
# Quarterly Earnings Report

## Fourth Quarter 2013

December 2013

Investor Relations Area
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# Quarterly Earnings **Report**

**FOURTH QUARTER 2013**
December 2013

Any reference to future events, forecasts or trends made by Banco de Crédito e Inversiones (hereinafter referred to as “the Bank”) involves risks and is subject to the uncertainty of events that may occur and are not under the control of the Bank, and they may affect its performance and financial results. The Bank does not bind itself to update its references to future events, forecasts or trends, even if it is evident, based on past experience or certain indicative events, that the forecast made or inferred by the Bank will not be met.

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# FINANCIAL HIGHLIGHTS

Bci reported net income of Ch$101,267 million in 4Q13, an 8.85% year-on-year (YoY) increase and a 21.49% increase on 3Q13. The improved result as compared to the previous quarter was mainly due to better risk levels related to customers in the retail and commercial sectors, as well as greater recovery of loan write-offs, which were offset by higher operating expenses.

The YoY net income increase of 8.85% was primarily due to higher income from financial operations and recovery of loan write-offs, offset by an increase in risk compared to the previous year. Return on equity (ROE) was 18.98% as compared to the 14.41% ROE for the banking sector. The accumulated efficiency ratio as of 4Q13 was 43.95%, as compared to 46.63% in 2013 and (46.08%) for the banking sector reflecting Bci´s ability to generate improvements to gross margin along with better expenditure control management.

Bci's customer loan portfolio amounted to Ch$14,529,469 million, a 10.61% YoY increase and 4.81% increase on 3Q13, mainly due to higher commercial loans. In regard to customer loan market share*, Bci has a 13.23% share of the banking sector which was 13.05% higher than in 3Q13.

Bci´s strategy focuses on achieving profitable growth with limited risk levels. Its income market share* therefore rose from 15.98% in 3Q13 to 16.15% in 4Q13, positioning it third in the Chilean banking sector.

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

| Ch$ Millions | 4Q12 | 3Q13 | 4Q13 | Change 4Q13/ 3Q13 |
|---|---|---|---|---|
| **Financial Indicators** | | | | |
| Total Loans ** | 13,135,803 | 13,863,019 | 14,529,469 | 4.81% |
| Income | 93,033 | 83,353 | 101,267 | 21.49% |
| Total Assets | 17,995,526 | 19,255,586 | 20,298,993 | 5.42% |
| Total Shareholders' Equity | 1,419,957 | 1,516,499 | 1,582,100 | 4.33% |
| ROE | 19.10% | 17.50% | 18.98% | 148.1 bps |
| ROA | 1.51% | 1.38% | 1.48% | 10.2 bps |
| Efficiency Ratio | 46.08% | 43.78% | 43.95% | 16.7 bps |
| Loan Loss Reserves/Total Loans | 2.28% | 2.55% | 2.30% | -24.7 bps |
| Basic Capital/RWAs | 9.62% | 9.67% | 9.48% | -19.8 bps |
| Regulatory Capital/RWAs (BIS Ratio) | 13.60% | 13.34% | 13.44% | 10.2 bps |
| **Operational Indicators** | | | | |
| Headcount | 10,595 | 10,550 | 10,518 | - |
| Commercial Contact Points | 388 | 385 | 384 | - |
| N° of ATMs | 1,294 | 1,092 | 1,080 | - |

* Market share excludes Corpbanca's investment in Colombia.
** Total Loans: client loans plus interbank loans.

**Table 2:**
Consolidated Income Statement
Banco de Crédito e Inversiones

| Ch$ Millions | 4Q12 | 3Q13 | 4Q13 | 4Q13/ 3Q13 |
|---|---|---|---|---|
| Financial Margin | 158,621 | 173,686 | 179,552 | 3.38% |
| Net Fees | 55,669 | 48,554 | 52,770 | 8.68% |
| Change Result | -1,819 | -9,512 | -1,160 | 87.80% |
| Financial Operating Result | 28,050 | 45,682 | 38,010 | -16.79% |
| Written-off Credit Recovery | 9,155 | 10,490 | 12,067 | 15.03% |
| Other Net Operating Income | 3,423 | -659 | -5,244 | -695.75% |
| **Gross Margin** | **253,099** | **268,241** | **275,995** | **2.89%** |
| Allowances and Write-offs* | -26,492 | -57,701 | -35,962 | -37.68% |
| Operating Expenses | -119,741 | -111,313 | -120,544 | 8.29% |
| **Operating Result** | **106,866** | **99,227** | **119,489** | **20.42%** |
| Investment in companies | 941 | 989 | 1,873 | 89.38% |
| **Income Before Tax** | **107,807** | **100,216** | **121,362** | **21.10%** |
| Tax | -14,774 | -16,863 | -20,095 | 19.17% |
| **Net Income** | **93,033** | **83,353** | **101,267** | **21.49%** |

**Table 3:**
Consolidated Balance Sheet*
Banco de Crédito e Inversiones

| Ch$ Millions | 4Q12 | 3Q13 | 4Q13 |
|---|---|---|---|
| Cash and due from Banks | 1,459,619 | 1,414,258 | 1,261,766 |
| Interbank transactions | 394,396 | 901,764 | 698,013 |
| Trading Instruments | 1,223,519 | 952,850 | 1,042,536 |
| Repurchase agreements & securities loans | 134,808 | 154,500 | 195,021 |
| Derivative Instruments | 469,156 | 727,758 | 1,269,280 |
| Interbank Loans | 88,306 | 81,180 | 106,151 |
| Loans and Accounts Receivable | 12,748,124 | 13,428,970 | 14,089,071 |
| Investment Instruments Available for Sale | 771,381 | 941,214 | 934,351 |
| Investment Instruments held to Maturity | - | - | - |
| Investments in Companies | 67,235 | 75,256 | 80,093 |
| Intangibles | 80,968 | 83,589 | 83,346 |
| Fixed assets | 205,057 | 215,362 | 233,019 |
| Tax Receivable | 4,237 | 5,031 | -3,026 |
| Deferred Tax | 60,109 | 56,229 | 56,846 |
| Other Assets | 219,663 | 180,821 | 197,176 |
| **TOTAL ASSETS** | **17,926,578** | **19,218,782** | **20,243,643** |
| Deposits and other Obligations | 3,618,365 | 3,679,648 | 3,920,617 |
| Interbank transactions | 248,898 | 777,007 | 552,895 |
| Repurchase agreements & securities loans | 325,163 | 382,447 | 335,701 |
| Time Deposits and other Borrowings | 7,222,588 | 7,700,423 | 7,707,698 |
| Derivative Instruments | 428,236 | 662,007 | 1,232,264 |
| Borrowings from Financial Institutions | 2,060,444 | 1,430,005 | 1,504,728 |
| Bonds Payable | 2,065,074 | 2,645,432 | 2,908,623 |
| Other Borrowings | 115,069 | 64,864 | 71,860 |
| Current tax | - | - | - |
| Deferred Tax | 44,605 | 39,715 | 40,199 |
| Allowances | 179,425 | 144,268 | 181,359 |
| Other Liabilities | 198,754 | 176,467 | 205,599 |
| **Total Liabilities** | **16,506,621** | **17,702,283** | **18,661,543** |
| Capital | 1,202,180 | 1,381,871 | 1,381,871 |
| Reserves | - | - | - |
| Equity Accounts | 27,897 | -4,692 | -9,978 |
| Retained Earnings | 189,879 | 139,319 | 210,206 |
| Minority Interest | 1 | 1 | 1 |
| **Total Shareholders' Equity** | **1,419,957** | **1,516,499** | **1,582,100** |
| **TOTAL LIABILITIES & SHAREHOLDER EQUITY** | **17,926,578** | **19,218,782** | **20,243,643** |

* Results at: http://www.bci.cl/accionistas/eng/financial_statements_2013_q.html

## Economic Overview

In the international arena, in 4Q13 market concerns once again shifted from the health of developed countries, particularly Europe, to that of emerging countries. Whereas in developed countries financial tensions eased compared to earlier in the year, in the latter countries the main concerns were over the impact of the United States starting to withdraw the monetary stimulus and the vulnerabilities of some economies. The vision regarding the pace of global growth in 2013 and 2014 followed the same pattern, with a worsening growth outlook for emerging countries, especially for the Brazil, Russia, India, China and South Africa (BRICS) group of countries, and a brighter outlook for developed countries except for the temporary uncertainty surrounding a new US fiscal stand-off.

Growth forecasts for the United States have increased for 2013 and 2014, making it more likely that the pace of consumer growth will recover. The shockwaves sent through the system by the fiscal shock in the first few quarters proved to be an overreaction and, although “sequestration” cut back spending again when the new US fiscal year started, this did not have a major impact on the rate of growth or consumption. This better performance was associated with a crescendo in the rate of creating jobs and drops in the unemployment rate, and these variables have a large bearing on the decisions of the Federal Reserve (Fed).

The most important economic news from developed markets was undoubtedly the Fed’s decision to cut back the rate of buying instruments from the Treasury, with the rationale being precisely this more favorable macroeconomic climate. Within the framework established by the current quantitative easing plan (QE3), the Fed was buying US$85 billion a month of Treasury securities and mortgage bonds as of 4Q12. This program was cut back from US$85 billion to US$75 billion a month starting in November 2013, and is subject to periodic review and which, according to the president of the Fed, is likely to undergo further moderate cuts if the economic indicators remain healthy. It should be recalled that at the close of 1H13 signs by the Federal Reserve that it would soon start to lift this incentive led to increases in general rate levels, a stronger US dollar and a large exodus of capital from emerging economies. The announcement of QE3 cuts sparked off widespread fear of the impact of this policy on emerging markets, particularly in terms of financing current account deficits, the refinancing rate for debt in foreign currency, the consequential dampening of growth and currency depreciation.

Open concern in Europe of early 2013 has evolved into a tense calm. Economic signs have been given that the manufacturing sector is recovering, particularly in those countries that are more focused on trade outside the European zone, which has helped to maintain growth forecasts for the area at around 1% for 2014. Nevertheless, although the idea that recession is over in these economies has gained ground, the vision is that there will be a relatively long period of low growth and not strong recovery like that starting to be evident in the United States.

In the case of Germany, for example, the news has been brighter, whereas the number two economy of the block, France, has shown signs of greater weakness than expected. Inflation is a new issue of concern, which has continued to drop in Europe and was around 0.8% at the close of 2013. The lower rate of inflation has raised concerns of Europe being on the verge of a long deflationary period, which led the European Central Bank (ECB) to continue to slash the ECB interest rate to 0.25% and to firmly announce that it is getting ready to use all the instruments afforded it by legislation. Despite this declaration of intent, the additional monetary stimulus has been very lukewarm, which has not managed to offset the appreciation in the exchange rate and so far it has not had a major impact on the course of inflation. Moreover, the outlook for the banking industry in Europe is especially uncertain, where new stress tests to be conducted by late 2014 are shaping up to be one of the highlights of the year. There are still fiscal challenges, since despite endeavors to curtail fiscal spending, the financing needs and poor macroeconomic performance have led the debt to GDP ratios to carry on climbing. In peripheral economies, the labor market activity and health indicators have improved slightly. In contrast to this situation of stagnation, the financial conditions are much better than a few quarters ago where credit default swap (CDS) levels and rates required from sovereign debt have continued to tumble, relegating the political and government issues in the periphery. Altogether, the complex economic and financial outlook is keeping investment decisions, bank loans and the hiring of labor on hold.

China has recently once again becomes an issue of concern due to the slowdown of its economy. This worries a skeptical market which now cannot clearly see whether China will be able to successfully deliver on this transition to an investment-focused economy or whether it will manage to resolve the structural issues afflicting its economy, particularly the ordering of its financial system. Despite this, raw material prices have remained stable and in the case of copper around US$3.1 to US$3.4/lb. Brazil is another emerging country that has raised doubts recently, for which the common view has cut back its growth forecast to up to 2.1% for 2014. The factors troubling the economy include the large fiscal deficit, inflation that has slowed but is still around 6% per annum, alarming social discontent, and the low macroeconomic impact of the huge investments made in the run-up to the Olympic Games. There is also now the higher refinancing cost for debt in foreign currency due to the United States launching the process of withdrawing the monetary stimulus. In addition to the mentioned countries, it is necessary to add Turkey, the Ukraine, India, Indonesia and South Africa, all of which have been compelled to strongly defend the currencies of their investors who have started to increasingly nurture doubts about the condition of these economies. This worse international situation and the risk of possible contagion to other emerging economies has led to the mass exodus from debt and equity markets to the greater relative safety of developed countries. The outflow has been particularly high in countries in Latin America, causing the rapid depreciation of their currencies.

The economic activity and domestic demand indicators in Chile have performed relatively in line with the forecasts of public and private agents, endorsing the expected slowdown since mid-2013. This view has been shared by the monetary authority, and in its latest monetary policy report (IPoM) it forecasted growth of 4.2% for 2013 and 3.75% to 4.75% for 2014. The economic expectation poll forecasts 4.0% growth for this year. This slowdown has primarily occurred in the construction, manufacturing, financial and business service sectors.

Firstly, the slowdown in the construction industry has consolidated, after the tightening of financial conditions by the banking industry and Central Bank of Chile (BCCh) warnings about the sector's debt level. The manufacturing industry has undergone consistent year-on-year contraction, exacerbated by economic uncertainty abroad and really hit by the closure of operations of an iconic steelmaking company. Bank loans stopped slowing down towards the end of the year but the outlook for 2014 is less dynamic.

These reductions are, regarding demand, commensurate with a much more moderate investment rate than in the 2010 - 2012 period. In regard to this, there is particular concern about the rate of mining and electricity industry investment. After the mining industry closed 2012 with record growth rates, the drop in the copper price, higher wage, energy and water costs, and the completion of some projects, among other factors, have dented the growth rate of mining investment, which should however continue at a high rate for a few more years. Such concerns are in addition to the dropping, stagnation or stoppage of various energy infrastructure projects, raising large concern about possible energy shortages next decade. In this context, consumption has shown signs of slowing down. Although the labor market is still tight, real wages have started to slow somewhat, which has firstly reduced the current dynamic rate of consumption. In particular, real department store sales grew by around 10% year-on-year in 4Q13, mainly driven by dynamic sales of durable goods. Due to the increasingly general slowdown of economic activity, the consensus is lower consumption in the first half of 2014. Altogether, the GDP growth figure forecasts were below 3.0% y/y in 4Q13, well below the 4.7% in 3Q13.

Inflation rose sharply in the last part of the year, climbing from 2.0% to 3.0% y/y in a very few months. Likewise, accrued inflation increased significantly in 4Q13, adding 1.1% and it is currently around 3.0% in twelve months. This sharp increase is explained by accelerated exchange rate depreciation and the rise in international fuel prices in the quarter. Nevertheless, these prices have performed differently recently: further exchange rate depreciation will most likely be offset by drops in international fuel prices, which will probably help to stem the speed of inflation in the next few months. Along with a vision of lower economic growth, this has led to forecasts that inflation; implicit in financial instruments, will remain around 2.7% for 2014 and 3.0% for 2015. In line with the Central Bank's latest monetary policy reports, it once again cut interest rates to 4.5% in its November meeting. The market has quickly adopted a vision of interest rate cuts to slightly below 4.0% by mid-2014, with a moderate increase for the rest of the year. This is shared by surveys of financial operators published after this monetary policy report.

## Banking Industry

Information on loans and net income of the banking industry, which excludes Corpbanca's investment in Colombia

The banking sector posted net income of Ch$613,965 million in 4Q13, an increase of 30.38% on the previous quarter and a 21.72% YoY increase.

The increase was mainly due to an increase in gross margins, driven by higher exchange rate income, increased income from net fees and an improvement in risk due to lower provisions, which was offset by higher operating expenses throughout the sector in 3Q13.

Profitability in 4Q13 was up 101 base points (bp) to 14.41%, maintaining the increasing trend of previous quarters.

The banking industry had loans of Ch$110,250,709 million, an increase of 2.87% on the previous quarter and 10.24% YoY growth.

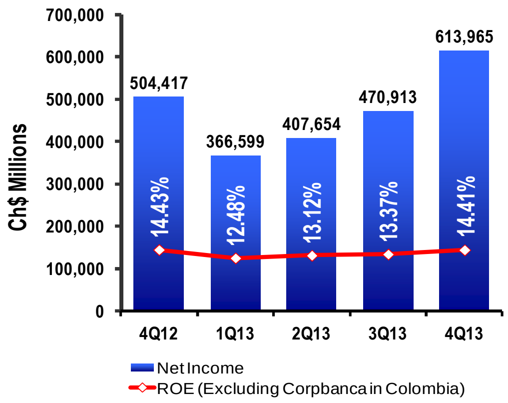
Commercial loans rose 2.05% on the previous quarter, mainly due to the higher commercial loan levels of Banco Itaú (5.71%) and Bci (5.36%).

Consumer loans in the banking sector increased 7.36% on the previous quarter, driven by growth at Banco Ripley (consolidation of non-bank credit cards).

Mortgage loans increased 3.31%, highlighting grow that Banco Chile, Santander and Bci.

NIBDs increased 10.77% quarter-on-quarter (QoQ) amounting to Ch$27,104,352 million, and a 9.5% increase YoY.

**Graph 1:**
Quarterly Net Income and ROE of the Banking Industry




**Graph 2:**
Total Loans of the Banking Industry

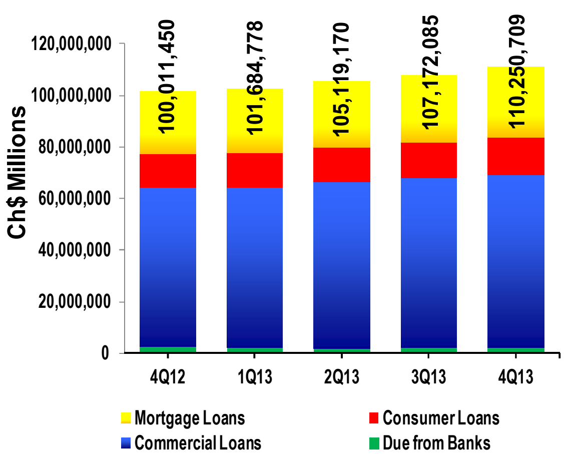



**Table 4:**
Main Figures of the Banking Industry

| Ch$ Millions | 4Q12 | 3Q13 | 4Q13 | 4Q13/ 3Q13 |
|---|---|---|---|---|
| **Total Loans** | **100,011,450** | **107,172,085** | **110,250,709** | 2.87% |
| Client Loans | 98,879,751 | 105,797,593 | 109,019,604 | 3.05% |
| Commercial Loans | 61,652,154 | 65,866,580 | 67,213,861 | 2.05% |
| Consumer Loans | 12,846,258 | 13,669,604 | 14,676,356 | 7.36% |
| Mortgage Loans | 24,381,339 | 26,261,409 | 27,129,387 | 3.31% |
| **Total Assets** | **140,545,104** | **152,122,680** | **158,750,622** | **4.36%** |
| NIBD | 24,752,585 | 24,469,778 | 27,104,352 | 10.77% |
| Time Deposits | 60,165,964 | 64,194,431 | 65,017,383 | 1.28% |
| Shareholders' Equity | 11,250,872 | 12,421,985 | 12,901,676 | 3.86% |
| **Net Income** | **504,417** | **470,913** | **613,965** | **30.38%** |

## Bci Highlights

**Bci is ranked 3rd in Corporate Reputation and recognized for employing disabled persons.**

Bci picked up two very important awards recognizing the work done by the Corporation on issues of corporate governance, corporate social responsibility and integration.

Bci obtained third place in the Corporate Reputation Ranking (MERCO) 2013, which assesses and designates the most reputable companies in Chile. The Corporation is also proud that both Bci's Chairman and Chief Executive Officer were recognized in the ranking of the Best Reputational Leadership in Chile.

In addition, the Bank, once again, received Chile's *Sello Inclusivo* (Inclusive Seal) 2013. This seal/recognition is given to companies, whose work teams include people with disabilities, adapt their work spaces to them and implement user-friendly corporate websites, promoting equal opportunity for the disabled. There is also the Golden Seal for companies that have two or more categories with awards.

These achievements are not the result of one year´s work but instead reflect the work and vision of all employees who work at Bci and our common goal, which is "to make dreams come true through trusting relations throughout our customers' lives."

**GPTW ranks Bci as one of the best companies to work for**

There was a celebratory environment during the Great Place To Work (GPTW) Institute and *El Mercurio* newspaper awards for the best companies to work for in Chile. Bci ranked 15th, gaining 9 spots with respect to last year's ranking.

Bci Seguros ranked 25th, 6 places higher than in 2012. The evening's highlight was the special recognition Bci received as an exemplary model in the practice of giving thanks.

Pablo Jullian, the Chief Human Resources Officer, stated "today we're seeing the fulfillment of Bci's vision which considers employees and their families a core element in the organization's success. We're very pleased that our work is well recognized."

Rodrigo Corces, the Chief Customer Experience and Corporate Brand Manager, stated "this recognition and progress from 24th to 15th place endorse the consistency the Bank has always had of focusing on people and from there building the successful company which we are, so we're very happy."

**Bci is a leading company for working parents**

For the seventh time running, we have been distinguished as one of the best companies for working parents. This year Bci also climbed in the ranking made by Fundación Chile Unido with the *Ya* magazine supplement of *El Mercurio* newspaper.

This survey recognizes Bci for implementing measures so there is a real balance between family and work life of each employee, as well as for the Bank's efforts to give employees the necessary tools to carry on developing.

Various government authorities attended the award ceremony, including Felipe Larraín, Treasury Minister; Juan Carlos Jobet, the Minister of Labor and Social Security; and Loreto Seguel, the Minister of the National Women's Service (SERNAM), who stressed that all measures of this nature taken by companies help to improve the birth rate in Chile, as this is important support for Chilean families.

**ESE Business School distinguishes Bci as one of the most innovative companies in Chile**

Bci has fostered a culture focused on innovation, in which the promotion of state-of-the-art ideas has been a key factor in making progress and providing the best customer experience.

This special focus on the way of doing things, which is present in the DNA of all the Corporation's initiatives, has enabled the Bank to attain **4th place in the ranking of the Most Innovative Companies in Chile 2013**, made by the ESE Business School of the Los Andes University. During the award ceremony, Bci was also distinguished, along with Gasco and Ultramar, for its best practice on innovation**.**

What is the Most Innovative Companies ranking all about?
This survey, developed by academics from the Los Andes University, is an X-ray of the management of 200 large companies on the efficiency of their resources to innovate and their ability to do so constantly over time by means of research and development (R&D).

The leading companies in the ranking showed that innovation is a key tool in generating value for their products or services, making them examples to be emulated in each of their industries, such as Bci.

**The winners of "ADN Bci" are now in!**

One of the leading innovation projects this year which singled out Bci was **ADNBci**. This pioneer competition is the first to be driven by a large company using open innovation methods, i.e., inviting suppliers, customers and people to propose ideas to solve issues in the banking sector. Portraying their creativity and an enterprising spirit, the authors of 20 projects reached the last stage and surprised people in the final of the open innovation competition.

Over 490 entries were received over the two months of the competition and 98 were selected, of which 42 were shortlisted and only the best reached the final. The award-wining projects covered different categories: people, companies and entrepreneurs.

ADNBci thereby closed a successful first cycle, in which the aim was to drive enterprise to develop initiatives with the community in order to improve customer experience. Initiatives like this endorse Bci's commitment of generating activities that drive innovation and enterprise as a way of developing new business that not only contributes to customer experience but also society as a whole.

**Bci is distinguished as the most innovative company in its industry**

Innovation has become a hallmark of the Corporation. It is not only present in the products and services it provides but is also a key part of the management and culture of the entire organization.

This was confirmed by the first perception ranking of InnovAcción 2013, which ranked Bci first as the most innovative company in the financial services industry. During the award ceremony, Bci received an honorable mention for its contribution to innovation in product and service development.

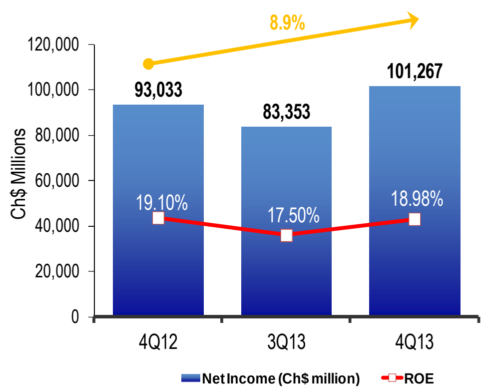
According to Mario Gaete, the support area manager, this award is recognition of the Bank's way of doing things: "Bci has encouraged people to innovate, get motivated and be passionate. We're immersed in a culture that loves problems and strives to do things differently, which I think is a key factor in achieving innovation."

What is this recognition all about?
The aim of this first survey, developed by Best Place to Innovate in collaboration with the faculty of economics and business of the University of Chile, Chile's Economic Development Agency (CORFO) and the market research company CADEM, was to drive corporate innovation and management to attain greater development in different countries.

For Bci, the survey revealed the progress made regarding this issue. This research entails four stages of InnovAcción which companies go through. The Corporation is now in the effective change stage, i.e., the most advanced stage, where innovation transcends the whole business model.

## Earnings Analysis

**Graph 3:**
Net Income



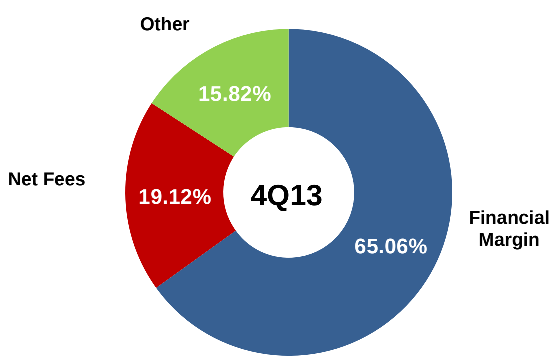

The increase on the previous quarter was mainly due to lower risk expenses related to large releases from reclassifying customers in the Corporate and Factoring areas. There was also a gross margin increase of 2.89%, because of the offset effect of lower income from financial operations, a higher financial margin, and greater recovery of loan write-offs. This higher income was offset by support expenses climbing 8.29% related to administration and staff expenses.

The gross margin rose 9.05% YoY, which was offset by higher risk and support expenses of 35.75% and 0.67%, respectively.

The Bank's annualized return on equity (ROE), according to the definition of the Superintendency of Banks and Financial Institutions (SBIF), was 18.98% in 4Q13 and higher than the 14.41% of the banking industry in the same quarter.

## Gross Margin

**Graph 4:**
Gross Margin



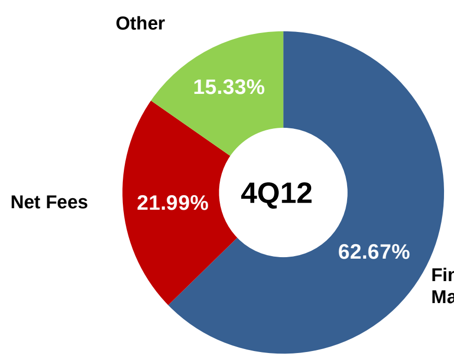

Bci's gross margin* was Ch$275,995 million in 4Q13, a 2.89% QoQ increase. Such increase was mainly due to income from fees increasing 8.68%, explained by a 9.42% increase in the fees earned. There was also a steady 3.38% increase in the financial margin due to higher revenue from loan interest and readjustments and customer accounts receivable (1.14%).

Bci continued to have steady gross margin growth, because of a successful growth strategy focused on more profitable segments with limited risk.

*Note: gross margin calculated according to the SBIF definition, including revenue from recovering write-offs.

**Table 5:**
Gross Margin

| Ch$ Millions | 4Q12 | 3Q13 | 4Q13 | Change 4Q13 / 4Q12 | Change 4Q13 / 3Q13 |
|---|---|---|---|---|---|
| Financial Margin | 158,621 | 173,686 | 179,552 | 13.20% | 3.38% |
| Net Fees | 55,669 | 48,554 | 52,770 | -5.21% | 8.68% |
| Other | 38,809 | 46,001 | 43,673 | 12.53% | -5.06% |
| **Gross Margin** | **253,099** | **268,241** | **275,995** | **9.05%** | **2.89%** |



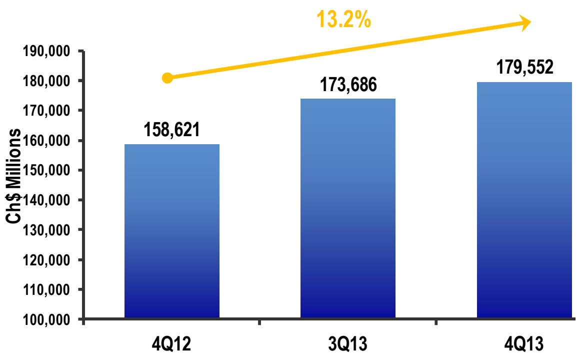
## Financial Margin

The financial margin, comprised of interest and readjustments, amounted to Ch$179,552 million in 4Q13, increasing 3.38% QoQ, and mainly as a result of greater income from interest and readjustment related to consumer and commercial loans.

The financial margin increased 13.20% YoY, also explained by greater income from interest and readjustments related to consumer and mortgage loans. The loan volume increased 10.54% on the previous year and was higher than the 10.25%* increase in the financial system in the same period.

*Excludes the effect of Corpbanca's investment in Colombia.

**Graph 5:**
Financial Margin




**Tables 6:**
Financial Margin

| Ch$ Millions | 4Q12 | 3Q13 | 4Q13 | Change 4Q13 / 4Q12 | Change 4Q13 / 3Q13 |
|---|---|---|---|---|---|
| Interests and Readjustments Earned | 312,085 | 319,347 | 321,756 | 3.10% | 0.75% |
| Interests and Readjustments Paid | -153,464 | -145,661 | -142,204 | -7.34% | -2.37% |
| **Total Financial Margin** | **158,621** | **173,686** | **179,552** | **13.20%** | **3.38%** |

| Detail: Income from Interests and Readjustments | 4Q12 | 3Q13 | 4Q13 | Change 4Q13 / 4Q12 | Change 4Q13 / 3Q13 |
|---|---|---|---|---|---|
| Loans and accounts receivable with clients | 299,443 | 307,580 | 311,096 | 3.89% | 1.14% |
| Commercial Loans | 175,242 | 176,040 | 177,067 | 1.04% | 0.58% |
| Consumer Loans | 69,288 | 73,096 | 75,812 | 9.42% | 3.72% |
| Mortgage Loans | 53,539 | 57,011 | 56,801 | 6.09% | -0.37% |
| Prepaid Fees | 1,374 | 1,433 | 1,416 | 3.06% | -1.19% |
| Loans to Banks | 369 | 612 | 142 | -61.52% | -76.80% |
| Investment Instruments | 11,364 | 12,587 | 12,148 | 6.90% | -3.49% |
| Others | 909 | -1,432 | -1,630 | -279.32% | 13.83% |
| **Total** | **312,085** | **319,347** | **321,756** | **3.10%** | **0.75%** |

| Detail: Expense from Interests and Readjustments | 4Q12 | 3Q13 | 4Q13 | Change 4Q13 / 4Q12 | Change 4Q13 / 3Q13 |
|---|---|---|---|---|---|
| Total Deposits | -98,679 | -92,344 | -91,833 | -6.94% | -0.55% |
| Instruments Issued | -39,590 | -42,417 | -45,968 | 16.11% | 8.37% |
| Other | -15,195 | -10,900 | -4,403 | -71.02% | -59.61% |
| **Total** | **-153,464** | **-145,661** | **-142,204** | **-7.34%** | **-2.37%** |

## Fees

Bci's net fees amounted to Ch$52,770 million in 4Q13, which was an increase of 8.68% QoQ and a decrease of 5.21% YoY.

Higher fees earned from credit card services, collection and payments, and investment in mutual funds should be highlighted.

**Tables 7:**
Net Fees

| Ch$ Millions | 4Q12 | 3Q13 | 4Q13 | Change 4Q13 / 4Q12 | Change 4Q13 / 3Q13 |
|---|---|---|---|---|---|
| Earned Fees | 69,470 | 61,391 | 67,177 | -3.30% | 9.42% |
| Paid Fees | -13,801 | -12,837 | -14,407 | 4.39% | 12.23% |
| **Net Fees** | **55,669** | **48,554** | **52,770** | **-5.21%** | **8.68%** |

| Income from Fees and Services | 4Q12 | 3Q13 | 4Q13 | Change 4Q13 / 4Q12 | Change 4Q13 / 3Q13 |
|---|---|---|---|---|---|
| Lines of credit and overdraft | 4,880 | 4,691 | 4,558 | -6.60% | -2.84% |
| Letters of credit and guarantees | 10,879 | 4,742 | 4,830 | -55.60% | 1.86% |
| Accounts administration | 7,461 | 7,945 | 7,953 | 6.59% | 0.10% |
| Charges for collection and payment | 10,733 | 10,579 | 11,013 | 2.61% | 4.10% |
| Investment in Mutual Funds | 6,805 | 7,826 | 8,124 | 19.38% | 3.81% |
| Card Services | 11,448 | 10,796 | 11,492 | 0.38% | 6.45% |
| Securities administration and intermediation | 1,971 | 785 | 713 | -63.83% | -9.17% |
| Remunerations for insurance brokerage | 9,122 | 8,328 | 8,442 | -7.45% | 1.37% |
| Others | 6,171 | 5,699 | 10,052 | 62.89% | 76.38% |
| **Total** | **69,470** | **61,391** | **67,177** | **-3.30%** | **9.42%** |

*The increase in fees for guarantees and letters of credit on 2012 was due to reclassifying accounts to this group from one of the interest and readjustment accounts, according to SBIF's instructions in October 2012.

| Expense from Fees and Services | 4Q12 | 3Q13 | 4Q13 | Change 4Q13 / 4Q12 | Change 4Q13 / 3Q13 |
|---|---|---|---|---|---|
| Costs for card operations | 7,064 | 6,395 | 7,433 | 5.22% | 16.23% |
| Operations with securities | 2,647 | 2,721 | 3,436 | 29.81% | 26.28% |
| Other | 4,090 | 3,721 | 3,538 | -13.50% | -4.92% |
| **Total** | **13,801** | **12,837** | **14,407** | **4.39%** | **12.23%** |

## Exchange Rate Income and Financial Operating Income

Exchange rate income and financial operating income amounted to Ch$36,850 million in 4Q13, which was aCh$780 million increase on 3Q13,related to higher income from trading derivatives due to a more volatile exchange rate than in 3Q13. Income increased Ch$659 million YoY.

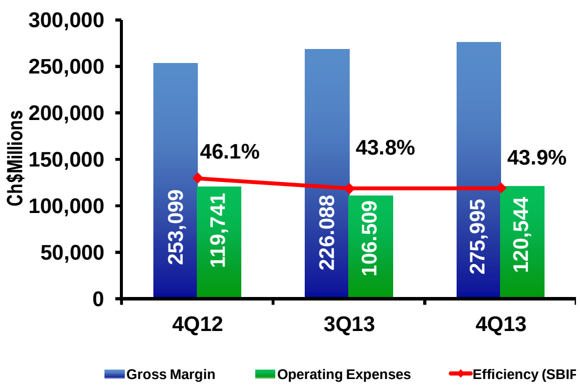
Financial operating income decreased in comparison to 3Q13, as in the previous period there was a one-time effect from sales of securities available for sale, this was offset by higher income from mark to market (MTM), resulting from the increase in value of the fixed income portfolio as a result of decreases in the rates of Chilean Central Bank bonds in Chilean pesos and UF and loan portfolio sales.

**Table 8:**
Breakdown of Exchange Rate Income and Financial Operating Income

| Ch$ Millions | 4Q12 | 3Q13 | 4Q13 | Change 4Q13 / 4Q12 | Change 4Q13 / 3Q13 |
|---|---|---|---|---|---|
| Exchange Rate Income | -1,819 | -9,512 | -1,160 | -36.23% | 87.80% |
| Financial Operating Income | 28,050 | 45,682 | 38,010 | 35.51% | -16.79% |
| **Net Income** | **26,231** | **36,170** | **36,850** | **40.48%** | **1.88%** |

## Operating Expenses

**Graph 6:**
Operating Expenses and Efficiency




Operating expenses were Ch$120,544 million in 4Q13, increasing 8.29% QoQ and 0.67% YoY, mainly due to a larger workforce. In terms of accumulated efficiency, Bci achieved a ratio of 43.95% in 4Q13, which was better than the banking sector´s 46.63%.

There is a constant focus on future growth and controlling expenses, and this objective is driven by corporate saving, process optimization and increased productivity campaigns. Bci's efficiency ratio reflects controlled higher expenses resulting from implementing the Bank's customer experience strategy.

* Efficiency ratio calculated according to SBIF definition: operating expenses on the operating gross margin (as of 2012 this calculation is made by adding the additional allowance expense to the operating gross margin).

**Table 9:**
Operating Expense Breakdown

| Ch$ Millions | 4Q12 | 3Q13 | 4Q13 | Change 4Q13 / 4Q12 | Change 4Q13 / 3Q13 |
|---|---|---|---|---|---|
| Staff and BOD | 67,986 | 62,990 | 67,588 | -0.59% | 7.30% |
| Management | 42,068 | 38,380 | 42,718 | 1.55% | 11.30% |
| Dep. Amort & Write-offs & others | 9,687 | 9,943 | 10,238 | 5.69% | 2.97% |
| **Operating Expenses** | **119,741** | **111,313** | **120,544** | **0.67%** | **8.29%** |

## Results by Business Segments

### COMMERCIAL BANKING

Commercial Banking had operating income of Ch$36,648 million, a decrease of16.53% YoY, mainly explained by reversals in allowances in this period, making the comparison with 4Q13 difficult. The segment´s highlights were greater operating revenues and income from interest and readjustments increasing 23.4%, mainly related to higher loan volumes, generating greater operating revenue before risk which was up 8.12% QoQ.

**Tables 10:**
Operating Income Breakdown by Business

| Commercial Banking (Ch MM$) | 4Q12 | 4Q13 | Change 4Q13/4Q12 |
|---|---|---|---|
| Net Interest Income | 33,912 | 41,839 | 23.4% |
| Net service fee income | 10,399 | 7,019 | -32.5% |
| Other operating income | 14,718 | 14,967 | 1.7% |
| **Total operating income** | **59,029** | **63,825** | 8.1% |
| Provisions for loan losses | 3,300 | -7,540 | -328.5% |
| **NET OPERATING INCOME** | **62,328** | **56,284** | -9.7% |
| **TOTAL OPERATING EXPENSES** | **-18,421** | **-19,636** | 6.6% |
| **OPERATING INCOME** | **43,908** | **36,648** | **-16.5%** |

### RETAIL BANKING

Retail Banking reported operating income of Ch$33,653 million. The improved result was mainly due to net operating revenue increasing 14.2% YoY and was related to income from interest and readjustments rising 15.5% YoY. In addition, the risk expense decreased 0.6% in 4Q13. The combined effects of generating income with limited risk led to higher operating income of 18.6%.

| Retail Banking (Ch MM$) | 4Q12 | 4Q13 | Change 4Q13/4Q12 |
|---|---|---|---|
| Net Interest Income | 63,902 | 73,782 | 15.5% |
| Net service fee income | 25,150 | 28,409 | 13.0% |
| Other operating income | 12,379 | 10,975 | -11.3% |
| **Total operating income** | **101,431** | **113,166** | 11.6% |
| Provisions for loan losses | -18,087 | -17,978 | -0.6% |
| **NET OPERATING INCOME** | **83,344** | **95,189** | 14.2% |
| **TOTAL OPERATING EXPENSES** | **-54,961** | **-61,536** | 12.0% |
| **OPERATING INCOME** | **28,382** | **33,653** | **18.6%** |

**Small and Medium-Sized Enterprises (SMEs)**

The SME segment had operating income of Ch$19,088 million. The improvement on 4Q 2012 was mainly due to improved efficiency in this segment where despite a decrease in operating revenue of 7.5% it had a proportional improvement in operating expenses of 19.1%. In addition, the area cut its risk expenditure by 10.1% and operating income thereby rose 5.5% YoY.

| SME's (Ch MM$) | 4Q12 | 4Q13 | Change 4Q13/4Q12 |
|---|---|---|---|
| Net Interest Income | 27,008 | 29,564 | 9.5% |
| Net service fee income | 13,286 | 6,967 | -47.6% |
| Other operating income | 2,687 | 3,222 | 19.9% |
| **Total operating income** | **42,981** | **39,754** | -7.5% |
| Provisions for loan losses | -5,890 | -5,296 | -10.1% |
| **NET OPERATING INCOME** | **37,092** | **34,458** | -7.1% |
| **TOTAL OPERATING EXPENSES** | **-18,997** | **-15,370** | -19.1% |
| **OPERATING INCOME** | **18,094** | **19,088** | **5.5%** |

**CORPORATE & INVESTMENT BANKING**

Corporate & Investment Banking had operating income of Ch$53,649 million, mainly due to higher income from financial operations generating greater operating revenue. In addition to this, CIB managed to cut risk expenditure by 25.7% as a result of better classification of Corporate Banking customers. The improvement was offset by higher expenses, but the area managed to increase its operating income by 25.0% YoY.

| C&IB (Ch MM$) | 4Q12 | 4Q13 | Change 4Q13/4Q12 |
|---|---|---|---|
| Net Interest Income | 35,020 | 36,445 | 4.1% |
| Net service fee income | 6,714 | 9,885 | 47.2% |
| Other operating income | 3,835 | 14,407 | 275.6% |
| **Total operating income** | **45,570** | **60,736** | 33.3% |
| Provisions for loan losses | 12,281 | 15,437 | 25.7% |
| **NET OPERATING INCOME** | **57,851** | **76,173** | 31.7% |
| **TOTAL OPERATING EXPENSES** | **-14,930** | **-22,523** | 50.9% |
| **OPERATING INCOME** | **42,921** | **53,649** | **25.0%** |

The results by business and totals are shown below:

| 4Q13 | Commercial Banking MM$ | Retail Banking MM$ | SME's MM$ | C&IB MM$ | Total Segments MM$ |
|---|---|---|---|---|---|
| Net Interest Income | 41,839 | 73,782 | 29,564 | 36,445 | 181,630 |
| Net service fee income | 7,019 | 28,409 | 6,967 | 9,885 | 52,280 |
| Other operating income | 14,967 | 10,975 | 3,222 | 14,407 | 43,571 |
| **Total operating income** | **63,825** | **113,166** | **39,754** | **60,736** | **277,481** |
| Provisions for loan losses | -7,540 | -17,978 | -5,296 | 15,437 | -15,377 |
| **NET OPERATING INCOME** | **56,284** | **95,189** | **34,458** | **76,173** | **262,103** |
| **TOTAL OPERATING EXPENSES** | **-19,636** | **-61,536** | **-15,370** | **-22,523** | **-119,065** |
| **OPERATING INCOME** | **36,648** | **33,653** | **19,088** | **53,649** | **143,038** |

| 4Q12 | Commercial Banking MM$ | Retail Banking MM$ | SME's MM$ | C&IB MM$ | Total Segments MM$ |
|---|---|---|---|---|---|
| Net Interest Income | 33,912 | 63,902 | 27,008 | 35,020 | 159,842 |
| Net service fee income | 10,399 | 25,150 | 13,286 | 6,714 | 55,549 |
| Other operating income | 14,718 | 12,379 | 2,687 | 3,835 | 33,619 |
| **Total operating income** | **59,029** | **101,431** | **42,981** | **45,570** | **249,011** |
| Provisions for loan losses | 3,300 | -18,087 | -5,890 | 12,281 | -8,396 |
| **NET OPERATING INCOME** | **62,328** | **83,344** | **37,092** | **57,851** | **240,615** |
| **TOTAL OPERATING EXPENSES** | **-18,421** | **-54,961** | **-18,997** | **-14,930** | **-107,309** |
| **OPERATING INCOME** | **43,908** | **28,382** | **18,094** | **42,921** | **133,306** |

**Table 11:**
Reconciliation of income by segment and net income in the quarter

| Ch$ Millions | 4Q12 | 4Q13 | Change 4Q13/4Q12 |
|---|---|---|---|
| **Operating Income by segment** | **133,306** | **143,038** | 7.3% |
| Unallocated net interest income | -1,224 | -2,077 | 69.6% |
| Unallocated net service fee income | 120 | 485 | 305.6% |
| Unallocated other operating income | -1,539 | -615 | -60.1% |
| Other Provisions | -8,938 | -8,515 | -4.7% |
| Unallocated other corporate expenses | -14,860 | -12,828 | -13.7% |
| **Operating Income** | **106,864** | **119,490** | 11.8% |
| Investment income | 942 | 1,873 | 98.9% |
| Income before income tax | 107,806 | 121,363 | 12.6% |
| Income tax | -14,773 | -20,095 | 36.0% |
| **NET CONSOLIDATED INCOME FOR THE PERIOD** | **93,033** | **101,268** | **8.9%** |

## Stocks and Products

## Total Loans

Bci's total loan portfolio amounted to Ch$14,529,469 million in 4Q13, increasing 4.81% on the previous quarter. Loans to clients were Ch$14,423,318 million, increasing 4.65% QoQ.

Loans to clients increased 19.54% YoY (10.61% of the total loans), essentially due to profitable growth and limited levels of risk. The most significant YoY changes were mortgage loans (14.26%) and commercial loans (9.82%).

Bci´s growth was higher than that of the financial system*, which had increases of 10.25% for customer loans, 11.27% for mortgage loans and 9.02% for commercial loans.

Bci remains in fourth place in total loans in the banking sector and in third place with respect to other private banks with a market share* of 13.23% in 4Q13.

*Excludes the effect of Corpbanca's investment in Colombia.

**Graph 7:**
Total Loans

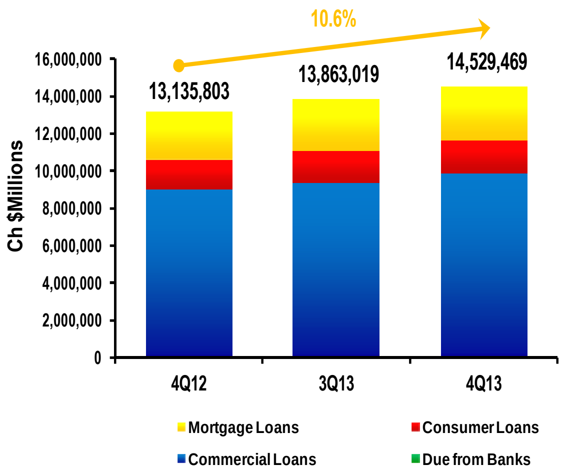
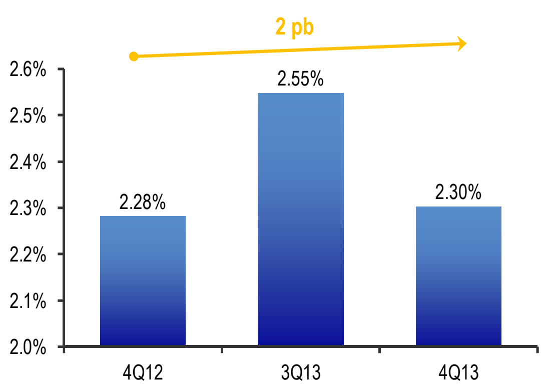



**Table 12:**
Breakdown of Total Loans

| Ch$ Millions | 4Q12 | 3Q13 | 4Q13 | Change 4Q13 / 4Q12 | Change 4Q13 / 3Q13 |
|---|---|---|---|---|---|
| Interbank Loans | 88,306 | 81,180 | 106,151 | 20.21% | 30.76% |
| Loans to Clients | 13,047,497 | 13,781,839 | 14,423,318 | 10.54% | 4.65% |
| Commercial* | 8,960,041 | 9,339,344 | 9,840,199 | 9.82% | 5.36% |
| Consumer* | 1,620,457 | 1,718,845 | 1,764,297 | 8.88% | 2.64% |
| Mortgage | 2,466,999 | 2,723,650 | 2,818,822 | 14.26% | 3.49% |
| **Total Loans** | **13,135,803** | **13,863,019** | **14,529,469** | **10.61%** | **4.81%** |
| *Leasing* | 702,689 | 711,807 | 805,713 | 14.66% | 13.19% |
| *Foreign Exchange* | 887,357 | 1,103,318 | 1,058,325 | 19.27% | -4.08% |

*Note: Figures include leasing and foreign exchange items

**Graph 8:**
Allowances/Total Loans

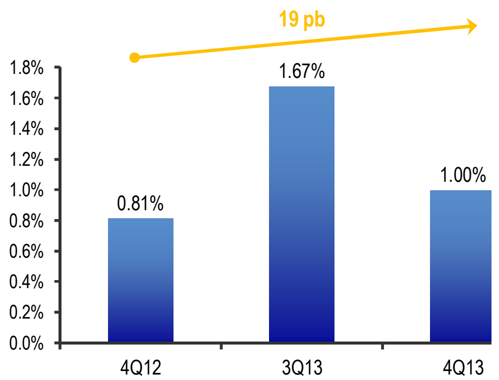



## Portfolio Risk

The stock of allowances for loan losses amounted to Ch$334,247 million in 4Q13, resulting in a 2.30% rate of allowances for loan losses, much better than the previous quarter and similar to that in 4Q12. This improvement was mainly due to releasing allowances because of better customer classification and lower default rates.

In line with the regulatory changes established in Circular Letter N°3503 of the SBIF, which came into force on January 1, 2011, Bci has taken additional allowances.

**Graph 9:**
Allowance and Write-off Expense




The stock of additional allowances amounted to Ch$35,254 million in 4Q13. In 4Q13 Bci constituted allowances of Ch$4,500 million related to the salmon farming industry. The non-performing loan (NPL) coverage ratio was 116.23% in 4Q13.

The allowance and write-off expense in 4Q13 was Ch$35,962 million, which included write-offs of Ch$50,386 million.

The annualized index of allowance and write-off expenses of total loans was 1.0% in 4Q13, dropping 67 bps on the previous quarter, mainly due to the reclassification of Corporate Banking customers.

It is important to highlight the drop in consumer allowances from 2.75% in 3Q13 to 2.39% in 4Q13, an improvement of 36 bps. In turn, consumer allowances improved from 4.98% in 3Q13 to 4.92% in 4Q13, mainly due to better default control management.

To determine allowances in mortgages, the remaining difference of the guarantee on the asset´s value is considered, explaining the low level of NPL coverage for mortgage loans.

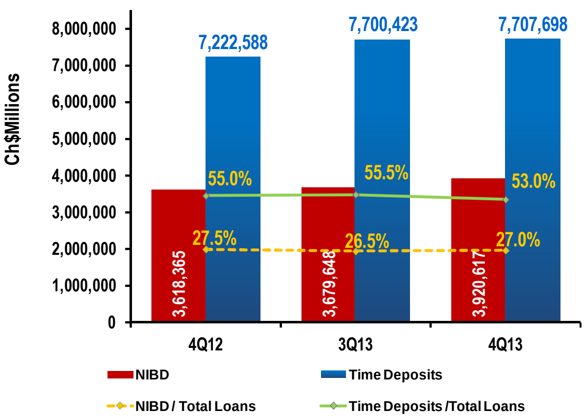
**Table 13:**
Risk Ratios

| Risk Ratios | 3Q13 | 4Q13 |
|---|---|---|
| Allowances / Total Loans | 2.55% | 2.30% |
| Allowances / Commercial Loans | 2.75% | 2.39% |
| Allowances / Consumer Loans | 4.98% | 4.92% |
| Allowances / Mortgage Loans | 0.39% | 0.45% |
| NPL Coverage(1) | 118.66% | 116.23% |
| NPL Coverage(2) | 109.15% | 105.14% |
| NPL Commercial Coverage(2) | 110.88% | 100.68% |
| NPL Consumer Coverage(2) | 269.43% | 356.25% |
| NPL Mortgage Coverage(2) | 17.63% | 20.88% |
| Delinquent individual Loan Portfolio with 90+ days arrears / Total Loans | 2.35% | 2.20% |
| Delinquent individual Loan Portfolio with 90+ days arrears / Total individuals Loans | 2.51% | 2.38% |
| 90+ Days Delinquent Loan Portfolio / Commercial Loans | 2.77% | 2.57% |
| 90+ Days Delinquent Loan Portfolio / Consumer Loans | 1.85% | 1.92% |
| 90+ Days Delinquent Loan Portfolio / Mortgage Loans | 2.21% | 2.14% |

NPL Coverage (1) = Stock of Mandatory Allowances + Additional / 90+ Days Delinquent Loan Portfolio.

NPL Coverage (2) = Stock of Mandatory Allowances / 90+ Days Delinquent Loan Portfolio.

**Graph 10:**
NIBDs and Time Deposits




## NIBDs and Time Deposits

NIBDs amounted to Ch$3,920,617 million in 4Q13, an increase of 6.5% QoQ, accounting for 27.0% of total loans in 4Q13.

The balance of time deposits in 4Q13 was Ch$7,707,698 million, an increase of 6.72% YoY and an increase of 0.09% QoQ.

## Base Capital

The Bank's shareholders' equity amounted to Ch$1,582,100 million in 4Q13, an increase of 11.42% YoY.

The ratio of base capital to total assets was 7.14% in 4Q13. With regard to capital resources, the Bank maintains ratios above the SBIF´s minimum requirements (3% for this ratio).

The ratio of regulatory capital to risk-weighted assets was 13.44%, an increase of 10 bps on the previous quarter but well above the 10% requirement of the SBIF for banks with an overseas branch.

These indicators fully comply with the requirements of the General Banking Law and the internal limits established by Bci.

**Table 14:**
Adequate Capital

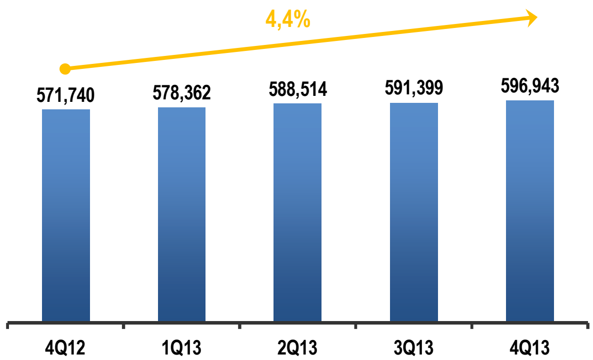
| Ch$ Millions | 4Q12 | 3Q13 | 4Q13 |
|---|---|---|---|
| Base Capital | 1,419,956 | 1,516,498 | 1,582,100 |
| 3% of Total Assets | 604,819 | 641,609 | 664,291 |
| Excess over minimum required capital | 815,137 | 874,889 | 917,809 |
| Base Capital / Total Assets | 7.04% | 7.09% | 7.14% |
| Regulatory Capital | 2,008,120 | 2,091,531 | 2,244,679 |
| Risk-Weighted Assets | 14,761,039 | 15,676,226 | 16,696,086 |
| 10% of Risk-weighted assets | 1,476,104 | 1,567,623 | 1,669,609 |
| Excess over minimum required equity | 532,016 | 523,909 | 575,071 |
| Excess over regulatory capital | 136.0% | 133.4% | 134.4% |
| Regulatory capital over Risk-Weighted Assets | 13.60% | 13.34% | 13.44% |

## Product Stock

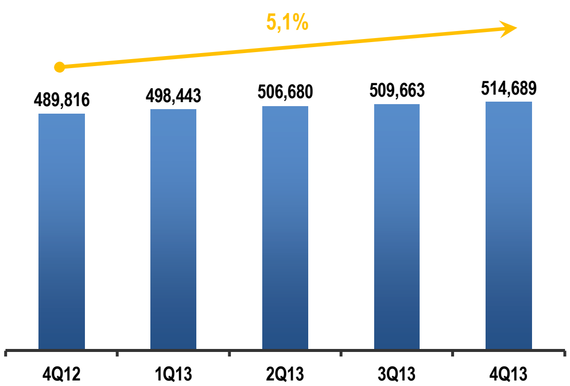
The main figures of some of Bci's products are shown below. It should be highlighted that the number of checking accounts and credit cards has increased every quarter from March 2012 to date.

The number of credit cards increased 0.93% on the previous quarter.

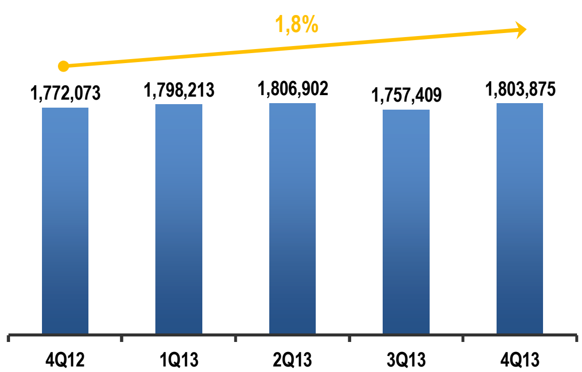
**Graph 11:**
Number of Credit Cards




**Graph 12:**
Number of Checking Accounts




**Graph 13:**
Number of Debit Cards



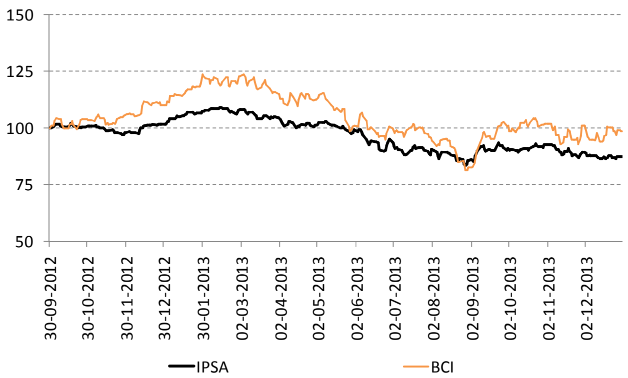
## Stock Performance

**Table 15:**
Bci's Stock Performance

| | 4Q12 | 1Q13 | 2Q13 | 3Q13 | 4Q13 |
|---|---|---|---|---|---|
| Closing Price | $ 32,946 | $ 34,626 | $ 30,089 | $ 29,776 | $ 29,162 |
| Minimum Price | $ 29,700 | $ 32,500 | $ 27,600 | $ 23,800 | $ 26,660 |
| Maximum Price | $ 34,000 | $ 37,600 | $ 36,500 | $ 31,000 | $ 31,900 |
| **Average Price** | **$ 31,392** | **$ 35,513** | **$ 32,129** | **$ 28,054** | **$ 29,147** |
| Profitability 12m Bci (*) | 19.0% | 5.6% | 0.5% | 3.3% | -8.1% |
| Profitability 12m IPSA (*) | 3.0% | -5.1% | -8.4% | -9.6% | -14.0% |
| EPS(**) | $ 2,563 | $ 2,453 | $ 2,442 | $ 2,725 | $ 2,802 |
| P/B (times) | 2.5 | 2.5 | 2.2 | 2.1 | 2.0 |
| Market Capitalization (MCh$) | $ 3,487,508 | $ 3,665,344 | $ 3,185,079 | $ 3,191,226 | $ 3,125,421 |
| Equity (MCh$) | $ 1,419,957 | $ 1,452,760 | $ 1,474,359 | $ 1,516,499 | $ 1,582,100 |

Source: Bloomberg, the figures were not adjusted by capital variation, except the 12-month profitability of Bci and IPSA (*)
(**) Earnings per share calculated based on the last 12 months.

**Graph 14:**
Bci versus IPSA




2013 was a complex year for the Chilean stock market, pressured by diminished attractiveness of emerging markets, including Chile, due to the exodus of foreign capital to developed economies.

In this context, in 2013 the selective share price index (IPSA) of the Chilean stock market dropped 14%, and the banking sector index was down 8.9%. Despite the sharp drop, Bci's share price outperformed the Chilean stock market IPSA with a return of -8.1%, underpinned by the Bank's solid growth of accrued net income (10.71%) leading to a 9.3% increase in the earnings per share.