



# Quarterly Earnings Report



Second Quarter 2010

June 2010

Investor Relations Area  
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**SECOND QUARTER 2010**

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All reference to future events, projections or trends made by Banco de Crédito e Inversiones (hereinafter “the Bank”) involve risks and are subject to the uncertainty of events that may occur and are not under the control of the Bank, there being a chance their performance and financial results might be altered. The Bank does not commit to updating its references to these events, projections or trends even if it is evident that such stated or implied projections will not be fulfilled by the Bank based on either past experience or indicative events.

**Investor Relations Area**

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## FINANCIAL HIGHLIGHTS



Bci's accumulated Net Income totaled Ch\$52,518 million at 2Q10, compared positively with the Ch\$37,042 million accumulated at 2Q09, with an increase of 41.78%. This is explained mainly by the strong increase in the Financial Margin, with an increase of Ch\$28,350 million and by a decrease of Ch\$15,164 million in Allowances and Write-offs. In addition, the result for Other Net Operating Income and the Change and Financial Operating results decreased in Ch\$13,998 and Ch\$9,130 million respectively.

The accumulated return at 2Q10, measured as ROE, was 20.55%, in line with the 20.75% return obtained by the Financial System. The accumulated Efficiency Ratio at June 2010 was 42.79%, representing an improvement compared with the 43.69% for the same period of the last year, and staying in line with the System's Cost-to-ratio of 42.46%. It is important to mention that both the ROE and Efficiency indicators may present distortions during the first periods of the year, due to the seasonal effects and calculation methodology, which annualizes the results accumulated to date.

Total Loans totaled Ch\$9,179,415 with a 1.18% growth compared with 1Q10, obtaining a 12.80% market share, slightly below the 13.09% obtained in 1Q10, but staying in line with Bci's historical market share. This increase in market share, compared with the 12.76% obtained at 4Q09 is explained by the partial normalization of the conditions in the banking industry, after a 2009 marked by the global financial crisis, in which Bci's profitable growth and levels of limited risk strategies meant a momentary fall in the market share. Bci has maintained fourth place within the banking sector and third place among private banks.

In terms of risk, the Loan Loss Provisions over Total Loans index reached 2.58% at 2Q10, representing an increase of 28 basis points compared to the previous quarter while the Financial System obtained a 2.52% for the same period.

**Table 1:**  
Main Indicators  
Banco de Crédito e Inversiones

	2009	1Q10	2Q10	Change 2Q10 / 1Q10
<b>Operational Indicators</b>				
Headcount	8,848	8,888	9,022	1.50%
Commercial Contact Points	332	339	366	0.79%
Nº of ATMs	1,013	1,038	1,023	-1.45%
<b>Financial Indicators</b>				
ROE	17.94%	19.98%	20.55%	57 bps
ROA	1.22%	1.44%	1.52%	8 bps
Efficiency Ratio	44.71%	44.94%	42.79%	215 bps
LLPs/Total Loans	2.18%	2.30%	2.58%	28 bps
Basic Capital/Total Assets (Tier I)	6.41%	6.48%	6.58%	10 bps
Tangible Common Equity/RWAs (Tier II)	12.12%	11.85%	12.91%	106 bps



**Table 2:**  
Consolidated Financial Statement  
Banco de Crédito e Inversiones \*

Ch\$ Millions	2Q09	1Q10	2Q10	2Q10/ 1Q10
<b>FINANCIAL STATEMENT</b>				
Financial Margin	102,697	116,437	131,047	12.55%
Net Fees	28,207	34,046	36,104	6.04%
Change Result	55,443	-39,431	-45,420	-15.19%
Financial Operating Result	-30,398	64,075	61,335	-4.28%
Other Net Operating Income	16,990	-11,912	2,992	125.12%
<b>Gross Margin</b>	<b>172,939</b>	<b>163,215</b>	<b>186,058</b>	<b>14.00%</b>
Allowances and Write-offs	-60,176	-35,327	-45,012	27.42%
Operating Expenses	-71,354	-76,119	-79,097	3.91%
<b>Operating Result</b>	<b>41,409</b>	<b>51,769</b>	<b>61,949</b>	<b>19.66%</b>
Investment in Subsidiaries	218	2,012	566	-71.87%
<b>Income Before Tax</b>	<b>41,627</b>	<b>53,781</b>	<b>62,515</b>	<b>16.24%</b>
Tax	-4,585	-8,057	-9,997	24.08%
<b>Net Income</b>	<b>37,042</b>	<b>45,724</b>	<b>52,518</b>	<b>14.86%</b>

\* Financial Statements available at [www.bci.cl/accionistas/estadosfinancieros2010](http://www.bci.cl/accionistas/estadosfinancieros2010)

**Table 3:**  
Consolidated Financial Situation Statements  
Banco de Crédito e Inversiones \*

Ch\$ Millions	2Q09	1Q10	2Q10
Cash and due from Banks	566,254	414,064	695,910
Interbank Currency Clearing Accounts	373,162	367,406	380,320
Trading Instruments	707,773	848,075	899,778
Repurchase agreements & Securities Loans	18,539	136,890	59,567
Derivative Instruments	361,243	358,103	348,421
Due from Banks	128,141	114,738	121,923
Loans and Accounts Receivable	8,545,930	8,860,883	8,939,300
Investment Instruments Available for Sale	790,061	1,027,141	909,470
Investment Instruments held to Maturity	-	-	-
Investments in Companies	42,537	63,016	61,846
Intangibles	75,933	78,661	77,237
Fixed Assets	196,990	203,092	206,616
Tax Receivable	30,784	-	-
Deferred Tax	76,705	28,642	30,223
Other Assets	136,329	156,699	187,673
<b>TOTAL ASSETS</b>	<b>12,050,381</b>	<b>12,657,410</b>	<b>12,918,284</b>
Deposits and other Obligations	2,042,719	2,423,449	2,594,578
Interbank Currency Clearing Accounts	79,034	242,729	260,326
Repurchase agreements & Securities Loans	307,747	188,907	313,636
Time Deposits and other Borrowings	5,665,917	5,217,750	5,017,513
Derivative Instruments	416,597	397,297	355,819
Borrowings from Financial Institutions	1,190,192	2,028,165	1,984,388
Bonds Payable	1,099,539	912,277	1,068,565
Other Borrowings	92,377	83,720	97,055
Current tax	0	1,402	4,489
Deferred Tax	49,290	32,218	31,365
Allowances	46,521	66,089	82,989
Other Liabilities	234,775	147,861	151,312
<b>Total Liabilities</b>	<b>11,224,708</b>	<b>11,741,864</b>	<b>11,962,035</b>
Capital	807,143	882,273	882,273
Reserves	-26,998	0	10,095
Equity Accounts	818	-3,642	298
Retained Earnings	44,709	36,913	63,580
Minority Interest	1	2	3
<b>Total Shareholder Equity</b>	<b>825,673</b>	<b>915,546</b>	<b>956,249</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDER EQUITY</b>	<b>12,050,381</b>	<b>12,657,410</b>	<b>12,918,284</b>



## Economic Summary

The uncertainty regarding the worldwide recovery process has returned during the last months. Although it is clear that the emerging economies have a clear lead in this process, the recovery rate of the industrialized countries has been questioned. The strong slowdown suffered by some of these economies in their manufacture indexes, the publication of mixed numbers in the labor market and confidence indexes, among other, have put off the monetary normalization prospects for the Euro Zone and the United States. It seemed that we would see a withdrawal of the quantitative easing programs followed by a monetary normalization process in North America a couple of quarters after the crisis at most. In practice, the rise in the monetary policy rate has been postponed until well into 2011, thus decreasing the gap of the beginning of the monetary normalization with respect to Europe.

The weak economic position in this zone and the weak public finances of several of its members –PIIGS: Portugal, Ireland, Italy, Greece and Spain- led to a sovereign debt crisis, in which these countries faced a high refinancing cost and the downgrading of their risk ratings. This resulted in strong tax adjustment plans and the approval of enormous bailout plans by the European community and international organizations. This sovereign debt crisis seems to have been successfully contained, as these countries return to the debt markets, with the consequent reduction of their sovereign risk indexes. Recently, the resentment regarding the European financial system has also been appeased, after the publication of the stress test applied to Banks of the zone, where it was determined that most of these institutions would resist a macroeconomic shock and sovereign risk scenario.

In this context, the Chilean recovery is rather aligned with the group of emerging economies. The growth prospects for this year are once again located around 5%, after falling due to the earthquake, while the Central Bank –in line with the expectations- has already started the normalizing process with two rises of 50 bps to the Monetary Policy Rate (MPR). The growth indicators show historical levels, with an Imacec rising over 7% in May, based on contributions of a large part of the productive sectors. The impact of the earthquake turned out to be quite lower than anticipated after the tragedy: the recovery of the industrial capacity was relatively fast, there was no negative impact in the unemployment and inflationary shocks that were expected were of a lower scale and dissipated quickly. However, the disaster generated an important shock in the population's confidence level. Still, the prospects for the rest of the year, even for 2011, have recovered thanks to the evolution of the domestic economic indicators.

Among the factors that will lead the growth, the domestic demand is one of the most important. It is expected that the people's consumption as well as the needs of investment of companies and the Government will contribute to the development. In fact, the reconstruction process led by the Government has an important role in the economic prospects. The increase in tax expenses, given the urgent life conditions and needs of those affected by the earthquake will give a boost to the domestic demand, which will be accompanied by new vigor in the private investment. The strength of this demand will be such, that it is expected that Chile will end the year with a marginal deficit of trading balance.



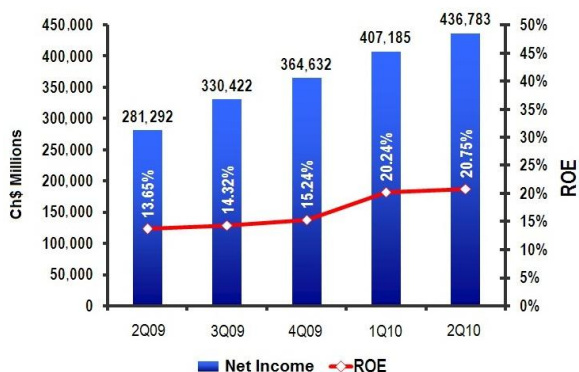
On the other hand, the unemployment figures of the last quarters have kept showing sustained improvements, with no evidence of a major shock after the catastrophe. The unemployment rate was 8.5% during 2Q10, which, despite of the methodology changes, still shows a decreasing trend in unemployment, which finds its parallel in a gradual reduction of capacity gaps. We expect this gap reduction to continue during the year, empowering the growth indicator and increasing the underlying price indexes of the economy.

Unlike previous quarters, inflation has begun to show improvements, even in its underlying measures. In accumulated terms, the CPI accumulated 1.7% during the first semester, while the Core inflation accumulated 1.4%. Mostly, this rise comes from the restoration of the Stamp Tax at the beginning of the year. However, many of the inflationary effects expected after the earthquake have not been reflected in national figures, due to the fast recovery in the flow of the goods and services and the absence of measurements of the affected areas during the month right after the disaster. Nonetheless, the inflationary projections of the agents for 2010 have kept improving thanks to the expectations of rises in the price of food after the recent frosts, to the deepening in the reduction of capacity gaps that generate demand inflation and the rise of the international price of oil and the marginal cost of electric generation, among other factors. This is why the Survey of Economic Expectations of the Central Bank has kept its projection for the year's inflation at 3.5% for 2010 and 3.2% for 2011.

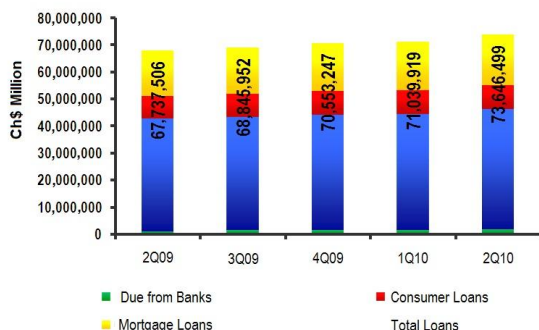
As a result, the risk balance for the Chilean Central Bank aims towards the continuity of the monetary policy rate normalization process for the rest of the year. Maintaining the overnight rate (MPR) at 0.5% since the Monetary Policy Meeting of July 2009 has been one of the pillars that sustained the Chilean economic recovery process regarding both the economic crisis and the earthquake. The Central Bank also followed the example of foreign Central Banks by empowering the purchase of instruments in the fixed income market and implementing non-conventional Term Liquidity programs (FLAPs) to assure an adequate and fast transfer of the MPR to the market rates. This program ended during the second quarter.

## Financial Industry

**Graph 1:**  
Quarterly Net Income and ROE of the System



**Graph 2:**  
Total Loans of the Financial System



**Table 4:**  
Main Figures of the Financial System

Ch\$ Millions	2009	1Q10	2Q10	2Q10 / 1Q10
<b>Total Loans</b>	<b>70,553,247</b>	<b>71,039,919</b>	<b>73,646,499</b>	<b>3.67%</b>
Due from Banks	1,615,202	1,721,453	1,926,411	11.91%
Client Loans	68,938,045	69,318,466	71,720,088	3.46%
Commercial Loans	42,689,372	42,724,674	44,352,610	3.81%
Consumer Loans	8,700,975	8,773,015	8,963,235	2.17%
Mortgage Loans	17,547,698	17,820,777	18,404,243	3.27%
<b>Total Assets</b>	<b>101,907,507</b>	<b>101,836,562</b>	<b>104,400,470</b>	<b>2.52%</b>
NIBDs	16,250,659	16,436,707	17,929,632	9.08%
Time Deposits	42,319,301	42,668,644	43,604,817	2.19%
Capital and Reserves	6,811,846	8,045,861	8,133,959	1.09%
<b>Net Income</b>	<b>1,225,187</b>	<b>407,185</b>	<b>436,783</b>	<b>7.27%</b>

Although the economic recession has been overcome in most part of the world, the international financial sector has maintained a strong volatility. The impact of the new financial regulation in the North American banking sector, enacted after the recent financial crisis, was a focus of concern, as it proposed the imposition of high liquidity requirements and quite tight restrictions to some businesses. The situation of certain European countries and the possible impact of the debt default of some of these economies in the highly interconnected financial systems of said zone became a second focus of concern.

The Chilean banking industry has managed to stay away from those questionings. That is why since May of the last year, the income levels have kept an upward trend, which is also reflected in higher return on equity. Thus, the industry obtained a ROE of 20.75% this quarter, higher than 1Q10 and far over the 13.65% obtained on 2Q09.

Regarding the income, the System's accumulated Net Income at 2Q10 totaled Ch\$436,738 million with a 7.27% growth over last quarter's results.

At the end of the period, the total loans of the system reached Ch\$71,720,088, staying relatively stable during the period, given the shock caused by the earthquake. In quarterly terms, a growth acceleration of 3.46% over last quarter's 0.55% is observed.

A total loans breakdown by components shows a generalized increase, larger than the observed at 1Q10. The improvement of commercial loans stands out, unlike the previous quarter where they obtained a slight increase of 0.08%. On the other hand, unlike the previous quarter, an increase in commercial and consumer loans is observed, reaching values observed by mortgage loans in the previous quarters.



## Bci Highlights

Facing the earthquake that struck the country, Bci has maintained and reinforced its “being always with its clients” commitment, developing an important contingency plan, both for its clients and its team members. As a result, during April, one month and a half after the earthquake, Bci inaugurated a new branch office in the city of Talcahuano, VIII Region, becoming the first banking institution of the country to open its doors to the public in order to support our clients in the reconstruction process, offering them financial solutions according to their needs and memorable service experiences.

Reaffirming our commitment with small entrepreneurs, Bci Nova, along with the International Development Bank, launched the model “Microcréditos a la Puerta de tu Almacén”, a pioneer project in South America whose purpose is to collaborate with the development and deepening of the micro-financing market in Chile. With this new project of Bci Nova, micro-entrepreneurs can expand their businesses and project their sales, participating in commercial and financial training courses, making this project a long-lasting development. It is expected that with the formalization of this alliance, the benefits of this program will extend to approximately 10,000 micro-entrepreneurs during the next 3 years.

Bci Corredor de Bolsa S.A. was recognized between the 40 Super-sales (Superventas) companies of 2010, according to a study carried out by the Universidad Autónoma de Chile and Diario Financiero, which rewards the commercial and marketing job of the companies that stood out for their results in 2009. The tenth version of the “2010 Super-sales Awards” (Premio Superventas 2010) emphasized the work of Bci Corredor de Bolsa S.A., recognizing that the actions performed by the company allowed them to overcome the effects of a period of great economic instability that characterized 2009.

Bci Securitizadora S.A. was distinguished during the 6th version of the “Financial Leaders Awards” (Premios Líderes Financieros), awarded by Diario Financiero and Deloitte, whose objective is to recognize the Banks and investment agents that led the most outstanding financing operations of 2009. Bci Securitizadora S.A. received the award in the “Best Bond in the Domestic Market 2009” (Mejor Bono en Mercado Nacional 2009) category for its participation in the structuring and placement of the first bond of a Peruvian company in the Chilean capital market. With the support of Bci Securitizadora S.A., the issuing of bonds of Banco de Crédito Del Perú (BCP) was performed on November 3rd, 2009.

Bci received, for the 15th straight year, the first place of the “National Safety Council of Chile” (Consejo Nacional de Seguridad de Chile) award, granted by said institution to the best company of the financial industry registering the lowest frequency index of labor accidents during 2009. The participation level of Bci is among the largest Chilean companies adhered to the contest, which includes mining, chemical, manufacturing, oil and financing, and banking service companies.





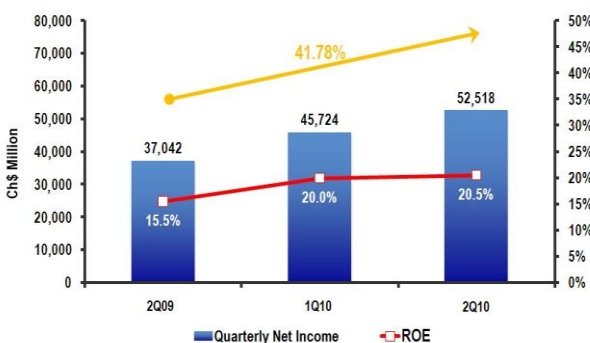
## Earnings Analysis



### Net Income

Bci's Net Income during the second quarter of 2010 totaled Ch\$52,518 million. This result shows a 14.86% increase with respect to the previous quarter, and an increase of 41.78% compared with the second quarter of 2009. It is important to highlight Bci's good results during the first semester of the year, higher than that of the same period of 2009, showing a recovery with respect to the results during the crisis.

**Graph 3:**  
Net Income

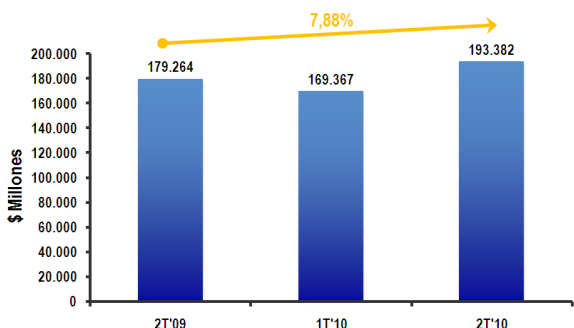


The Net Income increase with respect to the same period of the previous year is mainly due to the increase of Ch\$28,350 million in the Financial Margin and the decrease of Ch\$15,164 million in Allowances and Write-offs, which represent an increase of 27.61% and a decrease of 25.20% respectively. At the same time, the result for Other Net Operating Income and the Change and Financial Operating accounts decreased in Ch\$13,998 and Ch\$9,130 million respectively, which constitute an 82.39% and 36.45% of the results of the second quarter 2009.

As regards profitability, the annualized ROE at 2Q10 was 20.55%, above the 15.47% reached at 2Q09. This result is also better than the 19.98% obtained at 1Q10, which confirms the good performance of the Bank since the second half of the last year, when the effects of the crisis began to decrease.

**Graph 4**  
Gross Margin

Bci's Gross Margin\* reached Ch\$193,382 million during 2Q10, representing a QoQ increase of 14.18%. This increase is mainly due to better net results in Interests and Readjustments Earned, with a QoQ increase of 14.52%.

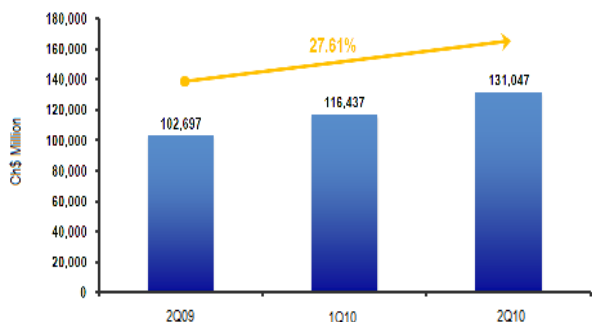


There was a 7.88% YoY improvement due to an increase in Financial Margin and Recoveries both from IFRS adjustments and the different banking segments. Despite the world financial crisis and its unstable consequences, Bci has managed to maintain its level of Gross Margin. This is mainly due to a good pricing strategy among the different products and always supporting its clientele.

\* Note: Gross Margin calculated according to SBIF definition, including income recoveries.

## Financial Margin

**Graph 5:**  
Financial Margin



**Table 5:**  
Financial Margin

Ch\$ Million	2Q09	1Q10	2Q10	Change 2Q10 / 2Q09	Change 2Q10 / 1Q10
Interest and Readjustments	163,369	169,242	193,812	18.63%	14.52%
Interest and Readjustments Paid	-60,672	-52,805	-62,765	-3.45%	-18.86%
<b>Total Financial Margin</b>	<b>102,697</b>	<b>116,437</b>	<b>131,047</b>	<b>27.61%</b>	<b>12.5%</b>

## Commissions

Bci and their subsidiaries' Net Fees totaled Ch\$36,104 million during 2Q10 representing an increase of 6.04% QoQ. The importance of Fees from mutual funds investment and fees generated from insurance marketing, which increased in 28.83%, stand out, being the largest compared with 1Q10. Regarding paid commissions, fees for Securities Operations show the largest rise, increasing 17.16% QoQ.

Net Fees saw a raise of 28% YoY, mainly due to the increase in flat commissions, cards services, mutual funds investment and insurance marketing, which show an important raise YoY. This represents a good result, considering that the SBIF introduced changes to the collection of bank fees in January of 2009.

**Table 6:**  
Net Fees

Ch\$ Million	2Q09	1Q10	2Q10	Change 2Q10 / 2Q09	Change 2Q10 / 1Q10
Commissions Earned	36,721	43,294	45,908	25.02%	6.04%
Commissions Paid	-8,514	-9,248	-9,804	-15.15%	-6.01%
<b>Net Commissions</b>	<b>28,207</b>	<b>34,046</b>	<b>36,104</b>	<b>28.00%</b>	<b>6.04%</b>

## Exchange Rate Income and Financial Operating Income

The exchange rate income and financial operating income of 2Q10 totaled Ch\$15,915 million due to a sold exchange position of roughly US\$1,200 with an exchange rate variation of 7.55%. The position is closed both in 1Q10 and 2Q10 through a Foreign Exchange Forward whose result is reflected in the Financial Operating Income, thus financially speaking, the Bank's exchange rate position is closed to zero and does not generate results.

As regards Financial Operating Income, the Trading desk management has also successfully handled buying and selling positions of derivatives thus generating positive results for the Corporation over the last two quarters of the year.

**Table 7:**  
Exchange Rate Income and  
Financial Operating Income Detail

Ch\$ Million	2Q09	1Q10	2Q10	Change 2Q10 / 2Q09	Change 2Q10 / 1Q10
Change Result	55,443	-39,431	-45,420	-181.9%	-15.19%
Financial Operating Result	-30,398	64,075	61,335	301.77%	-4.28%
<b>Net Result</b>	<b>25,045</b>	<b>24,644</b>	<b>15,915</b>	<b>-36.45%</b>	<b>-35.42%</b>

**Graph 6:**  
Operating Expenses and Efficiency



**Table 8:**  
Operating Expenses Detail

## Operating Expenses

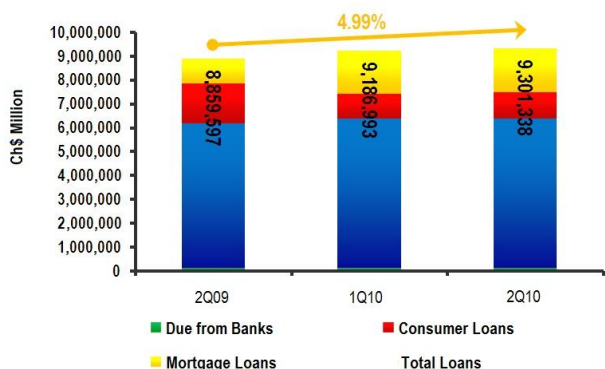
Operating Expenses totaled Ch\$79,097 million during 2Q10, which represents an increase of 3.91% QoQ. This increase is due to larger expenses in new technological and personnel projects.

In terms of efficiency, Bci reached an accumulated index of 42.79% at June 2010, which represents a 215 bps improvement QoQ. Compared to last year, efficiency shows a 90 bps increase. Compared to the efficiency of the financial system, which reached 42.46%, we note a relative worsening. Still, the improvement in efficiency during 2010 reflects the constant preoccupation in Bci to control costs, an objective that has been pushed through corporate savings campaigns, processes optimization ("Bci 2010") and higher productivity.

Ch\$ Million	2Q09	1Q10	2Q10	Change 2Q10 / 2Q09	Change 2Q10 / 1Q10
Personnel and BOD	39,657	41,113	42,789	7.90%	4.08%
Management	17,995	26,393	28,225	56.85%	6.94%
Dep., Amort. & Write-Offs & Others	6,800	8,613	8,083	18.87%	-6.15%
<b>Operating Expenses</b>	<b>64,452</b>	<b>76,119</b>	<b>79,097</b>	<b>22.72%</b>	<b>3.91%</b>

## Stocks and Products

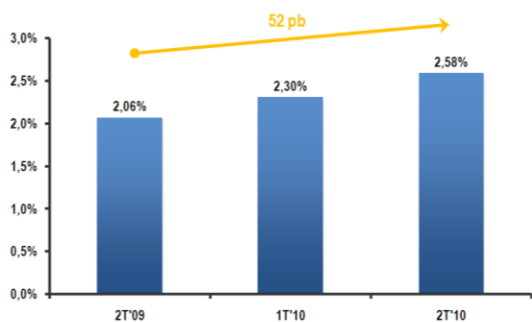
**Graph 7:**  
Total Loans



**Table 9:**  
Total Loans Detail

Ch\$ Million	2Q09	1Q10	2Q10	Change 2Q10 / 2Q09	Change 2Q10 / 1Q10
<b>Due from Banks</b>	128,141	114,738	121,923	-4.85%	6.26%
<b>Clients Loans</b>	8,731,456	9,072,255	9,179,415	5.13%	1.18%
Commercial Loans	4,884,848	5,059,528	5,023,665	2.84%	-0.71%
Foreign Trade	702,214	704,413	756,432	7.72%	7.38%
Leasing	460,964	483,212	488,511	5.98%	1.10%
Mortgage Loans	1,677,528	1,771,934	1,822,875	8.66%	2.87%
Consumer Loans	1,005,902	1,053,168	1,087,932	8.15%	3.30%
<b>Total Loans</b>	<b>8,859,597</b>	<b>9,186,993</b>	<b>9,301,338</b>	<b>4.99%</b>	<b>1.24%</b>

**Graph 8:**  
Allowances / Total Loans



## Total Loans

Bci's Total Loans portfolio reached Ch\$9,301,338 million at the end of June 2010, showing an increase of 1.24% QoQ. Clients' Loans totaled Ch\$9,179,415, increasing in 1.18% QoQ as well. This increase translated into a 12.8% market share, higher than the 12.76% obtained at the end of 2009. Still, a slight decrease of 0.29% is observed QoQ, but in line with Bci's historical participation, profitable growth and limited risk levels. Within the framework of economic recovery and normalization, the most significant variations with respect to the previous quarter were located in consumer loans (3.30%) and foreign trade (7.38%), with the latter slowly coming back to pre-crisis results.

Bci maintains fourth place in loans among the banking system and third place among private banks.

An increase in Total Loans is observed YoY, as well as an important increase in consumer and mortgage loans, which is explained mainly by the economic recovery and the reconstruction process after the earthquake.

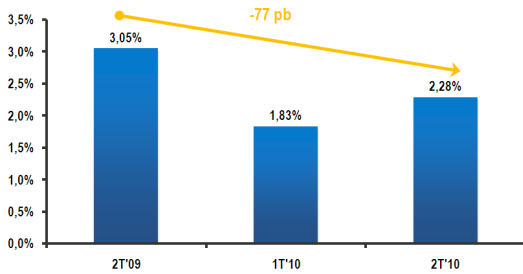
## Portfolio Risk

During 2009 the credit risk provisions increased due to the economic situation, remaining stable at the beginning of 2010. This situation changed after the earthquake that struck the center of the country at the end of February, which caused Bci, as well as the financial system, to increase their credit risk provisions.

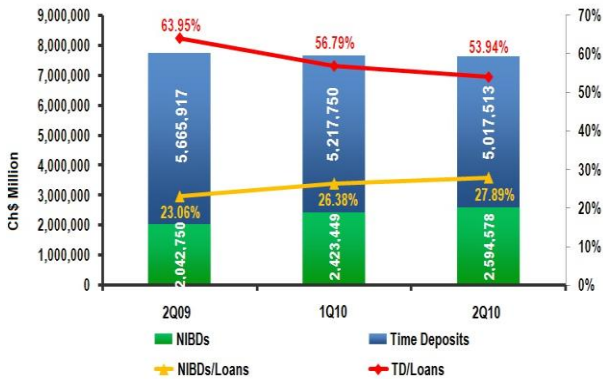
The Allowances to Total Loans Index accumulated to June 2010 reached 2.58%, representing an increase of 52 basis points YoY. The increase is due to the reclassification of some of the bank's assets, the increase of voluntary allowances (IFRS regulation, earthquake effects) and is offset by the release of the salmon industry's allowances in April.



**Graph 9:**  
Allowances and Write-offs



**Graph 10:**  
NIBDs and Time Deposits



As for Allowances and Write-offs, they posted Ch\$52,336 million during 2Q10, which represents a decrease of 21.3% YoY. The annualized Allowances and Write-offs over Total Loans index for 2Q10 reached 2.28%, which represents a decrease of 77 bps with respect to the 3.05% shown at 2Q09, explained by a better economic scenario.

### NIBDs and Time Deposits

By the end of June 2010, NIBDs reached Ch\$2,594,578 million, representing a 7.06% increase QoQ. The NIBDs over Total Loans index at June 2010 reached 27.89%.

Time Deposits at 2Q10 reached Ch\$5,017,513 million, which reflects a fall of 3.84% QoQ. The Time Deposits over Total Loans index at June 2010 was 53.94%.

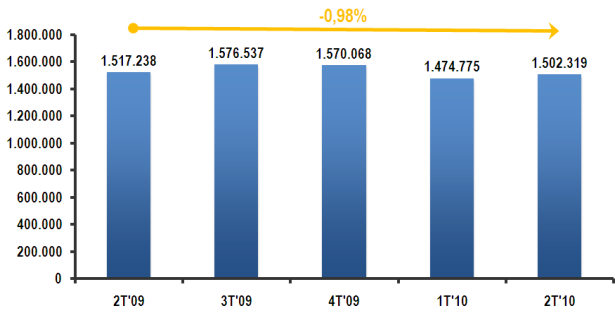
### Capital Base

With regards to capital resources, the Basic Capital over Total Assets ratio (Tier I) at June is 6.58%, showing a 10 basis points increase, whereas the Tangible Common Equity over Risk Weighted Assets (Tier II) is 12.91%, which implies a 106 basis points increase. These indicators comply with the requirements of the General Banking Law and also ensure the solvency of the Bank.



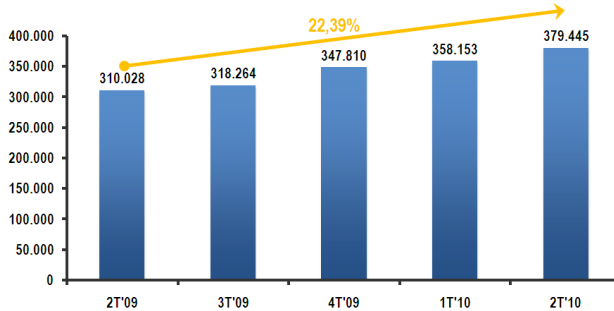
**Graph 11:**

Number of Debit Cards



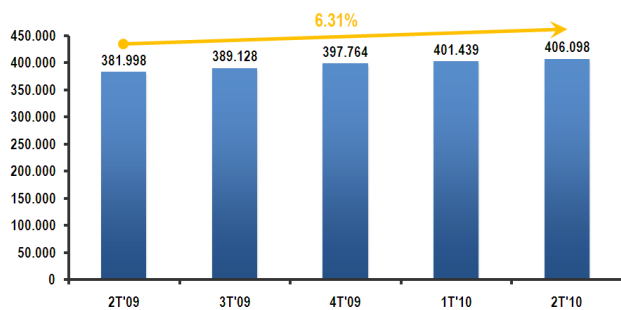
**Graph 12:**

Number of Credit Cards



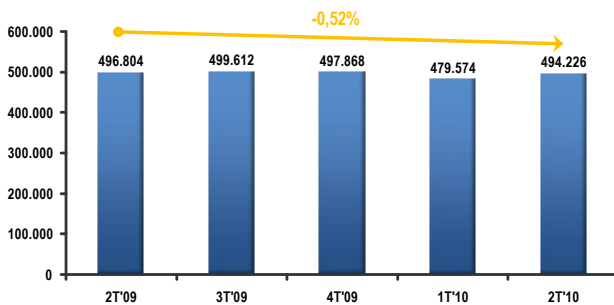
**Graph 13:**

Number of Current Accounts



**Graph 14:**

Number of Debtors



## Product Stock

Next are the main figures on products and the number of Bci's debtors. It is noteworthy that the number of debit cards has decreased 0.98% YoY, but has increased 1.86% QoQ.

On the other hand, the number of debtors has decreased 0.52% YoY, but has increased 3.05% QoQ.

Finally, the number of current accounts and credit cards has increased every quarter since June 2009 to date.



## Stock Performance

**Graph 15**  
 BCI vs IPSA

During 2Q10 the market kept incorporating better prospects for the performance of the banking industry, which were reflected in a better performance of Bci's stock. That way, the share return of Bci, adjusted by dividends, totaled 8% this quarter, while the domestic index return reached 7% during the same period, similar rises thanks to a downward trend adjustment of Bci during the last days of the quarter.

This way, the Market Price over Book Value ratio of the company maintains its upward trend, showing the best implicit prospects in the stock market price.

**Table 10:**  
 Bci's Stock Performance

	2Q09	3Q09	4Q09	1Q10	2Q10
Closing Price	\$ 13,071	\$ 15,566	\$ 16,178	\$ 20,397	\$ 22,363
Minimum Price	\$ 10,345	\$ 12,785	\$ 14,737	\$ 16,211	\$ 19,400
Maximum Price	\$ 14,835	\$ 15,615	\$ 16,591	\$ 20,990	\$ 23,350
<b>Average Price</b>	\$ 12,830	\$ 14,657	\$ 15,601	\$ 19,031	\$ 21,189
EPS	\$ 1,468	\$ 1,526	\$ 1,602	\$ 1,780	--
Market/Book Value	1.6	1.9	1.9	2.3	2.5
Equity Capital <small>(Ch\$ MM)</small>	\$1,357,917	\$1,617,070	\$1,680,642	\$2,068,053	\$2,267,386
Shareholder's Equity <small>(\$MM)</small>	\$ 825,672	\$ 863,355	\$ 896,150	\$ 915,544	--

Figures and data provided by Economática and SBIF (adjusted by last given dividends).