

Annual Report and Financial Statements

Bci 2008



OUR MISSION

Bci defines itself as a Financial Solutions Corporation with presence in all financial activities and operations permitted by the General Banking Law, offering the community products and services with highly-efficient operating processes and excellence in quality, with constant technological innovation, prudent risk-management policies and demanding ethical standards that have to be respected by everyone working in its companies. In this scenario and in order to meet its objectives and policies, the Corporation commits to ensure that these are complied with by emphasizing what it considers to be its four fundamental pillars:

The Shareholders

Business policies and decisions should always be designed to increase the capital that the shareholders have invested in the company, striving to ensure that the return on their investment is higher than the average for the banking sector, accompanied by normal levels of risk for the Corporation's businesses and with a maximum possible level of transparency in its conduct in line with the prevailing law, regulations and ethical framework.

Customers and Suppliers

The products and services that the Bci companies offer their customers should be of optimum quality, at competitive prices, innovative and must meet their needs properly and promptly. It should always be remembered that the customers are the basis of the Institution's success and commercial relations with them should therefore be maintained with a long-term perspective. Mutually beneficial relations should be maintained with suppliers accompanied by loyalty over time and high standards of quality, compliance and transparency.

Team Members and their Families

The Corporation should endeavor to ensure that all its team members have a dignified standard of living, stable work and possibilities for personal, professional and family development, properly motivating and rewarding good performance as well as individual and team effort, while providing the guidelines and regulations for maintaining a workplace environment of excellence and demanding professional and ethical behavior. The Corporation is defined as a family-responsible company in terms of its commitment to strive to ensure that the work team members perform is carried out in conditions compatible with a proper personal and family life.

Community

The commitment of the Corporation is to develop its businesses and activities within the framework of governing laws in the country and abroad, wherever it does business. It will abide in full by the ethical principles that ensure respect for the rights and interests of others, according to the guidelines established and accepted by society. As an enterprise, it is also interested in contributing effectively to maintaining a healthy environment and enhancing the social, cultural and economic heritage of the nation by supporting relevant initiatives.

The Corporation is fully aware of the social responsibility it has as a company.

The world has changed and so have we. These are times of accelerated transformation and constant evolution. We might say this is a watershed moment for the economy, knowledge, and information. We might say the future is Today, Bci has always been at the forefront courtesy of its great transformation capacity. We have always looked forward and we will continue to do so because we truly **Are and Always Will Be Different.**



[00]

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[01] LETTER OF THE CHAIRMAN

To our shareholders:

Before referring to the performance of Bci in 2008, I deem necessary to explain the international financial developments occurred last year which brought about an unpredictable impact on the main economies of the world. As you may recall, in my letter of 2007, I stated that the worldwide economic scenario had been complex, due mostly to the so-called subprime mortgage crisis that in the United States unleashed a credit crunch, banking liquidity constraints and economic uncertainty.

The situation worsened in 2008 despite the fact that, up to some extent, the oversight authorities of the American stock market had already warned a year before about the real estate bubble and the excessive mortgage financing. The level of real estate transactions in the main economies of the world, widely extended through the placement of derivatives, was so vast that, once the problem unfolded, it created a massive financial crisis, mainly produced by the lack of liquidity that affected the main banks worldwide.

After the financial collapse, the United States and the main developed economies applied several and costly bailout measures, particularly through their central banks; however, the economic damage was already evident resulting in a slower economic growth, plummeting stock indexes, a weaker economic activity, a rising unemployment, and a tremendous worldwide economic uncertainty which has led the United States, Japan and Europe to face clear signs of economic recession.

Emerging or developing economies, started to rapidly feel the effects of the international crisis. Even though the crisis is also affecting growth and economic activities across the board, Chile has a strong economic stability and a fiscal discipline which fortunately allows the country to better face the shocks, coupled with the economic measures adopted by the Central Bank of Chile and the Treasury Department.

For quite some time now, the banking industry has been showing a strong solvency level and financial capacity which is reflected in its high capitalization index, together with effective credit risk and investment controls allowing for a smooth handling of the situation.

Now, I will specifically refer to the performance of Bci in 2008.

First of all, I must highlight that Bci posted a net income of Ch\$152,057 million at the close of the year, a period characterized by strong fluctuations experienced by the leading economic indicators. The results amounted to 19.2% over Bci's basic capital vis-à-vis the 13.2% of profitability shown in the banking industry as a whole. Bci's net income has increased 12.3% compared to that of 2007, although I must point out that the Bank allocated additional allowances for Ch\$17,543 million to cover different types of risks, a much higher provision than the Ch\$1,950 million allocated against net income of 2007. If we compare the results of 2007 and 2008, including the aforementioned additional allowances, the effective net income increase of 2008 was 21.7%. I must also mention that additional allowances are allocated to cover unexpected risks or variations in the economic conditions of the country. Voluntary in nature, additional allowances are part of the tangible net worth of Bci which at the close of 2008 amounted to Ch\$30,467 million. The General Banking Law states that for a bank to be ranked first in terms of solvency rating, the minimum ratio between tangible net worth and total risk weighted assets must be 10%. Bci permanently holds this ratio above 10% in compliance with the agreement adopted by the Board of Directors as of November 17, 1998.



WE HAVE MAINTAINED A
BUSINESS STRATEGY BASED
**ON A PROFITABLE GROWTH,
DELIMITED RISK EXPOSURE,
CLOSENESS TO OUR
CUSTOMERS AND
A GOOD WORKPLACE ENVIRONMENT**

The results obtained are due particularly to the sound position Bci shows in its core businesses amidst a fairly uncertain and volatile financial environment as well as to the prudent and well guided policies established by the Bank. Thus, it is worth mentioning that in 2008, total consolidated assets rose 26.3% compared to the 15.3% shown by the banking system. The most important item on the assets side are loans which in Bci amount to Ch\$9.3 trillion. Both in Bci and in the industry as a whole, these assets represent 90% of the risk weighted assets. In 2008, Bci increased its consolidated loans by 19.1% with a market share of 13.3%, whereas the banking industry in its entirety showed an increase in its portfolio of only 10.9%.

This level of loans has been reached bearing in mind the application of efficient credit risk models and the individual evaluation of the debtors, a policy that has resulted in an allowance index of 1.4% over total loans compared favorably to the 1.8% of the whole banking industry. Bci's commercial portfolio which concentrates 71.2% of total loans recorded an allowance index of 1.1%. Bci's non-performing loans account for 0.8% of total loans compared to the 1.0% shown by the banking industry as a whole. Bci also finances foreign debtors, whose portfolio, when necessary, allocates lesser allowances than the commercial portfolio.

The borrowings with which Bci has financed its assets at the close of 2008 are as follows: Ch\$6.1 trillion (63%) in time deposits, Ch\$2.0 trillion (21%) in non-interest bearing deposits and Ch\$1.5 trillion (16%) in loans of the Central Bank of Chile and foreign financial institutions.

It is particularly worthwhile mentioning the outstanding performance of our subsidiaries in the results of Bci, since they contributed Ch\$29,881 million to the net income accounting for 19.7%, while their current assets amounted to Ch\$1.1 trillion, that is to say, 8.5% of the total assets of the Bank.

Now, with respect to the guiding principles of the Bank, I consider this a great opportunity to reiterate that Bci has maintained a business strategy mainly based on a profitable growth, the closeness to our customers and a great workplace environment.

To this end, 44 new commercial service points were opened in 2008, which provide different types of commercial services and make up a network of 326 operating facilities in Santiago and regions. At the same time, a great deal of offices were refurbished inside and outside, displaying more appealing and comfortable designs for our customers and the public in general.

Likewise, we have considerably expanded our attention allowing our customers to serve themselves by means of self-sufficient electronic devices. In fact, in addition to the exclusively automated branch inaugurated in 2007, in 2008, 92 new branches were opened with specialized adjacent premises that have modern electronic facilities and that permit our customers to make numerous transactions, even the cashing of Bci checks during an extended period of time than the usual mandatory service tellers are to provide, and soon the Bank will provide this service 24/7. We have dubbed these facilities "Bci Full" as part of the transformation project of operational procedures initiated back in 2007, which is expected to attain defined objectives by the year 2010.





On the other hand, Bci started an effective bancarization program through Bci Nova, targeted to lower-income sectors which commonly do not have access to banking services; this segment accounts for nearly 40% of the population. To this end, Bci is designing flexible products that will uncover the specific needs of the sector.

We have also made advancements in delivering a specialized service to a defined sector of customers, which is a complement to the project started in 1996 developed to provide the upper socioeconomic sector of the country with an exclusive and private operational and transactional service, so far known as Preferential Banking, recently renamed Premier Banking. In 2008, we have also created Private Banking, an integral advisory investment service or wealth management service offered to high net worth individuals. Unlike Preferential Banking, Private Banking does not offer trading services since it is exclusively targeted towards orienting customers on the existing investment alternatives in both the domestic and international markets, and then based upon the customers' mandate, investing the funds they have allocated in the specific instruments of their choice. Private bankers do a permanent and reserved examination of our customers' investment portfolio.

As regard training and the integral development of our team members, I would like to emphasize the creation of the Bci Academy, a means to educate them in several aspects, starting with top management levels in order to reassert their condition as true leaders within the organization and the continuous improvement of the individuals, providing them with the best practices that stimulate their internal career development and mobility among several functions.

The prizes Bci has been awarded in 2008 are numerous as usual. It is worth mentioning that we have been ranked the fourth most admired company in Chile according to the survey carried out by PriceWaterhouseCoopers and Diario Financiero. Bci has received this award for ten years straight and it recognizes the job and commitment of our team members in regards to financial solvency, business strategy, innovation capabilities, corporate governance and social responsibility, quality of service and other attributes that Bci has maintained over time.

I must also mention the significant gesture that Diario Estrategia made when it celebrated its thirtieth anniversary by posthumously recognizing Mr. Jorge Yarur Banna who chaired Bci for nearly forty years as the best entrepreneur of the last thirty years.

Dear Shareholders, having said this, I must anticipate that 2009 will be a difficult year for the country owing to the international crisis which will surely affect the banking activity, as well as to the application of the International Financial Reporting Standards and the new criteria set by the Basle Committee which includes the measurement of operational risk and greater capital demands.

On behalf of the Board I chair, we would like to express our satisfaction for the performance results and market share achieved. Allow me to warmly greet you and express our thanks for the support you have given us. We would also like to thank our customers, suppliers of goods and services, foreign financial institutions for their unconditional support, and of course, and our team members for their constant and productive contribution to the performance of Bci.



[LUIS ENRIQUE YARUR REY
CHAIRMAN BCI]

[02]

FINANCIAL SUMMARY



EFFICIENCY
MEASURED BY
THE RATIO BETWEEN OPERATING
EXPENSES TO OPERATING
INCOME IMPROVED

4.88 PERCENTAGE POINTS





Balances of operations at the end of each year
expresses in millions of Chilean pesos

	2003	2004	2005	2006	2007	2008	CHANGE 2007 / 2008
CONSOLIDATED BALANCE SHEET¹							
Commercial loans and due from bank	2,660,975	3,108,239	3,777,833	4,629,372	5,464,776	6,835,561	1,370,785
Mortgage loans	582,829	728,912	872,823	963,071	1,324,409	1,690,214	365,805
Consumer loans	266,486	538,278	655,298	799,983	911,749	1,003,813	92,064
Total loans	3,510,290	4,375,429	5,305,954	6,392,427	7,700,934	9,529,588	1,828,654
Allowances for credit risk	(63,299)	(78,432)	(73,477)	(66,850)	(85,650)	(131,820)	(46,170)
Total net loans	3,446,991	4,296,997	5,232,477	6,325,576	7,615,284	9,397,768	1,782,484
Financial investments	1,035,460	938,207	1,125,289	845,762	1,019,781	1,452,093	432,312
Other assets	3,068,391	4,826,704	4,297,511	1,595,236	1,394,074	1,946,511	552,437
Total assets	7,550,842	10,061,908	10,655,277	8,766,574	10,029,139	12,796,372	2,767,233
Non-interest bearing deposits	1,179,202	1,326,725	1,307,176	1,543,020	1,776,766	2,021,931	245,165
Time deposits	1,988,523	2,591,555	3,445,464	4,026,275	4,772,001	6,071,804	1,299,803
Other obligations	4,021,580	5,717,741	5,401,761	2,609,680	2,776,436	3,912,386	888,848
Capital and reserves	287,854	337,190	395,190	467,446	568,559	683,811	115,252
Net income	73,682	88,696	105,684	120,153	135,376	152,057	16,681
Allowances for minimum dividends	0	0	0	0	0	(45,617)	(45,617)
Total liabilities plus equity	7,550,842	10,061,908	10,655,277	8,766,574	10,029,139	12,796,372	2,767,234
FINANCIAL INDICATORS							
Bci shares							
Closing price (nominal)	8,900	12,500	12,829	15,852	14,950	10,841	(4,109)
Earning per share (nominal)	747,30	897,61	1,069,52	1,215,38	1,369,36	1,538,10	169
Market price / book value (times)	3.05	3.66	3.21	3.35	2.60	1.57	(1.03)
Market price / earning per share (times)	11.91	13.93	12.00	13.04	10.92	7.05	(3.87)
Shareholder's equity (millions of pesos)	877,514	1,235,182	1,267,692	1,567,134	1,477,962	1,071,745	(406,217)
Profitability and efficiency							
Return of equity	25.60%	26.30%	26.74%	25.70%	23.81%	23.82%	0.01 pp ²
Capitalized earnings of previous year	52.02%	54.41%	53.21%	53.23%	54.75%	54.72%	(0.03) pp
Return on assets	0.98%	0.88%	0.99%	1.37%	1.35%	1.19%	(0.16) pp
Efficiency (backstopping costs / operating income)	49.65%	51.60%	50.46%	50.35%	49.64%	44.76%	(4.88) pp
Assets per employee (millions of pesos)	1,754	1,427	1,362	983	1,051	1,393	342
Market share							
Loans	11.20%	11.70%	12.49%	12.51%	12.38%	13.30%	0.92 pp
Risk							
Total allowances / total loans	1.84%	1.83%	1.40%	1.06%	1.12%	1.40%	0.28 pp
Non-performing loans / interbanking net loans	1.12%	0.94%	0.72%	0.84%	0.68%	0.80%	0.12 pp
Allowances / non-performing loans (times)	1.49	2.07	2.15	1.51	1.94	1.77	0.17
ACTIVITY INDICATOR (NUMBER)							
Employees Bci Corporation	4,304	7,053	7,823	8,918	9,541	9,185	(356)
Branches & contact points	141	198	221	233	282	326	44
Checking accounts	267,755	289,014	299,125	313,748	345,820	373,043	27,223
Electronic checkbooks	456,598	590,194	806,430	855,115	893,961	959,580	65,619
ATMs	437	506	512	628	815	988	173
ATMs transactions (december each year)	4,027,421	3,836,141	3,054,729	3,218,465	3,214,591	3,777,608	563,017
Internet transactions (december each year)	6,835,010	7,851,970	11,263,330	8,984,343	11,792,742	18,510,037	6,717,295
Customers with internet access passwords			213,615	242,641	280,324	297,239	16,915

1 The balance sheets from 2003 to 2007 are presented based on the balance sheet corresponding to 2008, due to modifications in the latter as instructed by the Superintendency of Banks.

2 pp: percentage points

[03]

BOARD OF DIRECTORS

Standing

✦ **Pedro Corona Bozzo**
Director

✦ **Dionisio Romero Seminario**
Director

✦ **Andrés Bianchi Larre**
Director

✦ **Lionel Olavarría Leyton**
Chief Executive Officer

✦ **Alberto López-Hermida Hermida**
Director

✦ **Juan Manuel Casanueva Préndez**
Director

Seated

✦ **Daniel Yarur Elsaca**
Director

✦ **Sergio de Amesti Heusser**
Director

✦ **Luis Enrique Yarur Rey**
Chairman

✦ **Jorge Cauas Lama**
Vice Chairman





The Board of Directors' mission is to maximize the company's value long term by looking after the interests of the **shareholders**, **customers**, **suppliers**, **team members** and their families, and the **community**

[03] BOARD OF DIRECTORS





The Board of Directors was appointed at the Ordinary Shareholders' Meeting held on April 24 of 2007. The elected members shall perform their duties for a period of three years, i.e., until the 2010 Ordinary Shareholders' meeting be celebrated.

The Board of Directors dictates the main policies governing the Bank's actions including the commercial strategy, budget accounting review, portfolio diversification, credit risk, financial risk, operational risk and international market risk, equity position, profitability, allowances hedging, additional allowances, quality of service and working conditions.

The members of the Board are provided with a comprehensive presentation on the performance of the Corporation and its results on a monthly basis, in addition to other relevant information on particular issues either examined or approved by the committees of the Bank.

The Committees hold meetings at different times and are comprised exclusively of Board members whose roles and activities are determined in accordance with the nature of the issues and specialties required by the Bank.

THE BOARD OF DIRECTORS DICTATES **THE MAIN POLICIES** GOVERNING THE ACTIVITIES OF THE BANK

Committees:

••••• **Executive Committee**

••••• **Directors Committee**

••••• **Corporate Governance and CSR
Committee**

••••• **Compensations Committee**

••••• **Corporate Risk and Financial Committee**

The guiding principles by which the Board of Directors abides, the bios of each one of its members, their roles and individual attendance, as well as the specific composition, functions, and general attendance to the aforementioned committees are detailed in the Corporate Governance and Corporate Social Responsibility Report accompanying this Annual Report.

[04]

SENIOR MANAGEMENT

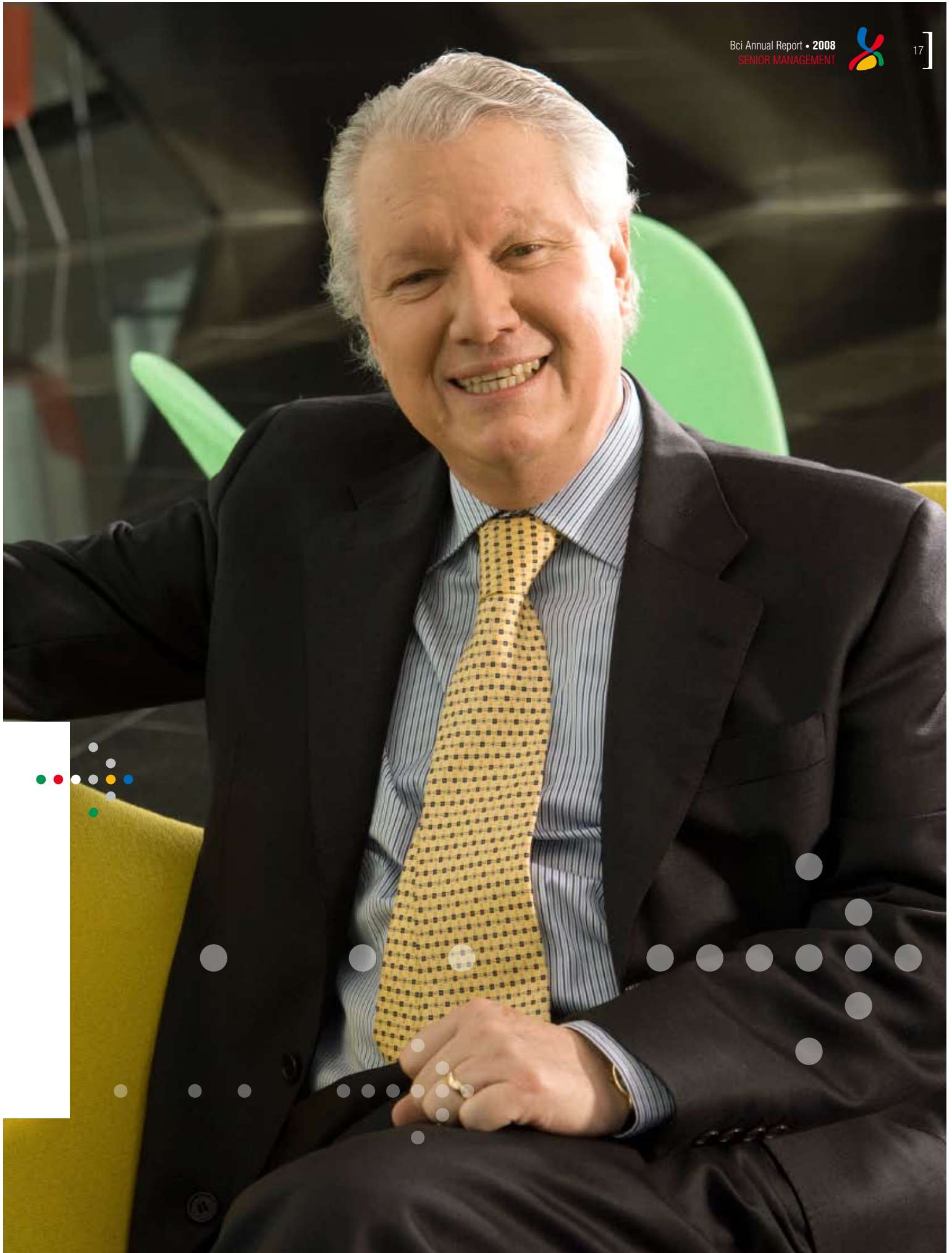
Within the organizational structure, the most important executive levels of Bci are those being held by Senior Executives who report directly to the Chief Executive Officer.

The Managerial Committees review the performance of the business and align the corporate strategic plans. In the Corporate Governance and CSR Report accompanying this Annual Report, the composition and functions of the main Managerial Committees are further detailed.

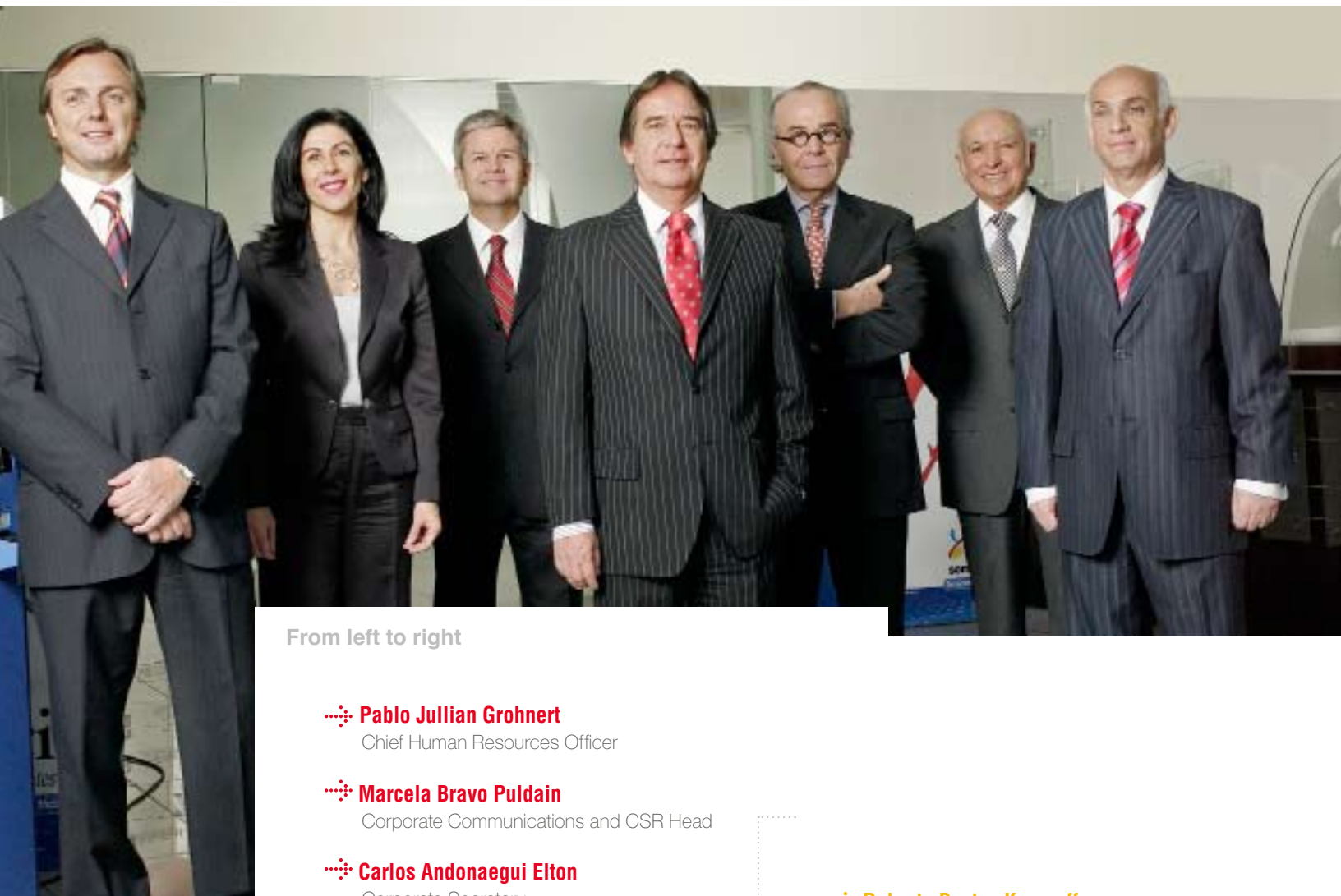


“I am proud to have a group of team members like Bci’s, who are capable of **reaching all of the goals** we set our minds to, and at the same time, increasing **customer satisfaction and improving the workplace** environment despite all the challenges and demands”

LIONEL OLAVARRÍA LEYTON
BCI’S CHIEF EXECUTIVE OFFICER FOR 15 YEARS



[Senior Leaders]



From left to right

❖❖❖ **Pablo Jullian Grohnert**
Chief Human Resources Officer

❖❖❖ **Marcela Bravo Puldain**
Corporate Communications and CSR Head

❖❖❖ **Carlos Andonaegui Elton**
Corporate Secretary

❖❖❖ **Mario Gómez Dubravcic**
Chief Commercial Banking Officer

❖❖❖ **Roberto Bustos Kaempffer**
Chief Financial Officer and Controller

❖❖❖ **Humberto Béjares Jara**
Corporate Advisor

❖❖❖ **Pedro Balla Friedmann**
General Counsel



•••• **Abraham Romero Pequeño**
Chief Retail Banking Officer

•••• **Graciela Durán Vidal**
Audit and Compliance Head

•••• **Andrés Atala Hanna**
Corporate Risk Advisor

•••• **Nicolás Dibán Soto**
Chief Corporate Risk Officer

•••• **Eugenio Von Chrismar Carvajal**
Treasurer and International Division Head

•••• **Mario Gaete Hörmann**
Chief Operating and Technology Officer

•••• **Eduardo Paulsen Illanes**
Corporate Projects and Innovations Head





Managerial
committees
support the
progress of the
business

:: Senior Leaders



Commercial Banking and Subsidiaries

Mario Gómez Dubravčić
Germán Acevedo Campos
Fernán Barrios Larrañaga
Antonio Le Feuvre Vergara
Francisco López Alonso
Claudio Martínez de la Harpe
Javiera Ramírez Collyer
Gerardo Spoerer Hurtado

[Group Head]
[Chief Executive Officer - Bci Factoring S.A.]
[Leasing]
[Large Corporations]
[Corporate Banking Business Development]
[Medium-size and Large Companies]
[Middle Market]
[Chief Executive Officer - Bci Asset Management S.A.]



Retail Banking

Abraham Romero Pequeño
Sandro Araya Molina
Marcos Castro Vega
Rodrigo Corces Barja
María Francisca Errázuriz Correa
Luis Felipe Hirane Sarkis
Lily Justiniano Berardi
Vivian Nazal Zedan
Nelson Rojas Mena
Juan Pablo Stefanelli Dachena
Eduardo Valenzuela Vaillant

[Group head]
[TBanc]
[Regions]
[Metropolitan Area]
[Preferential Banking]
[Chief Executive Officer - Bci Nova]
[Chief Executive Officer - Análisis y Servicios S.A.]
[Agreements and Alliances]
[Chief Executive Officer - Bci Corredores de Seguros S.A.]
[Small Business Banking]
[Telecanal Bci]



Treasury and International Division

Eugenio Von Chrismar Carvajal
Jorge Barrenechea Parra
Jorge Cristoffanini Olmedo
Francisco Cuesta Esquerria
José Luis de la Rosa Muñoz
Santiago Edwards Morice
Jorge Farah Tare
José Luis Figueras Sepúlveda
Ricardo Gabler Zúñiga
Alberto Potin Olazarri
Héctor Valenzuela Lamb
María Grisel Vega
Ricardo Victorero Castaño

[Group head]
[Asset and Liability Management & International Representation Offices]
[Private Banking Middle and Back Offices]
[Chief Executive Officer - Bci Asesoría Financiera S.A.]
[Financial Management]
[Trading Desk]
[Area Advisor]
[Sales Desk]
[International Area]
[Fixed Income Portfolio Management]
[Chief Executive Officer - Administradora General de Fondos S.A.]
[Chief Executive Officer - Bci Miami]
[Chief Executive Officer - Bci Corredor de Bolsa S.A.]



Marketing

Felipe Alcaíno Vergara
Ignacio Echeverría Saldes
Christian Meyer González
Bárbara Schwerter Eckholt
Mauricio Zárate González

[Business Intelligence Unit]
[Corporate Image]
[Mortgage]
[Payment Instruments and Products]
[Segments]



Corporate Risk

Nicolás Dibán Soto
Manuel Alfero Ghio
Rubén Aracena Yáñez
Galo Bertrán Rubira
Horacio Eyzaguirre Johnston
Rodrigo Junco Figueroa
Juan Pablo Risco Ríos
Mario Sarrat González
Manuel Tapia Salazar
Gerardo Zegers Domínguez

[Group head]
[Corporate Credit Management]
[Bci Nova Risk Management]
[Chief Executive Officer - Compañía de Normalización y Cobranza de Créditos S.A.]
[Follow-up and Portfolio Control]
[Impaired Portfolio Management]
[Market Risk]
[Retail Banking Risk]
[Risk Analysis and Management]
[Operational Risk]



Operations and Technology

Mario Gaete Hörmann
Patricio Alcayaga Murtagh
Pablo Cousiño Espinoza
Danilo González Asensio
José Alfredo Guerrero Benito
José Manuel Izquierdo Correa
Patricio Mardones Celis
Orlando Melo Solari
Eduardo Uchida Silva

[Group head]
[Financial Operations]
[Technology and Innovation]
[Branches and Central Units]
[Information Technology]
[Retail Banking Operations]
[Procurement and Suppliers]
[Security]
[SME Operations]



Human Resources

Pablo Jullian Grohnert
Rafael Barrera Renault
Andrea Barria Muñoz
Guillermo Gallardo Labra
Gonzalo Pizarro Sironvalle
Alberto Zañartu Ossa

[Group head]
[Strategic Business Partner]
[Organizational Development and Training]
[Labor Relations]
[Personnel Development]
[Strategic Business Partner]



Corporate Projects and Innovation

Eduardo Paulsen Illanes
Claudia Ramos Arellano
Patricio Salinas Gutiérrez
Pedro Tapia Guzmán

[Group head]
[Commercial Effectiveness]
[Corporate Quality of Service]
[Bci 2010 Branch Network Project]



Corporate Planning, Management and Financial Control

Roberto Bustos Kaempffer
Juan Ignacio Acevedo Vogel
Andrés Irarrázabal Ureta
Osvaldo Lastra Acuña
Fernando Vallejos Vásquez
Ignacio Yarur Arrasate

[Group head]
[Planning]
[Business Development]
[Management Control]
[Accounting]
[Efficiency and Corporate Performance]



Audit and Compliance³

Graciela Durán Vidal
Renato Blaskovic Aravena
Ximena Kutscher Taiba

[Group head]
[Technological Risk Audit]
[Processes Audit]



Legal Division

Pedro Balla Friedmann
Fernando Carmash Cassis
Arturo Prado Puga

[Group head]
[Legal Acts and Contracts]
[Judicial Area]



Corporate Communications and Social Responsibility

Marcela Bravo Puldain

[Group head]



Corporate Secretary

Carlos Andonaegui Elton

[Corporate Secretary]



Corporate Advisor

Humberto Béjares Jara

[Corporate Advisor]



Risk Advisor

Andrés Atala Hanna

[Risk Advisor]



A fundamental aspect for Bci is to add value to the business through the development of its team members

3 Audit and Compliance report directly to the Chairman and in an administrative manner to the Chief Executive Officer.

[05]

CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY



As in previous years, the Corporate Governance and Social Responsibility Report (CSR) is distributed accompanying this Annual Report. The document provides information as to the conditions on which the Board of Directors takes on its responsibilities together with senior management, and how Bci relates to its stakeholders: shareholders, team members and their families, customers, suppliers and the community.

Next in the report are the principal milestones that took place in 2008 organized by the scope on which Bci develops its sustainability model.





**More than 600 team members
actively participated in
the corporate volunteering
program**

With respect to Corporate Governance, the Market Information Disclosure and Management Manual was published; this document establishes the regulations for an expedite and adequate disclosure of information to the market, assuring its transparency to the public, investors and securities holders of the Bank.

In order to measure the ethics perception within the company, for the second year in a row, the survey dubbed Barometer of Values and Corporate Ethics was carried out by Generación Empresarial Foundation and Gemines Consultants, in which Bci was a leading institution within the financial sector, the best evaluated sector in the domestic economy.

To encourage the development of institutional leadership in an integral and sustainable manner, the Bank created the Bci Academy of Leadership as a key factor to preserve the culture, as well as to strengthen the performance of the business and the organization. In the first stage, 54 senior leaders were trained and next year the program will expand to area chiefs and heads.

In line with the commitment of the Corporation to reconcile family and work and to maintain a close and stable relation with our team members, new programs and communication instances were developed, such as "Ser Humano", "BciAprende", "Día del Minicolaborador", and "Call Center Bci Contigo", among others.

[05] CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY

As for our customers, Bci was awarded first place in terms of quality of service for “Member Companies” and was ranked first among banks, according to the National Index of Consumer Satisfaction by Grupo Procalidad and Capital Magazine, which reinforces the leadership commitment to customer satisfaction. To this end, the Corporate Quality Service Program called “Ser Primeros” was implemented and developed upon a corporatewide alignment strategy based on guidelines that offer unforgettable moments, under a promise which establishes three principles that synthesize the type of close, fast, and reliable service Bci provides.

Also a pilot plan was put into effect with Nace and Renace⁴ customers. The main objective is to provide them with the opportunity to integrate themselves as preferential providers, and thus supporting them in their development and business growth by means of guaranteeing the purchase of their goods and services under a special agreement.



Bci Nova made a commitment with segments that are not provided with traditional banking services, through a responsible bancarization program, forming alliances with companies whose customer base belongs to this segment, and implementing a financial literacy pilot program together with Infocap⁵ so as to promote training among lower-income and socially vulnerable individuals on financial matters, the development of micro businesses and entrepreneurial encouragement.

As regards safety, Bci was awarded for the thirteenth time the Annual Safety Prize given by the National Safety Council to the banking industry for achieving an occupational accidents rate of 1.35%. In addition, the third version of the Corporate Safety, Health, and Environmental policy was published within the 2009 plan to certify TBanc and Telecanal under international standards.



We implemented **power**
and **water efficiency**
measures in all our new
branches as well as those
which were refurbished



To regulate the relationship with outsourcing companies, and particularly in order to guarantee their safety in the workplace, Bci published the internal guidelines on the System for the Management of Safety and Health in the Workplace for this segment, which contains the Special Regulation of Safety and Health in the Workplace for outsourcing companies, the Regulations for Outsourcing Companies, and the Program of Health and Safety in the Workplace for Outsourcing Companies.

As for our concern about the community, Bci launched the Corporate Volunteers Program, allowing for the strengthening of solidary activities of our team members in line with the CSR community programs. Nearly 600 team members had the chance to share with and be closer to the elderly community of Las Rosas foundation, the girls from Corporación Crédito al Menor and to other employees with outsourcing companies through a program called "Amigo Digital".

With respect to the environment, Bci continued encouraging measures to contribute to the care of our environment by means of developing a new internal communications and indicators' management campaign for the efficient use of energy. Likewise, the Program for the Preservation and Environmental Education in Parque Nacional Pan de Azúcar in the Atacama Region was put into effect, along with power efficiency and responsible consumption measures regarding the use of energy and water in every new branch as well as in those which are to be refurbished.

Lastly, Bci maintained its commitment to supporting education and culture by financing numerous cultural and educational activities which are detailed in the Corporate Government and Social Responsibility Report.



Bci maintained its commitment to supporting education and culture through numerous activities

❖ 4 Nace and Renace are programs through which Bci provides advisory and financing to current and former customers of the Bank.

❖ 5 Infocap, "The Worker's Collage" is a non-profit foundation created in 1984 by Compañía de Jesús which specializes in labor matters and is inspired in the ideas of Padre Hurtado. Its mission is to train lower-income workers through the development of labor competencies, study and research into their reality in order to promote effective public policies, and stimulate their organization for them to access a better quality of life.



[06]

SHAREHOLDERS

THE BANK CONTINUES TO SHOW
**EFFICIENT PROFITABILITY
AND MANAGEMENT**
LEVELS ACHIEVING HISTORICAL RESULTS

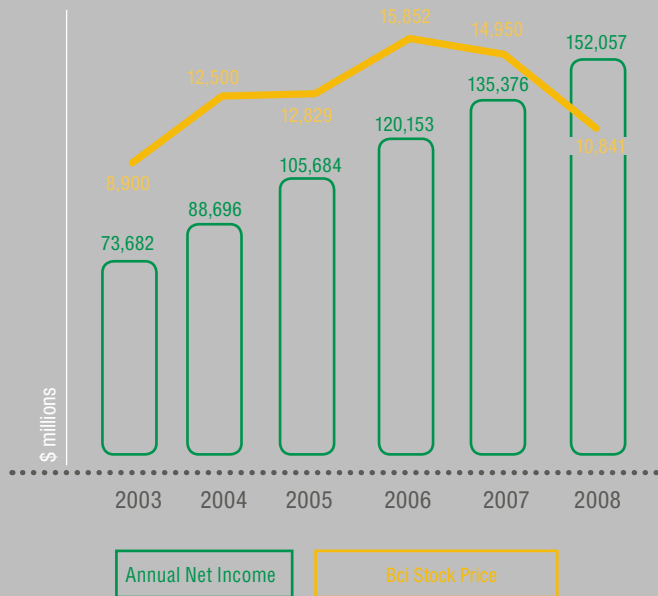
[Stock Price and Market Capitalization]

The Bank continues to show sound profitability and performance levels, reaching historical results over the last years. However, its stock price (measured as closing price and average weighted price) as well as its market capitalization have been affected by a high volatility in the domestic and international financial markets since the latter part of 2007 up until the date this Annual Report was released. The impact is reflected on the average stock weighted price of 2008.

In a global economic environment, the variations in foreign markets have a direct impact on the domestic market; hence, the slide in Bci's stock price was in line with the drop experienced by the markets and particularly the IPSA.



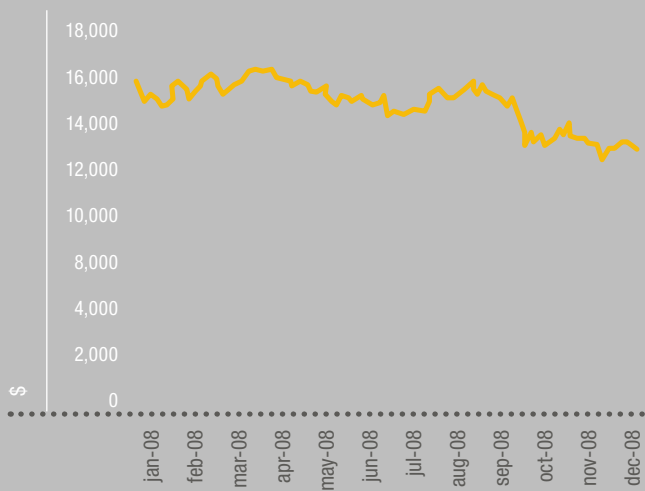
Net Income vs. Stock Price



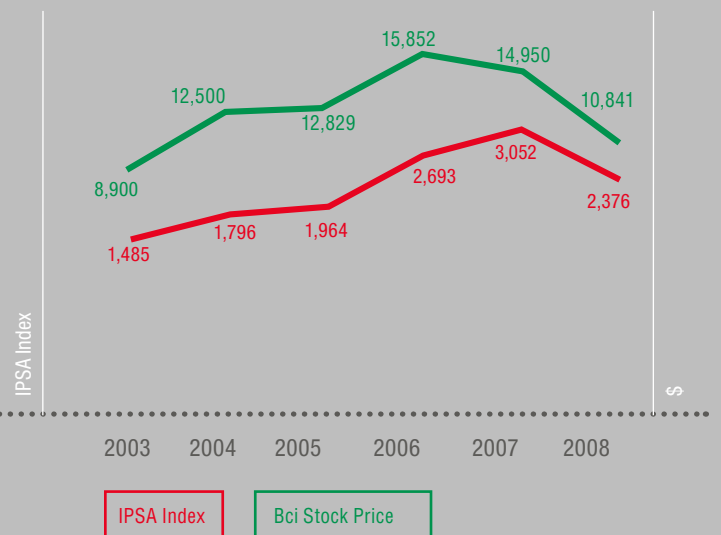
Market Capitalization vs. Bci Stock



Daily Weighted Average Price of Bci Stock in 2008



IPSA Index vs. Bci Stock Price



[Capital Resources]

At the Ordinary Shareholders' Meeting held on April 15, 2008, it was agreed to allocate \$74,082,377,799 to the reserve fund for future capitalization which accounts for 54,7% of the net income for 2007,

With these resources necessary to sustain the operational growth of the Bank, the basic capital of Bci as of December 31, 2008 is as follows:

Paid Capital (98,860,310 shares)	\$ 564,503,358,403
Reserve fund for future capitalization	\$ 134,798,940,243
Reserve for higher value obtained in shares placement of own issuance	\$347,422,227
Differences in valuation of financial instruments determined by the application of new accounting standards established by the Superintendency of Banks	\$1,901,000,923
Reserve for investment valuation	\$ (17,740,179,396)
Net Income for the year	\$ 152,056,634,068
Allowances for dividends payment	\$ (45,616,990,221)
❖❖❖❖❖ BASIC CAPITAL \$ 790,250,186,247	



As of December 2008, Bci's basic capital amounted to \$790,250 million



The tangible net worth that regulates the transactional limits established by the General Banking Law is comprised of the following entries:

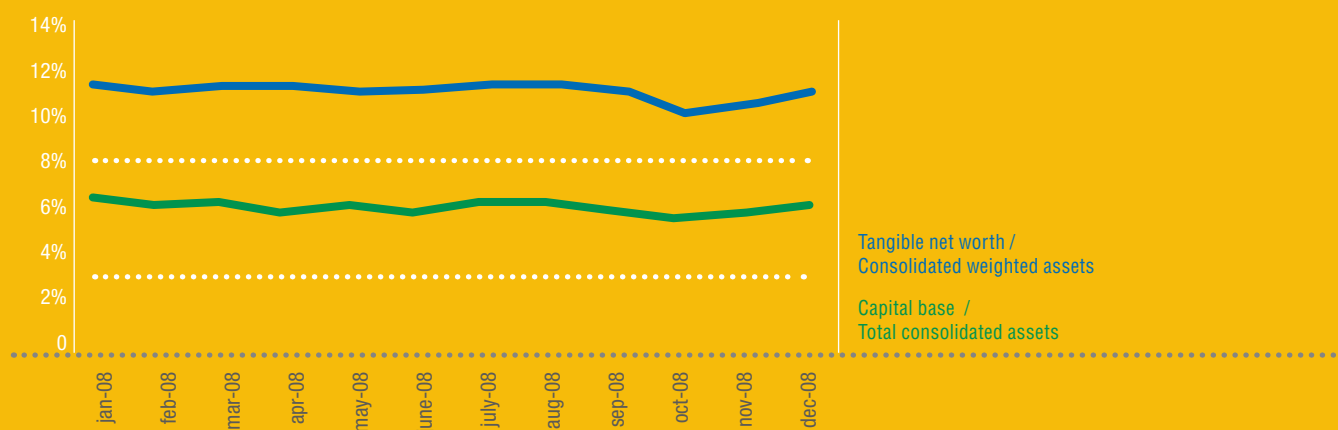
Basic Capital	\$ 790,250,186,247
Additional Allowances	\$ 30,467,000,000
Subordinated Bonds	\$ 364,320,552,056
Goodwill	\$ (8,079,233,177)
TANGIBLE NET WORTH	\$1,176,958,505,126

With the aforementioned resources, the ratio between basic capital to total assets is 7,47% while the ratio between tangible net worth and risk weighted assets is 11,12%. The minimum ratios required under the General Banking Law are 3% and 8% respectively,

At the beginning of 2009, the net income for 2008 is added to the basic capital where it remains until the Ordinary Shareholders' Meeting pronounces on its distribution.

Since January 2008, banks must allocate monthly allowances for the minimum dividend to be distributed among shareholders as instructed by the Superintendency of Banks and Financial Institutions. Consequently, the monthly net income balance not committed to the minimum dividend is regarded as capital for all legal and regulatory purposes.

Capital base (%)





[Tax situation of dividend distributed]

The Ordinary Shareholders' meeting held on April 15, 2008 approved a distribution of dividends for Ch\$620 per share against the net income for 2007 amounting to \$61,293,392,200 which accounts for 45,3% of the net income,

The dividend was distributed against first category rated income tax according to the Income Tax Law constituting a credit against the additional taxes that shareholders must be informed of on an annual basis,

The credit is subject to first category tax and, by law, must be added to the corresponding tax base as explained in the following example of dividends received per share,

Shareholders receive a certificate detailing the tax information of the dividend distributed and the necessary information to complete the corresponding annual tax declaration,



Our team work requires the same planning, analysis, strategy and commitment as that in Bci's yacht crew

Corporate shareholders, compelled to maintain the Taxable Net Income Fund (FUT), must consider that the distributed dividend in April 2008 comes from Taxable Net Income with the right to first category tax credit arising in 2001 and 2002 and indicated as follows:



YEAR	FIRST CATEGORY RATE	PROPORTION
2001	15%	28.09%
2002	16%	69.46%
-	w/o credit	2.45%



Bci provides shareholders with a **certificate showing** the tax information of the dividend distributed



[06] SHAREHOLDERS

[Principal shareholders]

The following are the main 25 shareholders of the Bci Corporation as of December 31. 2008 together with the number of shares and the corresponding stake.

NAME	N° OF SHARES	%
Empresas Juan Yarur S.A.C.	53.022.147	53.63%
Jorge Yarur Bascuñan	4,177,884	4.23%
Sociedad Financiera Del Rimac S.A.	3,434,892	3.47%
Inversiones BCP Ltda.	3,358,531	3.40%
AFP Habitat S.A. para Fondos de Pensiones	2,410,549	2.44%
AFP Provida S.A. para Fondos de Pensiones	2,369,533	2.40%
AFP Cuprum S.A. para Fondos de Pensiones	2,088,937	2.11%
Banco de Chile por Cuenta de Terceros	1,994,113	2.02%
Inversiones Jordan Dos S.A.	1,974,790	2.00%
Tarascona Corporation	1,456,528	1.47%
AFP Capital S.A. para Fondos de Pensiones	1,323,271	1.34%
Inversiones Millaray S.A.	1,182,245	1.20%
Inmobiliaria e Inversiones Cerro Sombrero S.A.	1,084,691	1.10%
BCI Corredor de Bolsa S.A.	1,082,281	1.09%
Luis Enrique Yarur Rey	965,652	0.98%
Banco Itaú por Cuenta de Terceros	930,234	0.94%
Banchile Corredores de Bolsa S.A.	825,061	0.83%
Larrain Vial S.A. Corredores de Bolsa	781,328	0.79%
Rentaequipos Comercial S.A.	712,964	0.72%
Inmobiliaria y Comercial Recoleta Sur Ltda.	585,074	0.59%
Modesto Collados Núñez	571,416	0.58%
Inversiones VYR Ltda.	526,123	0.53%
Penta Corredores de Bolsa S.A.	399,905	0.40%
Celfin Capital S.A. Corredores de Bolsa	394,217	0.40%
Inmobiliaria e Inversiones Chosica S.A.	377,736	0.38%
Otros Accionistas ⁶	10,830,208	10.96%
SHARES SUBSCRIBED AND PAID (Authorized Equity Capital)		98,860,310
		100.00%

⁶ Includes Bci employees who own 773,045 shares, altogether equivalent to a 0.78% stake



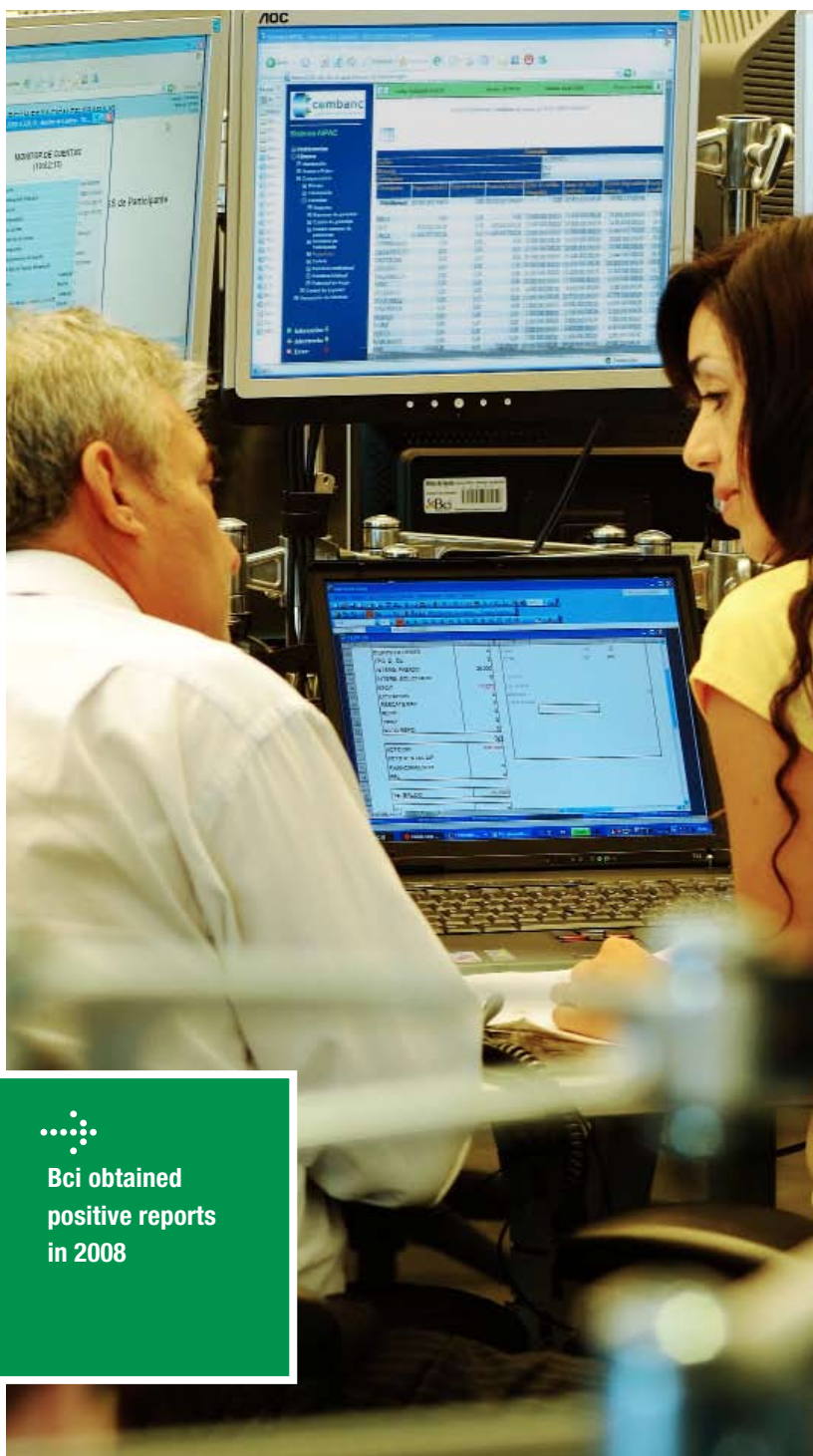
[Shareholders' Agreement]

Shareholders related to the Yarur Family, who as of December 31, 2008 hold 63.68% of the subscribed and paid shares of Bci, signed a shareholders' agreement dated December 30 of 1994, and updated in June 2008, by which they restate their will to maintain their unity and control of the Company. In addition, they reiterate their intention to preserve the principles upon which the management of the institution has been based.

THE MAJORITY SHAREHOLDERS
REASSERT THEIR WILL TO
MAINTAIN THEIR TRADITIONAL
UNITY AND CONTROL
OF THE BANK



[07] RISK RATING

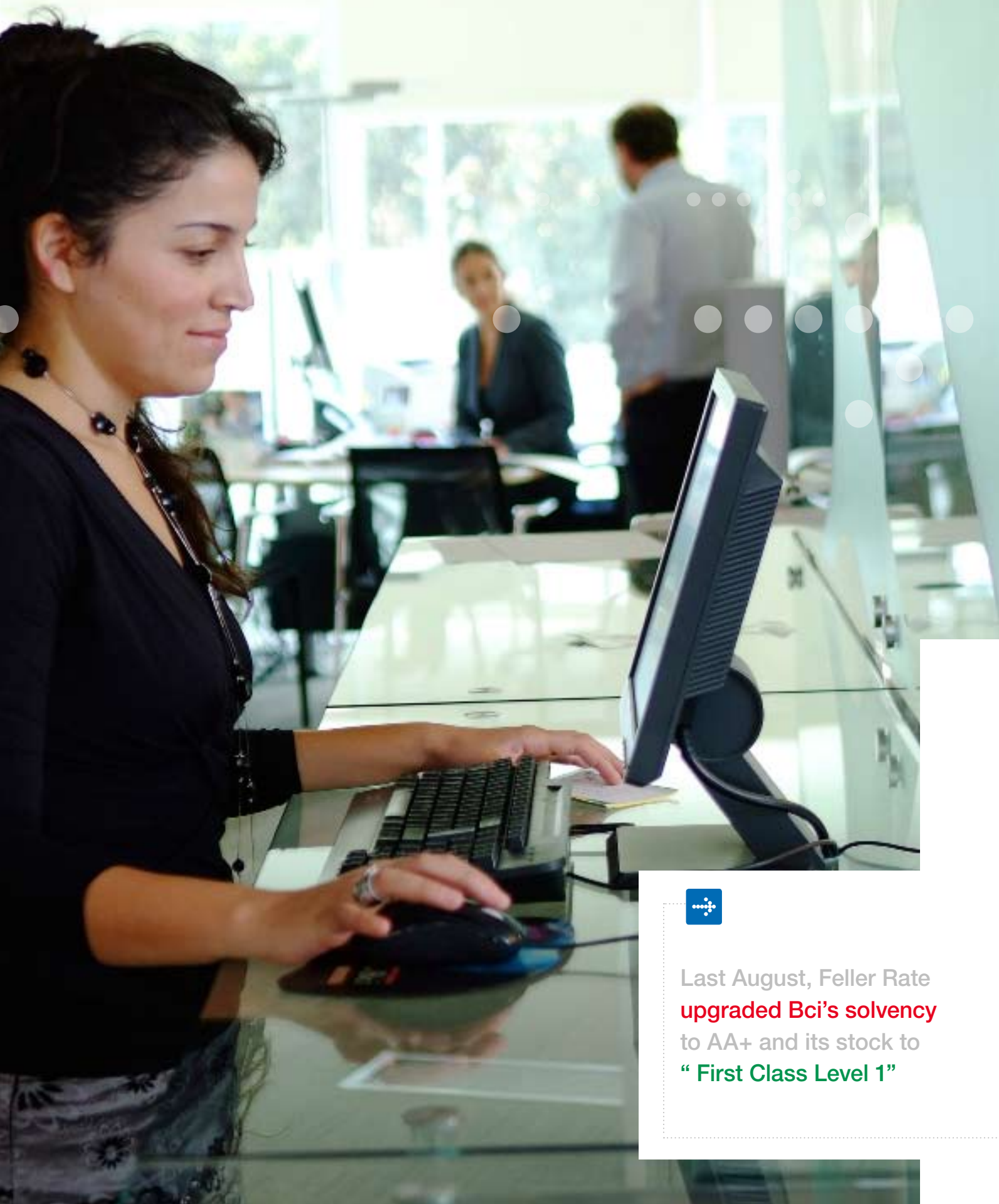


**Bci obtained
positive reports
in 2008**

In August last year, Feller Rate upgraded Bci's solvency to AA+ and its stock to "First Class Level 1". The perspectives of the Bank were graded as "stable" which shows the Company has a solid strategy seeking to strengthen the segments in which it has competitive advantages. In addition, it also demonstrates that the Bank is constantly improving its operating efficiency and risk management.

According to this risk rating agency's report, the upgrading was due to its financial profile consistency with stable returns ranked at a higher level than that of its peer group. The new rating also considers its competitive position in middle market, corporate segment, non-interest bearing deposits and cash management, plus the stability and experience of its executive level.

During this date, Fitch Ratings also maintained its risk rating for Bci and the perspectives were deemed "stable". The agency highlighted the constant performance of the Bank which continued permanently as opposed to that of the industry peers, at a 20.4% between 2002 and 2007.



Last August, Feller Rate
upgraded Bci's solvency
to AA+ and its stock to
"First Class Level 1"

[08]

PRIZES AND AWARDS

In 2008, the Bci Corporation received numerous awards and prizes that recognize its outstanding history in the industry, constituting an incentive to keep constantly improving and innovating.

It is worth noting that Bci ranked once again among the most admired companies in Chile, a recognition that has been awarded for a decade now. The Bank was second to none among

other banks and financial institutions. In addition, it was ranked first in terms of quality of service in the banking industry. Both awards reassert the commitment of the Corporation to keep the highest standards of service quality, nearness and long term relationship with clients and team members.



A decade among the most admired companies in Chile after obtaining the fourth place in the survey carried out in 2008 by PriceWaterhouseCoopers and Diario Financiero.



First Place in Chile and third place in Latin America among the most sustainable and best governed banks according to Management and Excellence (M&E) and Latin Finance Magazine.



Among **the most responsible companies in Chile** according to Fundación Prohumana and Capital Magazine.



Lower **Occupational Accidents** award for the 13th time granted by the Consejo Nacional de Seguridad.





Among the best banks in Latin America according to América Economía Magazine.

Among the best companies to work for, Great Place to Work Institute and Capital Magazine.



First Place for Corporate Annual Reports organized by Gestión Magazine and PriceWaterhouseCoopers.



First place in quality of service for “Member Companies” and first place among banks according to the National Index of Consumer Satisfaction of Grupo Procalidad and Capital Magazine.



Among the best companies for working parents, Fundación Chile Unido and YA magazine of El Mercurio.



Silver Big! award for internal marketing granted for the ethics campaign “¿Qué Hago?” in the 6th contest of Relationship and Direct Marketing.



Among the companies with the best corporate reputation in Chile, according to the Hill & Knowlton Captiva ranking together with La Tercera and Collect.



Posthumous Award “Best Entrepreneur of the last 30 years” granted to Jorge Yarur Banna, Diario Estrategia.





Attentive to changes

We are always willing to offer products and services that integrate highly-efficient operational processes and excellence in quality so as to make our customers' lives easier.





We know how
**to adapt to our
customers' needs**

[09]

COMMERCIAL MANAGEMENT

The Corporation is oriented towards satisfying the financial needs of both corporate and retail banking through a countrywide branch network, international representation offices and remote service channels, such as ATMs, the Internet and phone platforms. Additionally, Bci has subsidiaries specialized in complementary products and services for investments, asset management, stockbrokerage, financial advisory, insurance and factoring among others.

[Retail Banking]

The division has more than a thousand commercial officers serving customers throughout a wide branch network and contact points. In addition, there are other channels such as Mobile Banking, Phone Banking and Web services. Retail Banking provides a second to none service model that values our customer's time by giving them timely solutions, as well as a customized, near, fast and reliable service.

One of the main objectives of retail banking is to reach every customer with a proposal of products and services that meets their profile and needs. To this goal, the division is comprised of five major business units: Consumer Banking, TBanc, Bci Nova, Small Business Banking and Private Banking.



Retail Banking provides customers with tailor-made services, **making their lives easier** by offering **integral financial solutions**





:: Consumer Banking

Mainly oriented to individuals with the aim to provide the best financial solution for each customer. Consumer Banking is divided into Preferential Banking, Premier Banking and traditional Banking. The segmentation is based on the different financial needs of the customers. Each segment satisfies financial and advisory investment requirements and also provides a wide range of insurance products.

:: TBanc

Provides customers with financial investments and solutions online and by phone. This unique model in the Chilean market allows customers to solve all of their financial needs without visiting a branch, anywhere, 24/7 with first class security standards. TBanc has been offering customers remote financial solutions since 1998.

:: Bci Nova

Oriented to the low-to-moderate income segment of the country consisting of individuals and small business owners. Bci Nova's customers are served, supported and advised through a specialized network of 79 branches nationwide. Last year, Bci Nova started a bancarization project and worked on strengthening the long term relationship with its customers. More on Bci Nova in the chapter "Innovations and News of 2008".

:: Small Business Banking

Provides small and medium size companies and their partners with specialized financial solutions. It has 20 specialized centers across the country, in addition to the services provided in more than 55 branches of the Bank. Small Business Banking relationship officers offer an integral service allowing customers to have access to financial advisory, as well as to products and services ranging from leasing, factoring and foreign trade to investment and insurance. More on Small Business Banking in the chapter "Innovations and News of 2008".

:: Private Banking

Created in 2008 and targeted towards high net worth customers. Private Banking offers specialized wealth management services and serves customers in an integral manner in financial, business, advisory and investment aspects both in Chile and through its international correspondent network. More on Private Banking in the chapter "Innovations and News of 2008".



The Corporation is targeted to satisfying the need customers and companies have for banking and financial services





THE BCI CORPORATION
UNCOVERS OUR CUSTOMERS' NEEDS BY OFFERING

**FLEXIBLE AND
EFFICIENT**
FINANCIAL SOLUTIONS



[Corporate Banking]

The mission of this division is to develop and maintain long term relationships with our clients by means of initiatives that allow for the creation of value by offering products and services of excellence. Among them, there are different kinds of long and short term funding, transactions, funds transfers, collection, factoring, leasing, financial advisory, securitization, insurance, spot transactions and futures, and foreign trade and investments. The services are distributed throughout different areas and channels of the Bank, including branches in Chile, subsidiaries, representation offices, and international branches.

In 2008, several events took place aiming at strengthening the commercial relationship with the customers, better understanding their needs and responding efficiently to individual requirements.

The area is comprised of three business units: Large Corporations and Real Estate, Large Companies and Middle Market. These units serve a wide range of customers in the industrial and public sectors, governmental agencies, Armed Forces, universities and corporations, among others, and have access to all of the aforementioned products.



In 2008, Bci created a new segment to serve mid-size companies so as to provide them with a tailor-made service

:: Corporate and Consumer Banking Regional Officers

Regional Management Corporate Banking

Alejandro Cabezas Lafuente [Southern Santiago]
Eugenio Cáceres Vargas [Northern Santiago]
Cristián Daza Baquedano [Southern Central]
Mónica Hidalgo Landeros [Western Santiago]
Claudia Rivera Tavorara [Eastern Santiago]

Regions

Roberto Montalva González [Bío Bío and Araucanía]
José Morera Hierro [Viña del Mar]
Jorge Obregón Kuhn [South]
Luis Poblete Muñoz [Southern Central]
Héctor Tello Farfan [Northern Central]
Balduino Valdivia Lizana [North]

Metropolitan Area

Francisco Allende Solari [Southern Santiago]
Richard Calvert Sanhueza [Northern Central Santiago]
Rodrigo Cataldo Sepúlveda [Southeast]
Paula García Cuesta [Santiago]
Eduardo Rendich Sillard [Eastern Santiago]
Juan José Valenzuela Gaete [Central Santiago]

Regions

Jaime Donoso Schulbach [North]
Rodrigo Quijada Menanteau [South]
Ricardo Sepúlveda Bellocchio [Santiago]

[Subsidiaries]



From left to right, up and down

❖ **Lily Justiniano Berardi**
Chief Executive Officer Análisis y Servicios S.A.

❖ **Nelson Rojas Mena**
Chief Executive Officer Bci Corredores de Seguros S.A

❖ **Germán Acevedo Campos**
Chief Executive Officer Bci Factoring S.A.

❖ **Ricardo Victorero Castaño**
Chief Executive Officer Bci Corredor de Bolsa S.A.

❖ **Galo Bertrán Rubira**
Chief Executive Officer Compañía de Normalización y Cobranza de Créditos S.A.

❖ **Francisco Cuesta Esquerra**
Chief Executive Officer Bci Asesoría Financiera S.A.

❖ **Héctor Valenzuela Lamb**
Gerente General Administradora General de Fondos S.A.

❖ **Gerardo Spoerer Hurtado**
Chief Executive Officer Bci Asset Management S.A.



SUBSIDIARY	TOTAL ASSETS	NET INCOME
Bci Corredor de Bolsa S.A.	648,500	3,765
Bci Asset Management Administradora General de Fondos S.A.	55,696	6,698
Bci Factoring S.A.	352,061	9,383
Bci Corredores de Seguros S.A.	9,127	7,138
Bci Securitizadora S.A.	9,248	511
Bci Asesoría Financiera S.A.	1,522	577
Bci Administradora General de Fondos S.A.	426	-169
Servicios de Normalización y Cobranza Normaliza S.A.	4,616	1,979
Análisis y Servicios S.A.	2,212	-1
 TOTAL	1,083,408	29,881 ⁷



Through our subsidiaries, our customers can access complementary financial services and products on top of those traditionally offered by the banking industry

 ⁷ These figures do not include the share subsidiaries maintain among themselves.



:: Bci Corredora de Bolsa S.A.

Specializes in trading of Chilean and foreign variable and fixed income instruments. Operating since 1987, in 2008, the subsidiary redefined its commercial strategy, developing new and more segmented models of service and strengthening the relationship with the Bank's Branch network. In addition, it broadened its product base by incorporating forwards and short selling. In order to better serve its customers, the subsidiary moved to new premises in Magdalena street in the district of Las Condes, Santiago.

:: Bci Asset Management Administradora General de Fondos S.A.

Bci Asset Management was originally born in 1987 as Bci Administradora de Fondos Mutuos S.A. In 2008, it broadened its business scope by renaming itself Bci Asset Management Administradora General de Fondos S.A., offering products and services in an efficient and innovative fashion, thus satisfying all investment requirements of the customers of the Bci Corporation. The asset management services include a comprehensive range of Mutual Funds, Private Investment Funds and Voluntary Pension Savings.

:: Bci Factoring S.A.

Formed in 1994 with the objective of purchasing debt instruments of any nature from companies in need for maintaining their short-term liquidity. It has offices in Santiago and in the largest cities of the country.

:: Bci Corredores de Seguros S.A.

Created in 1998 with the objective of providing brokerage for Property and Casualty, and Life and Pension insurance policies with any insurance company established in the country. In 2007, it merged with Genera Corredora de Seguros Ltda., part of Banco Conosur group acquired by Bci.



:: Bci Securitizadora S.A.

Created in 2001, the subsidiary issues and places either short term or long term debt securities in the market. Such securities are backed by a set of financial assets, future flows, and debt securities, among others, which were previously acquired and structured into a Special Purpose Vehicle. It is targeted to institutional investors and companies and provides a service of advanced engineering in financial solutions for each customer.

:: Bci Administradora General de Fondos S.A.

Formed at the end of 2006 in order to manage public and private investment funds operating in different sectors of the economy. It offers innovative investment products and a management of excellence that satisfies the customers' need for long and mid-term investment and diversification.



The net income of
our subsidiaries in
2008 was \$29,881
million

:: **Bci Asesoría Financiera S.A.**

The subsidiary was created in 1993 with the aim to provide companies with Corporate Finance advisory services. In its existence, Bci Asesoría Financiera has structured numerous transactions including syndicated loans, debt restructuring, project finance, financing of acquisitions, company assessment, advisory in buying, selling and merging of companies, partnerships, and bond issuance in several sectors of the economy for both domestic and international companies.

:: **Servicios de Normalización y Cobranza – Normaliza S.A.**

Created ten years ago to provide collection services as well as judicial and extra judicial recovery services to Consumer Banking, TBanc and Bci Nova. In dealing with delinquency, it employs 460 people in 30 offices throughout the country, with the objective of maintaining the normalization and recovery standards for Retail

Banking. In 2008, Normaliza S.A. consolidated the merger of the collection subsidiaries of the Corporation concluded the year before.

:: **Análisis de Servicios S.A.**

Has been in business since 1996 and its main role is to gather and preassess financial information from prospective customers so as to facilitate the placement of products and services the Bank offers.





To get even closer to our customers and reach them wherever they need us, we have created a new kind of branches and commercial service offices



[National Presence]

In order to be closer to our clients and reach them wherever they need us, the Bci Corporation launched new and improved branches based on a more functional, close and efficient model.

In 2008, Bci increased its network in 44 contact points, reaching 326 throughout the country concentrated in the largest districts of Santiago and regions. It provides a new service model seeking to prioritize a close relationship with the customer by optimizing the use of technology.

The network of offices is distributed as follows:

- *Multiservice Branch:*

Is the most complete point of service for customers, providing an integral attention and served by relationship managers and specialists in investments, factoring, and entrepreneurial support, among others. It offers an automated service area available 24/7 all year round.

- *Cash Agency :*

Is a small service point particularly focused on transactions and treasury services. It offers tellers, ATMs and basic automated enquiry services.

- *Point of Sale Branch:*

Is a small place that serves mainly the Retail Banking segment and offers sales and after sales service.

- *Premier:*

Is an exclusive branch for the Retail Banking segment. Small in size and mainly supported by automated services, it provides customers with commercial and transactional attention.

- *The Private Banking:*

Office focuses on services for high net worth customers.

- *Commercial Platform:*

Is a service point targeted towards providing customers with a tailor-made and exclusive attention through relationship officers that specialize in their needs. Among them are the Small Business Banking Centers and Mortgage Centers.

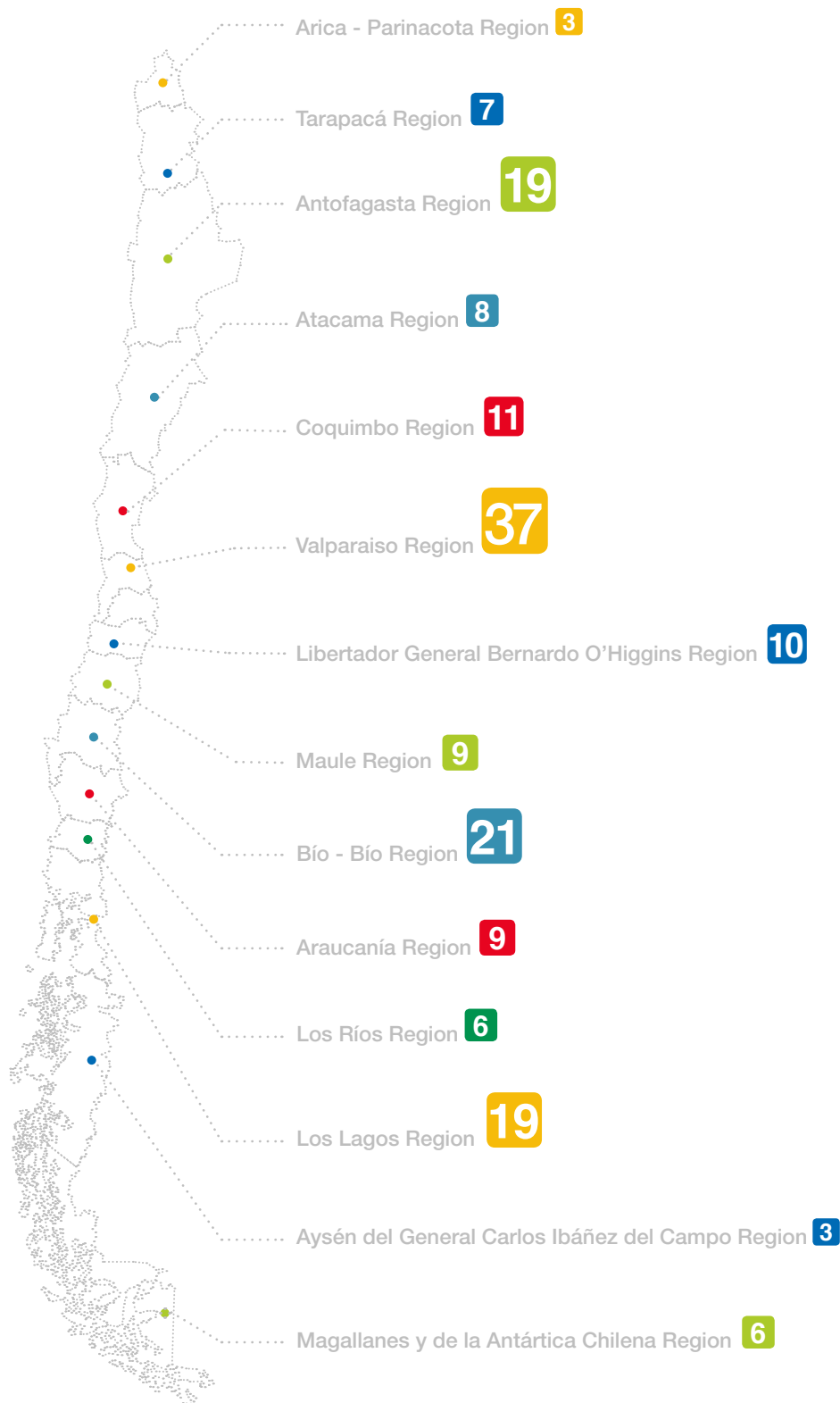
- *Automated Branch:*

Offers self-sufficient electronic devices.

CONTACT POINTS	BCI	BCI NOVA	TOTAL
Multiservice Branches	179	77	256
Cash Agencies	12	2	14
Point of Sale Branches	33	-	33
Premier Branches	9	-	9
Private Banking	1	-	1
Commercial Platforms	1	-	1
Automated Branches	10	-	10
Remote Service Center (TBanc)	2	-	2
❖ TOTAL	247	79	326



[Contact points in regions]



Number of contact points
in regions



118



50

[Contact points in Metropolitan Region]



Number of contact points in
Metropolitan Region



129



29

The address and phones
of our contact points can
be found at www.bci.cl



Bci Miami Team

[International Presence]

Through branches and representation offices abroad, the Corporation has extended its presence to places where our customers have commercial interests, which is complementary to alliances and direct agreements with foreign banks as well as to commercial relationships with a wide range of correspondent banks.

:: Bci Miami, USA

Created in 1999, this full branch offers customers to do business abroad and also a comprehensive coverage of the Latin American market present in Miami and the United States. Currently, Bci is the only Chilean bank with presence in Florida. One of the objectives of 2008 was to inform customers of the business opportunities offered by Bci Miami through a strategy that targets towards narrowing the distance between the United States and Chile. In 2009, Bci Miami will celebrate its tenth anniversary.

:: Representation Offices

Located in countries where our customers concentrate a considerable volume of their activities, mainly foreign trade. Bci offers customers the following network of offices:

• Lima, Perú

Representative: Mónica Saba C.

• Sao Paulo, Brasil

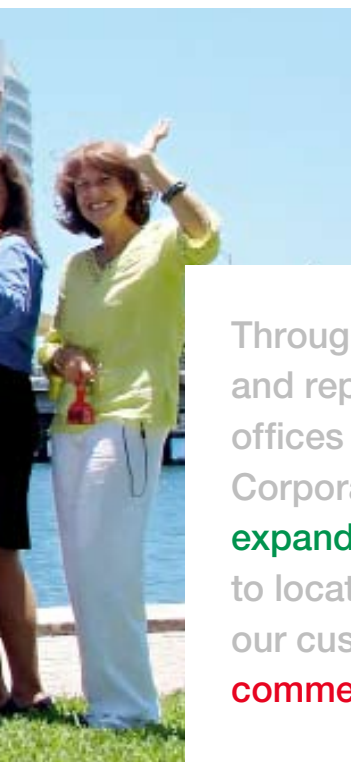
Representative: Fernando Flaquer

• Cuidad de México, México

Representative: Roberto Olivieri S.

• Hong Kong, China

Representative: Antonio Gutierrez del A.



Through our branches and representation offices abroad, the Corporation has **expanded its presence** to locations where our customers **keep commercial interests**



:: Alliances and Agreements

- Alliance with Banco Popular, Spain:

This alliance strengthens the commitment Bci has pledged to Chilean companies that do business in the European continent, allowing for stronger commercial relationships with Spanish companies with presence in Chile, Peru, Brazil, Mexico, and the United States. A Director with Banco Popular works in Bci's premises in Santiago and in turn, a representative from Bci works in the facilities of Banco Popular in Madrid.

- Cooperation agreement with Banco de Crédito del Perú, Perú:

There is an agreement between Bci's and BCP's shareholders to develop commercial activities oriented toward both operating through local financing entities and coordinating financial transactions between both nations.

- Cooperation agreement with Banco Internacional, Costa Rica:

In 2007, the agreement between both Banks was reasserted, whose purpose is to foster foreign trade with Chile and promote investments between both nations. The agreement has brought about major business opportunities in Central America given the scope of influence Banco Internacional has in the region.

- Cooperation agreement with Banco Credicoop, Argentina:

In order to support Chilean companies that penetrate the Argentinean market and viceversa, the cooperation agreement signed between Bci and Banco Credicorp in the neighboring country has immensely allowed for the development of foreign trade between the two nations.

:: Correspondent banks network

The corporation maintains commercial relationships with a network of more than a thousand correspondent banks worldwide with which mainly foreign trade transactions for customers are carried out.

It is worth mentioning that in 2008, during the most complex moment of the financial crisis, Banca Nazionale del Lavoro through BNP Paribas – BNL Corporate and Investment Division and guaranteed by SACE Spa, granted Bci a 5-year bullet loan for US\$150 million which shows the trust international banks place in us.

Another milestone last year was to have been the first Latin American Bank to place bankers acceptances in the Hong Kong market which opened Bci new possibilities of financing for the Chilean foreign trade.

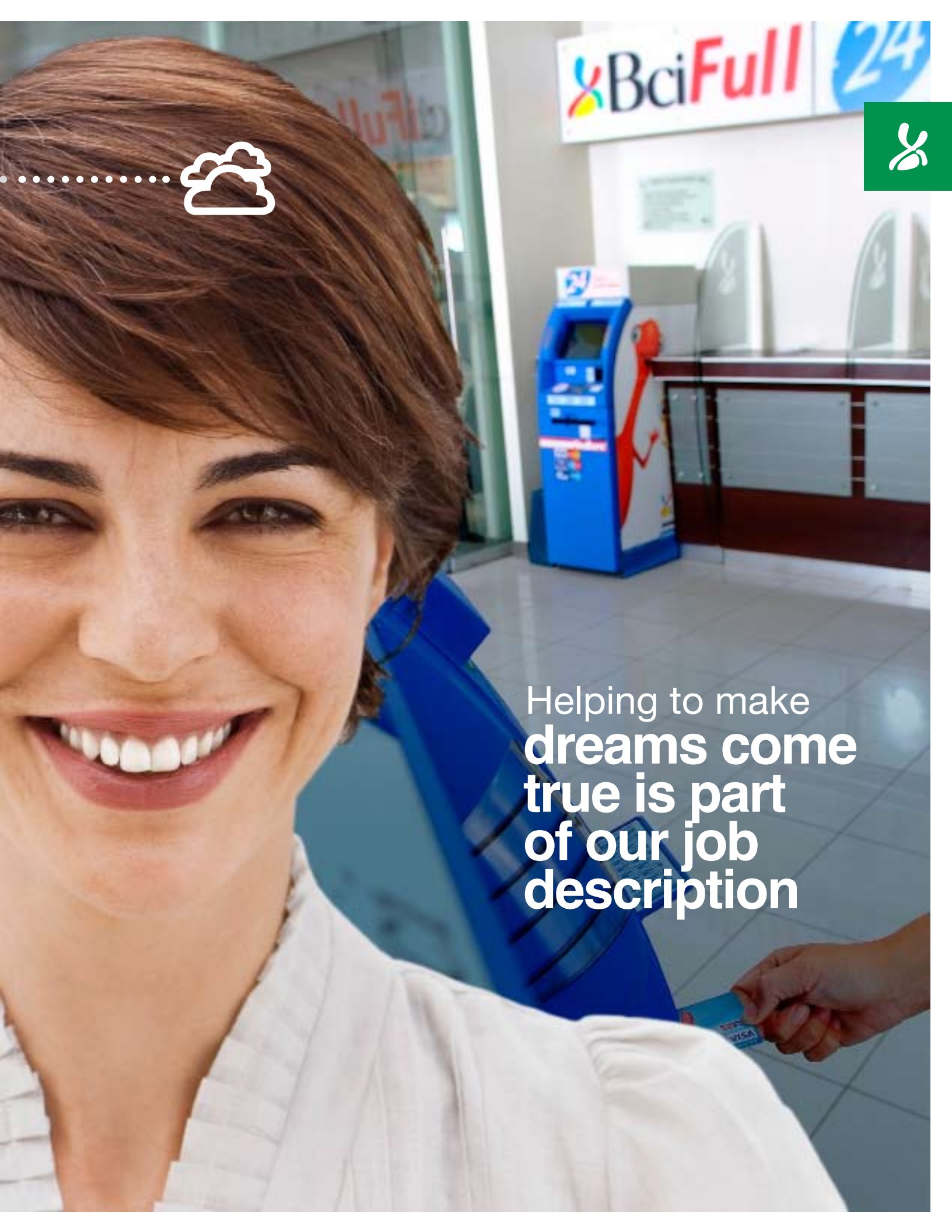




A different service

In a time of rapid change, we adapt our products and services to be closer to our customers.





Helping to make
**dreams come
true is part
of our job
description**

[10]

INNOVATIONS AND NEWS OF 2008

The following are among the main initiatives Bci focused on and carried out last year:



1. Serving high net worth customers through a **new Private Banking area exclusively devoted to this segment.**



2. Penetrating **segments that are not covered** by the traditional banking industry through a **responsible bancarization program.**





3. Transforming and readapting our customer service **through our branch network** so as to improve the quality of **services offered and the integral satisfaction at a user's level.**



4. Strengthening our commitment to support the **small business and middle market segments.**



5. Strengthening the leadership of our **team members** in order for them to face future challenges with appropriate tools.





Private Banking
Office



INNOVATION IN BCI IS A PERMANENT AND FORMALLY STRUCTURED PROCESS WITHIN THE ORGANIZATION.

[Private Banking]

Created in 2008, Bci Private Banking is a first-class service implemented to satisfy the needs of high net worth customers with an organization especially devoted to this segment.

This business unit seeks to strengthen the relationship with the customers by offering wealth management services with a model that is second to none. Customers are personally and permanently advised by a private banker, the only contact point, who is backed by Bci and its subsidiaries as well as by a highly trained team of professionals and specialists.

Bci Private Banking offers integral investment advice in addition to the wide range of products and services of the Corporation.

The wealth management service is based on a thorough knowledge of the needs, objectives and projects of each customer. This way, the most adequate investment strategies are designed in a framework of discretion and absolute confidentiality.

Bci Private Banking has its own team of investment consultants backing the private banker and providing customers with advisory services of high international standards.





Bci Nova
Branch



[Bci Nova]

In 2008, Bci Nova created Emerging Banking which is targeted toward segments that are not traditionally fulfilled by banks. Through a bancarization project that encourages responsible indebtedness, our customers are advised and able to access the financial services of the Bci Corporation. In addition, Bci Nova adjusted its strategy to strengthen the nearness and long term relationship with its customers.

In this context, the Company was renamed Bci Nova, a brand that reflects the embedded values of the Corporation such as closeness, swiftness, joy, security and creativity.

[Branch Network transformation]

In 2008, Bci concentrated its efforts on improving its branch network based on a corporate project whose objective is to assure the highest standards in the industry regarding customer satisfaction and quality of service.

In order for our customers to have an unforgettable experience, branches were revamped and given an amicable architecture and a logical and intelligible design.

This transformation process was accompanied by changes in the roles and functions of the team members in the branches, encouraging all of them to serve customers with the sole purpose of further strengthening our relationship with them.

As part of the same process, branches were segmented and three new models were born: multifunctional branches, branches inside office buildings, and points of sales in sectors of high demographics. The purpose of such models is to generate a special bond with each kind of customer and adjust to their needs.



The changes made in the branches seek to improve customer attention and to offer a close, reliable and faster service

:: Bci Full

This technology allows for self-service through four innovative and user-friendly devices to run a number of banking errands to the tune of cash and deposit of checks, request for personal checkbook, payment and request of promissory notes payable at sight, and the request of all kinds of certificates such as balances and statements, among others.

Thanks to this technology, Bci is currently the only bank in Chile capable of offering the widest range of financial products and services in self-attention channels located in one spot 24/7, all year round.

BCI HAS MAINTAINED AND CONSOLIDATED THE SUPPORT
IT PROVIDES TO BOTH BUSINESS BANKING AND
**SMALL AND MID-SIZE
COMPANIES**

**[Strengthening of the commitment with
small business owners]**

Ever since it was founded, Bci has supported entrepreneurs through several activities and financial services. Eight years ago, Small Business Banking was created to serve small business owners and the middle market segment in a specialized and integral fashion. The area has implemented 20 entrepreneurial centers across the country, five of which started their operations last year. In addition, it covers customers' needs in more than 55 branches countrywide.

In 2008, the segment developed activities that were critical to supporting customers. Among them, the noteworthy first Entrepreneurial Event seeking to close businesses between Small and Medium size Enterprises, and Large Companies and Corporations. The event was held in May and hosted more than 510 companies, among them, 30 Large Corporations, allowing guests to concrete more than 3,200 business meetings. The second Entrepreneurial Event is scheduled to be held in the first quarter of 2009.

Our commitment with SMEs and the Middle Market segment was also reflected in the campaign "Hechos, No Palabras", aired in the TV program "Mirada Empresarial" broadcast on Cable TV for six consecutive seasons; and in the award "Empresario destacado Bci" that recognizes entrepreneurial performance in twelve categories.

Within the framework of Corporate Social Responsibility, Small Business Banking closed a successful third year with the programs Nace and Renace. The former provides financial advisory and lending to new customers and entrepreneurs within the segment, while the latter is oriented to current customers and former clients of the Bank who, having gone through financial constraints before, require additional support now to restart their businesses.



In order to further back Renace, Small Business Banking published in 2008 the Guide to Restarting a Business Renace Bci, a manual that offers entrepreneurial support and guidance by providing concrete guidelines when restarting a business. The Guide is among other complementary initiatives such as the First SME Legal Manual and the Guide to Starting a Business Nace Bci, created to back customers in this sector.

Finally, it is worth mentioning that Small Business Banking actively participates in government funds biddings to support Small and Medium size companies, such as the Guarantee Fund for Small Business Owners (FOGAPE), and particularly during 2008, in CORFO credits for Working Capital and in the Investment Guarantee Fund (FOGAIN).

[Bci and its team members]

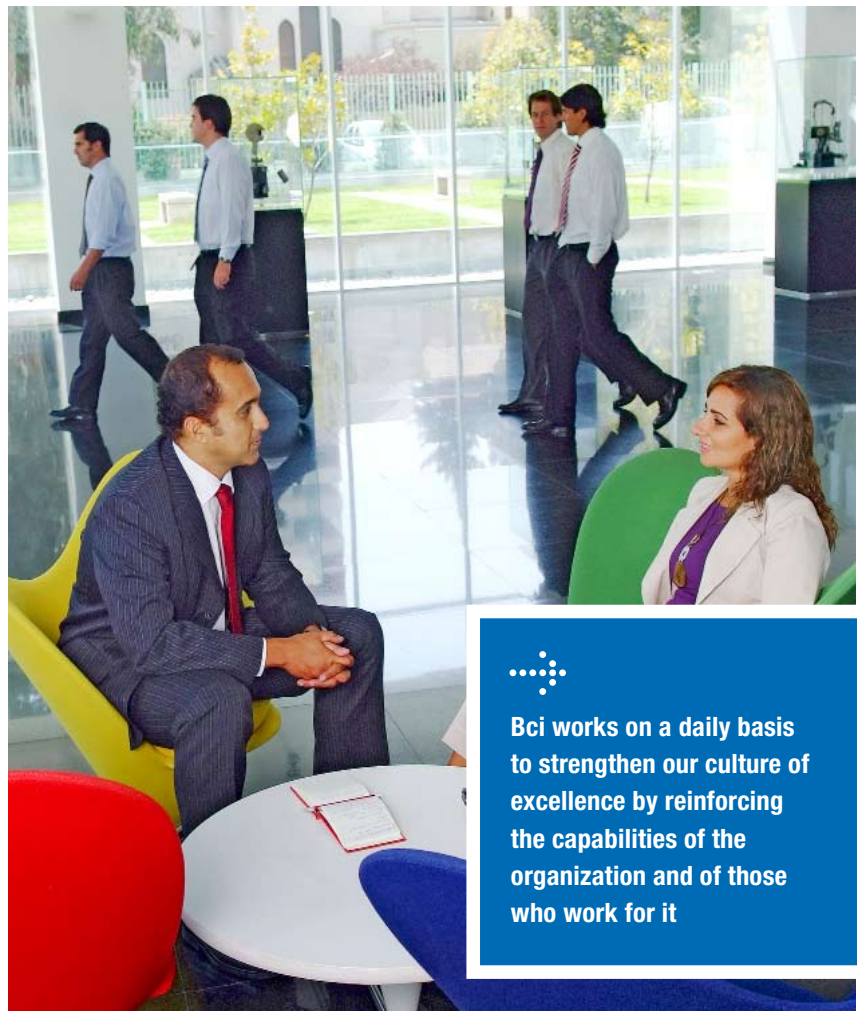
For the Corporation, the development of the people who work for the Organization is paramount. Therefore, Bci works day after day to build a culture of excellence by strengthening the capabilities of the Organization itself and of those who are part of it, thus seeking to foster an environment that stimulates personal achievements, innovation and the closeness to our customers.

To support the evolution and transformation of Bci, one of the important objectives of 2008 was the consolidation of a strategy for the development of our team members based on world-class best practices, that includes an internal career development framework, transfer opportunities among areas, and talent recruitment.

Also in 2008, Bci kicked off a program seeking to strengthen the leadership style marked by the own identity of the Corporation. This leadership style, recognized as a competitive advantage of Bci, bears a corporate seal based on fundamental principles

of integrity, respect and excellence. A Bci leader is recognized because he/she reaches ambitious objectives, is passionate about the client, acts as owner and brings out the best in people. By means of this initiative, more than 500 managerial positions within the Corporation will be trained and coached.

As regards workplace environment, the Bank has also been recognized for its good results, reflected in the annual survey by CDO Consulting Group and in the Great Place to Work ranking carried out in tandem with Capital Magazine. This year, Bci was once again ranked among the 35 best companies to work for in Chile.



Bci works on a daily basis to strengthen our culture of excellence by reinforcing the capabilities of the organization and of those who work for it



We seek to be closer to you

A distinctive seal that conveys a way of communicating differently, our constant innovation, transparency in the workplace, and the attention we pay to new business trends to gain our customers' trust and preference.

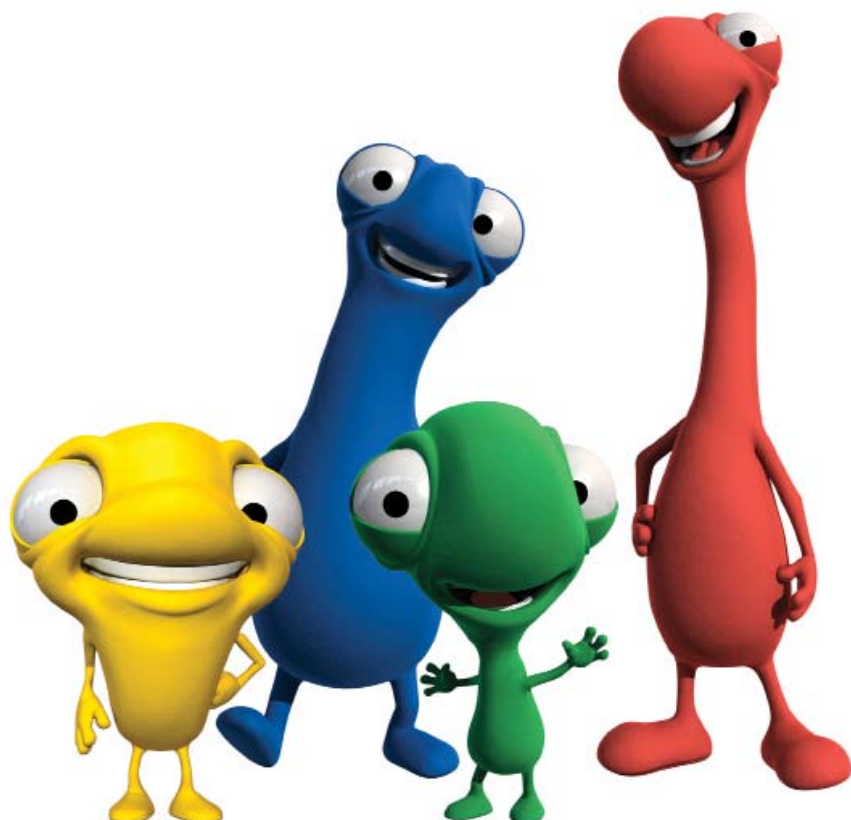




We transform
**ourselves to serve
your needs**

[11]

BRAND, CORPORATE IMAGE AND ADVERTISING



Bci has positioned itself as a brand that relates to people and makes customers' life easier by providing innovative products and services as well as a customized attention through multiple channels.

Also, the distinctive service attitude and the relationship with people are a differentiating factor to efficiently and effectively satisfy the needs and requirements of our customers.

These attributes have Bci be recognized as an organization where the customer values the difference that ranges from communication and advertising to every detail in the products and services the Bank develops.

In Bci, there is a constant need for caring about our corporate reputation and guaranteeing that the message our brand shows is coherent with the values and ethical principles of the Bank.

The efforts Bci has made to position its brand have reaped positive rewards. Proof of which are the excellent results published in Adimark's survey "Banks and Banking Industry Image" carried out in the third quarter of 2008, in which the Bank was recognized as the most innovative among its peer group.



BCI IS RECOGNIZED AS A POWERFUL, ATTRACTIVE, CLOSE AND INNOVATIVE BRAND

The survey also showed that, in terms of “top of mind”, Bci is third in the banking industry. With respect to advertising, the Bank is placed second and most of the respondents consider it appealing.

When asked “what bank would you choose if you had the need for change?” people places Bci second in their preferences, and it is the only Bank in the industry showing an upward trend in the rankings.



[11] BRAND, CORPORATE IMAGE AND ADVERTISING

[Advertising Campaigns]

In practical terms, the Bci spirit is reflected in its innovative advertising campaigns which reaffirms the creativity of the Bank and its aim to be closer to heart to our customers.

In 2008, the principal campaigns launched in the media were targeted toward letting the market know as to the new initiatives mentioned in the chapter "Innovations and News of 2008". Among them, Private Banking, the transformation of the Branch Network, and the new Bci Full self-service format.

:: Noteworthy Campaigns

- Marzo es una Ilusión; Consumer loan
- Lanzamiento Banca Premier
- Súmate a Fundación Las Rosas
- Launching of Premier Banking
- La Era del Crédito 2
- Crédito Olímpico
- Launching of Bci Inversiones
- Bci 2010

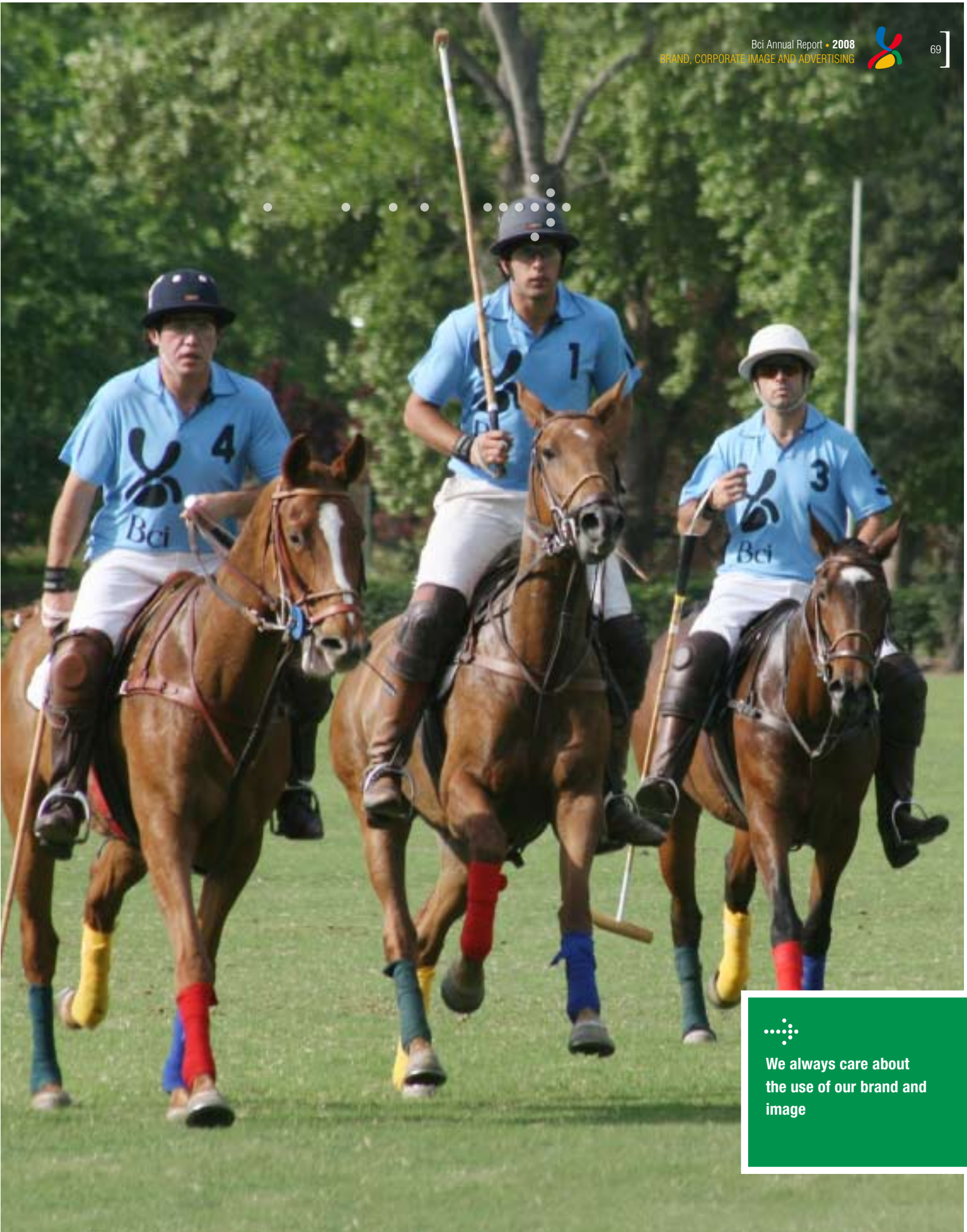


The spirit of Bci is reflected in its innovative advertising campaigns



Bci constantly cares about its corporate reputation to guarantee that the message the brand conveys is coherent with its values and ethical principles





We always care about
the use of our brand and
image



The best balance

We advise our customers as to the efficient and responsible use of the products and services we provide by helping them to confidently look into the future.





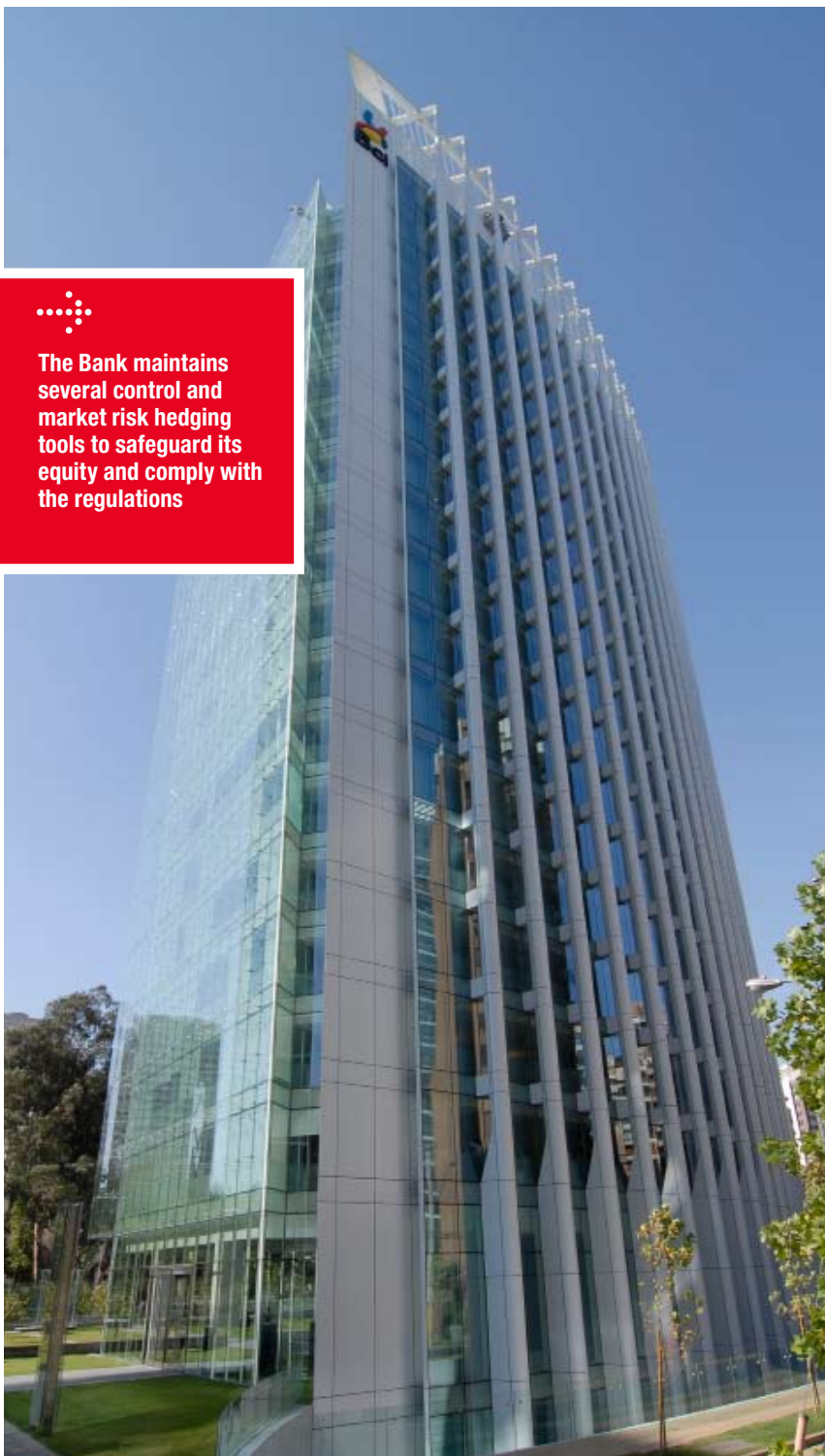
We stand by
**you every
step of the way**

[12]

RISK MANAGEMENT



The Bank maintains several control and market risk hedging tools to safeguard its equity and comply with the regulations



The risk of the business is managed by the Corporate Risk Division responsible for assessing and managing credit, financial, liquidity and operational risks.

[Credit Risk]

The Corporate Risk Division in tandem with the commercial areas evaluates ongoing projects and companies from several sectors of the domestic economy, such as power generation, manufacturing, mining, and infrastructure. The Division has an international risk unit that evaluates the economic, political and social situation of each of the countries in which Bci has a presence so as to reduce the risk that might derive from external financing transactions.

In order to honor our environmental care strategy, the Bank has continued financing projects relative to the sustainable management of natural resources in accordance with the standards established by the authorities and pertinent organizations in this matter.

As regard retail credit risk, and particularly consumer and mortgage loans, an allowances model based on the expected loss is applied, which is estimated by tools that measure debtors' behavior and the odds of default occurrences. The program is continually revised at a predictive level and seeks to prevent future losses within a twelve-month period. The models implemented in this regard, have deemed the bank an active player in the industry and a reliable yardstick for credit risk policies.

Sophisticated models have also been developed and implemented for consumer loans of Bci Nova which allow for a specialized assessment and measure of the risks associated to this segment.



[Financial Risk]

The Treasury Division manages in a centralized manner the funds raised domestically as well as their investment in different products and asset transactions. It also manages the funds that foreign banks provide Bci with and their investment in several transactions effected in foreign exchange and foreign trade.

Additionally, the area acts directly in the holding and trading of derivatives and financial instruments, thus controlling the balance between asset and liability transactions, cash reserve, technical reserve and the expected results of financial operations.

In order to comply with its functions and safeguard its capital, the Bank utilizes several tools to control and hedge market risks, focused on the control of assets and liabilities registered on an accrual basis as well as the ones reflected at a fair or market value.

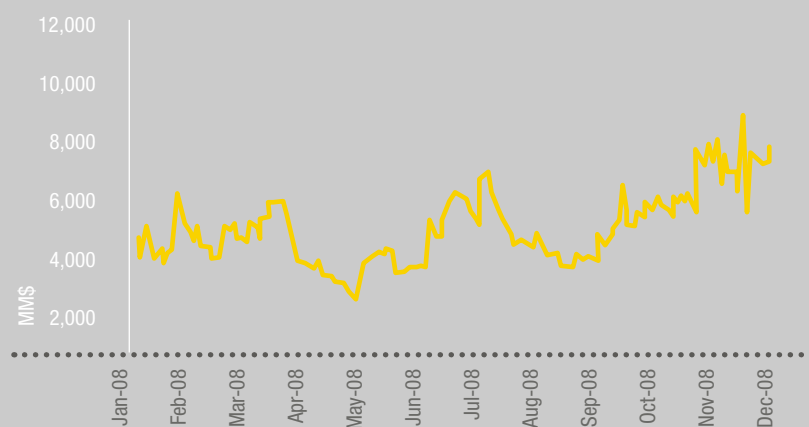
To carry out these controls, it is necessary to apply the fair value of the financial instruments to the portfolio, defined as the price an instrument would reach in a free and voluntary transaction between interested, duly informed and independent parties. To measure the fair value, the Superintendency of Banks and Financial Institutions (Sbif) considers that an instrument is priced in an active market provided there are updated quotes coming from stock markets, brokers, traders and regulatory agencies; that such prices reflect voluntary transactions effected regularly in the markets; and that they can be obtained in a systematic and expedite manner. The methods utilized reflect international best practices and abide by the highest standards in the domestic banking industry.

Based on these principles, the Bank controls the ALM risk inherent to assets and liabilities registered on an accrual basis by using the following models:

- **Spread en Riesgo, SeR**, which quantifies the impact on profits caused by the specific movement in short-term interest rates over a twelve-month horizon.
- **Market Value Sensitivity, MVS**, which quantifies the effect on the economic value of the equity capital produced by the fluctuations in long-term interest rates on the total assets and liabilities of the Bank.

The Bank's own portfolio of financial instruments available for trading is controlled by the Value at Risk (VaR) model which calculates the potential losses in the market value of this portfolio. The following graph shows the VaR level of the businesses of the Bank's Treasury in 2008.

--- VaR Bank 2008



[12] RISK MANAGEMENT



This unit is responsible for controlling the liquidity position by classifying debtors' obligations as well as depositors and creditors' accruals into retail and wholesale

At the same time, the regulatory models established by the Central Bank of Chile and the Superintendency of Banks and Financial Institutions (Sbif) are used; i.e., the short and long term exposure to interest rates and readjustability of the Bank's book or accrued base (X1 and X2, respectively) which are equivalent to the internal models of Spread at Risk and Market Value Sensitivity.

Apart from these tools, the Bank has a centralized management and control of the effectiveness of financial hedges so as to mitigate the effect of risks described above.

[Liquidity Risk]

This unit is responsible for the management and control adequacy of operational risks which are closely related with the criteria established by the Basle Committee.

The Operational Risk Committee evaluates and defines the strategic risks and critical processes of the Corporation, as well as the design of the methodology to diagnose risks. In order to manage operational risk, the unit is divided into areas specialized in businesses, technological, regulatory, individuals, business continuity, asset laundering, and management self-evaluation processes.

Within the specialized areas, it is worth mentioning the most critical controls:

- Regulatory management control not only identifies regulatory risks but also ensures that the defined planning is in line with both the legal regulatory framework and also with the internal regulations of the Corporation. The responsibility is complementary to the assistance of the regulatory compliance area.
- The control of asset laundering and terrorism financing applies a model that allows for follow-up, controls, detection and action plans segmented by type of customer and risk, supported by technological instruments for detecting irregular transactions by means of a demanding monitoring and management model.

In addition, the Bank periodically trains team members through annual training programs as a complement to the rigorous control of the procedures.

- The technological control and security of customers, businesses and strategies provides Bci with policies and information security guidelines, with tools for protecting resources, followed in accordance with ISO 27001 standards, already certified for the Bank. Additionally, every year the Bank carries out a self-evaluation management process that assesses eight types of control on an equal number of areas responsible for the development of the operations and their oversight.

[Economic Environment]

This unit is responsible for controlling the liquidity position by classifying debtors' obligations and the outstanding debts to depositors and of creditors in two categories: retail and wholesale. This is carried out by a structured model in accordance with regulations of the Central Bank of Chile.

The model allocates part of the cash flows corresponding to the retail category, to temporary bands other than those that should be allocated, according to the contractual maturity date of the obligations on the basis of the forecast behavior of the flows. This measurement is dubbed liquidity position calculated on an adjusted basis.

Liquidity control considers three fundamental pillars: the setting of internal limits by the Board of Directors, the use of early warnings, and the constitution of a contingency plan, which allows for the anticipation to illiquidity periods and for an adequate decision making when necessary.

As a fundamental part of the contingency plan, the Bank has defined Liquidity Barriers comprised of highly liquid assets whose objective is to provide reserves in case of either illiquidity of the system or of the Bank itself. In 2008, additional liquidity allowances were allocated for Ch\$400,000 million.

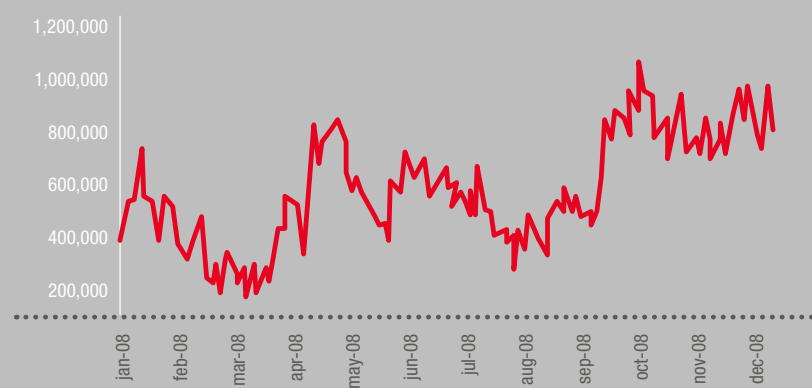


IN 2008,
\$400,000
MILLION WERE ALLOCATED
AS ADDITIONAL LIQUIDITY RESERVES

As part of the transparency policy, the Bank publishes on the web the liquidity situation calculated on contractual and adjusted bases of the last day of each calendar quarter.

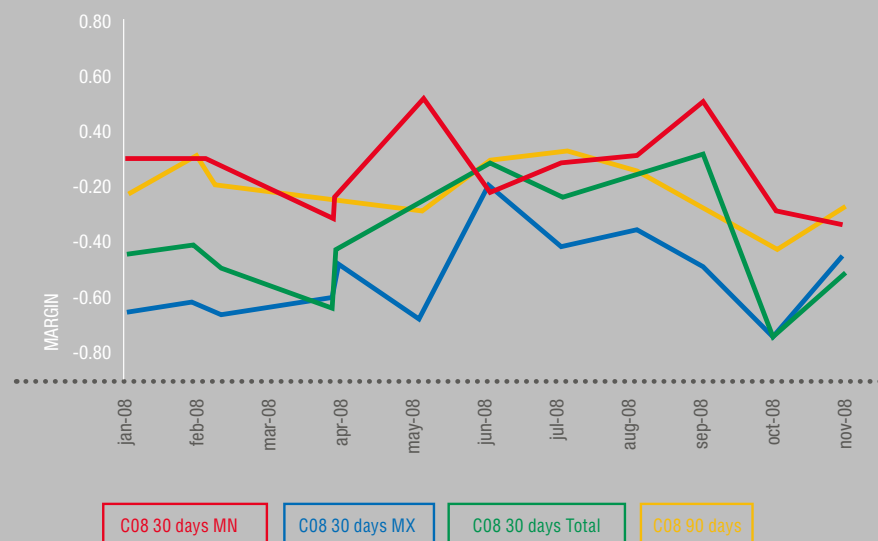
The Assets and Liabilities Committee defines the minimum level of liquidity the Treasury Division must assure for its daily operation. As can be seen in the graph, Bci showed high liquidity levels in 2008.

❖❖❖ Liquidity ALCO 2008



The C08 regulatory report shows the mismatching level of asset and liability operations at 30 and 90 days, by domestic and foreign currencies. The graph shows that in 2008 Bci's mismatch stood at 60% of the limit established by the regulation.

❖❖❖ Liquidity C08 2008



[13]

ECONOMIC ENVIRONMENT

[The Evolution of the Economy]

In 2008, the Chilean economy went from boom to bust due to the unfolding of the financial crisis worldwide, and the deceleration of developed economies. In fact, the economy was gradually losing dynamism, particularly over the last four months when the effects of the crisis were strongly felt, mainly in the exports sector and consumption. In this scenario, the GDP grew 3.5% while internal demand increased 8.5% driven by fixed investment which went up roughly at a rate of 19.5%. On the other hand, private consumption decelerated in the latter part of the year posting an annual rise of 5.0%.

Among producing sectors, construction and telecommunications were the most dynamic of the year, reaching average growth rates of close to 10% a year, whereas the mining and manufacturing sectors showed a luckluster performance averaging growth rates of -4.0% and 0.3%, respectively.

Notwithstanding the economy was losing dynamism during the year, job creation was high, expanding at an annual average of 3.1%, thus compensating, in part, the strong growth showed by the labor force during the year of 3.8% on average, which did not allow for the unemployment rate to go over 8.5% throughout the year. The average annual unemployment rate was 7.8%, six basis points above the estimates for 2007.

As regards inflation, the steep rise in commodity prices led inflation to jump in 2008 to an annual all-time high of 9.9% in October. However, the external deceleration coupled with the evident instability of the financial markets in Q3 resulted in plummeting commodity prices in Q4, which allowed for negative inflation in November and December, hence, the accumulated CPI for December 2008 fell 7.1%. Despite these better inflationary perspectives, the monetary policy of the Central Bank regarding interest rates remained unaltered during H2, when most central banks worldwide were in favor of more lax monetary policies. In essence, the decision was justified due to the remaining uncertain inflationary scenario the economy showed towards the end of 2008, which led the Central Bank to put off rate cuts to the first few months of 2009.



As of December 2008, the banking industry posted total loans for \$70,3 trillion showing a growth of 10.9% vis-à-vis December 2007





[Behavior of the Banking Sector]

External accounts deteriorated significantly starting in September as a consequence of falling copper prices and the meager performance of exported volumes shown during the whole year. In Q4, copper prices tanked close to 50% vis-à-vis the average price of the first nine months of the year which seriously affected the value of exports resulting in a slump in the terms of trades of nearly 11% in 2008. On top of that, copper production shrank on account of a slide in copper ore in the deposits as well as of some technical difficulties experienced in the mining industry affecting shipments. All in all, exports of goods at the end of the year totaled US\$ 67,800 million, whereas total imports accumulated US\$57.6 million. The current account showed a deficit of roughly US\$4,500 million equivalent to approximately 2.6% of the GDP.

At the close of December '08, total loans for the banking industry amounted to \$70.3 billion growing by 10.9% relative to same period of '07, while sector profits totaled \$933,130 million showing a rise of 2.5% and a return on equity of 13.2%. Bci posted net earnings for 19.2%.

Consolidated total assets for the system were \$103.1 billion, an increase of 15.3% vis-à-vis December 2007. On the flip side, risk weighted assets represented, as of December 2008, 72.2% of total assets for the industry and 79.0% for Bci, due to the operational development of basic assets the Bank has reached consisting primarily of loans with normal risk.

Capital resources of the banking sector comprised of the basic capital, subordinated bonds, and additional allowances summed up to \$9.6 trillion, compared to the \$1.2 billion shown by Bci. The rise in these resources was 36% basically on account of the anticipated net income capitalization of 2008.

The following graph shows the main figures of the sector compared to those of Bci, the market share gained and the increased in the volume of transactions in 2008. As can be seen, Bci has performed better than the industry in every respect.

MILLIONS OF PESOS ⁸	SECTOR	BCI	% BCI'S MARKET	% INCREASE IN VOLUMEN	
				Sector	Bci
Total Consolidated Assets	110.702.575	13.869.441	12.5%	26%	31%
Risk weighted assets	79,968,379	10,951,048	13.7%	29%	33%
% weighted average	72.2%	79.0%			
Basic Capital	7,454,746	772,887	10.4%	27%	40%
Tangible net worth	9,638,016	1,155,636	12.0%	27%	36%
Net income	952,373	140,989	14.8%	7%	14%

⁸ Figures at November 2008

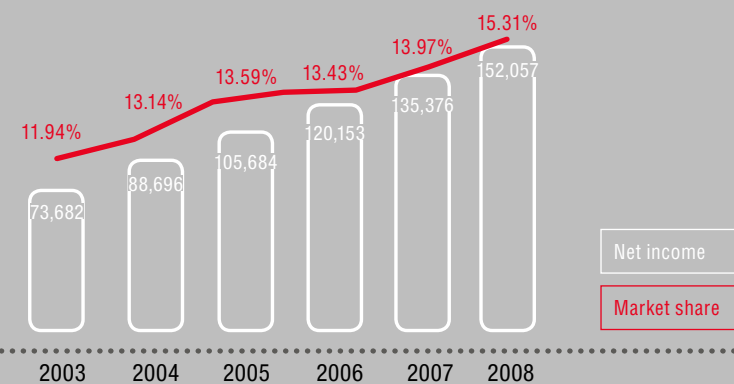
[14]

PERFORMANCE GRAPHS AND FIGURES

The following graphs shows the management and performance of Bci since 2003 to date, expressed in nominal pesos.

[Results]

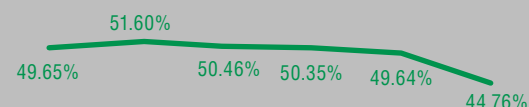
Net Income and Market share



A 12.32%
INCREASE IN NET INCOME
WITH RESPECT TO LAST YEAR

Net income for 2008 posted an increase of 12.32% with respect to the year before amounting to Ch\$152,057 million. Bci raised its market share in the financial system by 1.31 percentage points as opposed to 2007 reaching 15.31%

Efficiency Ratio of Bci *

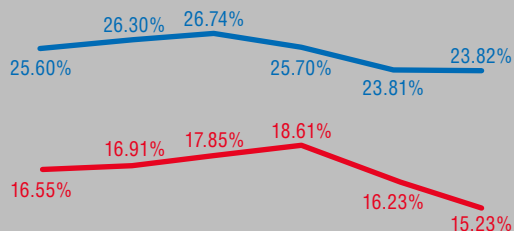


The efficiency ratio is measured as backstopping costs to gross operating income, hence a drop in the index represents an increase in efficiency. The index considers the Bank's individual results, which allows for the comparison with prior periods in accordance with the criteria established by the Superintendency of Banks and Financial Institutions. The index improved 4.88 percentage points compared to 2007 resulting in an index of 44.76% due to an increase in gross operational income of 22.31%, which was higher than the 10.28% rise in expenses.

*Bci's individual results

2003 2004 2005 2006 2007 2008

Return on Equity



Bci

System

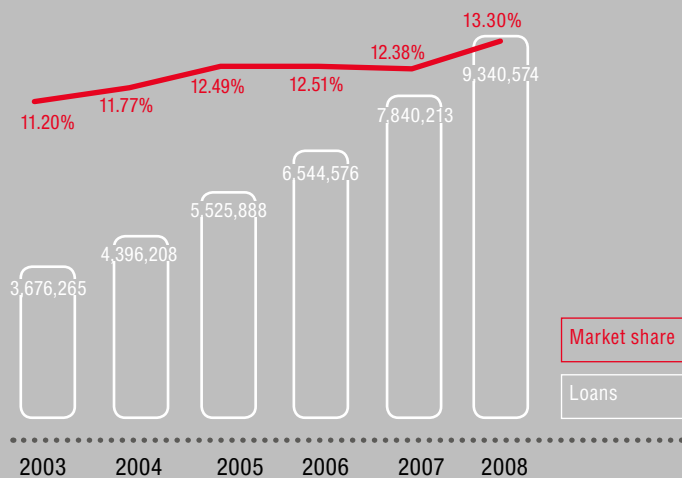
Bci continued to show a return on equity of 19.24% higher than that of the financial system, while the industry only reached 13.21%.

2003 2004 2005 2006 2007 2008

[Market share]

It is important to point out that starting in 2008, the Superintendency of Banks and Financial Institutions (Sbif) reports on loans on a consolidated basis, i.e., including information on subsidiaries. In addition, neither contingent loans nor loans to foreign banks are included. From 2000 to 2007, total net interbanking loans have been considered to determine the market share and its evolution.

••••• Total loans

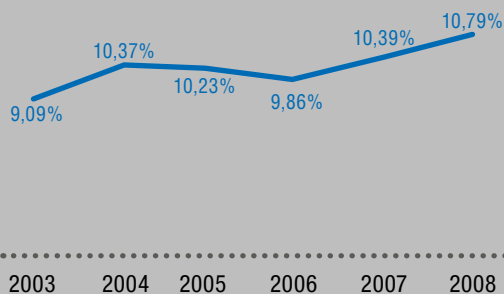


13.3%
OF MARKET
SHARE

Bci's total loans (net of interbanking loans) attained a market share of 13.3% as of December 2008 showing an increase of 0.92 percentage points with respect to December 2007.

These loans have experienced a strong growth evidencing an annual rate of 20.10% over the last eight years. Despite the fact these are not completely comparable, loans grew 19.14% in 2008 compared to the end of the previous year.

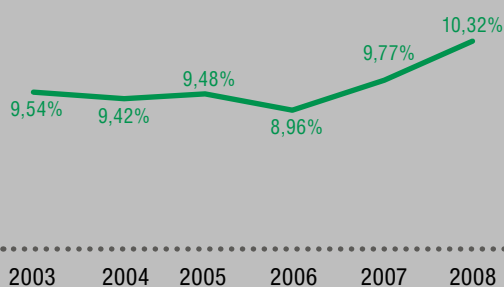
••••• Market Share of Consumer Banking Lending *



Loans in Consumer Banking, including consumer and mortgage loans grew 21.98% in 2008 reaching a market share of 10.79%.

*Segment includes consumer and mortgage loans

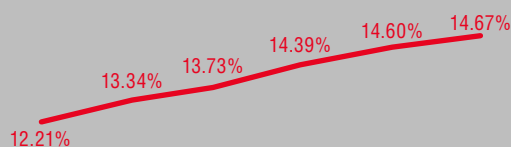
••••• Mortgage loans



Mortgage loans increase 17.76% in 2008 with which their market share went up 10.37% recording their third straight year of growth.

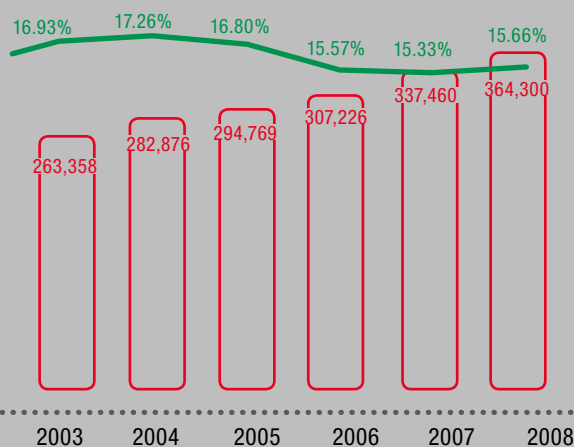
[14] PERFORMANCE GRAPHS AND FIGURES

Commercial loan portfolio



The market share for commercial loans was 14.49% at the end of 2008 managing to maintain the level shown in previous years.

Number of checking accounts*

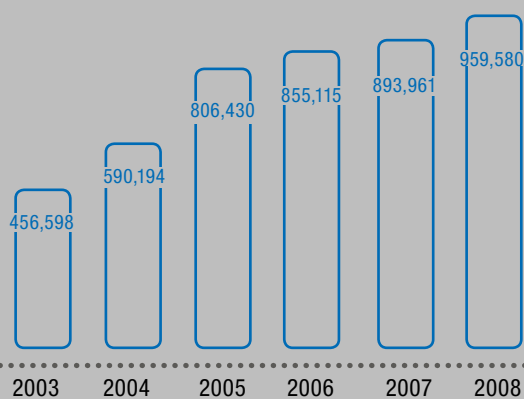


THE NUMBER OF
CHECKING ACCOUNTS
WENT UP
8.0%
RELATIVE TO 2007

At the end of 2008, the number of existing checking accounts showed a rise of 8.0% and a market share of 15.66%, which has been over 15% despite the strong competition due to the greater number of banks operating in the system.

*Figures as of november of each year

Number of sight accounts (Prime)

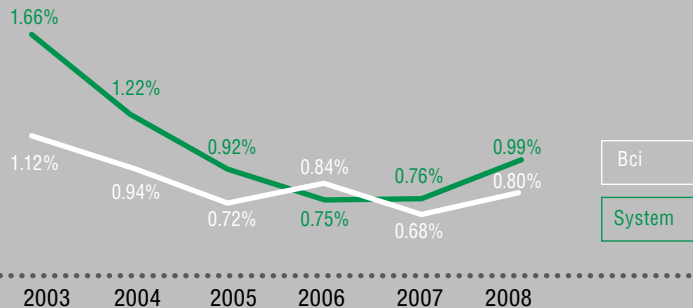


Electronic checkbooks operating through ATM withdrawals, were introduced for the first time in 1989 in the local market by Bci, totaling roughly 960,000; a yearly increase of 7.34%.



[Risk]

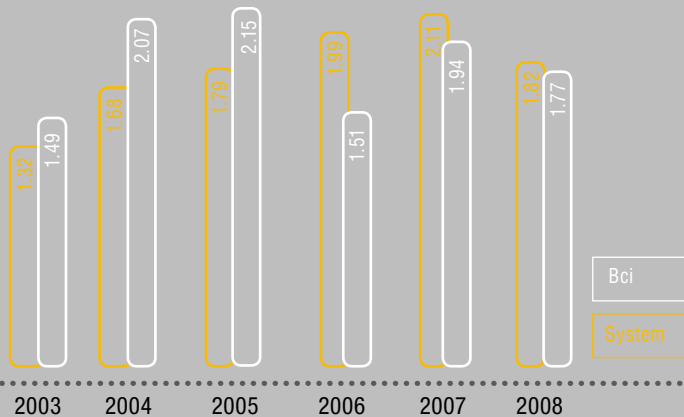
Overdue loans to total loans



BCI RECORDED A RATIO OF
0.80%
OF NON-PERFORMING
LOANS TO TOTAL LOANS
AGAINST THE 0.99% POSTED
BY THE FINANCIAL SYSTEM.

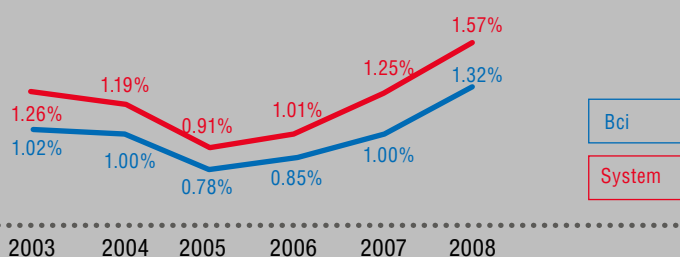
Bci's growth continued under a strict credit discipline, keeping efficient levels of risk in its portfolio. The ratio of non-performing loans to total loans was 0.80% at the end of 2008, below that of the financial system (0.99%).

Allowances / overdue loans



The ratio shows the number of times allocated allowances cover the non-performing loans portfolio. The Bank's ratio continued to show an efficient coverage level. Bci has also allocated additional allowances which are determined according to the risk evaluation models.

Loan Loss Provisions Expenses



Bci's ratio of charge for loan allowances has been permanently below compared to the financial system which shows the efficient risk control system of the Bank.

The rise experienced by this index over the past years is mainly due to the bancarization programs of Bci which by nature require a higher allowance allocation.



A solid future

We are in the midst of a complex economic scenario.
The way we work plus our financial coherence will provide
a firm footing going forward.





We commit
**to keeping on
improving and
innovating**

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[15]

IMPLEMENTATION OF IFRS

[Context]

Chile has begun the implementation of the International Financial Reporting Standards, which implies that the Guild of Chilean Accountants (Colegio de Contadores de Chile A.G.) will replace the current Generally Accepted Accounting Principles in Chile for new principles dubbed "Chilean Financial Reporting Standards" which is the accurate interpretation of the IFRS principles set by the International Accounting Standards Board (IASB).

Likewise, the Superintendency of Banks and Financial Institutions through the "Accounting Standards Compendium" published in 2008 established that the Chilean Financial Reporting Standards should be applicable in all respects not specifically covered in such document.

Consequently, starting on January 1, 2009, Bci and other banks in Chile, will present their financial statements under a new accounting framework.

[The IFRS Project in Bci]

Bci has converged towards international standards as a strategic corporate project. Since the beginning of the Project in the first part of 2007, top management leaders have been involved in different working teams.

The groups consist of specialists in multiple disciplines such as accounting, systems, management, finance, and human resources, among others, supported by outsourced consultants who specialized in IFRS and systems.

Additionally, a professional project management office has been outsourced so as to secure an adequate transition.

The strong investment towards IFRS shows not only the fact the Bank recognizes the complexities associated with the new standards but also its commitment to the implementation of a robust, more demanding and transparent accounting framework resulting in a better understanding of the transactions by the users of financial information.

BCI HAS ADOPTED INTERNATIONAL
STANDARDS AS A STRATEGIC
CORPORATE
PROJECT



