BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

Consolidated financial statements for the years ended December 31, 2013 and 2012 and independent auditors’ report

Deloitte
Auditores y Consultores Limitada
RUT: 80.276.200-3
Rosario Norte 407
Las Condes, Santiago
Chile
Fono: (56-2) 2729 7000
Fax: (56-2) 2374 9177
e-mail: deloittechile@deloitte.com
www.deloitte.cl

INDEPENDENT AUDITORS' REPORT

To the Board of Shareholders and Directors of
Banco de Crédito e Inversiones

We have audited the accompanying consolidated financial statements of Banco de Crédito e Inversiones and its subsidiaries (the "Bank"), which comprise the consolidated statements of financial position as of December 31, 2013 and 2012, and the related consolidated statements of income, statements of comprehensive income, statements of changes in equity, and statements of cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the accounting standards and instructions issued by the Superintendency of Banks and Financial Institutions. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte® se refiere a Deloitte Touche Tohmatsu Limited una compañía privada limitada por garantía, de Reino Unido, y a su red de firmas miembro, cada una de las cuales es una entidad legal separada e independiente. Por favor, vea en www.deloitte.cl/acerca de la descripción detallada de la estructura legal de Deloitte Touche Tohmatsu Limited y sus firmas miembro.

Deloitte Touche Tohmatsu Limited es una compañía privada limitada por garantía constituida en Inglaterra & Gales bajo el número 07271800, y su domicilio registrado: Hill House, 1 Little New Street, London, EC4A 3TR, Reino Unido.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Banco de Crédito e Inversiones and its subsidiaries as of December 31, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting standards and instructions issued by the Superintendency of Banks and Financial Institutions.

Other matters

The accompanying financial statements have been translated into English for the convenience of readers outside Chile.

Deloitte

February 27, 2014
Santiago, Chile

Consolidated Financial Statements

For the periods ended December 31, 2013 and 2012

CONTENTS

Consolidated Statements of Financial Position
Consolidated Statements of Income for the year,
Consolidated Statements of Other Comprehensive Income for the year,
Consolidated Statements of Changes in Equity,
Consolidated Statements of Cash Flows and
Notes to the Consolidated Financial Statements.

Table of Contents **Page Nº**

Consolidated Statements of Financial Position	1
Consolidated Statements of Income for the year	2
Consolidated Statements of Other Comprehensive Income for the year	3
Consolidated Statements of Changes in Equity	4
Consolidated Statements of Cash Flows	5

Notes to the Consolidated Financial Statements

1.	SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES	6
2.	ACCOUNTING CHANGES	38
3.	SIGNIFICANT EVENTS	38
4.	BUSINESS SEGMENTS	42
5.	CASH AND CASH EQUIVALENTS	46
6.	TRADING INVESTMENTS	48
7.	INVESTMENTS UNDER SALE AGREEMENTS AND OBLIGATIONS UNDER REPURCHASE	49
8.	FINANCIAL DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING	51
9.	INTERBANK LOANS	55
10.	LOANS AND RECEIVABLES FROM CUSTOMERS	56
11.	INVESTMENT INSTRUMENTS	62
12.	INVESTMENT IN COMPANIES	63
13.	INTANGIBLE ASSETS	65
14.	PROPERTY, PLANT AND EQUIPMENT	67
15.	CURRENT AND DEFERRED TAX	70
16.	OTHER ASSETS	74
17.	DEPOSITS AND OTHER OBLIGATIONS PAYABLE ON DEMAND AND TIME DEPOSITS	75
18.	INTERBANK BORROWINGS	76
19.	ISSUED DEBT INSTRUMENTS AND OTHER FINANCIAL OBLIGATIONS	76
20.	PROVISIONS	80
21.	OTHER LIABILITIES	82
22.	CONTINGENCIES AND COMMITMENTS	82
23.	EQUITY	90
24.	INCOME AND EXPENSES FROM INTERESTS AND ADJUSTMENTS	96
25.	INCOME AND EXPENSES FROM FEES	97
26.	TRADING AND INVESTMENT INCOME	98
27.	FOREIGN EXCHANGE GAINS (LOSSES)	98
28.	PROVISIONS FOR LOAN LOSSES	99
29.	PERSONNEL SALARIES AND EXPENSES	100
30.	ADMINISTRATIVE EXPENSES	100
31.	DEPRECIATION, AMORTIZATION AND IMPAIRMENT	101
32.	OTHER OPERATING INCOME AND EXPENSES	102
33.	TRANSACTIONS WITH RELATED PARTIES	104
34.	ASSETS AND LIABILITIES AT FAIR VALUE	110
35.	RISK MANAGEMENT	113
36.	MATURITIES OF ASSETS AND LIABILITIES	148
37.	FOREIGN CURRENCY	150
38.	SUBSEQUENT EVENTS	151

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2013 AND DECEMBER 31, 2012

	Notes	December 31 2013	December 31 2012
ASSETS		MCLP$	MCLP$
Cash and deposits in banks	5	1,261,766	1,459,619
Items in course of collection	5	698,013	394,396
Trading portfolio financial assets	6	1,042,536	1,223,519
Investments under agreements to resell	7	195,021	134,808
Derivative financial agreements	8	1,269,280	469,156
Loans and receivables from banks, net	9	106,151	88,306
Loans and receivables from customers, net	10	14,089,071	12,748,124
Financial investments available for sale	11	934,351	771,381
Investments in other companies	12	80,093	67,235
Intangible assets	13	83,346	80,968
Property, plant and equipment, net	14	233,019	205,057
Current income tax provision	15	-	4,237
Deferred income taxes	15	56,846	60,109
Other assets	16	197,176	219,663
TOTAL ASSETS		20,246,669	17,926,578
LIABILITIES			
Current accounts and demand deposits	17	3,920,617	3,618,365
Items in course of collection	5	552,895	248,898
Obligations under agreements to repurchase	7	335,701	325,163
Time deposits and savings accounts	17	7,707,698	7,222,588
Derivative financial agreements	8	1,232,264	428,236
Borrowings from financial institutions	18	1,504,728	2,060,444
Debt issued	19	2,908,623	2,065,074
Other financial obligations	19	71,860	115,069
Current income tax	15	3,026	-
Deferred income taxes	15	40,199	44,605
Provisions	20	181,359	179,425
Other liabilities	21	205,599	198,754
TOTAL LIABILITIES		18,664,569	16,506,621
SHAREHOLDERS' EQUITY			
Attributable to equity holders of the Bank:			
Capital	23	1,381,871	1,202,180
Accumulated other comprehensive income	23	(9,978)	27,897
Retained earnings:			
Net income for the year	23	300,294	271,256
Less: Accrual for minimum dividends	23	(90,088)	(81,377)
TOTAL EQUITY OF EQUITY HOLDERS OF THE BANK		1,582,099	1,419,956
Non-controlling interest		1	1
TOTAL SHAREHOLDERS' EQUITY		1,582,100	1,419,957
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		20,246,669	17,926,578

Notes 1 to 38 are an integral part of these consolidated financial statements.

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2013 AND DECEMBER 31, 2012

	Notes	For the years ended December 31 2013 MCLP$	2012 MCLP$
Interest income	24	1,185,970	1,127,026
Interest expense	24	(536,945)	(531,843)
Net interest income		649,025	595,183
Income from services fees	25	249,158	239,958
Expenses from services fees	25	(53,943)	(50,264)
Net service fee income		195,215	189,694
Trading and investment income, net	26	102,406	37,762
Foreign exchange gains, net	27	22,126	63,268
Other operating income	32	21,761	18,953
Operating Income		990,533	904,860
Provisions for loan losses	28	(158,654)	(135,275)
OPERATING INCOME, NET OF LOAN LOSSES, INTEREST AND FEES		831,879	769,585
Personnel salaries and expenses	29	(251,957)	(234,923)
Administrative expenses	30	(155,158)	(145,327)
Depreciation and amortization	31	(40,428)	(38,850)
Impairment of fixed assets	31	(5,191)	(642)
Other operating expenses	32	(24,575)	(29,299)
TOTAL OPERATING EXPENSES		(477,309)	(449,041)
TOTAL NET OPERATING INCOME		354,570	320,544
Gain attributable to investments in other companies	12	7,859	6,559
Income before income tax		362,429	327,103
Income tax	15	(62,135)	(55,847)
CONSOLIDATED NET INCOME FOR THE YEAR		300,294	271,256
Attributable to:			
Equity holders of the Bank		300,294	271,256
Non-controlling interest		-	-
		300,294	271,256
Earnings per share attributable to equity holders of the Bank (stated in CLP$)			
Basic earnings / diluted earnings per share		$ 2,802	$ 2,563

Notes 1 to 38 are an integral part of these consolidated financial statements.

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2013 AND DECEMBER 31, 2012

	For the years ended ended December 31	
	2013	**2012**
	MCLP$	MCLP$
CONSOLIDATED NET INCOME FOR THE YEAR	300,294	271,256
OTHER COMPREHENSIVE INCOME THAT IS RECLASSIFIED TO THE STATEMENT OF INCOME FOR THE YEAR		
Net gain/(loss) for valuation of available for sale investments	(19,364)	6,824
Net gain/(loss) on cash flow hedge derivatives	(33,548)	12,006
Accumulated gain/(loss) adjustment for transalation differences	4,454	(926)
Other comprehensive income before income tax	(48,458)	17,904
Income tax for other comprehensive income	10,583	(2,179)
CONSOLIDATED COMPREHENSIVE INCOME FOR THE YEAR	262,419	286,981
Attributable to:		
Equity holders of the Bank	262,419	286,981
Non-controlling interest	-	-
Earnings per share attributable to equity holders of the Bank		
(stated in CLP$)	$	$
Basic earnings / diluted earnings per share	2,449	2,711

Notes 1 to 38 are an integral part of these consolidated financial statements.

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2013 AND DECEMBER 31, 2012

	Capital	**Reserves**	**Accumulated other comprehensive income**				**Retained earnings**				**Total Equity**		
	Capital	**Other reserves from profits**	**Available for sale instruments**	**Cash flow hedges**	**Cumulative translation adjustment**	**Total**	**Retained earnings**	**Net Income for the period**	Provision **minimum dividends**	**Total**	**Total attributable to equity holders of the bank**	**Non-controlling interest**	**Total equity**
As of January 1, 2013	1,202,180	-	17,425	9,219	1,253	27,897	-	271,256	(81,377)	189,879	1,419,956	1	1,419,957
Transfer to retained earnings	-	-	-	-	-	-	271,256	(271,256)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	(91,565)	-	81,377	(10,188)	(10,188)	-	(10,188)
Capitalization of reserves	179,691	-	-	-	-	-	(179,691)	-	-	(179,691)	-	-	-
Other comprehensive income	-	-	(15,491)	(26,838)	4,454	(37,875)	-	-	-	-	(37,875)	-	(37,875)
Net income for 2013 period	-	-	-	-	-	-	-	300,294	-	300,294	300,294	-	300,294
Provision for minimum dividends 2013	-	-	-	-	-	-	-	-	(90,088)	(90,088)	(90,088)	-	(90,088)
As of December 31, 2013	1,381,871	-	1,934	(17,619)	5,707	(9,978)	-	300,294	(90,088)	210,206	1,582,099	1	1,582,100
As of January 1, 2012	1,026,985	-	10,202	(209)	2,179	12,172	-	261,268	(78,380)	182,888	1,222,045	4	1,222,049
Transfer to retained earnings	-	-	-	-	-	-	261,268	(261,268)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	(86,073)	-	78,380	(7,693)	(7,693)	(3)	(7,696)
Capitalization of reserves	175,195	-	-	-	-	-	(175,195)	-	-	(175,195)	-	-	-
Other comprehensive income	-	-	7,223	9,428	(926)	15,725	-	-	-	-	15,725	-	15,725
Net income for 2012 period	-	-	-	-	-	-	-	271,256	-	271,256	271,256	-	271,256
Provision for minimum dividends 2012	-	-	-	-	-	-	-	-	(81,377)	(81,377)	(81,377)	-	(81,377)
As of December 31, 2012	1,202,180	-	17,425	9,219	1,253	27,897	-	271,256	(81,377)	189,879	1,419,956	1	1,419,957

Notes 1 to 38 are an integral part of these consolidated financial statements.

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND DECEMBER 31, 2012

	Notes	For the years ended December 31	
		2013	**2012**
		MCLP$	MCLP$
CASH FLOW (USED IN) PROVIDED BY OPERATING ACTIVITIES:			
CONSOLIDATED NET INCOME FOR THE PERIOD		300,294	271,256
Charges (credits) to income not representing cash flow:			
Depreciation and amortization	31	40,428	38,850
Impairment of fixed assets	31	5,191	642
Provision for loan losses	28	158,654	135,275
Provision for assets received in lieu of payment	32	606	9,635
Adjustment to fair value of financial instruments		(11,981)	6,325
Net income from investment in companies	12	(7,859)	(6,559)
Net loss (gain) from sale of assets received in lieu of payment	32	(3,782)	(3,306)
Gain from sale of property, plant and equipment	32	(18)	(83)
Loss from sale of property, plant and equipment	32	608	366
Write-off of assets received in lieu of payment	32	2,728	3,506
Income tax	15	62,135	55,847
Other changes (credits) to income not representing cash flows		(9,605)	(19,534)
Net charge for interest, indexation and fees accrued on assets and liabilities		116,242	45,117
Changes in assets and liabilities affecting operating cash flows:			
Net increase in loans and receivables from banks		(17,777)	(15,681)
Net increase in loans and receivables from customers		(1,473,502)	(1,751,740)
Net decrease in investments		115,471	98,401
Increase in other demand deposits		302,124	445,875
Increase (decrease) in obligations under agreements to repurchase		10,559	(25,153)
Increase in time deposits and savings accounts		462,685	487,308
Increase in borrowings from financial institutions		49,536	179,134
Increase in other financial obligations		(42,367)	1,095
Loans from Chile Central Bank (long-term)		413,383	524,824
Repayment of loans from Chile Central Bank (long-term)		(826,713)	(243,375)
Foreign borrowings (long-term)		8,648,244	8,581,535
Repayment of foreign borrowings long-term		(8,837,246)	(8,828,922)
Total cash flows (used in) provided by operating activities		(541,962)	(9,362)
CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	14	(69,401)	(20,316)
Proceeds from sale of property, plant and equipment		4,427	266
Investments in other companies	12	(3,579)	(2,025)
Investment dividends		2,747	2,291
Sale of assets received in lieu of payment or in foreclosure		4,555	4,421
Net decrease (increase) in other assets and liabilities		(62,162)	(28,121)
Total cash flows (used in) investing activities		(123,413)	(43,484)
CASH FLOW FROM FINANCING ACTIVITIES:			
Redemption of letters of credit		(11,869)	(23,504)
Bond issuance		803,209	675,034
Bond redemption		(77,745)	(158,534)
Dividends paid	23	(91,565)	(86,073)
Total cash flows provided by financing activities		622,030	406,923
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE YEAR		(43,345)	354,077
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5	1,753,539	1,399,462
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	1,710,194	1,753,539

Notes 1 to 38 are an integral part of these consolidated financial statements.

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013 AND DECEMBER 31, 2012 AND FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Banco de Crédito e Inversiones or Banco BCI (hereinafter the "Bank") is a corporation incorporated in Chile and regulated by the Superintendency of Banks and Financial Institutions (SBIF). Its corporate domicile is El Golf number 125 in the community of Las Condes. The consolidated financial statements as of and for the years ended December 31, 2013 and 2012 include the Bank and its subsidiaries listed below, as well as its Miami Branch. The Bank participates in all of the businesses and transactions permitted by the General Banking Law, including retail, corporate and real estate banking, large and medium size companies' services, private banking and asset management services.

The Consolidated Statements of Comprehensive Income include the net income for the years and other comprehensive income recognized in equity, including exchange differences in the translation of Chilean pesos from US dollars in the Miami Branch. The income to be considered for distribution of dividends is the income for the year attributable to the equity holders of the Bank, as stated in the Consolidated Statement of Income.

The Consolidated Financial Statements of the Bank and Subsidiaries as of and for the years ended December 31, 2013 have been approved and authorized for issuance by the Board of Directors in the meeting held on February 27, 2014.

The Bank exercises control of the following entities and therefore includes them in the consolidation of the Consolidated Financial Statements:

	Ownership interest			
	Direct		Indirect	
Entity	2013	2012	2013	2012
	%	%	%	%
Análisis y Servicios S.A.	99.00	99.00	1.00	1.00
BCI Asset Management Administradora de Fondos S.A. (1)	99.90	99.90	0.10	0.10
BCI Asesoría Financiera S.A.	99.00	99.00	1.00	1.00
BCI Corredor de Bolsa S.A.	99.95	99.95	0.05	0.05
BCI Corredores de Seguros S.A.	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	-	-
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
BCI Securities INC (2)	99.90	-	0.10	-
Incentivos y Promociones Limitada (3)	SE	SE	SE	SE
BCI Activos Inmobiliarios Fondo de Inversión Privado (1)	40.00	40.00	-	-
Terrenos y Desarrollo S.A.(1)	100.00	100.00	-	-

(1) For the purposes of consolidation, the subsidiary consolidates its results with BCI Activos Inmobiliarios Fondo de Inversión Privado and Terrenos y Desarrollo S.A.

(2) BCI Securities Inc. is a subsidiary in the State of Florida, United States of America, whose line of business is stockbrokerage. The investment in this entity was authorized by the Superintendency of Banks and Financial Institutions on January 10, 2013 and by the Central Bank on February 21, 2013. To date, the company is in the process of obtaining a license to operate in the United States of America from the Financial Industry Regulatory Authority (FINRA).

(3) Structured entity (SE) dedicated to promoting credit and debit card products. The Bank does not hold any ownership interest in that company.

Assets and operating income of the subsidiaries as a whole represent 14.60% (15.09% in 2012) and 14.68% (13.56% in 2012) respectively, of the corresponding balance of consolidated assets and consolidated operating income.

All consolidation eliminations and adjustments have been made and non-controlling interest has been recognized and presented in the Consolidated Statements of Income under "Non-controlling interest".

For the purposes of consolidation, the asset and liability accounts of the Miami Branch have been translated into Chilean pesos at the year-end exchange rate and the statement of income accounts at the average exchange rate for each month.

Significant accounting policies applied

a) Basis of preparation

The consolidated financial statements have been prepared in accordance with the Compendium of Accounting Standards and Instructions issued by the Superintendency of Banks and Financial Institutions (SBIF), the regulatory agency set up under Article 15 of the General Banking Law, which stipulates that, pursuant to legal provisions, banks must apply the accounting criteria issued by that Superintendency and, in all such matters not specifically covered by it, provided they do not contradict its instructions, they must abide by the generally accepted accounting criteria, which are the technical standards issued by the International Accounting Standards Board (IASB). Where there are discrepancies between accounting policies and criteria, those issued by the SBIF are followed.

Notes to the Consolidated Financial Statements contain additional information to that presented in the Consolidated Statements of Financial Position, the Consolidated Statements of Income, the Consolidated Statements of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statements of Cash Flow. Notes provide narrative descriptions or disaggregation of such statements in a clear, relevant, reliable and comparable form.

b) Basis of consolidation

The Consolidated Financial Statements comprise the consolidated financial statements of the Bank, Miami branch and subsidiaries as of December 31, 2013 and 2012, and for the years ending on those dates. The standards issued by the SBIF have been uniformly applied to the financial statements of the subsidiaries (including the structured entity controlled by the Bank).

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

i. Controlled entities and subsidiaries

These are entities over which the Bank can exert control, an ability displayed in general, although not only by the ownership, direct or indirect, of at least 50% of the voting rights of the associated entities but also with a percentage inferior or null, as long as the investor's voting rights are sufficient to give the investor the current ability to direct the relevant activities.

ii.Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

c) Non-controlling interest

It represents the portion of net income and net assets of which, directly or indirectly, the Bank is not owner. Non-controlling interest is presented separately in the Consolidated Statements of Income, of Comprehensive Income, of Financial Position and Consolidated Statement of Changes in Equity.

d) Functional currency

The Bank has defined its functional currency and presentation currency as Chilean Pesos ($). Likewise, all the entities of the group have defined the Chilean Peso as the functional currency, except for the Miami branch, which has established the American dollar as its functional currency.

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

i. Assets and liabilities, by application of the exchange rates as of December 31, 2013 and 2012.

ii. Income and expenses and cash flows, by application of the average exchange rates of each month.

The cumulative translation adjustments produced when translating into Chilean pesos the balances of entities whose functional currency is other than the Chilean peso, are presented in the Consolidated Statement of Comprehensive Income under the line item “Cumulative translation adjustments”. When an entity whose functional currency is other than the Chilean peso is sold, the exchange difference arising from translation is recognized in the income statement.

All the information presented in Chilean pesos has been rounded to the closest millions of Chilean pesos.

e) Transactions in foreign currency

As stated previously, the functional currency of the Bank is the Chilean peso. Therefore, all the balances and transactions denominated in currencies different from the peso are considered denominated in “foreign currency”. The differences in the exchange rate produced when converting the balances denominated in foreign currency into functional currency are recorded in “Foreign exchange gains, net”.

At December 31, 2013, the assets and liabilities in foreign currency of the Bank are shown at their equivalent value in pesos, calculated using the exchange rate of Ch$525.7 per US$1 (Ch$479.47 per US$1 in 2012).

f) Operating segments

The operating segments of the Bank are determined on the basis of the different business units it manages, an accordancee with International Financial Reporting Standard 8. These operating segments provide products and services subject to different risks and performing different functions and therefore the key decision-making organisms of the Bank evaluate their performance separately.

g) Assets and liabilities valuation criteria

The assets and liabilities valuation criteria recognized in the Consolidated Statements of Financial Position are the following:

i. Assets and liabilities valued at amortized cost:

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

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

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

ii. Assets valued at fair value:

For financial instruments traded in active markets, the determination of fair values is based on their listed or recent transaction prices. This includes instruments traded in local or international stock markets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for financial reporting purposes, fair value measurements are categorized into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly, and
- Level 3 inputs are unobservable inputs for the asset or liability.

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

As of the dates of the financial statements, the Bank has no instruments whose fair value had been determined based on unobservable data. However, for this type of instrument, the Bank has models developed internally, which are based on techniques and methods generally recognized in the industry. When the data used in the models is unobservable, the Bank must develop assumptions in order to estimate the fair values. These valuations are Level 3 valuations as described above. The instruments classified according to their valuation level are detailed in Note 34.

The results of the models are always an estimate or approximation of the value and cannot be determined with certainty. Valuations are adjusted, when applicable, in order to reflect additional factors, such as liquidity or credit risks of the counterpart. Based on the model and the credit risk policies of the Bank, Management estimates that these adjustments to the valuations are necessary and appropriate in order to reasonably present the values of the financial instruments in the Consolidated Financial Statements. The data, prices and parameters used in the valuations are carefully and regularly checked, and adjusted if necessary.

iii. Assets valued at acquisition cost:

Recorded acquisition cost is understood as the consideration paid for the acquisition of the asset, less impairment losses if applicable.

The Consolidated Financial Statements have been prepared based on historic cost, except for:

- The derivative financial instruments, measured at their fair value.
- Assets received in lieu of payment are measured at the lower of carrying amount or fair value less costs to sell.
- The trading instruments, measured at fair value.
- The available for sale financial assets, measured at fair value.

iv. Derecognition of financial assets and liabilities

The accounting treatment of transfers of financial assets depends on the extent and the manner in which the risks and rewards associated with the financial assets are transferred to third parties:

1. If the Bank transfers substantially all the risks and rewards of ownership of the financial asset to third parties (such as the unconditional sales, sales with resale agreements at the fair value on the date of resale, the sale of financial assets with the option to represtation or a sale issued with a high probability that it will not be finalized, the use of assets where the transferring entity does not retain subordinated financing or give up a credit improvement to the new owners, among other similar cases) the Bank derecognizes the financial asset and separately recognizes as assets or liabilities any rights and obligations created or retained in the transfer.

2. If the Bank retains substantially all the risks and rewards of ownership of the financial asset (such as the financial assets with a resale agreement at a fixed price or at sale price plus interest, the contracts for securities in which the borrower has the obligation to return the same or similar assets, among other similar cases), the Bank recognizes the asset in its entirety at its acquisition cost. Consequently, it recognizes:

a) A financial liability for an amount equivalent to the consideration received that is subsequently measured at amortized cost.

b) Any income on the transferred (but not derecognized) financial asset and any expenses incurred on the new financial liability.

3. If the Bank neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset (such as the sale of financial assets with the option to buy or a sale issued with a high or low probability of being finalized, the use of assets where the grantor does not retain subordinated financing or give up a credit improvement to the new owners, among other similar cases), the Bank determines whether it has retained control of the financial asset, in this case:

a) If the Bank does not retain the control of the transferred financial asset: then it is derecognized from the Consolidated Statement of Financial Position and any withheld right or obligation is recognized or created as a consequence of the transfer.

b) If the Bank maintains control of the financial asset: then it continues recognizing the asset in the Consolidated Statement of Financial Position and recognizes a financial liability associated with the financial asset. The net amount of the asset and the associated liability will be the amortized cost of the withheld rights and obligations if the asset is measured by its amortized cost, or the fair value of the withheld rights and obligations if the asset is measured by its fair value.

Accordingly, financial assets are only derecognized from the Consolidated Statement of Financial Position when, and only when, the contractual rights to the cash flows from the financial asset expire; or when it transfers the financial assets and substantially all the risks and rewards of ownership of the assets to third parties.

Similarly, financial liabilities are derecognized from the Consolidated Statement of Financial Position when, and only when, the obligations are discharged, cancelled or expired.

h) Investment instruments

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

Investment instruments are initially recorded at their fair value, including transaction costs. The available for sale instruments are then marked to market at their fair value according to market prices or valuations obtained from models. The unrealized gains or losses originated by the change in their fair value are recognized in other comprehensive income. When these investments are sold the available for sale investment instruments’ reserve in accumulated other comprehensive income associated with these instruments is reclassified to income and is recorded under “Trading and investment income, net” as well as any realized gain/loss and in the case of a significant or prolonged decline in the fair value of any of these instruments, an impairment is recorded by a reclassification from other comprehensive income to the line item “Impairment” in the income statement.

The investments in held to maturity financial assets are recorded at their amortized cost plus interest and inflation - indexing, less the provisions for impairment constituted when its carrying amount exceeds the estimated recovery value.

The interests and inflation – indexing of held to maturity and available for sale investments are included in “Interest income” in the Consolidated Statement of Income.

The purchases and sales of investment instruments that must be submitted within the period established by the market’s regulations or conventions are recorded at the date of trade on which the purchase or sale of the asset is agreed. The rest of the sales or purchases are recorded on their settlement date. At December 31, 2013 and 2012 the Bank does not have investments held to maturity.

i) Trading investments

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

Trading investments are valued at their fair value in accordance with market prices at the balance sheet date. The transaction costs are recognized directly in income. The mark to market adjustments, as well as the realized income/loss from trading activities, are included in “Trading and investment income, net” in the Consolidated Statements of Income.

The interest and inflation - indexing are recorded in “Trading and investment income, net” in the Consolidated Statement of Income.

All the purchases and sales of trading investments that must be submitted within the period established by the market’s regulations or conventions are recorded at the date of trade on which the purchase or sale of the asset is agreed. Any other purchase or sale is recorded on its settlement date.

j) Transactions of securities purchased under resale agreements

Purchases of agreements to resell are performed as a form of investment. Under these agreements, financing instruments are purchased, which are included as assets in “Investments purchased under agreements to resell” and are clearly and recorded at their present value discounted using the interest rate stipulated in the agreement.

Obligations transacted under agreements to repurchase are also performed as a form of financing, as some investments that are sold are subject to a repurchase obligation and serve as collateral for the loan. The repurchase obligation of the investment is classified under liabilities as “Obligations under agreements to repurchase” and are recorded at their present value so that they accrete to their repurchase value at the repurchase date.

k) Financial derivative instruments

The financial derivative instruments, which include forwards in foreign currency and Unidades de Fomento (UF), interest rate futures, currency and interest rate swaps, currency and interest rate options and other financial derivative instruments are recorded initially on the Consolidated Statement of Financial Position at their transaction value (including transaction costs) and subsequently valued at their fair value. The fair value is obtained from corresponding market pricings, discounted cash flow models and pricing valuation models. The derivative instruments are recorded as an asset when their fair value is positive and as a liability when they are negative in “Financial derivative instruments”.

Certain derivatives incorporated in other financial instruments are treated as separate derivatives when their risk and characteristics are not closely related with those of the main agreement and such instrument is not classified as fair value through profit and loss (FVTPL).

At the moment of subscribing to a derivative agreement, the Bank must designate it either as a derivative instrument for trading or for hedge accounting purposes.

The changes in the fair value of derivative instruments held for trading are included in “Trading and investment income, net” of the Consolidated Statement of Income.

If the derivative instrument is classified for hedge accounting purposes, it can be: (1) a fair value hedge of existing assets or liabilities or firm commitments or (2) a cash flow hedge related to existing assets or liabilities or forecast transactions. A hedging relationship qualifies for hedge accounting if, and only if, all of the following conditions are met: (a) at the inception of the hedge there is formal designation and documentation of the hedging relationship; (b) the hedge is expected to be highly effective; (c) the effectiveness of the hedge can be reliably measured and; (d) the hedge is assessed on an ongoing basis and determined to have actually been highly effective throughout the financial reporting periods for which the hedge was designated.

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

When a derivative hedges the exposure to changes in the fair value of an existing item of the asset or liability, such hedged item is fair valued from the designation of the fair value hedge until its expiration, termination, etc. The mark to market adjustments for both the hedged item and the hedging instrument are recorded through income with the exception of firm commitments (see following paragraph)

If the item hedged in a fair value hedge is a firm commitment, the changes in the fair value of the commitment regarding the covered risk are recorded as assets or liabilities with effect on the income statement of the period. Gains or losses from the fair value measurement of the hedging derivative are recorded with effect on the income statement of the period. When a new asset or liability is acquired as a result of the commitment, the initial recognition of the acquired asset or liability is adjusted to incorporate the accumulated effect of valuation at fair value of the firm commitment recorded in the consolidated statement of financial position.

When a derivative hedges exposure to changes in the cash flows of existing assets or liabilities, or forecast transactions (cash flow hedge), the effective portion of the hedge as defied under IAS 39 is recorded in other comprehensive income. Any ineffective portion is recorded directly in the income statement of the period.

The amounts recorded directly in other comprehensive income are reclassified to the income statement in the same periods in which the assets or liabilities hedged affect results.

l) Loans and accounts receivable from customers

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

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

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

i. Leasing contracts

Accounts receivable from leasing contracts, included under “Loans and accounts receivable from customers” correspond to periodic installments of leasing contracts that comply with the requirements to be qualified as finance leases and are presented at present value at period-end.

ii. Factoring operations

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

m) Credit risk provisions

The provisions required to cover the expected losses an certain financial assets have been recorded in accordance with the regulations and instructions of the Superintendency of Banks and Financial Institutions (SBIF). The assets are presented net of said provisions, or at a new cost basis in the case of investments. In the case of contingent credits, they are shown as liabilities under "Provisions".

The Bank uses models and methods based on individual and group analysis of the debtors, approved by the Board of Directors, to record the provisions of loans as indicated in the Accounting Standards Compendium issued by the SBIF.

i. Individual evaluation provisions

Individual evaluation of debtors is necessary when it involves companies which, due to their size, complexity or level of exposure with the entity, are required to be identified and analyzed on an individual basis.

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 credit with respect to guarantees, terms, interest rates, currency, inflation -indexation, etc.

For the effects of creating the provisions, the debtors and their operations related to contingent investments and loans must be classified in their corresponding risk category, after being assigned to one of the following portfolio categories: normal, substandard and noncompliance.

ii. Portfolios in normal and substandard compliance

The portfolio in normal compliance includes those whose payment capacity allows them to comply with their obligations and commitments, a 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 presenting reasonable doubt regarding the total reimbursement of principal and interest under the contractually agreed terms, showing that they are less likely to comply with their financial obligations in the short term.

In addition, those debtors that recently present arrears over 30 days 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 default, resulting in the consequent percentage of expected loss:

Type of portfolio	**Debtor Category**	**Default probability (%)**	**Loss due to non-compliance (%)**	**Expected Loss (%)**
Normal Portfolio	A1	0.04	90	0.03600
	A2	0.10	82	0.08250
	A3	0.25	87	0.21875
	A4	2.00	87	1.75000
	A5	4.75	90	4.27500
	A6	10.00	90	9.00000
Substandard Portfolio	B1	15.00	92	13.87500
	B2	22.00	92	20.35000
	B3	33.00	97	32.17500
	B4	45.00	97	43.87500

iii. Provisions on portfolios in normal and substandard compliance

In order to determine the amount of provisions to be established for the normal and substandard portfolios the exposure 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 given default (PDI in Spanish) established for the category in which the debtor and/or guarantor is classified, as applicable.

The exposure subject to provisions corresponds to the loans and receivables plus the contingent loans, less the amount to be recovered by means of the execution of the guaranties. Likewise, loans and receivables 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 clause indicated in N°3 of Chapter B-3 of the Accounting Standards Compendium.

iv. Overdue portfolio

The overdue portfolio includes the debtors and their loans for which their recovery is considered remote, given that they have suffered a loss event resulting in impairment. This portfolio includes those debtors with evident signs of possible bankruptcy, as well as those in which a forced debt renegotiation is necessary in order to avoid noncompliance, and also includes any debtor presenting arrears equal to or greater than 90 days in the payment of interests or principal 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 allocating provisions on the overdue portfolio, provision percentages are used, which must be applied on the amount of the exposure, which corresponds to the sum of loans and receivables 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 guaranties and, in the 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 an individual debtor.

These categories, and the provision percentages which must be applied on the amounts of the exposures are indicated in the following table:

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

v. Provisions for group evaluation

Group evaluation is focused on the Commercially Grouped Loans, Consumer Loans and Housing Mortgage Loans portfolios.

a. Commercially Grouped Loans

This group relates to commercial debtors who are collectively evaluated for impairment, and have commercial loans and/or operating leasing contracts.

To determine the level of provisions associated with these debtors, a matrix of three variables is applied; payment behavior with respect to its loans with the Bank, external credit rating and the fair value of the collateral.

b. Consumer Loans

Consumer loans have the following characteristics: the debtors are natural persons, and the loans are granted to finance the acquisition of consumer goods or payment of services.

The provisions are determined by the segmentation of the consumer products and overdue payment aging buckets, late payment on other debts of the client and dates to maturity of the loan. The provision percentages considered in the matrix are supported by a calculation of Probability of Non Compliance and the Severity of loss on this portfolio.

c. Housing Mortgages Loans

The housing mortgages portfolio are loans which have the following characteristics; the objective is the financing of the acquisition, extension, repair or construction of housing; the debtor is a natural person who is buying or owns the housing and the value of the mortgage guarantee covers the total loan.

The provisions are determined based on the overdue days' aging buckets, late payments on other debts of the client, days until maturity and whether the credit is renegotiated or not. The provision percentages considered in the matrix are supported by a calculation of the Probability of Non Compliance and the Severity of loss on for this portfolio.

vi. Write-off of loans

The write-off of loans should be performed as of completion of the period from the start of their overdue status

Type of loan	Overdue
Consumer loans with or without guarantees	6 months
Other operations without guarantees	24 months
Commercial loans with guarantees	36 months
Mortgage loans	48 months
Consumer leasing	6 months
Other non property leasing	12 months
Property leasing (commercial or housing)	36 months

vii. Recovery of written off loans

The recoveries of loans that were written-off are recognized directly as income.

n) Income and expenses from fees

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

- Those corresponding to singular acts are recognized when the act which originates them is performed.
- Those originating from transactions or services performed over time are recognized over the life of said transactions or services.

o) Impairment

i. Financial assets:

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

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

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

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

All the losses due to impairment are recorded in the Consolidated Statement of Income. Any impairment loss in relation to an available for sale financial asset previously registered in equity is transferred to the Consolidated Statement of Income.

Reversal of a loss due to impairment only occurs if it can be objectively related with an event occurring after it was recorded. In the case of financial assets recorded at amortized cost and of those available for sale that are debt instruments, the loss is reversed against the income statement.

For assets of “Loans and accounts receivable from customers”, the impaired portfolio is defined according to Chapter B-2 of the Accounting Standards Compendium of the SBIF as “loans of the debtors for which there is evidence that they will not comply with any of their obligations in the agreed payment conditions, without the possibility of recovering the debt by use of the collateral, by means of exercise of judicial collection actions or by renegotiation”.

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

ii. Impaired Portfolio Status

It consists of loans classified by the Bank as individually significant which includes those loans that have a credit risk classified as substandard in categories B3 and B4 or loans in the overdue portfolio.

The remaining impaired loans are classified in the following groups:

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

Operations related to mortgage loans for housing or students loans for higher education under Law N°20,027 are excluded as long as no non-compliance conditions as established in Circular N°3,454 of December 10, 2008 arise.

Exit conditions:

- Individual case: Improvement in risk classification.

- Group case:

    a) Non-renegotiated operations: loan operations in the impaired portfolio may return to the normal portfolio only if the operation complies with the following conditions:
        - Receipt of at least 6 consecutive installments of principal and interest, paying them on schedule or with a maximum delay of 30 days.
        - All obligations up to date and no other loan operations in the impaired portfolio.
        - In any case, there must be no arrears with other banks in the Chilean financial system in the last 90 days (last three periods informed in the SBIF at the date of inquiry).

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

- Receipt of at least 6 consecutive installments of principal and interest, paying them on schedule or with a maximum delay of 30 days.
- All obligations up to date and no other loan operations in the impaired portfolio.
- No other renegotiated operation issued within the last 6 months.
- In any case, there must not be any arrears with other banks in the Chilean financial system in the last 90 days (last three periods informed in the SBIF at the date of inquiry).

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

- Payment of 30% of the originally renegotiated balance or payment of the first 6 payments negotiated under the renegotiated operation.
- Principal and interests payment up to date.
- No other operations in the impaired portfolio.
- No arrears in the Chilean financial system in the last 90 days.

iii. Income and expenses from interest and inflation - indexation

The Income and expenses from interest and inflation-indexation are recognized over time at the effective rate.

However, in the case of a loan which has reached its maturity and of the current loans with high risk of unrecoverability, a prudent criterion is followed by suspending the accrual of interest and inflation – indexation; and only recognizing such in the accounts when they are received.

- Amounts to suspend:

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

- Date of suspension:

<u>Loans with individual evaluations:</u>

a) Loans classified as C5 and C6: the accrual is suspended when the loan is classified as impaired
b) Loans classified as C3 and C4: the accrual is suspended when the loan has been classified as impaired for more than three months.

Loans with group evaluations:

For the loans with collateral whose fair value is less than 80% of the loan balance, it is suspended when the loan or one of the installments has not been paid for six months.

iv. Non-financial assets

The book value of non financial assets of the Bank, excluding investment properties and deferred taxes is evaluated at least annually and more frequently, should circumstances require, to determine if indicators of impairment exist. If such indicators exist, then the recoverable amount of the asset is calculated. In the case of goodwill and intangible assets with an indefinite useful life or which are not available for use yet, an impairment test is performed annually or, more frequently, should circumstances warrant.

A loss from impairment in relation with goodwill and intangible assets is not reversed. Regarding other assets, losses from impairment recorded in previous periods are evaluated to determine if events or circumstances relating to the estimate of the impairment have warranted a reversal of the impairment loss. A loss from impairment is reversed if a change in the estimations used to determine the recoverable amount has occurred. A loss from impairment may be reversed only to the extent of the original impairment recorded.

p) Investment in associates

Investments in associates are those over which the Bank has the ability to exercise significant influence, although it does not have control or joint control. This ability is usually expressed when between 20% and 50% of the voting rights of the entity are held and, in this case, the investment in associate is valued using the equity method.

Joint ventures are those entities where the Bank has joint control with other investors. Joint venture entities are recorded under the equity method of accounting.

Those entities recorded in accordance with the equity method of accounting are detailed as follows:

Company	**Share**	
	2013	**2012**
	%	%
AFT S.A.	20.00	20.00
Centro de Compensación Automático ACH Chile	33.33	33.33
Sociedad Interbancaria de Depósitos de Valores S.A.	7.03	7.03
Transbank S.A.	8.72	8.72
Redbanc S.A.	12.71	12.71
Servipag Ltda.	50.00	50.00
Artikos Chile S.A.	50.00	50.00
Nexus S.A.	12.90	12.90
Combanc S.A.	10.93	10.93
Servicio de Infraestructura de Mercado OTC S.A. (1)	12.49	-
Credicorp Ltda.	1.88	1.85

(1) During 2013, the Bank acquired a 12.49% share in the supporting services company Servicio de Infraestructura de Mercado OTC S.A. which aims to manage financial market infrastructure and offers service records of OTC derivatives transactions.

q) Investment in other companies

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

r) Intangible assets

i. Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer`s previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

At December 31, 2013, the Bank does not have this type of asset in its Consolidated Financial Statements.

ii. Software

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

The expenses in software developed internally are recorded as assets when the Bank is capable of proving its intention and ability to complete development, when internal use will generate future economic benefits, and when the cost of completing its development can be reliably measured. The capitalized costs of the software developed internally include all the direct costs attributable to the development of the software, and it is amortized over the course of its useful life. Software developed internally is recorded at cost less the accumulated amortization and losses from impairment.

The subsequent expenditures associated with any software are capitalized only when the Bank may derive future economic benefits from them. The rest of the expenditures are expensed as incurred.

Amortization is recorded in the income statement using the straight-line method according to the estimated useful life of the software, starting on the date it is ready for use. The estimated useful life of the software is usually six years.

s) Property, plant and equipment

The items of property, plant and equipment are measured at cost less accumulated depreciation (with the exception of land where there is no associated useful life) and losses from impairment.

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

When part of an item of the fixed asset has a different useful life, it is recorded as a separate component.

Depreciation is recorded in the Consolidated Statement of Income based on the straight-line depreciation method over the useful life of the item or each component of an item of the fixed asset. Leased assets are depreciated over the shorter of the lease term and its useful life, unless it is certain that the Bank will retain the property at the end of the leasing period.

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

	2013	**2012**
Buildings	50 years	50 years
Machinery and equipment	3 - 10 years	3 - 10 years
Facilities	7 - 10 years	7 - 10 years
Furniture and fixtures	7 years	7 years
Computing equipment	3 - 6 years	3 - 6 years
Real estate improvements	10 years	10 years
Other property, plant and equipment	3-6 years	3-6 years

t) Assets received in payment

Assets received in lieu of payment are classified under “Other assets”. They are recorded at the lesser of their adjudicated-in-court value and net realizable value less regulatory write-offs required by the SBIF and are recorded net of provisions. Write-offs of 100% of the recorded amount are performed if the property is not disposed of within the year.

u) Staff benefits:

i. Staff vacations

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

ii. Short-term benefits

The entity has an annual incentive plan for its staff requisite upon achieving certain objectives. The incentive is defined as a determined number or portion of monthly remunerations and is provisioned on the basis of the estimated amount to be distributed.

iii. Indemnification for years of service

The Bank and its subsidiaries have no agreements with their employees with respect to indemnification for years of service.

v) Leases

i. Operating lease- the Bank as lessee

When the Bank or the subsidiaries act as lessee and the contract qualifies as an operating lease, the contracted payment amount is recorded on a straight-line basis over the life of the contract.

At the end of the operating lease period, any payment for penalties under the contract required by the lessor are recorded as expenses of the period in which said contract ended.

ii. Financial lease - the Bank as lessor

In the case of financial leases, the sum of the minimum lease payments of the installments to be received from the lessee plus the contractual purchase option price is recorded as financing to third parties, and is therefore recorded in "Loans and accounts receivable from customers".

w) Cash flow statement

The indirect method of presentation of the cash flow statement is used.

For the consolidated statement of cash flows, the following are the definitions of the respective activities:

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

- <u>Operating activities:</u> they correspond to normal activities performed by the banks, as well as other activities that cannot be qualified as investment or financing activities.

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

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

x) Contingent provisions and liabilities

Provisions are liabilities for which there is uncertainty regarding their quantity or maturity. These provisions are recorded in the Consolidated Statement of Financial Position when they comply with the following requirements:

- It is a current obligation resulting from previous events and,

- At the date of the Consolidated Financial Statements it is likely that the Bank or its subsidiaries will have to dispose of resources in order to settle the obligation and the amount these resources can be measured in a reliable way.

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

Provisions (which are measured considering the best available information regarding the consequences of the related event and are re-estimated on every accounting closure) are used to cover specific obligations for which they were originally recorded which are reversed upon occurrence of the event.

Provisions are recorded in the following categories:

- Provisions for staff benefits and remunerations.
- Provisions for minimum dividends.
- Provisions for contingent credit risk.
- Provisions for contingencies (include additional provisions).

i) Additional provisions

The SBIF has defined that the additional provisions are those not deriving from the application of valuation models to the portfolio or to compensate deficiencies in them and that their establishment must be justified by assumed risk as defined in unpredictable economic fluctuations.

The Bank has formal criteria and procedures for the use and constitution for the determination of additional provisions, which must be approved by the Board of Directors.

These provisions, in accordance with the established under N°10 of Chapter B-1 of the Compendium of Accounting Standards issued by the SBIF, will be recorded as liabilities.

ii) Minimum provisions required for the normal individual portfolio

The Superintendency of Banks and Financial Institutions has determined that the Bank must maintain a percentage of minimum provision of 0.50% on loans and contingent loans from the normal individual portfolio in accordance with Chapter 2.1.3 of the number B-1 Compendium of Accounting Standards. These minimum provisions are to be presented in liabilities.

y) Use of estimates and judgments

The preparation of the Consolidated Financial Statements require the Management of the Bank to make decisions, estimates and assumptions that affect the application of the accounting policies and the amount of assets, liabilities, income and expenses presented. The actual results may differ from these estimates.

The relevant estimates and assumptions are reviewed on a regular basis by the Senior Management of the Bank in order to quantify certain assets, liabilities, income, expenses and uncertainties. The review of the accounting estimates are recorded in the period in which the estimate is revised and over the future period affected when changes in circumstances warrant.

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

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

z) Income tax and deferred tax

The Bank calculates first category income tax at each year end, according to the current tax law.

The Bank records, when applicable, assets and liabilities for deferred taxes for the temporary differences attributable to differences between the book value of the assets and liabilities and their tax values. The measurement of assets and liabilities for deferred taxes is performed based on the tax rate that, according to the tax regulations in force, must be applied in the year in which the deferred tax asset or liability is reversed. The effects of changes in the tax regulations or in tax rates are recorded in deferred taxes as of the date of enactment of the law.

As of December 31, 2013 and 2012, the Bank recognized net deferred income tax assets, which management has assessed as likely to be realized.

aa) Non-current assets held for sale

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

ab) Dividends on common shares

Dividends on common shares must be approved by the Board of Directors. However, dividends on common shares are also subject to corporate law, which states that at least 30% of the net income of the year must be approved to be distributed as dividends. The Board may approve the minimum of 30% of net income for the year, or more. Once approved, the dividends on common shares are recorded in equity in the period in which they were approved. Furthermore, the Bank records a liability for the portion of the year's profit that must be distributed among the shareholders in compliance with Corporate Law.

ac) Earnings per share

Basic earnings per share is determined by dividing the net income attributable to the Bank during the period by the weighted average number of shares during that period.

Diluted earnings per share is calculated similarly to basic earnings, but the weighted average number of shares outstanding is adjusted to take into account the potential dilutive effect of stock options, warrants and convertible debt.

ad) Reclassifications

During 2013 there have been no relevant reclassifications made.

ae) Income and expenses from service fees

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

- Those corresponding to services performed as a single event are recognized when the services are provided.
- Those originating from transactions or services performed over time are recognized over the contractual period of said transactions or services.
- Revenue and expenses recognized as a result of other financial assets or liabilities.

af) Consolidated Statements of Changes in Equity

The Consolidated Statement of Changes in Equity presented in these Consolidated Financial Statements, show changes in the total consolidated equity during the year. This information is presented in two statements: the Consolidated Statement of Comprehensive Income ("OCI") and Consolidated Statement of Changes in Equity. The main features of the information contained in the two statements are explained below:

Consolidated Statement of Comprehensive Income – Other comprehensive income comprises items of income and expense (including reclassification adjustments), that are not recognized in profit or loss as required or permitted by other standards.

Therefore, the following are presented as part of the Statement of Changes in Equity:

a) Consolidated profit;
b) Accumulated OCI and any associated income tax expense/benefit. ;
c) Non-controlling interest.

ag) New accounting pronouncements

1) The following new and revised IFRS have been adopted in these financial statements:

New Standards	**Effective date**
IFRS 10, Consolidated Financial Statements	Annual periods beginning on or after January 1, 2013
IFRS 11, Joint Arrangements	Annual periods beginning on or after January 1, 2013
IFRS 12, Disclosure of Involvement with Other Entities	Annual periods beginning on or after January 1, 2013
IAS 27 (2011), Separate Financial Statements	Annual periods beginning on or after January 1, 2013
IAS 28 (2011), Investments in Associates and Joint Ventures	Annual periods beginning on or after January 1, 2013
IFRS 13, Fair Value Measurements	Annual periods beginning on or after January 1, 2013
Amendments to Standards	**Effective date**
IAS 1, Presentation of Financial Statements- Presentation of Items of Other Comprehensive Income	Annual periods beginning on or after July 1, 2012
IAS 12, Income Taxes	Annual periods beginning on or after January 1, 2013
IAS 19, Employee Benefits (2011)	Annual periods beginning on or after January 1, 2013
IFRS 7, Financial Instruments: Disclosures- Amendments to existing disclosures on offsetting of financial assets and financial liabilities	Annual periods beginning on or after January 1, 2013
IFRS 10, IFRS 11 and IFRS 12, Consolidation of Financial Statements, Joint Arrangements and Disclosures of Involvement	Annual periods beginning on or after January 1, 2013
Annual improvements 2009-2011	Annual periods beginning on or after January 1, 2013

IFRS 10, Consolidated Financial Statements

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee. Some guidance included in IFRS 10 that deals with whether or not an investor that owns less than 50% of the voting rights in an investee has control over the investee is relevant to the Bank.

IFRS 11, Joint Arrangements

IFRS 11 replaces IAS 31 Interests in Joint Ventures, and the guidance contained in a related interpretation, SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers, has been incorporated in IAS 28 (as revised in 2011). IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under IFRS 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under IFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, IAS 31 contemplated three types of joint arrangements – jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under IAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was accounted for as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations is different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognizes its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable Standards.

IFRS 12, Disclosure of Interest in Other Entities

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of IFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

IFRS 13, Fair Value Measurement

On 12 May 2011 the IASB issued IFRS 13, Fair Value Measurement which establishes a single IFRS framework for measuring fair value. This standard applies for both financial assets and non financial assets measured at fair value. Fair value is defined as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date” (or the exit price). IFRS 13 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted and application is required prospectively as of the beginning of the annual reporting period in which the IFRS is initially applied.

IAS 27 (2011), Separate Financial Statements

IAS 27 Consolidated and Separate Financial Statements was modified for the issuance of IFRS 10 but retains the current guides for separate financial statements.

IAS 28 (2011), Investments in Associates and Joint Ventures

IAS 28, Investments in Associates was modified to conform to changes related with the issuance of IFRS 10 and IFRS 11.

Amendment IAS 1, Presentation of Financial Statements

The amendment increases the required level of disclosure within the statement of comprehensive income. The impact of this amendment has been to analyze items within the statement of comprehensive income between items that will not be reclassified subsequently to profit or loss and items that will be reclassified subsequently to profit or loss in accordance with the respective IFRS standard to which the item relates. The financial statements have also been amended to analyze income tax on the same basis. The amendments have been applied retrospectively, and hence the presentation of items of comprehensive income has been restated to reflect the change. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 do not result in any impact on profit or loss, comprehensive income and total comprehensive income.

Amendment to IAS 12, Income Taxes

On December 20, 2010, the IASB issued Deferred Tax: Recovery of Underlying Assets - Amendments to IAS 12. The amendments provide an exemption to the general principle in IAS 12 that the measurement of deferred tax assets and liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying value of an asset. Specifically, the exemption applies to deferred tax assets and liabilities that arise from investment property measured using the fair value model in IAS 40 and investment property acquired in a business combination, if it is subsequently measured using the model IAS 40 fair value. The amendment introduces a presumption that the current value of the investment property will be recovered at the time of sale, except when the investment property is depreciable and is held within a business model whose objective is to substantially consume all economic benefits over time, rather than through the sale. These amendments should be applied retrospectively requiring a retrospective remission of all assets and deferred tax liabilities within the scope of this amendment, including those who had been initially recognized in a business combination. The mandatory implementation of these amendments is for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

Amendment to IAS 19, Employee Benefits

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated balance sheet to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used previously are replaced with a 'net-interest' amount under IAS 19 (as revised in June 2011), which is calculated by applying a discount rate to the net defined benefit liability or asset. IAS 19 (as revised in June 2011) also introduces more extensive disclosures in the presentation of the defined benefit cost.

Amendment to IFRS 7, Netting of Financial Assets and Liabilities

The Bank has applied the amendments to IFRS 7 titled *Disclosures – Transfers of Financial Assets* in the current year. The amendments increase the disclosure requirements for transactions involving the transfer of financial assets in order to provide greater transparency around risk exposures when financial assets are transferred.

The application of the amendments has resulted in more disclosures regarding the transfer of financial assets (see Note 39).

Amendment to IFRS 9, Financial instruments- Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39

On November 19, 2013 the IASB issued the amendment, which includes a new general hedge accounting model, which aligns more closely with risk management, providing more useful information to users of financial statements. Moreover, the requirements relating to the fair value option for financial liabilities were changed to address own credit risk, as this improvement requires that the effects of changes in credit risk of a liability should not affect profit or loss unless the liabilities are held for trading. Early adoption of this amendment is allowed without the application of the other requirements of IFRS 9. Additionally the effective date is at the termination of the IFRS 9 project, allowing equal adoption.

Amendment to IFRS 10, Consolidated Financial Statements, IFRS 11, Joint Arrangements and IFRS 12, Disclosure of Interest in Other Entities- Transition requirements

On June 28, 2012 the IASB published Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities (modifications to IFRS 10, IFRS 11 and IFRS 12).

The modifications are intended to additionally alleviate the transition of IFRS 10, IFRS 11 and IFRS 12 by "limiting the requirement of adjusted comparative information only for the comparative year immediately preceding". Also, modifications to IFRS 11 and IFRS 12 eliminate the requirement to provide comparative information for previous periods immediately preceding. The modifications are effective from reporting periods beginning on or after January 1, 2013, aligning with the effective dates of IFRS 10, IFRS 11 and IFRS 12.

Annual Improvements to IFRS: cycle 2009-2011

On May 12, 2012, the IASB issued "Annual Improvements 2009-2011 cycle", incorporating amendments to 5 regulations.

- IFRS 1 First-time Adoption of Standards: Concerning the relative application of IFRS 1 and borrowing costs.
- IAS 1 Presentation of Financial Statements: Clarification of requirements for comparative information.
- IAS 16 Property, Plant and Equipment: Concerning the classification of auxiliary equipment.
- IAS 32 Financial Instruments: Presentation: Relative to the tax effect of distributions to holders of equity instruments.
- IAS 34 Interim Financial Reporting: Interim financial reporting and segment information for total assets and liabilities.

These annual improvements to IFRS, 2009-2011 cycle, are effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

The Bank's Management estimates that the adoption of the aforementioned Standards, Amendments, and Interpretations will not have a significant impact on the Bank's Consolidated Financial Statements.

2) As of the date of issuance of these Consolidated Financial Statements, the following accounting pronouncements have been issued by the IASB but they are not yet effective:

New Standards	**Effective date**
IFRS 9, Financial Instruments – Classification and Measurement	The IASB has not established an obligatory effective date.

Amendments to Standards	**Effective date**
IAS 19, Employee benefits: Defined benefit plans: Employee contributions	Annual periods beginning on or after July 1, 2014
IAS 32, Financial instruments: presentation – Clarified requirements for offsetting of financial assets and financial liabilities.	Annual periods beginning on or after January 1, 2014
Investment entities- Modifications to IFRS 10, Consolidated Financial Statements, IFRS 12, Disclosures of Interest in Other Entities and IAS 27, Separate Financial Statements.	Annual periods beginning on or after January 1, 2014
IAS 36, Impairment of assets: Disclosures of the recoverable amount for non financial assets	Annual periods beginning on or after January 1, 2014

IAS 39, Financial Instruments: Recognition and measurement- Novation of derivatives and continuation of hedge accounting	Annual periods beginning on or after January 1, 2014
Annual improvements 2010-2012 improvements to 6 IFRS	Annual periods beginning on or after July 1, 2014
Annual improvements 2011-2013 improvements to 4 IFRS	Annual periods beginning on or after July 1, 2014

New Interpretations	**Effective date**
IFRIC 21, Levies	Annual periods beginning on or after January 1, 2014.

IFRS 9, Financial Instruments

IFRS 9 Financial Instruments. IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of IFRS 9:

• All recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss.

• With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

Amendment to IAS 19, Defined benefit plans: employee contributions

On November 21, 2013 the IASB amended the requirements in IAS 19 for contributions from employees or third parties that are linked to service. Therefore, if the amount of the contributions is independent of the number of years of service, it allows an entity to recognize these contributions as a reduction in service costs in the period in which the related service is rendered, instead of attributing contributions to periods of service, and if the amount of the contribution depends on the number of years of service, it requires an entity to attribute these contributions to periods of service, using the same method of allocation required by paragraph 70 of IAS 19 for gross proceeds (i.e. either using the plan`s contribution formula or on a straight-line basis). These amendments apply to annual periods beginning on or after July 1, 2014 retroactively, as is established IAS 8 Accounting policies, changes in accounting estimates and errors, with earlier application permitted.

IAS 32, Financial Instruments: Presentation

On December 16, 2011, the IASB amended the requirements for accounting and disclosure of related financial assets and liabilities netting by the amendments to IAS 32 and IFRS 7. Specifically, the amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’ and ‘simultaneous realization and settlement’. The new disclosures are required for annual periods beginning on or after January 1, 2014. An entity shall apply these amendments retrospectively.

IAS 36, Impairment of Assets

On May 29, 2013 IASB issued "Disclosure of the recoverable amount of non-financial assets". The purpose of this amendment is to harmonize the disclosure requirements about fair value less disposal costs and value in use, when present value techniques are used to measure the recoverable amount of the assets that have become impaired, requiring an entity to disclose the discount rates that have been used in the current and previous measurements if the recoverable amount of impaired assets based on fair value less costs of disposal was measured using a present value technique. An entity shall apply these amendments retrospectively for annual periods beginning on or after January 1, 2014. Earlier application is permitted. An entity shall not apply these amendments in periods (including comparative periods) in which IFRS 13 is not applied.

IAS 39, Financial Instruments: Recognition and Measurement

On June 27, 2013 the IASB issued the amendment Novation of Derivatives and Continuation of Hedge Accounting, which requires an entity to continue hedge accounting in a circumstance in which a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. The proposals introduce an exception to the requirements for the discontinuation of hedge accounting in IAS 39. The IASB proposes that the requirements for the discontinuation of hedge accounting in IAS 39 would not apply to the hedging instrument, if specific conditions are met. The effective date of application for annual periods beginning on January 1, 2014, may be applied in advance. An entity shall apply the amendment retrospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Investment Entities - Amendments to IFRS 10, Consolidated Financial Statements, IFRS 12, Disclosure of Interests in Other Entities and IAS 27, Separate Financial Statements

The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities.

Annual Improvements to IFRS: cycle 2010-2012

On December 12, 2013 this document was issued, covering seven regulations:

- IFRS 2 Share-based Payment: amending the definition of "condition for vesting (vesting)" and "market conditions" and adds the definition of "performance conditions" and "service condition" (which was part of the definition of “vesting condition").
- IFRS 3 Business Combinations: clarifies that contingent considerations that are classified as assets or liabilities should be measured at fair value at each reporting date.
- IFRS 8 Operating Segments: requires an entity to disclose the judgments made by management in the application of the aggregation criteria of the operating segments and clarifies that an entity should only provide reconciliation of the total of the reportable segments’ assets to the entity’s assets should only be disclosed if that amount is regularly provided to the chief operating decision maker.
- IFRS 13 Fair Value Measurement: clarifies that the issuance of IFRS 13 and amendments to IFRS 9 and IAS 39 did not eliminate the possibility of measuring short-term receivables and payables with no stated interest rate amounts to undiscounted bills if the effect of not discounting is immaterial.
- IAS 16 Property, Plant and Equipment: clarifies that when an item of property, plant and equipment is revalued, gross carrying value is adjusted in a manner consistent with the revaluation of the carrying value.
- IAS 24 Related Party Disclosures: clarifies that an entity that provides key management personnel for another reporting entity or the parent of the reporting entity is a related party.
- IAS 38 Intangible Assets: clarifies that the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount; and the accumulated amortization is calculated as the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

Annual improvements to IFRS: 2010-2012 cycle, should be applied for annual periods beginning on or after July 1, 2014, with earlier application permitted.

Annual Improvements to IFRS: cycle 2011-2013

On December 12, 2013 this document was issued covering four regulations:

- IFRS 1 First-time Adoption: clarifies that an entity, in its first financial statements under IFRS, has the choice between applying an existing and currently effective IFRS or implementation of new or revised IFRS not yet mandatory if allowing early application. It requires an entity to apply the same version of IFRS through the periods covered by the first IFRS financial statements.
- IFRS 3 Business Combinations: clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.
- IFRS 13 Fair Value Measurement: clarifies that the scope of the exception portfolio defined in paragraph 52 of IFRS 13 includes all contracts included under the scope of the IAS 39 Financial Instruments: Recognition and Measurement and IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in the IAS 32 Financial Instruments: Presentation.
- IAS 40 Investment Property: clarifies that if a transaction meets the definition of both a business combination as defined in IFRS 3 Business Combinations and Investment Properties as defined in IAS 40 Investment Property, the separate application of both standards are required independently.

Annual improvements to IFRS: 2011-2013 cycle, should be applied for annual periods beginning on or after July 1, 2014, with earlier application permitted.

IFRIC 21 Levies

On May 20, 2013 IASB issued this interpretation, which addresses the accounting for a liability to pay a tax if that liability is within the scope of IAS 37. It also addresses the accounting for a liability to pay a tax when the amount and maturity are certain. For the purposes of this interpretation, a levy is an outflow of resources embodying economic benefits that is imposed by governments on entities under the law (i.e. laws and regulations), other than outflows that are in the scope of IAS 12 Income Taxes and, fines or other penalties imposed for breaches of the legislation. An entity shall apply this Interpretation for annual periods beginning on or after January 1, 2014. Earlier application is permitted. If an entity applies this Interpretation for prior periods, it shall disclose that fact. Changes in accounting policies resulting from the application of this interpretation shall be accounted for retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

ah) Standards and instructions issued by the Superintendency of Banks and Financial Institutions (SBIF)

Circular N°3.548 – On March 19, 2013 the SBIF issued this circular, regarding Chapters C-1, C-2 and C-3 of the Compendium of Accounting Standards, which modifies instructions of the presentation of the Statement of Income.

2. ACCOUNTING CHANGES

As indicated in Note 4 to the financial statements for the year 2013 the Bank modified the presentation of its operating segments.

During the year ended December 31, 2013, no other accounting changes from the previous year were made with respect to these consolidated financial statements.

3. SIGNIFICANT EVENTS

- During 2013, the following subordinated bonds were issued:

On September 1, 2013 the Bank issued a Series AH Bond for UF 15,000,000 with an annual interest rate of 2.60% and maturity date on September 1, 2043

- During 2013, the following subordinated bonds were placed in UF:

Series AH Bond issued on October 29, 2013, for UF 2,000,000 at a Yield of 3.96% and maturity date on September 1, 2043.

Series AH Bond issued on October 30, 2013, for UF 1,000,000 at a Yield of 4.05% and maturity date on September 1, 2043.

Series AH Bond issued on November 5, 2013, for UF 1,000,000 at a Yield of 4.05% and maturity date on September 1, 2043.

Series AH Bond issued on November 5, 2013, for UF 1,000,000 at a Yield of 3.96% and maturity date on September 1, 2043.

- During 2013, the following issuance of bonds denominated in Chilean Pesos was made:

On May 1, 2013 the Bank placed a Series AG Bond for CLP$ 228,500,000,000 with an annual interest rate of 5.0% and maturity date on May 1, 2018.

- During 2013, the following placement of bonds denominated in US$ was made:

On February 11, 2013 the Bank placed a Bond in the United States of America (ISIN RegS: USP32133CG63) for the amount of US$ 500,000,000 in accordance with Rule 144A and Regulation S of the Securities Act of the United States of America, which has an annual interest rate of 4.00% and will mature on February 11, 2023.

- During 2013, the following placement of bonds denominated in Swiss Francs was made:

On September 26, 2013 the Bank placed a bond in Swiss Francs ISIN RegS: CH0222435429) for an amount of CHF 200,000,000 with an annual interest rate of 1.25% and maturity date September 26, 2016.

On December 23, 2013 the Bank placed a bond in Swiss Francs ISIN RegS: CH0230446665) for an amount of CHF 120,000,000 with an annual interest rate of 0.75% and maturity date December 23, 2015.

- During 2013 the following placements of bonds denominated in UF (Chilean inflation index-linked units of account) were made:

Series AF1 Bond issued on March 1, 2013, for UF 5,000,000 at a Yield of 3.55% and maturity date on August 1, 2017.

Series AF2 Bond issued on April 16, 2013, for UF 1,000,000 at a Yield of 3.68% and maturity date on August 1, 2022.

Series AF1 Bond issued on August 19, 2013, for UF 500,000 at a Yield of 3.35% and maturity date on August 1, 2017.

Series AF2 Bond issued on September 2, 2013, for UF 2,000,000 at a Yield of 3.60% and maturity date on August 1, 2022.

Series AF2 Bond issued on September 5, 2013, for UF 500,000 at a Yield of 3.60% and maturity date on August 1, 2022.

Series AF2 Bond issued on October 21, 2013, for UF 1,000,000 at a Yield of 3.55% and maturity date on August 1, 2022.

Series AF2 Bond issued on November 14, 2013, for UF 3,000,000 at a Yield of 3.55% and maturity date on August 1, 2022.

b) Distribution of dividends and capitalization of earnings.

The Ordinary Shareholders' Meeting of April 2, 2013 approved distributing the 2012 net profits of MCLP$ 271,256 as follows:

- Distribute a dividend of CLP$865 per share for 105,855,267 shares issued and registered in the Register of Shareholders, which amounts to MCLP$ 91,565.
- Allocate the remaining balance of MCLP$ 179,691 to reserves.

c) Increase in capital stock

On April 2, 2013, the Extraordinary Shareholders' Meeting approved, among other things, increasing the capital stock by MCLP$ 179,961, by capitalizing retained earnings.

1) Capitalizing the amount of MCLP$ 135,628, without issuing any shares and
2) Capitalizing the amount of MCLP$ 44,063 by issuing 1,319,183 paid-in shares.

In accordance with its by-laws, the Bank's capital stock was MCLP$ 1,202,180 divided into 105,855,267 no-par-value shares of the same series. As a result of the capital increase, the capital stock of Banco de Crédito e Inversiones is MCLP$ 1,381,871, and it consists of 107,174,450 no-par-value shares of the same series.

The capital increase was approved by the Superintendency of Banks and Financial Institutions on May 24, 2013 by Resolution N° 143. The corresponding certificate and extract of this resolution was published in the Diario Oficial on June 3, 2013 and was recorded in pages 41.484 N° 27.669 of the Registro de Comercio del Conservador de Bienes Raíces (Santiago Real Estate Registrar) of 2013.

The issuance of the paid-in shares was recorded in N°3/2013 of the Register of Stocks of this Superintendency.

In the Board of Directors' meeting held on June 25, 2013 it was agreed that the paid-in shares would be issued and distributed on July 31, 2013.

On September 26, 2013, the Extraordinary Shareholders' meeting approved the increase in capital of the Bank of MCLP$ 198,876 through the issuance of 7,392,885 paid-in shares, which will be effective once the approval of the Superintendency of Banks and Financial Institutions has been obtained and the issuance registered. The Board of Directors of the Bank will agree the terms of the issuance and the placement of these new shares necessary for the capital increase, as well as the subscription and payment of such shares.

This increase will be made to address the requirements of the Bank's management and the challenges of the market in which the Bank operates, and in particular, the acquisition of City National Bank of Florida in the United States of America, maintaining the capitalization ratios and aligning the Bank's policies and the expectations of the market, and regulators after the acquisition.

The equivalent of 10% of the issuance of the capital increase is for a stock option program for collaborators.

As of December 31, 2013, the capital increase has not been finalized.

d) Election of Directors.

At the Ordinary Shareholders’ Meeting held on April 2, 2013 the following persons were elected as Directors of Banco de Crédito e Inversiones for the next 3 years:

Sr. Luis Enrique Yarur Rey
Sr. Andrés Bianchi Larre
Sr. José Pablo Arellano Marín
Sr. Juan Manuel Casanueva Préndez
Sr. Juan Ignacio Lagos Contardo
Sr. Mario Gómez Dubravcic
Sr. Máximo Israel López
Sr. Dionisio Romero Paoletti
Sr. Francisco Rosende Ramírez

e) Agreement with Bankia Spain for the acquisition of companies in the United States of America

At an extraordinary meeting of the Board of Directors of Banco Credito e Inversiones dated May 25, 2013, the authorization was agreed for the signing of the agreement with Bank Bankia, a company established in Spain, whereby, Banco Credito e Inversiones would acquire the share participation held by Bankia Group, as follows;

- CMF Holdings Florida
- City National Bank of Florida

The transaction is subject to obtaining the regulatory approvals of the relevant authorities in Chile, Spain and the US.

As stated in the aforementioned board meeting, the transaction is planned to become effective during the first half of 2014.

Banco Crédito e Inversiones will acquire 100% of the share capital of CMF Holding Florida.

Additionally, Banco Crédito e Inversiones directly and indirectly will acquire 100% of the share capital or corporate capital of the City National Bank of Florida.

The consideration to be paid by Banco Credito e Inversiones will be for an approximate amount of US$ 882.8 million.

Bank City National Bank of Florida at the time of the agreement has assets of US $ 4.7 billion, deposits of US $ 3.5 billion and loans of US$ 2.5 billion.

In response to the limits established by the General Banking Law for this type of investment in subsidiaries abroad, for the acquisition and prior to making the investment, Banco Credito e Inversiones will carry out a capital increase in the amount equivalent of approximately MCLP$ 198,876 through the issuance of 7,392,885 paid-in shares, which will take place after obtaining the approval of the Superintendency of Banks and Financial Institutions and registering the issuance. This allows the Bank to maintain capitalization ratios after the transaction similar to those current and aligned with the Bank's policy and expectations of markets, classifiers and regulators.

4. BUSINESS SEGMENTS

4.1 Structure of the segments

Segment reporting is presented by the Bank based on the defined business structure, which is oriented at optimizing assistance to clients with products and service, according to relevant commercial characteristics.

In order to reflect the nature and management of the Bank's reporting segments for 2013, refer to the below for the following changes compared to the segments presented in 2012:

New commercial structure with four reporting segments
Commercial banking: This segment is aimed at a market composed mainly of companies whose annual sales are in excess of UF 80,000 per year. This segment encompasses different business units that report directly, such as Large Companies, Real Estate, Companies and Leasing Companies.
Retail banking: This segment includes individuals. The business units in this segment are Individuals, Preferential, Nova and Tbanc.
Small and medium size entities: This new segment includes Entrepreneurs and Enterprising entities (sales of between UF 2,400 and UF 80,000) which were previously part of Commercial and Retail banking, respectively. It also includes Micro-entities which were previously included in Nova (with sales of less than UF 2,400).
Corporate and Investment Banking: Aimed at large corporations, financial institutions, and investors with solvent equity and within the capital markets that require high value financial services. It includes Wholesale trading, Corporate, Private, and Finance banking.
Assignment of income from subsidiaries by client Consistent with the client-focused strategy, the previous segments consider the income and expenses produced by the subsidiaries as a consequence of services for the Bank's clients in each segment. In order to reflect the market conditions in funding the segments, the transfer rates between Finance and Commercial banking for demand deposits and time deposits are adjusted as they had the highest level of stability.

The below criteria has been approved for 2012.

The management of the indicated commercial areas is measured under the definitions presented in this note, which are based on the same accounting principles applied in the Interim Consolidated Statements of Income for the period.

Expenses are allocated to the various segments in three stages:

Direct expenses: These are expenses that can be allocated directly to each of the cost centers of each segment; they are clearly recognizable and assignable. For example, personnel expenses, materials, and equipment and depreciation.

Indirect expenses (centralized allocation of expenses): There are expenses recorded in common cost centers, which, according to the Bank's policy, are distributed to the various segments. For example, telephone expenses are distributed based on the number of employees per department, while real estate depreciation is recorded based on the number of square meters used, among others.

Support management expenses: These are allocated with consideration of the time and resources used by the various segments based on their requirements. These expenses are defined in advance and agreed to by the areas involved (user and support areas).

a) Income Statement 2013

	For the year ended December 31, 2013				
	Commercial Banking	Retall Banking	Small and Medium Entitites	Corporate and Investment Banking	Total Segments
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Net interest income	158,965	276,172	115,620	106,786	657,543
Net service fee income	29,295	110,597	28,242	25,983	194,117
Other operating income	26,720	22,009	5,750	95,695	150,174
Total operating income	**214,980**	**408,778**	**149,612**	**228,464**	**1,001,834**
Provisions for loan losses	(34,532)	(69,910)	(35,156)	(28,252)	(167,850)
Net operating income	**180,448**	**338,868**	**114,456**	**200,212**	**833,984**
Total operating expenses	(70,732)	(228,184)	(55,756)	(68,700)	(423,372)
Operating income by segment	**109,716**	**110,684**	**58,700**	**131,512**	**410,612**

b) Reconciliation of the operating income per segment and the net income for the year:

	MCLP$
Operating income by segment	**410,612**
Unallocated net interest income	(8,518)
Unallocated net service fee income	1,098
Unallocated other operating income	(3,881)
Provisions for loan losses	9,196
Unallocated other corporate expenses (*)	(53,937)
Operating income	**354,570**
Investment in other companies income (**)	7,859
Income before income tax	**362,429**
Income tax	(62,135)
CONSOLIDATED NET INCOME FOR THE PERIOD	**300,294**

(*) Unallocated other corporate expense includes corporate expenses not directly identified with businesses due to their nature and they are therefore unallocated.
(**) The income for investment in other companies contains income which cannot be identified directly with the indicated segments.

c) Volume of business 2013

	December 31, 2013				
	Commercial Banking	**Retall Banking**	**Small and Medium Entitites**	**Corporate and Investment Banking**	**Total Segments**
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Assets	4,575,360	5,506,855	1,690,364	8,474,090	20,246,669
Liabilities	4,122,605	4,980,791	1,508,299	8,052,874	18,664,569
Equity	-	-	-	-	1,582,100

d) Income Statement 2012

	For the year ended December 31, 2012				
	Commercial Banking	Retall Banking	Small and Medium Entitites	Corporate and Investment Banking	Total Segments
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Net interest income	147,439	242,032	109,317	109,969	608,757
Net service fee income	28,694	107,195	28,729	24,165	188,783
Other operating income	25,408	21,940	2,935	64,918	115,201
Total Operating Income	**201,541**	**371,167**	**140,981**	**199,052**	**912,741**
Provisions for loan losses	(18,470)	(84,380)	(29,671)	9,672	(122,849)
Net Operating Income	**183,071**	**286,787**	**111,310**	**208,724**	**789,892**
Total Operating Expenses	(71,049)	(215,491)	(54,155)	(57,076)	(397,771)
Operating income by segment	**112,022**	**71,296**	**57,155**	**151,648**	**392,121**

e) Reconciliation of the operating income per segment and the net income for the year

	MCLP$
Operating income by segment	**392,121**
Unallocated net interest income	(13,574)
Unallocated net service fee income	911
Unallocated other operating income	4,782
Provisions for loan losses	(12,426)
Unallocated other corporate expenses (*)	(51,270)
Operating income	**320,544**
Investment in other companies income (**)	6,559
Income before income tax	**327,103**
Income tax	(55,847)
CONSOLIDATED NET INCOME FOR THE PERIOD	**271,256**

(*) Unallocated other corporate expense includes corporate expenses not directly identified with businesses due to their nature and they are therefore unallocated.

(**) The income for investment in other companies contains income which cannot be identified directly with the indicated segments.

f) Volume of business 2012

	December 31, 2012				
	Commercial Banking	Retall Banking	Small and Medium Entitites	Corporate and Investment Banking	Total Segments
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Assets	4,308,168	4,931,228	1,625,706	7,061,476	17,926,578
Liabilities	3,869,195	4,474,733	1,447,881	6,714,812	16,506,621
Equity	-	-	-	-	1,419,957

g) Concentration of Clients

There are no clients that individually represent more than 10% of the income from the segments mentioned.

h) Transactions between segments

The main transaction between the segments corresponds to the rate of transfer (cost of funds) that the Corporate and Investment Banking segment applies to operations of assets and liabilities in the other segments. For asset related transactions, Corporate and Investment Banking charges a transfer fee, while for liability related transactions, Corporate and Investment Banking pays a fee.

5. CASH AND CASH EQUIVALENTS

a) Details of balances included within cash and cash equivalents, and their reconciliation with the Consolidated Statement of Cash Flows at each year end, are as follows:

	As of December 31	
	2013	2012
	MCLP$	MCLP$
Cash and due from banks		
Cash	295,808	322,351
Deposits in Central Bank of Chile	175,261	704,240
Deposits in local banks	16,049	4,576
Deposits abroad	774,648	428,452
Subtotal cash and bank deposits	**1,261,766**	**1,459,619**
Operations pending settlement, net	145,118	145,498
Highly liquid financial instruments	108,289	13,614
Investments under agreements to resell	195,021	134,808
Total cash and cash equivalents	**1,710,194**	**1,753,539**

The level of cash and deposits at the Central Bank of Chile meets the monthly average reserve requirements.

b) Items in the course of collection:

Items in the course of collection correspond to those transactions pending settlement which will increase or decrease the funds at the Central Bank of Chile or in foreign Banks, usually within 12 or 24 hours. At each period end, details are as follows:

	As of December 31	
	2013	**2012**
	MCLP$	MCLP$
Assets		
Outstanding notes from other banks	158,686	158,203
Funds receivable	539,327	236,193
Subtotal assets	**698,013**	**394,396**
Liabilities		
Funds payable	552,895	248,898
Subtotal liabilities	**552,895**	**248,898**
Items in course of collection, net	**145,118**	**145,498**

6. TRADING INVESTMENTS

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

	As of December 31	
	2013	2012
	MCLP$	MCLP$
Instruments of the Government and Central Bank of Chile:		
Bonds of the Central Bank of Chile	694,066	870,243
Promissory notes of the Central Bank of Chile	2,633	2,799
Other instruments of the Government and the Central Bank of Chile (*)	18,023	-
Instruments of other domestic institutions:		
Bonds	16,008	57
Time deposits	177,496	227,477
Letters of credit	1,606	4,047
Documents issued by other financing institutions	81,234	85,643
Other instruments	15,381	14,603
Instruments of other foreign institutions:		
Other instruments	179	1,919
Investments in mutual funds:		
Funds administered by related entities	33,435	16,504
Funds administered by third parties	2,475	227
Total	**1,042,536**	**1,223,519**

(*) As of December 31, 2013 and 2012, the Bank has instruments of intermediation with the Central Bank of Chile, classified in the "Instruments of the State and Central Bank of Chile" by MCLP$114,069 and MCLP$387,039, respectively.

7. INVESTMENTS UNDER SALE AGREEMENTS AND OBLIGATIONS UNDER REPURCHASE

a) Securities purchased under resale agreements:

Type of entity	Maturity of the agreement: Up to 3 months		Between 3 months-1 year		Over 1 year		Balance as of 31.12.2013
	MCLP$	Average rate %	MCLP$	Average rate %	MCLP$	Average rate %	MCLP$
Related individual or corporation	-	-	-	-	-	-	-
Bank operating in the country	-	-	-	-	-	-	-
Securities broker	40,531	0.42	1,058	0.44	-	-	41,589
Other financing institution operating in the country	-	-	-	-	-	-	-
Foreign financing institution	-	-	-	-	-	-	-
Other individual or corporation	85,458	0.41	67,974	0.45	-	-	153,432
Total	**125,989**	**-**	**69,032**	**-**	**-**	**-**	**195,021**

Type of entity	Maturity of the agreement: Up to 3 months		Between 3 months-1 year		Over 1 year		Balance as of 31.12.2012
	MCLP$	Average rate %	MCLP$	Average rate %	MCLP$	Average rate %	MCLP$
Related individual or corporation	-	-	-	-	-	-	-
Bank operating in the country	-	-	-	-	-	-	-
Securities broker	54,452	0.75	4,084	0.54	-	-	58,536
Other financing institution operating in the country	-	-	-	-	-	-	-
Foreign financing institution	-	-	-	-	-	-	-
Other individual or corporation	72,675	0.52	3,597	0.54	-	-	76,272
Total	**127,127**		**7,681**		**-**		**134,808**

b) Securities sold under repurchase agreements:

Type of entity	Maturity of the agreement: Up to 3 months		Between 3 months-1 year		Over 1 year		Balance as of 31.12.2013
		Average rate		Average rate		Average rate	
	MCLP$	%	MCLP$	%	MCLP$	%	MCLP$
Related individual or corporation	-	-	-	-	-	-	-
Bank operating in the country	8,508	0.42	-	-	-	-	8,508
Securities broker	753	0.37	-	-	-	-	753
Other financing institution operating in the country	-	-	-	-	-	-	-
Foreign financing institution	-	-	-	-	-	-	-
Other individual or corporation	326,362	0.37	78	0.44	-	-	326,440
Total	**335,623**		**78**		**-**	**-**	**335,701**

Type of entity	Maturity of the agreement: Up to 3 months		Between 3 months-1 year		Over 1 year		Balance as of 31.12.2012
		Average rate		Average rate		Average rate	
	MCLP$	%	MCLP$	%	MCLP$	%	MCLP$
Related individual or corporation	20,016	0.49	-	-	-	-	20,016
Bank operating in the country	12,007	0.47	-	-	-	-	12,007
Securities broker	96,097	0.44	-	-	-	-	96,097
Other financing institution operating in the country	-	-	-	-	-	-	-
Foreign financing institution	-	-	-	-	-	-	-
Other individual or corporation	197,034	0.43	9	0.72	-	-	197,043
Total	**325,154**		**9**		**-**		**325,163**

8. FINANCIAL DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

a) As of December 31, 2013 and 2012, the Bank and its subsidiaries held the following portfolio of derivative instruments:

	As of December 31			
	2013		2012	
	Assets MCLP$	**Liabilities** MCLP$	**Assets** MCLP$	**Liabilities** MCLP$
Trading derivatives				
Forwards	145,873	124,536	127,732	122,407
Swaps	305,612	282,790	206,846	166,832
Call options	1,753	1,555	809	255
Put options	114	1,195	184	442
Futures	80	-	174	-
Others	-	-	-	-
Subtotal	**453,432**	**410,076**	**335,745**	**289,936**
Hedge accounting				
Forwards	43,304	24,538	1,649	7,177
Swaps	772,544	797,650	131,762	131,123
Call options	-	-	-	-
Put options	-	-	-	-
Futures	-	-	-	-
Others	-	-	-	-
Subtotal	**815,848**	**822,188**	**133,411**	**138,300**
Total	**1,269,280**	**1,232,264**	**469,156**	**428,236**

	Notional amount of contracts by maturity					
	2013			2012		
	Up to 3 months	Between 3 months - 1 year	Over 1 year	Up to 3 months	Between 3 months - 1 year	Over 1 year
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Fair value hedging derivatives						
Forwards	-	-	-	-	-	-
Swaps	204,416	809,093	806,622	85,000	479	329,036
Call options	-	-	-	-	-	-
Put options	-	-	-	-	-	-
Futures	-	-	-	-	-	-
Others	-	-	-	-	-	-
Subtotal	**204,416**	**809,093**	**806,622**	**85,000**	**479**	**329,036**
Trading derivatives						
Forwards	13,230,611	11,410,375	1,131,581	8,865,405	6,910,732	603,054
Swaps	3,029,645	9,252,470	15,987,048	3,453,255	8,135,945	11,705,124
Call options	70,029	72,460	3,814	38,214	53,845	1,103
Put options	64,461	46,501	-	40,419	12,706	-
Futures	2	-	-	2	-	-
Others	-	-	-	-	-	-
Subtotal	**16,394,748**	**20,781,806**	**17,122,443**	**12,397,295**	**15,113,228**	**12,309,281**
Cash flow hedging derivatives						
Forwards	681,327	381,070	-	352,344	260,794	-
Swaps	-	98,642	1,083,841	-	196,659	706,673
Call options	-	-	-	-	-	-
Put options	-	-	-	-	-	-
Futures	-	-		-	-	-
Others	-	-	-	-	-	-
Subtotal	**681,327**	**479,712**	**1,083,841**	**352,344**	**457,453**	**706,673**
Total	**17,280,491**	**22,070,611**	**19,012,906**	**12,834,639**	**15,571,160**	**13,344,990**

b) Types of derivatives

The Bank uses hedge accounting to manage its exposure to fair value and cash flow risk.

Fair value hedges:

For positions in both foreign currency and in local currency, the fair value of the position is hedged against changes in the base interest rate, and as such, the implied credit spread is not considered. These operations reduce the duration of the positions and reduce the risk related to interest rate changes.

Below is a summary table detailing the items and instruments used in hedge accounting of fair values as of December 31, 2013 and 2012:

	As of December 31	
	2013	2012
	MCLP$	MCLP$
Hedged item		
Investment (MX)	49,718	36,522
Bonds issued (MX)	496,905	240,041
Loans (MX, UF)	58,332	54,480
Time deposits (CLP$)	1,049,100	144,745
Time deposits (UF)	23,310	20,557
Liabilities (MX)	142,766	-
Total	**1,820,131**	**496,345**
Hedging instrument		
Swap Rate (MX)	684,841	331,043
Swap Rate (CLP$)	1,085,230	165,302
Cross currency swaps	50,060	-
Total	**1,820,131**	**496,345**

Cash flow hedges:

The Bank uses cash flow hedge instruments such as Cross Currency Swaps, Forwards (inflation and exchange rate) and UF rate Swaps for the assets and liabilities exposed to variations in interest rates, exchange rates and/or inflation.

	As of December 31	
	2013	2012
	MCLP$	MCLP$
Hedged item		
Time deposits CLP / Assets UF	1,246,977	899,469
Assets UF >1Y	1,135,176	280,941
Future obligations USD	364,310	459,823
Bond MXN y Assets USD	226,402	113,673
Total	**2,972,865**	**1,753,906**
Hedging instrument		
Swap rate	1,168,122	899,469
Forward UF	762,223	280,941
Forward USD	295,969	459,823
Cross currency swaps	746,551	113,673
Total	**2,972,865**	**1,753,906**

Below is a summary table detailing the expected future cash flows as a result of cash flow hedges:

	As of December 31, 2013				
	Periods for expected cash flows in MCLP$				
	Within 1Y	**Between 1Y and 5Y**	**Between 5Y and 10Y**	**More than 10Y**	**Total**
Hedged item					
Outflow from cash flows	(1,413,231)	(1,474,387)	(285,157)	-	(3,172,775)
Inflow of cash flows	1,378,957	1,441,092	261,347	-	3,081,396
Net cash flows	(34,274)	(33,295)	(23,810)	-	(91,379)
Hedging instrument					
Outflow from cash flows	1,413,231	1,474,387	285,157	-	3,172,775
Inflow of cash flows	(1,378,957)	(1,441,092)	(261,347)	-	(3,081,396)
Net cash flows	34,274	33,295	23,810	-	91,379

	As of December 31, 2012				
	Periods for expected cash flows in MCLP$				
	Within 1Y	**Between 1Y and 5Y**	**Between 5Y and 10Y**	**More than 10Y**	**Total**
Hedged item					
Outflow from cash flows	(226,272)	(687,129)	-	-	(913,401)
Inflow of cash flows	218,154	693,743	-	-	911,897
Net cash flows	**(8,118)**	**6,614**	**-**	**-**	**(1,504)**
Hedging instrument					
Outflow from cash flows	226,272	687,129	-	-	913,401
Inflow of cash flows	(218,154)	(693,743)	-	-	(911,897)
Net cash flows	**8,118**	**(6,614)**	**-**	**-**	**1,504**

9. INTERBANK LOANS

a) At the closure of each period, the balances contained in “Interbank loans" are the following:

	As of December 31	
	2013	**2012**
	MCLP$	MCLP$
Domestic banks		
Interbank highly liquid loans	-	-
Provisions for loans with domestic banks	-	-
Foreign banks		
Interbank commercial loans	106,395	88,594
Provisions for loans with foreign banks	(244)	(288)
Total	**106,151**	**88,306**

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

	2013			2012		
	Domestic Banks	**Foreign Banks**	**Total**	**Domestic Banks**	**Foreign Banks**	**Total**
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Balance as of January 1	-	288	288	2	110	112
Established provisions	-	-	-	-	178	178
Released provisions	-	(44)	(44)	(2)	-	(2)
Balance as of December 31	**-**	**244**	**244**	**-**	**288**	**288**

10. LOANS AND RECEIVABLES FROM CUSTOMERS

a) Loans and receivables from customers

As of December 31, 2013 and 2012, the composition of the loan portfolio was as follows:

	Assets Before Allowances			Allowances Established			
As of December 31, 2013	**Normal Portfolio**	**Impaired Portfolio**	**Total**	**Individual Provisions**	**Group Provisions**	**Total**	**Net Assets**
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Commercial loans:							
Commercial loans	6,811,878	352,690	7,164,568	(116,717)	(60,489)	(177,206)	6,987,362
Foreign trade loans	1,050,042	8,283	1,058,325	(19,125)	(141)	(19,266)	1,039,059
Checking accounts	104,894	13,551	118,445	(2,147)	(4,975)	(7,122)	111,323
Factoring operations	566,850	19,675	586,525	(12,766)	(1,563)	(14,329)	572,196
Leasing transactions	701,826	26,080	727,906	(7,901)	(1,885)	(9,786)	718,120
Other loans and receivables	169,547	14,883	184,430	(1,242)	(5,815)	(7,057)	177,373
Subtotals	**9,405,037**	**435,162**	**9,840,199**	**(159,898)**	**(74,868)**	**(234,766)**	**9,605,433**
Mortgage loans:							
Letters of credit	41,305	2,797	44,102	-	(261)	(261)	43,841
Endorsable mortgage loans	18,590	3,202	21,792	-	(248)	(248)	21,544
Other mortgage loans	2,615,900	137,028	2,752,928	-	(12,090)	(12,090)	2,740,838
Subtotals	**2,675,795**	**143,027**	**2,818,822**	**-**	**(12,599)**	**(12,599)**	**2,806,223**
Consumer loans:							
Consumer loans in installments	1,268,330	145,964	1,414,294	-	(72,557)	(72,557)	1,341,737
Checking accounts	77,574	5,679	83,253	-	(5,464)	(5,464)	77,789
Credit card debtors	249,970	7,213	257,183	-	(8,860)	(8,860)	248,323
Consumer leasing transactions	809	-	809	-	(1)	(1)	808
Other loans and receivables	8,401	357	8,758	-	-	-	8,758
Subtotals	**1,605,084**	**159,213**	**1,764,297**	**-**	**(86,882)**	**(86,882)**	**1,677,415**
TOTAL	**13,685,916**	**737,402**	**14,423,318**	**(159,898)**	**(174,349)**	**(334,247)**	**14,089,071**

As of December 31, 2012	Assets Before Allowances			Allowances Established			
	Normal Portfolio	**Impaired Portfolio**	**Total**	**Individual Provisions**	**Group Provisions**	**Total**	**Net Assets**
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Commercial loans:							
Commercial loans	6,170,221	319,927	6,490,148	(103,553)	(46,225)	(149,778)	6,340,370
Foreign trade loans	863,737	23,620	887,357	(19,092)	(297)	(19,389)	867,968
Checking accounts	117,498	8,746	126,244	(1,920)	(3,869)	(5,789)	120,455
Factoring operations	570,373	13,679	584,052	(9,474)	(1,281)	(10,755)	573,297
Leasing transactions	676,678	25,108	701,786	(9,821)	(1,360)	(11,181)	690,605
Other loans and receivables	158,282	12,172	170,454	(327)	(4,500)	(4,827)	165,627
Subtotals	**8,556,789**	**403,252**	**8,960,041**	**(144,187)**	**(57,532)**	**(201,719)**	**8,758,322**
Mortgage loans:							
Letters of credit loans	51,053	4,281	55,334	-	(520)	(520)	54,814
Endorsable mutual mortgage loans	21,892	3,954	25,846	-	(359)	(359)	25,487
Other mutual mortgage loans	2,258,354	127,465	2,385,819	-	(8,743)	(8,743)	2,377,076
Subtotals	**2,331,299**	**135,700**	**2,466,999**	**-**	**(9,622)**	**(9,622)**	**2,457,377**
Consumer loans:							
Consumer loans in installments	1,174,478	146,402	1,320,880	-	(72,993)	(72,993)	1,247,887
Checking accounts	74,109	6,665	80,774	-	(6,105)	(6,105)	74,669
Credit card debtors	207,605	9,650	217,255	-	(8,906)	(8,906)	208,349
Consumer leasing transactions	694	209	903	-	(18)	(18)	885
Other loans and receivables	632	13	645	-	(10)	(10)	635
Subtotals	**1,457,518**	**162,939**	**1,620,457**	**-**	**(88,032)**	**(88,032)**	**1,532,425**
Total	**12,345,606**	**701,891**	**13,047,497**	**(144,187)**	**(155,186)**	**(299,373)**	**12,748,124**

The collateral received by the Bank with respect to the loans portfolio relates to mortgages, and consists of cash, securities, accounts receivable, property and real estate assets, and warrants, among others.

The Bank uses the financial lease agreements included in this account to finance the acquisition of property of its clients, both movable assets and real estate. As of December 31, 2013 and 2012, the Bank held approximately MCLP$405,342 and MCLP$404,625, respectively, of financial leases on movable assets, and MCLP$323,373 and MCLP$298,064, respectively, of financial leases on property.

The Bank has obtained assets in lieu of payment for an amount of MCLP$7,447 for 2013 and MCLP$3,440 for 2012 through the execution of collaterals or pledge of collateral assets.

The financial leases of the Bank principally consist of real estate and personal property contracts, with the option to purchase and a contract duration of between 1 and 10 years, depending on each contract.

The following is a reconciliation between gross investment and the present value of minimum payments as of December 31, 2013 and 2012:

	As of December 31,	
	2013	**2012**
	MCLP$	MCLP$
Gross financial leases	863,223	836,592
Income from financial leases not accrued	(134,508)	(133,903)
Net financial leases	**728,715**	**702,689**

	As of December 31,	
	2013	**2012**
	MCLP$	MCLP$
Less than 1 year	217,219	205,787
Between 1 and 5 years	390,435	381,238
Over 5 years	121,061	115,664
Total	**728,715**	**702,689**

There is no evidence of impairment of the financial lease contracts that the Bank holds as of December 31, 2013.

b) Portfolio characteristics

As of December 31, 2013 and 2012, the loan portfolio, before allowances, for loan losses by type of the customer's economic activity is as follows:

	Domestic Loans		Foreign Loans		Total			
	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	%	%
Commercial loans:								
Agriculture and livestock except fruit	191,139	178,629	54,278	29,696	245,417	208,325	1.70%	1.60%
Fruit	38,282	39,472	34,749	39,471	73,031	78,943	0.51%	0.61%
Forestry and wood extraction	97,999	75,627	10,324	6,924	108,323	82,551	0.75%	0.63%
Fishing	32,822	34,337	166,468	147,524	199,290	181,861	1.38%	1.39%
Mining	53,758	66,217	90,422	24,933	144,180	91,150	1.00%	0.70%
Crude oil and natural gas production	1,674	1,064	33,860	20,189	35,534	21,253	0.25%	0.16%
Food, beverages and tobacco industry	143,971	130,260	90,841	78,666	234,812	208,926	1.63%	1.60%
Textile and leather industry	36,684	24,805	17,391	17,190	54,075	41,995	0.37%	0.32%
Timber and furniture industry	27,203	30,623	8,219	16,692	35,422	47,315	0.25%	0.36%
Print and editorial industry	25,535	28,950	3,390	3,713	28,925	32,663	0.20%	0.25%
Chemical producs, derived from oil, carbon, rubber and plastic	106,754	147,166	161,800	89,767	268,554	236,933	1.86%	1.82%
Production of metal and non metal production, machinary and equipment	310,687	309,333	138,289	114,390	448,976	423,723	3.11%	3.25%
Other manufacturing industries	5,748	17,672	18,693	30,478	24,441	48,150	0.17%	0.37%
Electricity, gas and water	145,192	138,030	194,884	211,511	340,076	349,541	2.36%	2.68%
Home Construction	810,001	684,613	8,084	7,000	818,085	691,613	5.67%	5.30%
Other construction	377,006	326,751	18,337	13,965	395,343	340,716	2.74%	2.61%
Wholesale business	460,935	454,754	347,941	311,863	808,876	766,617	5.61%	5.88%
Retail, restaurants and hotels	618,471	686,939	187,812	171,728	806,283	858,667	5.59%	6.58%
Transportation and storage	300,107	314,442	132,334	116,423	432,441	430,865	3.00%	3.30%
Communications	95,393	96,928	1,536	5,229	96,929	102,157	0.67%	0.78%
Financial and insurance companies	1,465,833	1,306,310	342,010	162,993	1,807,843	1,469,303	12.53%	11.26%
Real estate and service providers	864,959	813,700	145,608	103,812	1,010,567	917,512	7.01%	7.03%
Services	1,358,854	1,269,733	63,922	59,529	1,422,776	1,329,262	9.86%	10.19%
Subtotals	**7,569,007**	**7,176,355**	**2,271,192**	**1,783,686**	**9,840,199**	**8,960,041**	**68.22%**	**68.67%**
Mortgage loans	2,818,822	2,466,999	-	-	2,818,822	2,466,999	19.55%	18.91%
Consumer loans	1,755,254	1,613,324	9,043	7,133	1,764,297	1,620,457	12.23%	12.42%
Total	**12,143,083**	**11,256,678**	**2,280,235**	**1,790,819**	**14,423,318**	**13,047,497**	**100.00%**	**100.00%**

c) Provisions

The changes in allowances for loan losses during the years ended December 31, 2013 and 2012 are summarized as follows:

	2013			2012		
	Individual Provisions	Group Provisions	Total	Individual Provisions	Group Provisions	Total
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Balances as of January 1	**144,187**	**155,186**	**299,373**	**149,376**	**127,921**	**277,297**
Portfolio write-offs						
Commercial loans	(24,319)	(27,508)	(51,827)	(18,346)	(23,479)	(41,825)
Mortgage Loans	-	(3,955)	(3,955)	-	(4,666)	(4,666)
Consumer Loans	-	(101,099)	(101,099)	-	(93,248)	(93,248)
Total Write-offs	**(24,319)**	**(132,562)**	**(156,881)**	**(18,346)**	**(121,393)**	**(139,739)**
Established provisions	66,580	157,114	223,694	31,311	149,172	180,483
Released provisions	(5,100)	(5,389)	(10,489)	(18,154)	(514)	(18,668)
Application of provisions (*)	(21,450)	-	(21,450)			
Balances as of December 31	**159,898**	**174,349**	**334,247**	**144,187**	**155,186**	**299,373**

(*) On June 25, 2013 the Bank swapped certain loans and receivables with Empresas La Polar for bonds series F and G, which were swapped under the same terms and conditions of the loans and receivables.

The bonds were classified as available for sale and were included in this portfolio, net of provisions for loan losses (applying a provision of MCLP$ 21,450).

The swap was generated considering the observable market value of an identical asset in the same conditions and taking into consideration that there were no unexplained effects on profit or loss due to changes in the market value of the asset.

This swapping took place under the bankruptcy agreement signed on November 7, 2011 which provides the option of swapping the loans due from Empresas La Polar (placement) into debt instruments in the form of two senior and junior bonds (series F and G, respectively).

In addition to these provisions for credit risk, the provisions for country risk are maintained to cover operations abroad and additional provisions approved by the Board, which are presented as liabilities in "Provisions" (Note 20). Therefore, the total of provisions for credit risk constituted for different concepts correspond to the following:

	As of December 31,	
	2013	**2012**
	MCLP$	MCLP$
Individual and group provisions	334,247	299,373
Provisions for contingent credit risk (Note 20)	16,408	18,279
Provisions for contingencies (Note 20)	35,619	48,254
Provisions for country risk (Note 20)	1,388	720
Provisions on due from banks (Note 9)	244	288
Total	**387,906**	**366,914**

During 2013 and 2012, the Bank has not participated in the purchase, sale, substitution or swap of credits of the loan portfolio with other financial institutions.

d) Guarantees

The impaired loan portfolio with and without guarantees as of December 31, 2013 and 2012 was as follows:

	As of December 31, 2013				As of December 31, 2012			
	Commercial	Mortgage	Consumer	Total	Commercial	Mortgage	Consumer	Total
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Debt with guarantees	70,022	-	-	70,022	75,704	-	-	75,704
Debt without guarantees	365,140	143,027	159,213	667,380	327,548	135,700	162,939	626,187
Total	**435,162**	**143,027**	**159,213**	**737,402**	**403,252**	**135,700**	**162,939**	**701,891**

e) Overdue

The overdue portfolio (with payment default equal to or more than 90 days) as of December 31, 2013 and 2012 was as follows:

	As of December 31, 2013				As of December 31, 2012			
	Commercial	Mortgage	Consumer	Total	Commercial	Mortgage	Consumer	Total
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Debt with guarantees	30,411	-	-	30,411	32,850	-	-	32,850
Debt without guarantees	202,642	60,335	33,946	296,923	127,657	62,731	31,498	221,886
Total	**233,053**	**60,335**	**33,946**	**327,334**	**160,507**	**62,731**	**31,498**	**254,736**

11. INVESTMENT INSTRUMENTS

As of December 31, 2013 and 2012, instruments designated as financial instruments available for sale and held to maturity included the following:

	As of December 31, 2013			**As of December 31, 2012**		
	Available for sale	**Held to maturity**	**Total**	**Available for sale**	**Held to maturity**	**Total**
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Investments priced in active markets						
Of the government and Central Bank of Chile (***)						
Instruments of the Central Bank of Chile	234,925	-	234,925	130,375	-	130,375
Bonds or promissory notes of the Treasury	25,553	-	25,553	3,131	-	3,131
Other fiscal instruments	22,519	-	22,519	34,059	-	34,059
Other instruments issued in the country:						
Instruments from other banks of the country	339,045	-	339,045	264,250	-	264,250
Bonds and instruments from companies (*)	102,321	-	102,321	113,593	-	113,593
Other instruments issued in the country (**)	508	-	508	1,324	-	1,324
Instruments issued abroad:						
Instruments from foreign governments and banks	-	-	-	-	-	-
Bonds issued abroad	204,971	-	204,971	209,494	-	209,494
Other instruments issued abroad	4,509	-	4,509	15,155	-	15,155
Total	**934,351**	**-**	**934,351**	**771,381**	**-**	**771,381**

As of December 31, 2013, the portfolio of available for sale instruments includes an unrealized profit net of deferred taxes of MCLP$1,934 (MCLP$17,425 as of December 31, 2012) recorded as valuation adjustments in equity.

(*) Includes Empresas La Polar bonds, series BLAPO-F and BLAPO-G for MCLP$ 5,295 and MCLP$ 409, respectively, presented net of the adjustment for impairment determined as of December 31, 2013 of MCLP $ 4,133 and MCLP$ 597, respectively (see Note 31)

(**) Includes the shares that the BCI Corredor de Bolsa S.A. subsidiary has in the Santiago Stock Exchange and in the Chilean Electronic Stock Exchange (BEC in Spanish). These shares are valued according to their last transaction value.

(***) As of December 31, 2012 the Bank held time deposits instruments with the Central Bank of Chile, classified in the "Instruments of the State and Central Bank of Chile" for MCLP$ 124,008. In 2013, there were no time deposit operations. During the 2013 and 2012 periods, there is no evidence of impairment in the instruments available for sale.

12. INVESTMENT IN COMPANIES

a) As of December 31 2013 and 2012, the main investments in companies are detailed below:

	As of December 31,							
	2013				2012			
Company	Equity	Share	Investment value	Income/Loss	Equity	Share	Investment value	Income/Loss
	MCLP$	%	MCLP$	MCLP$	MCLP$	%	MCLP$	MCLP$
Investments valued at equity value:								
Redbanc S.A.	4,401	12.71	560	53	4,109	12.71	522	(125)
Combanc S.A.	4,529	10.93	495	49	4,337	10.93	474	81
Transbank S.A.	5,232	8.72	456	3	6,306	8.72	550	107
Nexus S.A.	7,197	12.90	929	145	6,412	12.90	827	278
Servicios de Infraestructura de Mercado OTC S.A.	11,420	12.49	1,426	(13)	-	-	-	-
AFT S.A.	9,736	20.00	1,947	732	6,076	20.00	1,215	(528)
Centro de Compensación Automático ACH Chile	1,982	33.33	660	268	1,609	33.33	536	247
Sociedad Interbancaria de Depósitos de Valores S.A.	2,016	7.03	142	29	1,711	7.03	120	21
Credicorp Ltda.	2,247,885	1.88	67,514	5,653	1,982,934	1.85	57,946	7,115
Investments valued at cost:								
SWIFT shares			34				34	-
Other shares			1,450	19			849	10
Bladex shares			219	603			219	102
Total			**75,832**	**7,541**			**63,292**	**7,308**

	As of December 31,							
	2013				2012			
Company	Equity	Share	Investment value	Income/Loss	Equity	Share	Investment value	Income/Loss
	MCLP$	%	MCLP$	MCLP$	MCLP$	%	MCLP$	MCLP$
Investments valued at equity value:								
Servipag Ltda.	7,179	50.00	3,590	212	6,756	50.00	3,378	(321)
Artikos Chile S.A.	1,341	50.00	671	106	1,129	50.00	565	(428)
Total			**4,261**	**318**			**3,943**	**(749)**
Total Investment in Companies			**80,093**	**7,859**			**67,235**	**6,559**

b) The reconciliation of investment in companies for the 2013 and 2012 periods is the following:

As of December 31, 2013 and 2012, there was no impairment recorded on the investments.

	As of December 31, 2013	As of December 31, 2012
	MCLP$	MCLP$
Balance at the beginning of the period	67,235	61,379
Investment acquisition	3,579	2,025
Translation adjustment	4,604	(32)
Share of income	7,095	6,343
Dividends received	(2,330)	(2,140)
Minimum dividends provision	(90)	(340)
Total	**80,093**	**67,235**

c) Summary of relevant information of associates and joint ventures

1) Information of investments in associates and joint ventures as of December 31, 2013 is as follows:

Investment in associate or joint venture	% participation	Current assets	Non current assets	Current liabilities	Non current liabilities	Income	Expense	Net gain (loss)
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Redbanc S.A.	12.71	4,313	13,710	8,051	5,571	24,805	(23,876)	417
Combanc S.A.	10.93	4,800	636	906	-	2,810	(2,097)	444
Servicios de Infraestructura de Mercado OTC S.A.	12.49	9,711	4,897	2,459	729	-	-	(141)
Transbank S.A.	8.72	447,447	35,558	477,772	-	91,078	(86,319)	36
Nexus S.A.	12.90	8,159	4,171	5,133	-	37,556	(33,193)	1,122
AFT S.A.	20.00	62,640	1,353	53,928	329	20,779	(13,600)	3,661
Centro de Compensación Automático ACH Chile	33.33	1,081	1,912	1,011	-	3,930	(2,767)	376
Servipag Ltda.	50.00	42,788	16,256	48,343	3,521	35,371	(34,043)	424
Artikos Chile S.A.	50.00	920	735	313	-	2,930	(2,767)	212
Sociedad Interbancaria de Depósitos de Valores S.A.	7.03	131	1,905	-	20	5	(18)	426

2) Information of investments in associates and joint ventures as of December 31, 2012 is as follows:

Investment in associate or joint venture	% participation	Current assets	Non current assets	Current liabilities	Non current liabilities	Income	Expense	Net gain (loss)
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Redbanc S.A.	12.71	4,861	11,113	5,410	6,454	24,598	(25,074)	(596)
Combanc S.A.	10.93	4,513	597	772	-	2,793	(1,654)	706
Transbank S.A.	8.72	283,847	33,034	310,575	-	79,311	(74,825)	1,229
Nexus S.A.	12.90	10,026	4,353	8,027	-	35,586	(33,139)	2,156
AFT S.A.	20.00	78,731	2,286	72,394	2,547	57,599	(56,199)	(2,638)
Centro de Compensación Automático ACH Chile	33.33	1,017	997	405	-	3,387	(2,377)	346
Servipag Ltda.	50.00	37,139	16,916	44,068	3,231	36,645	(36,404)	(642)
Artikos Chile S.A.	50.00	442	926	239	-	2,451	(885)	(856)
Sociedad Interbancaria de Depósitos de Valores S.A.	7.03	147	1,567	3	-	5	(21)	295

13. INTANGIBLE ASSETS

a) The composition of this account as of December 31, 2013 and 2012 was the following:

			2013		
	Years of useful life	**Average useful life remaining**	**Gross balance**	**Accumulated amortization & impairment**	**Net balance**
			MCLP$	MCLP$	MCLP$
Intangibles acquired independently	6	4	29,294	(20,515)	8,779
Intangibles acquired in business combination (*)	10	-	39,051	(39,051)	-
Intangibles generated internally	6	4	140,031	(65,464)	74,567
Incorporation rights	-	-	-	-	-
Total			**208,376**	**(125,030)**	**83,346**

			2012		
	Years of useful life	**Average useful life remaining**	**Gross balance**	**Accumulated amortization & impairment**	**Net balance**
			MCLP$	MCLP$	MCLP$
Intangibles acquired independently	6	4	26,145	(18,235)	7,910
Intangibles acquired in business combination (*)	10	1	39,051	(35,328)	3,723
Intangibles generated internally	6	5	121,125	(51,790)	69,335
Incorporation rights	-	-	-	-	-
Total			**186,321**	**(105,353)**	**80,968**

Software corresponds to accounting-administrative systems such as SmartStream, SAP and Management Systems.

(*) Goodwill is generated by business combinations related to Conosur, which as of December 2013 and 2012, did not show signs of impairment.

b) The movement of the intangible assets account during the 2013 and 2012 periods is the following:

	Intangibles acquired independently	Intangibles acquired in business combination	Intangibles generated internally	Incorporation rights	Total
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Balance as of January, 2013	**26,145**	**39,051**	**121,125**	**-**	**186,321**
Additions	2,434	-	20,501	-	22,935
Retirements/ transfers	371	-	(1,488)	-	(1,117)
Reclassifications	743	-	(107)	-	636
Impairment (1)	(399)	-	-	-	(399)
Gross balance as of December 2013	**29,294**	**39,051**	**140,031**	**-**	**208,376**
Amortization for the year	(2,558)	(3,723)	(13,699)	-	(19,980)
Accumulated amortization	(18,235)	(35,328)	(51,791)	-	(105,354)
Reclassification	152	-	26	-	178
Impairment (1)	126	-	-	-	126
Total accumulated amortization and impairment	**(20,515)**	**(39,051)**	**(65,464)**	**-**	**(125,030)**
Balance as of December 2013	**8,779**	**-**	**74,567**	**-**	**83,346**
Balance as of January, 2012	23,361	39,204	103,133	1,463	167,161
Additions	2,318	-	15,169	-	17,487
Retirements/transfers	-	-	2,474	(1,463)	1,011
Reclassifications	466	(153)	349	-	662
Gross balance as of December 2012	**26,145**	**39,051**	**121,125**	**-**	**186,321**
Amortization for the year	(2,330)	(3,879)	(11,969)	-	(18,178)
Accumulated amortization	(15,905)	(31,449)	(39,821)	-	(87,175)
Total accumulated amortization and impairment	**(18,235)**	**(35,328)**	**(51,790)**	**-**	**(105,353)**
Balance as of December 2012	**7,910**	**3,723**	**69,335**	**-**	**80,968**

(1) The net impairment of accumulated depreciation of MCLP$ 273 relates to the intangible of Tallyman of the subsidiary Normaliza S.A.

c) As of December 31, 2013 and 2012, no intangibles have been provided as collateral to any counterparty.

14. PROPERTY, PLANT AND EQUIPMENT

a) The composition of property, plant and equipment as of December 31, 2013 and 2012 is the following:

	As of December 31, 2013				
	Years of useful life	**Useful life remaining**	**Gross balance**	**Accumulated depreciation**	**Net balance**
			MCLP$	MCLP$	MCLP$
Land and buildings	36	32	196,896	(40,413)	156,483
Equipment (*)	4	3	106,561	(83,156)	23,405
Others	6	5	78,225	(25,094)	53,131
Total			**381,682**	**(148,663)**	**233,019**

	As of December 31, 2012				
	Years of useful life	**Useful life remaining**	**Gross balance**	**Accumulated depreciation**	**Net balance**
			MCLP$	MCLP$	MCLP$
Land and buildings	37	27	181,135	(34,397)	146,738
Equipment (*)	5	3	97,335	(75,438)	21,897
Others	8	4	58,238	(21,816)	36,422
Total			**336,708**	**(131,651)**	**205,057**

(*) As of December 31, 2013 MCLP$ 188 was recorded as impairment of equipment (as of December 31, 2012 this was MCLP$ 642), see Note 31.

b) The movement of property, plant and equipment as of December 31, 2013 and 2012 is the following:

	Land and buildings	**Equipment**	**Others**	**Total**
	MCLP$	MCLP$	MCLP$	MCLP$
2013				
Balance as of January 1, 2013	181,135	97,335	58,238	336,708
Additions	14,847	8,242	46,312	69,401
Disposals	(2,445)	(3,518)	(1,010)	(6,973)
Transfers	2,367	4,623	(25,697)	(18,707)
Others	992	309	382	1,683
Impairment (1)	-	(430)	-	(430)
Gross balance as of December 31, 2013	**196,896**	**106,561**	**78,225**	**381,682**
Accumulated depreciation	(40,413)	(83,398)	(25,094)	(148,905)
Accumulated reversal of depreciation associated with impairment (1)	-	242	-	242
Total accumulated depreciation	**(40,413)**	**(83,156)**	**(25,094)**	**(148,663)**
Net property, plant and equipment balance as of December 31, 2013	**156,483**	**23,405**	**53,131**	**233,019**

(1) The net impairment of MCLP$188 corresponds to the gross balance of impairment less the corresponding reversal of accumulated depreciation.

	Land and buildings	Equipment	Others	Total
	MCLP$	MCLP$	MCLP$	MCLP$
2012				
Balance as of January 1, 2012	187,544	98,329	39,461	325,334
Additions	6,345	5,350	8,621	20,316
Disposals	(174)	(5,219)	(1,611)	(7,004)
Transfers	(12,368)	82	11,647	(639)
Others	(212)	(77)	120	(169)
Impairment	-	(1,130)	-	(1,130)
Gross balance as of December 31, 2012	**181,135**	**97,335**	**58,238**	**336,708**
Accumulated depreciation	(34,397)	(75,926)	(21,816)	(132,139)
Accumulated reversal of depreciation associated with impairment	-	488	-	488
Total accumulated depreciation	**(34,397)**	**(75,438)**	**(21,816)**	**(131,651)**
Net property, plant and equipment balance as of December 31, 2012	**146,738**	**21,897**	**36,422**	**205,057**

c) As of December 31, 2013 and 2012, the Bank had no operating lease agreements.

d) As of December 31, 2013 and 2012, the Bank had financing lease agreements that cannot be rescinded unilaterally. The information of future payments is detailed as follows:

	Future payments of financing lease agreements			
	Up to 1 year	**1 to 5 years**	**Over 5 years**	**Total**
	MCLP$	MCLP$	MCLP$	MCLP$
At December 31, 2013	190	272	-	462
At December 31, 2012	202	453	-	655

Furthermore, the balances for property, plant and equipment under financing leases as of December 31, 2013 amount to MCLP$1,624 (MCLP$1,642 at December 31, 2012) and are presented as part of “Others” of property, plant and equipment.

15. CURRENT AND DEFERRED TAX

(a) Current tax

As of December 31, 2013 and 2012, the Bank implemented 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 MCLP$ 3,026 as of December 31, 2013 (and assets amounting MCLP$4,237 in 2012). This provision is presented net of collectible taxes and detailed as follows:

	As of December 31,	
	2013	**2012**
	MCLP$	MCLP$
Income tax (20% tax rate)	(53,624)	(67,582)
35% provision for income tax	(237)	(282)
Less:		
Monthly tax provisional payments	31,279	59,225
Credit for training expenses	1,423	1,213
Credit for acquisition of property, plant and equipment	12	15
Credit for donations	1,572	1,779
Collectible income tax	14,939	8,677
Other collectible taxes and withholdings	1,610	1,192
Total	**(3,026)**	**4,237**

(b) Income tax

The effect of taxes on the income during the periods between January 1 and December 31, for both 2013 and 2012, is the following:

	As of December 31	
	2013	**2012**
	MCLP$	MCLP$
Income tax charges:		
Current year tax	(52,533)	(60,413)
Surplus/deficit of previous year provision	-	
	(52,533)	(60,413)
Credit (charge) for deferred taxes:		
Origination and reversal of temporary differences	(9,448)	7,186
Rate change of 1st category income tax	-	(4)
	(9,448)	7,182
Subtotal	(61,981)	(53,231)
Tax for rejected expenses article N°21	(154)	(102)
Others	-	(2,514)
Charge to income statement	**(62,135)**	**(55,847)**

(c) Reconciliation of the effective tax rate

The following is the reconciliation of the income tax rate with the effective rate applied in determining the tax charge as of December 31, 2013 and 2012.

	As of December 31			
	2013		2012	
	Tax rate	Amount	Tax rate	Amount
	%	MCLP$	%	MCLP$
Income before tax	-	362,429		327,103
Applicable tax rate	20.000	-	20.000	
Statutory income tax	-	72,486		65,421
Tax effect of non-deductible expenses in calculation of taxable income	-	-		
Permanent differences	(2.354)	(8,531)	(1.407)	(4,602)
Unique tax (rejected expenses)	0.010	36	0.006	20
Effect of rate change	-	-	(0.001)	(4)
Result from investment in companies	(0.677)	(2,454)	(0.724)	(2,368)
Others	0.165	598	(0.801)	(2,620)
Effective rate and income tax charge	**17.144**	**62,135**	**17.073**	**55,847**

The effective income tax rate for 2013 and 2012 was 17.144% and 17.073%, respectively.

(d) Effect of deferred taxes on equity

The deferred tax recorded with charges to shareholders' equity as of December 31, 2013 and 2012 is composed of the following:

	Accumulated as of		Effect on period	
	2013	2012	2013	2012
	MCLP$	MCLP$	MCLP$	MCLP$
Financial investments available for sale	(484)	(1,703)	3,873	399
Cash flow hedges	4,405	(2,411)	6,710	(2,578)
Effect of deferred tax on shareholders' equity	**3,921**	**(4,114)**	**10,583**	**(2,179)**

(e) Effect of deferred taxes on the income statement

During 2013 and 2012, the Bank recorded in its Consolidated Financial Statements the effects of deferred taxes according to IFRS 12.

The detail of deferred tax assets and liabilities is as follows:

	As of December 31					
	2013			2012		
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Provisions for loan losses	39,819	-	39,819	46,177	-	46,177
Provisions for staff vacations & bonuses	5,359	-	5,359	5,203	-	5,203
Derivative contracts operations	977	-	977	2,411	-	2,411
Leasing operations (net)	127	-	127	-	(1,873)	(1,873)
Others	10,074	-	10,074	6,318	-	6,318
Property, plant and equipment	-	(12,263)	(12,263)	-	(12,259)	(12,259)
Transitory assets	-	(21,584)	(21,584)	-	(18,260)	(18,260)
Subordinate bonds	-	(5,619)	(5,619)	-	(6,212)	(6,212)
Securities trading	490	-	490	-	(1,540)	(1,540)
Derivative contracts operations	-	(4,022)	(4,022)	-	-	-
Others	-	(2,278)	(2,278)	-	(347)	(347)
Total assets (liabilities), net	**56,846**	**(45,766)**	**11,080**	**60,109**	**(40,491)**	**19,618**
Effect of deferred tax on equity	**-**	**3,921**	**3,921**	**-**	**(4,114)**	**(4,114)**
Net effect for deferred tax assets	**56,846**	**41,845**	**15,001**	**60,109**	**(44,605)**	**15,504**

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

As of December 31, 2013 and 2012, the Bank presents the following information on provisions, write-offs and renegotiations. This information corresponds to the Bank's operations and therefore excludes the subsidiaries.

a. Loans and accounts receivable from customers

Loans and accounts receivable From customers as of 31.12.2013	Assets at Financial Statement value	Assets at tax value Total	Past due portfolio With collateral	Past due portfolio Without collateral
	MCLP$	MCLP$	MCLP$	MCLP$
Commercial loans	8,069,977	8,071,626	147,728	139,925
Consumer loans	1,763,488	1,772,108	6,861	25,914
Mortgage loans for housing	2,818,822	2,817,593	163,772	5,992

Loans and accounts receivable From customers as of 31.12.2012	Assets at Financial Statement value	Assets at tax value Total	Past due portfolio With collateral	Past due portfolio Without collateral
	MCLP$	MCLP$	MCLP$	MCLP$
Commercial loans	7,312,605	7,332,471	108,867	100,660
Consumer loans	1,618,948	1,625,492	7,218	23,018
Mortgage loans for housing	2,466,999	2,473,476	151,278	7,028

b. Provisions

Provisions for past due portfolio	Balance at 01.01.2013	Write-offs on provisions	Established provisions	Released provisions	Balance at 31.12.2013
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Commercial loans	100,660	(34,958)	137,345	(63,122)	139,925
Consumer loans	24,717	(98,290)	120,351	(19,165)	27,613
Mortgage loans for housing	5,329	-	4,891	(5,927)	4,293

Provisions for past due portfolio	Balance at 01.01.2012	Write-offs on provisions	Established provisions	Released provisions	Balance at 31.12.2012
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Commercial loans	97,954	(52,989)	103,238	(47,543)	100,660
Consumer loans	51,439	(117,459)	108,829	(18,092)	24,717
Mortgage loans for housing	2,795	-	6,239	(3,706)	5,328

c. Write-offs and recoveries

Direct write-offs and recoveries as of 31.12.2013	MCLP$	Application of Art. 31 N°4 subsections one and three	MCLP$
Direct write-offs Art. 31 N°4 subsection two	14,357	Write-offs according to subsection one	-
Write-offs that originated provisions release	-	Write-offs according to subsection three	-
Recoveries or renegotiations of written-off credits	46,139		

Direct write-offs and recoveries as of 31.12.2013	MCLP$	Application of Art. 31 N°4 subsections one and three	MCLP$
Direct write-offs Art. 31 N°4 subsection two	13,956	Write-offs according to subsection one	-
Write-offs that originated provisions release	-	Write-offs according to subsection three	-
Recoveries or renegotiations of written-off credits	41,260		

16. OTHER ASSETS

a) As of December 31, 2013 and 2012 the composition of the Other Assets account is the following:

	As of December 31	
	2013	**2012**
	MCLP$	MCLP$
Assets for leasing (*)	7,790	17,895
Assets received in payment or awarded:		
Assets received in payment	2,406	745
Assets awarded from judicial auctions	4,195	1,909
Provisions for assets received in payment or awarded (**)	(734)	(112)
Other assets:		
Guarantee deposits	29,804	39,260
Investments in gold	2,874	3,597
VAT fiscal credit	4,896	6,176
Expenses paid in advance	18,655	27,317
Assets from property, plant and equipment for sale	400	4,838
Assets recovered from lease agreements available for sale (***)	13,014	5,220
Valuation adjustments for macro-hedges	344	42
Accounts receivable with related companies	-	228
Accounts receivable	32,921	62,656
Assets to be recovered	10,201	10,038
Fair value fluctuation of hedged item	33,912	393
Other assets	36,498	39,461
Total	**197,176**	**219,663**

(*) Related to property, plant and equipment available to be delivered under financing lease.

(**) The provisions of assets received in payment or awarded are registered according to what has been stipulated in the Accounting Standards Compendium Chapter B-5 N°3, which implies recording a provision for the difference between the carrying value and the net realizable value, when the first is higher.

(***) Within the same line item, the recovered assets from leasing agreements available for sale are included, which correspond to movable assets.

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

b) The variation of the provision of assets received in payment or awarded, during the 2013 and 2012 periods, is the following:

Accumulated amortization and impairment	Provisions on assets
	MCLP$
Balance as of January 1, 2013	**112**
Established provisions	734
Release of provisions	(112)
Balance as of December 31, 2013	**734**
Balance as of January 1, 2012	**156**
Established provisions	128
Release of provisions	(172)
Balance as of December 31, 2012	**112**

17. DEPOSITS AND OTHER OBLIGATIONS PAYABLE ON DEMAND AND TIME DEPOSITS

As of December 31, 2013 and 2012, the composition of this account is the following:

	As of December 31	
	2013	2012
	MCLP$	MCLP$
Deposits and other obligations payable on demand		
Current accounts	3,283,087	2,951,814
Other deposits and accounts payable on demand	371,963	373,782
Other obligations payable on demand	265,567	292,769
Total	**3,920,617**	**3,618,365**
Savings accounts and time deposits		
Time deposits	7,657,070	7,172,073
Savings accounts	48,166	49,187
Guarantees	2,462	1,328
Total	**7,707,698**	**7,222,588**

18. INTERBANK BORROWINGS

As of December 31, 2013 and 2012 the composition of this account is the following:

	As of December 31	
	2013	2012
	MCLP$	MCLP$
Loans received from financial institutions and Central Bank of Chile:		
Other obligations with Central Bank of Chile	64	415,194
Subtotal	**64**	**415,194**
Loans received from domestic financial institutions:		
Interbank loans	392,449	320,136
Other obligations	63,993	86,722
Subtotal	**456,442**	**406,858**
Loans received from financial institutions abroad:		
Foreign trade financing	812,148	762,741
Loans and other obligations	236,074	475,651
Subtotal	**1,048,222**	**1,238,392**
Total	**1,504,728**	**2,060,444**

19. ISSUED DEBT INSTRUMENTS AND OTHER FINANCIAL OBLIGATIONS

a) As of December 31, 2013 and 2012, details are as follows:

	As of December 31	
	2013	2012
	MCLP$	MCLP$
Other debentures:		
Public bonds	42,681	74,133
Other local bonds	29,167	40,908
Foreign bonds	12	28
Total	**71,860**	**115,069**
Issued debt instruments:		
Letters of credit	56,348	72,520
Current bonds	2,109,376	1,345,138
Subordinated bonds	742,899	647,416
Total	**2,908,623**	**2,065,074**

b) As of December 31, 2013 and 2012, the maturities of the current and subordinated bonds are as follows:

	As of December 31, 2013		
	Long term	Short term	Total
	MCLP$	MCLP$	MCLP$
By short and long term maturities			
Current bonds	1,800,232	309,144	2,109,376
Subordinated bonds	742,899	-	742,899
Total	**2,543,131**	**309,144**	**2,852,275**

	As of December 31, 2012		
	Long term	Short term	Total
	MCLP$	MCLP$	MCLP$
By short and long term maturities			
Current bonds	1,308,372	36,766	1,345,138
Subordinated bonds	647,416	-	647,416
Total	**1,955,788**	**36,766**	**1,992,554**

c) Details of placements of current and subordinated bonds as of December 31, 2013 are as follows:

CURRENT BONDS IN UNIDADES DE FOMENTO (UF = inflation index-linked units of account)

Series	UF Issued	UF Placed	Date of Issue	Maturity Date	Average rate	Balance Due UF	Balance Due MCLP$
SERIE_X	5,000,000	5,000,000	01/06/2007	01/06/2017	3.85%	4,880,231	113,756
SERIE_AA	10,000,000	10,000,000	01/07/2008	01/07/2014	3.94%	9,806,995	228,597
SERIE_AB	10,000,000	10,000,000	01/07/2008	01/07/2018	3.67%	8,498,112	198,087
SERIE_AE1	10,000,000	10,000,000	01/08/2011	01/08/2016	3.59%	9,873,016	230,135
SERIE_AE2	10,000,000	10,000,000	01/08/2011	01/08/2021	3.73%	9,384,873	218,757
SERIE_AF1	10,000,000	5,500,000	01/08/2012	01/08/2017	3.53%	5,393,175	125,713
SERIE_AF2	10,000,000	7,500,000	01/08/2012	01/08/2022	3.58%	7,055,296	164,456
Subtotal	**65,000,000**	**58,000,000**				**54,891,698**	**1,279,501**

CURRENT BONDS IN CHILEAN PESOS

Series	Amount Issued	Amount Placed	Date of Issue	Maturity Date	Average rate	Balance Owed Due MCLP$	Balance MCLP$
SERIE_AG	228,500,000,000	-	01/05/2013	01/05/2018	0.00%	-	-
Subtotal	**228,500,000,000**	**-**				**-**	**-**

CURRENT BONDS IN FOREIGN CURRENCY- MEXICAN PESOS

Series	Amount Issued	Amount Placed	Date of Issue	Maturity Date	Average rate	Balance Owed Mexican Pesos	Balance Owed MCLP$
BCI11	8,000,000,000	2,000,000,000	15/07/2011	11/07/2014	4.19%	1,998,630,725	80,547
Subtotal	**8,000,000,000 (*)**	**2,000,000,000**				**1,998,630,725**	**80,547**

(*) These bond issues were made in Mexico under an approved program dated 6/29/2011 for a total of $8,000,000,000 Mexican pesos. The program has an expiration date of 6/29/2016.

CURRENT BONDS IN FOREIGN CURRENCY- US DOLLAR

Series	Amount Issued	Amount Placed	Date of Issue	Maturity Date	Average rate	Balance Owed Due US$	Balance MCLP$
USP32133CE16	600,000,000	600,000,000	13/09/2012	13/09/2017	3.54%	597,641,915	314,180
USP32133CG63	500,000,000	500,000,000	11/02/2014	11/02/2023	4.35%	500,570,412	263,150
Fair value adjustment (Hedge)						(31,356,612)	(16,484)
Total	**1,100,000,000** (*)	**1,100,000,000**				**1,066,855,715**	**560,846**

(*) These amounts are amortized in accordance with the effective interest rate method and therefore the initial costs of placing the bond have been discounted and are amortized over the length of the expected useful life of the financial asset.

CURRENT BONDS IN SWISS FRANCS

Series	Amount Issued	Amount Placed	Date of Issue	Maturity Date	Average rate	Balance Owed Due MCLP$	Balance MCLP$
CH0222435429	200,000,000	200,000,000	26/09/2013	9/26/2016	1.25%	199,023,974	118,000
CH0230446665	120,000,000	120,000,000	12/23/2013	23/12/2015	0.75%	118,877,920	70,482
Subtotal	**320,000,000**	**320,000,000**				**317,901,894**	**188,482**
Total Current Bonds							**2,109,376**

SUBORDINATED BONDS IN UNIDADES DE FOMENTO

Series	UF Issued	UF Placed	Date of Issue	Maturity Date	Average rate	Balance Due UF	Balance Due MCLP$
SERIE_C y D	2,000,000	2,000,000	12/1/1995	12/1/2016	6.92%	532,492	12,412
SERIE_E	1,500,000	1,500,000	11/1/1997	11/1/2018	7.37%	632,138	14,735
SERIE_F	1,200,000	1,200,000	5/1/1999	5/1/2024	7.73%	757,920	17,667
SERIE_G	400,000	400,000	5/1/1999	5/1/2025	7.92%	265,423	6,187
SERIE_L	1,200,000	1,200,000	10/1/2001	10/1/2026	6.39%	897,250	20,914
SERIE_M	1,800,000	1,800,000	10/1/2001	10/1/2027	6.43%	1,375,507	32,062
SERIE_N	1,500,000	1,500,000	6/1/2004	6/1/2029	5.25%	1,218,756	28,408
SERIE_O	1,500,000	1,500,000	6/1/2004	6/1/2030	3.93%	1,204,734	28,082
SERIE_R	1,500,000	1,500,000	6/1/2005	6/1/2038	4.72%	625,460	14,579
SERIE_S	2,000,000	2,000,000	12/1/2005	12/1/2030	4.86%	1,618,858	37,735
SERIE_T	2,000,000	2,000,000	12/1/2005	12/1/2031	4.52%	1,681,079	39,185
SERIE_U	2,000,000	2,000,000	6/1/2007	6/1/2032	4.19%	1,862,828	43,422
SERIE_Y	4,000,000	4,000,000	12/1/2007	12/1/2030	4.25%	1,977,200	46,088
SERIE_W	4,000,000	4,000,000	6/1/2008	6/1/2036	4.05%	1,641,600	38,265
SERIE_AC	6,000,000	6,000,000	3/1/2010	3/1/2040	3.96%	5,484,267	127,836
SERIE_AD 1	4,000,000	4,000,000	6/1/2010	6/1/2040	4.17%	3,520,220	82,055
SERIE_AD 2	3,000,000	3,000,000	6/1/2010	6/1/2042	4.14%	2,630,681	61,320
SERIE_AH	15,000,000	5,000,000	9/1/2013	9/1/2043	4.00%	3,944,601	91,947
Subtotal	**54,600,000**	**44,600,000**				**31,871,014**	**742,899**

d) Details of placements of current and subordinated bonds as of December 31, 2012 are as follows:

CURRENT BONDS IN UNIDADES DE FOMENTO (UF = inflation index-linked units of account)

Series	UF Issued	UF Placed	Date of Issue	Maturity Date	Average rate	Balance Due UF	Balance Due MCLP$
SERIE_X	5,000,000	5,000,000	01-06-2007	01-06-2017	3.85%	4,844,685	110,656
SERIE_AA	10,000,000	10,000,000	01-07-2008	01-07-2014	3.94%	9,428,660	215,358
SERIE_AB	10,000,000	10,000,000	01-07-2008	01-07-2018	3.67%	8,193,877	187,154
SERIE_AE1	10,000,000	10,000,000	01-08-2011	01-08-2016	3.59%	9,788,439	223,575
SERIE_AE2	10,000,000	10,000,000	01-08-2011	01-08-2021	3.73%	9,303,942	212,510
SERIE_AF1	10,000,000	-	01-08-2012	01-08-2017	-	-	-
SERIE_AF2	10,000,000	-	01-08-2012	01-08-2022	-	-	-
Subtotal	65,000,000	45,000,000				41,559,603	949,253

CURRENT BONDS IN FOREIGN CURRENCY- MEXICAN PESOS

Series	Amount Issued	Date of Issue	Maturity Date	Average rate	Balance Owed Mexican Pesos	Balance Owed MCLP$
BCI11	2,000,000,000	15-07-2011	11-07-2014	5.80%	1,990,639,160	73,486
BCI12	1,000,000,000	26-03-2012	07-10-2013	5.64%	995,955,000	36,766
Subtotal	3,000,000,000 (*)				2,986,594,160	110,252

(*) These bond issues were made in Mexico under an approved program dated 6/29/2011 for a total of $8,000,000,000 Mexican pesos. The program has an expiration date of 6/29/2016.

CURRENT BONDS IN FOREIGN CURRENCY- US DOLLAR

Series	Amount Issued	Amount Placed	Date of Issue	Maturity Date	Average rate	Balance Owed Due US$	Balance MCLP$
USP32133CE16	600,000,000	600,000,000	13-09-2012	13-09-2017	3.54%	595,726,129	285,633
Total	600,000,000 (*)					595,726,129	285,633

(*) These amounts are amortized in accordance with the effective interest rate method and therefore the initial costs of placing the bond have been discounted and are amortized over the length of the expected useful life of the financial asset.

SUBORDINATED BONDS UNIDADES DE FOMENTO

Serie	UF Issued	UF Placed	Date of Issued	Maturity Date	Average rate	Balance Due UF	Balance Due MCLP$
SERIE_C y D	2,000,000	2,000,000	01-12-1995	01-12-2016	6.92%	687,540	15,703,938
SERIE_E	1,500,000	1,500,000	01-11-1997	01-11-2018	7.37%	733,833	16,761,301
SERIE_F	1,200,000	1,200,000	01-05-1999	01-05-2024	7.73%	803,861	18,360,789
SERIE_G	400,000	400,000	01-05-1999	01-05-2025	7.92%	279,333	6,380,171
SERIE_L	1,200,000	1,200,000	01-10-2001	01-10-2026	6.39%	940,828	21,489,220
SERIE_M	1,800,000	1,800,000	01-10-2001	01-10-2027	6.43%	1,435,230	32,781,740
SERIE_N	1,500,000	1,500,000	01-06-2004	01-06-2029	5.25%	1,269,004	28,985,001
SERIE_O	1,500,000	1,500,000	01-06-2004	01-06-2030	3.93%	1,256,070	28,689,573
SERIE_R	1,500,000	1,500,000	01-06-2005	01-06-2038	4.72%	597,235	13,641,293
SERIE_S	2,000,000	2,000,000	01-12-2005	01-12-2030	4.86%	1,679,403	38,358,814
SERIE_T	2,000,000	2,000,000	01-12-2005	01-12-2031	4.52%	1,740,929	39,764,131
SERIE_U	2,000,000	2,000,000	01-06-2007	01-06-2032	4.19%	1,855,494	42,380,869
SERIE_Y	4,000,000	4,000,000	01-12-2007	01-12-2030	4.25%	1,896,800	43,324,335
SERIE_W	4,000,000	4,000,000	01-06-2008	01-06-2036	4.05%	1,577,600	36,033,569
SERIE_AC	6,000,000	6,000,000	01-03-2010	01-03-2040	3.96%	5,466,095	124,849,716
SERIE_AD 1	4,000,000	4,000,000	01-06-2010	01-06-2040	4.17%	3,505,146	80,060,154
SERIE_AD 2	3,000,000	3,000,000	01-06-2010	01-06-2042	4.14%	2,620,394	59,851,752
Subtotal	**39,600,000**	**39,600,000**				**28,344,795**	**647,416,366**
Total	**104,600,000**	**84,600,000**				**69,904,398**	**1,596,669**

20. PROVISIONS

	As of December 31	
	2013	**2012**
	MCLP$	MCLP$
Provisions for staff benefits and remuneration	21,633	23,279
Provisions for minimum dividends	90,088	81,377
Provisions for contingent credit risk	16,408	18,279
Provisions for contingencies (*)	51,842	55,770
Provisions for country risk	1,388	720
Total	**181,359**	**179,425**

The provisions established as of December 31, 2013 and 2012 are as follows:

(*) Includes additional provisions for MCLP$35,254 (MCLP$48,254 in 2012) which were constituted according to what is instructed by the SBIF and approved by the Board of Directors of the Bank (see Note 1.xi and Note 10).

Additionally it includes a provision of MCLP$ 365 to comply with the minimum of 0.50% required by the SBIF for the normal individual portfolio (see Note 1.xi and Note 10).

a) Provisions for staff benefits and remunerations

	As of December 31	
	2013	**2012**
	MCLP$	MCLP$
Provisions for other staff benefits	13,485	15,547
Provisions for vacations	8,148	7,732
Total	**21,633**	**23,279**

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

b) Provisions for contingent loans

The provisions established for contingent loans as of December 31, 2013 and 2012 is as follows:

	As of December 31	
	2013	2012
	MCLP$	MCLP$
Provisions for contingent loans		
Guarantee and deposits	669	365
Confirmed foreign letters of credit	2	572
Documented issued letters of credit	95	135
Guarantees	4,976	6,454
Available credit lines	9,261	9,405
Other credit commitments	1,405	1,348
Total	**16,408**	**18,279**

c) The variation of the provisions for the years 2013 and 2012 is as follows:

	Provisions for					
	Staff benefits & remuneration	Minimum dividends	Contingent credit risk	Contingencies	Country risk	Total
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Balance as of January 1, 2013	23,279	81,377	18,279	55,770	720	179,425
Allocated provisions	11,341	90,088	2,153	9,292	668	113,542
Applied provisions	(12,987)	(81,377)	(4,024)	(13,220)	-	(111,608)
Release of provisions	-	-	-	-	-	-
Balance as of December 31, 2013	**21,633**	**90,088**	**16,408**	**51,842**	**1,388**	**181,359**
Balance as of January 1, 2012	20,631	78,380	15,048	55,310	760	170,129
Allocated provisions	12,808	81,377	4,502	3,165	154	102,006
Applied provisions	(10,160)	(78,380)	(1,271)	(2,705)	-	(92,516)
Release of provisions	-	-	-	-	(194)	(194)
Balance as of December 31, 2012	**23,279**	**81,377**	**18,279**	**55,770**	**720**	**179,425**

21. OTHER LIABILITIES

As of December 31, 2013 and 2012, the composition of this account is the following:

	As of December 31	
	2013	2012
	MCLP$	MCLP$
Accounts and notes payable	113,381	90,997
Unearned income	26,017	27,526
Valuation adjustments for macro-hedges	1,818	-
Sundry creditors	30,674	56,916
Other liabilities	33,709	23,315
Total	**205,599**	**198,754**

22. CONTINGENCIES AND COMMITMENTS

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

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

	As of December 31	
	2013	2012
CONTINGENT LOANS	MCLP$	MCLP$
Collateral and Guarantees		
Collateral and Guarantees in foreign currency	118,534	173,822
Confirmed foreign letters of credit	1,588	6,933
Documented issued letters of credit	135,818	114,356
Performance bonds		
Performance bonds in Chilean currency	716,645	667,351
Performance bonds in foreign currency	184,923	171,144
Interbank letters of guarantee		
Cleared lines of credit	2,685,246	2,352,043
Other credit commitments		
Higher education loans Law 20,027	100,796	126,709
Others	332,457	193,384
THIRD PARTY OPERATIONS		
Collections		
Foreign Collections	152,753	86,913
Domestic Collections	130,951	122,656
CUSTODY OF SECURITIES		
Securities in custody with the bank	135,466	130,663
Total	**4,695,177**	**4,145,974**

b) Lawsuits and legal proceedings

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. Management has not considered it necessary to allocate additional provisions to those already made for these contingencies. See Note 20.

c) Operating guarantees:

Direct commitments

As of December 31, 2013, BCI Corredor de Bolsa S.A. has guaranteed to secure real - time operations at the Santiago Stock Exchange which amount to MCLP$ 106,987 (MCLP$ 83,338 as of December 31, 2012).

As of December 31, 2013, BCI Corredor de Bolsa S.A. has guaranteed the appropriate settlement of transactions using the CCLV system in the Santiago Stock Exchange for MCLP$ 3,494 (MCLP$4,000 as of December 31, 2012).

As of December 31, 2013, BCI Corredor de Bolsa S.A. has guaranteed certain international market transactions for MCLP$ 52 (MCLP$ 48 as of December 31, 2012).

As of December 31, 2013, BCI Corredor de Bolsa S.A. has guaranteed certain commitments involving short stock sales and loan transactions in Chile's Electronic Stock Exchange in the amount of MCLP$ 13,261 (MCLP$ 10,886 as of December 31, 2012).

As of December 31, 2013, BCI Corredor de Bolsa S.A. has issued performance bonds to guarantee the SOMA contract in the amount of MCLP$ 245.

As of December 31, 2013 BCI Corredores de Seguros S.A. has entered into the following insurance policies to comply with the requirements of letter d), Article 58 of Statutory Decree 251 of 1931, in order to ensure the proper fulfillment of all the obligations arising from its activities:

- Insurance Policy for Insurance Brokers No. 10023578 for an insured amount of UF 500 entered into with Compañía de Seguros Generales Consorcio Nacional de Seguros S.A., valid from April 15, 2013 to April 14, 2014, stipulating the insuring company's right to claim restitution from the broker for any and all sums that it may have disbursed to pay third parties harmed by brokerage services handled inappropriately.

- Professional Third Party Insurance Policy for Insurance Brokers No. 10023584 for an insured amount of UF 60,000 and a deductible of UF 500 entered into with Compañía de Seguros Generales Consorcio Nacional de Seguros S.A., valid from April 15, 2013 to April 14, 2014, in order to protect the broker against possible lawsuits by third parties, with the insuring company being empowered to request repayment by the broker of all payments made to the third party bringing the lawsuit.

As of December 31, 2013, BCI Factoring S.A. has approved hedges for operators of the Factor Chain International for MCLP$1,854 (MCLP$1,378 in 2012), equivalent to US$3,540,000.00 (US$ 2,880,000.90 in 2012) of which MCLP$ 912 (MCLP$165 in 2012), equivalent to US$ 1,741,631.71 (US$ 345,710.50 in 2012) has been used.

Operating guarantees

As of December 31, 2013, BCI Corredor de Bolsa S.A. has guaranteed UF 20,000 in order to comply with the requirements of Article 30 of Law 18.045, which is to ensure proper, full fulfillment of all of its obligations as a securities broker and whose beneficiaries are present or future creditors that it has or may have as a result of its securities brokerage transactions. This guarantee is policy Nº 330-12-00000024, entered into with Compañía de Seguros de Mapfre Garantía y Crédito on August 19, 2012, valid through August 19, 2014, with the Santiago Stock Exchange being the beneficiary in representation of the possible creditors.

As of December 31, 2012, BCI Corredor de Bolsa S.A. has given a guarantee of UF 20,000 in order to comply with the requirements of Article 30 of Law 18.045, which is to ensure proper, full fulfillment of all of its obligations as a securities broker and whose beneficiaries are present or future creditors that it has or may have by reason of its securities brokerage transactions. This guarantee is policy Nº 330-12-00000024 entered into with Compañía de Seguros de Mapfre Garantía y Crédito on August 19, 2012, valid through to August 19, 2013, with the Santiago Stock Exchange being the beneficiary in representation of the possible creditors.

BCI Asset Management Administradora General de Fondos S.A. issued a performance bond with Banco de Crédito de Inversiones, as defined in article 226 of Law 18.045 of the Securities Market and the provisions of NCG. 125 of 2001, which stipulate that General Fund Managers must furnish a constant guarantee for each fund managed, which shall always be equivalent to UF 10.000 or 1% of the average equity of the calendar year prior to the date on which it was calculated.

Similarly, in order to comply with the provisions of Section IV of Circular 1790, mutual funds defined as guaranteed structured mutual funds shall have, at all times, a guarantee furnished by a third party other than the company managing the funds.

Officer fidelity or employee fidelity insurance

As of December 31, 2013, BCI Corredor de Bolsa S.A. has an insurance policy entered into with BCI Corredores de Seguros S.A., protecting Banco Crédito e Inversiones and its subsidiaries under Comprehensive Banking Insurance Policy No. 2344079-9, valid from November 30, 2013 to November 30, 2014, with coverage of UF 100,000.

As of December 31, 2012 BCI Corredor de Bolsa S.A. has an insurance policy entered into with BCI Corredores de Seguros S.A., protecting Banco Crédito e Inversiones and its subsidiaries under Comprehensive Banking Insurance Policy No. 2344079-9, valid from November 30, 2012 to November 30, 2013, with coverage of UF 100,000.

d) Contingent loans and liabilities

In order to meet the needs of its customers, the Bank assumed several irrevocable commitments and contingent obligations. Although these obligations are not recognized in the balance sheet, they include credit risks and, therefore, are part of the Bank's overall risk.

The table below shows the contractual amounts of the transactions that require the Bank to grant loans and the amount of the provisions made for the risk of loan losses assumed:

	As of December 31	
	2013	**2012**
	MCLP$	MCLP$
Sureties and finances	118,534	173,822
Documentary letters of credit	135,818	114,356
Performance bonds	901,568	838,495
Amounts available for credit card users	1,597,503	2,101,315
Provisions	(16,408)	(18,279)
Total	**2,737,015**	**3,209,709**

e) Documents in custody and for collection on the part of the Bank

The Bank and its subsidiaries have the following duties derived in the normal course of business:

	As of December 31	
	2013	**2012**
	MCLP$	MCLP$
Documents in collection	283,704	209,569
Custody of assets	135,466	130,663
Total	**419,170**	**340,232**

f) Judgments, legal proceedings and guarantees of supporting business companies

The supporting business companies that do not have existing commitments or contingencies as of December 31, 2013 include Sociedad Interbancaria de Depósito de Valores S.A., Centro de compensación automatizado S.A., Sociedad operadora de la Cámara de Compensación de Pagos de Alto Valor S.A., Servicios de Infraestructura de Mercado OTC S.A.,y Artikos Chile S.A.

The supporting business company Servipag has contingencies and commitments as of December 31, 2013 but these do not represent significant financial impacts.

1. NEXUS S.A.

Below is relevant information regarding Nexus S.A.:

As of December 31, 2013, the Bank has the following contingencies and restrictions:

a) Trials and legal procedures

As of December 31, 2013, the Bank does not have any pending legal procedures.

b) Civil responsibility insurance

As of December 31, 2012, the Bank holds current insurance of Civil Responsibility for the Directors and administrators, approved by the Superintendency of Securities and Insurance under Code POL 1 01 021, with coverage of US$ 10,000,000. It also holds current insurance of Professional Civil Responsibility (employee fidelity) for Financial Institutions, with coverage of US$ 5,000,000.

	As of December 31	
	2013	**2012**
	MCLP$	MCLP$
Guarantees received:		
Received in favor of Nexus S.A.	577	92
Guarantees given:		
Taken in cash by Nexus to guarantee contracted service	21	46
Taken in promissory note by Nexus to guarantee contracted service	86	85

2. ADMINISTRADOR FINANCIEROS DEL TRANSANTIAGO S.A.

Below is relevant information regarding AFT (Administrador Financieros del Transantiago S.A.):

Contingent liabilities

With respect to assets and contingent liabilities of the AFT at the date of these financial statements, the amounts shown below correspond to the amounts contingently liable and to date there is no reliable estimate of the expenditures of these items, or the probability of them.

a) Guarantees

As of December 31, 2013, there are 6 warranties made by the company, totaling UF52,000, in order to guarantee the faithful performance of a contract with the Ministry of Transport and Telecommunications of Chile.

b) Litigation

Below shows pending litigation that could have a significant effect on the equity and financial situation of the company:

B1Marcelo Salas Aros with AFT
27 Juzgado Civil
Rol 40227-2009
Issue: ordinary claim of compensation payment
Amount: MCLP$ 268,354

Status: On September 24, the case was reported, and then on the 28th of that month an administrative appeal was presented with subsidiary appeal, whose decision handed down on July 25, 2011 adds a new test point, and also supplementary appeal, which was ultimately granted by the Court of Appeals, so that on August 29, 2011, the court ordered the documents in the legal form. Currently the discussion period has finished and the parties have been summoned to reconcile on the fifth day after notification. The parties were called to hear the judgment and favorable sentence for AFT on October 31, 2012. The applicant filed an appeal dated November 22, 2012, the review of which is pending in the Court of Appeals of Santiago, from December 21, 2012 (Role CI 922-2012).

Evaluation: It is not possible to predict the probability of the outcome nor estimate the amount.

B2 Importadora Caren with AFT
18° Juzgado Civil
Rol 18.478-2010
Issue: Ordinary claim, of extracontractual responsibility
Amount: MCLP$ 415, other requests of undeterminable amounts and costs.

Status: Probationary term expired. The Court granted the hearing of documents requested by the applicant. Regarding the resolution dated August 31, 2011, a motion for reconsideration was filed with supplementary appeal, having been first rejected and awarded to the second order of the Court of Appeals, which is still pending. On September 14, 2011 the Court set a new day and time for the hearing of documents. On October 23, 2012 final judgment was rendered in favor of the AFT. On November 8, 2012, the applicant filed an appeal. On December 24, 2013, the Santiago Court of Appeals upheld the lower court judgment regarding the rejection of the claim and reversed the judgment appealed only as ordered costs against the appellant, deciding instead to acquit the applicant of the payment of costs. The current status is pending appeal to the Supreme Court, which expires on January 13, 2014 (IC Role 8855-2012).

Evaluation: It is not possible to predict the probability of the outcome nor estimate the amount.

B3 Integrated trial commitment by Manuel José Vial Vial:
Issue: Counter lawsuit to a lawsuit of AFT to Buses Gran Santiago S.A. for compliance of contract.
Amount: MCLP$ 294

Status: The probationary period has ended and the procedure has been suspended due to a joint agreement.

Evaluation: It is not possible to predict the probability of the outcome nor estimate the amount.

B4 Integrated trial commitment by Sergio Huidobro Corbett:
Issue: Counter lawsuit to a lawsuit of AFT to Servicio de Transporte de Personas S.A.
Amount: MCLP$ 418

Status: The probationary period has ended and the procedure has been suspended due to a joint agreement.

Evaluation: It is not possible to predict the probability of the outcome nor estimate the amount

Other administrative actions- fiscal

On August 25, 2011 the Service for Internal Taxes (SII) reported a re-liquidation of taxes corresponding to the fiscal year 2008 due to an error in the classification of some guarantees charged to AFT by the Ministry of Transports and Telecommunications during 2007, which the SII considered to be rejected expenses. The company has presented administrative and legal resources against the re-liquidation within the legal timeframe, by considering supporting evidence of facts and rights. Currently the matter is in the first instance of the fiscal trial before the Regional Director of the SII for Santiago Centre, Bernardo Seaman.

3. REDBANC S.A.

With respect to Redbanc S.A. the following information is considered relevant to disclose:

a) Litigations:

There are no current litigations that could significantly affect the interpretation of the financial statements of the company.

b) Guarantees

A guarantee of US$ 165 thousand, issued by BBVA, was received on January 8, 2013, as requested by NCR Chile, for the correct service and compliance of service levels defined for this stage of appendices 3 and 6 of the implementation, maintenance support and solution service contract of Atm.

Guarantees of MCLP$ 1,000 and MCLP$ 500, issued by Banco de Chile, were received on September 3, 2013 and September 13, 2013, respectively, as requested by Banco Consorcio, to guarantee that indicated in the third paragraph of Clause VII of the interlicense agreement.

Guarantees of US$ 340 thousand and US$ 255 thousand, issued by Banco de Chile and Banco Santander, were received on June 18, 2013 and July 5, 2013, respectively, as requested by NCR Chile, to secure the direct damage that Redbanc or institutions adhering to the solution eventually and effectively may suffer as a consequence of not effectively activating the application in 100% of ATM¨s considered in Appendix 2 of the implementation plan as of October 12, 2012 for reasons exclusively attributable to NCR.

A guarantee of MCLP$ 500, issued by Banco de Chile, was received on June 21, 2012, as requested by Banco Consorcio, to guarantee that indicated in the third paragraph of Clause VII of the interlicense agreement.

4. TRANSBANK S.A.

With respect to Transbank S.A. the following information is considered relevant to disclose:

a) Trials

There are no current trials that could significantly affect the interpretation of the financial statements of the company.

b) Guarantees
b.1) Guarantees delivered
The company has delivered guarantees, as required by clients in the operation of business, for MCLP$ 150 as of December 31, 2013 (MCLP$ 131 as of December 31, 2012).

b.2) Guarantees received
The company has received guarantees for MCLP$ 17,018 as of December 31, 2013 (MCLP$ 14,154 as of December 31, 2012). These documents have been given by issuers, commercial establishments and suppliers to secure contractual obligations.

c) Other commitments and contingencies

The company does not have other commitments and contingencies that could affect these financial statements.

23. EQUITY

a) Capital stock and preferential shares

Movement of shares in the periods is as follows:

	Common shares	
	2013	**2012**
	N°	**N°**
Issued as of January 1	105,855,267	104,331,470
Issue of shares paid	1,319,183	1,523,797
Total issued	**107,174,450**	**105,855,267**

The Extraordinary Shareholders’ Meeting of April 2, 2013 approved the issue of 1,319,183 authorized shares.

The capital increase was approved by the Superintendency of Banks and Financial Institutions on May 24, 2013 by Resolution N° 143. The corresponding certificate and extract of this resolution was published in the Diario Oficial on June 3, 2013 and was recorded in pages 41.484 N° 27.669 of the Registro de Comercio del Conservador de Bienes Raíces (Santiago Real Estate Registrar) of 2013.

The issuance of the paid-in shares was recorded in N°3/2013 of the Register of Stocks of this Superintendency.

In the Board of Directors’ meeting held on June 25, 2013 it was agreed that the paid-in shares would be issued and distributed on July 31, 2013.

The Ordinary Shareholders’ Meeting of April 2, 2013 approved distributing the 2012 net profits of MCLP$ 271,256 as follows:

- Distribute a dividend of CLP$865 per share for 105,855,267 shares issued and registered in the Register of Shareholders, which amounts to MCLP$ 91,565
- Allocate the remaining balance of MCLP$ 179,691 to the reserve fund for capitalization.

On April 2, 2013, the Extraordinary Shareholders’ Meeting approved, among other things, increasing the capital stock by MCLP$ 179,961, by capitalizing retained earnings.

1) Capitalizing the amount of MCLP$ 135,628, without issuing any shares and
2) Capitalizing the amount of MCLP$ 44,063 by issuing 1,319,183 paid-in shares.

In accordance with its by-laws, the Bank's capital stock was MCLP$ 1,202,180 divided into 105,855,267 no-par-value shares of the same series. As a result of the capital increase, the capital stock of Banco de Crédito e Inversiones is MCLP$ 1,381,871, and it was divided into 107,174,450 no-par-value shares of the same series.

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

2013	**Shares**	
	Number of shares	**% of participation**
Empresas Juan Yarur S.A.C.	59,030,040	55.08
Jorge Yarur Bascuñan	4,529,246	4.23
Inversiones Bcp Sa	4,025,389	3.76
Sociedad Financiera Del Rimac S.A.	3,723,770	3.47
Banco de Chile (non-resident third parties)	3,051,817	2.85
Banco Itau (investors)	2,695,167	2.51
AFP Hábitat S.A.	2,382,243	2.22
AFP Provida. S.A.	2,282,219	2.13
Bci C De B S A	2,116,831	1.98
Banco Santander (foreign investors)	1,582,304	1.48
Inversiones Tarascona Corporation (Agency in Chile)	1,579,024	1.47
AFP Cuprum S.A.	1,326,285	1.24
Inversiones Millaray Sa	1,303,899	1.22
AFP Capital S.A.	1,282,507	1.20
Inmob. E Inv. Cerro Sombrero S.A.	1,175,914	1.10
Yarur Rey Luis Enrique	1,046,865	0.98
Banchile C De B S A	843,356	0.79
Empresas JYS.A.	696,112	0.65
Inversiones VyR Ltda	570,370	0.53
Larrain Vial S A Corredora De Bolsa	504,097	0.47
Baines Oehlmann Nelly	496,887	0.46
Inmobiliaria E Invers. Chosica S.A.	468,121	0.44
Btg Pactual Chile S A C De B	463,863	0.43
Bolsa De Comercio De Santiago Bolsa De Valores	411,884	0.38
Corpbanca Corredores De Bolsa S.A.	382,218	0.36
Other shareholders	9,204,022	8.57
Total	107,174,450	100.00

2012	Shares	
	Number of shares	% of participation
Empresas Juan Yarur S.A.C.	56,876,476	53.73
Jorge Yarur Bascuñán	4,473,497	4.23
Inversiones BCP Ltda.	3,876,865	3.66
Sociedad Financiera del Rimac S.A.	3,677,935	3.47
Banco de Chile (third parties)	2,524,729	2.39
AFP Provida S.A.	2,426,684	2.29
Banco Itau (investors)	2,386,670	2.25
AFP Habitat S.A.	2,195,391	2.07
Inversiones Jordan Dos S.A.	2,114,520	2.00
AFP Cuprum S.A.	1,747,108	1.65
BCI Corredor de Bolsa S.A. (third parties)	1,695,636	1.60
Tarascona Corporation	1,515,618	1.43
AFP Capital S.A.	1,386,865	1.31
Inversiones Millaray S.A.	1,287,850	1.22
Banco Santander (foreign investors)	1,231,371	1.16
Inmobiliaria e Inversiones Cerro Sombrero S.A.	1,161,440	1.10
Luis Enrique Yarur Rey	1,033,979	0.98
Banchile Corredores de Bolsa S.A.	666,581	0.63
Celfin Capital S.A. Corredores de Bolsa	655,771	0.62
Bolsa de Comercio de Santiago Bolsa de Valores	620,641	0.59
Modesto Collados Núñez	611,848	0.58
Larraín Vial S.A. Corredores de Bolsa	590,423	0.56
Inversiones VyR Ltda.	563,349	0.53
Inmobiliaria E Invers. Chosica S.A.	435,433	0.41
Inversiones Lo Recabarren S.A.	334,405	0.32
Other shareholders	9,764,182	9.22
Total	105,855,267	100.00

c) Dividends

The following dividends were declared by the Bank during the year ended December 31, 2013 and 2012:

	As of December 31	
	2013	2012
	CLP$	CLP$
CLP$ per common share	865	825

The dividend declared in March 2013 was MCLP$ 91,565. The mandatory dividend provision as of December 31, 2012 was MCLP$ 81,377.

d) For the year ended December 31, 2013 and 2012, the composition of diluted earnings and basic earnings is as follows:

	As of December 31	
	2013	2012
	CLP $	CLP $
Earnings attributable to the equity holders of the Bank	300,294	271,256
Income available for shareholders	**300,294**	**271,256**
Weighted average number of shares	107,174,450	105,855,267
Basic earnings per share (MCLP$/share) (*)	**2,802**	**2,563**

(*) Basic and diluted earnings are calculated based on the income of the year in accordance with accounting rules and instructions issued by the Superintendency of Banks and Financial Institutions.

The calculation of basic earnings per share has been calculated by dividing the amount of income attributable to shareholders by the number of shares of the unique series. The Bank has not issued convertible debt or other equity securities. Consequently, there are no potential dilutive effects to earnings per share of the Bank.

e) Cumulative translation adjustment

As of December 31, 2013, the reconciliation of cumulative translation adjustment as a separate component of shareholders' equity is as follows:

	MCLP$
Balance as of January 1, 2012	2,179
Charges of net exchange differences	(926)
Final balance as of December 31, 2012	**1,253**
Balance as of January 1, 2013	1,253
Charges of net exchange differences	4,454
Final balance as of December 31, 2013	**5,707**

Reconciliation of the available for sale portfolio and cash flow hedge is as follows:

	Available for sale	**Cash flow hedges**
	MCLP$	MCLP$
Accumulated comprehensive income 2011	10,202	(209)
Movement transferred to P&L	(2,770)	(676)
Mark to Market of portfolio	9,993	10,104
Accumulated comprehensive income 2012	**17,425**	**9,219**
Movement transferred to P&L	7,614	(327)
Mark to Market of portfolio	(23,105)	(26,511)
Accumulated comprehensive income 2013	**1,934**	**(17,619)**

f) Nature and purpose of valuation accounts

Conversion reserves:

Originated from the exchange rate differences arising from the conversion of a net investment in a foreign entity with a different currency.

Hedging reserves:

Originated from the valuation at fair value at the closure of each period of the current derivative contracts defined as cash flow hedges. Over the contractual time period of these cash flow hedges, these reserves must be adjusted based on the valuation at the closure of each period.

Reserves for fair value:

Reserves for fair value include the accumulated net changes in the market value of available for sale investments. When the investment is sold or disposed of (as a whole or in part), these reserves are recorded in the Consolidated Statement of Income as part of the loss or gain related to investments.

g) Capital requirements

The basic capital for the year 2013 is equivalent to the net amount that should be shown in the Consolidated Financial Statements as Shareholders' equity attributable to equity holders, as indicated in the Compendium of Accounting Regulations. According to General Banking Law, the Bank should maintain a minimum ratio of effective stockholders’ equity to consolidated risk-weighted assets of 8%, net of required allowances, and a minimum ratio of net basic capital to consolidated total assets of 3%, net of required allowances. Effective stockholders’ equity for these purposes is Capital and reserves or Net capital with the following adjustments: a) the addition of subordinated bonds up to 50% of Net capital base, b) additional provisions as added,

c) all goodwill and paid premium are deducted, and d) assets that correspond to investments in non-consolidated subsidiaries.

The assets are weighted according to a risk category to which a risk percentage is assigned according to the amount of capital necessary to support each of these assets. Five risk categories are applied (0%, 10%, 20%, 60% and 100%). For example, cash, deposits with other banks, and financial instruments issued by the Central Bank of Chile have 0% risk, which means that according to the regulations in force, capital is not needed to endorse these assets. Property, plant and equipment have 100% risk, which means that a minimum capital, equivalent to 8% of these assets, should be held.

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

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

	Consolidated assets		Risk-weighted assets	
	December 2013	**December 2012**	**December 2013**	**December 2012**
	MCLP$	MCLP$	MCLP$	MCLP$
Balance sheet assets (net of provisions)				
Cash and deposits in banks	1,261,766	1,459,619	-	-
Items in course of collection	698,013	394,396	458,328	108,598
Trading portfolio financial assets	1,042,536	1,223,519	116,709	96,807
Investments under agreements to resell	195,021	134,808	195,021	134,808
Derivative financial instruments	1,269,280	469,156	505,671	394,435
Interbank loans	106,151	88,306	101,946	88,306
Loans and receivable from customers, net	14,089,071	12,748,124	12,966,582	11,764,505
Financial investments available for sale	934,351	771,381	384,924	396,135
Investments in other companies	80,093	67,235	80,093	67,235
Intangible assets	83,346	80,968	83,346	79,683
Property, plant and equipment, net	233,019	205,057	233,019	205,057
Current income tax provision	52,325	73,185	5,232	7,319
Deferred income tax	56,846	60,109	5,685	6,011
Other assets	197,176	219,663	197,175	219,663
Off-balance sheet assets				
Contingent loans	2,270,592	1,987,461	1,362,355	1,192,477
Additions and deductions	(426,560)	177,638	-	-
Total assets	22,143,026	20,160,625	16,696,086	14,761,039

	Amount	
	December 2013	December 2012
	MCLP$	MCLP$
Basic capital	1,582,100	1,419,957
Effective shareholders' equity	2,244,679	2,008,120
Consolidated assets	22,143,026	20,160,625
Risk-weighted assets	16,696,086	14,761,039

	Ratio	
	December 2013	December 2012
	%	%
Basic capital/consolidated assets	7.14	7.04
Basic capital/risk-weighted assets	9.48	9.62
Effective shareholders' equity/risk-weighted assets	13.44	13.60

24. INCOME AND EXPENSES FROM INTERESTS AND ADJUSTMENTS

a) At the closure of the years ending 2013 and 2012, the composition of income from interest and inflation indexation is the following:

	For the years					
	2013			2012		
	Interest	Inflation - Indexation	Total	Interest	Inflation - Indexation	Total
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Repurchase agreements	2,605	12	2,617	2,184	1,857	4,041
Interbank loans	1,784	-	1,784	1,158	-	1,158
Commercial loans	588,860	63,215	652,075	564,952	67,969	632,921
Mortgage loans	119,419	53,202	172,621	105,633	52,055	157,688
Consumer loans	293,839	1,018	294,857	264,257	583	264,840
Investment instruments	38,275	4,672	42,947	33,016	8,636	41,652
Other income (*)	15,665	1,017	16,682	14,895	1,824	16,719
Hedge accounting result (MTM)	2,387	-	2,387	8,007	-	8,007
Total income from interest and readjustment	**1,062,834**	**123,136**	**1,185,970**	**994,102**	**132,924**	**1,127,026**

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

b) At the closure of the years ending 2013 and 2012, the composition of expenses from interest and inflation – indexation is the following:

	For the years	
	2013	2012
	MCLP$	MCLP$
Demand deposits	(3,420)	(2,129)
Repurchase agreements	(18,476)	(19,777)
Time deposits and borrowings	(346,508)	(359,983)
Borrowings from financial institutions	(20,724)	(33,618)
Issued debt instruments	(137,067)	(111,166)
Other financial obligations	(3,311)	(4,029)
Income from accounting hedges	(7,104)	(565)
Other interest and inflation - indexation expenses	(335)	(576)
Total expenses from interest and inflation - indexation	**(536,945)**	**(531,843)**

25. INCOME AND EXPENSES FROM FEES

For the years 2013 and 2012 the composition of income and expenses from fees is the following:

	For the years	
	2013	2012
	MCLP$	MCLP$
Income from commissions:		
Lines of credit and overdrafts	19,483	20,085
Guarantees and letters of credit fees	19,183	17,992
Credit card services	46,068	42,190
Commissions for account administration	31,993	31,081
Collection service fees	41,162	40,859
Securities brokerage fees	3,494	4,896
Mutual and investment fund management fees	30,283	27,381
Insurance brokerage fees	30,507	30,776
Remuneration for services provided	16,856	15,970
Other services	10,129	8,728
Total income from fees	**249,158**	**239,958**
Expenses from commissions		
Credit card operating fees	(28,097)	(25,019)
Securities trading expenses	(11,490)	(9,684)
Other	(14,356)	(15,561)
Total expenses from fees	**(53,943)**	**(50,264)**

26. TRADING AND INVESTMENT INCOME

For the years 2013 and 2012, the detail of trading and investment income is the following:

	For the years	
	2013	2012
	MCLP$	MCLP$
Trading instruments	79,323	71,553
Financial derivative instruments	(23)	(47,230)
Other instruments at fair value through profit and loss	1,578	7,932
Sale of investments available for sale (realized gain)	21,793	5,771
Other	(265)	(264)
Total	**102,406**	**37,762**

27. FOREIGN EXCHANGE GAINS (LOSSES)

The detail of the foreign exchange gains (losses) at the end of each year is the following:

	For the years	
	2013	2012
	MCLP$	MCLP$
Exchange difference		
Gains from exchange differences	10,619,762	9,336,853
Losses from exchange differences	(10,666,286)	(9,254,509)
Subtotal	**(46,524)**	**82,344**
Foreign currency fluctuation effect for assets and liabilities denominated in foreign currency		
Net result for assets and liabilities in foreign currency	68,650	(19,076)
Subtotal	**68,650**	**(19,076)**
Total	**22,126**	**63,268**

28. PROVISIONS FOR LOAN LOSSES

The movement recorded for the years 2013 and 2012, for provisions and impairment is the following:

	Loans and accounts receivable from customers							
	Interbank loans	**Commercial loans**	**Mortgage loans**	**Consumer loans**	**Contingent loans**	**Additional provisions**	**Minimum provision adjustment for the normal portfolio**	**Total**
For the year 2013	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Provisions Established								
Individual provisions	104	51,949	-	-	1,226	-	365	53,644
Group provisions	-	67,218	2,976	101,115	916	-	-	172,225
Total provisions established	**104**	**119,167**	**2,976**	**101,115**	**2,142**	**-**	**365**	**225,869**
Release of provisions								
Individual provisions	(147)	(5,535)	-	-	(2,659)		-	(8,341)
Group provisions	-	(1,008)	-	(4,382)	(821)	(13,000)	-	(19,211)
Total release of provisions	**(147)**	**(6,543)**	**-**	**(4,382)**	**(3,480)**	**(13,000)**	**-**	**(27,552)**
Recovery of written-off assets	**-**	**(11,712)**	**(1,587)**	**(26,364)**	**-**	**-**	**-**	**(39,663)**
Net provisions for credit risk	**(43)**	**100,912**	**1,389**	**70,369**	**(1,338)**	**(13,000)**	**365**	**158,654**

	Loans and accounts receivable from customers							
	Interbank loans	**Commercial loans**	**Mortgage loans**	**Consumer loans**	**Contingent loans**	**Additional provisions**	**Minimum provision adjustment for the normal portfolio**	**Total**
For the year 2012	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Provisions Established								
Individual provisions	174	15,154	-	-	2,878	-	-	18,206
Group provisions	-	61,877	12	103,480	1,067	2,176	-	168,612
Total provisions established	**174**	**77,031**	**12**	**103,480**	**3,945**	**2,176**	**-**	**186,818**
Release of provisions								
Individual provisions	(1)	(18,123)	-	-	(526)	-	-	(18,650)
Group provisions	-	(505)	-	(10)	(569)	-	-	(1,084)
Total release of provisions	**(1)**	**(18,628)**	**-**	**(10)**	**(1,095)**	**-**	**-**	**(19,734)**
Recovery of written-off assets	**-**	**(11,951)**	**-**	**(19,858)**	**-**	**-**	**-**	**(31,809)**
Net provisions for credit risk	**173**	**46,452**	**12**	**83,612**	**2,850**	**2,176**		**135,275**

In Management's opinion, the provisions for credit risk and impairment cover all eventual losses that may occur as a result of the non-recovery of assets, according to the data examined by the Bank.

29. PERSONNEL SALARIES AND EXPENSES

The composition of personnel salaries and expenses during 2013 and 2012 is the following:

	For the years	
	2013	2012
	MCLP$	MCLP$
Staff remunerations	117,761	106,938
Bonuses or awards	107,251	102,802
Severance payments	8,450	8,249
Training expenses	3,181	2,320
Other staff expenses	15,314	14,614
Total	**251,957**	**234,923**

30. ADMINISTRATIVE EXPENSES

For the years 2013 and 2012, the composition of this account is the following:

	For the years	
	2013	2012
	MCLP$	MCLP$
General administrative expenses		
Maintenance and repairs of the bank's property, plant and equipment	7,904	7,186
Office rentals	22,203	21,365
Equipment rental	470	329
Insurance premiums	4,255	2,581
Office materials	4,713	4,251
Computer and communications expenses	23,723	21,572
Lighting, heating and other services	5,253	5,140
Security and custody transportation services	9,813	9,685
Travel expenses	4,040	3,646
Judicial and notarial expenses	3,060	2,625
Fees for technical reports	3,210	3,128
Cleaning services	3,194	2,903
Consulting	6,605	6,304
Postal-related expenses	1,451	1,507
Other general administrative expenses	16,138	16,001
Sub-contracted services		
Data processing	4,873	4,489
Sale of products	165	63
Other	6,434	5,577
Board of Directors expenses		
Board of Directors remunerations	2,681	2,557
Other Board of Directors expenses	71	24
Publicity and advertising	17,088	16,957
Taxes, property taxes and contributions	-	
Real estate contributions	1,099	1,129
Licenses	1,326	1,424
Other taxes	394	440
Contribution to SBIF	4,995	4,444
Total	**155,158**	**145,327**

31. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

a) The amounts corresponding to charges for depreciation, amortization, and impairment at the closure of each year are the following:

	For the years	
	2013	**2012**
	MCLP$	MCLP$
Depreciation and amortization		
Depreciation of property, plant and equipment	(20,448)	(20,672)
Amortization of intangible assets	(19,980)	(18,178)
Total	**(40,428)**	**(38,850)**

b) At year end, the Bank had recognized impairment as follows:

	For the year	
	2013	**2012**
	MCLP$	MCLP$
Impairment		
Investment instruments	(4,730)	-
Property, plant and equipment (*)	(188)	(642)
Intangibles	(273)	-
Balance at December 31,	**(5,191)**	**(642)**

The impairment in investment instruments relates to BLAPO-F and BLAPO-G Bonds classified as available for sale. Management decided to recognize impairment due to the risk rating of the issuer (classification C), assuming the accumulated losses in comprehensive income would be other than temporary. Therefore the resolution was to classify the total accumulated othercomprehensive income of the portfolio of such F and G Bonds to income for the period, with a loss of MCLP$ 4,730 in 2013.

The impairment of property, plant and equipment corresponds to MCLP$ 188 from losses due to accidents and MCLP$ 273 for impairment of intangible assets for the period ended December 31, 2013.

The impairment of property, plant and equipment for MCLP$642 corresponds to losses due to accidents for the period 2012.

c) The rollforward of depreciation, amortization and impairment from January 1, 2013 to December 31, 2013 and January 1, 2012 and December 31, 2012 is as follows:

	Depreciation, amortization and impairment					
	2013			2012		
	Property, plant and equipment	Intangible	Total	Property, plant and equipment	Intangible	Total
Balance as of January 1	131,651	105,353	237,004	118,923	87,297	206,220
Charges for depreciation and amortization	20,448	19,980	40,428	20,672	18,178	38,850
Impairment of the period	(188)	(273)	(461)	642	-	642
Retirements and sales of the period	(3,030)	(13)	(3,043)	(6,821)	-	(6,821)
Others	(218)	(17)	(235)	(1,765)	(122)	(1,887)
Balance as of December 31,	**148,663**	**125,030**	**273,693**	**131,651**	**105,353**	**237,004**

32. OTHER OPERATING INCOME AND EXPENSES

a) Other operating income

As of December 31, 2013 and 2012 the composition of operating income is the following:

	For the years	
	2013	2012
	MCLP$	MCLP$
Income from assets received in payment		
Gain on sale of assets received in payment	3,782	3,306
Other income	-	-
Subtotal	3,782	3,306
Release of provisions for contingencies		
Provisions for country risk	-	135
Other provisions for contingencies	-	-
Subtotal	**-**	**135**
Other income		
Gain on sale of property, plant and equipment	18	83
Insurance claims	818	989
Leasing income	2,702	5,640
Other income	14,441	8,800
Subtotal	**17,979**	**15,512**
Total	**21,761**	**18,953**

b) Other operating expenses

For the years 2013 and 2012, the composition of operating expenses is the following:

	For the years	
	2013	**2012**
	MCLP$	MCLP$
Provisions and expenses for assets received in payment		
Provisions for assets received in payment	606	9,635
Write-offs of assets received in payment	2,728	3,506
Maintenance expenses for assets received in payment	299	351
Subtotal	**3,633**	**13,492**
Establishment of provisions for contingencies		
Provisions for country risk	565	154
Other provisions for contingencies	1,362	184
Subtotal	**1,927**	**338**
Other expenses		
Loss on sale of property, plant and equipment	608	366
Contributions and donations	5,034	3,450
Write-off of judicial and notary expenses	2,069	2,096
Leasing expenses	4,360	3,221
Non-operating write-offs	3,721	3,885
Agreement expenses	900	840
Other expenses	2,323	1,611
Subtotal	**19,015**	**15,469**
Total	**24,575**	**29,299**

33. TRANSACTIONS WITH RELATED PARTIES

a) Loans granted to related parties

Loans granted to related parties as of December 31, 2013 and 2012 are as follows:

	December 31, 2013			December 31, 2012		
	Operating companies	Holding companies	Individuals	Operating companies	Holding companies	Individuals
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Loans and receivables to customers:						
Commercial loans	106,731	52,044	5,163	81,253	4,699	3,698
Mortgage loans	-	-	18,043	-	-	15,199
Consumer loans	-	-	2,099	-	-	2,448
Loans and receivables from customers - gross	**106,731**	**52,044**	**25,305**	**81,253**	**4,699**	**21,345**
Provisions for loan losses	(922)	(94)	(28)	(282)	(21)	(39)
Loans and receivables to customers, net	**105,809**	**51,950**	**25,277**	**80,971**	**4,678**	**21,306**
Contingent loans	2,846	10,520	-	1,180	1,119	-
Provisions for contingent loans	(4)	(4)	-	(3)	(48)	-
Contingent loans, net	**2,842**	**10,516**	**-**	**1,177**	**1,071**	**-**
Instruments acquired:						
For investment	-	-	-	-	-	-
Total acquired instruments	**-**	**-**	**-**	**-**	**-**	**-**

b) Other transactions with related parties

During the years ended December 31, 2013 and 2012, the Bank has undertaken the following transactions with related parties:

Company	Relationship with the Bank	Description	Balance Assets (Liability)	Effect on statement of income	
			MCLP$	MCLP$	MCLP$
Dec-13				**(Expense)**	**Income**
Artikos Chile S.A.	Joint venture	Procurement service	691	691	-
Bolsa de Comercio de Santiago	Other	Lease of terminals	160	160	-
BCI Seguros de Vida S.A.	Shared headquarters	Collection service for customer premiums payments and trademark use rights	5,657	586	5,071
BCI Seguros Generales S.A.	Shared headquarters	Insurance for the Bank's assets.	5,123	3,933	1,190
Centro Automatizado S.A.	Associate	Netting Services	516	516	-
Compañía de Formularios Continuos Jordan (Chile) S.A.	Shared headquarters	Printing of forms	2,120	2,120	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Associate	Card processing	5,423	5,423	-
Redbanc S.A.	Associate	Operation of ATMs	4,378	4,378	-
Servipag S.A.	Joint venture	Collection and payment of services	7,100	5,901	1,199
Transbank S.A.	Other	Administration of credit cards	39,883	6,772	33,111

Company	Relationship with the Bank	Description	Balance Assets (Liability)	Effect on statement of income (Expense)	Income
			MCLP$	MCLP$	MCLP$
dic-12					
Atikos Chile S.A.	Joint venture	Procurement Service	660	660	-
Bolsa de Comercio de Santiago	Other	Lease of terminals	118	118	-
BCI Seguros de Vida S.A.	Shared headquarters	Collection service for payment of customer premiums and trademark use rights.	4,349	483	3,866
BCI Seguros Generales S.A.	Shared headquarters	Insurance for the Bank's assets.	3,928	2,053	1,875
Centro Automatizado S.A.	Associate	Netting Services	298	298	-
Compañía de Formularios Continuos Jordan (Chile) S.A.	Shared headquarters	Printing of forms	2,249	2,249	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Associate	Card processing	5,394	5,394	-
Redbanc S.A.	Associate	Operation of ATMs	4,288	4,288	-
Servipag S.A.	Joint venture	Collection and payment of services	8,326	7,946	380
Transbank S.A.	Other	Administration of credit cards	34,415	5,747	28,668
Vigamil S.A.C (*)	Shared headquarters	Printing of forms	44	44	-
Viña Morandé S.A. (*)	Shared headquarters	Purchase of supplies	33	33	-

All of these transactions were undertaken under market conditions in force on the date on which they were entered into.

(*) During 2013, these entities ceased sharing headquarters with the Bank, after being transferred to another company.

c) Other assets and liabilities with related parties

	As of December 31	
	2013	2012
	MCLP$	MCLP$
ASSETS		
Financial derivative agreements	-	-
Other assets	-	-
LIABILITIES		
Demand deposits	64,026	47,043
Time deposits and other savings accounts	71,972	50,847

d) Related parties income/expense recognized.

		For the years			
		2013		2012	
Type of income or expense recognized	**Entity**	**Income**	**Expenses**	**Income**	**Expenses**
		MCLP$	MCLP$	MCLP$	MCLP$
Income and expenses (net)	Sundry	10,365	(1,982)	7,684	(2,840)
Operational support expenses	Companies supporting the line of business	40,571	(30,480)	34,790	(29,315)
Total		**50,936**	**(32,462)**	**42,474**	**(32,155)**

e) Remunerations to members of the Board of Directors and key management personnel

Compensation earned by key personnel corresponds to the following categories:

	For the year	
	2013	2012
	MCLP$	MCLP$
Short-term remunerations for employees (*)	4,684	4,530
Severance indemnities for termination of contract	283	530
Total	4,967	5,060

(*) For the year 2013, total expenses corresponding to the Board of Directors of the Bank and its subsidiaries amounted to MCLP$2,752 (MCLP$2,581 for the year 2012).

f) The Bank holds the following investments in related companies:

Companies	Participation 2013 %	2012 %
Redbanc S.A.	12.71	12.71
Servipag Ltda.	50.00	50.00
Combanc S.A.	10.93	10.93
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
Servicio de Infraestructura de Mercdo OTC S.A.	12.49	-
Sociedad Interbancaria de Depósitos de Valores S.A.	7.03	7.03
Credicorp Ltda.	1.88	1.85

g) Composition of key personnel

As of December 31, 2013, the composition of the key personnel of the Bank and its subsidiaries is as follows:

Position	**N° of executives**
Director	9
General manager	11
Division and Area Manager	14
Total	**34**

h) Transactions with key management personnel

For the years 2013 and 2012, the Bank has undertaken the following transactions with key personnel, as specified in detail below:

	For the years					
	2013			**2012**		
	Balance owed	**Total remuneration**	**Income of key executives**	**Balance owed**	**Total remuneration**	**Income of key executives**
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Credit cards and other services	793	1,013,349	22	837	969,338	25
Mortgage loans	1,248	172,621	76	1,283	157,688	80
Guarantees	1,194	-	-	1,674	-	-
Total	**3,235**	**1,185,970**	**98**	**3,794**	**1,127,026**	**105**

As of December 31, 2013, the Bank has the following contracts:

No.	Related company	The service involved	Concept	Description of the Contract	Term	Condition
1	Bolsa de Comercio de Santiago	Processing the stock exchange management system, through which BCI Corredor de Bolsa S.A. operates	Lease of terminals.	Contract to use the stock exchange management software.	Indefinite	Automatic renewal.
2	Centro de Automatizado S.A. (CCA)	Electronic transactions adjustment center	Center adjustment services.	Participant and incorporation into the electronic transfer center to expedite the completion of fund transfer operations, the Bank operates in the CET as an IFO (Originating Banking Institution) and as an IFR (Receiving Banking Institution).	Indefinite	Automatic renewal every year.
3	Compañía de Formularios Continuos Jordan (Chile) S.A.	Printing and making checkbooks.	Printing of forms.	Printing services are contracted for basic lists, special forms, revenue stamped forms, such as checks and at sight promissory notes.	Indefinite	Automatic renewal every year.
4	Operadoras de Tarjetas de Crédito Nexus S.A.	Processing credit card operations (issuer list)	Card processing.	Operations of Mastercard, Visa credit cards and debit card with regard to processing the issuer list.	Indefinite	Automatic renewal every 3 years
5	Redbanc S.A.	Administration of the operations of ATM's, Redcompra and RBI.	Operation of ATMs.	In fulfilling its corporate purpose, the Company will offer the participant, for the use of its customers or users, the electronic data transfer service via automatic tellers or other actual or virtual electronic means.	Indefinite	Automatic renewal every 3 years.

6	Servipag Ltda.	Collection and payment of services, payment of checks and receipt of deposits and administration of our teller service.	Collection and payment of services.	The service is contracted for resolution of collection transactions captured by BCI tellers for processing and rendition to customers	Indefinite	Automatic renewal.
7	Transbank S.A.	Processing credit card operations (user list)	Administration of credit cards.	Provision of Visa, Mastercard credit card services with regard to the user list.	Indefinite	Automatic renewal every 2 years.
8	Artikos Chile S.A.	Purchases and logistics services portal,	Purchase of supplies	Electronic purchase service for assets and/or logistics services.	Indefinite	Automatic renewal every year.
9	BCI Seguros de Vida S.A.	Insurance	Insurance premiums	Individual life insurance policy for executives and guards.	Annual	Contracted annually
10	BCI Seguros Generales S.A.	Insurance	Insurance premiums	Individual policies for the Bank’s physical assets, leased assets and comprehensive banking policy.	Annual	Contracted annually

34. ASSETS AND LIABILITIES AT FAIR VALUE

a) Financial instruments not valued at fair value in the Consolidated Financial Statements

The following table summarizes the book and fair values of the main financial assets and liabilities which are not included in the Bank's Consolidated Financial Statements at their fair values.

	Year 2013		Year 2012	
	Book value	**Fair value**	**Book value**	**Fair Value**
	MCLP$	MCLP$	MCLP$	MCLP$
Assets				
Loans and accounts receivable from customers				
Commercial loans	7,164,568	7,305,022	6,490,148	5,691,124
Other endorsable mortgage loans	2,752,928	3,259,238	2,385,819	2,716,120
Consumer loans	1,764,297	1,982,799	1,320,880	1,935,823
Foreign trade loans	1,058,325	1,054,924	887,357	1,674,994
Leasing operations	727,906	917,744	701,786	869,286
Factoring operations	586,525	574,883	584,052	576,233
Other	774,648	774,648	378,082	385,591
Subtotal	14,829,197	15,869,258	12,748,124	13,849,171
TOTAL ASSETS	**14,829,197**	**15,869,258**	**12,748,124**	**13,849,171**
Liabilities				
Deposits and other borrowings				
Time deposits	7,657,070	7,657,674	7,172,073	7,115,216
Other	50,628	50,557	50,515	91,164
Subtotal	7,707,698	7,708,231	7,222,588	7,206,380
Interbank borrowings				
Repo operations with Central Bank of Chile	51,503	48,479	106	2,587
Foreign trade financing	812,148	813,391	762,741	770,931
Other	698,912	696,192	475,545	1,188,680
Subtotal	1,562,563	1,558,062	1,238,392	1,962,198
Issued debt instruments				
Bonds and subordinated bonds	2,852,275	3,281,137	1,992,554	2,063,235
Other	56,348	62,024	72,520	78,607
Subtotal	2,908,623	3,343,161	2,065,074	2,141,842
TOTAL LIABILITIES	**12,178,884**	**12,609,454**	**10,526,054**	**11,310,420**

BCI has identified those qualitatively and quantitatively significant financial assets and liabilities at amortized cost of most relevance for the preparation of the information presented in this note. To determine this, the quantitative materiality of the instrument, as well as its nature, the instrument's term, type etc., has been considered.

Loans and accounts receivable from customers

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

Cash flows are discounted at the base market interest rate, using an interbank rate that considers the relevant term and currency.

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

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

2. In quantitative terms, the provision percentage assigned to an operation results in an estimate of the provision based on the credit profile of said operation.

3. The resulting amount when applying the ‘provisions/total loans' estimate mentioned in 2) to the current principal and accrued interest outstanding of the respective loan is an approximation of the adjustment for credit risk (in other words, resulting in the allowance calculation.)

Deposits and other borrowings

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

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

Interbank borrowings

The fair value of liabilities to financial institutions has been determined using discounted cash flow models, based on the relevant interest-rate curve for the remaining term of the instrument to its maturity.

Issued debt instruments

The aggregated fair value of the bonds has been calculated based on the effective market rates at the closing of each period.

b) Financial instruments valued at fair value

Please refer to Note 1 g) for further details on the criteria used to determine the fair value.

c) Hierarchy used for determining the fair value

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

Level 1 – Quoted values on active markets for assets and liabilities identical to those being valued. This level includes the debt instruments (whether fixed or variable income), equity instruments, and financial derivative instruments traded on domestic or international stock markets.

Level 2 – Other Inputs observable directly (like prices) or indirectly (i.e. price derivative) for assets and liabilities, which are not quoted values included in Level 1. Prices may require interpolation among a price structure (e.g. derivative instruments belong to this level). The same occurs with bonds valued with a valuation technique like interpolation or matrix pricing, based on observable inputs.

Level 3 – Inputs that are not based on observable market data (unobservable input). This level includes equity and debt instruments that have significant unobservable inputs.

This hierarchy requires that when observable market data exists, it should be used. The Bank and its subsidiaries consider the relevant observable market data in their valuations whenever it is possible.

Financial assets and liabilities classified by valuation levels

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

Figures in MCLP$ as of December 31, 2013

	Level 1 MCLP$	Level 2 MCLP$	Level 3 MCLP$	Total MCLP$
Domestic fixed income	900,174	665,676	-	1,565,850
International fixed income	-	190,212	4,429	194,641
Total fixed income	**900,174**	**855,888**	**4,429**	**1,760,491**
Trading derivatives	-	38,008	21,007	59,015
Accounting hedge derivatives	-	9,346	-	9,346
Total derivatives	**-**	**47,354**	**21,007**	**68,361**

Transfers between levels 1 and 2

The Bank and its subsidiaries have made no transfers of financial assets or liabilities between levels 1 and 2 during 2013.

Reconciliation of movements of valuation in level 3

As of December 31, 2013 the consolidated balance sheet has assets valued as level 3 which relate to USD bonds without market information and Swap TAB contracts for which there are no market observable inputs.

d) Valuation of La Polar Bonds

As of December 31, 2013, the Bank has applied valuation techniques to determine the fair value of the financial instruments "BLAPO-F" and "G-BLAPO." This enhancement builds on the IRR of the last transaction of the existing market between the closing date of the financial statements and the date of redemption of the financial instrument.

35. RISK MANAGEMENT

MARKET RISK 2013

1. Introduction

BCI’s business activities involve identifying, evaluating, accepting and managing different kinds of risk or combinations of them. The main categories of risk to which the corporation is exposed are credit, liquidity, market, operations, legal and reputation risks.

BCI’s policies are designed to identify and analyze these risks, to establish adequate limits and controls, and monitor the risks and compliance of these limits through the use of reliable and updated information systems. BCI periodically examines its risk management policies and systems to reflect changes in the markets, regulations, products and new best practices.

In relation to financial risks, the organizational structure is designed to manage these risks efficiently, transparently and timely. It is formed by strategic units composed by the Board of Directors, the Executive Committee, the Finances and Risk Committee, and the Asset and Liabilities Committee (hereinafter "ALCO"). These are divided into operative units such as the Corporate Risk Management, Trading and Institutional, and Distribution and Corporate areas, parts of the Investment and Finance Banking division. The flow of this information is processed and analyzed by various support units such as Accounting, Middle and Back Office, Management and Process Control and Computers and Systems.

The senior strategic unit is the Board of Directors. Its main responsibilities regarding financial risk management are establishing adequate policies and levels of risk, establishing exposure limits, the monitoring of risks, and ensuring best practices through the permanent evaluation of the actions of the Finances and Investment Banking and the Corporate Risk Management areas. The Board of Directors delegates, to the Executive Committee and the Finances and Risk Committee, the supervision and support to carry out the Bank`s strategic objectives in their interactions with corporate Management.

The Finances and Risk Committee also analyzes in detail the strategies and models associated with the treasury function, both in the trading portfolio and the Bank's books, and the performance and risks associated with such strategies.

ALCO - Assets & Liabilities Committee is the committee where the corporation's assets and liabilities policy is discussed and agreed for the approval of the Board of Directors or the Executive Committee. The general objectives of the ALCO Committee are to ensure the Bank's adequate liquidity, protect the capital, make decisions on the financing of loans, and maximize the financial margin subject to the risk restrictions imposed by the Board of Directors and the Finances and Risk Committee.

The Corporate Risk Management and its Operational Risk, Credit Risk, and Market Risk units are responsible for the integral management of the Bank's risk. While a few years ago it was common in the industry to have an independent, internal department manage these risks, the development of derivative markets and the acceptance of common methodologies, such as the concept of maximum loss, value at risk, etc., have made limits increasingly more subject to fluctuation. Therefore, this management area has a corporate reach, with a comprehensive vision of the risks involved.

Financial Risk Management has the role of evaluating and controlling the Bank's exposure to market risk, both on or off the balance sheet. Pricing risks associated with interest rates, exchange rates, volatility, maximum loss, etc. are measured and monitored. This is complemented by the analysis of scenarios and simulations to obtain a better measure of the risk. The Financial Risk Management is also responsible for defining the valuation methodologies for the financial assets and liabilities measured at fair value held by the corporation on or off the balance sheet.

In accordance with best practices, the Bank defines the segregation of activities between areas that could present conflicts of interest in their objectives, such as:

i. Investment and Finance Banking division.
ii. Support areas, operative departments (Back Office, Middle Office).
iii. Financial Control and Planning (Accounting, Management Control)
iv. Financial Risk and Credit Risk, components of Corporate Risk Management.

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

2. Liquidity and financing

When banks face confidence crises and bank runs, even if they are solvent they may find themselves in difficulties to comply with their short-term obligations and even face bankruptcy. These situations are uncommon but have large losses associated with them. For this reason, BCI has improved the management of liquidity, defining adequate policies along with procedures and models that accordingly satisfy the regulations in force. The model has four core elements:

1. Presence of a minimum reserve of liquid assets to face stress situations.
2. Regulatory and internal liquidity indicators.
3. Accounting mismatch (relating to maturity)
4. Alert and contingency plans.

The corporation's policy and liquidity management models seek to guarantee, even in the case of unexpected events, the Bank's adequate capacity to meet its short-term obligations satisfactorily. Additionally, BCI has continuously monitored the impact of recent events on the financial markets, introducing more conservative assumptions when they are justified.

The management of liquidity and funding is basically carried out by Treasury in accordance with practices and limits reviewed periodically by ALCO and authorized by the Board of Directors.

These limits may vary according to the depth and liquidity shown by the markets in order to anticipate unlikely capital expenditures while providing funding at a competitive cost.

The Corporation has internally set explicit minimum limits for the liquidity level, parallel to the limits of Technical Reserve, which are periodically subject to simulations of stress financing for balances of current accounts and deposits, which are the Bank's main sources of liquidity. This is performed using a periodic evaluation framework of the additional needs of financing due to events of tight liquidity, together with the monitoring of the market. In this way, the periodic generation, projection, evaluation, and analysis of liquidity stress scenarios facilitate the anticipation of future difficulties and the agile and reliable execution of preventive actions before unfavorable scenarios.

At the regulatory level, liquidity is measured and reported to the SBIF through the standardized liquidity position report. According to bank regulations, BCI has been authorized to use an adjusted liquidity model, generating procedures and models that allow an evaluation of future income and liabilities that affect the Bank's liquidity position, keeping in control the internal and external limits that the regulatory purposes, especially for mismatches between assets and liabilities at 30 and 90 days.

The Bank has set strict limits, forcing itself to maintain a large amount of liquid assets on its balance sheet which, in the event of any unexpected requirement, can maintain liquidity through repurchase agreements with the Central Bank of Chile. The counter-cyclical nature of this liquidity reserve is adjusted to the spirit of the latest recommendations proposed by Basel.

In the measurement of liquidity, both internal and regulatory, a reasonable level of liquidity was observed in line with the Bank's policies. Even in the moments of highest uncertainty due to the global financial crisis, there were no events indicative of a loss of confidence of the people, nor mass removal of accounts or deposits by customers, confirming the confidence of the people towards the Chilean banking system in general.

Fig. 1 Evolution of main sources of liquidity
Year 2013 (base 100)

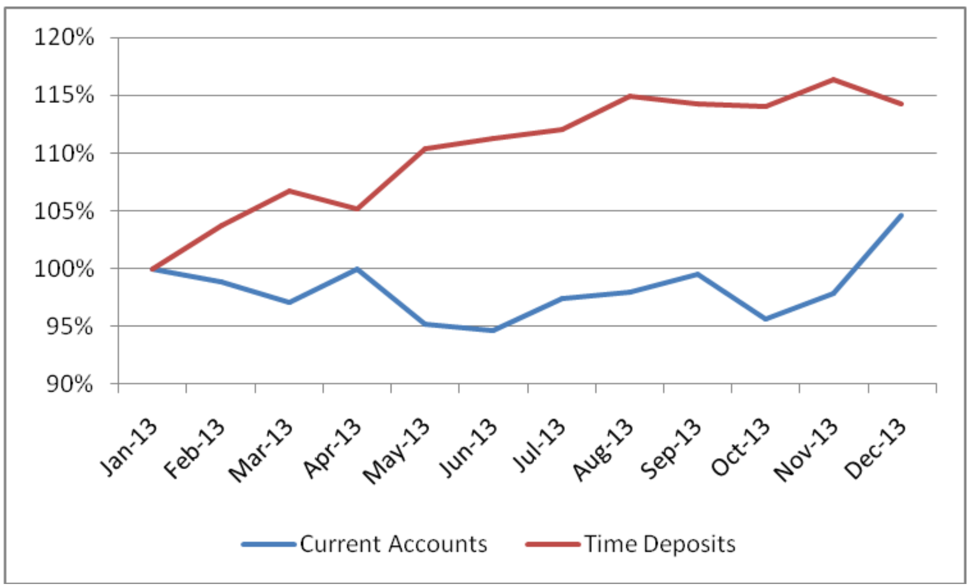
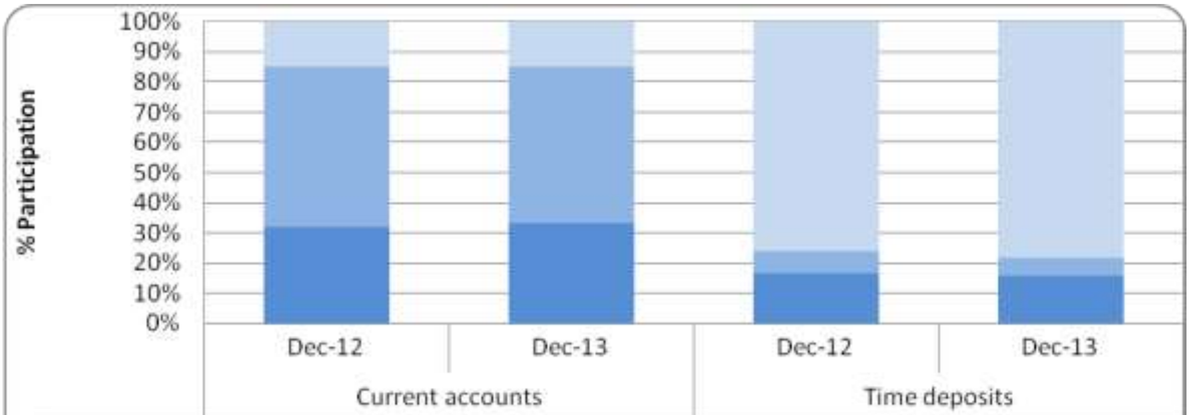


Fig 2. Diversification of liquidity sources by segment
Year 2013 and 2012 (%)



	Current accounts Dec-12	Current accounts Dec-13	Time deposits Dec-12	Time deposits Dec-13
C& IB	15%	15%	76%	78%
Commercial	53%	52%	7%	6%
Retail	32%	33%	16%	16%

a) Variations during 2012

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

Fig 3. Liquidity indexes
Year 2013-2012 (maximum = 1)

(a) Short-term mismatch (% on basic capital)

	Year 2013				Year 2012			
	Average	**Maximum**	**Minimum**	**Closure**	**Average**	**Maximum**	**Minimum**	**Closure**
Mismatch 30 days	32.1%	69.0%	(6.7)%	18.4%	24.4%	63.6%	(19.2)%	25.2%
Mismatch 90 days(*)	63.4%	84.7%	38.8%	51.8%	68.4%	85.1%	48.0%	78.3%

(*)Measurement in relation to 2 times basic capital

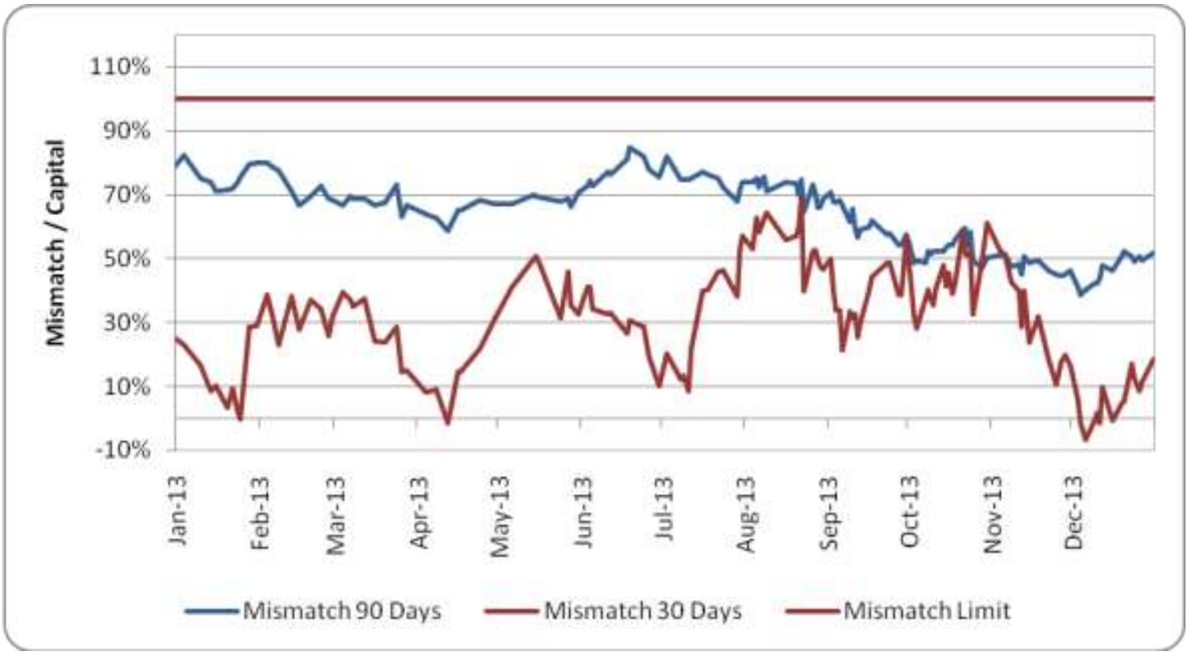
(b) Short-term mismatch CLP-UF (% on basic capital)

	Year 2013				Year 2012			
	Average	**Maximum**	**Minimum**	**Closure**	**Average**	**Maximum**	**Minimum**	**Closure**
Mismatch 30 days	18.8%	56.9%	(26.2)%	12.4%	13.4%	47.6%	(33.3)%	(2.0)%

(c) Short-term mismatch FX (% on basic capital)

	Year 2013				Year 2012			
	Average	**Maximum**	**Minimum**	**Closure**	**Average**	**Maximum**	**Minimum**	**Closure**
Mismatch 30 days	13.3%	43.6%	(12.6)%	6.0%	11.0%	47.7%	(28.8)%	27.2%

Fig. 4. Evolution of Liquidity during 2013 (maximum = 1)
Liquidity 30 days = Mismatch/Basic capital
*Liquidity 90 days = Mismatch/2*Basic capital*



3. Market risk

Market risk is the risk inherent in the price variations of financial assets. Variations in interest rates, the exchange rate, commodities and shares prices, credit spreads, volatility, etc., constitute a risk known as market risk. This is expressed in the possibility of incurring losses that will be translated to the statements of income or the balance sheet depending on the type of financial instrument and its respective accounting treatment.

BCI manages its exposure to market risk between trading portfolios and portfolios available for sale or held-to-maturity. Trading portfolios include positions coming from sales to corporate and institutional clients, positions coming from market making business, and hedge or trading positions. The AFS and HTM portfolios hold positions mainly related to interest rate management associated with personal and commercial banking loans, in addition to a portfolio of financial investments. These portfolios have less rotation and their change in fair value does not affect the income statement until maturity. At present, the Bank has no instruments classified as held-to-maturity.

A series of tools are used to monitor the market risk of positions in each category. These include value-at-risk (VaR), CVaR, simulation, and stress analysis. The corporation uses the Algorithmics platform to support the measurement and management of the market risk and counterpart.

a) Main positions

The following table shows the main balance sheet positions and corresponding maturity range or re-pricing and their comparison to 2013:

Fig. 5. Book value to maturity range or re-pricing by currency
Positions 12/31/13 (MCLP$)

ASSETS	**1Y**	**5Y**	**10Y**	**10Y+**	**Total**
CLP	7,437,148	2,587,747	354,963	73,234	10,453,092
UF	3,419,384	2,805,172	1,585,681	1,209,062	9,019,299
MX	3,722,376	593,373	338,986	335	4,655,070
TOTAL	**14,578,908**	**5,986,292**	**2,279,630**	**1,282,631**	**24,127,461**
LIABILITIES					
CLP	8,388,439	2,678,643	5	-	11,067,087
UF	2,206,472	2,448,548	878,324	819,487	6,352,831
MX	3,455,031	565,650	315,208	400	4,336,289
TOTAL	**14,049,942**	**5,692,841**	**1,193,537**	**819,887**	**21,756,207**
MISMATCH					
CLP	(951,291)	(90,896)	354,958	73,234	(613,995)
UF	1,212,912	356,624	707,357	389,575	2,666,468
MX	267,345	27,723	23,778	(65)	318,781
TOTAL	**528,966**	**293,451**	**1,086,093**	**462,744**	**2,371,254**

Fig. 6. Book value: mismatch to maturity or re-pricing by currency
Positions 12/31/13 (MCLP$)

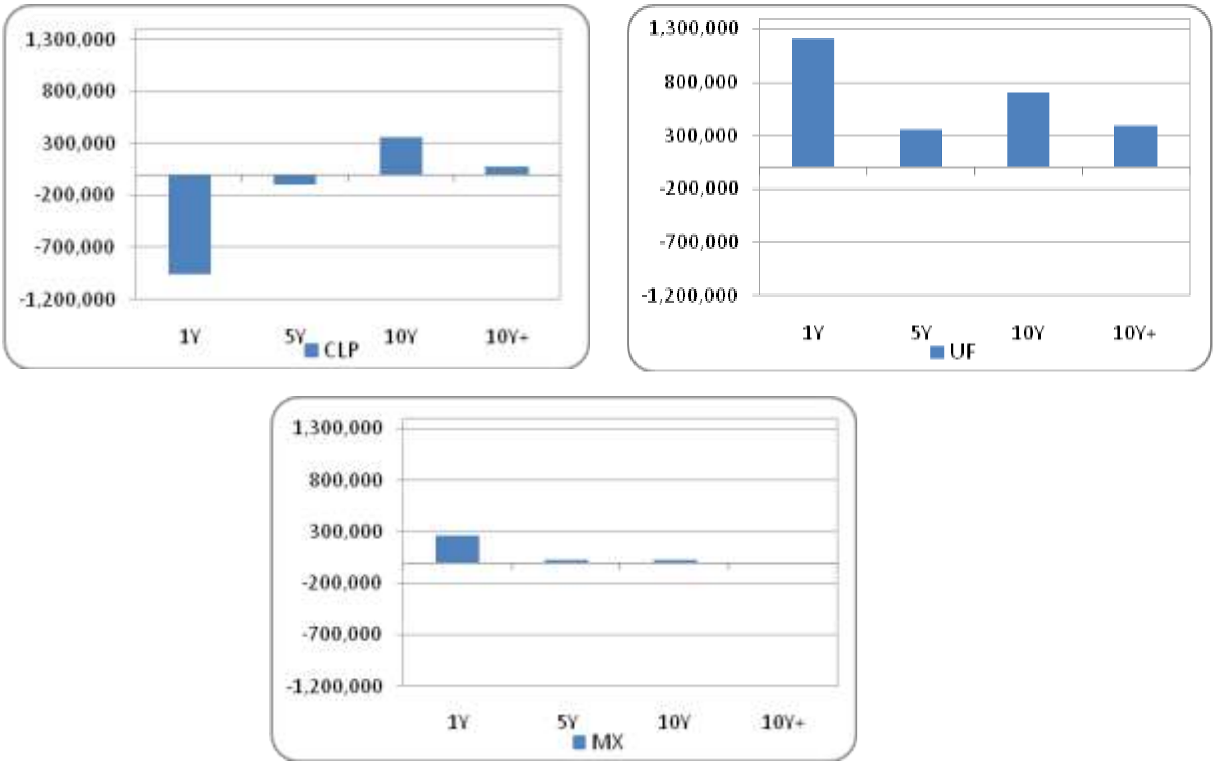


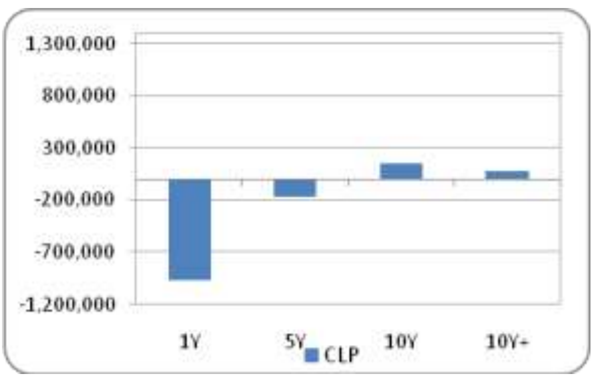
Fig 7. Book value to maturity or re-pricing by currency
Positions 12/31/12 (MCLP$)

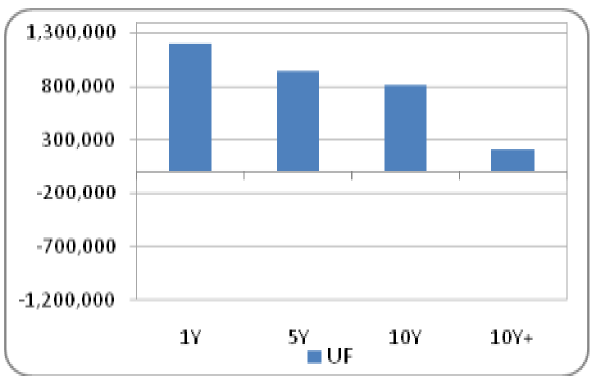
ASSETS	1Y	5Y	10Y	10Y+	Total
CLP	6,282,952	2,097,269	159,548	82,546	8,622,315
UF	2,824,123	2,558,022	1,464,667	1,048,614	7,895,426
MX	2,518,887	364,406	25,159	932	2,909,384
TOTAL	**11,625,962**	**5,019,697**	**1,649,374**	**1,132,092**	**19,427,125**

LIABILITIES	1Y	5Y	10Y	10Y+	Total
CLP	7,255,935	2,260,513	3,153	-	9,519,601
UF	1,620,844	1,617,896	648,102	836,197	4,723,039
MX	3,237,435	4,762	5,848	1,115	3,249,160
TOTAL	**12,114,214**	**3,883,171**	**657,103**	**837,312**	**17,491,800**

MISMATCH	1Y	5Y	10Y	10Y+	Total
CLP	(972,983)	(163,244)	156,395	82,546	(897,286)
UF	1,203,279	940,126	816,565	212,417	3,172,387
MX	(718,548)	359,644	19,311	(183)	(339,776)
TOTAL	**(488,252)**	**1,136,526**	**992,271**	**294,780**	**1,935,325**

Fig. 8. Book value: mismatch to maturity or re-pricing by currency
Positions 12/31/12 (MCLP$)





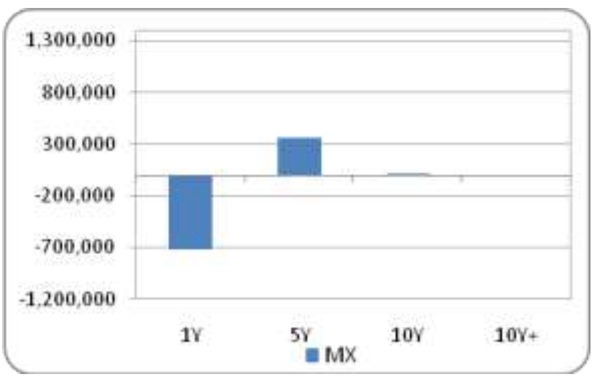


Fig. 9. Book value to maturity or re-pricing by account
Positions 12/31/13 (MCLP$)

ASSETS	1Y	5Y	10Y	10Y+	Total
Central Bank of Chile	42,625	224,318	7,843	-	274,786
Banks and financial institutions of the country	229,657	181,696	43,489	33,485	488,327
Purchases under resale agreements	87,371	-	-		87,371
Commercial loans	5,807,470	1,730,528	665,653	359,473	8,563,124
Consumer loans	755,045	1,068,705	36,001	35,081	1,894,832
Endorsable housing mortgage loans	573,390	1,309,306	839,492	771,451	3,493,639
Housing mortgage loans with funding notes	48,674	41,573	12,504	758	103,509
Cash	933,714	-	-	-	933,714
Forwards	1,064,663	-	-	-	1,064,663
Chilean government	8,868	38,633	4,078	2,557	54,136
Consumer leasing	505	568	-	-	1,073
Commercial leasing operations	320,511	464,719	149,573	42,511	977,314
Other entities of the country	-	-	-	-	-
Other foreign entities	5,005	12,547	35,017	-	52,569
Other assets	2,185,308	14,866	10	37,313	2,237,497
Other housing mortgage loans	5,697	-	-	-	5,697
Others, except options	-	-	-	-	-
Swaps	2,510,404	898,833	485,970	-	3,895,207
Total Assets	**14,578,907**	**5,986,292**	**2,279,630**	**1,282,629**	**24,127,458**

LIABILITIES	1Y	5Y	10Y	10Y+	Total
Straight bonds	357,406	1,170,026	754,443	-	2,281,875
Subordinated bonds	40,460	150,985	155,542	817,637	1,164,624
Deferred-drawing savings accounts	42,061	-	-	-	42,061
Unconditional-drawing savings accounts	6,105	-	-	-	6,105
Sight deposits	1,474,886	2,410,817	-	-	3,885,703
Time deposits	7,055,440	293,003	12	-	7,348,455
Forwards	1,038,826	-	-	-	1,038,826
Letters of credit	14,160	34,882	16,215	1,014	66,271
Other liabilities	1,008,810	8,249	-	-	1,017,059
Others, except options	-		-	-	-
Loans and other obligations contracted abroad	833,740	124,367	-	-	958,107
Loans and other obligations contracted in Chile	113,865	6,129	4,963	400	125,357
Swaps	2,064,183	1,494,384	262,362	836	3,821,765
Sales under repurchase agreements	-	-	-	-	-
Total Liabilities	**14,049,942**	**5,692,842**	**1,193,537**	**819,887**	**21,756,208**

Fig 10. Book value to maturity or re-pricing by account
Positions 12/31/12 (MCLP$)

ASSETS	**1Y**	**5Y**	**10Y**	**10Y+**	**Total**
Central Bank of Chile	7,532	140,204	438	-	148,174
Banks and financial institutions of the country	98,633	121,634	251,691	31,136	503,094
Purchases under resale agreements	47,882	-	-	-	47,882
Commercial loans	5,335,456	1,579,096	354,483	334,138	7,603,173
Consumer loans	872,691	1,128,270	141,333	24,931	2,167,225
Endorsable housing mortgage loans	564,573	1,142,568	3,557	641,559	2,352,257
Housing mortgage loans with funding notes	21,572	54,114	83,531	1,754	160,971
Cash	1,292,396	-	-	-	1,292,396
Forwards	262,685	-	-	-	262,685
Chilean government	12,667	1,943	22,528	3,006	40,144
Consumer leasing	421	761	10	-	1,192
Commercial leasing operations	285,995	479,744	675,563	55,916	1,497,218
Other entities of the country	2,647	93,234	41,152	2,333	139,366
Other foreign entities	921	5,045	75,078	-	81,044
Other assets	1,327,937	7,296	10	37,319	1,372,562
Other housing mortgage loans	9	2	-	-	11
Others, except options	1,245,750	-	-	-	1,245,750
Swaps	246,195	247,786	-	-	493,981
Total Assets	**11,625,962**	**5,019,697**	**1,649,374**	**1,132,092**	**19,427,125**

LIABILITIES	**1Y**	**5Y**	**10Y**	**10Y+**	**Total**
Straight bonds	135,108	946,695	452,194	-	1,533,997
Subordinated bonds	39,117	153,003	153,286	834,912	1,180,318
Deferred-drawing savings accounts	43,558	-	-	-	43,558
Unconditional-drawing savings accounts	563	-	-	-	563
Sight deposits	1,380,555	1,793,479	-	-	3,174,034
Time deposits	7,157,377	83,462	8	-	7,240,847
Forwards	2,581	-	-	-	2,581
Letters of credit	15,719	48,432	14,218	1,285	79,654
Other liabilities	841,334	56,343	-	-	897,677
Others, except options	568,646	724,686	-	-	1,293,332
Loans and other obligations contracted abroad	935,266	2,543	-	-	937,809
Loans and other obligations contracted in Chile	473,882	8,234	36,895	1,115	520,126
Swaps	426,092	66,294	502	-	492,888
Sales under repurchase agreements	94,416	-	-	-	94,416
Total Liabilities	**12,114,214**	**3,883,171**	**657,103**	**837,312**	**17,491,800**

The following table details the main types of available for sale investments by type of issuer and currency. It also shows the risk classification of these positions at the end of the year.

Fig. 11.a available for sale Investments
Fair value 12/31/13 (MCLP$)

As of December 31, 2013 (MCLP$)

	CLP	UF	USD	EUR	OTHER
Sovereign bonds	246,635	7,644	-	-	-
Corporate bonds	56,361	46,571	180,250	-	-
Financial institutions bonds	550	80,644	-	-	-
Mortgage-funding notes	-	130,448	-	-	-
Time deposits	72,213	6,057	-	-	-
Total	**375,759**	**271,364**	**180,250**	**-**	**-**

Fig. 11.b available for sale Investments
Fair value 12/31/12 (MCLP$)

As of December 31, 2012 (MCLP$)

	CLP	UF	USD	EUR	OTHER
Sovereign bonds	163,753	7,256	-	-	-
Corporate bonds	67,506	39,068	141,595	-	-
Financial institutions bonds	762	54,758	60,566	-	-
Mortgage-funding notes	-	106,016	-	-	-
Time deposits	73,171	29,543	-	-	-
Total	**305,192**	**236,641**	**202,161**	**-**	**-**

Fig. 12. available for sale Investments
International-Issued Bond Portfolio Credit Rating 12/31/13 (%)

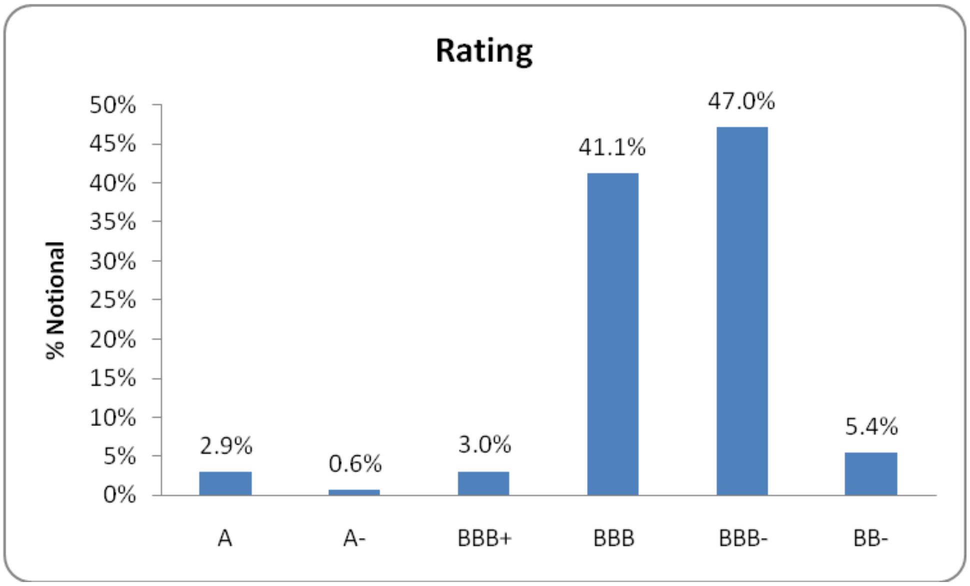


Fig. 13. available for sale Investments
International-Issued Bond Portfolio Credit Rating 12/31/12 (%)

b. Sensitivity analysis

Sensitivity measurements are used to monitor the market risk of positions by sensitivity to each of the risk factors. For example, a change in the present value of 100 basis points in the interest rate is a type of risk factor. This type of model is especially useful for measuring the risk of a mismatch between assets and liabilities, i.e., essentially the banking book.

The regulatory sensitivity measurements perform these analyses by applying interest rates, exchange rates, inflation, commodities positions, shares positions, and exposure to derivative instruments, according to predetermined sensitivities.

The Corporation also measures for sub-portfolios and different risk factors. Among the models used is Market Value Sensitivity or MVS, which measures the change in economic value of equity in the event of a parallel movement of 100 basis points in interest rates. For a short-term horizon, the Spreads at Risk or SAR model is used, which measures the impact on results in 12 months time of a parallel movement in rates. For both models, there are explicit internal limits measured as a ratio of capital (for MVS) and of financial margin (for SAR).

The Bank structurally generates risk rate exposure, which is mainly explained by maintaining long-term fixed rate assets and obtaining short-term financing, such as deposits. In this regard, the Bank is an active market participant in managing their interest rate risk strategy using hedge accounting.

Some of the hedging strategies are: a) transforming short-term risk to long-term (taking liabilities from short to long term through interest rate swaps) and b) floating long-term placements using interest rate swap.

In the scenario of a 100 basis points increase with the other variables held constant, the effects compared to closures of 2012 and 2013 are:

In the short-term, exposure to interest rates in 2012 and 2013 amounting to CLP$ 8,240 million and CLP$ 6,149 million, respectively, generates an adverse effect on the financial margin for the subsequent 12 months period.

The sensitivity rate risk applied to all items in the banking book and all terms, measured by MVS for the years 2012 and 2013 are CLP$ 67,124 million and CLP$ 60,879 million, respectively.

c. Value at Risk

Value-at-Risk (VaR) is a methodology that estimates potential losses that might affect a portfolio as a result of adverse interest-rate movements and/or market-price changes over a period of time and for a certain level of confidence.

The VaR methodology used is a historic simulation that records the fat-tails property of the financial income. It uses a window of 4 years of daily data. It is measured at the first percentile of the P&L distribution or VaR at 99% of confidence, which is the same. The volatility updating technique is used, which records the existence of volatility clusters. The forecast horizon is of 1 day. The square root rule is used to escalate this value to the regulatory horizon of 10 days.

The value-at-risk model is validated by back-testing the daily results, both observed and theoretical. Statistically, excess losses of VaR are expected to be observed on average 1% daily. As of December 31, the back-test located the model in the green zone of Basel with 2 failures.

Objectives and limitations of the VaR methodology

The objective of the VaR is to measure the risk of a portfolio of assets by determining how much you can lose of the portfolio over a period of time and with a given confidence level under normal market conditions. This method is very easy to apply in portfolios that include information on relevant market variables. Furthermore, calculation does not depend on correlations and volatilities, as these are implicitly calculated using historical information. However, this means obtaining the history of associated variables for performing this calculation, which implies an effort to have such data. In addition, to have a certain degree of confidence in the measurement, in this case with VaR at 99%, this leads to the loss of 1 in every 100 days, which will be the least as predicted by the VaR, without a possible limit for this value.

- Stress Testing VaR

There are limitations of the VaR models, particularly in the presence of extreme events that have not been observed in recent historic information or for not capturing the intra-day movements of the portfolio. Therefore, stress situations are modeled to evaluate potential impacts on the value of portfolios in the most extreme, although possible, events. The scenarios used are the following:

- Historic simulation scenarios that incorporate fluctuations observed during historic extreme events.
- Montecarlo simulation scenarios, which generate multiplicity of possible scenarios from the historic data.
- Scenarios of sensitivity that consider movements in risk factors that are not captured by the recent history.

– VaR limits

The Corporation has set specific limits to the corporate VaR, as well as sub-limits to the trading, balance and available for sale investments portfolios.

d. Position limits

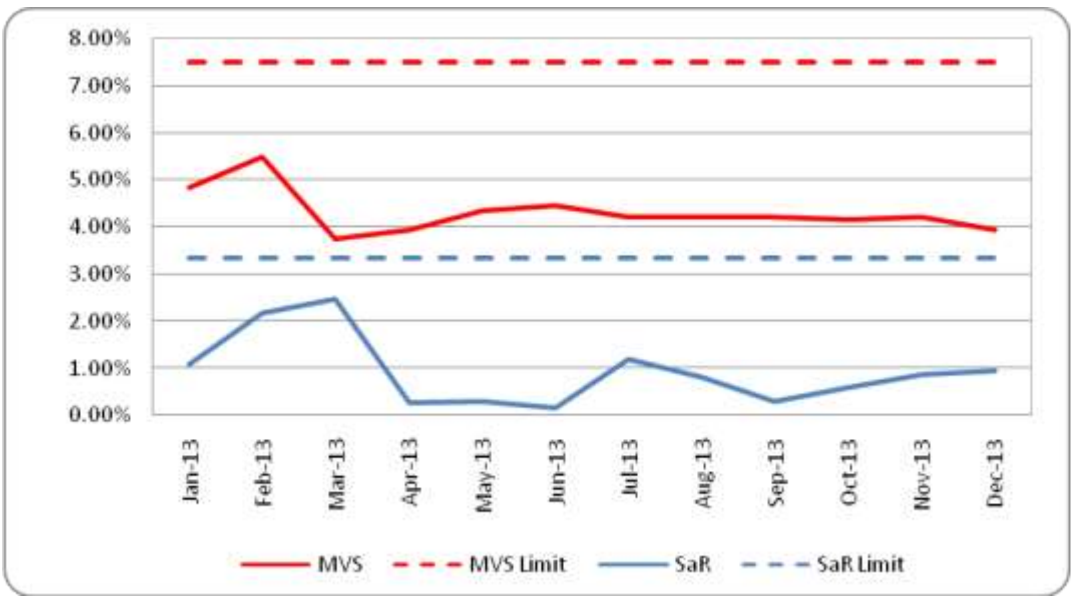
In addition to the limits of the predictive-type risk models like VaR and the sensitivity analysis, there are accounting limits of maximum positions and Stop Loss per the trading desk and Assets and Liabilities Management (hereinafter "ALM") desk.

e. Variations

- Sensitivity analysis of the Bank's book

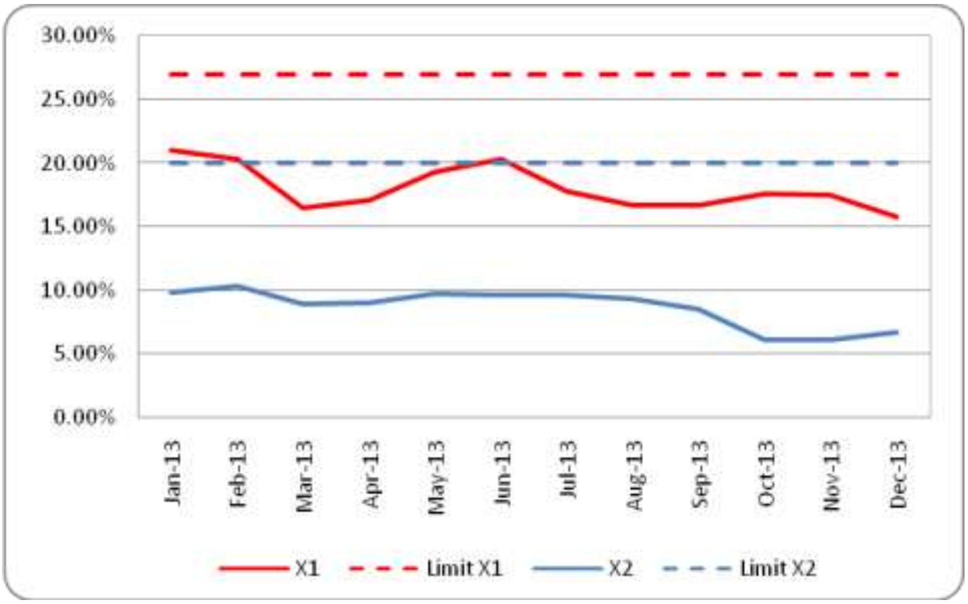
The use of accounting hedges and the issuance of bonds helped to maintain the interest-rate risks of the banking book to be limited. The long-term MVS measurement averaged 4.3% (3.2% in 2012) of the capital over a limit of 7.5% during 2013. The SAR had an annual average of 0.78% over the financial margin for a limit of 3.35%. Both indexes show an increase in the rate risk of the book value, although with levels very below the established limits.

Fig. 14.MVS - SAR
Year 2013



The evolution of regulatory indexes X1 (exposure to short-term market risk) and X2 (exposure to long-term market risk) registered an unused portion regarding the limits during 2013, explained mainly by the treatment of the balance with accounting hedges.

Fig. 15.Regulatory Market Risk X1 – X2
Year 2013

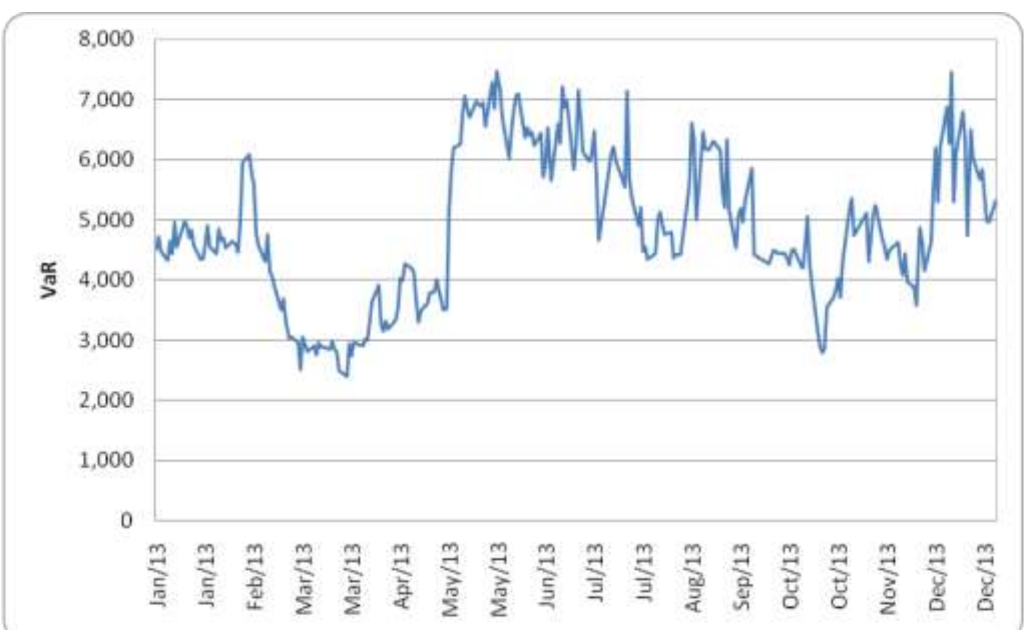


X1: Limit on Financial Margin
X2: Limit on Effective Shareholders' Equity

- Value at Risk

The evolution of VaR at 10 days for 2013 is the following:

Fig. 16.Consolidated Value at Risk
Year 2013 (MCLP$)



During 2013 there was an increase in the volatility on almost all the types of assets towards the end of the period. Uncertainty remains in Europe, but economic data toward the end of 2013 suggested improvement in 2014. Inflation in Chile, on the other hand, was at levels well below the estimate, closing 2013 with 3.0%. During the year, the exchange rate showed high volatility (mostly during 2013), with the highest range being between $ 534/ USD and $ 467/ USD for 2012.

In this context, the total consolidated risk averaged MCLP$5,324, measured on a regulatory horizon of 10 days. This is 21% higher than the average risk of 2012 (MCLP$4,398).

The interest rate risk averaged MCLP$4,686, while the foreign currency risk was MCLP$2,458. In trading, the added average was MCLP $4,274, MCLP$4,096 for interest rate, and MCLP$2,149 for foreign currency. Finally, for non-trading portfolios (available for sale investments), the total VaR averaged MCLP$3,686, MCLP$3,533 for rate risk, and MCLP$1,854 for currency risk.

Fig 17.Value at Risk by portfolio and type of risk
Year 2013 (MCLP$)

(a) Consolidated VaR by type of risk (MCLP$)

	12 months ended December 31, 2013			
	Average	Maximum	Minimum	Final
FX Risk	2,458	3,756	2,103	2,677
Interest rate risk	4,686	7,157	2,306	5,101
Diversification (*)	2,253	3,446	2,003	2,454
VaR Total	4,891	7,467	2,406	5,324

(b) VaR trading portfolio by type of risk (MCLP$)

	12 months ended December 31, 2013			
	Average	Maximum	Minimum	Final
FX Risk	2,149	3,538	2,087	2,726
Interest rate risk	4,096	6,743	2,288	5,194
Diversification (*)	1,971	3,246	1,987	2,499
VaR Total	4,274	7,035	2,388	5,421

(c) VaR non-trading portfolio by type of risk (MCLP$)

	12 months ended December 31, 2013			
	Average	Maximum	Minimum	Final
FX Risk	1,854	2,669	1,315	1,632
Interest rate risk	3,533	5,088	2,507	3,112
Diversification (*)	1,701	2,448	1,206	1,497
VaR Total	3,686	5,309	2,616	3,247

(*) Diversification is defined as the effect of correlation of total VaR.

Fig. 18.Value at Risk by portfolio and type of risk
Year 2012 (MCLP$)

(a) Consolidated VaR by type of risk (MCLP$)

	12 months ended December 31, 2012			
	Average	Maximum	Minimum	Final
FX Risk	2,186	3,835	2,575	2,211
Interest rate risk	4,167	7,308	2,823	4,214
Diversification (*)	2,004	3,518	2,452	2,027
VaR Total	4,349	7,625	2,946	4,398

(b) VaR trading portfolio by type of risk (MCLP$)

	12 months ended December 31, 2012			
	Average	Maximum	Minimum	Final
FX Risk	1,809	3,037	1,976	1,585
Interest rate risk	3,448	5,787	2,166	3,020
Diversification (*)	4,349	7,625	2,946	4,398
VaR Total	3,598	6,038	2,261	3,152

	12 months ended December 31, 2012			
	Average	Maximum	Minimum	Final
FX Risk	1,712	2,207	1,421	1,455
Interest rate risk	3,263	4,207	2,708	2,774
Diversification (*)	4,349	7,625	2,946	4,398
VaR Total	3,404	4,390	2,826	2,894

(*) Diversification is defined as the effect of correlation of total VaR.

While VaR captures the daily exposure of the Bank to the risks of currency and interest rates, the sensitivity analysis evaluates the impact of a reasonably possible change in interest rates and exchange rates over one year. The longer time frame of sensitivity analysis complements the VaR and helps the Bank to assess their exposure to market risk. The detail of the sensitivity analysis for the exchange risk and interest rate risk is set out below.

Sensitivity of interest rate

The following table shows the sensitivity of the fair values to reasonably possible alternative assumptions:

	Recognition in statement of income		Recognition in Statement of Other Comprehensive Income	
	Favorable change	**Non favorable change**	**Favorable change**	**Non favorable change**
December 31, 2013				
Securities backed by assets held for trading	79	(79)	-	-
Other non derivative assets held for trading	(176)	176	-	-
Securities backed by available for sale assets	-	-	(215)	215
	-	-	-	-
December 31, 2012	-	-	-	-
Securities backed by assets held for trading	136	(136)	-	-
Other non derivative assets held for trading	(169)	169	-	-
Securities backed by available for sale assets	-	-	(185)	185

Currency risk

The currency risk is defined as the risk that the value of a financial instrument will fluctuate due to changes in exchange rates. The Bank is exposed to the effects of fluctuations in prevailing exchange rates regarding its financial position and cash flows.

The Bank's exposure to the risk of exchange rates of foreign currencies is presented in the table below:

Date:	31/12/2013	
Exchange rate CLP$/US$:	525.7	CLP$
Exchange rate CLP$/EURO:	726.0	CLP$

Assets	**US$**	**EURO**	**OTHERS**
Cash	1,446,947,513	20,930,283	2,186,027,762
Commercial loans	4,531,405,587	51,433,627	365,986,301
Investments under agreements to resell	-	-	-
Commercial leasing operations	80,184,306	-	-
Mortgage loans LC	-	-	-
Mortgage loans MHE	-	-	-
Other mortgage loans	-	-	-
Housing leasing	-	-	-
Consumer loans	18,515,867	-	-
Consumer leasing	-	-	-
Commercial loans LCS	-	-	-
Consumer loans LCS	-	-	-
Central Bank of Chile	319,662,238	-	764,142
Gobierno de Chile	-	-	-
Banks and financial institutions of the country	-	-	-
Other entities of the country	7,416,838	-	-
Governments and government bodies MX	-	-	-
Foreign banks	-	-	-
Other foreign entities	72,665,122	-	2,874,029,485
Forward	11,526,926,888	74,764,829	98,219,631,218
Futures	4,961,200	-	-
Swaps	9,099,490,323	15,014,976	275,965,717,699
Other, excluding options	-	-	-
Other assets	650,653,295	325,487,609	5,393,112,551
Delta Options	102,080,964	-	-
Total Assets	**27,860,910,141**	**487,631,324**	**385,005,269,158**

Liabilities	US$	EURO	Others Others
Demand deposits	1,014,133,484	21,952,117	732,933,407
Time deposits	2,521,031,822	20,217,719	312,524,643
Savings accounts with deferred withdrawal	-	-	-
Savings accounts with unconditional withdrawal	-	-	-
Obligations under agreements to repurchase	28,144,018	-	-
Loans and other obligations contracted MN	807,880,786	5,006,941	-
Loans and other obligations contracted MX	1,749,945,662	36,976,244	-
Letters of credit	-	-	-
Current bonds	1,100,000,000	-	80,600,000,000
Subordinated bonds	-	-	-
Forward	11,219,875,865	73,535,331	99,699,103,189
Futures	4,850,000	-	-
Swaps	9,345,052,835	-	-
Other, excluding options	-	-	-
Other liabilities	473,385,863	320,182,207	3,708,111,998
Delta Options	61,110,437	-	-
Total Liabilities	**28,325,410,772**	**477,870,559**	**185,052,673,237**
Net	**(464,500,631)**	**9,760,765**	**199,952,595,921**
Other Net Equity	**-**	**-**	**-**

Date: 31/12/2012
Exchange rate CLP$/US$: 479.5 CLP$
Exchange rate CLP$/EURO: 633.8 CLP$

Assets	**US$**	**EURO**	**OTHERS**
Cash	981,241,681	39,040,051	4,445,394,909
Commercial loans	3,857,349,610	31,551,224	675,955,375
Investments under agreements to resell	-	-	-
Commercial leasing operations	77,162,115	-	-
Mortgage loans LC	-	-	-
Mortgage loans MHE	-	-	-
Other mortgage loans	-	-	-
Housing leasing	-	-	-
Consumer loans	14,877,120	-	-
Consumer leasing	-	-	-
Commercial loans LCS	-	-	-
Consumer loans LCS	-	-	-
Central Bank of Chile	405,421,769	-	1,153,656
Gobierno de Chile	-	-	-
Banks and financial institutions of the country	0	-	-
Other entities of the country	7,363,866	2,149,278	-
Governments and government bodies MX	-	-	-
Foreign banks	-	-	-
Other foreign entities	31,505,051	-	3,597,172,326
Forward	9,324,448,404	143,660,077	35,164,454,531
Futures	2,011,887	-	-
Swaps	6,037,870,729	29,680,174	111,913,914,392
Other, excluding options	-	-	-
Other assets	1,344,336,740	60,128,541	6,031,941,098
Delta Options	52,073,813	-	-
Total Assets	**22,135,662,785**	**306,209,345**	**161,829,986,287**

Liabilities	US$	EURO	Others
Demand deposits	767,900,263	28,505,685	1,617,414,453
Time deposits	496,761	-	-
Savings accounts with deferred withdrawal	-	-	-
Savings accounts with unconditional withdrawal	-	-	-
Obligations under agreements to repurchase	17,526,179	603,307	-
Loans and other obligations contracted MN	3,978,573,339	23,726,490	281,810,568
Loans and other obligations contracted MX	2,040,734,416	17,343,590	98,225,899
Letters of credit	-	-	-
Current bonds	596,358,834	-	110,252,560,168
Subordinated bonds	-	-	-
Forward	6,903,341,921	144,370,441	36,911,292,246
Futures	10,478,103	-	-
Swaps	6,347,906,708	29,676,784	-
Other, excluding options	-	-	-
Other liabilities	1,369,755,148	60,686,619	6,265,434,217
Delta Options	25,125,522	-	-
Total Liabilities	**22,058,197,194**	**304,912,916**	**155,426,737,551**

Net	**77,465,591**	**1,296,429**	**6,403,248,736**
Other Net Equity	**-**	**-**	**-**

Sensitivity of currency risk

The following tables detail the Bank's sensitivity against an increase and decrease of 10% in the Chilean peso against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents Management's assessment of reasonable possible changes in exchange rates.

The sensitivity analysis includes only outstanding monetary items denominated in foreign currencies and it adjusts its conversion at the end of the period, of which it reports a 10% change in the exchange rates. The sensitivity analysis includes external loans as well as loans to foreign operations with the Bank where the loan is denominated in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in earnings and other net equity when the Chilean peso goes up by 10%, compared to the corresponding currency.

In the case of a low of 10% of the Chilean peso against the relevant currency, a comparable impact on the earnings and other equity would be produced, and the balances would be negative, as shown below.

Date 31/12/2013

	Decrease 10%		Increase 10%	
Assets	**US$**	**EURO**	**US$**	**EURO**
Cash	684,594,276,826	13,676,383,750	836,726,338,343	16,715,580,138
Commercial loans	2,143,943,925,377	33,608,051,095	2,620,375,908,794	41,076,506,893
Investments under agreements to resell	-	-	-	-
Commercial leasing operations	37,937,600,698	-	46,368,178,631	-
Mortgage loans LC	-	-	-	-
Mortgage loans MHE	-	-	-	-
Other mortgage loans	-	-	-	-
Housing leasing	-	-	-	-
Consumer loans	8,760,412,154	-	10,707,170,410	-
Consumer leasing	-	-	-	-
Commercial loans LCS	-	-	-	-
Consumer loans LCS	-	-	-	-
Central Bank of Chile	151,241,794,665	-	184,851,082,368	-
Gobierno de Chile	-	-	-	-
Banks and financial institutions of the country	-	-	-	-
Other entities of the country	3,509,128,563	-	4,288,934,910	-
Governments and government bodies MX	-	-	-	-
Foreign banks	-	-	-	-
Other foreign entities	34,380,049,172	-	42,020,060,099	-
Forward	5,453,734,918,519	48,853,256,900	6,665,676,011,524	59,709,536,211
Futures	2,347,292,556	-	2,868,913,124	-
Swaps	4,305,241,856,521	9,811,170,435	5,261,962,269,081	11,991,430,532
Other, excluding options	-	-	-	-
Other assets	307,843,593,463	212,681,952,100	376,253,280,900	259,944,608,122
Delta Options	48,297,566,497	-	59,030,359,052	-
Total Assets	**13,181,832,415,011**	**318,630,814,280**	**16,111,128,507,236**	**389,437,661,896**

Liabilities	US$	EURO	US$	EURO
Demand deposits	479,816,975,285	14,344,076,294	586,442,969,793	17,531,648,804
Time deposits	1,192,775,785,943	13,210,776,156	1,457,837,071,708	16,146,504,190
Savings accounts with deferred withdrawal	-	-	-	-
Savings accounts with unconditional withdrawal	-	-	-	-
Obligations under agreements to repurchase	13,315,779,236	-	16,274,841,289	-
Loans and other obligations contracted MN	382,232,636,280	3,271,663,672	467,173,222,120	3,998,700,043
Loans and other obligations contracted MX	827,951,791,062	24,161,226,227	1,011,941,077,965	29,530,387,611
Letters of credit	-	-	-	-
Current bonds	520,443,000,000	-	636,097,000,000	-
Subordinated bonds	-	-	-	-
Forward	5,308,459,868,007	48,049,871,371	6,488,117,616,454	58,727,620,565
Futures	2,294,680,500	-	2,804,609,500	-
Swaps	4,421,424,847,824	-	5,403,963,702,895	-
Other, excluding options	-	-	-	-
Other liabilities	223,973,053,361	209,215,266,356	273,744,842,997	255,707,547,768
Delta Options	28,913,181,058	-	35,338,332,404	-
Total Liabilities	**13,401,601,598,556**	**312,252,880,076**	**16,379,735,287,125**	**381,642,408,981**

Net	**(219,769,183,545)**	**6,377,934,204**	**(268,606,779,889)**	**7,795,252,915**
Other Net Equity	**-**	**-**	**-**	**-**

Date: 31/12/2012

	Decrease 10%		Increase 10%	
Assets	**US$**	**EURO**	**US$**	**EURO**
Cash	423,428,353,889	22,269,626,286	517,523,543,643	27,218,432,128
Commercial loans	1,664,535,075,812	17,997,772,697	2,034,431,759,326	21,997,277,741
Investments under agreements to resell	-	-	-	-
Commercial leasing operations	33,297,227,554	-	40,696,611,454	-
Mortgage loans LC	-	-	-	-
Mortgage loans MHE	-	-	-	-
Other mortgage loans	-	-	-	-
Housing leasing	-	-	-	-
Consumer loans	6,419,819,515	-	7,846,446,073	-
Consumer leasing	-	-	-	-
Commercial loans LCS	-	-	-	-
Consumer loans LCS	-	-	-	-
Central Bank of Chile	174,948,818,141	-	213,826,333,283	-
Gobierno de Chile	-	-	-	-
Banks and financial institutions of the country	86	-	106	-
Other entities of the country	3,177,677,563	1,226,013,203	3,883,828,133	1,498,460,581
Governments and government bodies MX	-	-	-	-
Foreign banks	-	-	-	-
Other foreign entities	13,595,154,330	-	16,616,299,736	-
Forward	4,023,713,948,828	81,948,054,749	4,917,872,604,123	100,158,733,582
Futures	868,175,406	-	1,061,103,274	-
Swaps	2,605,480,090,487	16,930,469,011	3,184,475,666,151	20,692,795,457
Other, excluding options	-	-	-	-
Other assets	580,112,222,978	34,299,138,917	709,026,050,306	41,921,169,787
Delta Options	22,471,047,938	-	27,464,614,146	-
Total Assets	**9,552,047,612,527**	**174,671,074,863**	**11,674,724,859,754**	**213,486,869,276**
Liabilities	US$	EURO	US$	EURO
Demand deposits	331,366,625,300	16,260,504,959	405,003,653,144	19,873,950,505
Time deposits	214,363,990	-	262,000,432	-
Savings accounts with deferred withdrawal	-	-	-	-
Savings accounts with unconditional withdrawal	-	-	-	-
Obligations under agreements to repurchase	7,562,949,246	344,144,561	9,243,604,634	420,621,131
Loans and other obligations contracted MN	1,716,845,903,017	13,534,308,022	2,098,367,214,799	16,541,932,026
Loans and other obligations contracted MX	880,623,837,478	9,893,308,400	1,076,318,023,584	12,091,821,378
Letters of credit	-	-	-	-
Current bonds	257,342,553,068	-	314,529,787,084	-
Subordinated bonds	-	-	-	-
Forward	2,978,950,815,629	82,353,267,705	3,640,939,885,769	100,653,993,861
Futures	4,521,542,462	-	5,526,329,676	-
Swaps	2,739,267,746,244	16,928,535,725	3,347,993,912,076	20,690,432,553
Other, excluding options	-	-	-	-
Other liabilities	591,080,850,687	34,617,483,608	722,432,150,839	42,310,257,743
Delta Options	10,842,240,651	-	13,251,627,463	-
Total Liabilities	**9,518,619,427,772**	**173,931,552,980**	**11,633,868,189,500**	**212,583,009,197**
Net	**33,428,184,755**	**739,521,883**	**40,856,670,254**	**903,860,079**
Other Net Equity	**-**	**-**	**-**	**-**

Because the Bank does not have accounting hedges of net investments, there is no impact on equity due to a 10% change in the Chilean peso against all exchange rates.

Limitations of sensitivity analysis

The above tables demonstrate the effect of a change in a key assumption while other assumptions remain the same. In fact, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear, and larger and smaller impacts should not be interpolated or extrapolated from these results.

The sensitivity analyses do not take into account that the Bank's assets and liabilities are actively managed. Moreover, the financial position of the Bank may vary at the time that an actual market movement occurs. For example, the strategy of financial risk management of the Bank seeks to manage the exposure to market fluctuations. As investment markets go through different trigger levels, management actions could include selling investments, changing the allocation of the investment portfolio and taking other protective measures.

Consequently, the actual impact of a change in the assumptions may not have any impact on the liabilities, whereas assets are held at market value on the statement of financial position. In these circumstances, the different measurement bases of assets and liabilities could result in volatility of equity.

Price risk - own products

The Bank is exposed to price risks of its products that are subject to general and specific fluctuations in the market.

The Bank manages price risk through the estimation of periodic stress tests, which establish various scenarios of adverse market conditions; on the other hand it has contingency plans that address transverse actions in the corporation in order to face scenarios that expose the corporation to significant loss.

If equity prices had been 1% higher / lower:

Net income for the year ended December 31, 2013 would not have been affected because equity investments are classified as available for sale and no investment is expropriated or was impaired, however the negative effect on equity would amount to CLP$ 21,524 million and at December 31, 2012 would have been CLP$ 18,511 million.

Other price risk

The price risk of equity is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to individual value and its issuer or factors affecting all securities traded in the market.
The sensitivity analyses below have been determined based on the exposure to equity price at the end of the period over which it is reported.

f) Fair Value

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

Following international accounting principles, quotations or observable prices of assets and liabilities identical to those that will be measured are used, as long as they are available. These are known as Level 1 Inputs. If there are no identical assets and liabilities, the measurement will be carried out based on observable prices. Usually, this group includes interpolations of derivative instruments and matrix pricing or other models for instruments of fixed income. These are known as Level 2 Inputs. Lastly, when it is not possible to have the previous inputs, the measurement is carried out based on inputs that are not directly observable in the market. These are the Level 3 Inputs. In Note 34 we show the classification of the financial instruments according to valuation level. The following is a brief explanation of this order.

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

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

The base model for the valuation of fixed-income instruments with less liquidity on the domestic market is a dynamic interest-rate model that uses panels of incomplete data and incorporates all recent price history of the documents in question and instruments of similar characteristics in terms of issuer, credit rating, term, etc. The fair-value models used, both internal and external, are tested periodically and their back-testing is audited by independent parties.

Finally, all those instruments whose market prices or factors are not directly observable are classified as Level 3.

g) Derivative instruments

As of December 31, 2013, BCI had gross positions of MCLP$65,093 in derivative instruments (at fair value). The derivative instruments are divided into two large groups, depending on their accounting treatment: (1) instruments for trading, and (2) instruments with special treatment of hedge accounting. The trading instruments are originated from the Sales & Trading activities (S&T), whether it is by sales to third parties or hedge of the risks experienced on those sales. The areas in charge of the Asset & Liability Management (ALM) also use derivatives to manage their risks. These can follow the standard treatment of trading or have a special hedge accounting treatment. Hedges seek, according to accounting regulations in force, to decrease the fluctuation in the value of assets and liabilities or in cash flows.

The market risk associated with the derivative instruments is measured using the VAR and stress analysis described in item c) of this Note.

h) Counterparty risk

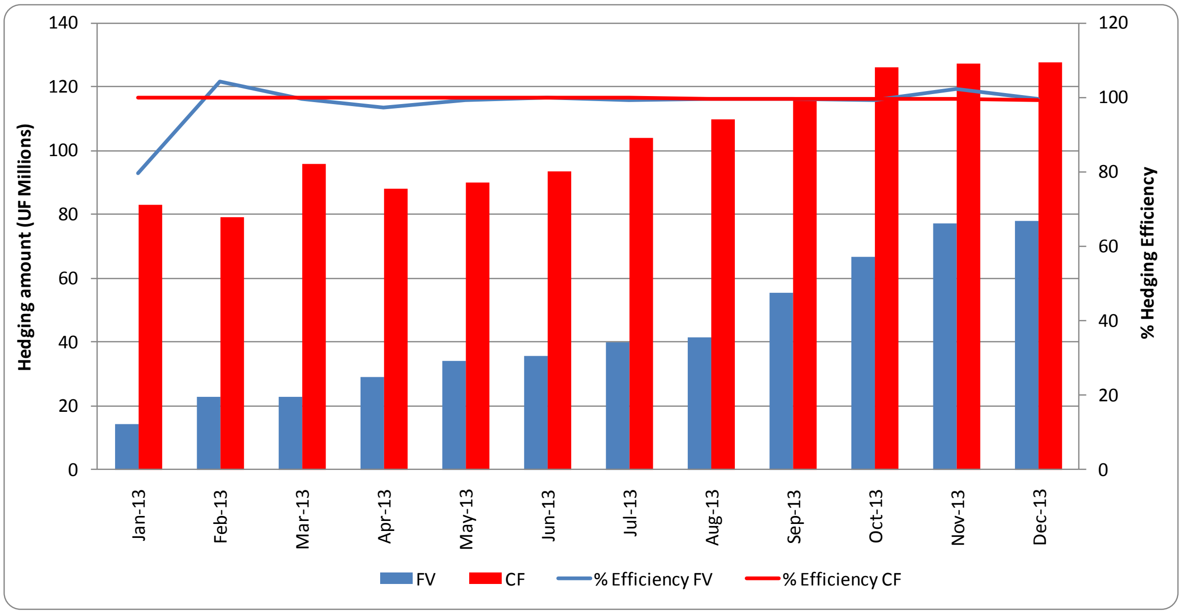
Notwithstanding the possibility of *netting* positions with some counterparty in a credit event, BCI manages its counterparty risk measured in absolute terms. That means, to the current exposure of positions with credit risk, the maximum future exposure is added for a certain level of confidence using the *value-at-risk* (VaR) model at 99% confidence. Montecarlo simulation techniques are used to calculate maximum future exposures by counterparty. Specific limits per counterparty ensure that they do not exceed the accepted risk levels and an adequate diversification is achieved.

i) Hedge accounting

BCI uses hedge accounting to manage the fair-value and cash-flow risks to which it is exposed. The fair-value hedges use derivative instruments to cover changes in the fair value of an asset or liability in the balance sheet. The changes in the fair value of the derivatives that form part of the cash-flow hedges are recorded in net shareholders' equity. The treatment of this type of instrument strictly follows the international accounting standard IAS 39. Financial Risk Management is responsible for designing and validating the effectiveness of the hedges, generating effectiveness indicators that are constantly monitored and reported to ALCO.

As of December 31, 2013 the total notional amount of cash-flow hedges amounted to UF 127.5 million while the fair-value hedges amounted to UF 78 million.

Fig. 19.Amount, Type and Effectiveness of Hedge Accounting
Year 2013 and 2012(UF Millions)



CREDIT RISK

Risk Management structure

The Bank has structured its credit approval process on the basis of personal and non-delegatable discretionary limits authorized by the Board of Directors.

Based on these credit faculties, the operations are approved at the different levels of Management, always requiring the concurrence of two executives with discretionary limits.

As the amount of the operation increases, pairs of senior executives both from the commercial and risk areas and from the senior management committees must approve the operation, until reaching the highest level represented by approval from the Board of Director's Executive Committee.

Provisions for credit risk

According to the Superintendency of Banks and Financial Institutions (SBIF), the Banks should permanently maintain evaluations of their loans and contingent credit portfolios, in order to establish provisions opportunely and sufficiently, so as to cover possible losses, in accordance with the regulation of said Superintendency, contained on Compendium of Accounting Standards, chapter B1 referring to provisions for credit risk.

The Bank has a series of models both for the individual and the group portfolios, which are applied depending on the type of portfolio and operations. These models are approved by the Board of Directors, which is informed annually about the adequacy of the provisions.

Models based on the individual analysis of debtors

These models are applied when the companies involved, given their size, complexity or level of exposure with the entity, are required to be identified and analyzed in detail, one by one.

These models consider the analysis of aspects such as the financial situation of debtors, their payment behavior, knowledge and experience of the shareholders and management in the business, as well as their grade of commitment with the company and the company`s industry and the relative position of the company within this area.

Quality of the loans by type of financial asset

Regarding the quality of the loans, these are described in accordance with the Compendium of Accounting Standards issued by the Superintendency of Banks and Financial Institutions (SBIF).

The detail of the quality of loans is summarized in the following table:

	2013					
	BALANCE			PROVISION		
Debt:	Due from banks	Loans and accounts receivable from customers	Total	Due from banks	Loans and accounts receivable from customers	Total
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
A1	7,793	161,610	169,403	3	58	61
A2	28,052	1,202,554	1,230,606	23	762	785
A3	46,695	2,069,874	2,116,569	102	2,524	2,626
A4	-	1,734,600	1,734,600	-	11,689	11,689
A5	102	937,239	937,341	4	6,843	6,847
A6	-	343,558	343,558	-	10,907	10,907
B1	-	98,034	98,034	-	5,715	5,715
B2	-	34,345	34,345	-	5,970	5,970
B3	-	8,004	8,004	-	803	803
B4	-	15,720	15,720	-	2,757	2,757
C1	-	15,015	15,015	-	300	300
C2	-	8,316	8,316	-	832	832
C3	-	2,203	2,203	-	551	551
C4	-	9,657	9,657	-	3,863	3,863
C5	-	65,439	65,439	-	42,535	42,535
C6	-	49,911	49,911	-	44,920	44,920
GR	-	6,542,280	6,542,280	-	172,785	172,785
Subsidiaries	23,753	1,124,959	1,148,712	112	20,433	20,545
Total	**106,395**	**14,423,318**	**14,529,713**	**224**	**334,247**	**334,491**

	2012					
	BALANCE			PROVISION		
Debt:	**Due from banks**	**Loans and accounts receivable from customers**	**Total**	**Due from banks**	**Loans and accounts receivable from customers**	**Total**
	MCLP$	**MCLP$**	**MCLP$**	**MCLP$**	**MCLP$**	**MCLP$**
A1	24.026	12,063	36,089	9	4	13
A2	8,006	1,006,754	1,014,760	7	621	628
A3	44,486	1,667,558	1,712,044	97	2,475	2,572
A4	9,458	1,838,552	1,848,010	166	16,140	16,306
A5	220	983,492	983,712	9	9,490	9,499
A6	-	316,003	316,003	-	7,691	7,691
B1	-	67,002	67,002	-	3,952	3,952
B2	-	25,094	25,094	-	3,602	3,602
B3	-	7,943	7,943	-	485	485
B4	-	10,773	10,773	-	1,491	1,491
C1	-	15,198	15,198	-	304	304
C2	-	15,426	15,426	-	1,543	1,543
C3	-	4,438	4,438	-	1,110	1,110
C4	-	29,747	29,747	-	11,899	11,899
C5	-	61,929	61,929	-	40,254	40,254
C6	-	32,953	32,953	-	29,658	29,658
GR	-	5,923,634	5,923,634	-	153,902	153,902
Subsidiaries	2,398	1,028,938	1,031,336	-	14,752	14,752
Total	**88,594**	**13,047,497**	**13,136,091**	**288**	**299,373**	**299,661**

The analysis of the age of delinquent loans by type of financial assets is the following:

	Less than 30 days		Between 30 and 89 days		90 days or more		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Interbank loans	-	-	-	-	-	-	-	-
Loans and accounts receivable from customers	24.279	47.205	25.589	19.253	255.312	175.733	305.180	242.191
Total	24.279	47.205	25.589	19.253	255.312	175.733	305.180	242.191

Maximum Exposure to credit risk

The maximum exposure to credit risk varies significantly and depends on both individual risks and general market economy risks.

	Maximum exposure	Provision	Net exposure after provision	Associated guarantees	Net exposure
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Trading instruments	1,042,536	-	1,042,536	-	1,042,536
Loans and receivables from banks, net	206,395	(244)	106,151	-	106,151
Loans and receivables from customers, net and Contingent loans (1)	18,699,325	(344,247)	18,365,078	(6,165,312)	12,199,766
Financial investments available for sale	934,351	-	934,351	-	934,351
Financial investments delh to maturity	-	-	-	-	
Derivative financial agreements (2)	65,093	(5,473)	59,620	-	59,620

(1) Contains loans and accounts receivable from clients of MCLP $ 14,423,318 (see Note 10) and contingent loans of MCLP$ 4,276,007 (see Note 22). Reported guarantees are legally constituted in favor of the Bank and there is no uncertainty about their eventual execution or settlement

(2) For 2013 no guarantees were given in favor of the Bank.

	Maximum exposure	Provision/ Compensations	Net exposure after provision	Associated guarantees	Net exposure
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Trading instruments	1,223,519	(1,223,519)	2,447,038	-	2,447,038
Loans and receivables from banks, net	88,306	(288)	88,018	-	176,612
Loans and receivables from customers, net and Contingent loans (1)	16,853,239	(299,373)	16,553,866	(5,646,169)	10,907,697
Financial investments available for sale	771,381	-	771,381	-	771,381
Financial investments delh to maturity	-	-	-	-	-
Derivative financial agreements (1)	48,146	(3,965)	44,181	(19,510)	24,671

(1) Contains loans and accounts receivable from clients of MCLP $ 13,047,497 (see Note 10) and contingent loans of MCLP$ 3,805,742 (see Note 22). Reported guarantees are legally constituted in favor of the Bank and there is no uncertainty about their eventual execution or settlement

Operational Risk

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

BCI Bank has operational risk specialists in process areas, information security, continuity of business, and regulatory compliance, with the objective of avoiding errors in the processes, unexpected losses, and optimizing the use of required capital.

Over the last several years, BCI has grown in terms of identification, quantification, mitigation and report of its operational risks, which allows the Bank to manage and monetarily quantify its risks.

Operational risk management

BCI manages its operational risks with the active participation of those responsible for the areas and processes (Owners of Processes) through four management committees on different areas: a) committee for operational risks b) security of information, c) continuity of business and d) externalized services. These committees meet periodically and their objective is reviewing losses that have occurred, carrying out plans for correcting their causes, and managing the mitigation plans for operational risks identified in the process revisions.

Capital calculation according to Basel

BCI has participated in the capital calculation exercises according to the standards of Basel II (QIS), a calculation integrating the operating risk with credit and market risks, as a global indicator of risk exposure. D 2013 BCI carried out the Operational Risk Capital Calculation under the Advanced Model.

Security of information

BCI has a security strategy based on the best practices of the industry which is sustained in the regulatory frame and whose main component is the General Policy for Information Security, approved by the Board of Directors Committee, an organization consisting of specialized areas and focused on the administration and operation of security and the management of security risks, and a Security Committee consisting of representatives of several areas of the Bank that monitor compliance with the annual plan of security and the approval of specific policies for security.

This strategy is implemented by a technological infrastructure and specific procedures of operation and monitoring of activity, oriented towards preventing potential attacks on the information security of the clients and the Bank.

Continuity of business

The continuity strategies developed during the last several years have been consolidated, adding new risk scenarios and increasing the coverage plan to the different units that need to continue operating in situations of contingency.

As of the end of 2013, we have trained our employees and strengthened our focus on customer service, validating the effectiveness and continuity of our processes and strategies, and providing constant and satisfactory attention to the customer. The tests performed to validate our strategies including technology tests and focused on operational processes.

36. MATURITIES OF ASSETS AND LIABILITIES

As of December 31, 2013 and 2012, the breakdown of maturities of assets and liabilities is as follows:

2013	NIB	Up to 1 month	Between 1 and 3 months	Between 3 and 12 months	Subtotal up to 1 year	Between 1 and 5 years	More than 5 years	Subtotal over 1 year	Total
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Assets									
Cash and deposits in banks	1,261,766	-	-	-	1,261,766	-	-	-	1,261,766
Items in course of collection	698,013	-	-	-	698,013	-	-	-	698,013
Investments under agreements to resell	-	760,799	55,934	128,698	945,431	95,588	1,517	97,105	1,042,536
Securities purchased under resale agreements	-	117,785	9,136	68,100	195,021	-	-	-	195,021
Derivative financial instruments	-	73,439	61,014	330,760	465,213	445,623	358,444	804,067	1,269,280
Loans and receivables from banks, net (*)	-	7,375	906	87,601	95,882	10,514	-	10,514	106,396
Loans and receivables from customers, net (**)	-	1,703,430	1,522,968	2,794,253	6,020,651	4,445,036	3,706,291	8,151,327	14,171,978
Financial investments available for sale	-	702,457	65,057	26,900	794,414	93,736	46,201	139,937	934,351
Investment instruments held to maturity	-		-	-	-	-	-	-	-
Total assets	**1,959,779**	**3,365,285**	**1,715,015**	**3,436,312**	**10,476,391**	**5,090,497**	**4,112,453**	**9,202,950**	**19,679,341**
Liabilities									
Current accounts and demand deposits	3,920,617	-	-	-	3,920,617	-	-	-	3,920,617
Items in course of collection	552,895	-	-	-	552,895	-	-	-	552,895
Obligations under agreements to repurchase	-	105,102	19,435	98,973	223,510	112,191	-	112,191	335,701
Time deposits and savings accounts (***)	-	2,993,948	2,201,600	2,273,045	7,468,593	239,094	11	239,105	7,707,698
Derivative Financial instruments	-	74,986	32,099	334,573	441,658	461,330	329,276	790,606	1,232,264
Borrowings from financial institutions	-	508,193	341,207	526,154	1,375,554	129,174	-	129,174	1,504,728
Debt issued	-	5,649	727	320,619	326,995	1,252,400	1,329,228	2,581,628	2,908,623
Other financial obligations	-	47,946	137	14,043	62,126	5,275	4,459	9,734	71,860
Total Liabilities	**4,473,512**	**3,735,824**	**2,595,205**	**3,567,407**	**14,371,948**	**2,199,464**	**1,662,974**	**3,862,438**	**18,234,386**

(*) Gross values
(**) Excludes provisions and amounts whose maturity date has already passed
(***) Excludes fixed term savings accounts.

2012	NIB	Up to 1 month	Between 1 and 3 months	Between 3 and 12 months	Subtotal up to 1 year	Between 1 and 5 years	More than 5 years	Subtotal over 1 year	Total
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Assets									
Cash and deposits in banks	1,459,619	-	-	-	1,459,619	-	-	-	1,459,619
Items in course of collection	394,396	-	-	-	394,396	-	-	-	394,396
Investments under agreements to resell	-	974,452	48,860	114,731	1,138,043	77,173	8,303	85,476	1,223,519
Securities purchased under resale agreements	-	100,943	26,231	7,634	134,808	-	-	-	134,808
Derivative financial instruments	-	32,557	49,605	217,163	299,325	103,866	65,965	169,831	469,156
Loans and receivables from banks, net (*)	-	2,534	15,975	67,688	86,197	2,397	-	2,397	88,594
Loans and receivables from customers, net (**)	-	1,928,826	1,254,491	2,216,237	5,399,554	4,130,532	3,344,267	7,474,799	12,874,353
Financial investments available for sale	-	605,534	6,867	6,781	619,182	107,652	44,547	152,199	771,381
Investment instruments held to maturity	-	-	-	-	-	-	-	-	-
Total assets	**1,854,015**	**3,644,846**	**1,402,029**	**2,630,234**	**9,531,124**	**4,421,620**	**3,463,085**	**7,884,705**	**17,415,829**
Liabilities									
Current accounts and demand deposits	3,618,365	-	-	-	3,618,365	-	-	-	3,618,365
Items in course of collection	248,898	-	-	-	248,898	-	-	-	248,898
Obligations under agreements to repurchase	-	301,693	23,462	8	325,163	-	-	-	325,163
Time deposits and savings accounts (***)	-	3,531,166	1,637,589	1,948,977	7,117,732	104,844	12	104,856	7,222,588
Derivative Financial instruments	-	52,646	43,412	169,391	265,449	128,991	33,796	162,787	428,236
Borrowings from financial institutions	-	365,449	802,651	813,138	1,981,238	79,192	14	79,206	2,060,444
Debt issued	-	28,603	1,726	56,579	86,908	967,455	1,010,711	1,978,166	2,065,075
Other financial obligations	-	43,205	229	30,203	73,637	5,719	35,713	41,432	115,069
Total Liabilities	**3,867,263**	**4,322,762**	**2,509,069**	**3,018,296**	**13,717,390**	**1,286,201**	**1,080,246**	**2,366,447**	**16,083,837**

(*) Gross values
(**) Excludes the provision and amounts whose maturity date has already passed
(***) Excludes fixed term savings accounts.

37. FOREIGN CURRENCY

The Consolidated Statements of Financial Position as of December 31, 2013 and 2012 include assets and liabilities in foreign currencies or that are adjusted by the variation in the exchange rate as follows:

	In Foreign Currency		In Chilean Pesos		Total	
	2013	2012	2013	2012	2013	2012
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
ASSETS						
Cash and deposits in banks	826,181	471,366	435,585	988,253	1,261,766	1,459,619
Items in course of collection	464,298	169,798	233,715	224,598	698,013	394,396
Trading portfolio financial assets	4,149	21,131	1,038,387	1,202,388	1,042,536	1,223,519
Investments under agreements to resell	-	-	195,021	134,808	195,021	134,808
Derivative financial instruments	82,501	124,172	1,186,779	344,984	1,269,280	469,156
Loans and receivables from banks, net	106,151	88,306	-	-	106,151	88,306
Loans and receivables from customers, net	2,326,003	1,837,079	11,763,068	10,911,045	14,089,071	12,748,124
Financial investments available for sale	204,971	209,494	729,380	561,887	934,351	771,381
Investments in other companies	-	-	80,093	67,235	80,093	67,235
Intangible assets	35	61	83,311	80,907	83,346	80,968
Property, plant and equipment, net	829	259	232,190	204,798	233,019	205,057
Current income tax provision	-	-	-	4,237	-	4,237
Deferred income taxes	-	-	56,846	60,109	56,846	60,109
Other assets	69,183	39,708	127,993	179,955	197,176	219,663
TOTAL ASSETS	**4,084,301**	**2,961,374**	**16,162,368**	**14,965,204**	**20,246,669**	**17,926,578**
LIABILITIES						
Current accounts and demand deposits	535,213	379,044	3,385,404	3,239,321	3,920,617	3,618,365
Items in course of collection	451,664	190,088	101,231	58,810	552,895	248,898
Obligations under agreements to repurchase	16,158	29,729	319,543	295,434	335,701	325,163
Time deposits and savings accounts	1,338,441	1,333,989	6,369,257	5,888,599	7,707,698	7,222,588
Derivative financial instruments	103,880	130,528	1,128,384	297,708	1,232,264	428,236
Borrowings from financial institutions	1,398,583	1,593,227	106,145	467,217	1,504,728	2,060,444
Debt issued	829,875	395,885	2,078,748	1,669,189	2,908,623	2,065,074
Other financial obligations	17,727	18,981	54,133	96,088	71,860	115,069
Current income tax	-	-	3,026	-	3,026	-
Deferred income taxes	-	-	40,199	44,605	40,199	44,605
Provisions	1,493	1,389	179,866	178,036	181,359	179,425
Other liabilities	36,098	47,387	169,501	151,367	205,599	198,754
TOTAL LIABILITIES	**4,729,132**	**4,120,247**	**13,935,437**	**12,386,374**	**18,664,569**	**16,506,621**

38. SUBSEQUENT EVENTS

On February 18, 2014, the Superintendency of Banks and Financial Institutions by Official Letter No. 1,478 authorized the acquisition of CM Florida Holdings, Inc and the indirect bank subsidiary of the holding, City National Bank of Florida. At the date of issuance of these consolidated financial statements, approvals are pending from the Central Bank and other foreign regulatory agencies, in addition to the actual transfer of shares to finalize the acquisition of CM Florida Holdings, Inc. in the United States of America.

There have been no other subsequent events between January 1, 2014 and the date of the issuance of these consolidated financial statements that may have had or might have any impact on the presentation of these consolidated financial statements.

Fernando Vallejos Vásquez Gerente de Contabilidad	Lionel Olavarría Leyton Corporativo Gerente General

* * * * * *