



Consolidated Interim Financial Statements

June 30, 2014 and 2013



CONTENTS

Consolidated interim statements of financial position
Consolidated interim statements of income for the period,
Consolidated interim statements of other comprehensive income for the period,
Consolidated interim statements of changes in equity,
Consolidated interim statements of cash flows and
Notes to the consolidated interim financial statements.



<u>Consolidated interim statements of financial position</u>	<u>2</u>
<u>Consolidated interim statements of income for the period</u>	<u>3</u>
<u>Consolidated interim statements of other comprehensive income for the period</u>	<u>4</u>
<u>Consolidated interim statements of changes in equity</u>	<u>5</u>
<u>Consolidated interim statements of cash flows</u>	<u>6</u>

Notes to the Consolidated Interim Financial Statements

1. <u>General information</u>	<u>8</u>
<u>1.1 General information</u>	<u>8</u>
<u>1.2 Summary of significant accounting policies</u>	<u>8</u>
2. <u>Accounting changes</u>	<u>15</u>
3. <u>Significant events</u>	<u>16</u>
4. <u>Business segments</u>	<u>19</u>
5. <u>Cash and cash equivalents</u>	<u>22</u>
6. <u>Loans and receivables from customers</u>	<u>23</u>
7. <u>Issued debt instruments and other financial obligations</u>	<u>30</u>
8. <u>Contingencies and commitments</u>	<u>35</u>
9. <u>Equity</u>	<u>37</u>
10. <u>Transactions with related parties</u>	<u>43</u>
11. <u>Subsequent events</u>	<u>48</u>

BANCO DE CREDITO E INVERSIONES AND ITS SUBSIDIARIES
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION



	Notes	<u>June 30,</u> 2014 MCLP\$	<u>December 31,</u> 2013 MCLP\$
Assets			
Cash and deposits in banks	5	1,708,655	1,261,766
Items in course of collection	5	780,885	698,013
Trading portfolio financial assets		1,165,038	1,042,536
Investments under agreements to resell		145,638	195,021
Derivative financial agreements		1,922,135	1,269,280
Loans and receivables from banks, net		131,312	106,151
Loans and receivables from customers, net	6	14,293,158	14,089,071
Financial investments available for sale		746,377	934,351
Investments in other companies		88,285	80,093
Intangible assets		84,610	83,346
Property, plant and equipment, net		231,382	233,019
Current income tax provision		-	-
Deferred income taxes		63,987	56,846
Other assets		294,759	197,176
TOTAL ASSETS		<u>21,656,221</u>	<u>20,246,669</u>
LIABILITIES			
Current accounts and demand deposits		3,995,829	3,920,617
Items in course of collection	5	666,782	552,895
Obligations under agreements to repurchase		346,985	335,701
Time deposits and saving accounts		7,810,538	7,707,698
Derivative financial agreements		1,958,997	1,232,264
Borrowings from financial institutions		1,466,461	1,504,728
Debt issued	7	3,265,846	2,908,623
Other financial obligations	7	63,503	71,860
Current income tax provision		2,571	3,026
Deferred income taxes		38,410	40,199
Provisions		154,753	181,359
Other liabilities		228,885	205,599
TOTAL LIABILITIES		<u>19,999,560</u>	<u>18,664,569</u>
EQUITY			
Attributable to equity holders of the Bank:			
Capital	9	1,547,126	1,381,871
Accumulated other comprehensive income	9	(7,575)	(9,978)
Retained earnings:			
Net income for the period	9	167,298	300,294
Less: Accrual for minimum dividends	9	(50,189)	(90,088)
TOTAL EQUITY OF EQUITY HOLDERS OF THE BANK		<u>1,656,660</u>	<u>1,582,099</u>
Non-controlling interest		<u>1</u>	<u>1</u>
TOTAL SHAREHOLDERS' EQUITY		<u>1,656,661</u>	<u>1,582,100</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>21,656,221</u>	<u>20,246,669</u>

Notes 1 to 11 are an integral part of these consolidated interim financial statements.

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES
CONSOLIDATED INTERIM STATEMENTS OF INCOME FOR THE PERIOD



	Notes	For the six-month periods ended June 30,	
		2014	2013
		MCLP\$	MCLP\$
Interest income		677,008	544,867
Interest expense		(292,444)	(249,080)
Net interest income		384,564	295,787
Income from services fees		128,019	120,590
Expenses from services fees		(27,731)	(26,699)
Net service fee income		100,288	93,891
Trading and investment income, net		76,559	18,714
Foreign exchange gains, net		(32,181)	32,798
Other operating income		15,326	9,873
Operating income		544,556	451,063
Provisions for loan losses		(106,063)	(87,548)
OPERATING INCOME, NET OF LOAN LOSSES, INTEREST AND FEES		438,493	363,515
Personnel salaries and expenses		(134,326)	(121,379)
Administrative expenses		(77,754)	(74,060)
Depreciation and amortization		(19,628)	(20,247)
Impairment of fixed assets		-	(150)
Other operating expenses		(11,646)	(11,825)
TOTAL OPERATING EXPENSES		(243,354)	(227,661)
TOTAL NET OPERATING INCOME		195,139	135,854
Gain attributable to investments in other companies		4,800	4,997
Income before income tax		199,939	140,851
Income tax		(32,641)	(25,177)
CONSOLIDATED NET INCOME FOR THE PERIOD		167,298	115,674
Attributable to:			
Equity holders of the Bank		167,298	115,674
Non-controlling interest		-	-
		167,298	115,674
Earnings per share attributable to the equity holders of the Bank (stated in CLP\$)			
Basic earnings/ diluted earnings per share	9	\$1,561	\$ 1,093

Notes 1 to 11 are an integral part of these consolidated interim financial statements.

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES
CONSOLIDATED INTERIM STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD



	For the six-month periods ended June 30,	
	2014 MCLP\$	2013 MCLP\$
CONSOLIDATED NET INCOME FOR THE PERIOD	167,298	115,674
Other comprehensive income for the period, net of income tax:		
Translation differences of foreign operations:		
Net gain on investment hedging from foreign operations	3,231	4,489
Total translation differences of foreign operations	3,231	4,489
Cash flow hedges:		
Net gain/ (loss) on cash flow hedges	(15,601)	(16,524)
Net amount transferred to income	(14)	(284)
Total cash flow hedges	(15,615)	(16,808)
Available for sale investments		
Net gain/ (loss) on available for sale investments	8,805	(4,934)
Net amount transferred to income	1,350	(729)
Total available for sale investments	10,155	(5,663)
Income tax attributable to other comprehensive income		
Income tax attributable to available for sale investments	(2,015)	(840)
Income tax attributable to cash flow hedges	6,647	2,440
Total income tax attributable to other comprehensive income	4,632	1,600
Total other comprehensive income	2,403	(16,382)
Total comprehensive income for the period	169,701	99,292
Comprehensive income attributable to:		
Comprehensive income attributable to equity holders of the Bank	169,701	99,292
Comprehensive income attributable to non-controlling interests	-	-
Total comprehensive income	169,701	99,292

Notes 1 to 11 are an integral part of these consolidated interim financial statements.

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES
CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY



	Capital	Accumulated Other Comprehensive Income				Retained earnings				Total equity		
		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	-	(6,503)	(14,368)	4,489	(16,382)	-	-	-	-	(16,382)	-	(16,382)
Net income for period 2013	-	-	-	-	-	-	115,674	-	115,674	115,674	-	115,674
Provision for minimum dividends 2013	-	-	-	-	-	-	-	(34,702)	(34,702)	(34,702)	-	(34,702)
As of June 30, 2013	1,381,871	10,922	(5,149)	5,742	11,515	-	115,674	(34,702)	80,972	1,474,358	1	1,474,359
As of January 1, 2014	1,381,871	1,934	(17,619)	5,707	(9,978)	-	300,294	(90,088)	210,206	1,582,099	1	1,582,100
Transfer to retained earnings	-	-	-	-	-	300,294	(300,294)	-	-	-	-	-
Dividends paid	-	-	-	-	-	(135,039)	-	90,088	(44,951)	(44,951)	-	(44,951)
Capitalization of reserves	165,255	-	-	-	-	(165,255)	-	-	(165,255)	-	-	-
Other comprehensive income	-	8,140	(8,968)	3,231	2,403	-	-	-	-	2,403	-	2,403
Net income for period 2014	-	-	-	-	-	-	167,298	-	167,298	167,298	-	167,298
Provision for minimum dividends 2014	-	-	-	-	-	-	-	(50,189)	(50,189)	(50,189)	-	(50,189)
As of June 30, 2014	1,547,126	10,074	(26,587)	8,938	(7,575)	-	167,298	(50,189)	117,109	1,656,660	1	1,656,661

Notes 1 to 11 are an integral part of these consolidated interim financial statements.

BANCO DE CREDITO E INVERSIONES, SUCURSAL MIAMI Y FILIALES
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS



	For the six-month periods ended June 30,	
	2014	2013
	MCLP\$	MCLP\$
CASH FLOW (USED IN) PROVIDED BY OPERATING ACTIVITIES:		
CONSOLIDATED NET INCOME (LOSS) FOR THE PERIOD	199,939	140,851
Charges (credits) to income not representing cash flows:		
Depreciation and amortization	19,628	20,247
Impairment of fixed assets	-	150
Provision for loan losses	125,977	109,575
Provision for assets received in lieu of payment	-	-
Adjustment to fair value of financial instruments	2,953	(7,989)
Net loss from investment in companies	(4,800)	(4,997)
Net (gain)/loss from sale of assets received in lieu of payment	(3,330)	(1,998)
Gain from the sale of property, plant and equipment	(259)	-
Loss from the sale of property, plant and equipment	150	209
Write-off of assets received in lieu of payment	1,355	1,603
Income tax	(32,641)	(25,177)
Other credits to income not representing cash flows	(2,208)	(24,543)
Net variation for interest, indexation and fees accrued on assets	(113,193)	26,687
Net variation for interest, indexation and fees accrued on liabilities	100,498	22,616
Changes in assets and liabilities affecting operating cash flows:		
Net (increase) decrease in loans and receivables from banks	(384)	26,806
Net (increase) decrease in loans and receivables from customers	(221,743)	(617,865)
Net (increase) decrease in investments	(28,729)	44,521
Net (increase) decrease in other demand deposits	74,783	(57,671)
Net (increase) decrease in obligations under agreements to repurchase	11,294	(23,677)
Net (increase) decrease in time deposits and savings accounts	120,124	242,830
Net (increase) decrease in borrowings from financial institutions	(123,761)	87,760
Net (increase) decrease in other financial obligations	(8,346)	(17,684)
Loans from Chile Central Bank (long-term)	(8)	413,391
Repayment of loans from Chile Central Bank (long-term)	-	(826,712)
Foreign borrowings (long-term)	5,713,491	3,143,526
Repayment of foreign borrowings (long-term)	(5,628,118)	(3,426,240)
Total cash flows (used in) provided by operating activities	202,672	(753,781)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(16,482)	(9,717)
Proceeds from sale of property, plant and equipment	238	5
Investments in other companies	(1,860)	(641)
Acquisitions of intangible assets	(11,814)	(11,789)
Investment dividends	88	2,839
Sale of assets received in lieu of payment or in foreclosure	5,219	2,464
Net (increase) decrease in other assets and liabilities	10,073	(18,197)
Total cash flows (used in) provided by investing activities	(14,538)	(35,036)
CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of letters of credit	(5,170)	(6,414)
Bond issuance	235,975	381,690
Bond redemption	9,174	(15,811)
Dividends paid	(135,039)	(91,565)
Total cash flows provided by financing activities	104,940	267,900
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE PERIOD	472,668	(592,892)
EFFECT OF THE VARIATIONS IN EXCHANGE RATE	(179,594)	71,975
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,710,194	1,753,539
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2,003,268	1,232,622

Notes 1 to 11 are an integral part of these consolidated interim financial statements.



Reconciliation of provisions for the Consolidated Statement of Cash Flows

	For the six-month periods ended June 30,	
	2014	2013
	MCLP\$	MCLP\$
Provision for loan losses for the Consolidated Statement of Cash Flows	125,977	109,575
Recovery of written- off loans	(19,914)	(22,027)
Provision expense for loan losses	106,063	87,548



NOTE 1 – GENERAL INFORMATION

1.1 – GENERAL INFORMATION

The Bank

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 interim financial statements as of and for the six-month periods ended June 30, 2014 and 2013 includes 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 interim financial statements of Banco BCI, Miami Branch and subsidiaries for the period ended June 30, 2014 and 2013 are prepared in accordance with the standards and instructions issued by the Superintendency of Banks and Financial Institutions in the Compendium of Accounting Standards issued on November 9, 2007.

The consolidated interim statement of other comprehensive income includes the net income for the period and other comprehensive income recognized in equity, including exchange differences in the translation of Chilean pesos from US dollars in the Miami Branch. The net income to be considered for distribution of dividends is the net income for the period attributable to the equity holders of the Bank, as stated in the consolidated interim statement of income.

1.2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

In accordance with the Compendium of Accounting Standards issued by the Superintendency of Banks and Financial Institutions (SBIF), the regulatory agency set up under Article 15 of the General Banking Law, 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 the accounting principles and the accounting criteria issued by SBIF (in the Compendium of Accounting Standards), the latter are abided.

Accordingly, the Bank declares that the financial information as of the end of the first semester of 2014 and 2013 has been taken from the corresponding consolidated interim financial statements at these dates, prepared in accordance with the Accounting Standards and Specific Institutions issued by the Superintendency of Banks and Financial Institutions (SBIF).

In accordance with IAS 34, the interim financial information is prepared solely to update the contents of the most recent annual Consolidated Financial Statements, highlighting new activities, events and circumstances that have occurred in the six- month period after year-end and not duplicating the information previously reported in the most recent Consolidated Financial Statements.

Given the above, these Consolidated Interim Financial Statements do not include all of the information that would be required of the full Consolidated Financial Statements prepared in accordance with the International Financial Reporting Standards issued by the IASB. Therefore, for an adequate understanding of the information included in these Consolidated Interim Financial Statements, they must be read together with the Annual Consolidated Financial Statements of Banco de Crédito e Inversiones for the year ended December 31, 2013.

The accounting policies applied in preparing these interim financial statements are consistent with those applied in the annual financial statements.

Other than those disclosed in the financial statements at December 31, 2013, there have been no new standards or amendments to existing standards that would have a material effect on the financial position or results of operation of the Bank for the period ended June 30, 2014.



The Consolidated Interim Financial Statements comprise the consolidated financial statements of the Bank and its controlled entities (subsidiaries) as of June 30, 2014 and 2013. Control is achieved where the Bank is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Bank controls an investee if and only if it meets all of the following:

- I. power over the investee (ie, has rights that give it the current ability to direct the relevant activities of the investee);
- II. exposure, or rights, to variable returns from its involvement with the investee; and
- III. ability to use its power over the investee to affect the amount of return for the investor

When the Bank has less than a majority of the voting rights of an investee, but these voting rights are sufficient to have the practical ability to direct the relevant activities unilaterally, it is concluded that the Bank has control. The Bank considers all relevant factors and circumstances in evaluating whether the voting rights are sufficient for control, these include:

- the amount of voting rights held by the Bank in relation to the amount and dispersion of maintaining other vote holders;
- potential voting rights held by the investor, other vote holders or other parties;
- rights arising from other contractual arrangements;
- any additional facts and circumstances that indicate that the investor has or does not have the current ability to direct the relevant activities at the time these decisions need to be taken, including the patterns of voting behavior in previous meetings of shareholders.

The Bank reassesses whether it has control over an investee when events or circumstances indicate that there are changes in one or more control elements listed above.

The loss of control leads to a decrease in asset and liabilities of the entity that has ceased to be a subsidiary of the consolidated statement of financial position and the recognition of gain or loss associated with loss of control.

The consolidated interim financial statements comprise the separate (individual) financial statements of the Bank and the companies involved in the consolidation, and include the adjustments and reclassifications necessary to standardize the accounting policies and measurement bases used by the Bank, together with the elimination of all balances and transactions between the consolidated companies.

Additionally, the minority interest in the equity of the consolidated bank is presented as "Non-controlling Interest" in the consolidated statement of financial position. Its share in the profits of the year is presented as "income attributable to non-controlling interest" in the consolidated interim statement of financial position.

The following table shows the composition of entities over which the Bank has the ability to exercise control, therefore included in the scope of consolidation:

i. Entities controlled by the Bank through participation in equity

The consolidated interim financial statements include the assets, liabilities and income of the Bank and its subsidiaries as listed below:

Entity	Ownership interest			
	Direct		Indirect	
	June	December	June	December
	2014	2013	2014	2013
	%	%	%	%
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

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS



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	99.90	0.10	0.10
Incentivos y Promociones Limitada (3)	SE	SE	SE	SE

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. (see ii) below).

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.

ii. Entities controlled by the Bank through other considerations

Despite not owning the majority of voting rights, the following companies have been consolidated on the basis that the relevant activities (business supporting companies) of these are determined by the Bank and hence it has control:

<u>Entity</u>	Ownership interest			
	Direct		Indirect	
	June	December	June	December
	2014	2013	2014	2013
	%	%	%	%
BCI Activos Inmobiliarios Fondo de Inversión Privado (1)	40.00	40.00	-	-
Terrenos y Desarrollo S.A.(1)	100.00	100.00	-	-

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

iii. Associates

Associates are those entities over which the Bank has the ability to exercise significant influence, but not control or joint control. Usually, this is evidenced by equal to or more than 20% of the voting rights in the company and is valued using the "equity method".

The following entities are considered "Associates", in which the Bank has an interest and are recognized by the equity method:

<u>Entity</u>	Participation	
	June	December
	2014	2013
	%	%
AFT S.A.	20.00	20.00
Centro de Compensación Automatizado 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.	11.62	12.49
Credicorp Ltda.	1.92	1.88

iv. Investments in other companies

In this category are those entities in which the Bank has no control or significant influence. These investments are presented at purchase value (historical cost).

All consolidation eliminations and adjustments have been made and non-controlling interest has been recognized and presented in the consolidated interim 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 period-end exchange rate and the statement of income accounts at the average exchange rate for each month.

b) Standards approved and/or amended by the International Accounting Standard Board (IASB).

The following rules, interpretations and amendments are mandatory for the first time for the financial periods beginning after January 1, 2013:

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

Amendments to 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. The amendments are the result of a joint project by the IASB and the Financial Accounting Standards Board (FASB) to address the differences in the respective accounting regulations of the netting of financial instruments. The modifications to IAS 32 are effective for annual periods beginning on or after January 1, 2014. An entity shall apply these amendments retrospectively for comparative periods.



Investment entities- Modifications to IFRS 10, Consolidated Financial Statements, IFRS 12, Disclosures of Interest in Other Entities and IAS 27, Separate Financial Statements.

On October 31, 2012 the IASB published "*Investment Entities* (modifications to IFRS 10, IFRS 12 and IAS 27)", permitting the exemption for the consolidation of subsidiaries under IFRS 10 *Consolidated Financial Statements* for entities who fulfill the definition of "investment entities", such as certain investment funds. Such entities will value their investments in subsidiaries at fair value through profit and loss in accordance with IFRS 9 *Financial Instruments* or IAS 39 *Financial Instruments: Recognition and Measurement*.

The modifications also require additional disclosure if the entity is considered to be an investment entity, details of the non consolidated subsidiaries of the entity, the nature of the relationship and certain transactions between the investment entity and its subsidiaries. Also, the modifications require the investment entity to use the same accounting criteria for the investment in the subsidiary in the consolidated financial statements as in the individual financial statements (or only provide individual financial statements if none of the subsidiaries are consolidated). The effective date of these modifications is for annual periods beginning on or after January 1, 2014. Earlier application is permitted.

Modificaciones a NIC 36 – Revelaciones del Importe Recuperable para Activos No Financieros

On May 29, 2013 IASB published modifications to IAS 36 *Disclosure of the recoverable amount of non-financial assets*. With the publication of IFRS 13 *Fair Value Measurements* certain disclosure requirements were modified in IAS 36 *Impairment of Assets* with respect to the measurement of the recoverable amount of impaired assets. However, one of the changes potentially resulted in disclosure requirements that were more extensive than originally intended. The IASB has rectified this with the publication of these amendments to IAS 36.

The modifications to IAS 36 eliminate the requirement to disclose the recoverable amount of each cash-generating unit (group of units) for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that unit (or group of units) is significant compared to the total carrying amount of goodwill or intangible assets with indefinite useful life of the entity. The modifications require an entity to disclose the recoverable amount of an individual asset (including goodwill) or a cash-generating unit which the entity recognized or reversed deterioration during the reporting period. An entity should disclose additional information about the fair value less costs to sell of an individual asset, including goodwill, or cash-generating unit to which the entity recognized or reversed an impairment loss during the reporting period, including: (i) the level of the fair value hierarchy (IFRS 13) within which is categorized the measurement of fair value; (ii) the valuation techniques used to measure fair value less costs to sell; (iii) the key assumptions used in fair value measurements categorized within "Level 2" and "Level 3" of the fair value hierarchy. In addition, an entity must disclose the discount rate used when an entity has recognized or reversed an impairment loss during the reporting period and the recoverable amount is based on fair value less sales costs determined using a valuation technique of present value. An entity shall apply these amendments retrospectively for annual periods beginning on or after January 1, 2014. Earlier application is permitted.

Modifications to IAS 39, Financial Instruments: Recognition and Measurement

On June 27, 2013 the IASB issued the amendment *Novation of Derivatives and Continuation of Hedge Accounting*. This modification requires an entity to continue hedge accounting (according to IAS 39 and the chapter on hedge accounting in IFRS 9) when a derivative is novated to a central counterparty and complies with certain conditions. A novation indicates an event where the original counterparties to a derivative agree that one or more clearing counterparties replace its original counterpart to become the new counterparty for each of the parties. To apply the changes and continue with hedge accounting, the novation to a central portion should occur as a consequence of any law or regulation or the introduction of laws or regulations. The amendments shall be applied for annual periods beginning on or after January 1, 2014. Earlier application is permitted.

IFRIC 21, Levies

On May 20, 2013 IASB issued IFRIC 21, *Levies*. This new interpretation provides guidance on when to recognize a liability imposed by a government, or imposed by accounting in accordance with IAS 37 *Provisions, Contingent Liabilities and*



Contingent Assets and for those whose opportunity and amount of the charge is true. This interpretation defines a levy as "an outflow of resources involving future economic benefits that are imposed by governments on entities in accordance with the law." Taxes within the scope of IAS 12 *Income Taxes* are excluded from the scope as well as fines and penalties. The payments to governments for services or the acquisition of an asset under a contractual agreement also remain out of reach. That is, the levy should be a non-reciprocal transfer to a government when the entity paying the levy does not receive goods or services in return. For purposes of interpretation, a "government" is defined in accordance with IAS 20 *Accounting for Government Grants and Disclosures of Government Assistance*. When an entity acts as an agent of a government to collect a levy, the cash flows received from the agency are outside the scope of the Interpretation. The Interpretation identifies the event giving rise to the obligation to recognize a liability as the activity that triggers the payment of levy in accordance with the relevant legislation. The Interpretation provides guidelines on the recognition of a liability to pay levies: (i) the liability is progressively recognized if the event giving rise to the obligation occurs over a period of time; (ii) if an obligation is triggered by reaching a minimum threshold, the liability is recognized when the threshold is reached. The Interpretation is applicable retrospectively for annual periods beginning on or after January 1, 2014.

The following Standards and Interpretations have been issued but the date of application is not yet effective:

New standards	Effective date
IFRS 9 " <i>Financial instruments</i> "	Annual periods beginning on or after January 1, 2018.
IFRS 14 " <i>Regulatory deferral accounts</i> "	Annual periods beginning on or after January 1, 2016.
IFRS15, " <i>Revenue from contracts with customers</i> "	Annual periods beginning on or after January 1, 2017.

Amendments to standards	Effective date
IAS 19, Employee Benefits- Defined benefit plans: Employee contributions	Annual periods beginning on or after July 1, 2014.
Annual improvements to IFRS- Cycle 2010-2012 improvements to six IFRS.	Annual periods beginning on or after July 1, 2014.
Annual improvements to IFRS- Cycle 2011-2013 improvements to four IFRS.	Annual periods beginning on or after July 1, 2014.
Accounting for the acquisition of participation in joint arrangements (amendments of IFRS 11)	Annual periods beginning on or after January 1, 2016.
Clarification of accepted methods of depreciation and amortization (amendments to IAS 16 and IAS 38).	Annual periods beginning on or after January 1, 2016.
Agriculture: Productive plants (amendments to IAS 16 and IAS 41)	Annual periods beginning on or after January 1, 2016.

IFRS 9 "Financial instruments"

On 12 November 2009, the International Accounting Standard Board (IASB) issued IFRS 9, *Financial Instruments*. This Standard introduces new requirements for classifying and measuring financial assets and is effective for annual periods beginning on or after January 1, 2013, allowing early application. IFRS 9 specifies how an entity should classify and measure financial assets. It requires all financial assets to be classified in their entirety based on the business model of the entity for the management of financial assets and the characteristics of the contractual cash flows of financial assets. Financial assets are measured either at amortized cost or fair value. Only financial assets that are classified as measured at amortized cost will be tested for impairment. On 28 October 2010, the IASB issued a revised version of IFRS 9, *Financial Instruments*. The revised Standard retains the requirements for classification and measurement of financial assets published in November 2009 but adds guidance on the classification and measurement of financial liabilities. As part of the restructuring of IFRS 9, the IASB has also replicated the guidelines on derecognition of financial instruments and related implementation guidance from IAS 39 to IFRS 9. These new guidelines conclude the first phase of the IASB's project to replace IAS 39. The other phases, impairment and hedge accounting, have not yet been finalized.



The guidelines included in IFRS 9 regarding the classification and measurement of financial assets have not changed from those set out in IAS 39. In other words, financial liabilities continue to be measured either at amortized cost or at fair value through profit or loss. The concept of bifurcation of derivatives embedded in a contract for a financial asset has not changed. Financial liabilities held for trading will continue to be measured at fair value through profit or loss, and all other financial assets will be measured at amortized cost unless the fair value option is applied using the existing criteria in IAS 39.

However there are two differences from IAS 39:

- The presentation of the effects of changes in fair value attributable to credit risk of a liability; and
- The elimination of the cost exemption for derivative liabilities to be settled by delivery of non-traded equity instruments.

On December 16, 2011, the IASB issued *Mandatory Implementation Date of IFRS 9 and Transition Disclosures*, deferring the effective date of both 2009 and 2010 versions for annual periods beginning on or after January 1, 2015. Prior to the modifications, the application of IFRS 9 was mandatory for annual periods beginning on or after 2013. The modifications changed the requirements for the transition from IAS 39 *Financial Instruments: Recognition and Measurement* to IFRS 9. Additionally, these modifications amended IFRS 7 *Financial Instruments: Disclosures* to add certain requirements in the reporting period in which the date of application of IFRS 9 is included.

On 19 November 2013, the IASB issued a revised IFRS 9, which introduces a new chapter to IFRS 9 on hedge accounting, implementing a new accounting model coverage that is designed to be closely aligned with how entities conduct risk management activities when covering financial and non-financial risk exposure. The revised version of IFRS 9 permits an entity to apply only the requirements introduced in IFRS 9 (2010) for the presentation of gains and losses on financial liabilities designated to be measured at fair value through profit or loss without applying the requirements of other versions of IFRS 9 which means that the portion of the change in fair value related to changes in own credit risk of the entity can be presented in other comprehensive income rather than profit and loss. The mandatory implementation of IFRS 9 (2013), IFRS 9 (2010) and IFRS 9 (2009) is for annual periods beginning on or after January 1, 2018.

IFRS 14 “Regulatory deferral accounts”

On January 30, 2014 the IASB issued IFRS 14 *Regulatory deferral accounts*. This standard applies to entities adopting IFRS for the first time, that are involved in activities with regulated rates and amounts recognized for regulatory deferral account balances in its previous GAAP. This standard requires the separate presentation of deferred balances of regulatory accounts in the statement of financial position and changes in the amounts in the statement of comprehensive income. The effective date of application of IFRS 14 is January 1, 2016.

IFRS 15, Revenue from Contracts with Customers

On May 28, 2014, the IASB has issued a new standard IFRS 15, *Revenue from contracts with customers*. At the same time the Financial Accounting Standards Board (FASB) has published its equivalent standard on revenue, ASU 2014-09.

This new standard provides a unique model based on principles, through five steps that will apply to all contracts with customers, i) identify the contract with the client, ii) identify performance obligations in the contract, iii) determine the transaction price, iv) allocate the transaction price to performance obligations of contracts, v) recognize revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 must be applied in the first annual financial statements under IFRS for fiscal years beginning on or after January 1, 2017. Application of the standard is mandatory, and earlier application is permitted. An entity that elects to apply IFRS 15 before its effective date, must disclose this fact.

Amendment to IAS 19 “Employee benefits”

On 21 November 2013, the IASB amended IAS 19 (2011) *Employee Benefits* to clarify the requirements regarding the contributions by employees or third parties that are linked to services that should be allocated to periods of service. The



modifications allow the contributions that are independent of the number of years of service to be recognized as a reduction in cost per service in the period in which the service is rendered, instead of allocating contributions to periods of service. Other contributions from employees or third parties are required to be attributed to periods of service using either the contribution plan formula or on a linear basis. The modifications are effective for periods beginning on or after July 1, 2014, with earlier application permitted.

Accounting for the acquisition of participation in joint arrangements (amendments of IFRS 11)

On 6 May 2014, the IASB issued "Accounting for acquisitions of interests in joint ventures (Amendments to IFRS 11)". The amendments clarify the accounting for the acquisition of an interest in a joint operation when the operation constitutes a business.

It amends IFRS 11 Joint Arrangements to require an acquirer entity of an interest in a joint venture in which the activity is a business entity (as defined in IFRS 3 "Business Combinations") to:

- Apply all business combinations that represent the principles of IFRS 3 and other standards, principles except those that conflict with the guidance in IFRS 11.
- Disclose information required by IFRS 3 and other standards for business combinations.

The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted but related disclosures are required. The modifications apply prospectively.

Clarification of accepted methods of depreciation and amortization (amendments to IAS 16 and IAS 38)

On 12 May 2014, the IASB published "Clarification of acceptable methods of depreciation and amortization (Amendments to IAS 16 and IAS 38)". The amendments provide additional guidance on how to calculate the depreciation and amortization of property, plant and equipment and intangible assets. They are effective for annual periods beginning on or after January 1, 2016, but early adoption is permitted.

The Bank's Management estimates that the adoption of these standards, amendments and interpretations will not have a significant impact on the consolidated interim financial statements.

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

• Circular N°3.565 – On February 17, 2014 the SBIF issued this circular in order to supplement the instructions that are effective beginning in June 2014 regarding Chapter C-3 in order to widen the information of investments in foreign entities, the classification of controlled entities was eliminated, being replaced by new classifications; "Entities controlled in the country" and "Entities controlled abroad".

• On January 8, 2014 the Superintendency of Banks and Financial Institutions instructed the Bank by a letter to the General Management to reclassify the Series F and G bonds (senior and junior, respectively) of Empresas La Polar.

The instructions given were applied for the end of the first semester of 2014, according to the instructions and involved reclassifying the bonds described above from the category of available-for-sale to trading instruments, generating a loss in MCLP\$ \$ 2,069.

NOTE 2- ACCOUNTING CHANGES

During the period ended June 30, 2014, there have been no accounting changes from the previous year affecting these consolidated interim financial statements.



NOTE 3 – SIGNIFICANT EVENTS

a) Bond issue and placement

- During the first semester of 2014, the following issuances of bonds in UF were made:

On March 1, 2014 the Bank issued a Series AI1 Bond for UF15,000,000 with a yield of 3.00% and maturity date on March 1, 2019 and a Series AI2 Bond for UF 5,000,000 with a yield of 3.00% and a maturity date on March 1, 2024.

- During the first semester of 2014, the following issuance of bonds in Swiss Francs was made:

On June 26, 2014 the Bank issued a Series CH0246788183 Bond for CHF150,000,000 with a yield of 1.125% and maturity date on June 26, 2019.

- During the first semester of 2014, the following placement of bonds in UF was made:

On February 10, 2014 the Bank placed a Series AF1 Bond for UF 225,000 with a yield of 3.05% and maturity date on August 1, 2017.

On May 28, 2014 the Bank placed a Series AF2 Bond for UF 1,225,000 with a yield of 3.00% and maturity date on August 1, 2022.

On May 28, 2014 the Bank placed a Series AF2 Bond for UF 1,275,000 with a yield of 3.00% and maturity date on August 1, 2022.

On June 27, 2014 the Bank placed a Series AF1 Bond for UF 15,000 with a yield of 2.50% and maturity date on August 1, 2017.

- During the first semester of 2014, the following placement of bonds in Chilean Pesos was made:

On May 7, 2014 the Bank placed a Series AG Bond for CLP\$ 30,002,050,000 with a yield of 5.10% and maturity date on May 1, 2018.

On May 9, 2014 the Bank placed a Series AG Bond for CLP\$ 7,517,650,000 with a yield of 5.10% and maturity date on May 1, 2018.

On May 12, 2014 the Bank placed a Series AG Bond for CLP\$ 5,004,150,000 with a yield of 5.10% and maturity date on May 1, 2018.

On May 23, 2014 the Bank placed a Series AG Bond for CLP\$ 10,008,300,000 with a yield of 5.10% and maturity date on May 1, 2018.

On May 29, 2014 the Bank placed a Series AG Bond for CLP\$ 9,025,750,000 with a yield of 5.10% and maturity date on May 1, 2018.

On May 30, 2014 the Bank placed a Series AG Bond for CLP\$ 7,586,200,000 with a yield of 5.10% and maturity date on May 1, 2018.

On May 30, 2014 the Bank placed a Series AG Bond for CLP\$ 5,301,200,000 with a yield of 5.10% and maturity date on May 1, 2018.

On June 11, 2014 the Bank placed a Series AG Bond for CLP\$ 914,000,000 with a yield of 5.05% and maturity date on May 1, 2018.

On June 19, 2014 the Bank placed a Series AG Bond for CLP\$ 228,500,000 with a yield of 5.00% and maturity date on May 1, 2018.



On June 20, 2014 the Bank placed a Series AG Bond for CLP\$ 571,250,000 with a yield of 5.00% and maturity date on May 1, 2018.

On June 24, 2014 the Bank placed a Series AG Bond for CLP\$ 1,028,250,000 with a yield of 5.01% and maturity date on May 1, 2018.

On June 26, 2014 the Bank placed a Series AG Bond for CLP\$ 15,812,200,000 with a yield of 5.05% and maturity date on May 1, 2018.

On June 26, 2014 the Bank placed a Series AG Bond for CLP\$ 685,500,000 with a yield of 5.05% and maturity date on May 1, 2018.

On June 27, 2014 the Bank placed a Series AG Bond for CLP\$ 10,739,500,000 with a yield of 5.05% and maturity date on May 1, 2018.

On June 30, 2014 the Bank placed a Series AG Bond for CLP\$ 3,199,000,000 with a yield of 5.03% and maturity date on May 1, 2018.

b) Distribution of dividends and capitalization of earnings

The Ordinary Shareholders' Meeting of March 25, 2014 approved distributing the 2013 net profits of MCLP\$ 300,294 as follows:

- Distribute a dividend of CLP\$1,260 per share for 107,174,450 shares issued and registered in the Register of Shareholders, which amounts to MCLP\$ 135,039
- Allocate the remaining balance of MCLP\$ 165,255 to the reserve fund for capitalization.

c) Increase in capital stock

On March 25, 2014, the Extraordinary Shareholders' Meeting approved, among other things, increasing the capital stock by MCLP\$ 165,255, by capitalizing retained earnings.

- 1) Capitalizing the amount of MCLP\$ 120,211, without issuing any shares and
- 2) Capitalizing the amount of MCLP\$45,044 by issuing 1,526,714 paid-in shares.

In accordance with its by-laws, the Bank's capital stock was MCLP\$ 1,381,871 divided into 107,174,450 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\$ 1,547,126, and it will be divided into 108,701,164 no-par-value shares of the same series.

These shares will be issued once approved by the SBIF, and the issuance and distribution agreed by the Board.

- As of June 30, 2014, the Bank has pending the finalization of the capital increase approved on September 26, 2013 in the Extraordinary Shareholders' meeting for MCLP\$ 198,876 through the issuance of 7,392,885 paid-in shares, which will be effective once the necessary approvals have 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 to the requirements of the Bank's management and the challenges of the market in which the Bank operates, and in particular, to be able to maintain the capitalization ratios and align the Bank's policies and the expectations of the market, classifiers and regulators after the acquisition of City National Bank of Florida in the United States of America.

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



d) 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 Crédito e Inversiones dated May 23, 2013, the authorization was agreed for the signing of the agreement with Bank Bankia, a company established in Spain, whereby, Banco Crédito 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 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 Crédito 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 Crédito 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.

On February 18, 2014 the Superintendency of Banks and Financial Institutions by Official Letter No. 1478, authorized the acquisition of CM Florida Holdings Inc and indirectly the holding bank subsidiary of City National Bank of Florida. On March 20, 2014 the approval from the Central Bank of Chile was received, only pending approval from other foreign regulatory agencies, in addition to the actual transfer of shares to complete the acquisition of CM Florida Holdings Inc. in the United States America.

e) Capital increase of BCI Securities INC

On April 24, 2014 a capital increase of US\$ 1,500,000 was made, US\$ 1,498,500 from Banco de Crédito e Inversiones with the equivalent of 99.9% share participation and US\$ 1,500 from BCI Asesoría Financiera S.A. with the equivalent of 0.01% share participation. This transaction was made using an exchange rate of \$560.3



NOTE 4 – BUSINESS SEGMENTS

Structure of the segments

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

Business structure with four business 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 Tbank.

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.

This criteria has been approved for the periods ending June 30, 2014 and 2013.

The management of the indicated commercial areas is measured under the concepts presented in this note, which are based on the same accounting principles applied in the consolidated interim 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, etc 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 2014

	June 30, 2014				
	Commercial banking	Retail banking	Small and medium size entities	Corporate and investment Banking	Total Segments
	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$
Net interest income	78,153	147,362	55,944	106,723	388,182
Net service fee income	13,492	56,712	14,527	13,426	98,157
Other operating income	13,911	12,201	3,490	35,194	64,796
Total operating income	105,556	216,275	73,961	155,343	551,135
Provisions for loan losses	(14,363)	(45,565)	(21,064)	(13,706)	(94,698)
Net operating income	91,193	170,710	52,897	141,637	456,437
Total operating expenses	(35,993)	(114,425)	(28,437)	(36,282)	(215,137)
OPERATING INCOME BY SEGMENT	55,200	56,285	24,460	105,355	241,300

b) Reconciliation of operating income by segment and the net income for the period 2014:

	MCLP\$
Operating income by segment	241,300
Unallocated net interest income	(3,618)
Unallocated net service fee income	2,131
Unallocated other operating income	(5,092)
Provisions for loan losses	(11,365)
Unallocated other corporate expenses (*)	(28,217)
Operating income	195,139
Investment income (**)	4,800
Income before income tax	199,939
Income tax	(32,641)
CONSOLIDATED NET INCOME FOR THE PERIOD	167,298

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

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

c) Volume of business 2014

	June 30, 2014				
	Commercial banking	Retail banking	Small and medium size entities	Corporate and investment Banking	Total Segments
	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$
ASSETS	4,949,032	6,080,403	1,696,726	8,930,060	21,656,221
LIABILITIES	4,521,355	5,555,443	1,543,587	8,379,175	19,999,560
EQUITY					1,656,661



d) Income statement 2013

	June 30, 2013				
	Commercial banking	Retail banking	Small and medium size entities	Corporate and investment Banking	Total Segments
	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$
Net interest income	78,282	134,954	58,274	29,159	300,669
Net service fee income	14,581	53,436	14,190	11,449	93,656
Other operating income	12,620	6,630	2,430	53,430	75,110
Total operating income	105,483	195,020	74,894	94,038	469,435
Provisions for loan losses	(18,403)	(37,180)	(19,670)	(29,794)	(105,047)
Net operating income	87,080	157,840	55,224	64,244	364,388
Total operating expenses	(33,879)	(111,111)	(26,312)	(32,916)	(204,218)
OPERATING INCOME BY SEGMENT	53,201	46,729	28,912	31,328	160,170

e) Reconciliation of operating income by segment and the net income for the period 2013:

	MCLP\$
Operating income by segment	160,170
Unallocated net interest income	(4,882)
Unallocated net service fee income	235
Unallocated other operating income	(13,725)
Provisions for loan losses (Including additional loans)	17,499
Unallocated other corporate expenses (*)	(23,443)
Operating income	135,854
Investment income (**)	4,997
Income before income tax	140,851
Income tax	(25,177)
CONSOLIDATED NET INCOME (LOSS) FOR THE PERIOD	115,674

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

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

f) Volume of business 2013

	June 30, 2013				
	Commercial banking	Retail banking	Small and medium size entities	Corporate and investment Banking	Total Segments
	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$
ASSETS	4,373,500	5,136,534	1,594,223	7,360,824	18,465,081
LIABILITIES	3,978,197	4,685,689	1,442,259	6,884,577	16,990,722
EQUITY					1,474,359



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.

NOTE 5 – CASH AND CASH EQUIVALENTS

a) Details of balances included within cash and cash equivalents, and their reconciliation with the consolidated interim statement of cash flows at each period end is as follows:

	As of June 30,	
	2014	2013
	MCLP\$	MCLP\$
Cash and deposits in banks		
Cash	370,378	289,568
Deposits in Central Bank of Chile	501,799	227,798
Deposits in local banks	4,706	4,619
Deposits abroad	831,772	474,431
Subtotal cash and deposits in banks	<u>1,708,655</u>	<u>996,416</u>
Items in course of collection, net	114,103	97,114
Highly liquid financial instruments	34,872	1,766
Investments under agreements to resell	145,638	137,326
Total cash and cash equivalents	<u>2,003,268</u>	<u>1,232,622</u>

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 of 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 June 30,	
	2014	2013
	MCLP\$	MCLP\$
Assets		
Outstanding notes from other banks	129,731	108,769
Funds receivable	651,154	696,089
Subtotal assets	<u>780,885</u>	<u>804,858</u>

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS



Liabilities		
Funds payable	666,782	707,744
Subtotal liabilities	<u>666,782</u>	<u>707,744</u>
Items in course of collection, net	<u>114,103</u>	<u>97,114</u>

NOTE 6 – LOANS AND RECEIVABLE FROM CUSTOMERS

a) Loans and receivables from customers

As of June 30, 2014 and December 31, 2013, the composition of the loan portfolio was as follows:

June 30, 2014	Assets before allowances			Allowances established			Net Assets
	Normal portfolio	Impaired portfolio	Total	Individual provisions	Group provisions	Total	
	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$
Commercial loans:							
Commercial loans	6,832,587	405,433	7,238,020	(129,531)	(74,769)	(204,300)	7,033,720
Foreign trade loans	1,025,041	15,716	1,040,757	(24,557)	(166)	(24,723)	1,016,034
Checking accounts	86,432	24,563	110,995	(3,165)	(5,567)	(8,732)	102,263
Factoring operations	450,480	14,746	465,226	(8,021)	(1,356)	(9,377)	455,849
Leasing transactions	694,957	40,237	735,194	(10,472)	(1,891)	(12,363)	722,831
Other loans and receivables	174,488	19,046	193,534	(151)	(7,342)	(7,493)	186,041
Subtotal	<u>9,263,985</u>	<u>519,741</u>	<u>9,783,726</u>	<u>(175,897)</u>	<u>(91,091)</u>	<u>(266,988)</u>	<u>9,516,738</u>
Mortgage loans:							
Letters of credit	36,892	2,706	39,598	-	(243)	(243)	39,355
Endorsable mortgage loans	17,582	2,913	20,495	-	(236)	(236)	20,259
Other mortgage loans	2,859,525	144,703	3,004,228	-	(14,321)	(14,321)	2,989,907
Subtotal	<u>2,913,999</u>	<u>150,322</u>	<u>3,064,321</u>	<u>-</u>	<u>(14,800)</u>	<u>(14,800)</u>	<u>3,049,521</u>
Consumer loans:							
Consumer loans in installments	1,300,306	149,387	1,449,693	-	(72,151)	(72,151)	1,377,542
Checking accounts	80,362	6,353	86,715	-	(5,850)	(5,850)	80,865
Credit card debtors	259,676	8,130	267,806	-	(8,967)	(8,967)	258,839
Consumer leasing transactions	735	32	767	-	(6)	(6)	761
Other loans and receivables	8,650	242	8,892	-	-	-	8,892
Subtotal	<u>1,649,729</u>	<u>164,144</u>	<u>1,813,873</u>	<u>-</u>	<u>(86,974)</u>	<u>(86,974)</u>	<u>1,726,899</u>
TOTAL	<u>13,827,713</u>	<u>834,207</u>	<u>14,661,920</u>	<u>(175,897)</u>	<u>(192,865)</u>	<u>(368,762)</u>	<u>14,293,158</u>

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS



December 31, 2013	Assets before allowances			Allowances established			Net Assets
	Normal portfolio	Impaired portfolio	Total	Individual provisions	Group provisions	Total	
	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
Subtotal	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
Subtotal	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
Subtotal	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

The collateral received by the Bank with respect to the loans portfolio relates to mortgages, pledges on moveable assets, real estate assets, warrants and financial instruments for trading and commerce. As of June 30, 2014 and December 31, 2013, the fair value of collateral held correspond to 126.04% and 120.09% of covered assets, respectively.

In the case of mortgages, as of June 30, 2014 and December 31, 2013, the fair value of collateral held corresponds to 114.53% and 130.23% of the balance of loans receivable, respectively.

The Bank uses the financial lease agreements included in this account to finance the acquisition of property of its clients, both moveable assets and real estate. As of June 30, 2014 and December 31, 2013, the Bank held approximately MCLP\$397,874 and MCLP\$405,342, respectively, of financial leases on moveable assets and MCLP\$338,087 and MCLP\$327,373, respectively, of financial leases on property.

The Bank has obtained assets in lieu of payment for an amount of MCLP\$839 as of June 30, 2014 and MCLP\$7,477 as of December 31, 2013 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 June 30, 2014 and December 31, 2013:

	<u>30.06.2014</u> MCLP\$	<u>31.12.2013</u> MCLP\$
Gross financial leases	870,088	863,223
Income from financial leases not accrued	<u>(134,127)</u>	<u>(134,508)</u>
Net financial leases	<u>735,961</u>	<u>728,715</u>
	<u>30.06.2014</u> MCLP\$	<u>31.12.2013</u> MCLP\$
Less than 1 year	219,902	217,219
Between 1 and 5 years	247,707	390,435
Over 5 years	<u>268,352</u>	<u>121,061</u>
Total	<u>735,961</u>	<u>728,715</u>

There is no evidence of impairment of the financial lease contracts that the Bank holds as of June 30, 2014.



b) Portfolio characteristics

As of June 30, 2014 and December 31, 2013, the portfolio before provisions for loan losses by type of customer's economic activity is as follows:

	Domestic loans		Foreign loans		Total		2014	2013
	2014	2013	2014	2013	2014	2013		
	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	%	%
Commercial loans:								
Agriculture and livestock except fruit	192,837	191,139	58,003	54,278	250,840	245,417	1.71%	1.70%
Fruit	51,396	38,282	36,982	34,749	88,378	73,031	0.60%	0.51%
Forestry and wood extraction	96,875	97,999	8,524	10,324	105,399	108,323	0.72%	0.75%
Fishing	30,356	32,822	148,142	166,468	178,498	199,290	1.22%	1.38%
Mining	49,397	53,758	86,706	90,422	136,103	144,180	0.93%	1.00%
Crude oil and natural gas production	3,350	1,674	6,867	33,860	10,217	35,534	0.07%	0.25%
Food, beverages and tobacco industry	107,131	143,971	128,769	90,841	235,900	234,812	1.61%	1.63%
Textile and leather industry	25,365	36,684	25,020	17,391	50,385	54,075	0.34%	0.37%
Timber and furniture industry	28,447	27,203	9,184	8,219	37,631	35,422	0.26%	0.25%
Print and editorial industry	20,552	25,535	2,753	3,390	23,305	28,925	0.16%	0.20%
Chemical products derived from oil	90,091	106,754	120,950	161,800	211,041	268,554	1.44%	1.86%
Production of metal and non-metal	247,546	310,687	211,251	138,289	458,797	448,976	3.13%	3.11%
Other manufacturing industries	18,099	5,748	77,370	18,693	95,469	24,441	0.65%	0.17%
Electricity, gas and water	110,350	145,192	201,436	194,884	311,786	340,076	2.13%	2.36%
Home construction	755,065	810,001	8,478	8,084	763,543	818,085	5.21%	5.67%
Other construction	413,099	377,006	18,943	18,337	432,042	395,343	2.95%	2.74%
Wholesale business	646,015	460,935	354,778	347,941	1,000,793	808,876	6.83%	5.61%
Retail, restaurants and hotels	496,345	618,471	190,743	187,812	687,088	806,283	4.69%	5.59%
Transportation and storage	242,873	300,107	210,492	132,334	453,365	432,441	3.09%	3.00%
Communications	45,788	95,393	12,494	1,536	58,282	96,929	0.40%	0.67%
Financial and insurance companies	1,378,974	1,465,833	278,572	342,010	1,657,546	1,807,843	11.31%	12.53%
Real estate and service providers	892,941	864,959	145,250	145,608	1,038,191	1,010,567	7.08%	7.01%
Services	1,441,114	1,358,854	58,013	63,922	1,499,127	1,422,776	10.20%	9.86%
Subtotal	7,384,006	7,569,007	2,399,720	2,271,192	9,783,726	9,840,199	66.73%	68.22%
Mortgage loans	3,064,321	2,818,822	-	-	3,064,321	2,818,822	20.90%	19.55%
Consumer loans	1,801,735	1,755,254	12,138	9,043	1,813,873	1,764,297	12.37%	12.23%
Total	12,250,062	12,143,083	2,411,858	2,280,235	14,661,920	14,423,318	100.00%	100.00%



c) Provisions

The movement of provisions during the periods ended June 30, 2014 and December 31, 2013 are summarized as follows:

	30.06.2014			31.12.2013		
	Individual provisions	Group provisions	Total	Individual provisions	Group provisions	Total
	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$
Balance as of January 1,	159,898	174,349	334,247	144,187	155,186	299,373
Portfolio write-offs:						
Commercial loans	(10,617)	(9,721)	(20,338)	(24,319)	(27,508)	(51,827)
Mortgage loans	-	(3,618)	(3,618)	-	(3,955)	(3,955)
Consumer loans	-	(53,944)	(53,944)	-	(101,099)	(101,099)
Total write-offs	(10,617)	(67,283)	(77,900)	(24,319)	(132,562)	(156,881)
Established provisions	32,879	88,376	121,255	66,580	157,114	223,694
Released provisions	(6,263)	(2,577)	(8,840)	(5,100)	(5,389)	(10,489)
Applied provisions (*)	-	-	-	(21,450)	-	(21,450)
Balance as of period end	175,897	192,865	368,762	159,898	174,349	334,247

(*) On September 25, 2013 the Bank, swapped certain loans and receivables with Empresas La Polar of 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).

The total of provisions for credit risk constituted for different concepts correspond to the following:

	As of June 30, 2014	As of December 31, 2013
	MCLP\$	MCLP\$
Individual and group provisions	368,762	334,247
Provisions for contingent credit risk	17,649	16,408
Provisions for contingencies	47,089	35,619
Provisions for country risk	2,117	1,388
Provisions on due from banks	272	244
Total	435,889	387,906

During 2014 and 2013, the Bank has not participated in the purchase, sale, substitution or swap of credits of the loans portfolio with other financial institutions not mentioned in the financial statements.



d) Guarantees

The impaired loan portfolio with or and without guarantees as of June 30, 2014 and December 31, 2013 was as follows:

	As of June 30, 2014				As of December 31, 2013			
	Commercial	Mortgage	Consumer	Total	Commercial	Mortgage	Consumer	Total
	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$
Debt with guarantees	93,430	-	-	93,430	70,022	-	-	70,022
Debt without guarantees	426,311	150,322	164,144	740,777	365,140	143,027	159,213	667,380
Total	519,741	150,322	164,144	834,207	435,162	143,027	159,213	737,402

e) Overdue

The overdue portfolio (with payment default equal to or more than 90 days) as of June 30, 2014 and December 31, 2013 was as follows:

	As of June 30, 2014				As of December 31, 2013			
	Commercial	Mortgage	Consumer	Total	Commercial	Mortgage	Consumer	Total
	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$
Debt with guarantees	37,025	-	-	37,025	30,411	-	-	30,411
Debt without guarantees	275,024	63,558	35,824	374,406	202,642	60,335	33,946	296,923
Total	312,049	63,558	35,824	411,431	233,053	60,335	33,946	327,334



f) The following table shows the normal and overdue portfolios according to their classification of impairment:

	As of June 30, 2014											
	Not Impaired				Impaired				Total portfolio			
	Commercial	Mortgage	Consumer	Total	Commercial	Mortgage	Consumer	Total	Commercial	Mortgage	Consumer	Total
	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$
Normal or standard portfolio	9,219,028	2,913,558	1,646,962	13,779,548	264,899	112,628	139,571	517,098	9,483,927	3,026,186	1,786,533	14,296,646
Overdue 1-29 days	34,022	316	1,953	36,291	6,034	266	1,393	7,693	40,056	582	3,346	43,984
Overdue 30-89 days	9,543	125	814	10,482	9,972	303	1,564	11,839	19,515	428	2,378	22,321
Overdue more than 90 days	1,392	-	-	1,392	238,836	37,125	21,616	297,577	240,228	37,125	21,616	298,969
Total portfolio before provisions	9,263,985	2,913,999	1,649,729	13,827,713	519,741	150,322	164,144	834,207	9,783,726	3,064,321	1,813,873	14,661,920
Overdue loans (less than 90 days) expressed as a percentage of the portfolio.	0.47%	0.02%	0.17%	0.34%	3.08%	0.38%	1.80%	2.34%	0.61%	0.03%	0.32%	0.45%
Overdue loans (more than 90 days) expressed as a percentage of the portfolio.	0.02%	0.00%	0.00%	0.01%	45.95%	24.70%	13.17%	35.67%	2.46%	1.21%	1.19%	2.04%
	As of December 31, 2013											
	Not Impaired				Impaired				Total portfolio			
	Commercial	Mortgage	Consumer	Total	Commercial	Mortgage	Consumer	Total	Commercial	Mortgage	Consumer	Total
	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$
Normal or standard portfolio	9,382,251	2,675,413	1,602,229	13,659,893	211,344	107,096	139,805	458,245	9,593,595	2,782,509	1,742,034	14,118,138
Overdue 1-29 days	16,006	-	2,087	18,093	4,261	-	1,925	6,186	20,267	-	4,012	24,279
Overdue 30-89 days	6,780	382	768	7,930	15,212	536	1,911	17,659	21,992	918	2,679	25,589
Overdue more than 90 days	-	-	-	-	204,345	35,395	15,572	255,312	204,345	35,395	15,572	255,312
Total portfolio before provisions	9,405,037	2,675,795	1,605,084	13,685,916	435,162	143,027	159,213	737,402	9,840,199	2,818,822	1,764,297	14,423,318
Overdue loans (less than 90 days) expressed as a percentage of the portfolio.	0.24%	0.01%	0.18%	0.19%	4.47%	0.37%	2.41%	3.23%	0.43%	0.03%	0.38%	0.35%
Overdue loans (more than 90 days) expressed as a percentage of the portfolio.	0.00%	0.00%	0.00%	0.00%	46.96%	24.75%	9.78%	34.62%	2.08%	1.26%	0.88%	1.77%



NOTE 7 – ISSUED DEBT INSTRUMENTS AND OTHER FINANCIAL OBLIGATIONS

As of June 30, 2014 and December 31, 2013, details are as follows:

	As of June 30, 2014	As of December 31, 2013
	MCLP\$	MCLP\$
Other debentures		
Public bonds	41,720	42,681
Other local bonds	21,762	29,167
Foreign bonds	21	12
Total	63,503	71,860
Issued debt instruments:		
Letters of credit	50,168	56,348
Current bonds	2,459,126	2,109,376
Subordinated bonds	756,552	742,899
Total	3,265,846	2,908,623

As of June 30, 2014 and December 31, 2013 the maturities of the current and subordinated bonds are as follows:

	As of June 30, 2014		
	Long term MCLP\$	Short term MCLP\$	Total MCLP\$
By maturities			
Current bonds	325,623	2,133,503	2,459,126
Subordinated bonds	756,552	-	756,552
Total	1,082,175	2,133,503	3,215,678
	As of December 31, 2013		
	Long term MCLP\$	Short term MCLP\$	Total MCLP\$
By 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 June 30, 2014 the detail of the new placements of current and subordinated bonds is as follows:

CURRENT BONDS IN CHILEAN PESOS

Series	\$ Issued	\$ Placed	Date of issue	Maturity date	Average interest rate	Balance due \$	Balance due MCLP\$
SERIE_AG	228,500,000,000	107,951,624,306	01/05/2013	01/05/2018	5.08%	82,703,742,540	82,704
Subtotal	228,500,000,000	107,951,624,306				82,703,742,540	82,704

CURRENT BONDS DENOMINATED IN UF (inflation index-linked units of account)

Series	UF Issued	UF Placed	Date of issue	Maturity date	Average interest rate	Balance due UF	Balance due MCLP\$	
SERIE_X	5,000,000	5,000,000	01/06/2007	01/06/2017	3.85%	4,897,426	117,654	
SERIE_AA	10,000,000	10,000,000	01/07/2008	01/07/2014	3.94%	9,999,000	240,212	
SERIE_AB	10,000,000	10,000,000	01/07/2008	01/07/2018	3.67%	8,651,744	207,846	
SERIE_AE1	10,000,000	10,000,000	01/08/2011	01/08/2016	3.59%	9,915,150	238,152	
SERIE_AE2	10,000,000	10,000,000	01/08/2011	01/08/2021	3.73%	9,425,165	226,426	
SERIE_AF1	10,000,000	5,725,000	01/08/2012	01/08/2017	3.51%	5,654,162	135,833	
SERIE_AF2	10,000,000	7,500,000	01/08/2012	01/08/2022	3.58%	9,539,508	229,173	
SERIE_AI1	15,000,000	-	01/03/2014	01/03/2019	1.50%	-	-	
SERIE_AI2	5,000,000	-	01/03/2014	01/03/2024	1.50%	-	-	
Fair value adjustment (Fair value hedge)								3,678
Subtotal	85,000,000	58,225,000				58,082,155	1,398,974	

CURRENT BONDS IN FOREIGN CURRENCY- MEXICAN PESOS

Series	Amount placed	Date of placement	Maturity date	Average interest rate	Balance due Mexican Pesos	Balance due MCLP\$
BC111	2,000,000,000	15/07/2011	11/07/2014	3.71%	2,003,503,889	85,411
Total	3,000,000,000 (*)				2,003,503,889	85,411

(*)The placement of bonds was made in Mexico under an approved program dated on June 29, 2011 for a total amount of \$8,000,000,000 of Mexican pesos. The program will expire on June 29, 2016.

CURRENT BONDS IN FOREIGN CURRENCY-US DOLLAR

Series	Amount issued	Amount placed	Date of placement	Maturity date	Average interest rate	Amount due US\$	Amount due MCLP\$
USP32133CE16	600,000,000	600,000,000	13/09/2012	13/09/2017	3.54%	605,274,194	331,167
USP32133CG63	500,000,000	500,000,000	11/02/2013	11/02/2023	4.35%	507,679,559	277,050
Fair value adjustment (Fair value hedge)						(15,408,298)	(8,520)
Total	1,100,000,000 (*)					1,097,545,455	599,697

(*) These amounts are amortized in accordance with the effective interest rate method and therefore the initial cost of placing the bonds have been discounted.



CURRENT BONDS IN FOREIGN CURRENCY- SWISS FRANC

Series	CHF Issued	CHF Placed	Date of placement	Maturity date	Average interest rate	Amount due CHF	Amount due MCLP\$	
CH0222435429	200,000,000	200,000,000	26/09/2013	26/09/2016	1.25%	201,897,260	125,058	
CH0230446665	120,000,000	120,000,000	23/12/2013	23/12/2015	0.75%	119,515,984	74,588	
CH0246788183	150,000,000	150,000,000	23/12/2013	23/12/2015	0.75%	150,018,493	92,563	
Fair value adjustment (Fair value hedge)								131
Subtotal	470,000,000	470,000,000				471,431,737	292,340	

Total Current Bonds **2,459,126**

SUBORDINATED BONDS DENOMINATED IN UF

Series	UF Issued	UF placed	Date of issue	Maturity date	Average interest rate	Amount due UF	Amount due MCLP\$
SERIE_C y D	2,000,000	2,000,000	01/12/1995	01/12/2016	6.92%	450,858	10,831
SERIE_E	1,500,000	1,500,000	01/11/1997	01/11/2018	7.37%	578,377	13,895
SERIE_F	1,200,000	1,200,000	01/05/1999	01/05/2024	7.73%	733,450	17,620
SERIE_G	400,000	400,000	01/05/1999	01/05/2025	7.92%	257,991	6,198
SERIE_L	1,200,000	1,200,000	01/10/2001	01/10/2026	6.39%	874,204	21,002
SERIE_M	1,800,000	1,800,000	01/10/2001	01/10/2027	6.43%	1,343,890	32,285
SERIE_N	1,500,000	1,500,000	01/06/2004	01/06/2029	5.25%	1,192,421	28,646
SERIE_O	1,500,000	1,500,000	01/06/2004	01/06/2030	3.93%	1,178,180	28,304
SERIE_R	1,500,000	1,500,000	01/06/2005	01/06/2038	4.72%	616,702	14,816
SERIE_S	2,000,000	2,000,000	01/12/2005	01/12/2030	4.86%	1,587,182	38,130
SERIE_T	2,000,000	2,000,000	01/12/2005	01/12/2031	4.52%	1,649,843	39,635
SERIE_U	2,000,000	2,000,000	01/06/2007	01/06/2032	4.19%	1,866,313	44,836
SERIE_Y	4,000,000	4,000,000	01/12/2007	01/12/2030	4.25%	2,018,400	48,489
SERIE_W	4,000,000	4,000,000	01/06/2008	01/06/2036	4.05%	1,674,400	40,225
SERIE_AC	6,000,000	6,000,000	01/03/2010	01/03/2040	3.96%	5,396,619	129,646
SERIE_AD 1	4,000,000	4,000,000	01/06/2010	01/06/2040	4.17%	3,463,651	83,209
SERIE_AD 2	3,000,000	3,000,000	01/06/2010	01/06/2042	4.14%	2,587,764	62,168
SERIE_AH	15,000,000	5,000,000	01/09/2013	01/09/2043	4.00%	4,021,755	96,617
Subtotal	54,600,000	44,600,000				31,492,000	756,552

TOTAL BONDS **3,215,678**

As of December 31, 2013 the detail of the new placements of current and subordinated bonds is as follows:

CURRENT BONDS IN CHILEAN PESOS

Series	\$ Issued	\$ Placed	Date of issue	Maturity date	Average interest rate	Balance due \$	Balance due MCLP\$
SERIE_A G	228,500,000,000	-	01/05/2013	01/05/2018	-	-	-
Subtotal	228,500,000,000						



CURRENT BONDS DENOMINATED IN UF (inflation index-linked units of account)

Series	UF Issued	UF Placed	Date of issue	Maturity date	Average interest 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 FOREIGN CURRENCY- MEXICAN PESOS

Series	Amount placed	Date of placement	Maturity date	Average interest rate	Balance due Mexican Pesos	Balance due MCLP\$
BCI11	2,000,000,000	15/07/2011	11/07/2014	4.19%	1,998,630,725	80,547
Total	2,000,000,000 (*)				1,998,630,725	80,547

(*)The placement of bonds was made in Mexico under an approved program dated on June 29, 2011 for a total amount of \$8,000,000,000 of Mexican pesos. The program will expire on June 29, 2016.

CURRENT BONDS IN FOREIGN CURRENCY-US DOLLAR

Series	Amount issued	Amount placed	Date of placement	Maturity date	Average interest rate	Amount due US\$	Amount due 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	11/02/2013	11/02/2023	4.35%	500,570,412	263,150
Fair value adjustment (Fair value hedge)						(31,356,612)	(16,484)
Total	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 cost of placing the bonds have been discounted.

CURRENT BONDS IN FOREIGN CURRENCY- SWISS FRANC

Series	CHF Issued	CHF Placed	Date of placement	Maturity date	Average interest rate	Amount due CHF	Amount due MCLP\$
CH0222435429	200,000,000	200,000,000	26/09/2013	26/09/2016	1.25%	199,023,974	118,000
CH0230446665	120,000,000	120,000,000	23/12/2013	23/12/2015	0.75%	118,877,920	70,482
Subtotal	200,000,000	200,000,000				317,901,894	188,482

Total Current Bonds **2,109,376**



SUBORDINATED BONDS DENOMINATED IN UF

Series	UF Issued	UF placed	Date of issue	Maturity date	Average interest rate	Amount due UF	Amount due MCLP\$
SERIE_C y D	2,000,000	2,000,000	01/12/1995	01/12/2016	6.92%	532,492	12,412
SERIE_E	1,500,000	1,500,000	01/11/1997	01/11/2018	7.37%	632,138	14,735
SERIE_F	1,200,000	1,200,000	01/05/1999	01/05/2024	7.73%	757,920	17,667
SERIE_G	400,000	400,000	01/05/1999	01/05/2025	7.92%	265,423	6,187
SERIE_L	1,200,000	1,200,000	01/10/2001	01/10/2026	6.39%	897,250	20,914
SERIE_M	1,800,000	1,800,000	01/10/2001	01/10/2027	6.43%	1,375,507	32,062
SERIE_N	1,500,000	1,500,000	01/06/2004	01/06/2029	5.25%	1,218,756	28,408
SERIE_O	1,500,000	1,500,000	01/06/2004	01/06/2030	3.93%	1,204,734	28,082
SERIE_R	1,500,000	1,500,000	01/06/2005	01/06/2038	4.72%	625,460	14,579
SERIE_S	2,000,000	2,000,000	01/12/2005	01/12/2030	4.86%	1,618,858	37,735
SERIE_T	2,000,000	2,000,000	01/12/2005	01/12/2031	4.52%	1,681,079	39,185
SERIE_U	2,000,000	2,000,000	01/06/2007	01/06/2032	4.19%	1,862,828	43,422
SERIE_Y	4,000,000	4,000,000	01/12/2007	01/12/2030	4.25%	1,977,200	46,088
SERIE_W	4,000,000	4,000,000	01/06/2008	01/06/2036	4.05%	1,641,600	38,265
SERIE_AC	6,000,000	6,000,000	01/03/2010	01/03/2040	3.96%	5,484,267	127,836
SERIE_AD 1	4,000,000	4,000,000	01/06/2010	01/06/2040	4.17%	3,520,220	82,055
SERIE_AD 2	3,000,000	3,000,000	01/06/2010	01/06/2042	4.14%	2,630,681	61,320
SERIE_AH	15,000,000	5,000,000	01/09/2013	01/09/2043	4.00%	3,944,601	91,947
Subtotal	54,600,000	44,600,000				31,871,014	742,899
TOTAL BONDS							2,852,275



NOTE 8 – CONTINGENCIES AND COMMITMENTS

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

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

	June 30, 2014	December 31, 2013
	MCLP\$	MCLP\$
CONTINGENT LOANS		
Collateral and guarantees:		
Collateral and guarantees in foreign currency	154,658	118,534
Confirmed foreign letters of credit	745	1,588
Documented issued letters of credit	129,906	135,818
Performance bonds:		
Performance bonds in Chilean currency	674,698	716,645
Performance bonds in foreign currency	168,928	184,923
Cleared lines of credit	2,883,962	2,685,246
Other credit commitments:		
Higher education loans Law N° 20,027	92,803	100,796
Others	262,611	332,457
THIRD PARTY OPERATIONS		
Collections		
Foreign collections	182,098	152,753
Domestic collections	141,535	130,951
CUSTODY OF SECURITIES		
Securities in custody with the bank	128,047	135,466
Total	4,819,991	4,695,177

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

At June 30, 2014 there is a demand revocation of insolvency dated August 8, 2011 for summary proceedings before the Twenty-Third Civil Court of Santiago, No. ROL C-10251-2008 between Inversiones Acson Ltda.-Bci Corredor de Bolsa S.A. and others. This action seeks to declare the unenforceability of the liquidation of certain simultaneous operations that were performed by Alfa Corredores de Bolsa S.A. before being declared bankrupt for an amount of MCLP\$ 8,330. The probationary term has expired, pending evidentiary proceedings requested in court. Our lawyers inform us that there is a low probability of losing the trial.

c) Guarantees for operations

- Direct commitments

As of June 30, 2014, the Bank has no guarantees for this concept.

As of June 30, 2014, 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 N° 10026158 for an insured amount of UF 500 entered into with Compañía de Seguros Generales Consorcio Nacional de Seguros S.A. effective from April 15, 2014 to April 14, 2015, stipulating the insuring company's right to claim restitution from the broker for any and all sums that it may have reimbursed to pay third parties harmed by the deficient brokerage of the broker.
- Professional Third Party Insurance Policy N° 10026159 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., effective from April 15, 2014 to April 14, 2015, for purposes of protecting the broker against possible lawsuits by third parties, where the insurance company has the right to request repayment by the broker of all payments made to the claiming third party.

As of June 30, 2014, BCI Factoring S.A. has approved hedges for operators of the Factor Chain International for MCLP\$ 3,865 (MCLP\$2,218 in 2013) equivalent to US\$7,020,000.00 (US\$ 4,401,708.71 in 2013) of which MCLP\$441 (MCLP\$ 651 in 2013) equivalent to US\$ 800,413.19 (US\$ 1,291,515.30 in 2013) has been used.

- Operating guarantees

As of June 30, 2014, BCI Corredor de Bolsa S.A. has given guarantees to secure real-time operations at the Santiago Stock Exchange for an amount of MCLP\$ 113,074 (MCLP\$ 91,989 as of June 30, 2013).

As of June 30, 2014, BCI Corredor de Bolsa S.A. has given guarantees for appropriate settlement of transactions using the CCLV system in the Santiago Stock Exchange for MCLP\$ 4,496 (MCLP\$3,492 as of June 30, 2013).

As of June 30, 2014, BCI Corredor de Bolsa S.A. has given guarantees abroad for international market transactions for MCLP\$ 52 (MCLP\$50 as of June 30, 2013).

As of June 30, 2014, BCI Corredor de Bolsa S.A. has given guarantees for commitments involving short stock sales and loan transactions in Chile Electronic Stock Exchange for an amount of MCLP\$ 20,026 (MCLP\$15,406 as of June 30, 2013).

As of June 30, 2014, BCI Corredor de Bolsa S.A. has given guarantees for the SOMA contract for an amount of MCLP\$ 252.

As of June 30, 2014, 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, in order to ensure proper fulfillment of its obligations as securities broker and whose beneficiaries are actual or future creditors that it has or may have by reason of its securities brokerage operations. This guarantee corresponds to the insurance policy N° 330-12-00000024 entered into with Compañía de Seguros de Mapfre Garantía y Crédito on August 19, 2013, effective through to August 19, 2014, where the Santiago Stock Exchange is the beneficiary in representation of any potential creditors.

- Officer loyalty or employee loyalty insurance.

As of June 30, 2014, 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 2344070-9, effective from November 30, 2013 to November 30, 2014, for a total of coverage of UF 100,000.

d) Contingent loans and liabilities

In order to meet its customers' needs, the Bank assumed several irrevocable commitments and contingent obligations. Although those 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 obligating the Bank to grant loans and the amount of the provisions established for the risk of loan losses assumed:

	As of June 30, 2014	As of December 31, 2013
	MCLP\$	MCLP\$
Sureties and finances	154,658	118,534
Documented letters of credit	129,906	135,818
Performance bonds	843,626	901,568
Amounts available for credit card users	1,711,196	1,597,503
Provisions	(17,649)	(16,408)
Total	2,821,737	2,737,015

c) Documents in custody and for collection on behalf of the Bank

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

	June 30, 2014	December 31, 2013
	MCLP\$	MCLP\$
Documents in collection	323,633	283,704
Custody of assets	128,047	135,466
Total	451,680	419,170

NOTE 9 – EQUITY

a) Capital stock and preferred shares

Movement of shares during the periods presented is as follows:

	Common shares	
	30.06.2014	31.12.2013
	N°	N°
Issued as of January 1,	107,174,450	105,855,267
Issue of paid-in shares	-	1,319,183
Total issued	107,174,450	107,174,450

The Ordinary Shareholders' Meeting of March 25, 2014 approved distributing the 2013 net profits of MCLP\$ 300,294 as follows:

- Distribute a dividend of CLP\$1,260 per share for 107,174,450 shares issued and registered in the Register of Shareholders, which amounts to MCLP\$ 135,039.
- Allocate the remaining balance of MCLP\$ 165,255 to the reserve fund for capitalization.

On March 25, 2014, the Extraordinary Shareholders' Meeting approved, among other things, increasing the capital stock by MCLP\$ 165,255, by capitalizing retained earnings.

- 1) Capitalizing the amount of MCLP\$ 120,211, without issuing any shares and
- 2) Capitalizing the amount of MCLP\$45,044 by issuing 1,526,714 paid-in shares.



In accordance with its by-laws, the Bank's capital stock was MCLP\$ 1,381,871 divided into 107,174,450 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\$ 1,547,126, and it will be divided into 108,701,164 no-par-value shares of the same series.

These shares will be issued once approved by the SBIF, and the issuance and distribution agreed by the Board.

As of June 30, 2014, the Bank has pending the finalization of the capital increase approved in September 26, 2013, the Extraordinary Shareholders' meeting of MCLP\$ 198,876 through the issuance of 7,392,885 paid-in shares, which will be effective once the necessary approvals have 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.

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

June 30, 2014

	Shares	
	Nº of shares	% Participation
Empresas Juan Yarur S.A.C.	59,030,040	55.08%
Jorge Yarur Bascañán	4,529,246	4.23%
Inversiones BCP S.A.	4,025,389	3.76%
Sociedad Financiera del Rimac S.A.	3,723,770	3.47%
Banco de Chile (non resident third parties)	3,409,568	3.18%
Banco Itaú (investors)	2,961,509	2.76%
AFP Hábitat S.A.	2,397,755	2.24%
BCI Corredor de Bolsa S.A.	1,996,598	1.86%
AFP Provida S.A.	1,937,903	1.81%
Banco Santander (foreign investors)	1,789,633	1.67%
Inversiones Tarascona Corporation (agency in Chile)	1,579,024	1.47%
Inversiones Millaray S.A.	1,303,899	1.22%
AFP Cuprum S.A.	1,271,304	1.19%
AFP Capital S.A.	1,205,543	1.12%
Inmob e Inv. Cerro Sombrero S. A.	1,175,914	1.10%
Yarur Rey Luis Enrique	1,046,865	0.98%
Banchile Corredores de Bolsa S. A.	787,253	0.73%
Empresas JY S.A.	696,112	0.65%
Inversiones VyR Ltda.	570,370	0.53%
Larraín Vial S.A. Corredora de Bolsa	502,006	0.47%
Baines Oehlmann Nelly	496,887	0.46%
Inmobiliaria e Invers. Chosica S.A.	468,121	0.44%
Corpanca Corredores de Bolsa	410,138	0.38%
Penta C de B S.A.	385,074	0.36%
Bolsa de Comercio de Santiago Bolsa de Valores	342,450	0.32%
Other shareholders	9,132,079	8.52%
Total	107,174,450	100.00%



December 31, 2013

	Shares	
	Nº of shares	% Participation
Empresas Juan Yarur S.A.C.	59,030,040	55.08%
Jorge Yarur Bascuñán	4,529,246	4.23%
Inversiones BCP S.A.	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 Itaú (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 Corredor de Bolsa 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 S.A.	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 Corredores de Bolsa S. A.	843,356	0.79%
Empresas JY S.A.	696,112	0.65%
Inversiones VyR Ltda.	570,370	0.53%
Larraín 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. Corredores de Bolsa	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%

c) Dividends

The following dividends were declared and paid by the Bank during the periods ended June 30, 2014 and 2013:

	As of June 30,	
	2014	2013
CLP\$ per common share	1,260	865

The provision of minimum dividends as of June 30, 2014 was MCLP \$50,189 (as of December 31, 2013 it was MCLP\$ 90,088),

d) For the period ended June 30, 2014 and 2013 the composition of basic and diluted earnings per share is as follows:

	As of June 30,	
	2014	2013
Earnings attributable to the equity holders of the Bank	167,298	115,674
Income available for shareholders	167,298	115,674
Weighted average number of shares	107,174,450	105,855,267
Basic earnings per share (MCLP\$/ share) (*)	1,561	1,093

(*) 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 June 30, 2014 and December 31, 2013, the reconciliation of cumulative translation adjustment as a separate component of equity is as follows:

	<u>MCLP\$</u>
Balance as of January 1, 2013	1,253
Charges of net exchange differences	4,454
Final balance as of December 31, 2013	<u>5,707</u>
Balance as of January 1, 2014	5,707
Charges of net exchange differences	3,231
Final balance as of June 30, 2014	<u>8,938</u>

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

	Available for Sale portfolio MCLP\$	Cash flow hedges MCLP\$
Accumulated other comprehensive income 2012	<u>17,425</u>	<u>9,219</u>
Movement transferred to P&L 2013	7,614	(326)
Changes in fair value of portfolio	(23,105)	(26,512)
Accumulated other comprehensive income 2013	<u>1,934</u>	<u>(17,619)</u>
Movement transferred to P&L 2014	1,350	(14)
Changes in fair value of portfolio	6,790	(8,954)
Accumulated other comprehensive income 2014	<u>10,074</u>	<u>(26,587)</u>

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. As those contracts reach their maturity, 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 as of June 30, 2014 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 basic capital, 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	
	June 2014	December 2013	June 2014	December 2013
	MCLP\$	MCLP\$	MCLP\$	MCLP\$
Balance sheet assets (net of provisions) (*)				
Cash and deposits in banks	1,708,655	1,261,766	-	-
Items in course of collection	780,885	698,013	249,079	458,328
Trading portfolio financial assets	1,165,038	1,042,536	191,215	116,709
Investments under agreements to resell	145,638	195,021	145,638	195,021
Derivative financial instruments	1,922,135	1,269,280	617,083	505,671
Interbank loans	131,312	106,151	124,566	101,946
Loans and receivables from customers (net)	14,293,158	14,089,071	13,073,350	12,966,582
Financial investments available for sale	746,377	934,351	325,238	384,924
Investments in other companies	-	-	-	-
Intangible assets	88,285	80,093	88,286	80,093
Property, plant and equipment, net	84,610	83,346	84,610	83,346
Current income tax provision	231,382	233,019	231,382	233,019
Deferred income tax	39,702	52,325	3,970	5,232
Other assets	63,987	56,846	6,399	5,685
	294,759	197,176	294,758	197,175
Off- balance sheet assets				
Contingent loans	-	-	-	-
	2,303,464	2,270,592	1,382,078	1,362,355
Additions and deductions	(971,079)	(426,560)	-	-
Total assets	23,028,308	22,143,026	16,817,652	16,696,086

(*) Information presented in accordance with the criteria established by the Superintendency of Banks and Financial Institutions (SBIF).

	Amount	
	June 2014	December 2013
	MCLP\$	MCLP\$
Basic capital	1,656,660	1,582,100
Effective shareholders' equity	2,338,643	2,244,679
Consolidated assets	23,028,308	22,143,026
Risk-weighted assets	16,817,652	16,696,086



	Ratio	
	June 2014	December 2013
	%	%
Basic capital/ consolidated assets	7.19	7.14
Basic capital/ risk-weighted assets	9.85	9.48
Effective shareholders' equity/ risk weighted assets	13.91	13.44



NOTE 10 – TRANSACTIONS WITH RELATED PARTIES

a) Loans granted to related parties

Loans granted to related parties as of June 30, 2014 and December 31, 2013:

	June 30, 2014			December 31, 2013		
	Operating companies MCLP\$	Holding companies MCLP\$	Individuals MCLP\$	Operating companies MCLP\$	Holding companies MCLP\$	Individuals MCLP\$
Loans and receivables from customers						
Commercial loans	76,164	63,522	7,009	106,731	52,044	5,163
Mortgage loans	-	-	20,721	-	-	18,043
Consumer loans	-	-	2,512	-	-	2,099
Gross loans	76,164	63,522	30,242	106,731	52,044	25,305
Provisions for loan losses	(988)	(114)	(50)	(922)	(94)	(28)
Net loans	75,176	63,408	30,192	105,809	51,950	25,277
Contingent loans	3,985	9,835	83	2,846	10,520	-
Provisions for contingent loans	(6)	(4)	-	(4)	(4)	-
Net contingent loans	3,979	9,831	83	2,842	10,516	-

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS



b) Other transactions with related parties

During the six-month periods ended June 30, 2014 and 2013 the Bank has carried out the following transactions with related parties:

Company	Relationship with the Bank	Description	Balance Assets	Effect on income statement	
			(Liabilities) MCLP\$	Expense MCLP\$	Income MCLP\$
June 2014					
Artikos Chile S.A	Joint Venture	Procurement service	333	333	-
Bolsa de Comercio de Santiago	Other	Lease of terminals	72	72	-
BCI Seguros de Vida S.A.	Common parent	Collection service for customer and use distribution channels	2,634	-	2,634
		Time deposit financial instruments	1,400	5	-
		Premium payments	108	54	-
		Brokerage Fees with BCI Corredoras de Seguros	7,641	7,641	-
BCI Seguros Generales S.A.	Common parent	Accidents presented to the insurance company	319	-	319
		Time deposit financial instruments	1,700	-	-
		Brokerage Fees with BCI Corredoras de Seguros	5,638	5,638	-
		Brokerage Premiums with BCI Corredoras de Seguros	851	851	-
Compañía de Formularios Continuos Jordan (Chile) S.A.	Common parent	Printing of forms	881	881	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Associate	Card processing	3,005	3,005	-
Redbanc S.A	Associate	Operation of ATMs	2,157	2,157	-
Servipag S.A.	Joint Venture	Collection and payment services	3,817	3,817	-
Transbank S.A.	Other	Administration of credit cards	22,238	4,186	18,052

Company	Relationship with the Bank	Description	Balance Assets	Effect on income statement	
			(Liabilities) MCLP\$	Expense MCLP\$	Income MCLP\$
June 2013					
Artikos Chile S.A.	Joint Venture	Procurement service	328	328	-
Bolsa de Comercio de Santiago	Other	Lease of terminals	2	2	-
BCI Seguros de Vida S.A.	Common parent	Collection service for payment of customer premiums and trademark use rights	3,099	273	2,826
		Premium payments			
BCI Seguros Generales S.A.	Common parent	Premium payments	2,012	2,012	-
Compañía de Formularios Continuos Jordan (Chile) S.A	Common parent	Printing of forms	1,042	1,042	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Associate	Card processing	2,528	2,528	-
Redbanc S.A	Associate	Operation of ATMs	1,974	1,974	-
Servipag S.A.	Joint Venture	Collection and payment services	3,625	2,982	643
Transbank S.A.	Other	Administration of credit cards	19,546	3,181	16,364

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



c) Other assets and liabilities with related parties

	<u>As of June 30,</u> <u>2014</u> MCLP\$	<u>As of December 31,</u> <u>2013</u> MCLP\$
ASSETS		
Financial derivative agreements	-	-
Other assets	-	-
LIABILITIES		
Financial derivative agreements	-	-
Demand deposits	56,822	64,026
Time deposits and other savings accounts	116,453	71,972
Other liabilities	-	-

d) Related parties income/ expense recognized

<u>Type of income/expense recognized</u>	<u>Entity</u>	<u>As of June 30,</u>			
		<u>2014</u>		<u>2013</u>	
		<u>Income</u> MCLP\$	<u>Expenses</u> MCLP\$	<u>Income</u> MCLP\$	<u>Expenses</u> MCLP\$
Income and expenses	Various	8,240	(930)	2,996	(796)
Operational support expenses	Companies supporting the line of business				
		22,395	(14,505)	19,833	(14,357)
Total		30,635	(15,435)	22,829	(15,153)

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

Compensation earned by key personnel corresponds to the following categories:

	<u>June 30,</u>	
	<u>2014</u> MCLP\$	<u>2013</u> MCLP\$
Short-term employee benefits (*)	2,446	2,309
Severance indemnities	-	530
Total	2,446	2,839

(*) Total expenses for MCLP\$ 1,444 for the period ended June 30, 2014 (MCLP\$ 1,288 for the period ended June 30, 2013) corresponding to the Board of Directors of the Bank and its subsidiaries.



f) Group entities

The Bank holds the following ownership interests in related companies:

Companies	Ownership interest	
	30.06.2014	31.12.2013
	%	%
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
Servicio de Infraestructura de Mercado OTC S.A.	11.62	12.49
AFT S.A.	20.00	20.00
Centro de Compensación Automático ACH Chile	33.33	33.33
Sociedad Interbancaria de Depósitos de Valores S.A.	7.03	7.03
Credicorp Ltda.	1.90	1.88

g) Composition of key management personnel

As of June 30, 2014, the composition of key management personnel of the Bank and its subsidiaries is as follows:

Position	Nº of executives
Director	9
Chief Executive Officer	11
Divisional and Department Manager	13
Total	33

h) Transactions with key management personnel

As of June 30, 2014 and 2013 the Bank has carried out the following transactions with key management personnel, as specified as below:

	As of June 30,					
	2014			2013		
	Balance due	Total remuneration	Remuneration of key executives	Balance due	Total remuneration	Remuneration of key executives
MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	MCLP\$	
Credit cards and other services	772	525,809	21	782	486,058	9
Mortgage loans	1,180	151,199	60	1,280	58,809	26
Guarantees	994	-	-	1,583	-	-
Total	2,946	677,008	81	3,645	544,867	35



As of June 30, 2014, the Bank has the following contracts:

N°	Related company	Description of services	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)	Clearing houses for electronic transactions	Clearing house 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 check books	Printing of forms	Printing services are contracted for basic lists, special forms, and 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 cards 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	Rendering 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 asset and comprehensive banking policy.	Annual	Contracted annually



NOTE 11 – SUBSEQUENT EVENTS

There have been no subsequent events between July 1, 2014 and the date of issue of these consolidated interim financial statements that may have had or might have any impact on the presentation of these consolidated interim financial statements.

Fernando Vallejos Vásquez
Accounting Manager

Lionel Olavarría Leyton
Chief Executive Officer