



Condensed Consolidated Financial Statements

March 31, 2011 and 2010



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BANCO DE CREDITO E INVERSIONES, MIAMI BRANCH AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		March 31	December 31
	Notes	2011	2010
		MM\$	MM\$
ASSETS			
Cash and due from banks	5	911,335	1,047,633
Items in the course of collection from banks	5	365,500	306,023
Trading investments		679,295	849,155
Securities purchased under resale agreements		110,901	89,595
Derivative financial instruments		425,263	459,630
Interbank loans		89,139	101,106
Loans and accounts receivable with clients, net		9,683,662	9,291,070
Available for sale investments		789,557	497,532
Held-to-maturity investment securities		-	-
Investments in companies		53,718	52,037
Intangible assets		74,645	75,949
Premises and equipment	8	208,214	208,409
Tax receivable	10	-	-
Deferred income tax	10	40,286	34,886
Other assets		201,461	191,149
TOTAL ASSETS		13,632,976	13,204,174
LIABILITIES			
Deposits and other liabilities payable on demand		2,954,145	2,844,029
Items in the course of collection due to other banks	5	282,578	184,437
Securities sold under repurchase agreements		211,700	317,784
Saving accounts and time deposits		5,377,851	5,467,545
Derivative financial instruments		421,187	487,478
Interbank borrowings		1,534,176	1,221,601
Bonds payable	11	1,284,599	1,129,914
Other financial liabilities	11	108,448	111,596
Current Income taxes	10	37,587	31,052
Deferred income tax	10	37,228	34,109
Provisions	12	87,672	145,682
Other liabilities		211,241	189,781
TOTAL LIABILITIES		12,548,412	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	13,956	6,623
Retained earnings	14		
Earnings retained from previous periods		-	(5,188)
Earnings of the period		60,460	222,075
Less: provision for minimum dividends		(18,138)	(66,623)
TOTAL SHAREHOLDERS' EQUITY OF THE OWNERS OF THE PARENT		1,084,557	1,039,160
Non-Controlling Interest		7	6
TOTAL SHAREHOLDERS' EQUITY		1,084,564	1,039,166
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		13,632,976	13,204,174

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

BANCO DE CREDITO E INVERSIONES, MIAMI BRANCH AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME



	Notes	As of March 31,	
		2011 MM\$	2010 MM\$
Interest income		209,346	169,242
Interest expense		(77,915)	(52,805)
Net interest income		131,431	116,437
Fees and income from services		49,192	43,294
Fees and expenses from services		(10,542)	(9,248)
Net fee and comission income		38,650	34,046
Gain (loss) from financial operations, net		31,252	64,075
Foreign exchange (loss) gain, net		(10,896)	(39,431)
Other operating income		2,388	2,412
Operating revenues		192,825	177,539
Provisions for loan losses	15	(31,918)	(46,615)
OPERATING INCOME, NET OF PROVISIONS		160,907	130,924
Personnel salaries and expenses		(46,865)	(41,113)
Administrative expenses		(28,102)	(26,393)
Depreciation and amortization	9	(8,761)	(8,613)
Impairment	9	-	-
Other operating expenses		(5,276)	(3,036)
TOTAL OPERATING EXPENSES		(89,004)	(79,155)
NET OPERATING INCOME		71,903	51,769
Gain attributable to investments in other companies		1,600	2,012
Income before income tax		73,503	53,781
Income tax	10	(13,042)	(8,057)
Income from continuing operations		60,461	45,724
CONSOLIDATED NET INCOME FOR THE PERIOD		60,461	45,724
Attributable to:			
Owners of the parent		60,460	45,724
Non-Controlling Interest		1	-
		60,461	45,724
Earnings per share attributable to owners of the parent:			
Basic earnings per share	14	\$ 586	\$ 451

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



	As of March 31,	
	2011	2010
	MM\$	MM\$
CONSOLIDATED NET INCOME FOR THE PERIOD	60,461	45,724
Other comprehensive income		
Cumulative translation adjustment	(481)	(8,943)
Net unrealized gains on available for sale investments	196	(15,517)
Net change in cash flow hedges	8,217	9,121
Income tax related with other comprehensive income	(599)	282
Total other comprehensive income	7,333	(15,057)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	67,794	30,667
Attributable to:		
Owners of the parent	67,793	30,667
Non-Controlling Interest	1	-
	67,794	30,667

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)	-	-	-
Other	-	-	-	-	-	-	4,905	-	-	4,905	4,905	-	4,905
Dividend payment 2009	-	-	-	-	-	-	(2,464)	-	-	(2,464)	(2,464)	-	(2,464)
Other comprehensive results	-	-	11,329	(17,443)	(8,943)	(15,057)	-	-	-	-	(15,057)	-	(15,057)
Income for the 2010 period	-	-	-	-	-	-	-	45,724	-	45,724	45,724	-	45,724
Minimum dividend provision 2010	-	-	-	-	-	-	-	-	(13,717)	(13,717)	(13,717)	-	(13,717)
As of March 31, 2010	882,273	-	6,679	(5,988)	(4,333)	(3,642)	4,905	45,724	(13,717)	36,912	915,543	1	915,544
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)	-	-	-
Dividend payment 2010	-	-	-	-	-	-	(5,552)	-	-	(5,552)	(5,552)	-	(5,552)
Other comprehensive results	-	1,294	1,248	6,566	(481)	7,333	-	-	-	-	8,627	-	8,627
Income for the 2011 period	-	-	-	-	-	-	-	60,460	-	60,460	60,460	1	60,461
Minimum dividend provision 2011	-	-	-	-	-	-	-	-	(18,138)	(18,138)	(18,138)	-	(18,138)
As of March 31, 2011	1,026,985	1,294	6,570	9,425	(2,039)	13,956	-	60,460	(18,138)	42,322	1,084,557	7	1,084,564

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 CASH FLOW



	As of March 31,	
	2011	2010
	MM\$	MM\$
CONSOLIDATED INCOME FOR THE PERIOD	60,461	45,724
Charges (credits) to income not representing cash movement:		
Depreciation and amortization	8,761	8,613
Provisions for loan losses	31,918	46,615
Adjustments for financial investments at fair value	(1,426)	(12,816)
Net gain attributable to investment in companies	(1,600)	(2,012)
Net gain on sale of foreclosed assets	(232)	208
(Gain) loss on sale of premises and equipment	(4)	382
Write-off of foreclosed assets	1,700	566
Other charges (credits) not representing cash movement	27,727	(12,588)
Net change in interest, indexation & fees accrued on assets and liabilities	(17,281)	23,093
Changes in assets and liabilities affecting operating cash flows:		
(Increase) Net decrease in interbank loans	11,998	25,977
(Increase) Net decrease in loans and accounts receivable from customers	(411,313)	(292,448)
(Increase) Net decrease in trading and available for sale investments	(25,466)	52,083
Increase (decrease) in deposits and other liabilities payable on demand	110,119	22,495
Increase (decrease) in repurchase and resale agreements of securities	(106,615)	(144,660)
Increase (decrease) in saving accounts and time deposits	(98,478)	(270,933)
Increase (decrease) in interbank borrowings	25,139	62,807
Increase (decrease) in other financial obligations	(2,957)	(12,644)
Loans received from Central Bank of Chile (long term)	44	1,138,257
Repayment of loans received from Banco Central de Chile (long term)	(38)	(1,234,293)
Loans received from abroad at long term	2,985,208	765,615
Repayment of loans received from abroad at long term	(2,697,638)	(726,025)
Total cash flows used in by operating activities	(99,973)	(515,984)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of premises and equipment	(16,047)	(8,125)
Sale of premises and equipment	481	22
Dividends received from investments	16	65
Proceeds from sale of foreclosed assets	543	347
(Gain) net loss of other assets and liabilities	(44,058)	25,836
Total cash flows provided by investing activities	(59,065)	18,145
CASH FLOWS FROM FINANCING ACTIVITIES		
Redemption of mortgage funding notes	(16,976)	(5,394)
Bonds issued	158,142	18,314
Redemption of bonds	(513)	(85,705)
Dividends paid	(72,174)	(50,695)
Total cash flows provided by (used in) financing activities	68,479	(123,480)
CHANGE IN CASH AND DUE FROM BANKS DURING THE PERIOD	(90,559)	(621,319)
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	1,189,728	687,772

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

BANCO DE CRÉDITO E INVERSIONES, MIAMI BRANCH AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED 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 March 31, 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 March 31, 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:

<u>Company</u>	Stake			
	Direct		Indirect	
	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 vehicle 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 Superintendency of Banks and Financial Institutions (SBIF), the regulatory authority which in accordance with Article 15 of the General Banking Law establishes that banks should follow the accounting criteria established by the SBIF and in all matters not covered by these and where not contrary to its instructions, should apply 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 quarter 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 quarter 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.

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 conformed 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.

Impaired Portfolio

The 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 restructuring 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 Impaired 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 (%)
Impaired 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. As instructed by the Superintendencia de Bancos e Instituciones Financieras, these effects have been reclassified to the corresponding provision lines.

NOTE 2 – FUTURE ACCOUNTING CHANGES

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

New regulations issued or modified by the IASB with mandatory application as of 2011:

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 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 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.

NOTE 3 – RELEVANT FACTS

a) Dividend distributions 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 MM\$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 MM\$72,174.
- Of the remaining balance of the period, MM\$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's meeting approved, among other matters, a capital stock increase amounting to MM\$144,712 by means of capitalization of reserves coming from income.

- 1) Capitalizing, without issuance of shares, the amount of MM\$ 105,849 and

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- 2) Capitalizing a total amount of MM\$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 MM\$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 MM\$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.

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.

d) Changes in 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.

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).

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NOTE 4 – OPERATING SEGMENTS (continued)

a) Operating Income

	March 31, 2011				
ACCUMULATED MARCH 2011 NEW STRUCTURE	Corporate Banking	Retail Banking	Finance and Investment	Subsidiaries	Consolidated
	MM\$	MM\$	MM\$	MM\$	MM\$
Net interest income	42,694	55,686	29,360	3,691	131,431
Net fee income	5,481	16,034	1,436	15,699	38,650
Other operating income	395	429	13,369	8,551	22,744
Operating income	48,570	72,149	44,165	27,941	192,825
Provisions for loan losses	(8,286)	(16,248)	(847)	(6,537)	(31,918)
Operating income, net of provisions	40,284	55,901	43,318	21,404	160,907
Total operating expenses	(17,465)	(46,023)	(6,925)	(11,994)	(82,407)
NET OPERATING INCOME	22,819	9,878	36,393	9,410	78,500
Other operating expenses	-	-	-	-	(6,597)
Gain attributable to investments in Companies	-	-	-	-	1,600
Income before income tax	-	-	-	-	73,503
Income taxes	-	-	-	-	(13,042)
CONSOLIDATED NET INCOME FOR PERIOD	-	-	-	-	60,461

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

	March 31, 2011				
ACCUMULATED MARCH 2011	Corporate Banking	Retail Banking	Finance and Investment	Subsidiaries	Consolidated
	MM\$	MM\$	MM\$	MM\$	MM\$
ASSETS	4,541,049	4,034,940	4,789,268	267,719	13,632,976
LIABILITIES	4,518,230	4,025,062	4,752,875	258,309	13,554,476
NET INCOME	22,819	9,878	36,393	9,410	78,500

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NOTE 4 – OPERATING SEGMENT (continued)

c) Operating Income

ACCUMULATED MARCH 2010	March 31, 2010				
	Corporate Banking	Retail Banking	Finance and Investment	Subsidiaries	Consolidated
	MM\$	MM\$	MM\$	MM\$	MM\$
Net interest income	32,693	46,526	37,185	33	116,437
Net fee income	5,332	12,773	2,242	13,699	34,046
Other operating income	(770)	411	13,685	13,730	27,056
Operating income	37,255	59,710	53,112	27,462	177,539
Provisions for loan losses	(28,366)	(16,397)	(1,253)	(599)	(46,615)
Operating income, net of provisions	8,889	43,313	51,859	26,863	130,924
Total operating expenses	(14,050)	(41,145)	(7,224)	(9,760)	(72,179)
NET OPERATING INCOME	(5,161)	2,168	44,635	17,103	58,745
Other operating expenses	-	-	-	-	(6,976)
Gain attributable to investments in Companies	-	-	-	-	2,012
Income before income tax	-	-	-	-	53,781
Income tax	-	-	-	-	(8,057)
CONSOLIDATED NET INCOME FOR PERIOD	-	-	-	-	45,724

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 MARCH 2010	March 31, 2010				
	Corporate Banking	Retail Banking	Finance and Investment	Subsidiaries	Consolidated
	MM\$	MM\$	MM\$	MM\$	MM\$
ASSETS	4,082,905	3,726,404	4,626,934	221,166	12,657,409
LIABILITIES	4,088,066	3,724,236	4,582,299	204,063	12,598,664
NET INCOME	(5,161)	2,168	44,635	17,103	58,745

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 March 31	
	2011	2010
	MM\$	MM\$
Cash and due from banks		
Cash	293,021	225,539
Deposits with Central Bank of Chile	336,011	73,077
Deposits with domestic banks	12,456	3,789
Foreign deposits	269,847	111,659
Sub total – Cash and due from banks	<u>911,335</u>	<u>414,064</u>
Items in the course of collection from banks	82,922	124,677
Highly-liquid financial instruments	84,570	12,141
Securities purchased under resale agreements	110,901	136,890
Total cash and due from banks	<u>1,189,728</u>	<u>687,772</u>

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 March 31	
	2011	2010
	MM\$	MM\$
Assets		
Due from banks (interbank)	94,003	136,629
Funds receivable	<u>271,497</u>	<u>230,777</u>
Subtotal assets	<u>365,500</u>	<u>367,406</u>
Liabilities		
Funds payable	<u>282,578</u>	<u>242,729</u>
Subtotal liabilities	<u>282,578</u>	<u>242,729</u>
Items in the course of collection from banks, net	<u>82,922</u>	<u>124,677</u>

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 - SEASONALITY

Derived from the line of its business, the Bank was not affected by seasonality in its earnings.

NOTE 7 – BUSINESS COMBINATIONS OR CHANGES IN THE COMPANY’S STRUCTURE

As of March 31, 2011 no changes in the composition of the company nor 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 fixed assets are as follows:

	Land & buildings ChM\$	Equipment ChM\$	Others ChM\$	Total ChM\$
2011				
Balance as of January 1, 2011	179,904	93,359	43,716	316,979
Additions	8,383	4,969	2,695	16,047
Disposals	(231)	(250)	(27)	(508)
Transfers	(7,063)	(1,204)	(2,703)	(10,970)
Gross balance as of March 31, 2011	180,993	96,874	43,681	321,548
Accumulated depreciation (Total)	(24,029)	(68,874)	(20,431)	(113,334)
Bank Premises and Equipment Balance at March 31, 2011	156,964	28,000	23,250	208,214
	Land & buildings ChM\$	Equipment ChM\$	Others ChM\$	Total ChM\$
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 at 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 MM\$1,810. The recoveries obtained from insurance companies amounted to MM\$941.

NOTE 8 - PREMISES AND EQUIPMENT (continued)

- b) As of March 31, 2011 and December 31, 2010 the Bank has no operative leasing contracts.
- c) As of March 31, 2011 and December 31, 2010 the Bank has financial leasing contracts that cannot be terminated unilaterally. Future payments are detailed as follows:

	<u>Future payments under financial leases</u>			
	<u>Up to 1 year</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
	<u>MM\$</u>	<u>MM\$</u>	<u>MM\$</u>	<u>MM\$</u>
As of March 31, 2011	176	743	16	935
As of December 31, 2010	174	778	36	988

The balances of premises and equipment subject to financial leases as of March 31, 2011 amounted to ChM\$ 1,682 (ChM\$ 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:

	<u>As of March 31,</u>	
	<u>2011</u>	<u>2010</u>
	<u>MM\$</u>	<u>MM\$</u>
Depreciation and amortization		
Depreciation of fixed assets	4,795	4,835
Amortization of intangible assets	3,966	3,778
Total	<u>8,761</u>	<u>8,613</u>

- b) As of March 31, 2011 and 2010, the Bank and its subsidiaries show no evidence of impairment.

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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 March 31, 2011 and as of December 31, 2010 is as follows:

	Depreciation, amortization and impairment							
	As of March 31, 2011				As of December 31, 2010			
	Premises and equipment	Intangible	Investment Instruments	Total	Premises and equipment	Intangible	Investment Instruments	Total
Balance as of January 1	108,570	42,627	-	151,197	100,017	29,493	-	129,510
Charges for depreciation, amortization	4,795	3,966	-	8,761	19,382	17,334	-	36,716
Impairment of the period	-	-	-	-	1,810	-	-	1,810
Retirements and sales of the period	(31)	-	-	(31)	(12,639)	(4,200)	-	(16,839)
Balance as of March 31	113,334	46,593		159,927	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 MM\$37,587 as of March 31 2011 (liabilities for MM\$31,052 as of December 31, 2010). Said provision is presented net of collectible taxes, as detailed below:

	As of March 31,	As of December 31,
	2011	2010
	MM\$	MM\$
Income tax (tax rate 20% and 17%)	65,113	54,418
Unique income tax Provision, rate 35%	226	219
Less:		
Monthly provisional income tax payments (PPM)	(19,599)	(18,046)
Credit for training expenses	(1,074)	(915)
Credit for acquisition of premises and equipment	(31)	(24)
Credit for donations	(1,168)	(881)
Collectible income tax	(5,180)	(3,081)
Other collectible taxes and withholdings	(700)	(638)
Total	37,587	31,052

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 - CURRENT AND DEFERRED INCOME TAX (continued)

(b) Income tax

The effect of the tributary cost during the periods between January 1 and March 31, 2011 and 2010, is composed by the following concepts:

	As of March 31	
	2011	2010
	MM\$	MM\$
Income tax charge:		
Current income tax	(16,371)	(12,138)
	(16,371)	(12,138)
Credit (Charge) for deferred taxes:		
Origination & reversal of timing differences	2,414	4,092
Rate change of first-category income tax	937	-
	3,351	4,092
Subtotal	(13,020)	(8,046)
Disallowed expenses tax Article 21	(22)	(11)
Other	-	-
Net credit (charge) to income statement from income tax	(13,042)	(8,057)

(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 March 31, 2011		As of March 31, 2010	
	Tax rate	Amount	Tax rate	Amount
	%	MM\$	%	MM\$
Pre-tax income		73,503		53,781
Applicable tax rate	20.00		17.00	
Statutory income tax rate		14,700		9,143
Tax effect of non-deductible expenses in calculation of taxable income				
Permanent differences	(1.26)	(925)	(1.1)	(591)
Unique tax (disallowed expenses)	0.03	22		2
Non-deductible expenses (financial and non-tax expenses)	(1.27)	(937)		
Income attributable to investments in companies	0.31	228	(0.07)	(36)
Effect of taxes not recognized in the FFSS by IFRS	(0.07)	(46)	(0.85)	(461)
Others				
Effective rate & income tax charge	17.74	13,042	14.98	8,057

The effective income tax rate for 2011 and 2010 is 17.74 % y 14.98% respectively.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 March 31, 2011 and December 31, 2010 is composed by the following concepts:

	31.03.2011	31.12.2010	Effect 2011 Period
	MM\$	MM\$	
Financial investments available for sale	(635)	(1,687)	1,052
Investments for cash flow hedges	(2,356)	(705)	(1,651)
Effect of deferred tax on shareholders' equity	(2,991)	(2,392)	(599)

(e) Effect of deferred taxes on results

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

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

	As of March 31 2011			As of December 31 2010		
	Assets	Liabilities	Net	Assets	Liabilities	Net
	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$
Concepts:						
Provisions for loan losses	30,095		30,095	26,822		26,822
Provision for staff vacations & bonuses	2,295		2,295	3,838		3,838
Securities trading		(4,885)	(4,885)		(1,228)	(1,228)
Derivate contract operations	3,858		3,858			
Others	4,038		4,038	4,226		4,226
PPE		(14,007)	(14,007)		(13,732)	(13,732)
Transitory assets		(9,292)	(9,292)		(9,598)	(9,598)
Subordinated bonds		(4,339)	(4,339)		(4,318)	(4,318)
Leasing operations (net)		(1,315)	(1,315)		(66)	(66)
Derivate contract operations					(57)	(57)
Others		(399)	(399)		(2,718)	(2,718)
Total net assets (liabilities)	40,286	(34,237)	6,049	34,886	(31,717)	3,169
Net effect by deferred tax assets	40,286	(37,228)	3,058	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

Loans and accounts receivable with clients as of 31.03.2011	Assets at Financial Statement value	Assets at tax value		
		Total	Matured portfolio With collateral	Matured portfolio Without collateral
	MM\$	MM\$	MM\$	MM\$
Commercial Loans	5,711,225	5,711,126	56,076	87,965
Consumer Loans	1,215,901	1,211,551	9,997	80,464
Mortgage loans for housing	1,956,558	1,953,161	32,836	682

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
	MM\$	MM\$	MM\$	MM\$
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 31.03.2011
	MM\$	MM\$	MM\$	MM\$	MM\$
Commercial loans	89,533	-	24,721	(15,048)	99,206
Consumer loans	71,838	-	25,915	(15,722)	82,031
Mortgage loans for housing	3,447	-	1,146	(1,025)	3,568

Provisions on matured portfolio	Balance as of 01.01.2010	Write-offs on Provisions	Constituted Provisions	Released Provisions	Balance as of 31.12.2010
	MM\$	MM\$	MM\$	MM\$	MM\$
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 31.03.2011	MM\$	D. Application of Art.31 N°4 subsections one and three	MM\$
Direct write-offs Art.31 N°4 subsection two	18,935	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 31.03.2010	MM\$	D. Application of Art.31 N°4 subsections one and three	MM\$
Direct write-offs Art.31 N°4 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	-		

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NOTE 11 – DEBT INSTRUMENTS ISSUED AND OTHER FINANCIAL OBLIGATIONS

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

	As of March 31, 2011	As December 31, 2010
	MM\$	MM\$
Other financial obligations:		
Obligations with public sector	79,830	79,720
Other obligations in Chile	26,433	29,472
Obligations abroad	2,185	2,404
Total	108,448	111,596
Debt instruments issued:		
Mortgage-funding notes	121,298	142,336
Current Bonds	532,347	493,735
Subordinated bonds	630,954	493,843
Total	1,284,599	1,129,914



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

The detail as of March 31, 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 Stated in UF	Balance due Stated in MM\$
SERIE_V	5,000,000	5,000,000	01/06/2007	01/06/2012	3.47%	5,007,970	108,063
SERIE_X	5,000,000	5,000,000	01/06/2007	01/06/2017	3.80%	4,821,256	104,034
SERIE_AA	10,000,000	10,000,000	01/07/2008	01/07/2014	3.79%	8,810,657	190,119
SERIE_AB	10,000,000	7,850,000	01/07/2008	01/07/2018	3.70%	6,030,643	130,131
Subtotal	30,000,000	27,850,000				24,670,526	532,347
SUBORDINATED BONDS							
Series	UF Issued	UF Placed	Issuance Date	Maturity Date	Average Interest Rate	Balance due Stated in UF	Balance due Stated in MM\$
SERIE_AD 1	4,000,000	4,000,000	01/06/2010	01/06/2040	4.17%	3,512,290	75,789
SERIE_AD 2	3,000,000	3,000,000	01/06/2010	01/06/2042	4.10%	2,628,242	56,713
SERIE_C and D	2,000,000	2,000,000	01/12/1995	01/12/2016	6.92%	984,254	21,238
SERIE_E	1,500,000	1,500,000	01/11/1997	01/11/2018	7.36%	932,844	20,129
SERIE_F	1,200,000	1,200,000	01/05/1999	01/05/2024	7.75%	902,093	19,466
SERIE_G	400,000	400,000	01/05/1999	01/05/2025	7.95%	309,851	6,686
SERIE_L	1,200,000	1,200,000	01/10/2001	01/10/2026	6.38%	1,035,968	22,354
SERIE_M	1,800,000	1,800,000	01/10/2001	01/10/2027	6.45%	1,567,858	33,832
SERIE_N	1,500,000	1,500,000	01/06/2004	01/06/2029	5.17%	1,379,396	29,765
SERIE_O	1,500,000	1,500,000	01/06/2004	01/06/2030	3.99%	1,365,864	29,473
SERIE_R	1,500,000	1,500,000	01/06/2005	01/06/2038	4.70%	550,865	11,887
SERIE_S	2,000,000	2,000,000	01/12/2005	01/12/2030	4.86%	1,811,906	39,098
SERIE_T	2,000,000	2,000,000	01/12/2005	01/12/2031	4.44%	1,872,370	40,402
SERIE_U	2,000,000	2,000,000	01/06/2007	01/06/2032	4.21%	1,859,899	40,133
SERIE_W	4,000,000	4,000,000	01/06/2008	01/06/2036	4.05%	1,471,715	31,757
SERIE_Y	4,000,000	4,000,000	01/12/2007	01/12/2030	4.25%	1,763,106	38,045
SERIE_AC	6,000,000	6,000,000	01/03/2010	01/03/2040	4.04%	5,291,729	114,187
Subtotal	39,600,000	39,600,000				29,240,250	630,954
TOTAL	69,600,000	67,450,000				53,910,776	1,163,301

BANCO DE CREDITO E INVERSIONES, MIAMI BRANCH AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 – PROVISIONS

a) The composition of this heading is as follows:

	As of March 31, 2011	As of December 31, 2010
	MM\$	MM\$
Provisions for staff benefits and remuneration	8,766	17,844
Provisions for minimum dividends	18,138	66,623
Provisions for contingent credit risks	16,724	13,563
Provisions for contingencies	43,111	46,770
Provisions for country risk	933	882
Total	87,672	145,682

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

PROVISIONS FOR					
	Staff benefits & remuneration	Minimum dividends	Contingent credit risk	Contingencies	Country risk
	MM\$	MM\$	MM\$	MM\$	MM\$
Balances as of January 1, 2010	15,215	48,232	4,800	23,891	885
Allocated Provisions	14,936	66,623	233	31,409	6
Cancellation of provisions	(12,307)	(48,232)	-	-	-
Release of provisions	-	-	-	-	(9)
Other movements (*)	-	-	8,530	(8,530)	-
Balances as of December 31, 2010	17,844	66,623	13,563	46,770	882
Balances as of January 1, 2011	17,844	66,623	13,746	46,770	882
Allocated Provisions	6,848	18,138	3,830	1,557	66
Cancellation of provisions	(15,926)	(66,623)	(852)	(5,216)	-
Release of provision	-	-	-	-	(15)
Other movements	-	-	-	-	-
Balances as of March 31, 2011	8,766	18,138	16,724	43,111	933

(*) 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.

BANCO DE CREDITO E INVERSIONES, MIAMI BRANCH AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 - PROVISIONS (continued)

c) Provisions for staff benefits and remuneration

	March 31, 2011 MM\$	December 31, 2010 MM\$
Provision for other staff benefits	4,203	11,111
Provision for vacations	4,563	6,733
Others	-	-
Total	8,766	17,844

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

NOTE 13 – COMMITMENTS AND CONTINGENCIES

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:

	March 31 2011 MM\$	December 31 2010 MM\$
CONTINGENT CREDITS		
Guarantees		
Guarantees in Chilean currency	-	-
Guarantees in foreign currency	179,175	197,602
Confirmed foreign letters of credit	5,778	35,352
Documentary letters of credit issued	113,624	72,773
Performance bonds		
Performance bonds in Chilean currency	527,757	524,102
Performance bonds in foreign currency	99,505	90,539
Interbank letters of guarantee	-	-
Immediately available lines of credit	2,040,651	1,895,360
Other credit commitments		
Loans for higher education Law 20,027	64,390	64,952
Others	173,621	185,204
Other contingent credits	-	-
OPERATIONS ON BEHALF OF THIRD PARTIES		
Collections		
Foreign collections	89,641	86,504
Domestic collections	106,674	99,018
SECURITIES IN CUSTODY		
Securities held by the Bank in custody	499,925	494,961
Total	3,900,741	3,746,367

NOTE 13 – COMMITMENTS AND CONTINGENCIES (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 March 31, 2011 BCI Corredor de Bolsa S.A. has guaranteed commitments for Stock repos on Bolsa de Comercio de Santiago, Bolsa de Valores, amounting to MM\$ 83,414.

As of March 31, 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 MM\$ 1,664.

As of March 31, 2011 BCI Corredor de Bolsa S.A. has given guarantees for correct compliance of operations settlement on account of third parties for MM\$53.

As of March 31, 2011 BCI Corredor de Bolsa S.A. has granted guarantees abroad for international market transactions amounting to MM\$48.

As of March 31, 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 MM\$ 7, 190.

As of March 31, 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° 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 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 March 31, 2011 BCI Factoring S.A has approved credit lines for operators of Factor Chain International for US\$22 million, of which US\$3 million have been used already.

- **Guarantees for operations**

As of March 31, 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 August 19, 2010 N°027051 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 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.

BANCO DE CREDITO E INVERSIONES, MIAMI BRANCH AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13 – COMMITMENTS AND CONTINGENCIES (continued)

Likewise, in order to comply with the required by Title IV of the Circular 1790, the mutual funds defined as structured guaranteed, shall always have a guarantee granted by a third party that is independent from the managing society.

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 March 31, 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 N° 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:

	March 31 2011 MM\$	December 31 2010 MM\$
Guarantees	179,175	197,602
Documentary letters of credit	113,624	72,773
Bid Bonds	627,262	614,641
Amounts available to credit-card holders	982,759	943,165
Allocated Provisions	(16,724)	(5,033)
Total	1,886,096	1,823,148

BANCO DE CREDITO E INVERSIONES, MIAMI BRANCH AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14 – STOCKHOLDERS’S 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 Number	2010 Number	2011 Number	2010 Number	2011 Number	2010 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.

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

March 31, 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.	2,353,048	2.28
Inversiones Jordán Dos S.A.	2,059,605	2.00
AFP Habitat S.A.	1,919,136	1.86
AFP Cuprum S.A.	1,899,580	1.84
Banco de Chile (third parties)	1,546,912	1.50
Banco Itau (investors)	1,541,250	1.49
Tarascona Corporation	1,519,085	1.47
AFP Capital S.A.	1,473,300	1.43
Bci Corredor de Bolsa S.A. (third parties)	1,328,689	1.29
Inversiones Millaray S.A.	1,233,021	1.20
Inmobiliaria e Inversiones Cerro Sombrero S.A.	1,131,277	1.10
Luís Enrique Yarur Rey	1,007,126	0.98
Celfin Capital S.A. Corredores de Bolsa	975,164	0.95
Banco Santander (foreign investors)	890,029	0.86
Banchile Corredores de Bolsa S.A.	746,770	0.72
Larraín Vial S.A. Corredores de Bolsa	680,414	0.66
Inmobiliaria y Comercial Recoleta Sur Ltda.	610,202	0.59
Modesto Collados Núñez	595,958	0.58
Santander S.A. Corredores de Bolsa	553,965	0.54
Inversiones VYR Ltda.	548,719	0.53
Corpbanca Corredores de Bolsa S.A.	489,710	0.47
Other shareholders	11,035,106	10.71
Total	103,106,155	100.00

BANCO DE CREDITO E INVERSIONES, MIAMI BRANCH AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 March 31, 2011 and 2010, the following dividends were declared and paid by the Bank:

	As of March 31	
	2011	2010
	\$	\$
Dividends per common share	700	500

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

	As of March 31	
	2011	2010
	\$	\$
Basic earnings per share	586	451
Diluted earnings per share	586	451

NOTE 14 – STOCKHOLDERS'S EQUITY (continued)

e) Net exchange differences

As of March 31, 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:

	MM\$
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	(481)
Final balance as of March 31, 2011	(2,039)

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 March 31, 2011 is equivalent to the net amount that must be shown in the financial statements as Stakeholders'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 stockholders' 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.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14 – STOCKHOLDERS'S 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 of 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	
	March 2011 MM\$	December 2010 MM\$	March 2011 MM\$	December 2010 MM\$
Balance sheet assets (net of provisions)				
Cash and due from banks	911,335	1,047,633	-	-
Items in the course of collection from banks	365,500	306,023	156,997	82,016
Trading investments	679,295	849,155	116,703	172,141
Securities purchased under resale agreements	110,901	89,595	110,901	89,595
Derivative instruments	425,263	459,630	286,519	322,338
Interbank loans	89,139	101,106	89,139	101,106
Loans and accounts receivable from clients	9,683,662	9,291,070	8,866,777	8,528,993
Available-for-sale investment securities	789,557	497,532	306,309	263,760
Held-to-maturity investment securities	-	-	-	-
Investments in other companies	53,718	52,037	53,718	58,886
Intangibles assets	74,645	75,949	70,756	71,673
Premises and equipment	208,214	208,409	208,214	208,409
Income taxes	28,933	23,915	9,340	6,655
Deferred taxes	40,286	34,886	4,029	3,489
Other assets	201,461	191,149	201,461	141,445
Off-balance sheet assets				
Contingent loans	1,703,566	1,664,130	1,022,140	998,478
Additions and Deductions	16,098	(8,413)	-	-
Total risk-weighted assets	15,381,573	14,883,806	11,503,003	11,048,984

	Amount		Ratio	
	March 2011 MM\$	December 2010 MM\$	March 2011 %	December 2010 %
Base capital	1,084,557	1,039,166	7.05	6.98
Effective shareholder's equity	1,655,729	1,500,522	14.39	13.58



NOTE 15 – PROVISION FOR CREDIT IMPAIRMENT

Changes recognized as of March 31, 2011 and 2010 on the income statements due to provisions and impairments are explained as follows:

As of March 31, 2011	Loans and accounts receivable from clients						TOTAL
	Due from banks	Commercial Loans	Mortgage Loans	Consumer Loans	Contingent Loans	Additional	
	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$
Provisioning:							-
Individual provisions	-	4,417	-	-	2,581	-	6,998
Collective provisions	-	9,376	353	19,502	1,249	6,000	36,480
Result from provisioning	-	13,793	353	19,502	3,830	6,000	43,478
Impairment charges:							-
Individual impairment	-	-	-	-	-	-	-
Collective impairment	-	-	-	-	-	-	-
Result from impairment	-	-	-	-	-	-	-
Release of provision:							-
Individual provision	(32)	(16)	-	-	(727)	-	(775)
Collective provision	-	(3,405)	-	(666)	(125)	-	(4,196)
Result from release of provision	(32)	(3,421)	-	(666)	(852)	-	(4,971)
Recovery of written-off assets	-	(1,556)	-	(5,033)	-	-	(6,589)
Impairment reversal	-	-	-	-	-	-	-
Net provisions for loan losses	(32)	8,816	353	13,803	2,978	6,000	31,918



NOTE 15 – PROVISION FOR CREDIT IMPAIRMENT (continued)

As of March 31, 2010	Loans and accounts receivable from clients						TOTAL
	Due from banks	Commercial Loans	Mortgage Loans	Consumer Loans	Contingent Loans	Additional	
	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$
Provisioning:							
Individual provisions	-	13,224	-	-	4,740	-	17,964
Collective provisions	-	14,133	6,496	36,367	287	11,288	68,571
Result from provisioning	-	27,357	6,496	36,367	5,027	11,288	86,535
Impairment charges:							
Individual impairment	-	-	-	-	-	-	-
Collective impairment	-	-	-	-	-	-	-
Result from impairment	-	-	-	-	-	-	-
Release of provision:							
Individual provision	(31)	(3,067)	-	-	-	-	(3,098)
Collective provision	-	(5,148)	(5,240)	(20,282)	-	-	(30,670)
Result from release of provision	(31)	(8,215)	(5,240)	(20,282)	-	-	(33,768)
Recovery of written-off assets	-	(2,679)	-	(3,473)	-	-	(6,152)
Impairment reversal	-	-	-	-	-	-	-
Net provisions for loan losses	(31)	16,463	1,256	12,612	5,027	11,288	46,615

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.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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:

	March 31, 2011			December 31, 2010		
	Producing Companies MM\$	Investment Companies MM\$	Individuals MM\$	Producing Companies MM\$	Investment Companies MM\$	Individuals MM\$
Loans and accounts receivable						
Commercial loans	74,820	10,474	2,598	74,384	9,907	2,847
Mortgage loans	-	-	11,386	-	-	11,462
Consumer loans	-	-	2,186	-	-	2,029
Gross loans	74,820	10,474	16,170	74,384	9,907	16,338
Provisions for loan losses	(6,480)	(89)	(56)	(6,369)	(39)	(92)
Net loans	68,340	10,385	16,114	68,015	9,868	16,246
Contingent loans	2,541	-	-	2,296	-	-
Provisions for contingent loans	(95)	-	-	(50)	-	-
Net contingent loans	2,446	-	-	2,246	-	-
Instruments acquired						
For trading	-	-	-	-	-	-
For investment	253	-	-	272	-	-
Total instruments acquired	253	-	-	272	-	-

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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 with related parties:

Company	Description	Transaction	Effect	
		amount	on income	
			Charge	Credit
		MM\$	MM\$	MM\$
March 2011				
Bolsa de Comercio de Santiago	Terminal lease	19	19	
BCI seguros de Vida S.A	Collecting service for clients' premiums payment and use of trademark rights.	2,481	22	1,459
BCI Seguros Generales S.A.	Contract of insurances for Bank's assets	435	435	-
Centro Automatizado S.A.	Clearing services	109	109	-
Compañía de Formularios Continuos Jordan (Chile) S.A.	Printing forms	837	837	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Cards processing	1,080	1,080	-
Redbanc S.A.	ATM operation	669	669	-
Servipag S.A.	Collection and service payments	1,738	1,738	-
Transbank S.A.	Credit card management	6,659	1,225	5,434
Vigamil S.A.C.	Printing forms	17	17	-
Viña Morandé S.A.	Purchase of inputs	9	9	-
March 2010				
Artikos Chile S.A.	Procurement services	112	112	-
Bolsa de Comercio de Santiago	Terminal lease	7	7	-
BCI seguros de Vida S.A	Contract of insurance for clients	3,231	-	1,031
BCI Seguros Generales S.A.	Contract of insurance for Bank's assets	2,241	418	-
Centro Automatizado S.A.	Clearing services	31	31	-
Compañía de Formularios Continuos Jordan (Chile) S.A.	Printing forms	645	645	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Card processing	767	767	-
Redbanc S.A.	ATM operation	248	248	-
Servipag S.A.	Collection and service payments	999	999	-
Transbank S.A.	Credit card management	5,770	1,216	4,554
Vigamil S.A.C.	Printing forms	-	-	-
Viña Morandé S.A.	Purchase of inputs	4	4	-

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

BANCO DE CREDITO E INVERSIONES, MIAMI BRANCH AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16 - TRANSACTIONS WITH RELATED PARTIES (continued)

c) Other assets and liabilities with related parties

	<u>March 31</u>	<u>December 31</u>
	<u>2011</u>	<u>2010</u>
	<u>MM\$</u>	<u>MM\$</u>
ASSETS		
Derivative financial instruments	-	-
Other assets	-	-
LIABILITIES		
Derivative financial instruments	-	-
Deposits payable on demand	51,371	31,204
Deposits and other time deposits	153,299	134,075
Other liabilities	-	-

d) Result of operations with related parties

		<u>As of March 31</u>			
		<u>2011</u>		<u>2010</u>	
<u>Type of income or expense recognized</u>	<u>Entity</u>	<u>Income</u>	<u>Expenses</u>	<u>Income</u>	<u>Expenses</u>
		<u>MM\$</u>	<u>MM\$</u>	<u>MM\$</u>	<u>MM\$</u>
Income and expenditure (net)	Various	1,598	(1,202)	1,412	(94)
	Business line				
	Support				
Operating Expenses	Companies	6,893	(6,160)	5,585	(4,447)
Total		<u>8,491</u>	<u>(7,362)</u>	<u>6,997</u>	<u>(4,541)</u>

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

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

	<u>As of March 31</u>	
	<u>2011</u>	<u>2010</u>
	<u>MM\$</u>	<u>MM\$</u>
Short-term benefits to employees (*)	1,100	1,163
Post-employment benefits	-	-
Other long-term benefits	-	-
Contract Termination	-	648
Stock-based Payment	-	-
Total	<u>1,100</u>	<u>1,811</u>
Total	<u>1,811</u>	<u>1,333</u>

(*) As of March 31, 2011, total expenses corresponding to the Board of Directors of the Bank and its subsidiaries amounted to MM\$ 612 (MM\$ 537 as of March 31, 2010)

BANCO DE CREDITO E INVERSIONES, MIAMI BRANCH AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16 - TRANSACTIONS WITH RELATED PARTIES (continued)

f) Investments in related parties

The Bank has the following investments in related parties:

Society	Investment	
	2011	2010
	%	%
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	1.77

g) Key personnel

As of March 31, 2011, key personnel of the Bank and its subsidiaries are analyzed as follows:

Position	Number of executives
Director	9
General Manager	10
Division and Area Managers	15
Total	34

h) Transactions with key personnel

As of March 31, 2011 and 2010, the Bank has carried out the following transactions with key personnel:

	As of March 31					
	2011			2010		
	Debt Balance	Total income	Income received by key executives	Debt balance	Total income	Income received by key executives
	MM\$	MM\$	MM\$	MM\$	MM\$	MM\$
Credit cards and other benefits	503	177,483	6	254	144,727	5
Mortgage loans	1,279	31,863	19	1,309	24,515	11
Guarantees	1,458	-	-	1,352	-	-
Total	3,240	209,346	25	2,915	169,242	16



NOTE 16 - TRANSACTIONS WITH RELATED PARTIES (continued)

Related contracts

As of March 31, 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 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%.

Fernando Vallejos Vásquez
Chief Accounting Officer

Lionel Olavarría Leyton
Chief Executive Officer