Consolidated Interim Financial Statements

March 31, 2012 and 2011

Bci
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CONTENTS

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

Table of Contents Page

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

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

	Notes	March 31 2012 MCLP$	December 2011 MCLP$
ASSETS			
Cash and deposits in banks	5	1,264,163	1,199,581
Items in course of collection	5	690,675	275,473
Trading portfolio financial assets		1,015,518	1,242,478
Investments under agreements to resell		88,151	73,547
Derivative financial instruments		577,878	636,952
Loans and receivables from banks, net		53,624	72,594
Loans and receivables from customers, net		11,418,361	11,100,554
Financial investments available-for-sale		740,583	829,590
Investments in other companies		61,579	61,379
Intangible assets		79,555	78,401
Property, plant and equipment, net		211,579	206,411
Current income tax provision		31,801	8,688
Deferred income taxes		46,196	47,545
Other assets		207,735	276,468
TOTAL ASSETS		16,487,398	16,109,661
LIABILITIES			
Current accounts and demand deposits		3,287,595	3,172,480
Items in course of collection	5	580,199	157,092
Obligations under agreements to repurchase		310,358	350,319
Time deposits and savings accounts		6,534,639	6,749,054
Derivative financial instruments		594,153	625,623
Borrowings from financial institutions		1,833,100	1,847,094
Debts issued	6	1,594,491	1,473,634
Other financial obligations		126,041	114,827
Deferred income taxes		35,753	37,048
Provisions		106,549	170,129
Other liabilities		220,241	190,312
TOTAL LIABILITIES		15,223,119	14,887,612
SHAREHOLDERS' EQUITY			
Attributable to equity holders of the Bank:			
Capital	8	1,202,180	1,026,985
Valuation gains (losses)	8	16,175	12,172
Retained earnings:	8		
Net income for the year		65,604	261,268
Less: Accrual for mandatory dividends		(19,681)	(78,380)
TOTAL EQUITY OF EQUITY HOLDERS OF THE BANK		1,264,278	1,222,045
Non-controlling interest		1	4
TOTAL SHAREHOLDERS' EQUITY		1,264,279	1,222,049
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		16,487,398	16,109,661

Notes 1 to 10 are an integral part of these consolidated interim financial statements

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENTS OF INCOME
FOR THE THREE – MONTH PERIODS ENDED MARCH 31, 2012 AND MARCH 31, 2011

	Notes	**At March 31** **2012** MCLP$	**2011** MCLP$
Interest income		289,199	209,346
Interest expense		(136,027)	(77,915)
Net interest income		153,172	131,431
Income from service fees		55,425	49,192
Expenses from service fees		(11,556)	(10,542)
Net Service Fee Income		43,869	38,650
Trading and investment income, net		(34,997)	31,252
Foreign exchange gains (losses), net		61,268	(10,896)
Other operating income		5,214	2,388
Trading and Investment, Foreign Exchange Gains and Other Operating Income		228,526	192,825
Provisions for loan losses		(48,100)	(31,918)
OPERATING INCOME, NET OF LOAN LOSSES, INTEREST AND FEES		180,426	160,907
Personnel salaries expenses		(53,921)	(46,865)
Administrative expenses		(32,604)	(28,102)
Depreciation and amortization		(9,348)	(8,761)
Impairment		-	-
Other operating expenses		(6,997)	(5,276)
TOTAL OPERATING EXPENSES		(102,870)	(89,004)
TOTAL NET OPERATING INCOME		77,556	71,903
Income attributable to investments in affiliated companies		2,153	1,600
Income before income tax		79,709	73,503
Income tax		(14,105)	(13,042)
CONSOLIDATED NET INCOME FOR THE PERIOD		65,604	60,461
Attributable to:			
Equity holders of the Bank		65,604	60,460
Non-controlling interest		-	1
		65,604	60,461
Earnings per share attributable to equity holders of the Bank (stated in CLP$)			
Basic earnings / diluted earnings per share	8	$ 629	$ 586

Notes 1 to 10 are an integral part of these consolidated interim financial statements

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE – MONTH PERIODS ENDED MARCH 31, 2012 AND MARCH 31, 2011

	At March 31	
	2012	**2011**
	MCLP$	MCLP$
CONSOLIDATED NET INCOME FOR THE PERIOD	65,604	60,460
Other comprehensive income:		
Exchange differences on translation	(2,360)	(480)
Financial instruments available-for-sale	2,673	196
Hedge of net investment in foreign operation	5,546	8,217
Other comprehensive income before income tax	5,859	7,933
Income tax related to other comprehensive income	(1,856)	(599)
Total other comprehensive income	4,003	7,334
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	69,607	67,794
Attributable to:		
Equity holders of the Bank	69,606	67,793
Non-controlling interest	1	1
	69,607	67,794

Notes 1 to 10 are an integral part of these consolidated interim financial statements

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE – MONTH PERIODS ENDED MARCH 31, 2012 AND MARCH 31, 2011

	Capital	Reserves	Valuation				Retained earnings				Total Equity		
	Capital	**Other reserves from profits**	**Available for sale instruments**	**Cash flow hedges**	**Accumulated adjustment exchange difference from translation**	**Total**	**Retained earnings**	**Income for the period**	**Accrual for mandatory dividends**	**Total**	**Total equity of 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)	-	(5,552)
Capitalization of reserves	144,712	-	-	-	-	-	-	(144,712)	-	(144,712)	-	-	-
Other comprehensive income (loss)	-	1,294	1,248	6,566	(481)	7,333	-	-	-	-	8,627	1	8,628
Income for 2011 period	-	-	-	-	-	-	-	60,460	-	60,460	60,460	-	60,460
Provision minimum dividends 2011	-	-	-	-	-	-	-	-	(18,138)	(18,138)	(18,138)	-	(18,138)
At March 31, 2011	1,026,985	1,294	6,570	9,425	(2,039)	13,956	-	60,460	(18,138)	42,322	1,084,557	7	1,084,564
						-				-			
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)	(4)	(7,697)
Capitalization of reserves	175,195	-	-	-	-	-	(175,195)	-	-	(175,195)	-	-	-
Other comprehensive income (loss)	-	-	2,008	4,355	(2,360)	4,003	-	-	-	-	4,003	-	4,003
Income for 2012 period	-	-	-	-	-	-	-	65,604	-	65,604	65,604	1	65,605
Provision minimum dividends 2012	-	-	-	-	-	-	-	-	(19,681)	(19,681)	(19,681)	-	(19,681)
At March 31, 2012	1,202,180	-	12,210	4,146	(181)	16,175	-	65,604	(19,681)	45,923	1,264,278	1	1,264,279

Notes 1 to 10 are an integral part of these consolidated interim financial statements

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE – MONTH PERIODS ENDED MARCH 31, 2012 AND MARCH 31, 2011

	At March 31	
	2012	**2011**
	MCLP$	MCLP$
CASH FLOW FROM OPERATING ACTIVITIES:		
CONSOLIDATED NET INCOME FOR THE PERIOD	65,604	60,461
Charges (credits) to income not representing cash flow:		
Depreciation and amortization	9,348	8,761
Impairment	-	-
Provision for loan losses	48,100	31,918
Adjustment to fair value of financial instruments	756	(1,426)
Net interest income	(2,153)	(1,600)
Net loss from sale of assets received in lieu of payment	(564)	(232)
Loss from sale of property, plant and equipment	-	(4)
Write-off of assets received in lieu of payment	541	1,700
Other (credits) charges to income not representing cash flow	(12,189)	27,727
Net interest and service fees on assets and liabilities	1,904	(17,281)
Changes in assets and liabilities affecting operating cash flows:		
Net (increase) decrease in loans and receivables from banks	18,886	11,998
Net (increase) decrease in loans and receivables from customers	(332,181)	(411,313)
Net (increase) decrease in investments	322,503	(25,466)
Increase (decrease) in other demand deposits	115,089	110,119
Increase (decrease) in obligations under agreements to repurchase	(39,948)	(106,615)
Increase (decrease) in time deposits and savings accounts	(227,402)	(98,478)
Increase (decrease) in borrowings from financial institutions	32,026	25,139
Increase (decrease) in other financial obligations	11,442	(2,957)
Loans from Chile Central Bank (long-term)	171,239	44
Repayment of loans from Chile Central Bank (long-term)	(199,513)	(38)
Foreign borrowings long-term	5,075,173	2,985,208
Repayment of foreign borrowings long-term	(5,094,014)	(2,697,638)
Total cash flows used in operating activities	(35,353)	(99,973)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(10,568)	(16,047)
Proceeds from sale of property, plant and equipment	-	481
Investment dividends	86	16
Sale of assets received in lieu of payment or in foreclosure	642	543
Net decrease (increase) in other assets and liabilities	102,831	(44,058)
Total cash flows provided (used in) by investing activities	92,991	(59,065)
CASH FLOW FROM FINANCING ACTIVITIES:		
Redemption of letters of credit	(8,919)	(16,976)
Bond issuance	105,762	158,142
Bond redemption	(3,170)	(513)
Dividends paid	(86,073)	(72,174)
Total cash flows provided by financing activities	7,600	68,479
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE PERIOD	65,238	(90,559)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,399,462	1,280,287
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,464,700	1,189,728

Notes 1 to 10 are an integral part of these consolidated interim financial statements

1. GENERAL INFORMATION

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

The consolidated interim financial statements of Banco BCI and its Subsidiaries for the three month periods ended March 31, 2012 and 2011 have been prepared according to standards and instructions issued by the Superintendency of Banks and Financial Institutions in its Compendium of Accounting Standards, issued on November 9, 2007.

The consolidated interim statements of comprehensive income include the net income for the period and other comprehensive income recognized in equity, including exchange differences in the translation of Chilean pesos from US dollars in the Miami Branch. The 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 condensed consolidated interim financial statements include the assets, liabilities and income of the Banks and its subsidiaries as listed below:

	Ownership Interest			
	Direct		Indirect	
Company	**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	9990	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	-	-
BCI Administradora General de Fondos S.A. (1)	-	-	-	-
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)	ECE	ECE	ECE	ECE
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 takeover of BCI Administradora General de Fondos S.A. by 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 company dedicated to promoting credit and debit card products. The Bank does not hold any ownership interest in that company.

All consolidation eliminations and adjustments have been made and the interest of minority investors has been recognized and presented in the consolidated statement of condensed income under “Non-controlling interest”.

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

1.2 Summary of main accounting policies

a) Basis of preparation

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.), consistent with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

As stipulated in IAS 34, interim financial reporting is prepared solely to update the contents of the most recent annual Consolidated Financial Statements, stressing new activities, events and circumstances occurring in the three month period after year-end and not duplicating the information previously reported in the most recent Consolidated Financial Statements.

Given the above, these interim Financial Statements do not include all of the information that would be required by the fully Consolidated Financial Statements prepared under International Financial Reporting Standards issued by IASB, therefore, for an adequate understanding of the information included in these Consolidated Financial Statements, they must be read together with the Annual Consolidated Financial Statements of Banco de Crédito e Inversiones for the year ended December 31, 2011.

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

Other than those disclosed in the financial statements at December 31, 2011, there have been no new standards or amendments to existing standards that would have a material effect on the financial position or results of operation at the Bank for the period ended March 31, 2012.

2. ACCOUNTING CHANGES

2.1 Standards approved and/or amended by the International Accounting Standards Board ("IASB")

a) New and revised IFRS effective in the current year

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

Amendments to Interpretations	**Effective Date**
IAS 12 *Income Taxes- Recovery of underlying asset.*	Annual periods beginning on or after January 1, 2012
IFRS 1 *First-time Adoption of International Financial Reporting Standards (I) Fixed dates for first time adoption deleted (ii)Severe Hyperinflation*	Annual periods beginning on or after July 1, 2011
IFRS 7 *Financial Instruments: Disclosures-(I) Financial Asset transference –filing*	Annual periods beginning on or after July 1, 2011

Amendments to IAS 12, Income Taxes

On December 20, 2010, the IASB published *Deferred Tax: Recovery of Underlying Assets – Amendments to IAS 12*. The amendments provide an exception to the general principle in IAS 12 *Income Taxes* (IAS 12) that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset.

Specifically, the amendments provide an exception to the general principles of IAS 12 for investment property measured using the fair value model in IAS 40 *Investment Property* (IAS 40. For the purposes of measuring deferred tax, the amendments introduce a rebuttable presumption that the carrying amount of such an asset will be recovered entirely through sale. The presumption can be rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits over time, rather than through sale. The exception also applies to investment property acquired in a business combination if the acquirer applies the fair value model in IAS 40 subsequent to the business combination. The amendments also incorporate the requirements of SIC 21 *Income Taxes - Recovery of Revalued Non-Depreciable Asset*s into IAS 12, i.e., deferred tax arising on a non-depreciable asset measured using the revaluation model in IAS 16 *Property, Plant and Equipment* should be based on the sale rate. The effective date of the amendments is for annual periods beginning on or after January 1, 2012. Earlier application is permitted.

The application of the amendments has not had any material impact effect on the amounts reported for the current and prior interim periods

Amendments to IFRS 1, *First Time Adoption of IFRS*

On December 20, 2010, the IAS amended IFRS 1 *First Time Adoption of IFRS* to:

- Provide relief for first-time adopters of IFRSs from having to reconstruct transactions that occurred before their date of transition to IFRSs. This amendment replaces references to a fixed transition date of ‘January 1, 2004’ with ‘the date of transition to IFRSs’ so that first-time adopters of IFRS do not have to apply the recognition requirements in IAS 39 retrospectively from an earlier date. It also relieves first-time adopters from recalculating ‘day 1’ gains and losses on transactions occurring before the date of transition to IFRS.

- Provide guidance for entities emerging from severe hyperinflation either to resume presenting IFRS financial statements or to present IFRS financial statements for the first time. In accordance with the amendment, when an entity’s date of transition to IFRS is on or after the functional currency normalization date, the entity may elect to measure all assets and liabilities held before the functional currency normalization date at fair value on the date of transition to IFRS and use that fair value as the deemed cost of those assets and liabilities in the opening IFRS statement of financial position. Entities making use of this exemption should describe the circumstances of how, and why, their functional currency became subject to severe hyperinflation and the circumstances that led to those conditions ceasing.

Management estimates that these changes have will have no effect on its financial statements as they are currently prepared under IFRS.

Amendments to IFRS 7, *Financial Instruments: Disclosure*

On October 7, 2010, the IASB issued amendments to IFRS 7 *Financial Instruments: Disclosure* that increases the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures of transactions where a financial asset is transferred but the transferor retains some level of continuing exposure (referred to as ‘continuing involvement’) in the asset. The amendments also require disclosure where transfers of financial assets are not evenly distributed throughout the period (e.g., where transfers occur near the end of a reporting period). The amendments are applicable for annual periods beginning on or after July 1, 2011, with early adoption allowed. Moreover, the disclosures are not required for any of the periods presented that start before the initial adoption date.

The application of the amendments has not had any material impact on the disclosures reported for the current and prior interim periods.

b) New and revised IFRS in issue but 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 – Offsetting financial assets and financial liabilities.*	Annual periods beginning on or after January 1, 2013

IFRS 9, *Financial Instruments*

On November 12, 2009, the IASB issued IFRS 9 *Financial Instruments* (IFRS 9) as the first step in its project to replace IAS 39 *Financial Instruments: Recognition and Measurement* (IAS 39). Under this standard, all financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs. Moreover, IFRS 9 divides all financial assets that are currently in the scope of IAS 39 into two classifications – those measured at amortized cost and those measured at fair value. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument. As for debt instruments, a debt instrument that meets business model and cash flow characteristics tests can be measured at amortized cost (net of any write-down for impairment). All other debt instruments must be measured at fair value through profit or loss.

Additionally, on October 28, 2010, the IASB published a revised version of IFRS 9. The revised standard retains the requirements for classification and measurement of financial assets that were published in November 2009 but adds guidance on the classification and measurement of financial liabilities. As part of its restructuring of IFRS 9, the IASB also copied the guidance on de-recognition of financial instruments and related implementation guidance from IAS 39 to IFRS 9.

The guidance included in IFRS 9 on the classification and measurement of financial liabilities is unchanged from the classification criteria for financial liabilities currently contained in IAS 39. In other words, financial liabilities will continue to be measured either wholly, or in part, at amortized cost or at fair value through profit or loss (FVTPL). The concept of bifurcating embedded derivatives from a financial liability host contract also remains unchanged. Financial liabilities held for trading would continue to be measured at FVTPL, and all other financial liabilities would be measured at amortized cost unless the fair value option is applied, using the existing criteria in IAS 39.

However, there are two differences compared to IAS 39:

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

On December 16, 2011, the IASB issued *Mandatory Effective Date of IFRS 9 and Transition Disclosures*, deferring the mandatory effective date of both the 2009 and 2010 versions to annual periods beginning on or after January 1, 2015. Prior to the amendments, application of IFRS 9 was mandatory for annual periods beginning on or after January 1, 2013. The amendments modify the requirements for transition from IAS 39 *Financial Instruments: Recognition and Measurement to IFRS 9.* In addition, the amendments also modify IFRS 7 *Financial Instruments: Disclosures* to add certain requirements in the reporting period containing the date of initial application of IFRS 9.

Management believes that this new standard will be adopted in its financial statements for the period beginning January 1, 2015. The Administration is evaluating the potential impact of the adoption of these amendments.

IFRS 10, *Consolidated Financial Statements*

On May 12, 2011, the IASB issued IFRS 10 *Consolidated Financial Statements*, which is a replacement of IAS 27 Consolidated and Separate Financial Statements and SIC – 12 *Consolidation – Special Purpose Entities*. The objective of IFRS 10 is to have a single basis for consolidation for all entities, regardless of the nature of the investee, and that basis is control. The definition of control includes three elements: power over an investee, exposure or rights to variable returns of the investee and the ability to use power over the investee to affect the investor's returns. NIIF 10 provides detailed guidance on how to apply the control principle in a number of situations, including agency relationships and holdings of potential voting rights. An investor would reassess whether it controls an investee if there is a change in facts and circumstances. IFRS 10 replaces those parts of IAS 27 that address when and how an investor should prepare consolidated financial statements and replaces SIC – 12 in its entirety. The effective date of IFRS 10 is January 1, 2013, with earlier application permitted under certain circumstances.

Management believes that this new standard will be adopted in its financial statements for the period beginning January 1, 2013. The Administration is currently evaluating the potential impact of adopting this new standard will have on its financial statements on the date of initial application.

IFRS 11, *Joint Arrangements*

On May 12, 2011, the IASB issued IFRS 11 *Joint Arrangements* which supersedes IAS 31 *Interests in Joint Ventures* and SIC – 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. IFRS 11 classifies joint arrangements as either joint operations (combining the existing concepts of jointly controlled assets and jointly controlled operations) or joint ventures (equivalent to the existing concept of a jointly controlled entity). A *joint operation* is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A *joint venture* is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. IFRS 11 requires the use of the equity method of accounting for interests in joint ventures thereby eliminating the proportionate consolidation method. The effective date of IFRS 11 is January 1, 2013, with earlier application permitted under certain circumstances.

Management believes that this new standard will be adopted in its financial statements for the period beginning January 1, 2013. The administration is currently evaluating the potential impact of adopting this new standard will have on their financial statements at the date of initial application.

IFRS 12, *Disclosure of Interests in Other Entities*

On May 12, 2011, the IASB issued IFRS 12 *Disclosure of Interests in Other Entities* which requires extensive disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 establishes disclosure objectives and specifies minimum disclosures that an entity must provide to meet those objectives. An entity should disclose information that helps users of its financial statements evaluate the nature and risks associated with interests in other entities and the effects of those interests on its financial statements. The disclosure requirements are extensive and significant effort may be required to accumulate the necessary information. The effective date of IFRS 12 is January 1, 2013 but entities are permitted to incorporate any of the new disclosures into their financial statements before that date.

Management believes that this new standard will be adopted in its financial statements for the period beginning January 1, 2013. The Administration is currently evaluating the potential impact of adopting this new standard will have on its financial statements on the date of initial application.

IAS 27 (2011), Separate Financial Statements

IAS 27 (2008) *Consolidated and Separate Financial Statements* has been amended for the issuance of IFRS 10 but retains the current guidance for separate financial statements.

The Bank's management believes that this new standard will be adopted in the period beginning on January 1, 2013. Management believes that this new standard will not have an impact on its consolidated financial statements at the date of initial application.

IAS 28 (2011), *Investment in Associates and Joint Ventures*

IAS 28 *Investments in Associates* has been amended for conforming changes based on the issuance of IFRS 10 and IFRS 11.

The Bank's management believes that this new standard will be adopted in the consolidated financial statements for the period beginning on January 1, 2013. The Administration is currently evaluating the potential impact of adopting this new standard will have on its financial statements on the date of initial application.

IFRS 13, *Fair Value Measurement*

On May 12, 2011, the IASB issued IFRS 13 *Fair Value Measurement*, which establishes a single source of guidance for fair value measurement under IFRS. The Standard applies to both financial and non-financial items measured at fair value. Fair value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date" (i.e., an exit price). IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, and applies prospectively from the beginning of the annual period in which the Standard is adopted.

Management believes that this new standard will be adopted in its financial statements for the period beginning January 1, 2013. The Administration is currently evaluating the potential impact of adopting this new standard will have on its financial statements on the date of initial application.

Amendments to IAS 1, Presentation of Financial Statements

On June 16, 2011, the IASB issued Presentation of Items of Other Comprehensive Income (amendments to IAS 1). The amendments retain the option to present profit or loss and other comprehensive income in either a single continuous statement or in two separate but consecutive statements. Items of other comprehensive income are required to be grouped into those that will and will not subsequently be reclassified to profit or loss. Tax on items of other comprehensive income is required to be allocated on the same basis. The measurement and recognition of items of profit or loss and other comprehensive income are not affected by the amendments, which are applicable for reporting periods beginning on or after July 1, 2012 with earlier application permitted.

Management believes that these amendments will be adopted in its financial statements for the period beginning January 1, 2013. Management believes that considering the characteristics of this amendment will not impact on the measurement and recognition of the components of income and other comprehensive income in the initial implementation date of these amendments.

Amendment to IAS 19, Employee Benefits

On June 16, 2011, the IASB issued amendments to IAS 19 Employee Benefits (2011) that change the accounting for defined benefit plans and termination benefits. The amendments require the recognition of changes in the defined benefit obligation and in plan assets when those changes occur, eliminating the corridor approach and accelerating the recognition of past service costs. Changes in the defined benefit obligation and plan assets are disaggregated into three components: service costs, net interest on the net defined benefit liabilities (assets) and re-measurements of the net defined benefit liabilities (assets). Net interest is calculated using high quality corporate bond yield. This may be lower than the rate used to calculate the expected return on plan assets, resulting in a decrease in net income. The amendments are effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. Retrospective application is required with certain exceptions.

Management believes that these amendments will be adopted in its financial statements for the period beginning January 1, 2013. The Administration is currently evaluating the potential impact of adopting this new standard will have on its financial statements on the date of initial application.

Amendment to IAS 32, Financial Instruments: Presentation

On December 2011, the IASB amended the accounting requirements and disclosures related to offsetting of financial assets and financial liabilities by issuing amendments to IAS 32 *Financial Instruments: Presentation* and IFRS 7 *Financial Instruments: Disclosures.* These amendments are the result of the IASB and US Financial Accounting Standards Board ('FASB' undertaking a joint project to address the differences in their respective accounting standards regarding offsetting of financial instruments. The new disclosures are required for annual and interim periods beginning on or after January 1, 2013 and the clarifying amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014. Both require retrospective application for comparative periods.

Management believes that these amendments will be adopted in its financial statements for the periods beginning January 1, 2013 and 2014, respectively. The Administration is evaluating the potential impact of the adoption of these amendments.

Amendment to IFRS 7, *Offsetting financial assets and financial liabilities.*

IFRS 7 *Financial Instrument: Disclosures* was modified to request information about all recognized financial instrument that are being offsetting in accordance with paragraph 42 of *IAS 32 Financial Instruments, Disclosure.*

The amendments also require disclosure of information on recognized financial instrument to master offsetting agreements and similar agreements enforceable even if they have not been offsetting in accordance with IAS 32. The IASB believe that these disclosure will enable users of financial statements to evaluate the effect or potential effect of offsetting agreements that allow, including rights of offsetting associated with financial assets and financial liabilities recognized by the entity in its statement of financial position. The amendments are applicable for annual period that beginning on or after January 1, 2013, with early adoption allowed.

Management has adopted these amendments in its financial statements for the period beginning January 1, 2013. The adoption of these amendments has not had a significant impact on its financial statements on the date of initial application.

2.2 Standards and instructions issued by SBIF

There are no new accounting standards and instructions have been issued by the Superintendency of Banks and Financial Institutions during the three – month period ended at March 31, 2012 period.

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$825 per share to 104,331,470 shares issued and registered in the Register of Shareholders, which amounts to MCLP$ 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, without issuing any shares, MCLP$ 130,634 and

2) Capitalizing, by issuing 1,523,797 authorized shares, MCLP$44,560.

According to its current by-laws, 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 will be made once it has been approved by the Superintendency of Banks and Financial Institutions, the issue has been registered and the distribution has been approved by the Board of Directors.

c) Bond issue and placement

- No Subordinate or Current Bonds have been issued in 2012.

- In 2012, the following placement of current Bonds was made in Mexican pesos:

On March 26, 2012, a placement of $1,000,000,000 Mexican pesos was obtained corresponding to the Series BCI11 Bond maturing on October 7, 2013 at a 28-day TIIE rate + 0.40%, whose rate at the end of March was 5.17%.

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

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 55,000 at Internal Rate of Return (TIR, in its Spanish acronym) of 3.50 % maturing on August 1, 2016.

d) Ratification of Appointment of Director.

The Ordinary Shareholders’ Meeting held on of March 30, 2012 ratified the appointment of Mr. Mario Gómez Dubravcic as Director of the Bank.

4. BUSINESS SEGMENTS

4.1 Structure of the segments

Segment reporting is presented by the Bank based on its defined business structure, 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, 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.
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 takeover of BCI Administradora General de Fondos S.A. by BCI Asset Management Administradora de Fondos S.A.	

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, telephony which is distributed in light of the number of employees per department, real estate depreciations in relation to the number of square meters used, etc.

Support management expenses: These are allocated in light 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

	For the three – month period ended March 31, 2012				
	Commercial Banking MCLP$	**Retail Banking** MCLP$	**Finance and Investment Banking** MCLP$	**Subsidiaries** MCLP$	**Consolidated total** MCLP$
Net interest income	48,936	64,269	34,009	5,958	153,172
Net service fee income	8,131	17,946	1,170	16,622	43,869
Other operating income	2,960	490	19,972	8,063	31,485
Total operating income	60,027	82,705	55,151	30,643	228,526
Provisions for loan losses	(8,489)	(24,361)	(10,411)	(4,839)	(48,100)
Net operating income	51,538	58,344	44,740	25,804	180,426
Total operating expenses	(19,529)	(51,455)	(8,387)	(15,638)	(95,009)
Operating income	32,009	6,889	36,353	10,166	85,417

b) Reconciliation of operating income by segments to net income for the three month period ended March 31, 2012:

	MCLP$
Segment operating income	85,417
Unallocated operating expenses	(7,861)
Consolidated operating income	77,556
Investment income	2,153
Income before income tax	79,709
Income tax	(14,105)
Net income for the period	65,604

Other operating expense includes corporate expenses not directly identified with businesses, due to their nature, and, they are therefore unallocated.

	For the three – month period ended March 31, 2012				
	Commercial Banking MCLP$	**Retail Banking** MCLP$	**Finance and Investment Banking** MCLP$	**Subsidiaries** MCLP$	**Consolidated total** MCLP$
Assets	5,304,305	4,814,508	6,054,643	313,942	16,487,398
Liabilities	5,272,296	4,807,619	6,018,290	303,776	16,401,981
Operating income	32,009	6,889	36,353	10,166	85,417

Income Statement

ACCUMULATED MARCH 2011	For the three – month period ended March 31, 2011				
	Commercial Banking MCLP$	**Retail Banking** MCLP$	**Finance and Investment Banking** MCLP$	**Subsidiaries** MCLP$	**Consolidated total** MCLP$
Net interest income	42,694	55,686	29,360	3,691	131,431
Net service fee income	5,481	16,034	1,436	15,699	38,650
Other operating income	395	429	13,369	8,551	22,744
Total Operating Income	48,570	72,149	44,165	27,941	192,825
Provisions for loan losses	(8,286)	(16,248)	(847)	(6,537)	(31,918)
Net Operating Income	40,284	55,901	43,318	21,404	160,907
Total Operating Expenses	(17,465)	(46,023)	(6,925)	(11,994)	(82,407)
Operating income	22,819	9,878	36,393	9,410	78,500

c) Reconciliation of operating income by segments to net income for the three – month period ended March 31, 2011.

	MCLP$
Segment operating income	78,500
Unallocated operating expenses	(6,597)
Consolidated operating income	71,903
Investment income	1,600
Income before income tax	73,503
Income tax	(13,042)
Net income for the period	60,461

Other operating expense includes corporate expenses not directly identified with businesses, due to their nature, and they are therefore unallocated.

	At of March 31, 2011				
	Commercial Banking MCLP$	**Retail Banking** MCLP$	**Finance and Investment Banking** MCLP$	**Subsidiaries** MCLP$	**Consolidated total** MCLP$
Assets	4,541,049	4,034,940	4,789,268	267,719	13,632,976
Liabilities	4,518,230	4,025,062	4,752,875	258,309	13,554,476
Operating income	22,819	9,878	36,393	9,410	78,500

5. CASH AND CASH EQUIVALENTS

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

	At March 31	
	2012 MCLP$	**2011** MCLP$
Cash and bank deposits:		
Cash	270,767	293,021
Deposits in Chile Central Bank	559,139	336,011
Deposits in local banks	4,068	12,456
Deposits abroad	430,189	269,847
Subtotal cash and bank deposits	1,264,163	911,335
Items in course of collection, net	110,476	82,922
Highly liquid financial instruments	1,910	84,570
Investments under agreements to resell	88,151	110,901
Total cash and cash equivalent	1,464,700	1,189,728

The Central Bank of Chile requires minimum reserve levels of cash and deposits under certain deposits circumstances.

b) Items in course of collection:

Items in course of collection correspond to those transactions where only the remaining settlement 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 March 31	
	2012	**2011**
	MCLP$	MCLP$
Assets		
Outstanding notes from other banks	127,371	94,003
Funds receivable	563,304	271,497
Subtotal assets	690,675	365,500
Liabilities		
Funds payable	580,199	282,578
Subtotal liabilities	580,199	282,578
Items in course of collection, net	110,476	82,922

6. TRADING PORTFOLIO FINANCIAL ASSETS

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

	March 31 2012	**December 31 2011**
	MCLP$	MCLP$
Other debentures:		
Public bonds	77,770	78,791
Other local bonds	45,186	33,154
Foreign bonds	3,085	2,882
Total	126,041	114,827
Issued debt instruments:		
Letters of credit	91,806	102,626
Current bonds	852,184	730,638
Subordinated bonds	650,501	640,370
Total	1,594,491	1,473,634

Details of placements of current and subordinated bonds at March 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_V	5,000,000	5,000,000	01-06-2007	01-06-2012	3.42%	5,040,159	113,572
SERIE_X	5,000,000	5,000,000	01-06-2007	01-06-2017	3.77%	4,855,526	109,412
SERIE_AA	10,000,000	10,000,000	01-07-2008	01-07-2014	3.99%	9,159,420	206,395
SERIE_AB	10,000,000	10,000,000	01-07-2008	01-07-2018	4.35%	7,975,990	179,727
SERIE_AE1	10,000,000	3,175,000	01-08-2011	01-08-2016	3.45%	3,088,432	69,593
SERIE_AE2	10,000,000	2,900,000	01-08-2011	01-08-2021	3.78%	2,655,164	59,830
Subtotal	50,000,000	36,075,000				32,774,691	738,529

CURRENT BONDS IN FOREIGN CURRENCY

Series	Amount Issued	Amount Placed	Date of Issue	Maturity Date	Average rate	Balance Owed Mexican Pesos	Balance Owed MCLP$
BCI11	8,000,000,000	3,000,000,000	15-07-2011	11-07-2014	5.81%	2,981,731,748	113,655
Subtotal	8,000,000,000	3,000,000,000				2,981,731,748	113,655

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	7.16%	846,314	19,070
SERIE_E	1,500,000	1,500,000	01-11-1997	01-11-2018	7.36%	843,104	18,998
SERIE_F	1,200,000	1,200,000	01-05-1999	01-05-2024	7.78%	861,642	19,417
SERIE_G	400,000	400,000	01-05-1999	01-05-2025	7.99%	297,753	6,709
SERIE_L	1,200,000	1,200,000	01-10-2001	01-10-2026	6.30%	996,842	22,462
SERIE_M	1,800,000	1,800,000	01-10-2001	01-10-2027	6.56%	1,514,413	34,125
SERIE_N	1,500,000	1,500,000	01-06-2004	01-06-2029	5.50%	1,333,118	30,040
SERIE_O	1,500,000	1,500,000	01-06-2004	01-06-2030	3.80%	1,317,290	29,683
SERIE_R	1,500,000	1,500,000	01-06-2005	01-06-2038	4.68%	577,366	13,010
SERIE_S	2,000,000	2,000,000	01-12-2005	01-12-2030	5.00%	1,757,810	39,611
SERIE_T	2,000,000	2,000,000	01-12-2005	01-12-2031	4.31%	1,816,206	40,925
SERIE_U	2,000,000	2,000,000	01-06-2007	01-06-2032	4.25%	1,866,549	42,060
SERIE_Y	4,000,000	4,000,000	01-12-2007	01-12-2030	4.25%	1,838,000	41,417
SERIE_W	4,000,000	4,000,000	01-06-2008	01-06-2036	4.05%	1,531,200	34,503
SERIE_AC	6,000,000	6,000,000	01-03-2010	01-03-2040	3.85%	5,307,773	119,603
SERIE_AD 1	4,000,000	4,000,000	01-06-2010	01-06-2040	4.20%	3,525,832	79,449
SERIE_AD 2	3,000,000	3,000,000	01-06-2010	01-06-2042	4.05%	2,636,931	59,419
Subtotal	39,600,000	39,600,000				28,868,143	650,501
TOTAL							1,502,685

7. CONTINGENCIES AND COMMITMENTS

a) Off-balance sheet:

The Bank and its subsidiaries maintain the following memo accounts:

	March 31 2012	December 31 2011
CONTINGENT LOANS	MCLP$	MCLP$
Collateral and Guarantees		
Collateral and Guarantees in Chilean currency		-
Collateral and Guarantees in foreign currency	167,195	187,190
Confirmed foreign letters of credit	10,518	10,262
Letters of credit	130,925	138,666
Performance bonds		
Performance bonds in Chilean currency	610,883	584,081
Performance bonds in foreign currency	124,461	131,349
Interbank letters of guarantee		-
Cleared lines of credit	2,217,437	2,200,156
Other credit commitments		
Higher education loans Law 20,027	43,925	43,925
Others	171,877	209,884
THIRD PARTY OPERATIONS		
Collections		
Foreign Collections	96,322	97,907
Domestic Collections	116,644	111,956
CUSTODY OF SECURITIES		
Securities in custody with the bank	128,098	120,810
Total	3,818,285	3,836,186

b) Lawsuits legal proceedings

As at March 31, 2012 and December 31, 2011, there were lawsuits pending against the Bank and subsidiaries relating to loans and other matters. The opinion of management and the Banks legal counsel – these lawsuits should not result in material losses.

c) Operating guarantees:

Direct commitments

At March 31, 2012, BCI Corredor de Bolsa S.A. has given guarantees for MCLP$ 67,252 to secure simultaneous operations at the Santiago Stock Exchange.

At March 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$ 2,993.-

At March 31, 2012, the company maintains guarantees furnished abroad for international market transactions for MCLP$ 49.-

At March 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$ 3,379.-

At March 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, full fulfillment of all of the obligations issuing from its activities:

- Insurance Policy for Insurance Brokers No. 10019734 for an insured amount of UF 500 taken out with Compañía de Seguros Generales Consorcio Nacional de Seguros S.A., valid from April 15, 2011 to April 14, 2012, 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. 10019736 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, 2011 to April 14, 2012, 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 March 31, 2012, BCI Factoring has approved hedges for operators of the Factor Chain International for MCLP$7,102.- equivalent to US $14,501,089.80.-

Operating guarantees

At March 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. 027051 taken out with Compañía de Seguros de Mapfre Garantía y Crédito on August 19, 2011, valid through to August 19, 2012, with the Santiago Stock Exchange being the beneficiary in representation of the possible creditors.

BCI Asset Management Administradora General de Fondos S.A. has performance bonds with Banco de Crédito de Inversiones as provided for in article 226 of Law 18.045 on 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 March 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. 1456760, valid from November 30, 2011 to November 30, 2012, with a 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 be 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:

	March 31 2012 MCLP$	**December 31 2011** MCLP$
Sureties and finances	167,195	187,190
Documentary letters of credit	130,925	138,666
Performance bonds	735,344	715,430
Amounts available for credit card users	1,247,556	1,235,704
Provisions	(15,085)	(15,048)
Total	2,265,935	2,261,942

8. EQUITY

a) Capital stock and preferential shares

Movement of shares in the periods is as follows:

	Common shares	
	2012	**2011**
	Number	**Number**
Issued at January 1	104,331,470	103,106,155
Issued shares	-	1,225,315
Total issued	104,331,470	104,331,470

The Extraordinary Shareholders' Meeting of March 30, 2012 approved the issue of 1,523,797 authorized shares. This issue of authorized shares was made once it had been approved by the Superintendency of Banks and Financial Institutions, its issue had been registered and its distribution had been approved by the Board of Directors.

b) Dividends

The following dividends were declared by the Bank in the three – month periods ended March 31, 2012 and 2011:

	At March 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.

c) At March 31, the composition of diluted earnings and basic earnings is as follows:

	At March 31	
	2012	**2011**
	$	$
Basic earnings per share	629	586
Diluted earnings per share	629	586

9. RELATED PARTY TRANSACTIONS

a) Loans granted to related parties

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

	March 31, 2012			December 31, 2011		
	Operating companies MCLP$	**Holding companies** MCLP$	**Individuals** MCLP$	**Operating companies** MCLP$	**Holding companies** MCLP$	**Individuals** MCLP$
Loans and receivables to customers:						
Commercial loans	91,348	7,349	3,849	97,648	8,641	3,715
Mortgage loans	-	-	13,965	-	-	13,497
Consumer loans	-	-	2,211	-	-	2,247
Loans and receivables to customers - Gross	91,348	7,349	20,025	97,648	8,641	19,459
Provisions for loan losses	(6,760)	(29)	(88)	(7,143)	(83)	(82)
Loans and receivables to customers, net	84,588	7,320	19,937	90,505	8,558	19,377
Contingent loans	2,322	-	-	2,383	-	-
Provisions for contingent loans	(71)	-	-	(82)	-	-
Contingent loans, net	2,251	-	-	2,301	-	-

b) Other transactions with related parties

As March 31, 2012 and 2011, the Bank has undertaken the following transactions with related parties:

Company	Description	Balance Assets (Liability) MCLP$	Effect on statement of income Income MCLP$	(Expense) MCLP$
March 2012				
Artikos Chile S.A.	Procurement service	140	140	-
Bolsa de Comercio de Santiago	Lease of terminals	38	38	-
BCI Seguros de Vida S.A.	Collection service for payment of customer premiums and trademark use rights.	1,402	111	1,291
BCI Seguros Generales S.A.	Insurance for the Bank's assets.	432	432	-
Centro Automatizado S.A.	Center adjustment service	111	111	-
Compañía de Formularios Continuos Jordan (Chile) S.A.	Printing of forms	470	470	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Card processing	1,123	1,123	-
Redbanc S.A.	Operation of ATMs	984	984	-
Servipag S.A.	Collection and payment of services	1,932	1,856	76
Transbank S.A.	Administration of credit cards	8,381	1,152	7,229
Vigamil S.A.C	Printing of forms	13	13	-
Viña Morandé S.A.	Purchase of supplies	8	8	-
March 2011				
Artikos Chile S.A.	Procurement service	142	142	-
Bolsa de Comercio de Santiago	Lease of terminals	19	19	-
BCI Seguros de Vida S.A.	Collection service for payment of customer premiums and trademark use rights.	1,481	22	1,459
BCI Seguros Generales S.A.	Insurance for the Bank's assets.	435	435	-
Centro Automatizado S.A.	Center adjustment services	109	109	-
Compañía de Formularios Continuos Jordan (Chile) S.A.	Printing of forms	837	837	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Card processing	108	108	-
Redbanc S.A.	Operation of ATMs	669	669	-
Servipag S.A.	Collection and payment of services	1,738	1,738	-
Transbank S.A.	Administration of credit cards	6,659	1,225	5,434
Vigamil S.A.C	Printing of forms	17	17	-
Viña Morandé S.A.	Purchase of supplies	9	9	-

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

	March 31 2012 MCLP$	**December 31 2011** MCLP$
ASSETS		
Financial derivative agreements	-	-
Other assets	-	-
LIABILITIES		
Financial derivative agreements	-	-
Demand deposits	42,510	44,528
Time deposits and other savings accounts	166,474	150,380
Other liabilities	-	-

d) Results of operations with related parties

		At March 31			
		2012		2011	
Type of income or expense recognized	**Entity**	**Income** MCLP$	**Expenses** MCLP$	**Income** MCLP$	**Expenses** MCLP$
Income and expenses (net)	Sundry	2,402	(1,502)	1,598	(1,202)
Operational support expenses	Companies supporting the line of business	8,596	(6,441)	6,893	(6,160)
Total		10,998	(7,943)	8,491	(7,362)

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

Compensation earned by key personnel corresponds to the following categories:

	At March 31	
	2012 MCLP$	**2011** MCLP$
Short-term remunerations for employees (*)	1,125	1,100
Severance indemnities for termination of contract	138	-
Total	1,263	1,100

(*) Total expenditure on the Board of Directors of the Bank and its Subsidiaries was MCLP$649 at March 31, 2012 (MCLP$ 612 at March 31, 2011).

f) Composition of key personnel

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

Position	**No of executives**
Director	9
General Manager	10
Division and Area Manager	14
Total	33

g) Transactions with key management personnel

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

	At March 31					
	2012			2011		
	Balance owed MCLP$	**Total income** MCLP$	**Income of key executives** MCLP$	**Balance owed** MCLP$	**Total income** MCLP$	**Income of key executives** MCLP$
Credit cards and other services	765	241,495	6	503	177,483	6
Mortgage loans	1,455	47,704	26	1,279	31,863	19
Guarantees	1,791	-	-	1,458	-	-
Total	4,011	289,199	32	3,240	209,346	25

At March 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.	Operation 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	Viña Morandé 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

10. SUBSEQUENT EVENTS

There have been no subsequent events between March 31, 2012 and the date of issue of these consolidated interim financial statements that may have had or might have any impact on the presentation of these consolidated interim financial statements.

Fernando Vallejos Vásquez Accounting Manager	Lionel Olavarría Leyton Chief Executive Officer

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