previously mentioned in item b), the bank recorded said modifications during 2010, against equity and additional provisions. In accordance with what has been instructed by the Superintendencia de Bancos e Instituciones Financieras, these have been reclassified to the corresponding provision lines.

d) Shares of the BCI Corredor de Bolsa S.A. subsidiary in the Santiago Stock Exchange and the Chilean Electronic Stock Exchange (BEC in Spanish) have been valued at their fair value, reflecting said values in the “Other comprehensive results” account. These shares are valued according to their last transaction value.

NOTE 2 – FUTURE ACCOUNTING CHANGES

REGULATIONS APPROVED AND/OR MODIFIED BY THE INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

The following regulations have been issued or modified by the IASB and their mandatory application began on January 1, 2011. They did not generate significant impact in the present financial statements:

IAS 34 Related party disclosures. In force as of January 1, 2011
-Clarifies and simplifies the definition of related parties and eliminates the revealing details of all the transactions with the Government in the case of entities related with the State.

IAS 32 Presentation of financial instruments. In force as of February 1, 2010
-It refers to the accounting for rights issues denominated in a currency other than the functional.

IFRIC 19 Extinguishing financial liabilities using equity instruments. In force as of July 10, 2010

IFRS 1 First IFRS adoption July 1, 2010

a) Changes in 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 the interim financial statement in accordance with IAS 34 (Interim Financial Statements), those changes shall need to be explained and update the reconciliation between the previous Gaaps and IFRS.

b) Revaluation as deemed 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 such re-measurement occurs after the IFRS transition date, but during the period covered by the first financial statement under IFRS, no adjustment subsequent 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 PPE or intangible assets as estimate cost under an “item to item” basis. The entities using this exception will be required to check for existence of Impairment for each item (IAS 36) to the date of transition.

IFRS 3 Business combinations in force as of July 1, 2010

a) Transition requirements for contingent considerations arising from a business combination which happened before the effective date of the IFRS (R)

It clarifies the amendments to IFRS 7, financial instruments, IAS 32 Presentation, Financial instruments: Presentation and IAS 39, financial instruments, recognition and measurement that the exception for contingent considerations does not apply for those contingent considerations arising from business combinations in whose acquisition date precedes to the application of IFRS 3 (revised in 2008).

b) Non-controlling interest measurement

The option of measuring the non-controlling interest at its Fair Value or in the proportional share of the net assets of the acquired applies only to instruments that represent the interests of the actual property and shall entitle its owners to a share of the net assets in case of liquidation.

Any other component of the non-controlling interest is measured at its fair value unless the IFRS requires another unit or base of 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.

IAS 27 Consolidated and separated financial statements in force as of July 1, 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 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 values 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.

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.

New regulations issued or modified by the IASB in force after April 1:

IFRS 1 First-time adoption in force as of July 1, 2011
It includes two changes to the regulation. The first one replaces the reference to fixed dates as January 1, 2004 to the corresponding transition date. The second change refers to how a company restarts its report under IFRS after a period of severe hyperinflation.

IFRS 7 Financial instruments: disclosures in force as of July 1, 2011
The modification is part of the revision of the activities outside the balance of IASB. It requires further disclosures regarding risks of the transferred assets and its effects on the entity.

IFRS 9 Financial assets and liabilities in force as of January 1, 2013
The IFRS 9 regulation on financial instruments represents the first part of Phase 1 of the project that will completely replace the current IAS 39 (the project contemplates 3 phases). The IFRS 9 contains, for now, the regulations related with the classification and measurement of financial assets, and will include in the future the rest of the aspects of the accounting treatment of the financial instruments. The IAS 39 will be replaced slowly until it is finally repealed once the project is finished.

IAS 12 (amendment), Income taxes. This amendment, issued on December 2010 provides an exception to the general principles of IAS 12 for investment property measured using the fair value model contained in IAS 40 “Investment property”. The exception also applies to investment property acquired in a business combination if after the combination the acquirer applies the fair value model contained in IAS 40. The exception also incorporates in IAS 12 the requirements of SIC 21 “Income taxes – Recovery of revalued non-depreciable assets”. The modification incorporates the assumption that the investment properties valued at fair value are performed through their sale. Therefore it is necessary to apply to the temporary differences originated by these the tax rate for sale operations the deferred tax resulting from a non-depreciable asset, measured using the revaluation model contained in IAS 16 should be based on the sale fee. The regulation is applicable as of January 1, 2012 and its early adoption is allowed.

IAS 1 (amendment), Presentation of Financial Statements. Issued on June 2011. The main modification of this amendment requires the items under “Other comprehensive income” to be classified and sorted out evaluating if they will be potentially reclassified to results in future periods. The regulation is applicable as of July 2012 and its early adoption is allowed.

IFRS 7 (amendment), Financial Instruments. Issued on October 2010. This amendment increases the disclosure requirements for transactions implying the transfer of financial assets. The regulation is applicable as of July 1, 2011. This amendment will not have relevant impact on the financial statements of the BCI Group.

IAS 19 (revised), Employee Benefits. Issued on June 2011. Replaces IAS 19 (1998). This revised regulation modifies the recognition and measurement of expenses for defined benefit plans and termination benefits. Additionally, it includes modifications to the disclosures of the employees’ benefits. The main effect foreseen for BCI Group lies in the elimination of the "corridor approach" method used for the recognition of actuarial results derived from defined benefits plans. The regulation is applicable as of January 1, 2013 and its early adoption is allowed.

IFRS 9 Financial instruments. Issued on December 2009. It modifies the classification and measurement of financial assets. It is expected to affect the Group's accounting on said assets. This regulation was modified on November 2010 to include the treatment and classification of financial liabilities. The regulation is applicable as of January 1, 2013 and its early adoption is allowed.

IFRS 10 Consolidated financial statements. Issued on May 2011. It replaces SIC 12 "Consolidation of special purpose entities" and parts of IAS 27 "Consolidated financial statements". It established clarifications and new parameters for the definition of control, as well as the principles for the preparation of consolidated financial statements. BCI Group is currently evaluating the impact of its application. The regulation is applicable as of January 1, 2013 and its early adoption is allowed in conjunction with IFRS 11, IFRS 12 and modifications to IAS 27 and 28.

IFRS 11 Joint arrangements. Issued on May 2011. It replaces IAS 31 "Interests in joint ventures" and SIC 13 "Jointly controlled entities". Among other modifications it includes the elimination of the jointly controlled assets concept and the possibility of proportional consolidation of jointly controlled entities. BCI Group is currently evaluating the impact of its application. The regulation is applicable as of January 1, 2013 and its early adoption is allowed in conjunction with IFRS 10, IFRS 12 and modifications to IAS 27 and 28.

IFRS 12 Disclosure of interests in other entities. BCI Group is currently evaluating the impacts of its application. The regulation is applicable as of January 1, 2013 and its early adoption is allowed in conjunction with IFRS 10, IFRS 11 and modifications to IAS 27 and 28.

IAS 27 Separate financial statements. Issued on May 2011. It replaces IAS 27 (2008). The reach of this regulation after this modification is restricted only to separate financial statements, since the aspects related with the definition of control and consolidation were removed and included in IFRS 10. The regulation is applicable as of January 1, 2013 and its early adoption is allowed in conjunction with IFRS 10, IFRS 11 and IFRS 12 and the modification to IAS 28.

IAS 28 Investments in associates and joint ventures. Issued on May 2011. It regulates the accounting treatment of these investments by applying the equity method of accounting. The regulation is applicable as of January 1, 2013 and its early adoption is allowed in conjunction with IFRS 10, IFRS 11, IFRS 12 and the modification to IAS 27.

IFRS 13 Fair value measurement. Issued on May 2011. It sets out a single regulation for measuring the fair value of assets and liabilities and its necessary disclosures. It incorporates new concepts and explanations for its measurement.

The Bank's Management is currently evaluating the possible impact that the adoption of these changes could have on the financial statements.

NOTE 3 – RELEVANT FACTS

a) Dividend distribution and capitalization of retained earnings.

The ordinary shareholders meeting held on March 31, 2011 approved the distribution of the net income for 2010, amounting to MCh$222,075 in the following manner:

- A dividend of Ch$700 per share among the total of 103,106,155 shares issued and inscribed in the Shareholders' Registry, which amounts to MCh$72,174.
- Of the remaining balance of the period, MCh$5,189 were destined to cover the decrease in equity caused by the recording of the effect of the first Application of Contingent Provisions in accordance with the stated in Chapter B3 of the Standards Compendium of the Superintendencia de Bancos e Instituciones Financieras.
- Transfer the balance of the net income amounting to ChM$144,712 to the reserve for future capitalizations.

b) Capital stock increase.

On March 31, 2011, an extraordinary shareholders' meeting approved, among other matters, a capital stock increase amounting to MCh$144,712 by means of capitalization of reserves coming from income.

1) Capitalizing, without issuance of shares, the amount of MCh$105,849 and

2) Capitalizing a total amount of MCh$38,863 through the issuance of 1,225,315 paid-in shares.

The capital stock of the Bank according to its current statutes amounted to MCh$882,273 representing 103,106,155 shares of the same series and without nominal value. As a result of the approval of the increase in capital stock of the Bank, the capital stock amounts to MCh$1,026,985 which shall be divided into 104,331,470 shares of the same series and without nominal value. The paid-in shares issuance will be carried out once the Bank obtains the approval from the SBIF, the issuance is inscribed, and the distribution is approved by the Board.

The referred capital stock increase was approved by the SBIF in Resolution N°142 dated on May 10, 2011. The corresponding certificate and extract of this Resolution was inscribed in pages 25,036 N°18,840 of the Registro de Comercio del Conservador de Bienes Raices de Santiago (Santiago Real Estate Registrar) of 2011 and was published in the Official Journal on May 14, 2011.

c) Issuance and placement of bonds.

No subordinated bonds or current bonds have been issued during 2011.

During 2011 the following placements of subordinated bonds were performed:

- Dated on January 7, 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 1, 2042.

- Dated on January 7, 2011, bond series AD2 for an amount of UF 400,000 to a 4.05% IRR whose maturity will be on June 1, 2042.

- Dated on January 7, 2011, bond series AD2 for an amount of UF 165,000 to a 4.05% IRR whose maturity will be on June 1, 2042.

- Dated on January 11, 2011, bond series AD2 for an amount of UF 235,000 to a 4.05% IRR whose maturity will be on June 1, 2042.

- Dated on February 10, 2011, bond series AD2 for an amount of UF 600,000 to a 4.17% IRR whose maturity will be on June 1, 2042.

- Dated on February 10, 2011, bond series AD2 for an amount of UF 400,000 to a 4.17% IRR whose maturity will be on June 1, 2042.

- Dated on February 16, 2011, bond series AD2 for an amount of UF 1,000,000 to a 4.20% IRR whose maturity will be on June 1, 2042.

- Dated on February 16, 2011, bond series AD1 for an amount of UF 1,000,000 to a 4.20% IRR whose maturity will be on June 1, 2040.

- Dated on February 23, 2011, bond series AD1 for an amount of UF 1,300,000 to a 4.17% IRR whose maturity will be on June 1, 2040.

- Dated on February 23, 2011, bond series AD1 for an amount of UF 100,000 to a 4.17% IRR whose maturity will be on June 1, 2040.

- Dated on February 23, 2011, bond series AD1 for an amount of UF 100,000 to a 4.17% IRR whose maturity will be on June 1, 2040.

- Dated on February 23, 2011, bond series AD1 for an amount of UF 1,000,000 to a 4.17% IRR whose maturity will be on June 1, 2040.

- Dated on March 1, 2011, bond series AD1 for an amount of UF 500,000 to a 4.12% IRR whose maturity will be on June 1, 2040.

During 2011 the following placements of current bonds were performed:

- Dated on February 3, 2011, bond series AA for an amount of UF 110,000 to a 3.30% IRR whose maturity will be on July 1, 2014.

- Dated on February 8, 2011, bond series AA for an amount of UF 400,000 to a 3.30% IRR whose maturity will be on July 1, 2014.

- Dated on February 9, 2011, bond series AA for an amount of UF 1,100,000 to a 3.40% IRR whose maturity will be on July 1, 2014.

- Dated on May 12, 2011, bond series AB for an amount of UF 2,150,000 to a 3.60% IRR whose maturity will be on July 1, 2018.

d) Changes in the Board of Directors.

On Extraordinary Shareholders Meeting celebrated on March 16, 2011, the resignation of director Mr. Daniel Yarur Elsaca was informed to the Board of Directors. The designation of Mr. José Pablo Arellano Marín as his replacement was agreed on the same meeting. Mr. Arellano Marín's position as director was confirmed on Ordinary Shareholders Meeting celebrated on March 31, 2011.

On Meeting of the Board celebrated on May 24, 2011, the resignation of director Mr. Ignacio Yarur Arrasate was informed to the Board of Directors. Mr. Mario Gómez Dubravcic was designated as his replacement until the next Ordinary Shareholders Meeting, where the definitive designation of the new director will be informed.

e) Financing obtained by syndicated loan.

On April 7, 2011 the Bank obtained financing amounting to US$325,000,000 by means of a syndicated loan led by Standards Chartered and Wells Fargo banks, with participation of banks from Europe, Asia and the United States. The loan was granted for a two-year term at a 90-days Libor rate plus 0.85%.

NOTE 4 – OPERATING SEGMENTS

4.1 Segment 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:

Corporate 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 individuals and corporations with annual sales up to UF 12,000.
Finances and Investment	: Includes operations in areas that manage their own trading position, distribution area, corporate companies, institutional area, international area, private banking, and balance area.
Subsidiaries and others	: Includes the following subsidiaries: Bci Factoring S.A., BCI Asset Management Administradora General de Fondos S.A., BCI Corredores de Seguros S.A., BCI Administradora General de Fondos S.A., BCI Corredor de Bolsa S.A., BCI Asesoría Financiera S.A. and BCI Securitizadora S.A.

The performance of 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 condensed consolidated financial statement.

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, extra expenses 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 of 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 provided to support managements. These expenses are previously defined and agreed for each of those involved (user and support managements).

NOTE 4 – OPERATING SEGMENTS (continued)

a) Operating Income

ACCUMULATED JUNE 2011	June 30, 2011				
	Corporate Banking	Retail Banking	Finance and Investment	Subsidiaries	Consolidated
	MCh$	MCh$	MCh$	MCh$	MCh$
Net interest income	87,008	112,426	73,315	7,431	280,180
Net fee income	11,190	32,462	2,228	35,102	80,982
Other operating income	2,291	974	23,434	12,742	39,441
Operating income	**100,489**	**145,862**	**98,977**	**55,275**	**400,603**
Provisions for loan losses	5,719	(31,274)	(10,740)	(23,735)	(60,030)
Operating income, net of provisions	**106,208**	**114,588**	**88,237**	**31,540**	**340,573**
Total operating expenses	**(35,629)**	**(93,429)**	**(14,194)**	**(22,594)**	**(165,846)**
NET OPERATING INCOME	**70,579**	**21,159**	**74,043**	**8,946**	**174,727**
Other operating expenses	-	-	-	-	(14,932)
Gain attributable to investment in companies	**-**	**-**	**-**	**-**	3,845
Income before income tax	**-**	**-**	**-**	**-**	**163,640**
Income tax	-	-	-	-	(25,533)
CONSOLIDATED NET INCOME FOR PERIOD	**-**	**-**	**-**	**-**	**138,107**

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 “Gain attributable to investment in companies” concept contains revenues that cannot be assigned directly to the indicated segments.

b) Business volumes

ACCUMULATED JUNE 2011	June 30, 2011				
	Corporate Banking	Retail Banking	Finance and Investment	Subsidiaries	Consolidated
	MCh$	MCh$	MCh$	MCh$	MCh$
ASSETS	**4,666,701**	**4,217,441**	**5,787,278**	**267,228**	**14,938,648**
LIABILITIES	**4,596,122**	**4,196,282**	**5,713,235**	**258,282**	**14,763,921**
NET INCOME	**70,579**	**21,159**	**74,043**	**8,946**	**174,727**

NOTE 4 OPERATING SEGMENT (continued)

c) Operating Income

ACCUMULATED JUNE 2010	June 30, 2010				
	Corporate Banking	Retail Banking	Finance and Investment	Subsidiaries	Consolidated
	MCh$	MCh$	MCh$	MCh$	MCh$
Net interest income	67,893	89,242	86,243	4,106	247,484
Net fee income	12,010	25,061	4,615	28,464	70,150
Other operating income	(321)	1,430	26,019	18,427	45,555
Operating income	**79,582**	**115,733**	**116,877**	**50,997**	**363,189**
Provisions for loan losses	(47,831)	(30,120)	(222)	(10,469)	(88,642)
Operating income, net of provisions	**31,751**	**85,613**	**116,655**	**40,528**	**274,547**
Total operating expenses	**(31,619)**	**(81,518)**	**(13,525)**	**(20,060)**	**(146,722)**
NET OPERATING INCOME	**132**	**4,095**	**103,130**	**20,468**	**127,825**
Other operating expenses	-	-	-	-	(14,106)
Gain attributable to investment in companies	-	-	-	-	2,578
Income before income tax	**-**	**-**	**-**	**-**	**116,297**
Income tax	-	-	-	-	(18,054)
CONSOLIDATED NET INCOME FOR PERIOD	**-**	**-**	**-**	**-**	**98,243**

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 “Gain attributable to investment in companies” concept contains revenues that cannot be assigned directly to the indicated segments.

d) Business volumes

ACCUMULATED JUNE 2010	June 30, 2010				
	Corporate Banking	Retail Banking	Finance and Investment	Subsidiaries	Consolidated
	MCh$	MCh$	MCh$	MCh$	MCh$
ASSETS	**4,131,488**	**3,719,144**	**4,841,271**	**226,381**	**12,918,284**
LIABILITIES	**4,131,356**	**3,715,049**	**4,738,141**	**205,913**	**12,790,459**
NET INCOME	**132**	**4,095**	**103,130**	**20,468**	**127,825**

NOTE 5 – CASH AND DUE FROM BANKS

a) The detail of the balances included under cash and due from banks, and their reconciliation with the consolidated statement of cash flows at the end of each period, are as follows:

	As of June 30	
	2011	**2010**
	MCh$	**MCh$**
Cash and due from banks		
Cash	263,313	210,351
Deposits with Banco Central de Chile	428,804	358,198
Deposits with domestic banks	4,583	2,705
Foreign deposits	207,769	124,656
Subtotal – Cash and due from banks	904,469	695,910
Items in the course of collection from banks, net	2,685	119,994
Highly-liquid financial instruments	117,028	66,842
Securities purchased under resale agreements	123,529	59,567
Total cash and due from banks	**1,147,711**	**942,313**

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

b) Items in the course of collection from banks

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

	As of June 30	
	2011	**2010**
	MCh$	**MCh$**
Assets		
Due from Banks (interbank)	111,254	118,498
Funds receivable	743,753	261,822
Subtotal assets	855,007	380,320
Liabilities		
Funds payable	852,322	260,326
Subtotal liabilities	852,322	260,326
Items in the course of collection from banks, net	**2,685**	**119,994**

NOTE 6 – SEASONALITY

Derived from the line of business of the Bank and its subsidiaries, their transactions do not have a cyclical or seasonal nature. Therefore, no specific breakdowns are included in the current notes to the consolidated financial statements.

NOTE 7 – BUSINESS COMBINATIONS AND CHANGES IN THE COMPANY'S STRUCTURE

As of June 31, 2011 no changes in the composition of the company or business combinations have been performed which may alter the property of the Bank.

NOTE 8 – PREMISES AND EQUIPMENT

a) As of the closure of each period, the composition and changes in premises and equipment are as follows:

	Land & buildings MCh$	Equipment MCh$	Others MCh$	Total MCh$
2011				
Balance as of January 1, 2011	179,904	93,359	43,716	316,979
Additions	11,703	7,994	17,066	36,763
Disposals	(510)	(2,413)	(4,114)	(7,037)
Transfers	(15,046)	257	(3,740)	(18,529)
Impairment	-	-	-	-
Gross balance as of June 30, 2011	**176,051**	**99,197**	**52,928**	**328,176**
Accumulated depreciation	(24,812)	(71,118)	(21,411)	(117,341)
Impairment	-	-	-	-
Accumulated depreciation (total)	**(24,812)**	**(71,118)**	**(21,411)**	**(117,341)**
Bank Premises and Equipment Balance as of June 30, 2011	**151,239**	**28,079**	**31,517**	**210,835**

	Land & buildings MCh$	Equipment MCh$	Others MCh$	Total MCh$
2010				
Balance as of January 1, 2010	171,065	86,519	45,073	302,657
Additions	22,896	16,813	15,784	55,493
Disposals	(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 31, 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)**
Bank Premises and Equipment Balance as of December 31, 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.

NOTE 8 – PREMISES AND EQUIPMENT (continued)

b) As of June 30, 2011 and December 31, 2010 the Bank has no operative leasing contracts.

c) As of June 30, 2011 and December 31, 2010 the Bank has financial leasing contracts that cannot be terminated unilaterally. Future payments are detailed as follows:

	Future payments under financial leases			
	Up to 1 year	1 to 5 years	More than 5 years	Total
	MCh$	MCh$	MCh$	MCh$
As of June 30, 2011	179	835	31	1,045
As of December 31, 2010	174	778	36	988

The balances of premises and equipment subject to financial leases as of June 30, 2011 amounted to MCh$ 1,676 (MCh$ 1,689 in December 31, 2010) are presented as part of "others" under the caption premises and equipment.

NOTE 9 – DEPRECIATION, AMORTIZATION AND IMPAIRMENT

a) Amounts corresponding to charges in results due to depreciations and amortizations at the end of each period are detailed as follows:

	As of June 30	
	2011	2010
	MCh$	MCh$
Depreciation and amortization		
Depreciation of premises and equipment	9,736	8,975
Amortization of intangible assets	7,952	7,721
Total	**17,688**	**16,696**

b) As of June 30, 2011 and 2010, the Bank and its subsidiaries show no evidence of impairment.

NOTE 9 – DEPRECIATION, AMORTIZATION AND IMPAIRMENT (continued)

c) The reconciliation of the book values as of January 1, 2011 and 2010 with the balances as of June 30, 2011 and as of December 31, 2010 is as follows:

	Depreciation, amortization and impairment					
	As of June 30, 2011			As of December 31, 2010		
	Premises and equipment	Intangible assets	Total	Premises and equipment	Intangible assets	Total
Balance as of January 1	108,570	42,627	151,197	100,017	29,493	129,510
Charges for depreciation, amortization	9,736	7,952	17,688	19,382	17,334	36,716
Impairment of the period		-	-	1,810	-	1,810
Retirements and sales of the period	(965)	-	(965)	(12,639)	(4,200)	(16,839)
Balance as of	**117,341**	**50,579**	**167,920**	**108,570**	**42,627**	**151,197**

NOTE 10 – CURRENT AND DEFERRED INCOME TAX

(a) Current income taxes

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$13,469 as of June 30 2011 (liabilities for MCh$31,052 as of December 31, 2010). Said provision is presented net of collectible taxes, as detailed below:

	June 30 2011	December 31 2010
	MCh$	MCh$
Income tax (tax rate 20% and 17%)	36,053	54,418
Unique income tax provision, rate 35%	257	219
Less:		
Monthly provisional income tax payments (PPM)	(19,578)	(18,046)
Credit for training expenses	(242)	(915)
Credit for acquisition of premises and equipment	(5)	(24)
Credit for donations	(544)	(881)
Collectible income tax	(1,795)	(3,081)
Other collectible taxes and withholdings	(677)	(638)
Total	**13,469**	**31,052**

NOTE 10 – CURRENT AND DEFERRED INCOME TAX (continued)

(b) Income tax

The effect of the tributary cost during the periods between January 1 and June 30, 2011 and 2010 is composed by the following concepts:

	As of June 30	
	2011	2010
	MCh$	MCh$
Income tax charge:		
Current income tax	(31,356)	(24,291)
	(31,356)	(24,291)
Credit (charge) for deferred taxes:		
Origination and reversal of timing differences	5,125	6,293
Rate change of first-category income tax	828	-
	5,953	6,293
Subtotal	(25,403)	(17,998)
Disallowed expenses tax Article 21	(130)	(56)
Net credit (charge) to income statement for income tax	**(25,533)**	**(18,054)**

(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 at the end of each period.

	As of June 30, 2011		As of June 30, 2010	
	Tax rate	Amount	Tax rate	Amount
	%	MCh$	%	MCh$
Pre-tax income		163,640		116,297
Applicable tax rate	20.00		17.00	
Statutory income tax rate		32,728		19,770
Tax effect of non-deductible expenses in calculation of taxable income				
Permanent differences	(2.95)	(4,823)	(1.28)	(1,485)
Unique tax (disallowed expenses)	0.08	130	0.01	10
Rate change effect	(0.51)	(828)		
Income attributable to investment in companies	(0.42)	(690)	(0.11)	(125)
Others	(0.60)	(984)	(0.10)	(116)
Effective rate and income tax charge	**15.60**	**25,533**	**15.52**	**18,054**

The effective income tax rate for 2011 and 2010 is 15.60% y 15.52% respectively.

NOTE 10 – CURRENT AND DEFERRED INCOME TAX (continued)

(d) Effect of deferred taxes on shareholders' equity

The deferred income tax recognized with charges or credit to the shareholders' equity as of June 30, 2011 and December 31, 2010 is composed by the following concepts:

	30.06.2011	31.12.2010	Effect 2011 Period
	MCh$	MCh$	
Financial investments available for sale	(679)	(1,687)	1,008
Investments for cash flow hedges	(2,223)	(705)	(1,518)
Effect of deferred tax on shareholders' equity	**(2,902)**	**(2,392)**	**(510)**

(e) Effect of deferred taxes on income

The Bank covers in its condensed consolidated financial statements the effects of deferred taxes according to IAS 12.

The following table shows the effects of deferred taxes on the assets, liabilities and results relating to timing differences:

	As of June 30 2011			As of December 31 2010		
	Assets	Liabilities	Net	Assets	Liabilities	Net
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Concepts:						
Provisions for loan losses	29,971	-	29,971	26,822	-	26,822
Provision for staff vacation & bonuses	3,363	-	3,363	3,838	-	3,838
Securities trading	-	(4,102)	(4,102)	-	(1,228)	(1,228)
Derivative contract operations	2,566	-	2,566	-	-	-
Others	4,719	-	4,719	4,226	-	4,226
Property, plant and equipment (PPE)	-	(13,766)	(13,766)	-	(13,732)	(13,732)
Transitory assets	-	(8,739)	(8,739)	-	(9,598)	(9,598)
Subordinated bonds	-	(4,339)	(4,339)	-	(4,318)	(4,318)
Leasing operations (net)	-	(682)	(682)	-	(66)	(66)
Derivative contract operations	-	-	-	-	(57)	(57)
Others	-	(304)	(304)	-	(2,718)	(2,718)
Total net assets (liabilities)	**40,619**	**(31,932)**	**8,687**	**34,886**	**(31,717)**	**3,169**
Net effect by deferred tax assets	**40,619**	**(34,834)**	**5,785**	**34,886**	**(34,109)**	**777**

NOTE 10 – CURRENT AND DEFERRED INCOME TAX (continued)

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

A. Loans and accounts receivable

		Assets at tax value		
Loans and accounts receivable with clients as of June 30, 2011	**Assets at financial statement value**	**Total**	**Matured portfolio with collateral**	**Matured portfolio without collateral**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Commercial loans	5,095,785	5,095,723	62,181	101,511
Consumer loans	1,300,993	1,309,816	10,372	87,325
Mortgage loans for housing	1,812,868	1,809,741	32,161	440

		Assets at tax value		
Loans and accounts receivable with clients as of December 31, 2010	**Assets at financial statement 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

NOTE 10 – CURRENT AND DEFERRED INCOME TAX (continued)

B. Provisions

Provisions on matured portfolio	Balance as of 01.01.2011	Write-offs on Provisions	Constituted Provisions	Released Provisions	Balance as of 30.06.2011
	MCh$	MCh$	MCh$	MCh$	MCh$
Commercial loans	89,533	(12,854)	52,171	(24,639)	104,211
Consumer loans	71,838	(23,264)	46,123	(23,536)	71,161
Mortgage loans for housing	3,447	-	1,190	(1,479)	3,158

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

C. Write-offs and recoveries

Direct write-offs and recoveries as of 30.06.2011	MCh$
Direct write-offs Art.31 Nº4 subsection two	16,743
Condonations that originated provisions release	
Recoveries or renegotiations of written-off credits	

D. Application of Art.31 Nº4 subsections 1 and 3	MCh$
Write-off according to subsection one	
Condonations according to subsection three	

Direct write-offs and recoveries as of 30.06.2010	MCh$
Direct write-offs Art.31 Nº4 subsection two	20,738
Condonations that originated provisions release	
Recoveries or renegotiations of written-off credits	

D. Application of Art.31 Nº4 subsections 1 and 3	MCh$
Write-off according to subsection one	
Condonations according to subsection three	

NOTE 11 – DEBT INSTRUMENTS ISSUED AND OTHER FINANCIAL OBLIGATIONS

The composition of this heading as of June 30, 2011 and December 31, 2010 is as follows:

	June 30, 2011	December 31, 2010
	MCh$	MCh$
Other financial obligations:		
Obligations with public sector	78,425	79,720
Other obligations in Chile	26,571	29,472
Obligations abroad	2,268	2,404
Total	**107,264**	**111,596**
Debt instruments issued:		
Mortgage-funding notes	115,885	142,336
Straight bonds	578,524	493,735
Subordinated bonds	628,340	493,843
Total	**1,322,749**	**1,129,914**

NOTE 11 – DEBT INSTRUMENTS ISSUED AND OTHER FINANCIAL OBLIGATIONS (continued)

The detail as of June 30, 2011 of straight and subordinated bonds is as follows:

STRAIGHT BONDS

Series	UF Issued	UF Placed	Issuance Date	Maturity Date	Average Interest rate	Balance due (UF)	Balance due (MCh$)
SERIE_V	5,000,000	5,000,000	01/06/2007	01/06/2012	3.47%	4,978,755	108,984
SERIE_X	5,000,000	5,000,000	01/06/2007	01/06/2017	3.80%	4,789,765	104,847
SERIE_AA	10,000,000	10,000,000	01/07/2008	01/07/2014	3.79%	8,896,440	194,742
SERIE_AB	10,000,000	10,000,000	01/07/2008	01/07/2018	3.70%	7,763,884	169,951
Subtotal	**30,000,000**	**30,000,000**				**26,428,844**	**578,524**

SUBORDINATED BONDS

Series	UF Issued	UF Placed	Issuance Date	Maturity Date	Average Interest rate	Balance due (UF)	Balance due (MCh$)
SERIE_C y D	2,000,000	2,000,000	01/12/1995	01/12/2016	6.92%	901,204	19,727
SERIE_E	1,500,000	1,500,000	01/11/1997	01/11/2018	7.36%	873,051	19,111
SERIE_F	1,200,000	1,200,000	01/05/1999	01/05/2024	7.75%	866,002	18,957
SERIE_G	400,000	400,000	01/05/1999	01/05/2025	7.95%	298,130	6,526
SERIE_L	1,200,000	1,200,000	01/10/2001	01/10/2026	6.38%	1,001,048	21,913
SERIE_M	1,800,000	1,800,000	01/10/2001	01/10/2027	6.45%	1,517,603	33,220
SERIE_N	1,500,000	1,500,000	01/06/2004	01/06/2029	5.17%	1,339,408	29,319
SERIE_O	1,500,000	1,500,000	01/06/2004	01/06/2030	3.99%	1,329,206	29,096
SERIE_R	1,500,000	1,500,000	01/06/2005	01/06/2038	4.70%	557,240	12,198
SERIE_S	2,000,000	2,000,000	01/12/2005	01/12/2030	4.86%	1,763,300	38,598
SERIE_T	2,000,000	2,000,000	01/12/2005	01/12/2031	4.44%	1,824,651	39,941
SERIE_U	2,000,000	2,000,000	01/06/2007	01/06/2032	4.21%	1,844,210	40,370
SERIE_Y	4,000,000	4,000,000	01/12/2007	01/12/2030	4.25%	1,781,497	38,997
SERIE_W	4,000,000	4,000,000	01/06/2008	01/06/2036	4.05%	1,486,354	32,536
SERIE_AC	6,000,000	6,000,000	01/03/2010	01/03/2040	4.04%	5,343,238	116,963
SERIE_AD 1	4,000,000	4,000,000	01/06/2010	01/06/2040	4.17%	3,419,819	74,859
SERIE_AD 2	3,000,000	3,000,000	01/06/2010	01/06/2042	4.10%	2,558,621	56,009
Subtotal	**39,600,000**	**39,600,000**				**28,704,582**	**628,340**
TOTAL	**69,600,000**	**69,600,000**				**55,133,426**	**1,206,864**

NOTE 12 – PROVISIONS

a) The composition of this heading is as follows:

	June 30, 2011 MCh$	December 31, 2010 MCh$
Provisions for staff benefits and remuneration	13,692	17,844
Provisions for minimum dividends	41,432	66,623
Provisions for contingent credit risks	19,733	13,563
Provisions for contingencies	60,508	46,770
Provisions for country risk	818	882
Total	**136,183**	**145,682**

b) Movement in provisions during the period ended as of June 30, 2011 and year ended as of December 31, 2010 are described as follows:

	PROVISIONS FOR					
	Staff benefit & remunerations MCh$	Minimum dividends MCh$	Contingent credit risk MCh$	Contingencies MCh$	Country risk MCh$	Total MCh$
Balance as of January 1, 2010	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 (*)	-	-	8,530	(8,530)	-	-
Balances as of December 31, 2010	**17,844**	**66,623**	**13,563**	**46,770**	**882**	**145,682**
Balance as of January 1, 2011	17,844	66,623	13,746	46,770	882	145,865
Allocated provisions	11,279	41,432	8,089	14,930	-	75,730
Cancellation of provisions	(15,431)	(66,623)	(2,102)	(1,192)	-	(85,348)
Release of provisions	-	-	-	-	(64)	(64)
Other movements	-	-	-	-	-	-
Balance as of June 30, 2011	**13,692**	**41,432**	**19,733**	**60,508**	**818**	**136,183**

(*) the recognition performed against equity and additional provisions carried out during 2010 for contingent provisions concept has been reclassified to provisions demanded on contingent credits, in accordance with the instructed by the SBIF.

NOTE 12 – PROVISIONS (continued)

c) Provisions for staff benefits and remunerations

	June 30, 2011 MM$	December 31, 2010 MM$
Provision for other staff benefits	8,410	11,111
Provision for vacations	5,282	6,733
Others	-	-
Total	**13,692**	**17,844**

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

NOTE 13 – CONTINGENCIES AND COMMITMENTS

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

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

	June 30, 2011 MCh$	December 31, 2010 MCh$
CONTINGENT CREDITS		
Guarantees		
Guarantees in Chilean currency	-	-
Guarantees in foreign currency	194,227	197,602
Confirmed foreign letters of credit	9,268	35,352
Documentary letters of credit issued	125,901	72,773
Performance bonds		
Performance bonds in Chilean currency	483,914	524,102
Performance bonds in foreign currency	93,989	90,539
Interbank letters of guarantee	-	-
Immediately available lines of credit	2,056,873	1,895,360
Other credit commitments		
Loans for higher education Law 20,027	45,825	64,952
Others	161,838	185,204
Other contingent credits	-	-
OPERATIONS ON BEHALF OF THIRD PARTIES		
Collections		
Foreign collections	85,948	86,504
Domestic collections	110,464	99,018
SECURITIES IN CUSTODY		
Securities held in custody by the Bank	445,751	494,961
Total	**3,813,998**	**3,746,367**

NOTE 13 – CONTINGENCIES AND COMMITMENTS (continued)

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 12 a).

c) Guarantees granted for operations

- Direct Commitments

As of June 30, 2011 BCI Corredor de Bolsa S.A. has guaranteed commitments for Stock repos on Bolsa de Comercio de Santiago, Bolsa de Valores, amounting to MCh$ 71,943.

As of June 30, 2011 BCI Corredor de Bolsa S.A. has given guarantees for correct compliance of CCLV system operations settlements on Bolsa de Comercio de Santiago, Bolsa de Valores, amounting to MCh$ 2,063.

As of June 30, 2011 BCI Corredor de Bolsa S.A. has given guarantees for correct compliance of operations settlement on account of third parties for MCh$54,111.

As of June 30, 2011 BCI Corredor de Bolsa S.A. has granted guarantees abroad for international market transactions amounting to MCh$47.

As of June 30, 2011 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 MCh$ 10,955.

As of June 30, 2011 BCI Corredores de Seguros S.A. has contracted the following insurance policies to comply as indicated in letter d) of Article 58 of law-ranking decree 251, of 1931, to respond of the correct compliance of all obligations coming from their activity:

- Policy of Guarantee for Insurance brokers N° 10019734 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, 2011 to April 14, 2012, 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° 10019736 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, 2011 to April 14, 2012, with the purpose of preserving to the Insurance company against 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 June 30, 2011 the Company has approved credit lines for operators of Factor Chain International for US$14 million, of which US$2 million have been used already.

- Guarantees for operations

As of June 30, 2011 BCI Corredor de Bolsa S.A. constitutes a guarantee amounting to UF 20,000 to comply with the 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 have or might 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 the appointed in the NCG Number 125 of 2001, which stipulate that the General Funds Administrators should permanently maintain

NOTE 13 – CONTINGENCIES AND COMMITMENTS (continued)

a guarantee for each fund administrated, which shall always be equivalent to UF 10,000 or 1% of the average equity of the previous year to the date of its determination.

Likewise, in order to comply with the requirements of Title IV of Circular N° 1790, mutual funds defined as structured guaranteed shall always have a guarantee granted by a third party, different from the administrating company.

BCI Administradora General de Fondos S.A. in compliance with the dispositions established on General Rule 125 issued by the Superintendence of Securities and Insurances (SVS), the Society maintains performance bonds with Banco Créditos e Inversiones in favor of shareholders.

- Civil employee fidelity or employee loyalty insurance

As of June 30, 2011, BCI Corredor de Bolsa S.A. has an insurance taken with 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 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, although these obligations could not be recognized 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 from operations that commit the Bank to provide loans and the amount of the provisions created for the assumed credit risk:

	June 30, 2011	**December 31 2010**
	MCh$	**MCh$**
Guarantees	194,227	197,602
Documentary letters of credit	125,901	72,773
Bid bonds	577,903	614,641
Amounts available to credit card holders	1,054,954	943,165
Allocated provisions	(19,733)	(5,033)
Total	**1,933,252**	**1,823,148**

NOTE 14 – STOCKHOLDERS' EQUITY

a) Share capital and preferred shares

Changes in shares during the periods are as follows:

	Common shares		Non-redeemable preferred shares		Redeemable preferred shares	
	2011	2010	2011	2010	2011	2010
	Number	Number	Number	Number	Number	Number
Issued as of January 1	103,106,155	101,390,060	-	-	-	-
Issue of shares paid	-	1,716,095	-	-	-	-
Issue of shares due	-	-	-	-	-	-
Exercised stock options	-	-	-	-	-	-
Total issued	103,106,155	103,106,155	-	-	-	-

On Extraordinary Shareholders' Meeting celebrated on March 31, 2011 the issuance of 1,225,315 paid-in shares was approved. The issuance of these shares will be carried out once the Bank obtains the approval of the Superintendencia de Bancos e Instituciones Financieras, the issuance is inscribed and when the distribution is approved by the Board of Directors.

The Superintendencia de Bancos e Instituciones Financieras inscribed the issuance of shares in the Registry of Securities (Registro de Valores) under N°6/2011 dated on June 15, 2011. On meeting celebrated on May 24, 2011, the Board of Directors agreed to proceed with the issuance of paid-in shares by July 15 of the current year.

Those shareholders inscribed in the Shareholders Registry by July 9, 2011 will be entitled to receive the new shares, at a rate of 0.01188401 paid-in shares for each share of the Bank.

On the same day, July 15, 2011, the referred paid-in shares will be duly inscribed under each shareholder or the respective titles will only be issued for those shareholders requiring it in writing to the Central Securities Depository located in 770 Huerfanos Street 22 floor, Santiago.

NOTE 14 – STOCKHOLDERS' EQUITY (continued)

b) At the closure of each period, the shareholders distribution is the following:

June 30, 2011	**Shares**	
	N° 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,	2,349,048	2.28
Inversiones Jordan Dos S,A,	2,059,605	2.00
AFP Cuprum S,A,	1,879,160	1.82
AFP Habitat S,A,	1,840,083	1.78
Banco de Chile (third parties)	1,667,697	1.62
Banco Itau (investors)	1,594,064	1.55
Tarascona Corporation	1,519,085	1.47
AFP Capital S,A,	1,502,343	1.46
Bci Corredor de Bolsa S,A,	1,422,728	1.38
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
Banco Santander (foreign investors)	953,368	0.92
Banchile Corredores de Bolsa S,A,	801,859	0.78
Celfin Capital S,A, Corredores de Bolsa	697,842	0.68
Larrain Vial S,A, Corredora de Bolsa	625,682	0.61
Inmobiliaria y Comercial Recoleta Sur Ltda,	610,202	0.59
Modesto Collados Nuñez	595,958	0.58
Inversiones VYR Ltda,	548,719	0.53
Santander S,A, Corredores de Bolsa	546,346	0.53
Moneda Chile-Latinoamerica CS Fondo de Inversión	438,117	0.42
Other shareholders	11,114,736	10.77
Total	**103,106,155**	**100.00**

NOTE 14 – STOCKHOLDERS' EQUITY (continued)

December 31, 2010	Shares	
	N° 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 Jordan Dos S,A,	2,059,605	2.00
AFP Habitat S,A,	1,871,074	1.81
Banco de Chile (third parties)	1,666,230	1.62
AFP Capital S,A,	1,535,300	1.49
Tarascona Corporation	1,519,085	1.47
Banco Itau (investors)	1,506,061	1.46
BCI Corredor de Bolsa S,A,	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 (foreign investors)	756,780	0.73
Larrain 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 Nuñez	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
Other shareholders	11,097,845	10.77
Total	**103,106,155**	**100.00**

c) Dividends

During the periods ended on June 30, 2011 and 2010, the following dividends were declared and paid by the Bank:

	As of June 30	
	2011	2010
	Ch$	Ch$
Dividends per common share	700	500

d) As of June 30, the composition of diluted earnings and basic earnings is as follows:

	As of June 30	
	2011	2010
	$	$
Basic earnings per share	1,339	969
Diluted earnings per share	1,339	969

NOTE 14 – STOCKHOLDERS' EQUITY (continued)

e) Net Exchange differences

As of June 30, 2011 and December 31, 2010, the reconciliation of the heading of net exchange differences as a separated component from the stockholders' equity is the following:

	MCh$
Balance as of January 1, 2010	4,610
Charges net Exchange differences	(6,168)
Final balance as of December 31, 2010	**(1,558)**
Balance as of January 1, 2011	(1,558)
Charges Net Exchange differences	(1,986)
Final balance as of July 30, 2011	**(3,544)**

f) Nature and destination of valuation accounts

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 part of all the accumulated net changes in the fair value of the cash flow of the hedging instruments related to hedging transactions that have not yet taken place.

Reserves of fair value:

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

g) Capital requirements

The basic capital as of June 30, 2011 is equivalent to the net amount that must be shown in the financial statements as Shareholders' equity of Bank owners, according to the Compendium of Accounting Regulation. According to the General Law of Banks, the Bank must maintain a minimum ratio of effective stockholders' equity to risk weighted consolidated assets of 8%, net of demanded provisions, and a minimum ratio of Basic Capital to total consolidated assets of 3%, net of demanded provisions. For these effects, the effective shareholders' equity is determined from Capital and Reserves or Basic Capital with the following adjustments: a) subordinated bonds up to 50% of the Basic Capital are added, b) additional provisions are added, c) all assets related to goodwill or premium are deducted d) assets related to investments in unconsolidated subsidiaries.

NOTE 14 – STOCKHOLDERS' EQUITY (continued)

The assets are weighted according to the risk categories, to which a percentage of risk according to the amount of the necessary capital is assigned to support each of those assets. Five categories of risk are applied (0%, 10%, 20%, 60% and 100%). For example, cash, deposits in other banks and financial instruments issued by Banco Central de Chile, have 0% of risk, i.e., according to the regulation in force, capital is not required to endorse these assets. Fixed assets have a 100% of risk, meaning it is necessary to have a minimum capital equivalent to 8% of the amount of these assets.

All derivative securities traded over-the-counter are considered in the determination of the risk assets with a factor of conversion over national values, thus obtaining the amount of credit risk exposure (or "credit equivalent"). Off-balance contingent credits are also considered by an "equivalent of credit" for their weighting.

At the closing of each period, the minimum base capital and effective stockholder's equity is the following:

	Consolidated assets		Risk-weighted assets	
	June 2011 MCh$	**December 2010 MCh$**	**June 2011 MCh$**	**December 2010 MCh$**
Balance sheet assets (net of provisions)				
Cash and due from Banks	904,469	1,047,633	-	-
Items in the course of collection from banks	855,007	306,023	224,499	82,016
Trading investments	1,050,150	849,155	156,894	172,141
Securities purchased under resale agreements	123,529	89,595	123,529	89,595
Derivative instruments	508,138	459,630	323,237	322,338
Interbank loans	74,383	101,106	74,383	101,106
Loans and accounts receivable from clients	10,136,993	9,291,070	9,278,700	8,528,993
Available for sale investment securities	741,285	497,532	278,000	263,760
Held to maturity investment securities	-	-	-	-
Investments in other companies	54,475	52,037	54,476	58,886
Intangible assets	73,987	75,949	70,486	71,673
Premises and equipment	210,835	208,409	210,835	208,409
Income taxes	23,422	23,915	5,066	6,655
Deferred taxes	40,619	34,886	4,062	3,489
Other assets	164,777	191,149	164,777	141,445
Off-balance sheet assets				
Contingent loans	1,687,682	1,664,130	1,012,609	998,478
Additions and deductions	**(55,093)**	**(8,413)**	**-**	**-**
Total risk-weighted assets	**16,594,658**	**14,883,806**	**11,981,553**	**11,048,984**

	Amount		Ratio	
	June 2011 MCh$	**December 2010 MCh$**	**June 2011 %**	**December 2010 %**
Base capital	1,139,405	1,039,166	6.87%	6.98%
Effective shareholders' equity	1,723,634	1,500,522	14.39%	13.58%

NOTE 15 – PROVISION FOR CREDIT IMPAIRMENT

Changes recognized as of June 30, 2011 and 2010 on the income statements due to provisions and impairments are explained as follows:

As of June 30, 2011	Due from banks	Loans and accounts receivable from clients: Commercial loans	Mortgage loans	Consumer loans	Contingent loans	Additional	TOTAL
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Provisioning:							
Individual provisions	-	14,762	-	-	4,957	-	**19,719**
Collective provisions		28,258	491	34,995	3,132	22,000	**88,876**
Result from provisioning	**-**	**43,020**	**491**	**34,995**	**8,089**	**22,000**	**108,595**
Impairment charges:							**-**
Individual impairment	-	-	-	-	-	-	**-**
Collective impairment	-	-	-	-	-	-	**-**
Result from impairment	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Release of provision:							
Individual provision	(67)	(21,030)	-	-	(1,647)	-	**(22,744)**
Collective provision	-	(7,321)	-	(1,906)	(455)	-	**(9,682)**
Result from release of provision	**(67)**	**(28,351)**	**-**	**(1,906)**	**(2,102)**	**-**	**(32,426)**
Recovery of written-off assets	-	(4,437)	-	(11,702)	-	-	**(16,139)**
Impairment reversal	-		-	-	-	-	
Net provisions for loan losses	**(67)**	**10,232**	**491**	**21,387**	**5,987**	**22,000**	**60,030**

NOTE 15 – PROVISION FOR CREDIT IMPAIRMENT (continued)

As of June 30, 2010	Loans and accounts receivable from clients						
	Due from Banks	Commercial loans	Mortgage loans	Consumer loans	Contingent loans	Additional	TOTAL
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Provisioning:							
Individual provisions	31	39,024	-	-	4,626	-	**43,681**
Collective provisions	-	30,559	7,865	56,320	271	8,303	**103,318**
Result from provisioning	**31**	**69,583**	**7,865**	**56,320**	**4,897**	**8,303**	**146,999**
Impairment charges:							
Individual impairment	-	-	-	-	-	-	-
Collective impairment	-	-	-	-	-	-	-
Result from impairment	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Release of provision:							
Individual provision	(2)	(4,228)			-	-	**(4,230)**
Collective provision	-	(13,193)	(6,106)	(21,352)	-	-	**(40,651)**
Result from release of provision	**(2)**	**(17,421)**	**(6,106)**	**(21,352)**	**-**	**-**	**(44,881)**
Recovery of written-off assets	-	(4,859)	-	(8,617)	-	-	**(13,476)**
Impairment reversal	-	-	-		-	-	-
Net provisions for loan losses	**29**	**47,303**	**1,759**	**26,351**	**4,897**	**8,303**	**88,642**

According to Management, the provisions constituted by credit risk and impairment include all possible losses that can be derived from the non-recovery of assets, according to the information defined by the Bank.

NOTE 16 – TRANSACTIONS WITH RELATED PARTIES

a) Loans with related parties

Loans and accounts receivable, contingent loans and assets from trading and investment instruments with related parties are presented as follows:

	June 30, 2011			December 31, 2010		
	Producing companies MCh$	Investment companies MCh$	Individuals MCh$	Producing companies MCh$	Investment companies MCh$	Individuals MCh$
Loans and accounts receivable						
Commercial loans	72,048	7,999	2,712	74,384	9,907	2,847
Mortgage loans	-	-	11,775	-	-	11,462
Consumer loans	-	-	1,878	-	-	2,029
Gross loans	**72,048**	**7,999**	**16,365**	**74,384**	**9,907**	**16,338**
Provisions for loan losses	(6,249)	(54)	(59)	(6,369)	(39)	(92)
Net loans	**65,799**	**7,945**	**16,306**	**68,015**	**9,868**	**16,246**
Contingent loans	2,995	-	-	2,296	-	-
Provisions for contingent loans	(71)	-	-	(50)	-	-
Net contingent loans	**2,924**	**-**	**-**	**2,246**	**-**	**-**
Instruments acquired						
For trading	-	-	-	-	-	-
For investment	38	-	-	272	-	-
Total instruments acquired	**38**	**-**	**-**	**272**	**-**	**-**

NOTE 16 – TRANSACTIONS WITH RELATED PARTIES (continued)

b) Other transactions with related parties

During the 2011 and 2010 periods the Bank entered into the following transactions with related parties:

			Effect on income	
Company	**Description**	**Transaction amount**	**Charge**	**Credit**
		MCh$	**MCh$**	**MCh$**
June 2011				
Bolsa de Comercio de Santiago	Terminal lease	22	22	-
BCI Seguros de Vida S,A,	Collecting service for clients' premiums payment and use of trademark rights.	4,617	32	2,907
BCI Seguros Generales S,A,	Contract of insurances for Bank's assets	1,371	965	342
Centro Automatizado S,A,	Clearing services	246	36	-
Compañía de Formularios Continuos Jordan (Chile) S,A,	Printing forms	1,449	181	-
Operadoras de Tarjetas de Crédito Nexus S,A,	Cards processing	2,248	328	-
Redbanc S,A,	ATM operation	2,352	347	45
Servipag S,A,	Collection and service payments	4,130	629	-
Transbank S,A,	Credit card management	2,903	412	1,809
Vigamil S,A,C,	Printing forms	90	19	-
Viña Morandé S,A,	Purchase of inputs	24	-	-
June 2010				
Artikos Chile S,A,	Procurement services	221	221	-
Bolsa de Comercio de Santiago	Terminal lease	23	23	-
BCI Seguros de Vida S,A,	Collecting service for clients' premiums payment and use of trademark rights.	4,831	-	2,375
BCI Seguros Generales S,A,	Contract of insurances for Bank's assets	2,888	865	169
Centro Automatizado S,A,	Clearing services	128	128	-
Compañía de Formularios Continuos Jordan (Chile) S,A,	Printing forms	910	910	-
Operadoras de Tarjetas de Crédito Nexus S,A,	Cards processing	1,821	1,821	-
Redbanc S,A,	ATM operation	965	965	-
Servipag S,A,	Collection and service payments	2,400	2,400	-
Transbank S,A,	Credit card management	11,754	2,628	9,126
Vigamil S,A,C,	Printing forms	15	15	-
Viña Morandé S,A,	Purchase of inputs	27	27	-

The conditions in which these transactions were performed were the same offered by the market at that time.

NOTE 16 – TRANSACTIONS WITH RELATED PARTIES (continued)

c) Other assets and liabilities with related parties

	June 30, 2011 MCh$	December 31, 2010 MCh$
ASSETS		
Derivative financial instruments		
Other assets		
LIABILITIES		
Derivative financial instruments		
Deposits payable on demand	42,529	31,204
Deposits and other time deposits	117,209	134,075
Other liabilities		

d) Results of operations with related parties

		As of June 30			
		2011		2010	
Type of income or expense recognized	Entity	Income MCh$	Expenses MCh$	Income MCh$	Expenses MCh$
Income and expenditure (net)	Various	3,458	(2,868)	3,222	(254)
Operating expenses	Business line support companies	5,103	(2,971)	11,670	(10,003)
Total		**8,561**	**(5,839)**	**14,892**	**(10,257)**

e) Payments to the Board of Directors and key management personnel

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

	As of June 30	
	2011 MCh$	2010 MCh$
Short-term benefits to employees (*)	2,226	2,292
Post-employment benefits		
Other long-term benefits		
Contract termination	871	929
Stock-based payment		
Total	**3,097**	**3,221**

(*) As of June 30, 2011, total expenses corresponding to the Board of Directors of the Bank and its subsidiaries amounted to MCH$ 1,201 (MCh$1,089 as of June 30, 2010).

NOTE 16 – TRANSACTIONS WITH RELATED PARTIES (continued)

f) Investments in related parties

The Bank has the following investments in related parties:

Company	Stake 2011 %	Stake 2010 %
Redbanc S,A,	12.71	12.71
Servipag Ltda,	50.00	50.00
Combanc S,A,	10.50	10.50
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,	1.81	1.77

g) Key personnel

As of June 30, 2011, key personnel of the Bank and its subsidiaries are analyzed as follows:

Position	N° of executives
Director	9
General Manager	10
Division and Area Managers	15
Total	**34**

h) Transactions with key personnel

As of June 30, 2011 and 2010, the Bank has carried out the following transactions with key personnel:

	As of June 30					
	2011			2010		
	Debt balance MCh$	Total income MCh$	Income received by key executives MCh$	Debt balance MCh$	Total income MCh$	Income received by key executives MCh$
Credit cards and other benefits	472	387,956	13	291	301,617	10
Mortgage loans	1,136	81,227	44	1,304	61,437	36
Guarantees	1,310	-	-	1,385	-	-
Total	**2,918**	**469,183**	**57**	**2,980**	**363,054**	**46**

NOTE 16 – TRANSACTIONS WITH RELATED PARTIES (continued)

Related contracts
As of June 30, 2011 the Bank presents the following related contracts:

N°	Related party	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 S.A.	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 every year
3	Compañía de Formularios Continuos Jordan (Chile) S,A,	Print services, preparation of checkbooks	Printing forms	The special printing services of basic listings printing, special forms, and valuables as checks are contracted.	Indefinite	Automatic renovation every 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 debit card in relation to the processing of the issuing role	Indefinite	Automatic renovation every 3 years.
5	Redbanc S,A,	Administration of ATMs, Redcompra and RBI operations	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 every 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 every 2 years.
8	Vigamil S,A,C,	Supplier of envelopes and forms	Printing forms	Occasional purchases	Does not apply	Does not apply
9	Viña Morandé S,A,	Not a regular supplier	Purchase of supplies	Occasional purchases	Does not apply	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 every 1 year.
11	BCI Seguros de Vida S,A,	Contract of insurances for clients	Insurance Premiums	Consists on contracting 1-year term insurances for the Bank's clients.	Annual	Annual contract
12	BCI Seguros Generales S,A,	Contract of insurances for Bank's assets	Insurance Premiums	Consists on contracting 1-year term insurances for the Bank's assets.	Annual	Annual contract

NOTE 17 – SUBSEQUENT EVENTS

On July 15, 2011 the Bank obtained financing for $2,000,000,000,00 Mexican pesos by placing a Straight Bond based on a Provisions agreement celebrated between Banco de Credito e Inversiones and HSBC Casa de Bolsa S.A. de C.V., HSBC Financial Group. The credit was granted on a three-year term with a TIIE (Interbank equilibrium interest rate) rate at 28 days +0.40% which reaches 4.8081%+0.40% as of July.

The issuance was under the cover of investments of Share Certificates for $8,000,000,000,00 Mexican pesos authorized by the Comision Nacional Bancaria y de Valores.

Fernando Vallejos Vásquez	Lionel Olavarría Leyton
Gerente de Contabilidad	Gerente General