Consolidated Financial Statements

December 31, 2012 and 2011

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BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012 AND DECEMBER 31, 2011

	Notes	December 31 2012	December 31 2011
ASSETS		MCLP$	MCLP$
Cash and due from banks	5	1,459,619	1,199,581
Operations pending settlement	5	394,396	275,473
Trading investments	6	1,223,519	1,242,478
Securities purchased under resale agreements	7	134,808	73,547
Financial derivative instruments	8	469,156	636,952
Interbank loans	9	88,306	72,594
Loans and receivables from customers, net	10	12,748,124	11,100,554
Available for sale investments	11	771,381	829,590
Investments in companies	12	67,235	61,379
Intangible assets	13	80,968	78,401
Property, plant and equipment, net	14	205,057	206,411
Current income tax provision	15	4,237	8,688
Deferred income taxes	15	60,109	47,545
Other assets	16	219,663	276,468
TOTAL ASSETS		17,926,578	16,109,661
LIABILITIES			
Deposits and other liabilities payable on demand	17	3,618,365	3,172,480
Operations pending settlement	5	248,898	157,092
Securities sold under repurchase agreeemnts	4	325,163	350,319
Savings accounts and time deposits	17	7,222,588	6,749,054
Financial derivative instruments	8	428,236	625,623
Interbank borrowings	18	2,060,444	1,847,094
Bonds	19	2,065,074	1,473,634
Other financial obligations	19	115,069	114,827
Deferred income taxes	15	44,605	37,048
Provisions	20	179,425	170,129
Other liabilities	21	198,754	190,312
TOTAL LIABILITIES		16,506,621	14,887,612
SHAREHOLDERS' EQUITY			
Attributable to equity holders of the Bank:			
Capital	23	1,202,180	1,026,985
Valuation gains (losses)	23	27,897	12,172
Retained earnings:			
Net income for the year	23	271,256	261,268
Less: Provision for minimum dividends	23	(81,377)	(78,380)
TOTAL EQUITY OF EQUITY HOLDERS OF THE BANK	23	1,419,956	1,222,045
Non-controlling interest	23	1	4
TOTAL SHAREHOLDERS' EQUITY		1,419,957	1,222,049
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		17,926,578	16,109,661

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

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2012 AND DECEMBER 31, 2011

	Notes	For the years ended December 31 2012 MCLP$	2011 MCLP$
Interest income	24	1,127,026	996,970
Interest expense	24	(531,843)	(441,620)
Net interest income		595,183	555,350
Fees and income from services	25	239,958	213,456
Fees and expenses from services	25	(50,264)	(44,185)
Net fee income		189,694	169,271
Trading and investment income, net	26	37,762	131,523
Foreign exchange gains (losses), net	27	63,268	(66,762)
Other operating income	32	18,953	18,379
Operating Income		904,860	807,761
Provisions for loan losses	28	(135,275)	(122,314)
OPERATING INCOME, NET OF LOAN LOSSES, INTEREST AND FEES		769,585	685,447
Personnel salaries expenses	29	(234,923)	(203,418)
Administrative expenses	30	(145,327)	(123,595)
Depreciation and amortization	31	(38,850)	(37,521)
Impairment	31	(642)	-
Other operating expenses	32	(29,299)	(17,036)
TOTAL OPERATING EXPENSES		(449,041)	(381,570)
TOTAL NET OPERATING INCOME		320,544	303,877
Income attributable to investments in affiliated companies	12	6,559	8,482
Income before income tax		327,103	312,359
Income tax	15	(55,847)	(51,090)
CONSOLIDATED NET INCOME FOR THE YEAR		271,256	261,269
Attributable to:			
Equity holders of the Bank		271,256	261,269
Non-controlling interest		-	-
		271,256	261,269
Earnings per share attributable to equity holders of the Bank (stated in CLP$)			
Basic earnings / diluted earnings per share		$ 2,563	$ 2,504

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

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2012 AND DECEMBER 31, 2011

	For the years ended ended December 31	
	2012	**2011**
	MCLP$	MCLP$
CONSOLIDATED NET INCOME FOR THE YEAR	271,256	261,269
Other Comprehensive income, net of income tax		
Translation differences of foreign operations:		
Net gain /(loss) on investment hedging of foreign operations	(926)	3,737
Total translation differences of foreign operations	(926)	3,737
Cash flow hedges:		
Net gain /(loss) on cash flow hedges	7,526	(1,810)
Adjustments for the reclassifications of cash flow hedges	-	-
Net amount transferred to income	(676)	(2,130)
Total cash flow hedges	6,850	(3,940)
Available for sale investments		
Net gain /(loss) on available for sale investments	10,392	5,353
Adjustments for the reclassifications of available for sale investments	-	-
Net amount transferred to income	(2,770)	(58)
Total available for sale investments	7,622	5,295
Income tax attributable to other comprehensive income:		
Income tax attributable to available for sale investments	(399)	(415)
Income tax attributable to cash flow hedges	2,578	872
Total income tax attributable to other comprehensive income	2,179	457
Total comprehensive income	**15,725**	**5,549**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**286,981**	**266,818**
Comprehensive income attributable to:		
Comprehensive income attributable to equity holders of the Bank	286,981	266,817
Comprehensive income attributable to non-controlling interest	-	1
Total comprehensive income	**286,981**	**266,818**

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

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2012 AND DECEMBER 31, 2011

	Capital		Valuation				Retained earnings				Total Equity		
	Capital	**Reserves**	**Available for sale instruments**	**Cash flow hedges**	**Cumulative exchange rate adjustment**	**Total**	**Retained earnings**	**Income for the period**	**Minimum dividend provision**	**Total**	**Total attributable to equity holders of the bank**	**Non-controlling interest**	**Total equity**
At January 1, 2011	882,273	-	5,322	2,859	(1,558)	6,623	(5,188)	222,075	(66,623)	150,264	1,039,160	6	1,039,166
Transfer to retained earnings	-	-	-	-	-	-	5,188	(5,188)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	(72,175)	66,623	(5,552)	(5,552)	(3)	(5,555)
Capitalization of reserves	144,712	-	-	-	-	-	-	(144,712)	-	(144,712)	-	-	-
Other comprehensive income	-	-	4,880	(3,068)	3,737	5,549	-	-	-	-	5,549 -		5,549
Income for 2011 period	-	-	-	-	-	-	-	261,268	-	261,268	261,268	1	261,269
Provision for minimum dividends 2011	-	-	-	-	-	-	-	-	(78,380)	(78,380)	(78,380)	-	(78,380)
At December 31, 2011	1,026,985	-	10,202	(209)	2,179	12,172	-	261,268	(78,380)	182,888	1,222,045	4	1,222,049
						-				-			
At January 1, 2012	1,026,985	-	10,202	(209)	2,179	12,172	-	261,268	(78,380)	182,888	1,222,045	4	1,222,049
Transfer to retained earnings	-	-	-	-	-	-	261,268	(261,268)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	(86,073)	-	78,380	(7,693)	(7,693)	(3)	(7,696)
Capitalization of reserves	175,195	-	-	-	-	-	(175,195)	-	-	(175,195)	-	-	-
Other comprehensive income	-	-	7,223	9,428	(926)	15,725	-	-	-	-	15,725	-	15,725
Income for 2012 period	-	-	-	-	-	-	-	271,256	-	271,256	271,256	-	271,256
Provision for minimum dividends 2012	-	-	-	-	-	-	-	-	(81,377)	(81,377)	(81,377)	-	(81,377)
At December 31, 2012	1,202,180	-	17,425	9,219	1,253	27,897	-	271,256	(81,377)	189,879	1,419,956	1	1,419,957

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

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND DECEMBER 31, 2011

	Notes	For the years ended ended December 31	
		2012	2011
		MCLP$	MCLP$
CASH FLOW (USED IN) PROVIDED BY OPERATING ACTIVITIES:			
CONSOLIDATED NET INCOME FOR THE PERIOD		271,256	261,269
Charges (credits) to income not representing cash flow:			
Depreciation and amortization	31	38,850	37,521
Impairment	31	642	-
Provision for loan losses	8	135,275	122,314
Adjustment to fair value of financial instruments		6,325	(7,896)
Net income from investment in companies		(6,559)	(8,482)
Net loss (gain) from sale of foreclosed assets		6,299	(2,953)
Loss (gain) from sale of property, plant and equipment		283	820
Write-off of foreclosed assets		3,506	3,136
Income tax	15	55,847	51,090
Other changes (credits) to income not representing cash flows		(19,504)	23,692
Net charge for interest, indexation and fees accrued on assets and liabilities		45,117	1,550
Changes in assets and liabilities affecting operating cash flows:			
Net (increase) decrease in interbank loans		(15,681)	28,402
Net (increase) decrease in loans and receivables from customers		(1,751,740)	(1,853,686)
Net (increase) decrease in trading and available for sale investments		98,401	(672,787)
Increase in deposits and other liabilities payable		445,875	328,353
Increase in repurchase and resale agreements of securities		(25,153)	32,565
Increase in savings accounts and time deposits		487,308	1,240,901
Increase in interbank borrowings		179,134	67,407
Increase in other financial obligations		1,095	3,211
Loans from the Central Bank of Chile (long-term)		524,824	241,601
Repayment of loans from the Central Bank of Chile (long-term)		(243,375)	(109,831)
Loans received from abroad (long-term)		8,581,535	13,515,067
Repayment of foreign borrowings long-term		(8,828,922)	(13,090,578)
Total cash flows (used in) provided by operating activities		(9,362)	212,686
CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(20,316)	(109,519)
Proceeds from sale of property, plant and equipment		266	13
Investments in other companies	12	(2,025)	(1,640)
Investment dividends		2,291	1,951
Sale of assets received in foreclosure		4,421	4,435
Net decrease (increase) in other assets and liabilities		(28,121)	(169,265)
Total cash flows provided by (used in) investing activities		(43,484)	(274,025)
CASH FLOW FROM FINANCING ACTIVITIES:			
Redemption of letters of credit		(23,504)	(33,243)
Bond issuance		675,034	324,409
Bond redemption		(158,534)	(38,477)
Dividends paid	23	(86,073)	(72,175)
Total cash flows provided by financing activities		406,923	180,514
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE YEAR		354,077	119,175
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5	1,399,462	1,280,287
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	1,753,539	1,399,462

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

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012 AND DECEMBER 31, 2011 AND FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

1. GENERAL INFORMATION

Banco de Crédito e Inversiones or Banco BCI (the "Bank") is a corporation incorporated in Chile and regulated by the Superintendency of Banks and Financial Institutions (SBIF). Its corporate domicile is El Golf number 125 in the community of Las Condes. The consolidated financial statements at December 31, 2012 and 2011 include the Bank and its subsidiaries listed below, as well as its Miami Branch. The Bank participates in all of the businesses and transactions permitted by the General Banking Law, including retail, corporate and real estate banking, large and medium size companies' services, private banking and asset management services.

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

The Consolidated Financial Statements of the Bank, Miami Branch and Subsidiaries at December 31, 2012 have been approved and authorized for issuance by the Board of Directors in the meeting held on February 28, 2013.

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

	Ownership Interest			
	Direct		**Indirect**	
Entity	**2012**	**2011**	**2012**	**2011**
	%	%	%	%
Análisis y Servicios S.A.	99.00	99.00	1.00	1.00
BCI Asset Management Administradora de Fondos S.A (1)(2)	99.90	99.90	0.10	0.10
BCI Asesoría Financiera S.A.	99.00	99.00	1.00	1.00
BCI Corredor de Bolsa S.A.	99.95	99.95	0.05	0.05
BCI Corredores de Seguros S.A.	99.00	99.00	1.00	1.00
BCI Factoring S.A.	99.97	99.97	0.03	0.03
BCI Securitizadora S.A.	99.90	99.90	-	-
Banco de Crédito e Inversiones Sucursal Miami	100.00	100.00	-	-
Servicio de Normalización y Cobranza Normaliza S.A.	99.90	99.90	0.10	0.10
Incentivos y Promociones Limitada (3)	SPE	SPE	SPE	SPE
BCI Activos Inmobiliarios Fondo de Inversión Privado (2)	40.00	40.00	-	-
Terrenos y Desarrollo S.A. (2)	100.00	100.00	-	-

(1) On December 29, 2011 the Superintendency of Securities and Insurance approved the merger by incorporation of BCI Administradora General de Fondos S.A. to BCI Asset Management Administradora de Fondos S.A.

(2) For the purposes of consolidation, the subsidiary consolidates its results with BCI Activos Inmobiliarios y Terrenos y Desarrollo S.A.

(3) Special- Purpose Entity (SPE) dedicated to promoting credit and debit card products. The Bank does not hold any ownership interest in that company.

Assets and operating income of the subsidiaries as a whole represent 15.06% (12.46% in 2011) and 17.56% (16.13% in 2011) respectively, of the corresponding balance of consolidated assets and consolidated operating income respectively.

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

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

1.2 Summary of main accounting policies

a) Basis of preparation

The consolidated financial statements have been prepared 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, stipulates that, pursuant to legal provisions, banks must apply the accounting criteria issued by that Superintendency and, in all such matters not specifically covered by it, provided they do not contradict its instructions, they must abide by the generally accepted accounting criteria, which are the technical standards issued by the Chilean Association of Accountants (Colegio de Contadores de Chile A.G.) which are mainly consistent with international accounting and financial standards issued by the International Accounting Standards Board (IASB). Where there are discrepancies between accounting policies and criteria, those issued by the SBIF are followed.

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

b) Basis of consolidation

The Consolidated Financial Statements comprise the consolidated financial statements of the Bank, Miami branch and subsidiaries as of December 31, 2012 and 2011, for the years ending on those dates. The standards issued by the SBIF have been uniformly applied to the financial statements of the subsidiaries (including the special-purpose entities that the Bank controls).

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

i. Controlled entities

Are those entities over which the Bank can exert control, an ability displayed in general, although not only by the ownership, direct or indirect, of at least 50% of the social rights of the associated entities or even of a percentage inferior or null if, as the consequence of agreements with the shareholders of said entities, the control is given to the Bank. Control is understood as the power to significantly influence the financing and operating policies of an entity in order to obtain benefits from its activities.

ii. Subsidiaries

Are those entities over which the Bank can exert control, an ability displayed in general, although not only by the ownership, direct or indirect, of at least 50% of the social rights of the associated entities or even of a percentage inferior or null if, as in the case of agreements with the shareholders of said entities, the control is given to the Bank.

iii.Special purpose entities

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

c) Non-controlling interest

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

d) Functional currency

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

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

i. Assets and liabilities, by application of the exchange rates as of December 31, 2012 and 2011.

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

The cumulative translation adjustments produced when translating into Chilean pesos the balances of entities whose functional currency is other than the Chilean peso, are presented in the consolidated statement of comprehensive income under the line item “Cumulative translation adjustments”. When the decrease of the element that generated them occurs, these cumulative translation adjustments are reclassified as income.

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

e) Operating segments

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

f) Transactions in foreign currency

As it was stated previously, the functional currency of the Bank is the Chilean peso. Therefore, all the balances and transactions denominated in currencies different than the peso are considered denominated in “foreign currency”. The differences in the exchange rate produced when converting the balances from foreign currency into functional currency are registered as foreign exchange gains (losses).

At December 31, 2012, the assets and liabilities in foreign currency of the Bank are shown as their equivalent value in pesos, calculated using the exchange rate of Ch$ 479.47 per US$1 (Ch$520.45 per US$1 in 2011).

g) Assets and liabilities valuation criteria

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

i. Assets and liabilities valued at amortized cost:

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

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

The effective interest rate method is a procedure of calculating the amortized cost of a financial instrument by discounting the expected future cash payments or receipts throughout the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the instrument.

ii. Assets valued at fair value:

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

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

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

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

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

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

iii. Assets valued at acquisition cost:

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

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

- The derivative financial instruments, measured at their fair value.
- The long term available for sale non-financial assets, measured at fair value, when the value is lower than its carrying value less its selling costs.
- The trading instruments, measured at fair value.
- The available for sale financial assets, measured at fair value.
- The property, plant and equipment, measured at fair value when the senior management has considered valuating the assets and concludes that such valuation should be considered as the cost attributed for the first application.

iv. Derecognition of financial assets and liabilities

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

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

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

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

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

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

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

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

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

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

h) Investment instruments

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

The investment instruments are initially recorded at their fair value, including transaction costs. The available for sale instruments are then valued at their fair value according to market prices or valuations obtained from models. The unrealized gains or losses originated by the change in its fair value are recognized in other comprehensive income. When these investments are transferred or become impaired, the amount of adjustments at fair value accumulated in equity is transferred to income and is registered under “Trading and investment income, net”.

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

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

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

i) Trading investments

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

Trading investments are valued at their fair value in accordance with market prices at the balance sheet date. The transaction costs are recognized directly in income. The profits or losses coming from the adjustments for their valuation at fair value, as well as the income from the trading activities, are included in “Trading and investment income, net” in the consolidated statements of income.

The interests and readjustments accrued are registered in “Trading and investment income, net” of the consolidated statement of income.

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

j) Transactions of securities purchased under resale agreements

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

Transactions of resale agreements are also performed as a form of financing. The investments that are sold subject to a repurchase obligation and that serves as guarantee for the loan are part of their respective accounts “Trading investments” or “Available for sale investments”. The repurchase obligation of the investment is classified under liabilities as “Securities sold under resale agreements” as valued according to the agreed interest rate.

k) Derivatives

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

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

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

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

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

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

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

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

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

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

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

l) Loans and accounts receivable from customers

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

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

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

i. Leasing contracts

Accounts receivable from leasing contracts, included under “Loans and accounts receivable from customers” correspond to periodic installments of leasing contracts that comply with the requirements to be qualified as financial leasing and are presented net at their nominal value of the non-accrued interests at the closure of the period.

ii. Factoring operations

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

m) Credit risk provisions

The provisions required to cover the loss risks of the assets have been constituted in accordance with the regulations and instructions of the Superintendencia de Bancos e Instituciones Financieras (SBIF). The assets are presented net of said provisions, or showing the reduction in the case of investments. In the case of contingent credits, they are shown as liabilities under "Provisions".

The Bank uses models and methods based on individual and group analysis of the debtors to constitute the investments’ provisions of loans as indicated in the Accounting Standards Compendium issued by the SBIF.

i. Individual evaluation provisions

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

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

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

ii. Portfolios in normal and substandard compliance

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

The substandard portfolio includes the debtors with financial difficulties or significant worsening of their payment capacity and present reasonable doubt regarding the total reimbursement of capital and interests in the contractually agreed terms, showing that they are less likely to comply with their financial obligations in the short term.

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

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

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

iii. Provisions on portfolios in normal and substandard compliance

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

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

iv. Overdue portfolio

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

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

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

Type of Portfolio	Risk Scale	Expected Loss Range	Provision (%)
Overdue Portfolio	C1	More than 0 up to 3%	2
	C2	More than 3% up to 20%	10
	C3	More than 20% up to 30%	25
	C4	More than 30% up to 50%	40
	C5	More than 50% up to 80%	65
	C6	More than 80%	90

v. Write-off of loans

The write-off of loans should be calculated from the start of their delay in payment and should be accounted for once they are overdue as follows:

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

These time periods refer to the time from the date at which the payment (total or partial) of the overdue loan was due.

iv. Recovery of written off loans

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

n) Income and expenses from fees

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

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

o) Impairment

i. Financial assets:

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

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

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

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

All the losses due to impairment are registered in the income statement. Any accumulated loss in relation with an available for sale financial asset previously registered in equity is transferred to the income statement.

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

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

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

ii. Impaired Portfolio Status

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

The rest of the operations are classified in the following groups:

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

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

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

Exit conditions

- Individual case: Having improved its risk classification.

- Group case:

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

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

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

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

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

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

iii. Income and expenses from interest and readjustments

The Income and expenses from interest and readjustments are recognized based on the period at the effective rate.

However, in the case of expired credit and of the current loans with high risk of unrecoverability, a prudent criterion is followed by suspending the accrued interest and readjustments; and only recognizing them in the accounts when they are received.

- Amount to suspend:

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

- Date of suspension:

Loans with individual evaluations:

a) Loans classified as C5 and C6: the accrual is suspended as it is in the impaired portfolio
b) Loans classified as C3 and C4: the accrual is suspended for belonging to the impaired portfolio for more than three months.

Loans with group evaluations:
For the loans with guarantees less than 80%, it is suspended when the loan or one of the installments has not been paid for six months.

The coverage percentage of 80% of the guarantee refers to the difference between the calculated value of the guarantee and value of the operations covered by the guarantee, including contingent loans, from the moment the loan qualifies for impaired portfolio status.

iv. Non-financial assets

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

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

p) Investment in companies

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

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

The entities valued using the equity method are detailed as follows:

Company	Share 2012 %	Share 2011 %
AFT S.A.	20.00	20.00
Centro de Compensación Automático ACH Chile	33.33	33.33
Sociedad Interbancaria de Depósitos de Valores S.A.	7.03	7.03
Transbank S.A.	8.72	8.72
Redbanc S.A.	12.71	12.71
Servipag Ltda.	50.00	50.00
Artikos Chile S.A.	50.00	50.00
Nexus S.A.	12.90	12.90
Combanc S.A.	10.93	10.50
Bolsa de Comercio de Santiago (*)	-	2.08
CCLV Contraparte Central S.A. (**)	-	0.15
Bolsa Electrónica de Chile (*)	-	2.44
Bolsa de Valores de Valparaíso (**)	-	1.67
Credicorp Ltda.	1.85	1.77

(*) Until 2011, the Bank valorized these investments using the equity method, and as of 2012, the Bank chose to measure these investments at the fair value of the shares held in the Bolsa de Comercio de Santiago and the Bolsa Electrónica de Chile, reflecting changes in fair value in "other comprehensive income". These shares are valued at the closing price of trading.

(**) As established by the International Financial Reporting Standards (IFRS), there are limited circumstances where the cost can be considered a reasonable approximation of fair value. The Company believes that this is the case of shares held in the Bolsa de Valores de Valparaíso and CCLV Contraparte Central S.A., given the absence of transactions to establish fair value. Consequently, these investments in 2012 were valued at historical cost.

q) Investment in other companies

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

r) Intangible assets

i. Goodwill

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

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

The goodwill originated after January 1, 2009 is registered at its fair value, less losses from impairment.

ii. Software

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

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

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

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

s) Property, plant and equipment

The items of property, plant and equipment, excluding property, are measured at cost less accumulated depreciation and losses from impairment.

Property was measured by a commercial valuation on December 31, 2007.

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

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

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

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

	2012	2011
Buildings	50 years	50 years
Machinery and equipments	3 - 10 years	3 - 10 years
Facilities	7 - 10 years	7 - 10 years
Furniture and fixtures	7 years	7 years
Computing equipment	3 - 6 years	3 - 6 years
Real estate improvements	10 years	10 years

t) Assets received in payment

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

u) Staff benefits:

i. Staff vacations

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

ii. Short-term benefits

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

iii. Indemnification for years of service

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

v) Leases

i. Operating lease

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

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

ii. Financial lease

In the case of financial leases, the sum of the current values of the installments they will receive from the lessee plus the purchase option is registered as financing to third parties, and is therefore registered in “Loans and accounts receivable from customers”.

The assets leased between consolidating entities are registered as being for personal use in the Consolidated Financial Statements.

w) Cash flows statement

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

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

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

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

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

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

x) Contingent provisions and liabilities

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

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

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

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

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

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

i) Additional provisions

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

The additional provisions must be approved by the Board of Directors. The Bank must have documented procedures and criteria of their use and constitution.

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

y) Use of estimates and judgments

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

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

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

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

z) Income tax and deferred tax

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

Consequently, as of December 31, 2012 the deferred income taxes and current income tax have been adjusted to the new rate for first category income tax (20%) which was published September 27, 2012 as part of Law N°20.630.

As of December 31, 2012 and 2011, the Bank recognized net deferred income tax asset, which management has assessed that it is likely to get in future taxable profits tax, permitting the use of temporary differences existing at each year end.

ab) Non-current assets held for sale

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

ac) Securitization

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

ad) Dividends on common shares

The portion of the year's profit that must be distributed among the shareholders in compliance with the Corporate Law N° 18.046 or dividends policy is recognized in equity for the year during which the profit was generated.

The dividends for the year have been recognized in the Consolidated Statement of Financial Position as of the date at which it was agreed.

ae) Earnings per share

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

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

af) Reclassifications

Due to the modifications implemented by Circular 3503, the Bank recorded said modifications during 2011, against equity and additional provisions. In accordance with the instructions of the Superintendencia de Bancos e Instituciones Financieras, these effects have been reclassified to the corresponding provision.

ag) Income and expenses from service fees

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

- Those corresponding to singular acts are recognized when the act which originates them is produced.
- Those originating from transactions or services extended in time are recognized throughout the duration of said transactions or services.
- Those linked to financial assets or liabilities are recognized on being charged.

ah) Statements of changes in equity

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

• Consolidated Statement of Comprehensive Income – This presents the effect on the Statement of Changes in Equity related to the income and expenses incurred by the Bank as a result of its activities during the year, distinguishing those recorded as results in the consolidated income statement of period and other income and expenses recognized directly in equity.
Therefore, the following is presented in this financial statement:

a) The consolidated profit;

b) Net income and expenses recognized temporarily as valuation adjustments in net equity;

c) Net income and expenses recognized definitively in equity;

d) The income tax payable for the items listed in b) and c) above, except for the valuation adjustments arising from investments in associates and multigroup entities accounted for using the equity method, which are presented net; and

e) The total consolidated recognized income and expense, calculated as the sum of a) – d), showing separately the amounts attributable to the parent entity and non-controlling interest.

The amount of revenues and expenses relating to entities accounted for using the equity method are recognized directly in equity, whatever its nature, under "Investments accounted for using the equity method".

- Consolidated Statement of Changes in Equity – This presents all movements occurring in equity, including those due to changes in accounting policies and corrections of errors. This statement, reconciles the carrying amount at the beginning and end of the year of all items comprising net equity, grouping the movements according to their nature as follows:

a) Adjustments for changes in accounting policies and corrections of errors including changes in equity arising as a result of the retroactive restatement of balances of financial statements due to changes in accounting policies or to correct errors . During the year there were no adjustments for changes in accounting policies and corrections of errors.

b) The income and expense recognized in the year includes the total aggregate items recorded in the Consolidated Statement of Income.

2. ACCOUNTING CHANGES

2.1 New accounting pronouncements:

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

Amendments to Standards	**Effective date:**
IAS 12, Income Taxes– Limited scope amendment (recovery of underlying assets)	Annual periods beginning on or after January 1, 2012
IFRS 1 (revised), First time Adoption of IFRS- (i)Elimination of fixed dates for first time adoption – (ii) Severe hyperinflation	Annual periods beginning on or after July 1, 2011
IFRS 7, Financial Instruments: Disclosures –Amendments enhancing disclosures about transfers of financial assets	Annual periods beginning on or after July 1, 2011

The application of these amendments of IFRS has not had any material impact on the accounting policies of the Bank or the amounts reported in these Consolidated Financial Statements. However, it could affect the accounting for future transactions or agreements.

b) As of the date of issuance of these consolidated financial statements, the following accounting pronouncements have been issued by the IASB but they are not yet effective:

New Standards, Interpretations and Amendments	**Effective date**
IFRS 9, Financial Instruments – Classification and Measurement	Annual periods beginning on or after January 1, 2015.
IFRS 10, Consolidated Financial Statements	Annual periods beginning on or after January 1, 2013
IFRS 11, Joint Arrangements	Annual periods beginning on or after January 1, 2013
IFRS 12, Disclosure of Involvement with Other Entities	Annual periods beginning on or after January 1, 2013
IAS 27 (2011), Separate Financial Statements	Annual periods beginning on or after January 1, 2013
IAS 28 (2011), Investments in Associates and Joint Ventures	Annual periods beginning on or after January 1, 2013
IFRS 13, Fair Value Measurements	Annual periods beginning on or after January 1, 2013

Amendments to Standards	**Effective date**
IAS 1, Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income	Annual periods beginning on or after July 1, 2012
IAS 19, Employee benefits (2011)	Annual periods beginning on or after January 1, 2013
IAS 32, Financial instruments: presentation – Clarified requirements for offsetting of financial assets and financial liabilities and amends disclosures	Annual periods beginning on or after January 1, 2014
IFRS 7, Financial Instruments: Disclosures –Amendments to existing disclosures on offsetting of financial assets and financial liabilities	Annual periods beginning on or after January 1, 2013
IFRS 10, IFRS 11, and IFRS 12 – Consolidation of Financial Statements, Joint Arrangements and Disclosures of Involvement with Other Entities – Transition Guides	Annual periods beginning on or after January 1, 2013

The Bank's Management estimates that the future adoption of the aforementioned Standards, Amendments, and Interpretations will not have a significant impact on the Bank's consolidated financial statements in the period of their initial application.

3. SIGNIFICANT EVENTS

a) Distribution of dividends and capitalization of earnings.

The Ordinary Shareholders' Meeting of March 30, 2012 approved distributing the 2011 net profits of MCLP$ 261,268 as follows:

- Distribute a dividend of CLP$825 per share for 104,331,470 shares issued and registered in the Register of Shareholders, which amounts to MCLP$ 86,073.

- Allocate the remaining balance of MCLP$ 175,195 to the reserve fund for capitalization.

b) Increase in capital stock

On March 30, 2012, the Extraordinary Shareholders' Meeting approved, among other things, increasing the capital stock by MCLP$ 175,195, by capitalizing retained earnings.

1) Capitalizing the amount of MCLP$ 130,634, without issuing any shares and
2) Capitalizing the amount of MCLP$44,560 by issuing 1,523,797 paid-up shares.

According to its current statutes, the Bank's capital stock was MCLP$ 1,026,985 divided into 104,331,470 no-par-value shares of the same series. As a result of the agreed upon capital increase, the capital stock of Banco de Crédito e Inversiones is MCLP$ 1,202,180, and it will be divided into 105,855,267 no-par-value shares of the same series.

The issue of such shares was approved by the Superintendency of Banks and Financial Institutions on May 28, 2012 by Resolution N° 127.The corresponding certificate and extract of this resolution was published in the Diario Oficial on June 5, 2012 and was recorded in pages 36.125 N° 25.377 of the Registro de Comercio del Conservador de Bienes Raíces (Santiago Real Estate Registrar) of 2012.

The issuance of the paid-up shares was recorded in N°5/2012 of the Register of Stocks of this Superintendency.

In the Board of Directors' meeting held on June 26, 2012 it was agreed that the paid-in shares would be issued and distributed on July 25, 2012.

c) Bond issue and placement

- No subordinated bonds were issued in 2012.

- In 2012, the following placement of current Bonds was made in foreign currency:

On March 26, 2012, a placement of $1,000,000,000 Mexican pesos was made corresponding to the Series BCI12 Bond maturing on October 7, 2013 at a 28-day TIIE rate + 0.40% (TIIE is the Interbank Equilibrium Interest Rate in Mexico), whose rate at the end of September was 5.20%.

On September 6, 2012, the Bank placed a Bond in the United States of America (ISIN RegS: USP32133CE16) for the amount of US$ 600,000,000 in accordance with Rule 144A and Regulation S of the Securities Act of the United States of America, which has an annual yield of 3.00% and will mature on September 13, 2017.

- In 2012, the following Bond placements were made in UF (Chilean inflation index-linked units of account):

On August 1, 2012, Series AF1 Bond for UF 10,000,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 2.60 % maturing on August 1, 2017.

On August 1, 2012, Series AF2 Bond for UF 10,000,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 2.60 % maturing on August 1, 2022.

On February 20, 2012, the Series AE1 Bond for UF 500,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.45 % maturing on August 2, 2016.

On March 6, 2012, Series AE1 Bond for UF 1,000,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.40 % maturing on August 1, 2016.

On March 6, 2012, Series AE1 Bond for UF 500,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.40 % maturing on August 1, 2016.

On March 12, 2012, Series AE1 Bond for UF 1,000,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.40 % maturing on August 1, 2016.

On March 27, 2012, Series AE1 Bond for UF 95,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.50 % maturing on August 1, 2016.

On March 28, 2012, Series AE1 Bond for UF 65,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.50 % maturing on August 1, 2016.

On March 28, 2012, Series AE1 Bond for UF 65,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.50 % maturing on August 1, 2016.

On April 5, 2012, Series AE1 Bond for UF 700,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.56 % maturing on August 1, 2016.

On April 17, 2012, Series AE2 Bond for UF 1,000,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.75 % maturing on August 1, 2021.

On April 18, 2012, Series AE2 Bond for UF 500,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.75 % maturing on August 1, 2021.

On April 23, 2012, Series AE1 Bond for UF 150,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.50 % maturing on August 1, 2016.

On April 27, 2012, Series AE1 Bond for UF 100,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.53 % maturing on August 1, 2016.

On May 2, 2012, Series AE2 Bond for UF 2,000,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.73 % maturing on August 1, 2021.

On May 15, 2012, Series AE1 Bond for UF 100,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.50 % maturing on August 1, 2016.

On May 22, 2012, Series AE1 Bond for UF 70,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.50 % maturing on August 1, 2016.

On May 22, 2012, Series AE2 Bond for UF 1,135,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.70 % maturing on August 1, 2021.

On May 29, 2012, Series AE2 Bond for UF 500,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.65 % maturing on August 1, 2021.

On June 11, 2012, Series AE1 Bond for UF 1,000,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.60 % maturing on August 1, 2016.

On June 15, 2012, Series AE2 Bond for UF 1,000,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.72 % maturing on August 1, 2021.

On June 20, 2012, Series AE2 Bond for UF 965,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.72 % maturing on August 1, 2021.

On July 12, 2012, Series AE1 Bond for UF 2,000,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.82 % maturing on August 1, 2016.

On July 12, 2012, Series AE1 Bond for UF 1,000,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.82 % maturing on August 1, 2016.

On July 12, 2012, Series AE1 Bond for UF 105,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.72 % maturing on August 1, 2016.

On July 13, 2012, Series AE1 Bond for UF 1,000,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.72 % maturing on August 1, 2016.

On July 17, 2012, Series AE1 Bond for UF 600,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.70 % maturing on August 1, 2016.

d) Ratification of Appointment of Director.

In the extraordinary board meeting held on October 16, 2012, the Board received the resignation of the Director Mr. Juan Edgardo Goldenberg Peñafiel. (not leading to a replacement). The Board Meeting held on March 30, 2012, led to the final designation of the Director Mario Gómez Dubravcic, who had been appointed to the position at the board meeting of May 24, 2011 to replace Mr. Ignacio Yarur Arrasate, corresponding to Mr. Gomez serving as director until the Annual General Meeting of Shareholders in 2013 when there should be a total renewal of the Board.

4. BUSINESS SEGMENTS

4.1 Structure of the segments

Segment reporting is presented by the Bank based on the information provided to the chief operating decision maker, which is geared towards optimizing customer service with regard to its products and services.

These are:

Commercial Banking	This segment includes legal entities whose annual sales are in excess of UF 12,000 per year, as well as business loans, finance leases, real estate and transactions involving derivative instruments.
Retail Banking	This segment includes individuals and legal entities with annual sales of less than UF12,000 per year.
Finance and Investment Banking	This segment includes the following areas: trading, distribution, corporations, institutions, international and private banking.
Subsidiaries and others	This includes the subsidiaries BCI Factoring S.A., BCI Asset Management Administradora General de Fondos S.A. (*), BCI Corredores de Seguros S.A., BCI Corredor de Bolsa S.A., BCI Asesoría Financiera S.A. and BCI Securitizadora S.A.
(*) On December 29, 2011, the Superintendency of Securities and Insurance approved the merger of BCI Administradora General de Fondos S.A. by BCI Asset Management Administradora de Fondos S.A.	

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 statements of income.

Expenses are allocated to the various segments basically in 3 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 depreciations.

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 which is distributed with consideration of the number of employees per department, real estate depreciation in relation to the number of square meters used, etc.

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 area).

a) Income Statement 2012

	For the year ended December 31, 2012				
	Commercial Banking	Retail Banking	Finance and Investment Banking	Subsidiaries and others	Consolidated total
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Net interest income	195,928	277,575	101,333	20,347	595,183
Net service fee income	35,860	72,560	4,766	76,508	189,694
Other operating income	11,546	11,291	60,312	36,834	119,983
Total operating income	243,334	361,426	166,411	133,689	904,860
Provisions for loan losses	(17,470)	(100,070)	3,748	(21,483)	(135,275)
Net operating income	225,864	261,356	170,159	112,206	769,585
Total operating expenses	(93,761)	(220,515)	(36,135)	(52,521)	(402,932)
Operating income by segment	**132,103**	**40,841**	**134,024**	**59,685**	**366,653**

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

	MCLP$
Segment operating income	366,653
Unallocated operating expenses (*)	(46,109)
Consolidated operating income	320,544
Investment income (**)	6,559
Income before income tax	327,103
Income tax	(55,847)
Net income for the year	**271,256**

(*) 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 2012

	December 31, 2012				
	Commercial Banking	Retail Banking	Finance and Investment Banking	Subsidiaries and others	Consolidated total
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Assets	**5,757,111**	**5,241,455**	**6,569,810**	**358,202**	**17,926,578**
Liabilities	**5,257,451**	**4,861,718**	**6,015,313**	**372,139**	**16,506,621**
Equity	**-**	**-**	**-**	**-**	**1,419,957**

d) Income Statement 2011

	For the year ended December 31, 2011				
	Commercial Banking	Retail Banking	Finance and Investment Banking	Subsidiaries and others	Consolidated total
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Net interest income	178,370	232,799	132,922	11,259	555,350
Net service fee income	23,615	67,192	5,889	72,575	169,271
Other operating income	(11,925)	12,707	58,964	23,394	83,140
Total Operating Income	190,060	312,698	197,775	107,228	807,761
Provisions for loan losses	1,575	(70,884)	(29,812)	(23,193)	(122,314)
Net Operating Income	191,635	241,814	167,963	84,035	685,447
Total Operating Expenses	(75,504)	(194,350)	(31,021)	(46,103)	(346,978)
Operating income by segment	**116,131**	**47,464**	**136,942**	**37,932**	**338,469**

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

	MCLP$
Segment operating income	338,469
Unallocated operating expenses (*)	(34,592)
Consolidated operating income	303,877
Investment income (**)	8,482
Income before income tax	312,359
Income tax	(51,090)
Net income for the year	**261,269**

(*) 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 2011

	December 31, 2011				
	Commercial Banking	Retail Banking	Finance and Investment Banking	Subsidiaries and others	Consolidated total
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Assets	**5,190,109**	**4,631,824**	**5,987,639**	**300,089**	**16,109,661**
Liabilities	**4,745,186**	**4,287,901**	**5,533,380**	**321,145**	**14,887,612**
Equity	**-**	**-**	**-**	**-**	**1,222,049**

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 segment Finance and Investment Banking applies to operations of assets and liabilities in the other segments. In the case of the operations of assets, Finance and Investment Banking charges a rate of transfer, while for operations of liabilities this segment pays a rate.

Also, there are other transactions which generate operations in the segment “Subsidiaries and others”.

5. CASH AND CASH EQUIVALENTS

a) Details of balances included under cash and cash equivalents, and their reconciliation with the consolidated statement of condensed cash flows at each year end, are as follows:

	At December 31	
	2012	**2011**
	MCLP$	MCLP$
Cash and due from banks:		
Cash	322,351	257,401
Deposits in Central Bank of Chile (*)	704,240	631,210
Deposits in local banks	4,576	2,282
Deposits abroad	428,452	308,688
Subtotal cash and bank deposits	1,459,619	1,199,581
Operations pending settlement, net	145,498	118,381
Highly liquid financial instruments	13,614	7,953
Investments under agreements to resell	134,808	73,547
Total cash and cash equivalent	**1,753,539**	**1,399,462**

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

b) Operations pending settlement:

Operations pending settlement correspond to those transactions in course of collection 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:

	At December 31	
	2012	**2011**
	MCLP$	MCLP$
Assets		
Outstanding notes from other banks	158,203	140,009
Funds receivable	236,193	135,464
Subtotal assets	394,396	275,473
Liabilities		
Funds payable	248,898	157,092
Subtotal liabilities	248,898	157,092
Operations pending settlement, net	**145,498**	**118,381**

6. TRADING INVESTMENTS

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

	At December 31	
	2012	**2011**
	MCLP$	MCLP$
Instruments of the Government and Central Bank of Chile:		
Bonds of the Central Bank of Chile	870,243	818,211
Promissory notes of the Central Bank of Chile	2,799	4,389
Other instruments of the Government and the Central Bank of Chile	-	37,656
Instruments of other domestic institutions:		
Bonds	57	7,641
Time deposits	227,477	255,021
Letters of credit	4,047	13,075
Documents issued by other financing institutions	85,643	69,065
Other instruments	14,603	13,925
Instruments of other foreign institutions:		
Other instruments	1,919	-
Investments in mutual funds:		
Funds administrated by related entities	16,504	22,979
Funds administrated by third parties	227	516
Total	**1,223,519**	**1,242,478**

7. REPURCHASE AGREEMENTS AND SALE OF SECURITITES

a) Securities purchased under resale agreements:

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

Type of entity	Maturity of the agreement: Up to 3 months		Between 3 months-1 year		Over 1 year		Balance as of 31.12.2011
		Average rate		Average rate		Average rate	
	MCLP$	%	MCLP$	%	MCLP$	%	MCLP$
Related individual or corporation	-	-	-	-	-	-	-
Bank operating in the country	-	-	-	-	-	-	-
Securities broker	29,657	0.56	400	0.64	-	-	30,057
Other financing institution operating in the country	-	-	-	-	-	-	-
Foreign financing institution	-	-	-	-	-	-	-
Other individual or corporation	40,405	2.46	3,085	0.53	-	-	43,490
Total	**70,062**		**3,485**		**-**		**73,547**

b) Securities sold under repurchase agreements:

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

Type of entity	Maturity of the agreement: Up to 3 months MCLP$	Up to 3 months Average rate %	Between 3 months- MCLP$	Between 3 months- Average rate %	Over 1 year MCLP$	Over 1 year Average rate %	Balance as of 31.12.2011 MCLP$
Related individual or corporation	-	-	-	-	-	-	-
Bank operating in the country	4,791	0.49	-	-	-	-	4,791
Securities broker	2,143	0.72	-	-	-	-	2,143
Other financing institution operating in the country	2,759	0.42	-	-	-	-	2,759
Foreign financing institution	-	-	-	-	-	-	-
Other individual or corporation	337,495	1.13	3,131	0.50	-	-	340,626
Total	**347,188**		**3,131**		**-**		**350,319**

8. FINANCIAL DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

a) As of December 31, 2012 and 2011, the Bank and its subsidiaries hold the following portfolio of derivative instruments:

	At December 31			
	2012		2011	
	Assets MCLP$	Liabilities MCLP$	Assets MCLP$	Liabilities MCLP$
Trading derivatives				
Forwards	127,732	122,407	191,731	176,104
Swaps	206,846	166,832	353,444	339,342
Call options	809	255	490	417
Put options	184	442	56	259
Futures	174	-	316	-
Others	-	-	-	-
Subtotal	335,745	289,936	546,037	516,122
Hedge accounting derivatives				
Forwards	1,649	7,177	608	-
Swaps	131,762	131,123	90,307	109,501
Call options	-	-	-	-
Put options	-	-	-	-
Futures	-	-	-	-
Others	-	-	-	-
Subtotal	133,411	138,300	90,915	109,501
Total	**469,156**	**428,236**	**636,952**	**625,623**

	Notional amount of contracts by maturity 2012			Notional amount of contracts by maturity 2011		
	Up to 3 months	Between 3 months - 1 year	Over 1 year	Up to 3 months	Between 3 months - 1 year	Over 1 year
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Fair value hedging derivatives						
Forwards	-	-	-	-	-	-
Swaps	85,000	479	329,036	13,000	430,694	133,483
Call options	-	-	-	-	-	-
Put options	-	-	-	-	-	-
Futures	-	-	-	-	-	-
Others	-	-	-	-	-	-
Subtotal	85,000	479	329,036	13,000	430,694	133,483
Trading derivatives						
Forwards	8,865,405	6,910,732	603,054	9,647,177	6,526,244	434,199
Swaps	3,453,255	8,135,945	11,705,124	4,357,619	9,283,861	8,561,906
Call options	38,214	53,845	1,103	234	13,688	4,164
Put options	40,419	12,706	-	234	13,688	4,164
Futures	2	-	-	2	-	-
Others	-	-	-	-	-	-
Subtotal	12,397,295	15,113,228	12,309,281	14,005,266	15,837,481	9,004,433
Cash flow hedging derivatives						
Forwards	352,344	260,794	-	75,800	271,987	-
Swaps	-	196,659	706,673	-	13,376	751,497
Call options	-	-	-	-	-	-
Put options	-	-	-	-	-	-
Futures	-	-	-	-	-	-
Others	-	-	-	-	-	-
Subtotal	352,344	457,453	706,673	75,800	285,363	751,497
Total	**12,834,639**	**15,571,160**	**13,344,990**	**14,094,066**	**16,553,538**	**9,889,413**

b) Types of derivatives

The Bank uses hedge accounting to manage the fair value and cash flow risk they are exposed to.

Fair value hedges:

For both positions in foreign currency and in local currency, the fair value of the position is hedged against changes in the base rate, for this type of strategy the implied credit spread is not considered. These operations reduce the duration of the positions and reduce the risk of changes in fair value due to changes in interest rate structures.

Below is a summary table detailing the items and instruments used in hedge accounting of fair values at December 31, 2012 and 2011:

	At December 31	
	2012	**2011**
	MCLP$	MCLP$
Hedged item		
Bonds (MX)	36,522	57,864
Loans (MX)	54,480	78,375
Time deposits (CLP$)	144,745	352,675
Time deposits (UF)	20,557	2,229
Bond 144	240,041	-
Total	**496,345**	**491,144**
Hedging instrument		
Swap Rate (MX)	91,002	136,239
Swap Rate (CLP$)	405,343	354,904
Total	**496,345**	**491,144**

Cash flow hedges:

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

	At December 31	
	2012	**2011**
	MCLP$	MCLP$
Hedged item		
Time deposits CLP / Assets UF	899,469	685,764
Assets UF >1Y	280,941	492,698
Future obligations USD	459,823	-
Bond MXN y Assets USD	113,673	79,975
Total	**1,753,907**	**1,258,438**
Hedging instrument		
Swap rate	899,469	685,764
Forward UF	280,941	492,698
Forward USD	459,823	-
CCS	113,673	79,975
Total	**1,753,907**	**1,258,438**

Below are the time periods for which it is expected that there will be flows from the cash flow hedges:

Periods for expected cash flows in MCLP$
As of December 31, 2012

	Within 1Y	Between 1Y and 5Y	Between 5Y and 10Y	More than 10Y	Total
Hedged item					
Income from cash flows	(226,272)	(687,129)	-	-	(913,401)
Expense of cash flows	218,154	693,743	-	-	911,897
Net cash flows	(8,118)	6,615	-	-	(1,504)
Hedging instrument					
Income from cash flows	226,272	687,129	-	-	913,401
Expense of cash flows	(218,154)	(693,743)	-	-	(911,897)
Net cash flows	**8,118**	**(6,615)**	**-**	**-**	**1,504**

As of December 31, 2011

	Within 1Y	Between 1Y and 5Y	Between 5Y and 10Y	More than 10Y	Total
Hedged item					
Income from cash flows	(25,975)	(661,934)	-	-	(687,909)
Expense of cash flows	25,429	665,892	-	-	691,321
Net cash flows	**(546)**	**3,958**	**-**	**-**	**3,412**
Hedging instrument					
Income from cash flows	25,975	661,934	-	-	687,909
Expense of cash flows	(25,429)	(665,892)	-	-	(691,321)
Net cash flows	**546**	**(3,958)**	**-**	**-**	**(3,412)**

9. INTERBANK LOANS

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

	At December 31	
	2012	2011
	MCLP$	MCLP$
Domestic banks		
Interbank liquidity loans	-	5,208
Provisions for loans with domestic banks	-	(2)
Foreign banks		
Interbank commercial loans	88,594	67,498
Provisions for loans with foreign banks	(288)	(110)
Total	**88,306**	**72,594**

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

	At December 31, 2012			At December 31, 2011		
	Domestic banks	Foreign banks	Total	Domestic Banks	Foreign banks	Total
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Balance at January 1	2	110	112	-	232	232
Constituted provisions	-	178	178	2	-	2
Released provisions	(2)	-	(2)	-	(122)	(122)
Balance at December 31	**0**	**288**	**288**	**2**	**110**	**112**

10. LOANS AND RECEIVABLES FROM CUSTOMERS

a) Loans and receivables from customers

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

As of December 31, 2011	Assets Before Allowances			Allowances Established			
	Normal Portfolio	Impaired Portfolio	Total	Individual Provisions	Group Provisions	Total	Net Assets
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Commercial loans:							
Commercial loans	5,034,345	341,365	5,375,710	(101,243)	(36,672)	(137,915)	5,237,795
Foreign trade loans	899,633	63,721	963,354	(31,019)	(304)	(31,323)	932,031
Checking accounts	128,231	7,402	135,633	(2,006)	(2,524)	(4,530)	131,103
Factoring operations	570,908	12,374	583,282	-	-	-	583,282
Leasing transactions	563,127	45,700	608,827	(14,742)	(1,327)	(16,069)	592,758
Other loans and receivables	133,779	7,815	141,594	(366)	(1,772)	(2,138)	139,456
Subtotals	**7,330,023**	**478,377**	**7,808,400**	**(149,376)**	**(42,599)**	**(191,975)**	**7,616,425**
Mortgage loans:							
Letters of credit loans	62,545	5,887	68,432	-	(533)	(533)	67,899
Endorsable mutual mortgage	25,470	4,789	30,259	-	(378)	(378)	29,881
Other mutual mortgage	1,960,659	109,362	2,070,021	-	(8,700)	(8,700)	2,061,321
Subtotals	**2,048,674**	**120,038**	**2,168,712**	**-**	**(9,611)**	**(9,611)**	**2,159,101**
Consumer loans:							
Consumer loans in installments	1,025,621	107,588	1,133,209	-	(62,596)	(62,596)	1,070,613
Checking accounts	63,248	7,963	71,211	-	(6,293)	(6,293)	64,918
Credit card debtors	183,452	7,737	191,189	-	(6,785)	(6,785)	184,404
Consumer leasing	914	10	924	-	(10)	(10)	914
Other loans and receivables	4,192	14	4,206	-	(27)	(27)	4,179
Subtotals	**1,277,427**	**123,312**	**1,400,739**	**-**	**(75,711)**	**(75,711)**	**1,325,028**
TOTAL	**10,656,124**	**721,727**	**11,377,851**	**(149,376)**	**(127,921)**	**(277,297)**	**11,100,554**

The collaterals received by the Bank to assure the rights receivable reflected in its loans portfolio correspond to mortgages, collateral on movable and property assets, warrants and mercantile and commercial financing instrument types. At December 31, 2012 and 2011 the fair values of the received collaterals correspond to 107.07% and 107.12% of the related assets respectively.

In the case of mortgage collaterals, at December 31, 2012 and 2011 the fair value of the received collaterals correspond to 114.90% and 116.26% of the balance receivable from loans respectively.

The Bank uses financial lease agreements presented in this account to finance the acquisition of property of its clients, both movable and real estate. At December 31, 2012 and 2011 approximately MCLP$404,625 and MCLP$369,197 correspond to financial leases on movable assets respectively, and MCLP$298,064 and MCLP$240,554 correspond to financial leases on property respectively.

The Bank has obtained financial assets corresponding to real estate for an amount of MCLP$3,440 for 2012 and MCLP$3,798 for 2011 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 of purchase and duration of between 1 and 10 years, depending on each contract.

The following is a conciliation between gross investment and the present value of minimum payments at December 31, 2012:

	At December 31,	
	2012	**2011**
	MCLP$	MCLP$
Gross financial leases	836,592	715,901
Income from financial leases not accrued	(133,903)	(106,150)
Net Financial leases	**702,689**	**609,751**

	At December 31,	
	2012	**2011**
	MCLP$	MCLP$
Less than 1 year	205,787	185,810
Between 1 and 5 years	381,238	314,056
Over 5 years	115,664	109,885
Total	**702,689**	**609,751**

There is no evidence of impairment of the financial lease contracts that the Bank holds.

b) Portfolio characteristics

As of December 31, 2012 and 2011, the loan portfolio before allowances for loan losses by type of the customer's economic activity is as follows:

	National 31.12.2012 MCLP$	National 31.12.2011 MCLP$	Foreign 31.12.2012 MCLP$	Foreign 31.12.2011 MCLP$	Total 31.12.2012 MCLP$	Total 31.12.2011 MCLP$	31.12.2012 %	31.12.2011 %
Commercial loans:								
Agriculture and livestock except fruit	178,629	171,592	29,696	46,074	208,325	217,666	1.60%	1.91%
Fruit	39,472	34,939	39,471	49,587	78,943	84,526	0.61%	0.74%
Forestry and wood extraction	75,627	58,497	6,924	5,616	82,551	64,113	0.63%	0.56%
Fishing	34,337	29,020	147,524	152,118	181,861	181,138	1.39%	1.59%
Mining	66,217	37,346	24,933	35,729	91,150	73,075	0.70%	0.64%
Crude oil and natural gas production	1,064	2,076	20,189	6,625	21,253	8,701	0.16%	0.08%
Food, beverages and tobacco industry	130,260	94,743	78,666	71,253	208,926	165,996	1.60%	1.46%
Textile and leather industry	24,805	32,342	17,190	22,840	41,995	55,182	0.32%	0.48%
Timber and furniture industry	30,623	31,274	16,692	21,115	47,315	52,389	0.36%	0.46%
Print and editorial industry	28,950	31,423	3,713	7,995	32,663	39,418	0.25%	0.35%
Chemical producs, derived from oil,	147,166	132,820	89,767	35,227	236,933	168,047	1.82%	1.48%
Production of metal and non metal	309,333	221,159	114,390	126,016	423,723	347,175	3.25%	3.05%
Other manufacturing industries	17,672	20,841	30,478	20,021	48,150	40,862	0.37%	0.36%
Electricity, gas and water	138,030	183,817	211,511	86,151	349,541	269,968	2.68%	2.37%
Home Construction	684,613	594,825	7,000	14,173	691,613	608,998	5.30%	5.35%
Other construction	326,751	263,388	13,965	17,130	340,716	280,518	2.61%	2.47%
Wholesale business	454,754	462,554	311,863	245,764	766,617	708,318	5.88%	6.23%
Retail, restaurants and hotels	686,939	557,769	171,728	209,987	858,667	767,756	6.58%	6.75%
Transportation and storage	314,442	294,535	116,423	156,329	430,865	450,864	3.30%	3.96%
Communications	96,928	115,953	5,229	9,507	102,157	125,460	0.78%	1.10%
Financial and insurance companies	1,306,310	955,350	162,993	81,409	1,469,303	1,036,759	11.26%	9.11%
Real estate and service providers	813,700	746,531	103,812	87,197	917,512	833,728	7.03%	7.33%
Services	1,269,733	1,156,681	59,529	71,062	1,329,262	1,227,743	10.19%	10.80%
Subtotals	**7,176,355**	**6,229,475**	**1,783,686**	**1,578,925**	**8,960,041**	**7,808,400**	**68.67%**	**68.63%**
Mortgage loans	2,466,999	2,168,712	-	-	2,466,999	2,168,712	18.91%	19.06%
Consumer loans	1,613,324	1,390,606	7,133	10,133	1,620,457	1,400,739	12.42%	12.31%
TOTAL	**11,256,678**	**9,788,793**	**1,790,819**	**1,589,058**	**13,047,497**	**11,377,851**	**100%**	**100%**

c) Provisions

The changes in allowances for loan losses during the years ended December 31, 2012 and 2011 are summarized as follows:

	As of Decemeber 31, 2012			As of December 31, 2011		
	Individual Provisions	**Group Provision**	**Total**	**Individual Provisions**	**Group Provision**	**Total**
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Balances as January 1, 2012 and January 1, 2011	149,376	127,921	277,297	146,114	103,214	249,328
Portfolio write-offs						
Commercial loans	(18,346)	(23,479)	(41,825)	(19,113)	(18,581)	(37,694)
Mortgage Loans	-	(4,666)	(4,666)	-	(4,017)	(4,017)
Comnsumer Loans	-	(93,248)	(93,248)	-	(67,406)	(67,406)
Total Write-offs	**(18,346)**	**(121,393)**	**(139,739)**	**(19,113)**	**(90,004)**	**(109,117)**
Established provisions	31,311	149,172	180,483	34,404	127,795	162,199
Released provisions	(18,154)	(514)	(18,668)	(12,029)	(13,084)	(25,113)
Balances as of December 31, and December 31, 2011	**144,187**	**155,186**	**299,373**	**149,376**	**127,921**	**277,297**

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

	At December 31,	
	2012	**2011**
	MCLP$	MCLP$
Individual and group provisions	299,373	277,297
Provisions for contingent credit risk (Note 20)	18,279	15,048
Provisions for contingencies (Note 20)	48,254	46,078
Provisions for country risk (Note 20)	720	760
Provisions for interbank loans (Note 9)	288	112
Total	**366,914**	**339,295**

During 2012 and 2011 the Bank has not performed operations of purchase, sale, substitution or swap of credits of the loans portfolio with other financial institutions.

11. INVESTMENT INSTRUMENTS

As of December 31, 2012 and 2011, the detail of instruments designated as financing instruments available for sale and held to maturity is the following:

	At December 31, 2012			At December 31, 2011		
	Available for sale	**Held to maturity**	**Total**	**Available for sale**	**Held to maturity**	**Total**
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Investments priced in active markets						
Of the government and Central Bank of Chile						
Instruments of the Central Bank of Chile	130,375	-	130,375	86,782	-	86,782
Bonds or promissory notes of the Treasury	3,131	-	3,131	43	-	43
Other fiscal instruments	34,059	-	34,059	26,904	-	26,904
Other instruments issued in the country:						
Instruments from other banks of the country	264,250	-	264,250	412,788	-	412,788
Bonds and instruments from companies	113,593	-	113,593	115,980	-	115,980
Other instruments issued in the country (*)	1,324	-	1,324	2,158	-	2,158
Instruments issued abroad:						
Instruments from foreign governments and banks	-	-	-	15,094	-	15,094
Bonds issued abroad	209,494	-	209,494	158,822	-	158,822
Other instruments issued abroad	15,155	-	15,155	11,019	-	11,019
Total	**771,381**	**-**	**771,381**	**829,590**	**-**	**829,590**

As of December 31, 2012, the portfolio of available for sale instruments includes an unrealized profit net of deferred taxes of MCLP$17,425 (MCLP$10,202 as of December 31, 2011) registered as valuation adjustments in equity.

(*) Includes the shares that the BCI Corredor de Bolsa S.A. subsidiary has in the Santiago Stock Exchange and in the Chilean Electronic Stock Exchange (BEC in Spanish), valued at fair value, reflecting said value in "Other comprehensive income". These shares are valued according to their last transaction value.

During the 2012 and 2011 periods, there is no evidence of impairment in the instruments available for sale.

12. INVESTMENT IN COMPANIES

a) At December 31 2012 and 2011, the main investments in companies are detailed below:

Company	2012				2011			
	Equity MCLP$	Share %	Investment value MCLP$	Accrued result MCLP$	Equity MCLP$	Share %	Investment value MCLP$	Accrued result MCLP$
Investments valued at equity value:								
Redbanc S.A.	4,109	12.71	522	(125)	5,480	12.71	697	164
Servipag Ltda.	6,756	50.00	3,378	(321)	7,397	50.00	3,699	611
Combanc S.A.	4,337	10.93	474	81	3,795	10.50	398	76
Transbank S.A.	6,306	8.72	550	107	6,274	8.72	547	104
Nexus S.A.	6,412	12.90	827	278	6,412	12.90	827	150
Artikos Chile S.A.	1,129	50.00	565	(428)	1,984	50.00	992	72
AFT S.A.	6,076	20.00	1,215	(528)	8,714	20.00	1,743	966
Centro de Compensación Automático ACH Chile	1,609	33.33	536	247	1,252	33.33	417	202
Sociedad Interbancaria de Depósitos de Valores S.A.	1,711	7.03	120	21	1,573	7.03	111	24
Credicorp Ltda.	1,982,934	1.84	57,946	7,115	1,641,141	1.81	51,674	5,670
Investments valued at cost:								
SWIFT shares			34	-			13	-
Other shares			849	10			42	373
Bladex shares			219	102			219	70
Total			**67,235**	**6,560**			**61,379**	**8,482**

b) The variation of investment in companies for the 2012 and 2011 periods is the following:

	At December 31,	
	2012 MCLP$	**2011** MCLP$
Balance at the beginning of the period	61,379	52,037
Investment acquisition	2,025	1,640
Conversion adjustment	(32)	4,382
Share of income	6,343	6,818
Dividends received	(2,140)	(1,732)
Minimum dividends provision	(340)	(256)
Others	-	(1,510)
Total	**67,235**	**61,379**

At December 31, 2012 and 2011, no impairment in the investments was produced.

13. INTANGIBLE ASSETS

a) The composition of this account at December 31, 2012 and 2011 is the following:

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

	Years of useful life	**Useful life remaining**	**2011** **Gross balance**	**Accumulated amortization & impairment**	**Net balance**
			MCLP$	MCLP$	MCLP$
Intangibles acquired independently	6	4	23,361	(16,027)	7,334
Intangibles acquired in business combination	10	2	39,204	(31,602)	7,602
Intangibles generated internally	6	5	103,133	(39,668)	63,465
Incorporation rights	-	-	-	-	-
Total			165,698	(87,297)	78,401

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

Goodwill is generated by business combinations related to Atlas and Conosur, which at December 2012 and 2011 did not show signs of impairment.

b) The movement of the intangible assets account during the 2012 and 2011 periods is the following:

	Intangibles acquired independently	Intangibles acquired in business combination	Intangibles generated internally	Incorporation rights	Total
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Balance as of Jan, 2012	23,361	39,204	103,133	-	165,698
Additions	2,318	-	15,169	-	17,487
Withdrawals	-	-	-	-	-
Reclassification	466	(153)	2,823	-	3,136
Gross balance as of December 2012	26,145	39,051	121,125	-	186,321
Period's amortization	(2,330)	(3,879)	(11,969)	-	(18,178)
Accumulated amortization	(15,905)	(31,449)	(39,821)	-	(87,175)
Balance as of December 2012	**7,910**	**3,723**	**69,335**	**-**	**80,968**
Balance as of Jan, 2012	20,942	39,204	84,583	1,463	146,192
Additions	3,097	-	29,814	-	32,911
Withdrawals	(678)	-	(11,264)	(1,463)	(13,405)
Reclassification	-	-	-	-	-
Gross balance as of December 2011	23,361	39,204	103,133	-	165,698
Period's amortization	(2,138)	(3,986)	(10,930)	-	(17,054)
Accumulated amortization	(13,889)	(27,616)	(28,738)	-	(70,243)
Balance as of December 2011	**7,334**	**7,602**	**63,465**	**-**	**78,401**

14. PROPERTY, PLANT AND EQUIPMENT

The composition of property, plant and equipment at December 31, 2012 and 2011 is the following:

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

	At December 31, 2011				
	Years of useful life	**Useful life remaining**	**Gross balance**	**Accumulated depreciation**	**Net balance**
			MCLP$	MCLP$	MCLP$
Land and buildings	37	28	187,544	(27,989)	159,555
Equipment	5	4	98,329	(71,199)	27,130
Others	8	5	39,461	(19,735)	19,726
Total			**325,334**	**(118,923)**	**206,411**

(*) As of December 31, 2012 MCLP$ 642 was registered as impairment of equipment (as of December 31, 2011 this was MCLP$ 0)

b) The movement of property, plant and equipment at December 31, 2012 and 2011 is the following:

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

(1) The net impairment of MCLP$ 642 corresponds to the gross balance of property, plant and equipment less the accumulated depreciated.

	Land and buildings	**Equipment**	**Others**	**Total**
	MCLP$	MCLP$	MCLP$	MCLP$
2011				
Balance as of January 1, 2011	179,904	93,359	43,716	316,979
Additions	46,609	22,168	40,742	109,519
Disposals	(6,228)	(6,939)	(4,188)	(17,355)
Transfers	(20,136)	(7,687)	(41,853)	(69,676)
Others	(12,605)	(2,572)	1,044	(14,133)
Impairment	-	-	-	-
Gross balance as of December 31, 2011	187,544	98,329	39,461	325,334
Accumulated depreciation	(27,989)	(71,199)	(19,735)	(118,923)
Impairment				
Total accumulated depreciation	(27,989)	(71,199)	(19,735)	(118,923)
Net property, plant and equipment balance as of December 31, 2011	**159,555**	**27,130**	**19,726**	**206,411**

c) At December 31 2012 and 2011 the Bank has no operating lease agreements.

d) At December 31 2012 and 2011 the Bank has financing lease agreements that cannot be rescinded unilaterally. The information of future payments is detailed as follows:

	Future payments of financing lease agreements			
	Up to 1 year	**1 to 5 years**	**Over 5 years**	**Total**
	MCLP$	MCLP$	MCLP$	MCLP$
At December 31, 2012	202	453	-	655
At December 31, 2011	182	625	9	816

On the other hand, the balances for property, plant and equipment under financing lease as at December 31, 2012 amount to MCLP$1,642 (MCLP$1,664 at December 31, 2011) and are presented as part of "Others" of property, plant and equipment.

15. CURRENT TAX AND DEFERRED TAX

(a) Current tax

The Bank as of December 31, 2012 and 2011, has constituted the provision of first-category income tax and the provision of Unique Tax of Article N°21 of the Income Law, which was determined based on the tributary legal dispositions in force and have reflected assets amounting MCLP$ 4,237 as of December 31 2012 (MCLP$8,688 in 2011). Said provision is presented net of collectible taxes, as detailed as follows:

	December 31,	
	2012	2011
	MCLP$	MCLP$
Income tax (20% and 17% tax rate)	(67,582)	(66,716)
35% provision for income tax	(282)	(252)
Less:		
Monthly tax provisional payments	59,225	70,087
Credit for training expenses	1,213	1,249
Credit for acquisition of property, plant and equipment	15	20
Credit for donations	1,779	1,250
Collectible income tax	8,677	2,249
Other collectible taxes and withholdings	1,192	801
Total	**4,237**	**8,688**

(b) Income tax

The effect of taxes on the income during the periods comprehended between January 1 and December 31, 2012 and 2011 is the following:

	As of December 31	
	2012	**2011**
	MCLP$	MCLP$
Income tax charges:		
Current year tax	(60,413)	(66,716)
Surplus/deficit of previous year provision	-	5,220
	(60,413)	(61,496)
Credit (charge) for deferred taxes:		
Origination and reversal of temporary differences	7,186	9,263
Rate change of 1st category income tax	(4)	(185)
	7,182	9,078
Subtotal	(53,231)	(52,418)
Tax for rejected expenses article N°21	(102)	(65)
Others	(2,514)	1,393
Charge to income statement	**(55,847)**	**(51,090)**

(c) Reconciliation of the effective tax rate

The following is the reconciliation of the income tax rate with the effective rate applied in determining the tax charge as of December 31, 2012 and 2011.

	As of December 31			
	2012		2011	
	Tax rate	**Amount**	**Tax rate**	**Amount**
	%	MCLP$	%	MCLP$
Income before tax		327,103		312,359
Applicable tax rate	20.00		20.00	
Statutory income tax rate in force		65,421		62,472
Tax effect of non-deductible expenses in calculation of taxable income				
Permanent differences	(1.407)	(4,602)	(2.65)	(8,271)
Unique tax (rejected expenses)	0.006	20	0.02	65
Effect of rate change	(0.001)	(4)	(0.06)	(185)
Result from investment in companies	(0.724)	(2,368)	(0.20)	(626)
Others	(0.801)	(2,620)	(0.75)	(2,365)
Effective rate and income tax charge	**17.07**	**55,847**	**16.36**	**51,090**

The effective income tax rate for 2012, and 2011 was 17.07%, and 16.36% respectively.

(d) Effect of deferred taxes on equity

The deferred tax recorded with charges to shareholders' equity at December 31, 2012 and 2011 is composed by the following concepts:

	Accumulated as of December 31		Effect on period
	2012	**2011**	**2012**
	MCLP$	MCLP$	MCLP$
Financial investments available for sale	(1,703)	(2,102)	399
Cash flow hedges	(2,411)	167	(2,578)
Effect of deferred tax on shareholders' equity	(4,114)	(1,935)	(2,179)

(e) Effect of deferred taxes on the income statement

During 2011 and 2010 the Bank has recorded in its consolidated financial statements the effects of deferred taxes according to IAS 12.

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

	As of December 31					
	2012			2011		
	Assets	Liabilities	Net	Assets	Liabilities	Net
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Provisions for loan losses	46,177	-	46,177	33,887	-	33,887
Provisions for staff vacations & bonuses	5,203	-	5,203	5,027	-	5,027
Derivative contracts operations	2,411	-	2,411	-	-	-
Leasing operations (net)	2,411	(1,873)	(1,873)	4,071	-	4,071
Others	6,318	-	6,318	4,560	-	4,560
Property, plant and equipment	-	(12,259)	(12,259)	-	(15,095)	(15,095)
Transitory assets	-	(18,260)	(18,260)	-	(8,671)	(8,671)
Subordinate bonds	-	(6,212)	(6,212)	-	(4,435)	(4,435)
Securities trading		(1,540)	(1,540)		(5,622)	(5,622)
Derivative contracts operations	-	-	-	-	(844)	(844)
Others	-	(347)	(347)	-	(446)	(446)
Total assets (liabilities), net	60,109	(40,491)	19,618	47,545	(35,113)	12,432
Effect of deferred tax on equity	-	(4,114)	(4,114)	-	(1,935)	(1,935)
Net effect for deferred tax assets	**60,109**	**(44,605)**	**15,504**	**47,545**	**(37,048)**	**10,497**

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

As of December 31, 2012 and 2011, the Bank presents the following information of provisions, write offs, renegotiations and credit remission. This information corresponds to the Bank's operations and therefore excludes the subsidiaries.

a. Loans and accounts receivable from customers

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

		Assets at tax value		
Loans and accounts receivable From customers as of 31.12.2011	**Assets at financial Statement value**	**Total**	**Past due portfolio With collateral**	**Past due portfolio Without collateral**
	MCLP$	MCLP$	MCLP$	MCLP$
Commercial loans	5,761,147	5,760,078	73,096	101,177
Consumer loans	1,394,340	1,389,811	9,983	79,852
Mortgage loans for housing	1,941,488	1,938,141	32,238	178

b. Provisions

Provisions for past due portfolio	Balance at 01.1.2012	Write-offs on provisions	Constituted provisions	Released provisions	Balance at 31.12.2012
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Commercial loans	97,954	(52,989)	103,238	(47,543)	100,660
Consumer loans	51,439	(117,459)	108,829	(18,092)	24,717
Mortgage loans for housing	2,795	-	6,239	(3,706)	5,328

Provisions for past due portfolio	Balance at 01.01.2011	Write-offs on provisions	Constituted provisions	Released provisions	Balance at 31.12.2011
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Commercial loans	89,533	(24,247)	76,166	(43,498)	97,954
Consumer loans	71,838	(65,233)	85,433	(40,599)	51,439
Mortgage loans for housing	3,447	-	1,325	(1,977)	2,795

c. Write-offs and recoveries

Direct write-offs and recoveries as of 31.12.2012	MCLP$
Direct write-offs Art. 31 N°4 subsection two	13,956
Write-offs that originated provisions release	-
Recoveries or renegotiations of written-off credits	41,260

Application of Art. 31 N°4 subsections one and three	MCLP$
Write-offs according to subsection one	-
Write-offs according to subsection three	-

Direct write-offs and recoveries as of 31.12.2012	MCLP$
Direct write-offs Art. 31 N°4 subsection two	11,929
Write-offs that originated provisions release	-
Recoveries or renegotiations of written-off credits	40,341

Application of Art. 31 N°4 subsections one and three	MCLP$
Write-offs according to subsection one	-
Write-offs according to subsection three	-

16. OTHER ASSETS

a) As of December 31, 2012 and 2011 the composition of the account is the following:

	As of December 31	
	2012	**2011**
	MCLP$	MCLP$
Assets for leasing (*)	17,895	42,341
Assets received in payment or awarded:		
Assets received in payment	745	1,741
Assets awarded from judicial auctions	1,909	2,138
Provisions for assets received in payment or awarded (**)	(112)	(156)
Other assets:		
Guarantee deposits	39,260	47,600
Investments in gold	3,597	3,726
VAT fiscal credit	6,176	5,097
Expenses paid in advance	27,317	38,571
Assets from property, plant and equipment for sale	4,838	4,838
Assets recovered from lease agreements available for sale (***)	5,220	2,406
Valuation adjustments for macro-hedges	42	109
Accounts receivable with related companies	228	263
Accounts receivable	62,656	48,176
Assets to be recovered	10,038	10,916
Object of assets hedge	393	709
Other assets	39,461	67,993
Total	219,663	276,468

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

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

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

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

b) The variation of the provision of assets received in payment or awarded, during the 2012 and 2011 periods is the following:

Accumulated amortization and impairment	Provisions on assets
	MCLP$
Balance as of January 1, 2012	156
Constitution of provisions	128
Release of provisions	(172)
Balance as of December 31, 2012	**112**
Balance as of January 1, 2011	259
Constitution of provisions	172
Release of provisions	(275)
Balance as of December 31, 2011	**156**

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

As of December 31, 2012 and 2011 the composition of this account is the following:

	As of December 31	
	2012	**2011**
	MCLP$	MCLP$
Deposits and other obligations payable on demand		
Current accounts	2,951,814	2,630,376
Other deposits and accounts payable on demand	373,782	332,491
Other obligations payable on demand	292,769	209,613
Total	**3,618,365**	**3,172,480**
Savings accounts and time deposits		
Time deposits	7,172,073	6,697,230
Savings accounts	49,187	50,239
Guarantees	1,328	1,585
Total	**7,222,588**	**6,749,054**

18. INTERBANK BORROWINGS

As of December 31, 2012 and 2011 the composition of this account is the following:

	As of December 31	
	2012	2011
	MCLP$	MCLP$
Loans received from financial institutions and Central Bank of Chile:		
Other obligations with Central Bank of Chile	415,194	132,138
Subtotal	415,194	132,138
Loans received from domestic financial institutions:		
Interbank loans	320,136	68,159
Other obligations	86,722	159,777
Subtotal	406,858	227,936
Loans received from financial institutions abroad:		
Foreign trade financing	762,741	862,046
Loans and other obligations	475,651	624,974
Subtotal	1,238,392	1,487,020
Total	**2,060,444**	**1,847,094**

19. TRADING PORTFOLIO FINANCIAL LIABILITIES

a) At December 31, 2012 and 2011, details are as follows:

	2012	2011
	MCLP$	MCLP$
Other debentures:		
Public bonds	74,133	78,791
Other local bonds	40,908	33,154
Foreign bonds	28	2,882
Total	115,069	114,827
Issued debt instruments:		
Letters of credit	72,520	102,626
Current bonds	1,345,138	730,638
Subordinated bonds	647,416	640,370
Total	**2,065,074**	**1,473,634**

b) At December 31, 2012 and 2011 the maturities of the current and subordinated bonds are as follows:

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

	As of December 31, 2011		
	Long term	**Short term**	**Total**
	MCLP$	**MCLP$**	**MCLP$**
By short and long term maturities			
Current bonds	619,220	111,418	730,638
Subordinated bonds	640,370	-	640,370
Total	**1,259,590**	**111,418**	**1,371,008**

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

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

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

CURRENT BONDS IN FOREIGN CURRENCY- MEXICAN PESOS

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

(*) These bond issues were made in Mexico under an approved program dated 29/06/2011 for a total of $8,000,000,000 Mexican pesos. The program has an expiration date of 29/06/2016.

CURRENT BONDS IN FOREIGN CURRENCY- US DOLLAR

Series	Amount Issued	Amount Placed	Date of Issue	Maturity Date	Average rate	Balance Owed Due US$	Balance MCLP$
USP32133CE1	600,000,000	600,000,000	13/09/2012	13/09/2017	3.54%	595,726,129	285,633
Total	600,000,000 (*)					595,726,129	285,633

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

SUBORDINATED BONDS IN UNIDADES DE FOMENTO

Series	UF Issued	UF Placed	Date of Issue	Maturity Date	Average rate	Balance Due UF	Balance Due MCLP$
SERIE_C y D	2,000,000	2,000,000	01/12/1995	01/12/2016	6.92%	687,540	15,704
SERIE_E	1,500,000	1,500,000	01/11/1997	01/11/2018	7.37%	733,833	16,761
SERIE_F	1,200,000	1,200,000	01/05/1999	01/05/2024	7.73%	803,861	18,361
SERIE_G	400,000	400,000	01/05/1999	01/05/2025	7.92%	279,333	6,380
SERIE_L	1,200,000	1,200,000	01/10/2001	01/10/2026	6.39%	940,828	21,489
SERIE_M	1,800,000	1,800,000	01/10/2001	01/10/2027	6.43%	1,435,230	32,782
SERIE_N	1,500,000	1,500,000	01/06/2004	01/06/2029	5.25%	1,269,004	28,985
SERIE_O	1,500,000	1,500,000	01/06/2004	01/06/2030	3.93%	1,256,070	28,690
SERIE_R	1,500,000	1,500,000	01/06/2005	01/06/2038	4.72%	597,235	13,641
SERIE_S	2,000,000	2,000,000	01/12/2005	01/12/2030	4.86%	1,679,403	38,359
SERIE_T	2,000,000	2,000,000	01/12/2005	01/12/2031	4.52%	1,740,929	39,764
SERIE_U	2,000,000	2,000,000	01/06/2007	01/06/2032	4.19%	1,855,494	42,381
SERIE_Y	4,000,000	4,000,000	01/12/2007	01/12/2030	4.25%	1,896,800	43,324
SERIE_W	4,000,000	4,000,000	01/06/2008	01/06/2036	4.05%	1,577,600	36,034
SERIE_AC	6,000,000	6,000,000	01/03/2010	01/03/2040	3.96%	5,466,095	124,850
SERIE_AD 1	4,000,000	4,000,000	01/06/2010	01/06/2040	4.17%	3,505,146	80,060
SERIE_AD 2	3,000,000	3,000,000	01/06/2010	01/06/2042	4.14%	2,620,394	59,851
Subtotal	39,600,000	39,600,000				28,344,795	647,416

20. PROVISIONS

The provisions established as of December 31, 2012 and 2011 were as follows:

	December 31	
	2012	**2011**
	MCLP$	MCLP$
Provisions for staff benefits and remuneration	23,279	20,631
Provisions for minimum dividends	81,377	78,380
Provisions for contingent credit risk	18,279	15,048
Provisions for contingencies (*)	55,770	55,310
Provisions for country risk	720	760
Total	**179,425**	**170,129**

(*) Includes additional provisions for MCh$48,254 (MCh$46,078 in 2011) which were constituted according to the instructed by the SBIF (see Note 1.i)v).

a) Provisions for staff benefits and remunerations

	2012	**2011**
	MCLP$	MCLP$
Provisions for other staff benefits	15,547	13,895
Provisions for vacations	7,732	6,736
Total	**23,279**	**20,631**

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

b) Provisions for contingent loans

The provisions established for contingent loans as of December 31, 2012 and 2011 were as follows:

	December 31	
	2012	**2011**
	MCLP$	MCLP$
Provisions for contingent loans		
Guarantee and deposits	365	441
Confirmed foreign letters of credit	572	23
Documented issued letters of credit	135	168
Guarantees	6,454	4,277
Available credit lines	9,405	9,452
Other credit commitments	1,348	687
Total	**18,279**	**15,048**

c) The variation of the provisions for 2012 and 2011 is as follows:

	PROVISIONS FOR					
	Staff benefits & remuneration	**Minimum dividends**	**Contingent credit risk**	**Contingencies**	**Country risk**	**Total**
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Balance as of January 1, 2012	20,631	78,380	15,048	55,310	760	170,129
Allocated provisions	12,808	81,377	4,502	3,165	154	102,006
Cancellation of provisions	(10,160)	(78,380)	(1,271)	(2,705)	-	(92,516)
Release of provisions	-	-	-	-	(194)	(194)
Balance as of December 31, 2012	**23,279**	**81,377**	**18,279**	**55,770**	**720**	**179,425**
Balance as of January 1, 2011	17,844	66,623	14,240	37,203	882	136,792
Allocated provisions	17,746	78,380	4,739	18,107	-	118,972
Cancellation of provisions	(14,959)	(66,623)	(3,931)	-	-	(85,513)
Release of provisions	-	-	-	-	(122)	(122)
Balance as of December 31, 2011	**20,631**	**78,380**	**15,048**	**55,310**	**760**	**170,129**

21. OTHER LIABILITIES

As of December 31, 2012 and 2011 the composition of this account is the following:

	As of December 31	
	2012	2011
	MCLP$	MCLP$
Accounts and notes payable	90,997	88,566
Unearned income	27,526	28,895
Valuation adjustments for macro-hedges	-	904
Sundry creditors	56,916	19,470
Other liabilities	23,315	52,477
Total	**198,754**	**190,312**

22. CONTINGENCIES AND COMMITMENTS

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

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

	December 31	
	2012	2011
CONTINGENT LOANS	MCLP$	MCLP$
Collateral and Guarantees		
Collateral and Guarantees in foreign currency	173,822	187,190
Confirmed foreign letters of credit	6,933	10,262
Documented issued letters of credit	114,356	138,666
Performance bonds		
Performance bonds in Chilean currency	667,351	584,081
Performance bonds in foreign currency	171,144	131,349
Interbank letters of guarantee		
Cleared lines of credit	2,352,043	2,200,156
Other credit commitments		
Higher education loans Law 20,027	126,709	43,925
Others	193,384	209,884
THIRD PARTY OPERATIONS		
Collections		
Foreign Collections	86,913	97,907
Domestic Collections	122,656	111,956
CUSTODY OF SECURITIES		
Securities in custody with the bank	130,663	120,810
Total	**4,145,974**	**3,836,186**

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, Note 20.

c) Operating guarantees:

Direct commitments

At December 31, 2012, BCI Corredor de Bolsa S.A. has given guarantees for secure real - time operations at the Santiago Stock Exchange which amount to MCLP$ 83,338.

At December 31, 2012, BCI Corredor de Bolsa S.A. maintains guarantees for appropriate settlement of transactions using the CCLV system in the Santiago Stock Exchange for MCLP$ 4,000.

At December 31, 2012, BCI Corredor de Bolsa S.A. maintains guarantees abroad for international market transactions for MCLP$ 48.

At December 31, 2012, BCI Corredor de Bolsa S.A. maintains guarantees furnished for commitments involving short stock sales and loan transactions in Chile’s Electronic Stock Exchanges in the amount of MCLP$ 10,886.

At December 31, 2012 BCI Corredores de Seguros S.A. has taken out the following insurance policies to comply with the provisions of letter d), Article 58 of Statutory Decree 251 of 1931, with respect to the proper fulfillment of all of the obligations issuing from its activities:

- Insurance Policy for Insurance Brokers No. 10021389 for an insured amount of UF 500 taken out with Compañía de Seguros Generales Consorcio Nacional de Seguros S.A., valid from April 15, 2012 to April 14, 2013, stipulating the insuring company’s right to claim restitution from the broker for any and all sums that it may have disbursed to pay third parties harmed by the deficient brokerage of the broker.

- Professional Third Party Insurance Policy for Insurance Brokers No. 10021400 for an insured amount of UF 60,000 and a deductible of UF 500 taken out with Compañía de Seguros Generales Consorcio Nacional de Seguros S.A., valid from April 15, 2012 to April 14, 2013, with a view to protecting the broker against possible lawsuits by third parties, with the insuring company being empowered to request repayment by the broker of all payments made to the third party bringing the lawsuit.

At December 31, 2012, BCI Factoring S.A. has approved hedges for operators of the Factor Chain International for MCLP$ 1,378 equivalent to US $2,880,000.90, of which MCLP$ 165, equivalent to US$ 345,710.50, has been used.

Operating guarantees

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

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

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

Officer loyalty or employee loyalty insurance

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

d) Contingent loans and liabilities

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

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

	December 31	
	2012	2011
	MCLP$	MCLP$
Sureties and finances	173,822	187,190
Documentary letters of credit	114,356	138,666
Performance bonds	838,495	715,430
Amounts available for credit card users	2,101,315	1,235,704
Provisions	(18,279)	(15,048)
Total	**3,209,709**	**2,261,942**

e) Responsabilities

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

	December 31	
	2012	2011
	MCLP$	MCLP$
Documents in collection	209,569	209,863
Custody of assets	130,663	120,810
Total	**340,232**	**330,673**

23. EQUITY

a) Capital stock and preferential shares

Movement of shares in the periods is as follows:

	Common shares	
	2012	2011
	N°	N°
Issued as of January 1	104,331,470	103,106,155
Issue of shares paid	1,523,797	1,225,315
Total issued	**105,855,267**	**104,331,470**

The Extraordinary Shareholders' Meeting of March 30, 2012 approved the issue of 1,523,797 authorized shares.

The Superintendencia de Bancos e Instituciones Financieras (SBIF) recorded the issuance of shares in the Registry of Securities (Registro de Valores) under Resolution N°127dated May 28, 2012.The corresponding certificate and extract of this resolution was published in the Diario Oficial on June 5, 2012 and was recorded in pages 36.125 N° 25.377 of the Registro de ComerciodelConservador de Bienes Raíces (Santiago Real Estate Registrar) of 2012.

The issuance of the shares was registered in the Registry of Securities as N°5/2012.

In the Board of Directors' meeting as of June 26, 2012, the date of the issuance and distribution of the shares was agreed for July 25, 2012.

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

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

2011	**Shares**	
	Number of shares	**% of participation**
Empresas Juan Yarur S.A.C.	56,057,734	53.73
Jorge Yarur Bascuñán	4,409,101	4.23
Inversiones BCP Ltda.	3,752, 890	3.60
Sociedad Financiera del Rimac S.A.	3,624,991	3.47
AFP Provida S.A.	2,393,754	2.29
Inversiones Jordan Dos S.A.	2,084,081	2.00
AFP Habitat S.A.	2,051,370	1.97
AFP Cuprum S.A.	1,927,252	1.85
Banco Itau (investors)	1,744,674	1.67
Banco de Chile (third parties)	1,744,122	1.67
AFP Capital S.A.	1,695,993	1.63
Bci Corredor de Bolsa S.A. (third parties)	1,580,846	1.52
Tarascona Corporation	1,537,138	1.47
Inversiones Millaray S.A.	1,247,674	1.20
Banco Santander (foreign investors)	1,151,133	1.10
Inmobiliaria e Inversiones Cerro Sombrero S.A.	1,144,721	1.10
Luis Enrique Yarur Rey	1,019,095	0.98
Banchile Corredores de Bolsa S.A.	792,496	0.76
Celfin Capital S.A. Corredores de Bolsa	657,280	0.63
Modesto Collados Núñez	603,040	0.58
Larraín Vial S.A. Corredores de Bolsa	569,695	0.55
Inversiones VYR Ltda.	555,240	0.53
Moneda Administradora de Fondos de Inversión S.A.	502,430	0.48
Bolsa de Comercio de Santiago Bolsa de Valores	483,591	0.46
Santander S.A. Corredores de Bolsa	433,180	0.42
Other shareholders	10,567,949	10.11
Total	**104,331,470**	**100.00**

c) Dividends

The following dividends were declared by the Bank in the year ended December 31, 2012 and 2011:

	At December 31	
	2012	**2011**
	CLP$	CLP$
CLP$ per common share	825	700

The dividend declared at March 30, 2012 was MCLP$ 86,073. The mandatory dividend provision at December 31, 2011 was MCLP$ 78,380.

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

	At December 31	
	2012	2011
	$	$
Basic earnings per share	2,563	2,504
Diluted earnings per share	2,563	2,504

e) Net exchange differences

As of December 31, 2012 the reconciliation of net exchange differences as a separated component from the shareholders' equity is as follows:

	MCLP$
Balance as of January 1, 2011	(1,558)
Charges of net exchange differences	3,737
Final balance as of December 31, 2011	**2,179**
Balance as of January 1, 2012	2,179
Charges of net exchange differences	(926)
Final balance as of December 31, 2012	**1,253**

Conciliation of the available for sale portfolio and cash flow hedge

	Available for sale MCLP$	Cash flow hedges MCLP$
Comprehensive income 2010	5,322	2,859
Movement to Comprehensive Income 2011	(58)	(2,130)
Variation of Market value of portfolio	4,938	(938)
Comprehensive income 2011	**10,202**	**(209)**
Movement to Comprehensive Income 2012	(2,770)	(676)
Variation of available for sale portfolio	9,993	10,104
Comprehensive income 2012	**17,425**	**9,219**

f) Capital requirements

The basic capital for the year 2012 is equivalent to the net amount that should be shown in the Consolidated Financial Statements as Shareholders' equity attributable to equity holders, as indicated in the Compendium of Accounting Regulations. According to General Banking Law, the Bank should maintain a minimum ratio of effective stockholders' equity to consolidated risk-weighted assets of 8%, net of required allowances, and a minimum ratio of net basic capital to

Consolidated total assets of 3%, net of required allowances. Effective stockholders' equity for these purposes is Capital and reserves or Net capital with the following adjustments: a) the addition of subordinated bonds up to 50% of Net capital base, b) additional provisions are added, c) all goodwill and paid premium are deducted d) assets that correspond to investments in non-consolidated subsidiaries.

The assets are weighted according to 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 a 100% risk, which means that a minimum capital equivalent to the 8% of these assets should be held.

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

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

	Consolidated assets		**Risk-weighted assets**	
	December 2012	**December 2011**	**December 2012**	**December 2011**
	MCLP$	MCLP$	MCLP$	MCLP$
Balance sheet assets (net of provisions)				
Cash and due from Banks	1,459,619	1,199,581	-	-
Operations pending settlement from banks	394,396	275,473	108,598	79,030
Trading investments	1,223,519	1,242,478	96,807	116,259
Securities purchased under resale agreements	134,808	73,547	134,808	73,547
Derivative instruments	469,156	636,952	394,435	336,818
Interbank loans	88,306	72,594	88,306	72,594
Loans and accounts receivable from customers	12,748,124	11,100,554	11,764,505	10,185,983
Available for sale investments	771,381	829,590	396,135	388,326
Investments in other companies	67,235	61,379	67,235	61,379
Intangible assets	80,968	78,401	79,683	75,674
Property, plant and equipment	205,057	206,411	205,057	206,411
Current income tax provision	73,185	77,025	7,319	7,703
Deferred income tax	60,109	47,545	6,011	4,754
Other assets	219,663	276,468	219,663	276,468
Off-balance sheet assets				
Contingent loans	1,987,461	1,876,247	1,192,477	1,125,748
Additions and deductions	177,638	(197,538)	-	-
Total assets	**20,160,625**	**17,856,707**	**14,761,039**	**13,010,694**

	Amount	
	December 2012	December 2011
	MCLP$	MCLP$
Basic capital	1,419,956	1,222,045
Effective shareholders' equity	2,008,120	1,810,901
Consolidated assets	20,160,625	17,856,707
Risk-weighted assets	14,761,039	13,010,694

	Ratio	
	December 2012	December 2011
	%	%
Basic capital/consolidated assets	7.04	6.84
Basic capital/risk-weighted assets	9.62	9.39
Effective shareholders' equity/risk-weighted assets	13.60	13.92

24. INCOME AND EXPENSES FROM INTERESTS AND READJUSTMENTS

a) At the closure of the years ending 2012 and 2011, the composition of income from interests and readjustments is the following:

	As of December 31,					
	2012			2011		
	Interest	**Readjustment**	**Total**	**Interest**	**Readjustment**	**Total**
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Repurchase agreements	2,184	1,857	4,041	1,665	891	2,556
Interbank loans	1,158	-	1,158	1,569	-	1,569
Commercial loans	564,952	67,969	632,921	457,756	91,278	549,034
Mortgage loans	105,633	52,055	157,688	90,885	74,798	165,683
Consumer loans	264,257	583	264,840	215,996	811	216,807
Investment instruments	33,016	8,636	41,652	32,678	11,760	44,438
Other income (*)	14,895	1,824	16,719	15,781	2,845	18,626
Hedge accounting result (MTM)	8,007	-	8,007	(1,743)	-	(1,743)
Total income from interest and readjustment	**994,102**	**132,924**	**1,127,026**	**814,587**	**182,383**	**996,970**

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

b) At the closure of the years ending 2012 and 2011, the composition of expenses from interests and readjustments is the following:

	At December 31	
	2012	2011
	MCLP$	MCLP$
Demand deposits	(2,129)	(1,437)
Repurchase agreements	(19,777)	(15,962)
Time deposits and borrowings	(359,983)	(286,869)
Borrowings from financial institutions	(33,618)	(26,272)
Issued debt instruments	(111,166)	(107,342)
Other financial obligations	(4,029)	(4,328)
Income from accounting hedges	(565)	1,321
Other interest and readjustment expenses	(576)	(731)
Total expenses from interest and readjustment	**(531,843)**	**(441,620)**

25. INCOME AND EXPENSES FROM FEES

At December 31, 2012 and 2011 the composition of income and expenses from fees is the following:

	At December 31	
	2012	2011
	MCLP$	MCLP$
Income from commissions:		
Lines of credit and overdrafts	20,085	19,214
Guarantees and letters of credit fees	17,992	9,371
Credit card services	42,190	35,870
Commissions for account administration	31,081	30,466
Collection service fees	40,859	37,438
Securities brokerage fees	4,896	5,049
Mutual and investment fund management fees	27,381	25,817
Insurance brokerage fees	30,776	28,666
Remuneration for services provided	15,970	15,559
Other services	8,728	6,006
Total income from fees	**239,958**	**213,456**
Expenses from commissions		
Credit card operating fees	(25,019)	(21,841)
Securities trading expenses	(9,684)	(8,604)
Other	(15,561)	(13,740)
Total expenses from fees	**(50,264)**	**(44,185)**

26. TRADING AND INVESTMENT INCOME

At December 31, 2012 and 2011 the detail of trading and investment income is the following:

	At December 31	
	2012	**2011**
	MCLP$	MCLP$
Trading instruments	71,553	74,724
Financial derivative instruments	(47,230)	65,140
Other instruments at fair value with affect in the income statement	7,932	(12,022)
Sale of investments available for sale (realized gain)	5,771	3,870
Other	(264)	(189)
Total	**37,762**	**131,523**

27. FOREIGN EXCHANGE GAINS (LOSSES)

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

	At December 31	
	2012	**2011**
	MCLP$	MCLP$
Exchange difference		
Gains from exchange differences	9,336,853	9,325,057
Losses from exchange differences	(9,254,509)	(9,401,342)
Subtotal	**82,344**	**(76,285)**
Foreign currency indexation		
Net result for assets and liabilities	(19,076)	9,523
Subtotal	(19,076)	9,523
Total	**63,268**	**(66,762)**

28. PROVISIONS FOR LOAN LOSSES

The movement recorded on income at December 31, 2012 and 2011 for provisions and impairment is the following:

	Loans and accounts receivable from customers						
	Interbank loans	Commercial loans	Mortgage loans	Consumer loans	Contingent loans	Additional provisions	Total
At December 31, 2012	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Constitution of provisions							
Individual provisions	174	15,154	-	-	2,878	-	18,206
Group provisions	-	61,877	12	108,411	1,067	2,176	173,543
Total constitution of provision	174	77,031	12	108,411	3,945	2,176	191,749
Release of provisions							
Individual provisions	(1)	(18,123)	-	-	(526)	-	(18,650)
Group provisions	-	(505)	-	(10)	(569)	-	(1,084)
Total release of provisions	(1)	(18,628)	-	(10)	(1,095)	-	(19,734)
Recovery of written-off assets	-	(11,951)	-	(24,789)	-	-	(36,740)
Net provisions for credit risk	173	46,452	12	83,612	2,850	2,176	135,275

	Loans and accounts receivable from customers						
	Interbank loans	Commercial loans	Mortgage loans	Consumer loans	Contingent loans	Additional provisions	Total
At December 31, 2011	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Constitution of provisions	2	20,497	-	-	1,855	-	22,354
Individual provisions	-	62,363	543	84,103	2,627	14,832	164,468
Group provisions	2	82,860	543	84,103	4,482	14,832	186,822
Total constitution of provision							
Release of provisions							
Individual provisions	(121)	(11,753)	-	-	(1,728)	-	(13,602)
Group provisions	-	(9,892)	-	(3,192)	(2,462)	-	(15,546)
Total release of provisions	(121)	(21,645)	-	(3,192)	(4,190)	-	(29,148)
Recovery of written-off assets	-	(11,084)	-	(24,276)	-	-	(35,360)
Net provisions for credit risk	**(119)**	**50,131**	**543**	**56,635**	**292**	**14,832**	**122,314**

In the Management's opinion, the provisions constituted for credit risk and impairment cover all eventual losses that may be derived from the non recovery of assets, according to the data examined by the Bank.

29. PERSONNEL SALARIES AND EXPENSES

The composition of personnel salaries and expenses during 2012 and 2011 is the following:

	At December 31	
	2012	**2011**
	MCLP$	MCLP$
Staff remunerations	106,938	95,183
Bonuses or awards	102,802	85,021
Severance payments	8,249	8,715
Training expenses	2,320	2,393
Other staff expenses	14,614	12,106
Total	**234,923**	**203,418**

30. ADMINISTRATIVE EXPENSES

At December 31, 2012 and 2011 the composition of this account is the following:

	At December 31	
	2012	2011
	MCLP$	MCLP$
General administrative expenses		
Maintenance and repairs of the bank's	7,186	5,944
Office rentals	21,365	19,103
Equipment rental	329	232
Insurance premiums	2,581	1,940
Office materials	4,251	4,136
Computer and communications	21,572	19,780
Lighting, heating and other services	5,140	4,828
Security and custody transportation	9,685	7,670
Representation expenses and staff	3,646	2,789
Judicial and notarial expenses	2,625	1,515
Fees for technical reports	3,128	3,268
Cleaning services	2,903	2,396
Consulting	6,304	3,702
Postal-related expenses	1,507	1,148
Other general administrative expenses	16,001	11,642
Sub-contracted services		
Data processing	4,489	4,897
Sale of products	63	47
Other	5,577	4,548
Board of Directors expenses		
Board of Directors remunerations	2,557	2,443
Other Board of Directors expenses	24	73
Publicity and advertising	16,957	15,423
Taxes, property taxes and contributions		
Real estate contributions	1,129	842
Licenses	1,424	1,168
Other taxes	440	237
Contribution to SBIF	4,444	3,824
Total	**145,327**	**123,595**

31. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

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

	At December 31	
	2012	**2011**
	MCLP$	MCLP$
Depreciation and amortization		
Depreciation of property, plant and	(20,672)	(20,467)
Amortization of intangible assets	(18,178)	(17,054)
Total	(38,850)	(37,521)

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

	At December 31	
	2012	**2011**
	MCLP$	MCLP$
Impairment		
Investment instruments	-	-
Property, plant and equipment	(642)	-
Intangibles	-	-
Balance at December 31,	(642)	**-**

c) The reconciliation of impairment between January 1, 2012 and 2011 and December 31, 2012 and 2011 was as follows:

	Depreciation, amortization and impairment					
	2012			2011		
	Property, plant and equipment	Intangible	Total	Property, plant and equipment	Intangible	Total
Balance at January 1,	118,923	87,297	206,220	108,570	70,243	178,813
Charges for depreciation and amortization	20,672	18,178	38,850	20,467	17,054	37,521
Impairment of the period	642	-	642	-	-	-
Retirements and sales of the period	(6,821)	-	(6,821)	(10,114)	-	(10,114)
Others	(1,765)	(122)	(1,887)	-	-	-
Balance at December 31,	**131,651**	**105,353**	**237,004**	**118,923**	**87,297**	**206,220**

32. OTHER OPERATING INCOME AND EXPENSES

a) Other operating income

At December 31, 2012 and 2011 the composition of operating income is the following:

	At December 31	
	2012	**2011**
	MCLP$	MCLP$
Income from assets received in payment		
Gain for sale of assets received in payment	3,306	2,953
Other income	-	-
Subtotal	3,306	2,953
	-	
Release of provisions for contingencies	-	
Provisions for country risk	135	199
Other provisions for contingencies	-	24
Subtotal	135	223
	-	
Other income	-	
Gain for sale of property, plant and equipment	83	13
Insurance claims	989	429
Leasing income	5,640	8,158
Other income	8,800	6,603
Subtotal	15,512	15,203
Total	**18,953**	**18,379**

b) Other operating expenses

As of December 31, 2012, 2011 and 2010 the composition of operating expenses is the following:

	At December 31	
	2012	2011
	MCLP$	MCLP$
Provisions and expenses for assets received in		
Provisions for assets received in payment	9,635	-
Write-offs of assets received in payment	3,506	3,136
Maintenance expenses for assets received in	351	266
Subtotal	13,492	3,402
Constitution of provisions for contingencies	-	
Provisions for country risk	154	-
Other provisions for contingencies	184	-
Subtotal	338	-
Other expenses		
Loss on sale of property, plant and equipment	366	833
Contributions and donations	3,450	2,583
Write-off for judicial and notary expenses	2,096	1,724
Leasing expenses	3,221	3,136
Non-operating write-offs	3,885	2,059
Agreement expenses	840	735
Other expenses	1,611	2,564
Subtotal	15,469	13,634
Total	**29,299**	**17,036**

33. RELATED PARTY TRANSACTIONS

a) Loans granted to related parties

Loans granted to related parties as of December 31, 2012 and 2011:

	December 31, 2012			December 31, 2011		
	Operating companies	**Holding companies**	**Individuals**	**Operating companies**	**Holding companies**	**Individuals**
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Loans and receivables to customers:						
Commercial loans	81,253	4,699	3,698	97,648	8,641	3,715
Mortgage loans	-	-	15,199	-	-	13,497
Consumer loans	-	-	2,448	-	-	2,247
Loans and receivables from customers - gross	81,253	4,699	21,345	97,648	8,641	19,459
Provisions for loan losses	(282)	(21)	(39)	(7,143)	(83)	(82)
Loans and receivables to customers, net	80,971	4,678	21,306	90,505	8,558	19,377
	-	-	-			
Contingent loans	1,180	1,119	-	2,383	-	-
Provisions for contingent loans	(3)	(48)	-	(82)	-	-
	-	-	-			
Contingent loans, net	1,177	1,071	-	2,301	-	-
Instruments acquired:						
For investment	-	-	-	-	-	-
Total acquired instruments	-	-	-	-	-	-

b) Other transactions with related parties

During the years ended December 31, 2012 and 2011, the Bank has undertaken the following transactions with related parties:

Company	Relationship with the Bank	Description	Balance Assets (Liability)	Effect on statement of income	
				Income	(Expense)
			MCLP$	MCLP$	MCLP$
Dec-12					
Artikos Chile S.A.	Joint venture	Procurement service	660	660	-
Bolsa de Comercio de Santiago	Other	Lease of terminals	118	118	-
BCI Seguros de Vida S.A.	Shared headquarters	Collection service for payment of custom premiums and trademark use rights.	6,225	484	5,741
BCI Seguros Generales S.A.	Shared headquarters	Insurance for the Bank's assets.	2,053	2,053	-
Centro Automatizado S.A.	Associate	Center adjustment service	298	298	-
Compañía de Formularios Continuos Jordan (Chile) S.A.	Shared headquarters	Printing of forms	2,250	2,250	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Associate	Card processing	5,394	5,394	-
Redbanc S.A.	Associate	Operation of ATMs	4,288	4,288	-
Servipag S.A.	Joint venture	Collection and payment of services	8,326	7,946	380
Transbank S.A.	Other	Administration of credit cards	34,416	5,747	28,669
Vigamil S.A.C	Shared headquarters	Printing of forms	44	44	-
Viña Morandé S.A.	Shared headquarters	Purchase of supplies	33	33	-

Company	Relationship with the Bank	Description	Balance Assets (Liability)	Effect on statement of income	
				Income	(Expense)
			MCLP$	MCLP$	MCLP$
Dec-11					
Atikos Chile S.A.	Joint venture	Procurement Service	683	683	-
Bolsa de Comercio de Santiago	Other	Lease of terminals	159	159	-
BCI Seguros de Vida S.A.	Shared headquarters	Collection service for payment of custom premiums and trademark use rights.	6,490	287	6,203
BCI Seguros Generales S.A.	Shared headquarters	Insurance for the Bank's assets.	1,882	1,882	-
Centro Automatizado S.A.	Associate	Center adjustment services	432	432	-
Compañía de Formularios Continuos Jordan (Chile) S.A.	Shared headquarters	Printing of forms	2,530	2,530	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Associate	Card processing	4,826	4,826	-
Redbanc S.A.	Associate	Operation of ATMs	4,436	4,011	425
Servipag S.A.	Joint venture	Collection and payment of services	7,153	6,998	155
Transbank S.A.	Other	Administration of credit cards	28,882	4,914	23,968
Vigamil S.A.C	Shared headquarters	Printing of forms	168	114	54
Viña Morandé S.A.	Shared headquarters	Purchase of supplies	48	48	-

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

c) Other assets and liabilities with related parties

	December 31	
	2012	2011
	MCLP$	MCLP$
ASSETS		
Financial derivative agreements	-	-
Other assets	-	-
LIABILITIES		
Demand deposits	47,043	44,528
Time deposits and other savings accounts	50,847	150,380

d) Related parties income/expense recognized.

		At December 31			
		2012		2011	
Type of income or expense recognized	**Entity**	**Income**	**Expenses**	**Income**	**Expenses**
		MCLP$	MCLP$	MCLP$	MCLP$
Income and expenses (net)	Sundry	7,684	(2,840)	8,784	(6,216)
Operational support expenses	Companies supporting the line of business	34,790	(29,315)	30,805	(26,884)
Total		**42,474**	**(32,155)**	**39,589**	**(33,100)**

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

Compensation earned by key personnel corresponds to the following categories:

	At December 31	
	2012	2011
	MCLP$	MCLP$
Short-term remunerations for employees (*)	4,530	4,450
Severance indemnities for termination of contract	530	923
Total	**5,060**	**5,373**

(*)As of December 31, 2012, total expenses corresponding to the Board of Directors of the Bank and its subsidiaries amounted to MCLP$2,581 (MCLP$2,516 as of December 31, 2011).

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

Companies	Participation 2012	2011
	%	%
Redbanc S.A.	12.71	12.71
Servipag Ltda.	50.00	50.00
Combanc S.A.	10.93	10.50
Transbank S.A.	8.72	8.72
Nexus S.A.	12.90	12.90
Artikos Chile S.A.	50.00	50.00
AFT S.A.	20.00	20.00
Centro de Compensación Automático ACH Chile	33.33	33.33
Sociedad Interbancaria de Depósitos de Valores S.A.	7.03	7.03
Credicorp Ltda.	1.85	1.81

g) Composition of key personnel

At December 31, 2012, the composition of the key personnel of the Bank and its subsidiaries is as follows:

Position	**N° of executives**
Director	9
General manager	10
Division and Area Manager	12
Total	**31**

h) Transactions with key management personnel

At December 31, 2012 and 2011, the Bank has undertaken the following transactions with key personnel, as specified in detail below:

	At December 31					
	2012			**2011**		
	Balance owed	**Total income**	**Income of key executives**	**Balance owed**	**Total income**	**Income of key executives**
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Credit cards and other services	837	969,338	25	864	831,287	32
Mortgage loans	1,283	157,688	80	1,243	165,683	87
Guarantees	1,674	-	-	1,265	-	-
Total	**3,794**	**1,127,026**	**105**	**3,372**	**996,970**	**119**

At December 31, 2012, the Bank has the following contracts:

No.	Related company	The service involved	Concept	Description of the Contract	Term	Condition
1	Bolsa de Comercio de Santiago	Processing the stock exchange management system, through which BCI Corredor de Bolsa S.A. operates	Lease of terminals.	Contract to use the stock exchange management software.	Indefinite	Automatic renewal.
2	Centro de Automatizado S.A. (CCA)	Electronic transactions adjustment center	Center adjustment services.	Participant and incorporation into the electronic transfer center to expedite the completion of fund transfer operations, the Bank operates in the CET as an IFO (Originating Banking Institution) and as an IFR (Receiving Banking Institution).	Indefinite	Automatic renewal every year.
3	Compañía de Formularios Continuos Jordan (Chile) S.A.	Printing and making checkbooks.	Printing of forms.	Printing services are contracted for basic lists, special forms, revenue stamped forms, such as checks and at sight promissory notes.	Indefinite	Automatic renewal every year.
4	Operadoras de Tarjetas de Crédito Nexus S.A.	Processing credit card operations (issuer list)	Card processing.	Operations of Mastercard, Visa credit cards and debit card with regard to processing the issuer list.	Indefinite	Automatic renewal every 3 years
5	Redbanc S.A.	Administration of the operations of ATM's, Redcompra and RBI.	Operation of ATMs.	In fulfilling its corporate purpose, the Company will offer the participant, for the use of its customers or users, the electronic data transfer service via automatic tellers or other actual or virtual electronic means.	Indefinite	Automatic renewal every 3 years.
6	Servipag Ltda.	Collection and payment of services, payment of checks and receipt of deposits and administration of our teller service.	Collection and payment of services.	The service is contracted for resolution of collection transactions captured by BCI tellers for processing and rendition to customers	Indefinite	Automatic renewal.
7	Transbank S.A.	Processing credit card operations (user list)	Administration of credit cards.	Provision of Visa, Mastercard credit card services with regard to the user list.	Indefinite	Automatic renewal every 2 years.
8	Vigamil S.A.C.	Supplier of envelopes and forms.	Printing of forms.	Occasional purchases	N/A	N/A
9	ViñaMorandé S.A.	Not an habitual supplier	Purchase of supplies	Occasional purchases	N/A	N/A
10	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.
11	BCI Seguros de Vida S.A.	Insurance	Insurance premiums	Individual life insurance policy for executives and guards.	Annual	Contracted annually
12	BCI Seguros Generales S.A.	Insurance	Insurance premiums	Individual policies for the Bank's physical assets, leased assets and comprehensive banking policy.	Annual	Contracted annually

34. ASSETS AND LIABILITIES AT FAIR VALUE

a) Financial instruments not valued at fair value in the financial statements

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

	Year 2012		**Year 2011**	
	Book value	**Fair value**	**Book value**	**Fair Value**
	MCLP$	MCLP$	MCLP$	MCLP$
Assets				
Loans and accounts receivable from customers				
Commercial loans	6,490,148	5,691,124	5,375,710	5,876,526
Other endorsable mortgage loans	2,385,819	2,716,120	2,070,021	2,416,812
Consumer loans	1,320,880	1,935,823	1,133,209	1,497,846
Foreign trade loans	887,357	1,674,994	963,354	-
Leasing operations	701,786	869,286	608,827	733,485
Factoring operations	584,052	576,233	583,282	573,824
Other	378,082	385,591	366,151	366,151
Subtotal	**12,748,124**	**13,849,171**	**11,100,554**	**11,464,644**
TOTAL ASSETS	**12,748,124**	**13,849,171**	**11,100,554**	**11,464,644**
Liabilities				
Deposits and other borrowings				
Time deposits	7,172,073	7,115,216	6,697,230	6,689,350
Other	50,515	91,164	51,824	51,824
Subtotal	**7,222,588**	**7,206,380**	**6,749,054**	**6,741,174**
Interbank borrowings				
Repo operations with Central Bank of Chile	106	2,587	166	166
Foreign trade financing	762,741	770,931	862,046	854,600
Other	475,545	1,188,680	984,882	984,882
Subtotal	**1,238,392**	**1,962,198**	**1,847,094**	**1,839,648**
Issued debt instruments				
Bonds and subordinated bonds	1,992,554	2,063,235	1,371,008	1,498,751
Other	72,520	78,607	102,626	102,626
Subtotal	**2,065,074**	**2,141,842**	**1,473,634**	**1,601,377**
TOTAL LIABILITIES	**10,526,054**	**11,310,420**	**10,069,782**	**10,182,199**

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

The instruments have been grouped into classes in order to facilitate their comparison with the balances of the statements of financial position. The instruments categorized as "Others" are those for which their amortized cost has been considered a reasonable approximation to their fair value.

Loans and accounts receivable from customers

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

Cash flows are discounted at the relevant market interest rate according to the instrument type, in force at the closure of each period. In order to determine the rate, they are differentiated from others by term and currency.

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

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

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

3. The resulting amount when applying the ‘provisions/total loans' factor to the current value of the respective loans is an approximation to the adjustment for credit risk.

Deposits and other borrowings

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

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

Interbank borrowings

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

Issued debt instruments

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

b) Financial instruments valued at fair value

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

c) Hierarchy used for determining the fair value

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

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

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

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

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

Financial assets and liabilities classified by valuation levels

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

Figures in MCLP$ as of December 31, 2012

	Level 1	Level 2	Level 3	Total
Domestic fixed income	$ 1,043,844	$ 438,103	-	$ 1,481,947
International fixed income	$ 202,161	-	$ 3,993	$ 206,154
Total fixed income	$ 1,246,005	$ 438,103	$ 3,993	$ 1,688,101
Trading derivatives	-	$ 24,928	$ 16,365	$ 41,293
Accounting hedge derivatives	-	$ 2,272	-	$ 2,272
Total derivatives	-	$ 27,200	$ 16,365	$ 43,565

Transfers between levels 1 and 2

The Bank and its subsidiaries have made no transfers of financial assets or liabilities between levels 1 and 2 during 2012.

Reconciliation of movements of valuation Level 3

As of December 31, 2012 the consolidated balance sheet has assets valued as level 3 which correspond to USD bonds without market information and Swap TAB contracts for which there are not market observable inputs.

35. RISK MANAGEMENT

MARKET RISK 2012

1. Introduction

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

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

In relation with financial risks, the organizational structure is designed to manage these risks efficiently, transparently and in good time. It is formed by strategic units composed by the Board of Directors, the Executive Committee, the Finances and Risk Committee and ALCO. These are divided into operative units such as the Corporate Risk Management and the Balance, Trading and Institutional, and Distribution and Corporate areas, dependents of the Investment and Finance Banking division. All this information flow is processed and analyzed by various support units such as Accounting, Middle and Back Office, Management and Process Control and Computers and Systems.

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

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

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

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

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

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

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

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

2. Liquidity and financing

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

1. Presence of a minimum barrier of liquid assets to face stress situations.
2. Regulatory and internal liquidity indicators.
3. Maturity mismatch
4. Alert and contingency plans.

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

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

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

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

At regulatory level, liquidity is measured and reported to the SBIF through the standardized liquidity position report. According to bank regulations, BCI has been authorized to use an adjusted liquidity model, generating procedures and models that allow an efficient evaluation of future income and liabilities that affect the bank's liquidity position, keeping in control the internal and external limits that the regulator proposes, specially for mismatches between assets and liabilities at 7, 30 and 90 days.

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

Regarding liquidity, the regulations of the global financial markets observed during 2011 against the 2008 crisis was altered during 2012 due to the effects of the European crisis originated by the countries denominated as PIIGS (Portugal, Ireland, Italy, Greece and Spain) which has not translated into significant effects in the financing costs.

In the measurement of liquidity, both internal and regulatory, a reasonable level of liquidity was observed, in line with the Bank’s policies. Even in the moments of highest uncertainty due to the global financial crisis, no events of current deposits or current accounts balances were observed, confirming the confidence of the people towards the Chilean banking system in general.

Fig. 1 Evolution of main sources of liquidity
Year 2012 (base 100)

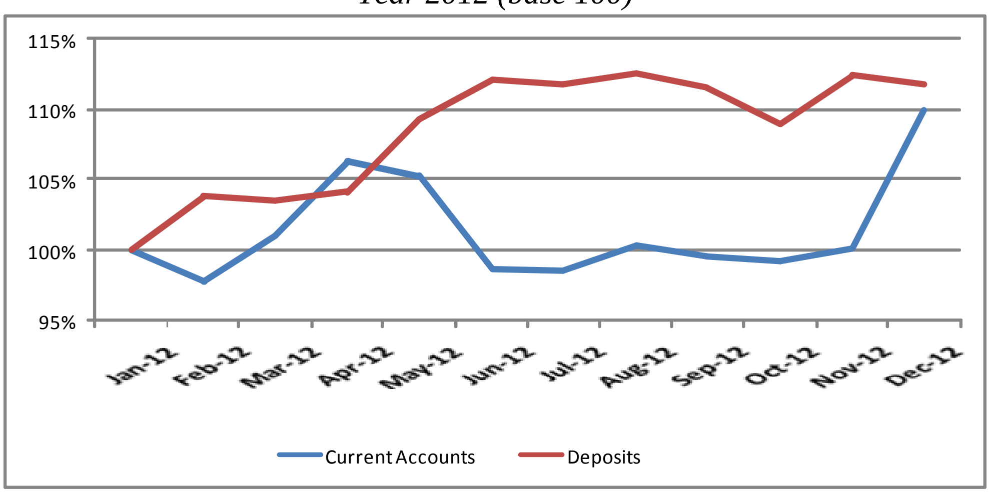
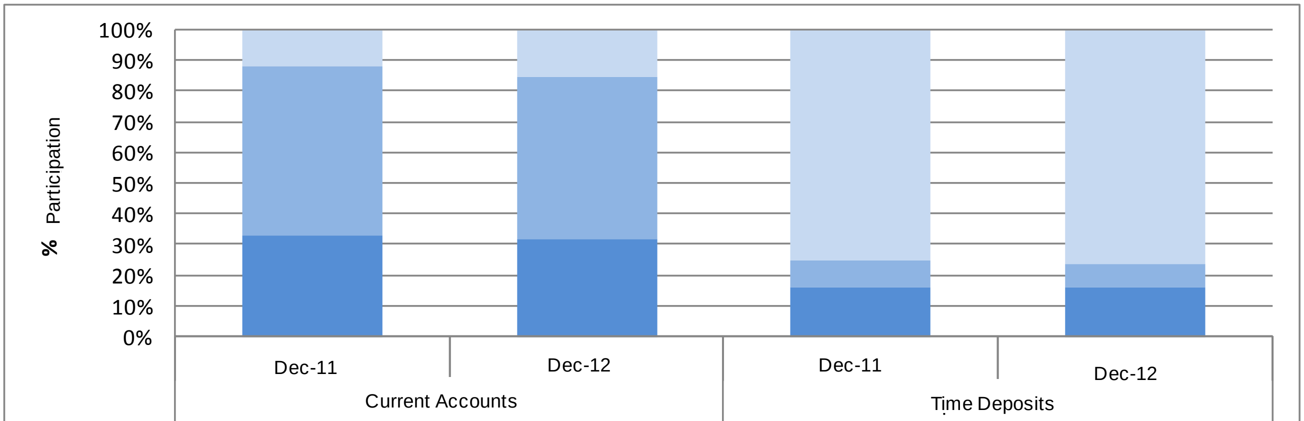


Fig 2. Diversification of liquidity sources by segment
Year 2012 and 2011 (%)



	Current Accounts Dec-11	Current Accounts Dec-12	Time Deposits Dec-11	Time Deposits Dec-12
C& IB	12%	15%	75%	76%
Comercial	55%	53%	9%	7%
Retail	33%	32%	16%	16%

a) Variations during 2012

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

Fig 3. Liquidity indexes
Year 2012-2011 (maximum = 1)

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

	Year 2012				Year 2011			
	Average	Maximum	Minimum	Closure	Average	Maximum	Minimum	Closure
Mismatch 30 days	24.4%	63.6%	-19.2%	25.2%	0.54	0.87	0.14	0.41
Mismatch 90 days(*)	68.4%	85.1%	48.0%	78.3%	0.63	0.85	0.38	0.45

(*)Measurement in relation to 2 times basic capital

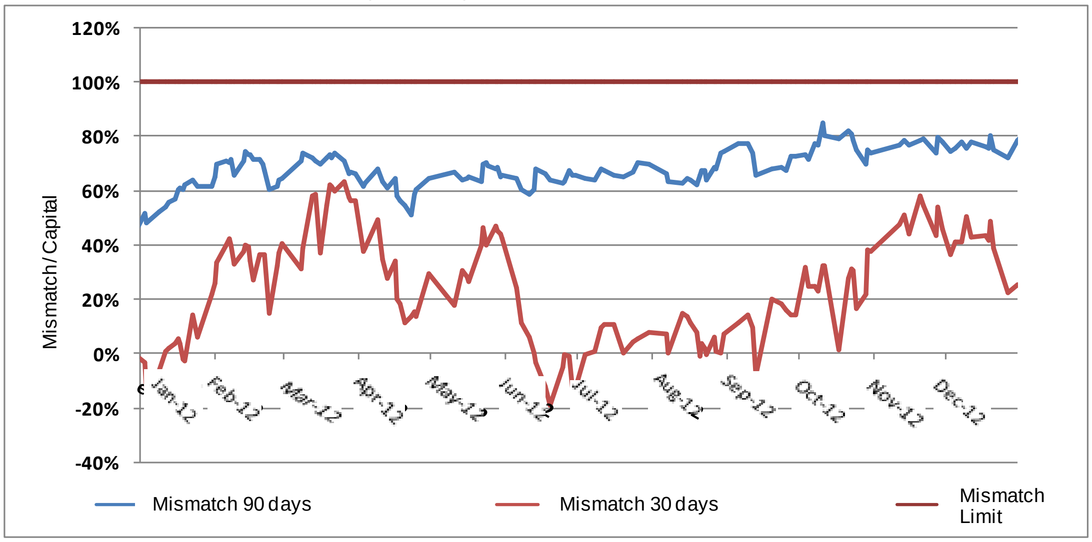
(b) Short-term mismatch CLP-UF (% on basic capital)

	Year 2012				Year 2011			
	Average	Maximum	Minimum	Closure	Average	Maximum	Minimum	Closure
Mismatch 30 days	13.4%	47.6%	-33.3%	-2.0%	0.17	0.42	(0.09)	0.41

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

	Year 2012				Year 2011			
	Average	Maximum	Minimum	Closure	Average	Maximum	Minimum	Closure
Mismatch 30 days	11.0%	47.7%	-28.8%	27.2%	0.37	0.68	(0.02)	0.33

Fig 4. Evolution of Liquidity during 2012 (maximum = 1)
Liquidity 30 days = Mismatch/Basic capital
*Liquidity 90 days = Mismatch/2*Basic capital*



1. Market risk

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

BCI separates its exposure to market risk between trading portfolios and portfolios available for sale or held-to-maturity. Trading portfolios include positions coming from sales to corporate and institutional clients, positions coming from market making business, and hedge or trading positions. The second portfolios hold positions coming mainly from interest rates management associated to personal and commercial banking loans, in addition to a portfolio of financial investments. These portfolios have less rotation and their change in fair value doesn't affect the income statement until a longer term when they are actually sold. At present, the Bank has no instruments classified as held-to-maturity.

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

a) Main positions

The following table shows the main balance sheet positions by maturity or re-pricing band and their comparison with 2012:

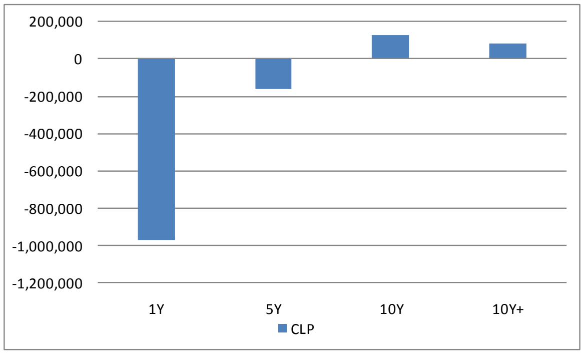
Fig 5. Book value to maturity or re-pricing by currency
Positions 31/12/12 (MCLP$)

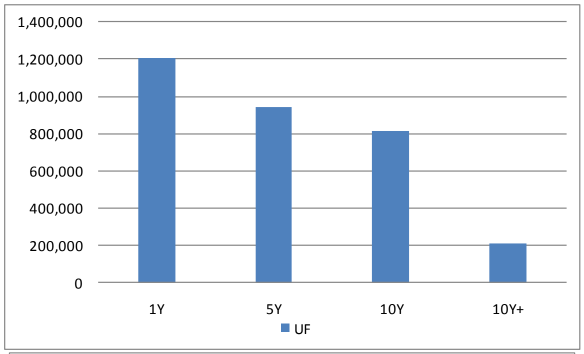
ASSETS	1Y	5Y	10Y	10Y+	Total
CLP	6,282,952	2,097,269	159,548	82,546	8,622,315
UF	2,824,123	2,558,022	1,464,667	1,048,614	7,895,426
MX	2,518,887	364,406	25,159	932	2,909,384
TOTAL	**11,625,962**	**5,019,697**	**1,649,374**	**1,132,092**	**19,427,125**

LIABILITIES	1Y	5Y	10Y	10Y+	Total
CLP	7,255,935	2,260,513	31,530	0	9,547,978
UF	1,620,844	1,617,896	648,102	836,197	4,723,039
MX	3,237,435	476,200	5,848	1,115	3,720,598
TOTAL	**12,114,214**	**4,354,609**	**685,480**	**837,312**	**17,991,615**

MISMATCH	1Y	5Y	10Y	10Y+	Total
CLP	(972,982)	(163,243)	128,018	82,546	(925,661)
UF	1,203,279	940,125	816,565	212,416	3,172,385
MX	(718,548)	(111,795)	19,311	(182)	(811,214)
TOTAL	**(488,251)**	**665,087**	**963,894**	**294,780**	**1,435,510**

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





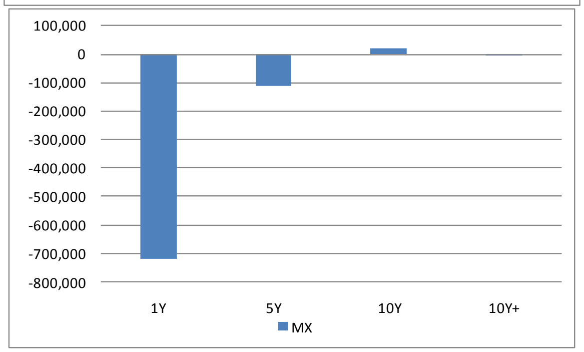


Fig 7. Book value to maturity or re-pricing by currency
Positions 31/12/11 (MCLP$)

ASSETS	1Y	5Y	10Y	10Y+	Total
CLP	6,340,601	1,269,803	62,319	11,862	7,684,585
UF	3,066,234	2,469,645	15,504	547,089	6,098,472
MX	1,153,572	1,514,727	896,145	491,298	4,055,742
TOTAL	10,560,407	5,254,175	973,968	1,050,249	17,838,799

LIABILITIES	1Y	5Y	10Y	10Y+	Total
CLP	6,816,809	1,851,551	31,933	-	8,700,293
UF	1,804,951	1,252,947	8,520	855,031	3,921,449
MX	1,468,085	2,039,023	1,051,753	402,930	4,961,791
TOTAL	10,089,845	5,143,521	1,092,206	1,257,961	17,583,533

MISMATCH	1Y	5Y	10Y	10Y+	Total
CLP	(476,208)	(581,748)	30,386	11,862	(1,015,708)
UF	1,261,282	1,216,699	6,984	(307,942)	2,177,023
MX	(538,169)	(282,229)	6,984	4,050	(809,364)
TOTAL	246,905	352,722	44,354	(292,030)	351,951

Fig 8. Book value: mismatch to maturity or re-pricing by currency
Positions 31/12/11 (MCLP$)

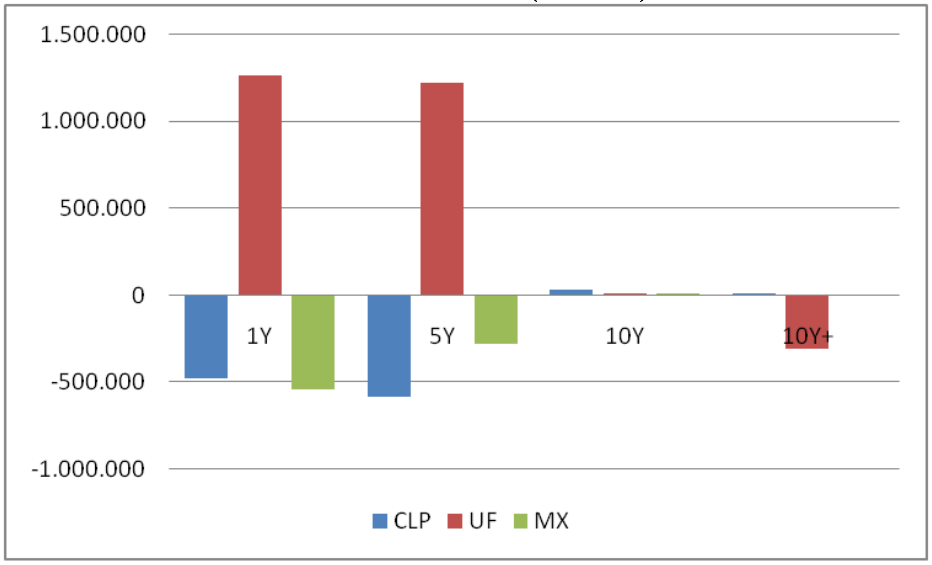


Fig 9. Book value to maturity or re-pricing by account
Positions 31/12/12 (MCLP$)

2012

ASSETS	**1Y**	**5Y**	**10Y**	**10Y+**	**TOTAL**
Central Bank of Chile	7,532	140,204	86	0	147,822
Banks and financial institutions of the country	98,633	121,634	49,461	31,136	300,864
Purchases under resale agreements	47,882	0	0	0	47,882
Commercial loans	5,335,456	1,579,609	696,610	334,138	7,945,813
Consumer loans	872,691	1,128,270	27,774	24,931	2,053,666
Endorsable housing mortgage loans	564,573	1,142,568	699,000	641,559	3,047,700
Housing mortgage loans with funding notes	21,572	54,114	16,415	1,754	93,855
Cash	1,292,396	0	0	0	1,292,396
Forwards	262,685	0	0	0	262,685
Chilean government	12,667	19,430	4,427	3,006	39,530
Consumer leasing	421	761	2	0	1,184
Commercial leasing operations	285,995	479,744	132,758	55,916	954,413
Other entities of the country	26,470	93,234	8,087	2,333	130,124
Other foreign entities	921	5,045	14,754	0	20,720
Other assets	1,304,114	7,296	2	37,319	1,348,731
Other housing mortgage loans	9	2	0	0	11
Others, except options	1,245,750	0	0	0	1,245,750
Swaps	246,195	247,786	0	0	493,981
Total Assets	**11,625,962**	**5,019,697**	**1,649,376**	**1,132,092**	**19,427,127**

LIABILITIES	**1Y**	**5Y**	**10Y**	**10Y+**	**TOTAL**
Straight bonds	135,108	946,695	480,569	0	1,562,372
Subordinated bonds	39,117	153,003	153,286	834,912	1,180,318
Deferred-drawing savings accounts	43,558	0	0	0	43,558
Unconditional-drawing savings accounts	5,630	0	0	0	5,630
Sight deposits	1,380,555	2,242,030	0	0	3,622,585
Time deposits	6,896,789	83,462	8	0	6,980,259
Forwards	258,100	0	0	0	258,100
Letters of credit	15,719	48,432	14,218	1,285	79,654
Other liabilities	841,334	56,343	0	0	897,677
Others, except options	568,646	724,686	0	0	1,293,332
Loans and other obligations contracted abroad	935,266	25,430	0	0	960,696
Loans and other obligations contracted in Chile	473,882	8,234	36,895	1,115	520,126
Swaps	426,092	66,294	502	0	492,888
Sales under repurchase agreements	94,416	0	0	0	94,416
Total Liabilities	**12,114,212**	**4,354,609**	**685,478**	**837,312**	**17,991,611**

Fig 10. Book value to maturity or re-pricing by account
Positions 31/12/11 (MCLP$)

2011

ASSETS	**1Y**	**5Y**	**10Y**	**10Y+**	**TOTAL**
Central Bank of Chile	90,065	25,350	10,351	5,626	131,392
Banks and financial institutions of the country	188,280	89,173	4,851	-	282,304
Purchases under resale agreements	4,082	-	-	-	4,082
Commercial loans	28,900	-	-	-	28,900
Consumer loans	5,001,757	1,496,848	145,848	12,267	6,656,720
Endorsable housing mortgage loans	952,784	583,145	10,769	11,488	1,558,186
Housing mortgage loans with funding notes	590,064	1,004,799	554,115	451,594	2,600,572
Cash	22,615	71,474	35,630	7,882	137,601
Forwards	1,137,187	-	-	-	1,137,187
Chilean government	351,266	-	-	-	351,266
Consumer leasing	3,958	12,006	4,252	42	20,258
Commercial leasing operations	445	762	4	-	1,211
Other entities of the country	251,782	415,935	106,791	39,689	814,197
Other foreign entities	82,847	140,162	52,879	38,961	314,849
Other assets	1,150,860	35,491	-	-	1,186,351
Other housing mortgage loans	21	10	-	-	31
Others, except options	686,774	-	-	-	686,774
Swaps	612,666	-	-	-	612,666
Total Assets	**11,156,353**	**3,875,155**	**925,490**	**567,549**	**16,524,547**

LIABILITIES	**1Y**	**5Y**	**10Y**	**10Y+**	**TOTAL**
Straight bonds	192,990	242,942	409,128		845,060
Subordinated bonds	38,181	153,241	153,504	845,322	1,190,248
Deferred-drawing savings accounts	44,758	-	-	-	44,758
Unconditional-drawing savings accounts	5,481	-	-	-	5,481
Sight deposits	1,857,479	1,321,671	-	-	3,179,150
Time deposits	6,466,405	205,933	-	-	6,672,338
Forwards	347,787	-	-	-	347,787
Letters of credit	20,787	82,991	42,279	9,957	156,014
Other liabilities	459,735	72,947	-	-	532,682
Others, except options	25,537	698,577	-	-	724,114
Loans and other obligations contracted abroad	955,113	249,656	-	-	1,204,769
Loans and other obligations contracted in Chile	200,362	33,124	38,870	2,052	274,408
Swaps	522,738	90,010	1,646	-	614,394
Sales under repurchase agreements	187,121	-	-	-	187,121
Total Liabilities	**11,324,474**	**3,151,092**	**645,427**	**857,331**	**15,978,324**

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

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

As of December 31, 2012 (MCLP$)

	CLP	UF	USD	EUR	OTHER
Sovereign bonds	$ 163,753	$ 7,256	-	-	-
Corporate bonds	$ 67,506	$ 39,068	$ 141.595	-	-
Financial institutions bonds	$ 762	$ 54,758	$ 60.566	-	-
Mortgage-funding notes	-	$ 106,016	-	-	-
Time deposits	$ 73,171	$ 29,543	-	-	-
Total	**$ 305,192**	**$ 236.641**	**$ 202.161**	**-**	**-**

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

As of December 31, 2011 (MCLP$)

	CLP	UF	USD	EUR	OTHER
Sovereign bonds	$ 116,992	$ 857,327	-	$ 12,830	-
Corporate bonds	$ 88,846	$ 36,095	$ 164,919	-	-
Financial institutions bonds	-	$ 124,112	-	-	-
Mortgage-funding notes	-	$ 110,079	-	-	-
Time deposits	$ 226,794	$ 267,281	$ 21,732	-	-
Total	**$ 432,632**	**$ 1, 394,894**	**$ 186,651**	**$ 12,830**	**-**

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

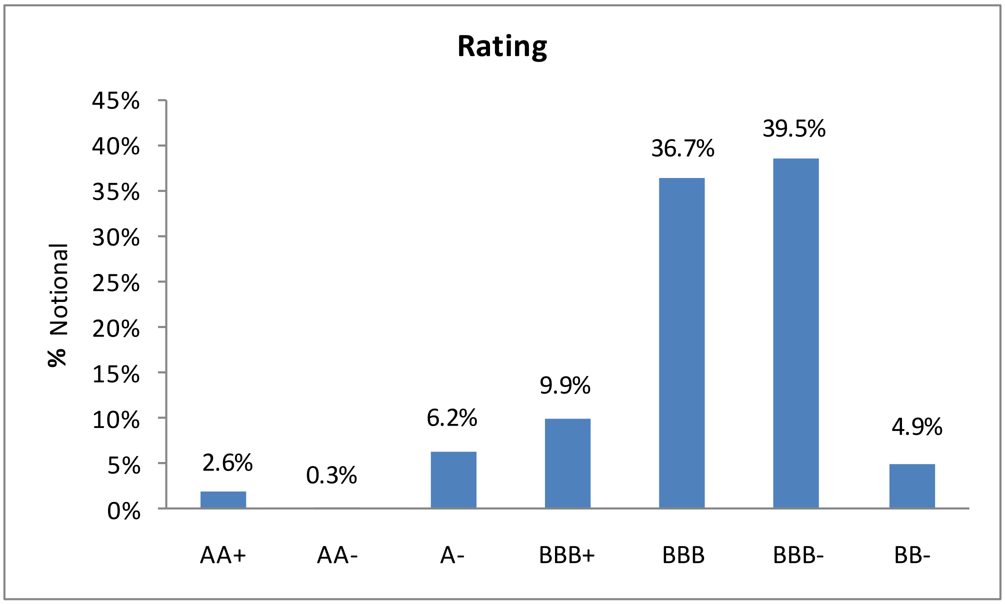
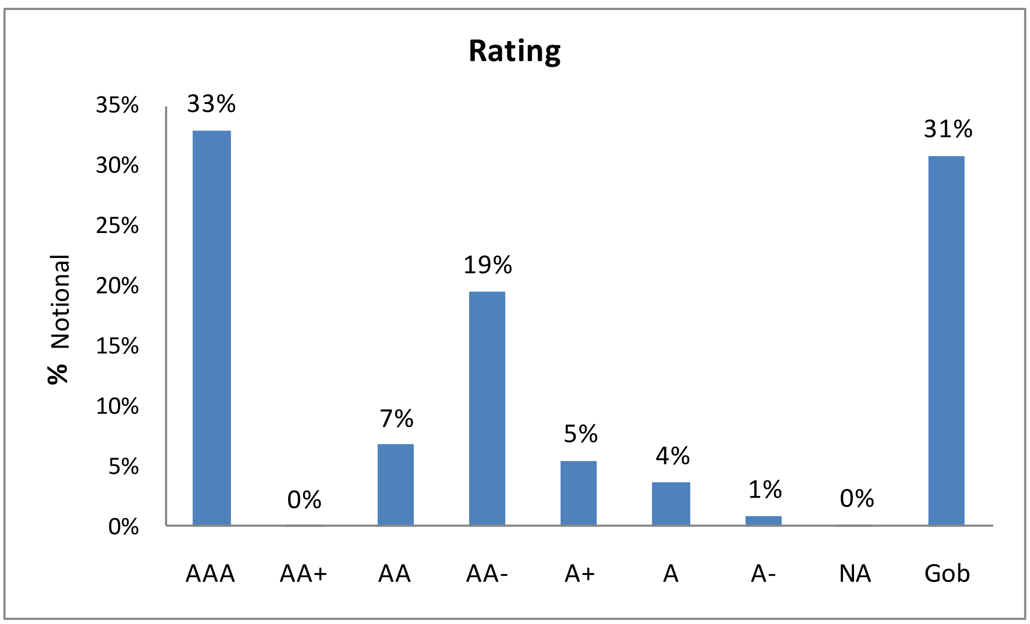


Fig 13. Investments available for sale
International-Issued Bond Portfolio Credit Rating 31/12/11 (%)



b. Sensitivity analysis

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

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

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

c. Value at Risk

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

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

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

- Stress Testing VaR

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

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

– VaR limits

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

d. Position limits

In addition to the limits of the predictive-type risk models like VaR and the sensitivity analysis, there are accounting limits of maximum positions and Stop Loss per table (trading, balance).

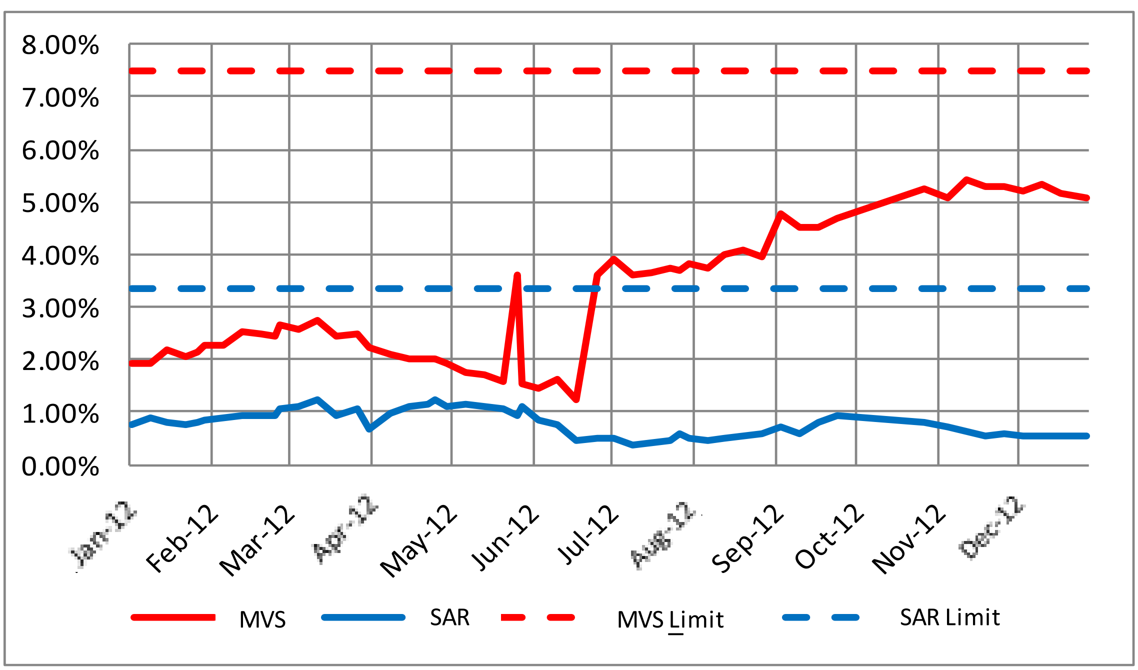
e. Variations

- Sensitivity analysis of the bank's book

The use of accounting hedges and the issuance of bonds, helped to maintain the interest-rate risks of the banking book limited. The long-term MVS measurement averaged 3.2% of the capital over a limit of 7.5% during 2011 (2.5% in 2011). The SAR had an annual average of 0.78% over the financial margin for a limit of 3.35% (0.52% in 2011).

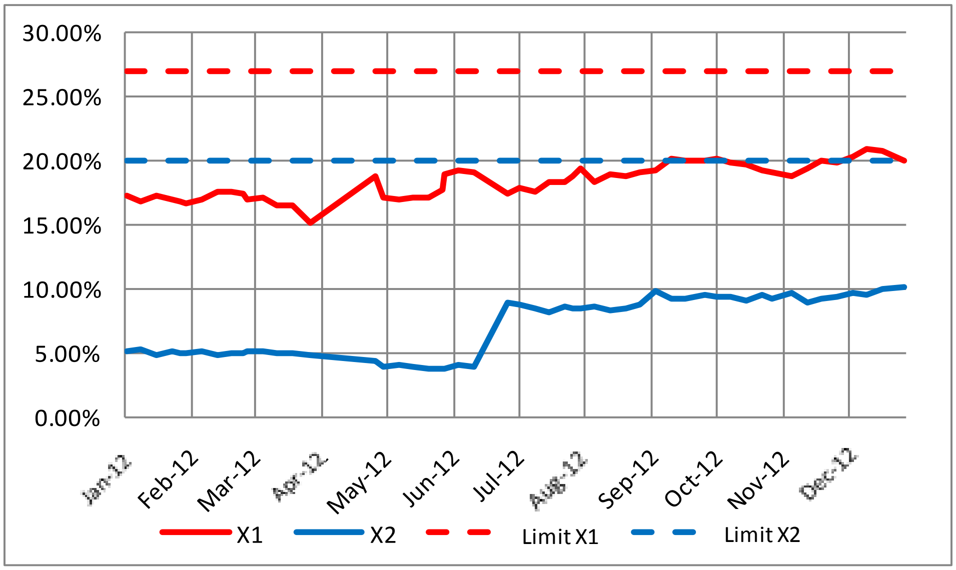
Both indexes show an increase in the rate risk of the book value, although with levels very below the established limits. The rises observed in the middle of the year were principally due to changes in the behavior model of loans and deposits.

Fig 14. MVS - SAR
Year 2012



The evolution of regulatory indexes X1 (exposure to the short-term market risk) and X2 (exposure to the long-term market risk) registered a slack regarding the limits during 2012, explained mainly by the management of the balance with accounting hedges.

Fig 15. Regulatory Market Risk X1 – X2
Year 2012

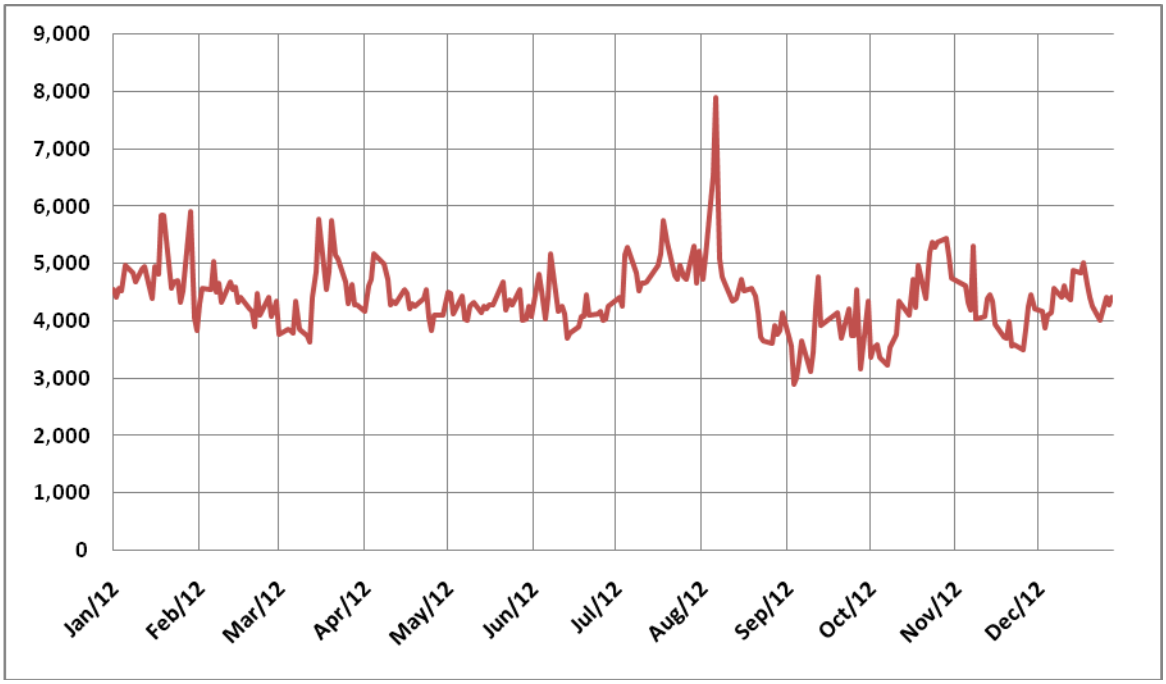


X1: Limit on Financial Margin
X2: Limit on Effective Shareholders' Equity

- Value at Risk

The evolution of VaR at 10 days for 2011 is the following:

Fig 16. Consolidated Value at Risk
Year 2012 (MCLP$)



During 2012 there was a gradual decrease of the volatility on almost all the types of assets towards the end of the period. Uncertainty remains in Europe, but economic data toward the end of 2012 suggested improvement in 2013. Inflation on the other hand was at levels well below the estimate, closing 2012 with 1.5%. During the year the exchange rate showed low volatility, keeping for most of the 2012 levels below $ 490/USD except May-June when it which reached $ 520/USD. These low levels of exchange rate has meant that the market has been expecting a possible intervention of Central such as the one on January 2011, however this has not happened as yet.

In this context, the total consolidated risk averaged MCLP$4,398 measured to the regulatory horizon of 10 days. This is 7% less than the average risk of 2011 (MCLP$ 4,713).

The interest rate risk averaged MCLP$4,167, while the foreign currency risk was MCLP$2,186. In trading, the added average was MCLP3,598, MCLP$3,448 for interest rate and MCLP$1,809 for foreign currency. Finally, for non-trading portfolios (available for sale investments) the total VaR averaged MCLP$3,404, MCLP$3,263 for rate risk and MCLP$1,712 for currency risk.

Fig 17. Value at Risk by portfolio and type of risk
Year 2012 (MCLP$)

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

	12 months until December 31, 2012			
	Average	Maximum	Minimum	Final
FX Risk	2,186	3,835	2,575	2,211
Interest rate risk	4,167	7,308	2,823	4,214
VaR Total	4,349	7,625	2,946	4,398

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

	12 months until December 31, 2012			
	Average	Maximum	Minimum	Final
FX Risk	1,809	3,037	1,976	1,585
Interest rate risk	3,448	5,787	2,166	3,020
VaR Total	3,598	6,038	2,261	3,152

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

	12 months until December 31, 2012			
	Average	Maximum	Minimum	Final
FX Risk	1,712	2,207	1,421	1,455
Interest rate risk	3,263	4,207	2,708	2,774
VaR Total	3,404	4,390	2,826	2,894

Fig 18. Value at Risk by portfolio and type of risk
Year 2011 (MCLP$)

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

	12 months until December 31, 2011			
	Average	Maximum	Minimum	Final
FX Risk	3,592	5,189	2,273	2,392
Interest rate risk	6,846	9,890	4,332	4,558
VaR Total	7,143	11,744	4,125	4,713

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

	12 months until December 31, 2011			
	Average	Maximum	Minimum	Final
FX Risk	2,451	4,477	2,354	2,351
Interest rate risk	4,671	8,533	2,580	4,480
VaR Total	4,874	8,903	2,692	4,675

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

	12 months until December 31, 2011			
	Average	Maximum	Minimum	Final
FX Risk	2,093	2,880	1,587	2,107
Interest rate risk	3,988	5,489	3,024	4,015
VaR Total	4,161	5,727	3,155	4,189

f) Fair Value

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

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

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

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

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

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

g) Derivative instruments

As of December 31, 2012, BCI had gross positions for MCLP$43,565 in derivative instruments (at fair value). The derivative instruments are divided into two large groups, depending on their accounting treatment: (1) instruments for trading, and (2) instruments with special treatment of hedge accounting. The trading instruments are originated from the *Sales & Trading activities (S&T)*, whether it is by sales to third parties or hedge of the risks experienced on those sales. The areas in charge of the Asset & Liability Management (ALM) also use derivatives to cover their risks. These can follow the standard treatment of trading or have a special hedge accounting treatment. Hedges seek, according to accounting regulations in force, to decrease the fluctuation in the value of assets and liabilities or in cash flows.

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

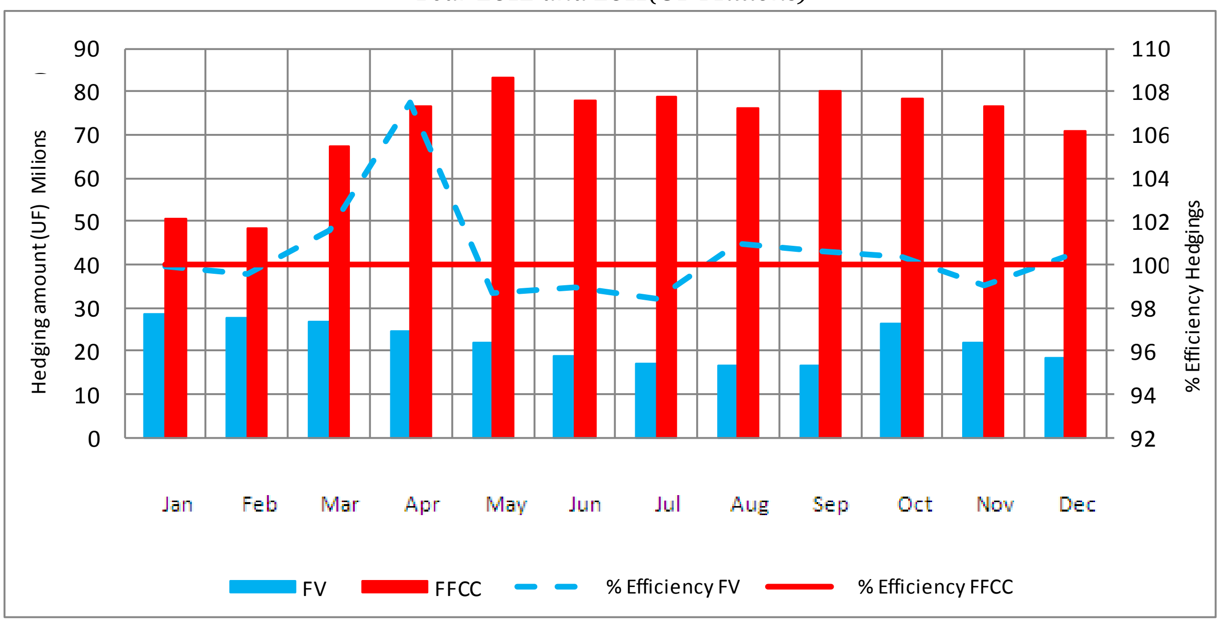
h) Counterpart risk

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

i) Hedge accounting

BCI uses hedge accounting to manage the fair-value and cash-flow risks to which it is exposed. The fair-value hedges use derivative instruments to cover changes in the fair value of an asset or liability in the balance sheet. The changes in the fair value of the derivatives that form part of the cash-flow hedges are registered in net shareholders' equity. The treatment of this type of instrument strictly follows the international accounting standard IAS 39. The Financial Risk Management is responsible for designing and validating the efficiency of the hedges, generating efficiency indicators that are constantly monitored and reported to ALCO. As of December 31, 2012 the total notional amount of cash-flow hedges amounted to MCLP$1,615,261 while the fair-value hedges amounted to MCLP$418,018.

Fig 19. Amount, Type and Efficiency of Hedge Accounting
Year 2012 and 2011(UF Millions)



CREDIT RISK

Risk Management structure

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

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

As the amount of the operation increases, this is approved by couples of senior executives both from the commercial and risk areas and from the senior management committees, until reaching the highest level represented by the Board of Director's Executive Committee.

Provisions for credit risk

According to the indicated by the Superintendencia de Bancos e Instituciones Financieras (SBIF), the Banks should permanently maintain evaluated their loans and contingent credits portfolios, in order to constitute provisions opportunely and sufficiently, so as to cover possible losses, in accordance with the regulation of said Organism, contained on Circular B1 referring to provisions for credit risk.

The Bank has a series of models both for the individual and the group portfolios, which are applied depending on the type of portfolio and operations. These models are approved by the Board of Directors, which is informed annually about the adequacy of the provisions.

Models based on the individual analysis of debtors

This model is applied when the companies involved, given their size, complexity or level of exposure with the entity are required to be identified and analyzed in detail, one by one.

These models consider the analysis of aspects such as the financial situation of debtors, their payment behavior, knowledge and experience of the shareholders and management in the business, as well as their grade of commitment with the company and the industrial area where the company is inserted and the relative position of the company within this area.

Quality of the loans by type of financial asset

Regarding the quality of the loans, these are described in accordance with the Compendium of Accounting Standards issued by the Superintendencia de Bancos e Instituciones Financieras (SBIF).

The detail of the quality of loans is summarized in the following table:

	2012					
	BALANCE			PROVISION		
Debt:	Interbank loans	Loans and accounts receivable from customers	Total	Interbank loans	Loans and accounts receivable from customers	Total
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
A1	24.026	12,063	36,089	9	4	13
A2	8,006	1,006,754	1,014,760	7	621	628
A3	44,486	1,667,558	1,712,044	97	2,475	2,572
A4	9,458	1,838,552	1,848,010	166	16,140	16,306
A5	220	983,492	983,712	9	9,490	9,499
A6	-	316,003	316,003	-	7,691	7,691
B1	-	67,002	67,002	-	3,952	3,952
B2	-	25,094	25,094	-	3,602	3,602
B3	-	7,943	7,943	-	485	485
B4	-	10,773	10,773	-	1,491	1,491
C1	-	15,198	15,198	-	304	304
C2	-	15,426	15,426	-	1,543	1,543
C3	-	4,438	4,438	-	1,110	1,110
C4	-	29,747	29,747	-	11,899	11,899
C5	-	61,929	61,929	-	40,254	40,254
C6	-	32,953	32,953	-	29,658	29,658
GR	-	5,923,634	5,923,634	-	153,902	153,902
Subsidiaries	2,398	1,028,938	1,031,336	-	14,752	14,752
Total	**88,594**	**13,047,497**	**13,136,091**	**288**	**299,373**	**299,661**

	2011					
	BALANCE			PROVISION		
Debt:	Interbank loans	Loans and accounts receivable from customers	Total	Interbank loans	Loans and accounts receivable from customers	Total
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
A1	5,594	13,761	19,355	2	5	7
A2	25,102	880,693	905,795	21	527	548
A3	29,622	1,340,896	1,370,518	65	2,070	2,135
A4	148	1,826,444	1,826,592	3	17,910	17,913
A5	167	720,531	720,698	7	9,622	9,629
A6	53	220,123	220,176	5	5,853	5,858
B1	-	46,755	46,755	-	1,021	1,021
B2	-	24,472	24,472	-	798	798
B3	-	7,733	7,733	-	1,442	1,442
B4	-	9,867	9,867	-	1,452	1,452
C1	-	36,070	36,070	-	721	721
C2	-	20,162	20,162	-	2,016	2,016
C3	-	75,080	75,080	-	18,770	18,770
C4	-	22,728	22,728	-	9,091	9,091
C5	-	67,081	67,081	-	43,603	43,603
C6	-	31,184	31,184	-	28,066	28,066
GR	-	5,155,869	5,155,869	-	125,722	125,722

Subsidiaries	12,020	878,402	890,422	9	8,608	8,617
Total	**72,706**	**11,377,851**	**11,450,557**	**112**	**277,297**	**277,409**

The analysis of the age of delinquent loans by type of financial assets is the following:

	Less than 30 days		Between 30 and 89 days		90 days or more		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Interbank loans	-	-	-	-	-	-	-	-
Loans and accounts receivable from customers	47.205	19,524	19,253	22,857	175,733	144,466	242,191	186,847
Total	**47.205**	**19,524**	**19,253**	**22,857**	**175,733**	**144,466**	**242,191**	**186,847**

Operational Risk

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

BCI Bank has operational risk specialists in the areas of processes, information security, continuity of business and regulatory compliance, with the objective of avoiding errors in the processes and unexpected losses and optimizing the use of required capital.

Over the last years, BCI has reached maturity in terms of identification, quantification, mitigation and report of its operational risks, which allows having risks whose impact in the organization is quantified monetarily.

During 2012 the risk management was strengthened by lowering the risk appetite for Expected Losses and VAR, the definition and implementation of maximum tolerable levels for Materialized Losses and the update of risk maps of critical processes.

Operational risk management

BCI manages its operational risks with the active participation of those responsible for the areas (Owners of Processes) through management committees on different areas. One committee is for operational risks for losses management, another one for suppliers, one for technologic operational risks and the last one for continuity of business. These committees meet periodically and their objective is checking losses that have occurred, carrying out plans for correcting their causes and managing the mitigation plans for operational risks identified in the process revisions.

Capital calculation according to Basel

BCI has participated in the capital calculation exercises according to the standards of Basel II (QIS), a calculation integrating the credit and financial or market risks along with the operating risk as a global indicator of risk exposure. However, during 2012 BCI carried out two Operational Risk Capital Calculation under the Advanced Model (first bank in Chile to acquire it).

Security of information

BCI has a security strategy based on the best practices of the industry which is sustained in the regulatory frame and whose main component is the General Policy for Information Security, approved by the Board of Directors Committee, an organization conformed by specialized areas and focused on the administration and operation of security and the management of security risks, and a Security Committee conformed by representatives of several areas of the Bank which watch over the compliance of the annual plan of security and the approval of the specific policies for security.

This strategy is complemented with a technological infrastructure and specific procedures of operation and monitoring of the activity, oriented towards preventing potential attacks to the information security of the clients and the Bank.

A relevant event in the security of information during 2012 was successfully finishing the update of the monitoring for information security, which consists of indicators designed to continually evaluate the management of main risks. Also during 2012, a special emphasis was placed on strengthening the diffusion and training of employees regarding information security policies and good practice for the protection of information.

Continuity of business

The continuity strategies developed during the last years have been consolidating, adding new risk scenarios and increasing the coverage plan to the different units that need to continue operating in situations of contingency. In addition, the contingency sites increased their coverage to support the relevant processes of Telecanel and TBank.

During 2012 we have trained our employees and carried out practices within normal working hours while attending customers in order to validate the effectiveness of the continuity processes and strategies, giving a constant and satisfactory attention to the customer. The tests involved the operational processes such as technological tests.

36. MATURITIES OF ASSETS AND LIABILITIES

As of December 31, 2012 and 2011, the breakdown of maturities of assets and liabilities is as follows:

2012	NIB	Up to 1 month	Between 1 and 3 months	Between 3 and 12 months	Subtotal up to 1 year	Between 1 and 5 years	More than 5 years	Subtotal over 1 year	Total
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Assets									
Cash and due from banks	1,459,621	-	-	-	1,459,621	-	-	-	1,459,621
Operations pending settlement	394,396	-	-	-	394,396	-	-	-	394,396
Trading instruments	-	974,452	48,860	114,731	1,138,043	77,173	8,303	85,476	1,223,519
Securities purchased under resale agreements	-	100,943	26,231	7,634	134,808	-	-	-	134,808
Financial derivative instruments (*)	-	32,557	49,605	217,163	299,325	103,866	65,966	169,832	469,157
Interbank loans (*)	-	2,534	15,975	67,688	86,197	2,397	-	2,397	88,594
Loans and accounts receivable from customers (**)	-	1,928,826	1,254,491	2,216,237	5,399,554	4,130,532	3,344,267	7,474,799	12,874,353
Investment instruments available for sale	-	605,534	6,867	6,781	619,182	107,652	44,547	152,199	771,381
Investment instruments held to maturity	-	-	-	-	-	-	-	-	-
Total assets	**1,854,017**	**3,644,846**	**1,402,029**	**2,630,234**	**9,531,126**	**4,421,620**	**3,463,083**	**7,884,703**	**17,415,829**
Liabilities									
Deposits and other liabilities payable on demand	3,618,364	-	-	-	3,618,364	-	-	-	3,618,364
Operations pending settlement	248,898	-	-	-	248,898	-	-	-	248,898
Securities sold under repurchase agreeemnts	-	301,693	23,461	8	325,162	-	-	-	325,162
Time deposits and other obligations (***)	-	3,531,166	1,637,590	1,948,977	7,117,733	104,844	12	104,856	7,222,589
Financial derivative instruments	-	52,646	43,412	169,391	265,449	128,991	33,796	162,787	428,236
Interbank borrowings	-	365,449	802,651	813,138	1,981,238	79,192	14	79,206	2,060,444
Bonds	-	28,603	1,726	56,579	86,908	967,455	1,010,712	1,978,167	2,065,075
Other financial liabilities	-	43,205	229	30,203	73,637	5,719	35,713	41,432	115,069
Total Liabilities	**3,867,262**	**4,322,762**	**2,509,069**	**3,018,296**	**13,717,389**	**1,286,201**	**1,080,247**	**2,366,448**	**16,083,837**

(*) Shows gross values.
(**) Excludes amounts whose maturity date has already passed and provision.
(***) Excludes fixed term savings accounts.

2011	NIB	Up to 1 month	Between 1 and 3 months	Between 3 and 12 months	Subtotal up to 1 year	Between 1 and 5 years	More than 5 years	Subtotal over 1 year	Total
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
Assets									
Cash and due from banks	1,199,581	-	-	-	1,199,581	-	-	-	1,199,581
Operations pending settlement	275,473	-	-	-	275,473	-	-	-	275,473
Trading instruments	-	1,014,460	35,344	81,727	1,131,531	85,418	25,529	110,947	1,242,478
Securities purchased under resale agreements	-	59,497	10,564	3,486	73,547	-	-	-	73,547
Financial derivative instruments (*)	-	143,478	111,940	242,624	498,042	125,426	17,709	143,135	641,177
Interbank loans (*)	-	5,287	40,095	27,181	72,563	143	-	143	72,706
Loans and accounts receivable from customers (**)	-	1,605,813	1,118,295	1,973,398	4,697,506	3,694,421	2,842,679	6,537,100	11,234,606
Investment instruments available for sale	-	594,226	572	8,429	603,227	116,090	110,273	226,363	829,590
Total assets	**1,475,054**	**3,422,761**	**1,316,810**	**2,336,845**	**8,551,470**	**4,021,498**	**2,996,190**	**7,017,688**	**15,569,158**
Liabilities									
Deposits and other liabilities payable on demand	3,172,480	-	-	-	3,172,480	-	-	-	3,172,480
Operations pending settlement	157,092	-	-	-	157,092	-	-	-	157,092
Securities sold under repurchase agreeemnts	-	324,378	22,810	3,131	350,319	-	-	-	350,319
Time deposits and other obligations (***)	-	2,614,778	1,538,438	2,335,588	6,488,804	210,011	-	210,011	6,698,815
Financial derivative instruments	-	218,407	89,832	128,935	437,174	163,837	24,612	188,449	625,623
Interbank borrowings	-	392,357	331,786	804,636	1,528,779	318,268	47	318,315	1,847,094
Bonds	-	15,267	1,234	121,563	138,064	376,629	958,941	1,335,570	1,473,634
Other financial liabilities	-	43,380	502	2,911	46,793	30,358	37,676	68,034	114,827
Total Liabilities	**3,329,572**	**3,608,567**	**1,984,602**	**3,396,764**	**12,319,505**	**1,099,103**	**1,021,276**	**2,120,379**	**14,439,884**

(*) Shows gross values.
(**) Excludes amounts whose maturity date has already passed and provision.
(***) Excludes fixed term savings accounts.

37. FOREIGN CURRENCY

The consolidated statements of financial position as of December 31, 2012 and 2011 includes assets and liabilities in foreign currencies or that are readjusted by the variation in the exchange rate as follows:

	In Foreign Currency		In Chilean Pesos		Total	
	2012	2011	2012	2011	2012	2011
	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$	MCLP$
ASSETS						
Cash and due from banks	471,366	345,532	988,253	854,049	1,459,619	1,199,581
Operations pending settlement	169,798	133,177	224,598	142,296	394,396	275,473
Trading investments	21,131	21,705	1,202,388	1,220,773	1,223,519	1,242,478
Securities purchased under resale agreements	-	-	134,808	73,547	134,808	73,547
Derivative financial instruments	124,172	99,108	344,984	537,844	469,156	636,952
Interbank loans	88,306	72,594	-	-	88,306	72,594
Loans and receivables from customers, net	1,837,079	1,633,000	10,911,045	9,467,554	12,748,124	11,100,554
Available for sale investments	209,494	173,916	561,887	655,674	771,381	829,590
Investments in other companies	-	-	67,235	61,379	67,235	61,379
Intangible assets	61	119	80,907	78,282	80,968	78,401
Property, plant and equipment, net	259	185	204,798	206,226	205,057	206,411
Current income tax provision	-	-	4,237	8,688	4,237	8,688
Deferred income taxes	-	-	60,109	47,545	60,109	47,545
Other assets	39,708	58,097	179,955	218,371	219,663	276,468
TOTAL ASSETS	**2,961,374**	**2,537,433**	**14,965,204**	**13,572,228**	**17,926,578**	**16,109,661**
LIABILITIES						
Deposits and other liabilities payable on demand	379,044	362,973	3,239,321	2,809,507	3,618,365	3,172,480
Operations pending settlement	190,088	115,146	58,810	41,946	248,898	157,092
Securities sold under repurchase agreeemnts	29,729	24,069	295,434	326,250	325,163	350,319
Savings accounts and time deposits	1,333,989	1,136,099	5,888,599	5,612,955	7,222,588	6,749,054
Derivative financial instruments	130,528	125,388	297,708	500,235	428,236	625,623
Interbank borrowings	1,593,227	1,549,217	467,217	297,877	2,060,444	1,847,094
Bonds	395,885	74,045	1,669,189	1,399,589	2,065,074	1,473,634
Other financial obligations	18,981	20,048	96,088	94,779	115,069	114,827
Deferred income taxes	-	-	44,605	37,048	44,605	37,048
Provisions	1,389	674	178,036	169,455	179,425	170,129
Other liabilities	47,387	9,473	151,367	180,839	198,754	190,312
TOTAL LIABILITIES	**4,120,247**	**3,417,132**	**12,386,374**	**11,470,480**	**16,506,621**	**14,887,612**

38. SUBSEQUENT EVENTS

On February 11, 2013, the Bank issued a bond in the US (ISIN RegS: USP32133CG63) for US$ 500,000,000 in accordance with Rule 144A (ISIN 144A: US055956 NAE22) and Regulation S of the securities market regulation in the US (ISIN RegS: USP32133CG63), which have an annual rate of 4.00% and matures in 2023.

There have been no other subsequent events between January 1, 2013 and the date of issue of these consolidated financial statements that may have had or might have any impact on the presentation of these consolidated financial statements.

Fernando Vallejos Vásquez Gerente de Contabilidad	Lionel Olavarría Leyton Corporativo Gerente General

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