Interim Consolidated Financial Statements

As of March 31, 2021 and December 31, 2020 and for the periods ended March 31, 2021 and 2020.

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INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of March 31, 2021 and December 31, 2020
(In millions of Chilean pesos - MCh$)

	Note	As of March, 31 2021 MCh$	As of December, 31 2020 MCh$
ASSETS			
Cash and deposits in banks	6	4,659,509	4,597,867
Items in course of collection	6	374,540	236,710
Securities held for trading	7	441,067	1,147,279
Agreements to repurchase and securities lending	8	216,529	190,248
Derivative financial agreements and hedge accounting	9	4,293,019	5,451,897
Loans and receivables to banks, net	10	438,733	356,669
Loans and receivables to customers, net	11	35,023,150	34,718,681
Financial investments available for sale	12	8,739,219	7,996,040
Financial investments held to maturity	12	295,545	25,144
Investments in other companies	13	27,010	26,625
Intangible assets	14	391,692	395,276
Property, plant and equipment, net	15	247,881	251,217
Right-of-use asset	15	195,754	204,807
Current income tax	16	13,952	36,270
Deferred income taxes	16	236,564	211,224
Other assets	17	1,231,482	1,310,345
TOTAL ASSETS		**56,825,646**	**57,156,299**
LIABILITIES			
Deposits and other on-demand liabilities	18	21,188,326	19,726,574
Items in course of collection	6	369,186	201,438
Liabilities under agreements to repurchase	8	239,795	350,314
Deposits and other term loans	18	9,624,175	10,839,611
Derivative financial agreements and hedge accounting	9	4,508,648	5,793,354
Bank borrowings	19	6,445,609	6,270,699
Debt issued	20	7,788,313	7,431,624
Other financial liabilities	20	859,421	911,044
Lease liabilities	15	178,470	186,293
Current income tax	16	21,215	9,072
Deferred income taxes	16	1,483	22,188
Provisions	21	530,928	441,577
Other liabilities	22	1,078,624	1,077,806
TOTAL LIABILITIES		**52,834,193**	**53,261,594**
SHAREHOLDERS' EQUITY			
Attributable to equity holders of the Bank:			
Capital		3,655,828	3,655,828
Reserves		109	109
Accumulated other comprehensive income		14,717	22,223
Retained earnings:			
Net income from prior periods		310,696	(6,758)
Profit or loss for the year	24	148,919	317,454
Less: Accrual for minimum dividends	24	(139,912)	(95,236)
TOTAL EQUITY OF EQUITY HOLDERS OF THE BANK		**3,990,357**	**3,893,620**
Non-controlling interest		1,096	1,085
TOTAL SHAREHOLDERS' EQUITY		**3,991,453**	**3,894,705**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		**56,825,646**	**57,156,299**

The accompanying notes No. 1 to No. 39 are an integral part of the interim consolidated financial statements.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
For the periods ended March 31, 2021 and 2020
(In millions of Chilean pesos - MCh$)

	Note	As of March 2021 MCh$	As of March 2020 MCh$
Interest income	25	553,702	579,828
Interest expense	25	(136,854)	(228,060)
Net interest and indexation income		**416,848**	**351,768**
Fee and commission income	26	109,701	121,454
Fee and commission expense	26	(30,550)	(30,134)
Net fee and commission income		**79,151**	**91,320**
Net gain from financial operations	27	15,269	126,371
Foreign exchange results, net	28	(25,875)	(71,157)
Other operating income	33	10,453	12,911
Operating income		**495,846**	**511,213**
Provisions for loan losses	29	(71,934)	(131,036)
OPERATING INCOME, NET OF ALLOWANCE FOR CREDIT RISK		**423,912**	**380,177**
Staff costs	30	(131,525)	(127,808)
Administrative expenses	31	(74,690)	(83,202)
Depreciation and amortization	32	(26,299)	(27,015)
Impairment of property, plant and equipment and intangible assets	32	(23)	(4)
Other operating expenses	33	(26,192)	(14,151)
TOTAL OPERATING EXPENSES		**(258,729)**	**(252,180)**
TOTAL NET OPERATING INCOME		**165,183**	**127,997**
Share of profit (loss) of investments accounted for using the equity method	13	91	919
Profit before tax		**165,274**	**128,916**
Income tax expense	16	(16,324)	(34,086)
Net income from continuing operations		**148,950**	**94,830**
Net income from discontinued operations			-
CONSOLIDATED PROFIT FOR THE PERIOD		**148,950**	**94,830**
Attributable to:			
Equity holders of the Bank		148,919	94,804
Non-controlling interest		31	26
Total		**148,950**	**94,830**
Earnings per share:			
(stated in Ch$)			
Basic earnings per share		$ 1,001	$ 669
Diluted earnings per share		$ 1,001	$ 669

The accompanying notes No. 1 to No. 39 are an integral part of the interim consolidated financial statements.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
For the periods ended March 31, 2021 and 2019
(In millions of Chilean pesos - MCh$)

	Note	As of March 31	
		2021	**2020**
		MCh$	**MCh$**
CONSOLIDATED PROFIT FOR THE PERIOD		**148,950**	**94,830**
OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO THE STATEMENT OF INCOME			
Net gain resulting on revaluation of financial investments available for sale		(89,048)	(62,998)
Net (loss)on cash flow hedge derivatives		69,418	10,044
(Loss) income -cumulative translation adjustment		14,829	184,824
Other comprehensive income, net of tax		**(4,801)**	**131,870**
Income tax on other comprehensive income	16	(2,705)	2,454
Total other comprehensive income that maybe reclassified to the statements of income for the period		**(7,506)**	**134,324**
OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO THE STATEMENT OF INCOME		**(20)**	**168**
TOTAL OTHER COMPREHENSIVE (LOSS) INCOME		**(7,526)**	**134,492**
CONSOLIDATED TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**141,424**	**229,322**
Attributable to:			
Equity holders of the Bank		141,413	229,128
Non-controlling interest		11	194
Comprehensive income per share attributable to equity holders of the Bank:			
Basic comprehensive income per share		$951	$1,618
Diluted comprehensive income per share		$951	$1,618

The accompanying notes No. 1 to No. 39 are an integral part of the interim consolidated financial statements.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CHANGESIN EQUITY

For the periods ended March 31, 2021 and 2020

(In millions of Chilean pesos - MCh$)

			Accumulated Other Comprehensive Income					Retained earnings:				Total Equity		
	Paid-in Capital	Reserves	Investment instruments available for sale	Cash flows hedges	Cumulative translation adjustment	Income tax	Total	Retained earnings	Net Income for period	Minimum dividends provision	Total	Total attributable to equity holders of the Bank	Non-controlling interest	Total equity
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
As of January 1, 2021	**3,655,828**	**109**	**77,966**	**(176,292)**	**79,987**	**40,562**	**22,223**	**(6,758)**	**317,454**	**(95,236)**	**215,460**	**3,893,620**	**1,085**	**3,894,705**
Transfer to retained earnings	-	-	-	-	-	-	-	317,454	(317,454)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other equity transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	(89,048)	69,418	14,829	(2,705)	**(7,506)**	-	-	-	-	**(7,506)**	(20)	**(7,526)**
Net income for the period 2021	-	-	-	-	-	-	-	-	148,919	-	**148,919**	**148,919**	31	**148,950**
Provision for minimum dividends 2021	-	-	-	-	-	-	-	-		(44,676)	**(44,676)**	**(44,676)**	-	**(44,676)**
As of March 31, 2021	**3,655,828**	**109**	**(11,082)**	**(106,874)**	**94,816**	**37,857**	**14,717**	**310,696**	**148,919**	**(139,912)**	**319,703**	**3,990,357**	**1,096**	**3,991,453**
As of January 1, 2020	**3,394,799**	**109**	**35,479**	**(126,789)**	**175,490**	**30,539**	**114,719**	**-**	**402,645**	**(120,794)**	**281,851**	**3,791,478**	**1,042**	**3,792,520**
Transfer to retained earnings	-	-	-	-	-	-	-	402,645	(402,645)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capitalization of reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	(62,998)	10,044	184,824	2,454	**134,324**	-	-	-	-	**134,324**	168	**134,492**
Net income for the year 2019	-	-	-	-	-	-	-	-	94,804	-	**94,804**	**94,804**	26	**94,830**
Provision for minimum dividends 2019	-	-	-	-	-	-	-	-	-	(28,441)	**(28,441)**	**(28,441)**	-	**(28,441)**
As of March 31, 2020	**3,394,799**	**109**	**(27,519)**	**(116,745)**	**360,314**	**32,993**	**249,043**	**402,645**	**94,804**	**(149,235)**	**348,214**	**3,992,165**	**1,236**	**3,993,401**

The accompanying notes No. 1 to No. 39 are an integral part of the interim consolidated financial statements.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the periods ended March 31, 2021 and 2020
(In millions of Chilean pesos - MCh$)

		As of March 31,	
		2021	2020
	Note	MCh$	MCh$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:			
PROFIT BEFORE TAX		**165,274**	**128,916**
Charges (credits) to income not representing cash flows:			
Depreciation and amortization	32	26,299	27,015
Impairment of property, plant and equipment and intangible assets	32	23	4
Provisions for loan losses		90,003	144,886
Adjustment to fair value of financial instruments		22,198	6,223
Net gain from investment in companies	13	(91)	(919)
Net gain from sale of repossessed assets	33	(328)	(499)
Gain from sale of property, plant and equipment	33	(1,033)	(944)
Loss on sale of property, plant and equipment	33	-	-
Write-off of repossessed assets	33	138	72
Net interest and indexation income		(416,848)	(351,768)
Net fee and commission income		(79,151)	(91,320)
Other (credits) charges to income that do not represent cash flows		(41,865)	235,098
Changes in assets and liabilities affecting operating cash flows:			
Net decrease (increase) in loans and receivables to banks		(82,478)	(160,876)
Net (increase) in loans and receivables to customers		(310,906)	(2,725,570)
Net (increase) in investments		912,591	(843,036)
Net increase in current accounts and other demand deposits		1,461,383	1,599,618
Net decrease (increase)in liabilities under agreements to repurchase		(190,028)	368,217
Net (decrease)increase in term deposits and savings accounts		(1,190,223)	1,401,547
Net (decrease)increase in borrowing from financial institutions		138,343	(169,778)
Net (decrease) increase in other financial liabilities		(51,322)	349,012
Proceeds from loans from (paid to) Central Bank of Chile (long-term)		118,946	-
Proceeds from foreign borrowings (long-term)		1,028,563	1,825,654
Repayment of foreign borrowings (long term)		(1,111,380)	(1,671,046)
Income tax refunded (paid)		-	(34,086)
Interest and indexation received		481,726	501,844
Interest and indexation paid		(70,984)	(58,211)
Fees and commissions received	26	109,701	121,454
Fees and commissions paid	26	(30,550)	(30,134)
Net cash from operating activities		**978,001**	**571,373**
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	15	(2,765)	(18,108)
Proceeds from sale of property, plant and equipment		402	9,095
Purchase of intangible assets	14	(7,906)	(20,324)
Investments in other companies	13	(354)	-
Dividends received from investments in other companies	13	(40)	126
Sale of assets received in lieu of payment or awarded		2,194	1,835
Net increase (decrease) in other assets and liabilities		11,307	(369,024)
Net cash from (used in) investing activities		**2.838**	**(396,400)**
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:			
Redemption of letters of credit		(852)	(994)
Bond issuance		342,715	109,393
Bond redemption		(74,555)	(52,104)
Lease interest and indexation		(792)	(712)
Net cash used in financing activities		**266,516**	**55,583**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE PERIOD		**1,747,068**	**(135,848)**
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS		**(499,713)**	**366,404**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**5,414,978**	**3,431,728**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	**6,662,333**	**3,662,284**

The accompanying notes No. 1 to No. 39 are an integral part of the interim consolidated financial statements.

(In millions of Chilean pesos - MCh$)

Reconciliation of provisions for loan losses to interim consolidated statements of cash flows for the year

	Note	As of March 31 2021 MCh$	2020 MCh$
Provision for loan losses presented in the consolidated statements of cash flows		90,003	144,886
Recovery of loans previously written off		(18,069)	(13,850)
Provision for loan losses	29	**71,934**	**131,036**

The following table details the changes in liabilities originated from financing activities, including those changes that represent and do not represent cash flows as of March 31, 2021 and 2020.

Liabilities arising from financing activities	Beginning balance 1-1-2021	Cash flow from financing activities			Changes that do not represent cash flows			Ending balance -31-2021
		Received	Paid	Total	Acquisition	Changes in fair value	Interest and Indexation	
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Letters of credit	6,511	-	(852)	(852)	-	-	140	**5,799**
Bonds	7,425,113	342,715	(74,555)	268,160	-	(19,571)	108,812	**7,782,514**
Lease interest	-	-	(792)	(792)	-	-	-	**(792)**
Dividends	-	-	-	-	-	-	-	-
Total	**7,431,624**	**342,715**	**(76,199)**	**266,516**	**-**	**(19,571)**	**108,952**	**7,787,521**

Liabilities arising from financing activities	Beginning balance 1-1-2020	Cash flow from financing activities			Changes that do not represent cash flows			Ending balance 03/31/2020
		Received	Paid	Total	Acquisition	Changes in fair value	Interest and Indexation	
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Letters of credit	9,629	-	(994)	(994)	-	-	201	**8,836**
Bonds	7,007,113	109,393	(52,104)	57,289	-	279,125	96,967	**7,440,494**
Lease interest	-	-	(712)	(712)	-	-	-	**(712)**
Dividends	-	-	-	-	-	-	-	-
Total	**7,016,742**	**109,393**	**(53,810)**	**55,583**	**-**	**279,125**	**97,168**	**7,448,618**

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL INFORMATION

a) The Bank

Banco de Credito e Inversiones or Banco BCI (hereinafter the "Bank") is a bank incorporated in Chile and regulated by the Financial Market Commission (hereinafter the "FMC"), according to the General Banking Act as amended by Act No. 21,130, which establishes the FMC as a regulator effective as of June 1, 2019 (Official Gazette No. 42,343 of May 2, 2019). The registered office of the Bank is located at 125 El Golf Avenue, Las Condes, Santiago. The interim consolidated financial statements as of March 31, 2021 and December 31, 2020, and for the periods ended March 31, 2021 and 2020, include financial information of the Bank and its subsidiaries listed below, as well as its Miami branch. The Bank's business consists of all the businesses and transactions permitted by the General Banking Law, including retail, corporate and real estate banking, large and medium size companies' services, private banking and asset management services.

b) Basis of preparation of the consolidated financial statements

These Interim Consolidated Financial Statements have been prepared in accordance with the Compendium of Accounting Standards and instructions issued by the Commission for the Financial Market (hereinafter "CMF"), a regulatory body created by Act No. 21,000, which in paragraph 6, article 5, states that the CMF is entitled to "establish the standards for the preparation and presentation of annual reports, balance sheets, statements of financial position and other financial statements of the audited entities, and to determine the principles that govern their accounting. In all matters not covered by this Act, audited entities must adhere to the generally accepted accounting criteria (provided they are compatible with the CMF instructions), which are the technical standards issued by the Chilean Institute of Accountants and which match the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).In case of any discrepancy between IFRS and CMF ("The Compendium"), the latter should be followed.

Notes to the Interim Consolidated Financial Statements contain additional information to that presented in the Interim Consolidated Statements of Financial Position, Interim Consolidated Statements of Profit or Loss, Interim Consolidated Statements of Other Comprehensive Income, Interim Consolidated Statements of Changes in Equity and Interim Consolidated Statements of Cash Flows.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

c) Controlled companies (subsidiaries)

The interim consolidated financial statements as of March 31, 2021 and December 31, 2020, and for the periods ended March 31, 2021 and 2019, include financial information of the Bank and controlled companies (subsidiaries) (hereinafter the “Group”). Control is achieved when the Bank is exposed, or is entitled, to variable returns from its involvement in the investee and could influence those returns through its power over it.

Specifically, control is achieved when the following conditions are met:

I. Power over the investee (i.e.: consists of having the rights that give the Bank the current ability to direct relevant activities of the investee);
II. is exposed, or has rights, to variable returns from the Bank´s involvement with the investee; and
III. can use power over the investee to affect the amount of returns.

When the Bank has less than most voting rights of an investee, it has power over the investee when the voting rights are enough to give it the practical ability to direct the relevant activities of the investee unilaterally. The Bank considers all relevant facts and circumstances in assessing whether the Bank’s voting rights in an investee are enough to give it power, including:

- The size of Bank’s voting rights relative to the size and dispersion of the other vote holders.
- Potential voting rights held by the Bank, other vote holders or other parties.
- Rights arising from other contractual arrangements.
- Any additional facts and circumstances that indicate the Bank has, or does not have, the current ability to direct relevant activities, at the time decisions need to be taken, including voting patterns at previous shareholders’ meetings.

The Bank reassesses whether it controls an investee if facts and circumstances indicate there are changes in one or more of the three elements of control listed above.

Consolidation of a subsidiary ceases when the Bank loses control of the subsidiary. Income and expenses of a subsidiary disposed of during the year are included in the Interim Consolidated Statements of Financial Position until the date when the Bank ceases to control the subsidiary.

The interim consolidated financial statements include financial information of the Bank and its subsidiaries, as well as adjustments and reclassifications made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Bank’s accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

In addition, third party interest in the equity of the Bank is presented as “Non-controlling Interest” in the Interim Consolidated Statements of Financial Position. Its share in profit or loss is presented as “Interim Consolidated net income for the period attributable to non-controlling interest” in the Interim Consolidated Statements of Income.

The following table represents the entities over which the Bank exercises control and therefore are included in the consolidation:

i. Entities controlled by the Bank through controlling interest:

	% Interest			
	Direct		Indirect	
Entity	2021	2020	2021	2020
	%	%	%	%
Análisis y Servicios S.A.(in liquidation)	99.00	99.00	1.00	1.00
BCI Asset Management Administradora General de Fondos S.A.	99.90	99.90	0.10	0.10
BCI Asesoría Financiera S.A.	99.00	99.00	1.00	1.00
BCI Corredor de Bolsa S.A.	99.95	99.95	0.05	0.05
BCI Corredores de Seguros S.A.	99.00	99.00	1.00	1.00
BCI Factoring S.A.	99.97	99.97	0.03	0.03
BCI Securitizadora S.A.	99.90	99.90	-	-
Banco de Crédito e Inversiones Sucursal Miami	100.00	100.00	-	-
Servicio de Normalización y Cobranza, Normaliza S.A.	99.90	99.90	0.10	0.10
BCI Securities INC.	99.90	99.90	0.10	0.10
BCI Corredores de Bolsa de Productos S.A.	99.00	99.00	1.00	1.00
BCI Financial Group, INC. and Subsidiaries	100.00	100.00	-	-
Sociedad de Servicios de Comercialización y Apoyo Financiero y de Gestión SSFF Limitada.(*)	-	99.99	-	0.01
Servicios Financieros y Administración de Créditos Comerciales S.A.	99.98	99.98	0.02	0.02
Administradora de Tarjetas Servicios Financieros Limitada.	99.99	99.99	0.01	0.01
SSFF Corredores de Seguros y Gestión Financiera Limitada.	99.00	99.00	1.00	1.00
Servicios y Cobranzas SEYCO Limitada.	99.00	99.00	1.00	1.00

(*) On January 26, 2021, the Financial Market Commission authorized the merger of Servicios Financieros y Administración de Créditos Comerciales S.A., which will be the legal successor and Sociedad de Servicios de Comercialización y de Apoyo Financiero y de Gestión SSFF Limitada. Management made the decision to perform the merger on January 31, 2021. The purpose of the merger is to enhance efficiency and profitability, improve the ease of the inspection and oversight of the line of business supporting companies, achieve greater organizational alignment and integrated management of the credit card business, simplifying business management, among others.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Information and corporate purposes of the entities controlled by the Bank, are as follows:

Analisis y Servicios S.A. (in liquidation) was established as a closely held corporation by public deed dated August 19, 1996 and started its operations on November 1, 1996. Its corporate purpose is conducting activities on behalf of financial institutions, pre-evaluation of all financial products and services these institutions are involved in and performance of all activities or operations necessary for the pursuit of its objective.

On November 15, 2019, the Financial Market Commission was requested to approve the dissolution of the company Analisis Servicios S.A. This company's shareholders are Banco de Crédito e Inversiones with a 99% interest and BCI Corredor de Bolsa, S.A. with a 1% interest, respectively. The dissolution was approved by the Board of Directors of BCI at its meeting on August 27, 2019.

On December 12, 2019, the Council of the Financial Market Commission approved the request in ordinary meeting number 161. As of March 31, 2021, the company is in a liquidation process.

BCI Asset Management Administradora de Fondos S.A. was incorporated by public deed dated January 7, 1988. Its corporate purpose is management of all types of mutual funds, investment funds and individual portfolios regulated by Law No, 20,712, including the development of voluntary pension savings plans "Voluntary Pension Savings" ("APV" for its acronym in Spanish) and "Collective Voluntary Pension Savings" ("APVC" for its acronym in Spanish), other complementary activities authorized by the Commission for the Financial Market (Former SVS, current CMF) through Circular No, 1,566 of 2001, and the administration of third parties' funds and portfolios, authorized by Circular No, 1,897 of 2008.

BCI Asesoria Financiera S.A. was established as a closely held corporation by public deed dated October 23, 1992. Its corporate purpose is provision of advice on the analysis, evaluation and search of alternative financing sources, on the restructuring of liabilities, on the negotiations to acquire, capitalize, sell or merge companies, on the issuance and placement of bonds and debentures and on the placement of equity.

BCI Corredor de Bolsa S.A. was incorporated by public deed dated July 24, 1987. Its corporate purpose is provision of financial instruments brokering operations, and in general, all the activities permitted to a stockbroker by the law.

BCI Corredores de Seguros S.A. was incorporated by public deed dated January 15, 1997. Its corporate purpose is provision of remunerated brokering operations with general and life insurance contracts with any insurance company located in the country, and the provision of advisory services and services related to the contracting of insurance.

BCI Factoring S.A. was incorporated by public deed dated December 13, 1994. Its corporate purpose is provision of all kinds of factoring services; acquisition and discounting of documents and commercial papers, in general, development and operation of different types of factoring businesses; investment, reinvestment and acquisition of dues, shares or rights, all types of movable, tangible or intangible property, real estate, and legal entities, civil societies, companies or associations; or realisation of takeovers, investment in all kinds of securities; management and exploitation of such property under any title; and receiving profit from them.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

BCI Securitizadora S.A. was established as a closely held corporation by public deed dated March 1, 2001. Its corporate purpose is the acquisition of the credits referred to in Article No, 135 of Law No, 18,045 (i.e. mortgage loan, finance leases, concession rights) or the rules that replace or complement it, and the issuance of debt securities, short or long term, causing for each issuance the formation of capital separate from its own, supervised by the Commission for the Financial Market ("CMF", formerly the SVS).

Banco de Credito e Inversiones Sucursal Miami (Branch in Miami) is a branch of Banco de Credito y Inversiones, established in the state of Florida in the United States of America. The branch was initially authorized to operate as an international banking agency by the Department of Banking and Finance of the state of Florida on May 10, 1999. The branch is not a separate legal entity, it carries out banking activities that provide a complete range of banking services to national and foreign physical persons and legal entities, mainly from Latin America.

Servicio de Normalizacion y Cobranza, Normaliza S.A. is closely held corporation, which was incorporated by public deed dated June 8, 1990. Its corporate purpose is the provision of extrajudicial collection services, on its own account or on behalf of others, on any document representing liability, as well as performance of the background check of physical persons or legal entities, the delivery of commercial reports and any other business that the stockholders agree to execute.

BCI Securities INC. was established in the state of Florida, United States of America on July 6, 2011. Its corporate purpose is to buy and sell stocks, mutual funds, corporate debt, US government bonds, sovereign debt, and call and put options for its customers, primarily residents of South America. BCI Securities Inc. may establish network agreements with banks, savings banks or credit unions. This investment was authorized by the Financial Market Commission on January 10, 2013, and by the Central Bank of Chile on February 21, 2013. It began operations on March 1, 2016.

BCI Corredores de Bolsa de Productos S.A. was established by public deed dated April 16, 2015. Its sole corporate purpose is to act as intermediary in operations with agricultural products, as established in Articles Four and Five of the Law No, 19,920, as broker of agricultural products, including the purchase or sale of products in the Agricultural Products Stock Exchange for its own benefit with the aim of transferring rights thereto, and the complementary activities authorized by the Commission for the Financial Market for which it may execute all actions and enter into all contracts and act as intermediary in operations of the Agricultural Products Stock Exchange, according to the regulation in force.

BCI Financial Group, INC. and Subsidiaries, a parent company of City National Bank (CNB), was acquired in 2015. CNB is a banking financial institution established in 1946 with headquarters in Miami, offering a wide range of financial products (including real estate, commercial and consumer banking) to more than 22,000 customers, with 26 branches in four Florida counties. On March 10, 2017, the FMC issued Letter No, 02751, which granted approval to carry out leasing transactions through a new subsidiary of CNB The new subsidiary of CNB is a corporation that began operations on June 28, 2017 under the corporate name of City National Capital Finance, Inc. (CNCF). On August 1, 2018, the subsidiary City National Capital Finance, Inc. (CNCF) changed its name to BCI CAPITAL, INC.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Servicios Financieros y Administración de Créditos Comerciales S.A., acquired on December 2018, was established as a limited liability company by public deed on November 4, 1997; and has undergone several changes. According to its current corporate purpose, it issues credit cards and conducts complementary activities authorized by the FMC through the general regulations of credit card issuance; granting of loans as a subsidiary of the Bank on an enhanced basis.

Administradora de Tarjetas Servicios Financieros Limitada; acquired on December 2018, was established as a closely held corporation by public deed on August 6, 1998 and has undergone several modifications. Its current corporate purpose is service and development of all kinds of activities related to debit, credit and prepaid cards in accordance with Central Bank of Chile's Compendium of Financial Standards and other applicable norms including but not limited to the following: (i) service of supply of physical payments cards; (ii) service, maintenance and management of computer systems for operations and issuance of cards and; (iii) any other activities connected and complementary to the operation and issuance of payment cards, on condition that said services and activities do not involve the payment of benefits owed to subsidiaries for the use of said instruments.

Servicios y Cobranzas SEYCO Limitada, also acquired on December 2018 and established as a limited liability company by public deed on March 31, 2010 has had several amendments. Its corporate purpose is framed in:(a) provision of preliminary and judicial collection services for all types of payment obligations, regardless of their cause or origin; (b) debt collection services; including but not limited to debt collection services by third parties for the payment of all kind of payment obligations(c) document custody and administrative proceedings;(d) the rendering of marketing services, programming or execution of campaigns, database preparation, necessary or recommended for debt collection services;(e) collection, storage, custody, administration, processing, studies and data analysis, background and information for debt collection services; (f) acquiring or participating in other companies, subject to the requirements and limitations established in current regulations. The previously described activities could be performed by the entity or delegated to third parties acting on their behalf. The entity may execute all necessary contracts with respect thereto.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

SSFF Corredores de Seguros y Gestión Financiera Limitada. Acquired on December 2018 and established as a limited liability company by public deed on November 17, 2004 has had several amendments. Its current corporate purpose is: (a) supply the intermediation and advisory services between general and life insurance of any national insurance company and natural and legal persons. Notwithstanding the foregoing, the entity could develop activities such as home, roadside, legal and medical assistance regarding goods and services supplied by third parties; (b) pension advisory services in accordance with Executive Order number 3500 subject to the provisions of Article 70 bis of the General Banking Law, its modifications or replacements. The entity may execute all necessary contracts for the given purpose or business development or related to the investment of the available funds of the company.

ii. Entities controlled by the Bank through other considerations:

Although the Bank holds less than most voting rights in the following companies, they are considered subsidiaries since the Bank exercises control through ability to direct the relevant activities and oversight of financial and operational policy decisions:

	%Interest			
	Direct		**Indirect**	
Entity	**2021**	**2020**	**2021**	**2020**
	%	%	%	%
BCI Activos Inmobiliarios Fondo de Inversión Privado (1)	40.00	40.00	-	-
Fondo de Inversión Privado BCI LMV II (2)	100.00	100.00	-	-
Incentivos y Promociones Limitada (3)	SE	SE	SE	SE

(1) Fund over which BCI Asset Management Administradora General de Fondos S.A. subsidiary, has control.

(2) This Fund has been organized and established by the subsidiary BCI Asset Management Administradora General de Fondos S.A., which manages it in its entirety.

(3) Structured Entity (“SE”) is responsible for the promotion of credit and debit card products. The Bank does not hold any ownership interest in that company and does not exercise control, however its revenue depends on the Bank.

d) Associates and Joint Ventures

An associate is an entity over which the Bank has significant influence but over which the Bank does not have control. Significant influence is the power to participate in the financial and operational policy decisions of the investee but is not control or joint control.

Joint venture is an entity over which there is joint control, which occurs only when the strategic decisions regarding both financial and operating activities require the unanimous consent of the parties that are sharing control.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

A joint operation is a joint arrangement whereby the parties that have joint control over the agreement (that is, the joint operators) have rights derived from the assets and obligations derived from the liabilities, related to the arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control over the arrangement (that is, the participants in a joint venture) have rights over the net assets related to the arrangement.

Joint ventures and those over which significant influence is exercised are accounted for under the equity method and initially recognized at cost; their carrying amount is increased or decreased to recognize the corresponding proportion in net income and other comprehensive income. Dividends received are recognized by decreasing the investment carrying amount.

If the acquisition cost is lower than the fair value of the net assets of the acquired associate, the difference is recognized directly in profit or loss and is presented in the line “Other Income (Loss)”. Investments in associates and joint ventures are presented in the Interim Consolidated Statements of Financial Position in the line “Investments accounted for using the equity method. ”Only if the investor has incurred legal or constructive obligations, or has made payments on behalf of the associate or the joint venture, should they recognize a negative carrying amount, otherwise the investment alternatively would be recognized at zero until such time as it generates profits that reverse the negative equity.

The following entities are considered associates:

	Interest	
Company	**2021**	**2020**
	%	%
Centro de Compensación Automatizado S.A.	33.33	33.33
AFT S.A.	20.00	20.00
Nexus S.A.	14.81	14.81
Redbanc S.A.	12.71	12.71
Servicio de Infraestructura de Mercado OTC S.A.	13.61	13.61
Combanc S.A.	11.74	11.74
Transbank S.A.	8.72	8.72
Sociedad Interbancaria de Depósitos de Valores S.A.	7.03	7.03
Pagos y Servicios S.A.	49.9	49.9

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The following entities are considered joint ventures:

Company	Interest 2021	Interest 2020
	%	%
Artikos Chile S.A.	50.00	50.00
Servipag Ltda.	50.00	50.00

Entities in the table above, in which the Bank holds less than 20%, are still considered associates given the Bank's ability to appoint a member to their Board of Directors, one consideration in determining significant influence over such associates.

e) Investments in other companies

In this category are presented those entities over which the Bank has neither control nor significant influence. It includes interests in local and foreign companies, which according to FMC regulations, are recorded at cost and subject to impairment tests when indicators have been identified.

As of March 31, 2021, and December 31, 2020, the Bank has investments in the following companies: SWIFT, BLADEX and others.

f) Basis of consolidation

The interim consolidated financial statements comprise financial information of the Bank and its subsidiaries as of March 31, 2021 and December 31, 2020, and for the periods ended March 31, 2021 and 2020.

The subsidiaries' financial statements (including the structured entity controlled by the Bank), were aligned with the financial statements of the Bank according to the rules set in the Compendium of Accounting Standards and Instructions issued by the FMC.

The intercompany balances and any income or expense arising from intercompany transactions between Group entities are eliminated in full in the interim consolidation process. The unrealized income or expense arising from transactions with associates are eliminated to the extent of the Group's interest in these companies.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

For the purposes of presenting consolidated financial statements, the assets and liabilities of the foreign consolidated entities whose functional currencies are other than the Chilean Peso are translated into the presentation currency as follows:

a. Assets and liabilities for each statement of financial position presented (i.e. including comparatives) shall be translated at the closing rate at the date of that statement of financial position.
b. Income and expenses for each statement presenting profit or loss shall be translated at the average rate for the year.
c. Share capital and other components of equity are translated at the historical exchange rate at the date of acquisition or approval.
d. The exchange differences that arise in the translation of the financial statements are recorded in the caption "Cumulative translation adjustment" within the interim consolidated statement of other comprehensive income for the period.

g) Non-controlling interest

Non-controlling interest represents the portion of profit or loss and net assets of subsidiaries not owned, directly or indirectly, by the Bank. Non-controlling interests are presented separately in the interim consolidated statements of income, the interim consolidated statements of other comprehensive income and interim consolidated statements of financial position.

h) Functional currency

The Bank has determined its functional currency and presentation currency as the Chilean Peso (Ch$). Likewise, all the entities of the Group have determined the Chilean Peso as the functional currency, except for BCI Financial Group, Inc. and subsidiaries and BCI Securities, Inc. which have determined the US dollar as their functional currency.

All the information presented in Chilean Pesos has been rounded to the closest millions of Chilean Pesos.

i) Transactions in foreign currency

Transactions denominated in currencies different from the Chilean peso are considered as denominated in “foreign currency.” Transactions carried out by each entity in currencies other than its functional currency are recognized using the exchange rates prevailing at the date of the transaction. During the year, the differences that arise between the prevailing exchange rate at the date of the transaction and those that arise from such date to the date of collection or payment are recognized in the consolidated statements of income.

The differences that arise from translation of transactions denominated in foreign currency into functional currency are recognized as “Foreign exchange gains, net” in the consolidated statements of income.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

As of March 31, 2020, the Bank's assets and liabilities in foreign currency are shown at their equivalent value in Chilean pesos, calculated using the exchange rate of Ch$719.04 (Ch$855.15 per US$ 1 in 2020).

j) Operating segments

Operating segments are determined by the Bank based on its different business units:

(i) That engage in business activities from which the Bank may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Bank);

(ii) Whose operating results are regularly reviewed by the entity's chief operating decision maker to make Decisions about resources to be allocated to the segment and assess it performance and;

(iii) For which discrete financial information is available.

These operating segments deliver products and services subject to different risks and returns and therefore the chief operating decision makers of the Bank separately evaluate their individual performance.

k) Measurement of financial assets and liabilities

Measurement criteria of financial assets and liabilities used in the interim consolidated statements of financial position are the following:

i. Assets and liabilities measured at amortized cost:

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectability.

In the case of financial assets, the amortized cost also includes adjustments to their value due to the impairment they have experienced.

In the case of financial instruments, the portion systematically charged (credited) to the profit and loss accounts is accounted for under the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

ii. Assets and liabilities measured at fair value:

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

For financial instruments traded in active markets, the determination of fair values is based on their listed or recent transaction prices. This includes instruments traded in domestic or international stock markets, brokers quotation or “Over-the-counter transactions” (OTC).

A financial instrument is considered quoted on an active market, if prices are regularly and freely available on a stock exchange or index by a broker or dealer, through supplier prices or regulatory agencies and those prices represent current and regular market transactions. If the market does not meet that condition, it is considered inactive. The lack of recent transactions or a too widespread between bid-offer prices, are indications that the market is inactive.

For all other financial instruments, fair value is determined using valuation techniques. The valuation techniques used should maximize the use of relevant observable inputs with respect to similar financing instruments. The fair value is estimated using models to estimate the present value of the expected cash flows or other valuation techniques, using inputs observable at the date of the interim consolidated financial statements.

As of the dates of the interim consolidated financial statements, the Bank has instruments whose fair value had been determined based on significant unobservable data. For this type of instruments, the Bank has models developed internally. When the data used in the models is unobservable, the Bank must develop assumptions in order to estimate the fair values. These valuations are known as Level 3 valuations: Instruments classified according to their valuation level are detailed in Note 35 to the interim consolidated financial statements.

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

iii. Assets and liabilities measured at historic cost:

Historic cost measurement is the recognition of the asset at the consideration paid for the purchase of the asset, less impairment losses if applicable.

The interim consolidated financial statements have been prepared based on a historic cost, except for (among others):

- Derivative financial assets/liabilities measured at their fair value.

- Available for sale assets, measured at fair value, when this is lower than their carrying amount less costs to sell.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

- Trading portfolio financial assets measured at their fair value.

- Property, plant and equipment measured at fair value when Management has considered appraising such assets and considering such value as deemed cost for the first-time adoption.

iv. Derecognition of financial assets and liabilities:

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

1. If the Bank transfers substantially all the risks and rewards of ownership to third parties, as in the case of unconditional sales of financial assets, sales under repurchase agreements at fair value at the date of repurchase, sales of financial assets with a purchased call option or written put option deeply out of the money, utilization of assets in which the transferor does not retain subordinated debt nor grants any credit enhancement to the new holders, and other similar cases, the transferred financial asset is derecognized from the interim consolidated statement of financial position and any rights or obligations retained or created in the transfer are simultaneously recorded.

2. If substantially all the risks and rewards of the transferred financial asset are retained, such as the financial assets sale with a resale agreement at a fixed price or at sale price plus interest, the contracts for securities in which the borrower has the obligation to return the same or similar assets, among other similar cases, the transferred financial asset is not derecognized from the interim consolidated statements of financial position and continuously measured under the same criteria which were applied before the transfer, Consequently, it recognizes:

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

   b) Any income on the transferred (but not derecognized) financial asset and any expenses incurred with respect to the recorded financial liability.

3. If the Bank neither transfers nor retains substantially all the risks and rewards of the financial asset transferred, such as the sale of financial assets with the option to buy or sell issued with a high or low probability of exercising it, the use of assets where the grantor does not retain subordinated financing or give up a credit improvement for a portion of the transferred asset among other similar cases, it makes determinations as follows:

   a) If the Bank does not maintain control of the transferred financial asset: then it derecognizes the asset in the interim consolidated statements of financial position and recognizes any financial right or liability resulting from the transfer.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

b) If the Bank maintains control of the transferred financial asset, then it continues recognizing the asset in the in the interim consolidated statements of financial position at an amount equal to its exposure to the changes in value that it may experience and recognizes a financial liability associated with the transferred financial asset. Accordingly, financial assets are derecognized from the consolidated statements of financial position when, and only when, the contractual rights to the cash flows from the financial asset expire; or when the Bank transfers the financial assets and substantially all the risks and rewards of ownership of the assets to third parties.

In accordance with the foregoing, financial assets are only derecognized from the Interim Consolidated Statements of Financial Position when the rights to the generated cash flows have been extinguished or when the risks and benefits carried have been substantially transferred to third parties.

Similarly, financial liabilities are derecognized from the interim consolidated statements of financial position when, as applicable, the obligations these generate are extinguished.

l) Investment instruments

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

Investment instruments are initially recognized at their fair value, including transaction costs directly attributable to acquisition. The available for sale instruments are then marked to market at their fair value according to market prices or valuations obtained from models. The unrealized gains or losses originated by the change in their fair value are recognized in other comprehensive income. When these investments are sold, the available for sale investment instrument's reserve accumulated in other comprehensive income associated with these instruments is reclassified to the consolidated statements of income and recognized under "Trading and investment income, net" heading as well as any realized gain/loss on disposal. In the case of a significant or prolonged decline in the fair value of any of these debt instruments or other objective evidence of impairment, an impairment is recognized by a reclassification of the cumulative loss recognized in other comprehensive income to the line item "Impairment" in the statements of income.

The investments in held to maturity financial assets are subsequently measured at their amortized cost plus interest and indexation for inflation, less impairment recorded when their carrying amount exceeds the estimated recovery value.

The interest and indexation for inflation of held to maturity and available for sale investments are included in the "Interest income" line in the interim consolidated statements of income for the period.

The purchases and sales of investment instruments that must be submitted within the period established by the market's regulations or conventions are recognized at their trade date, on which the purchase or sale of the asset is agreed. All other purchases and sales are recognized at their settlement date.

m) Trading investments

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

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Trading investments are measured at their fair value in accordance with the market prices at the reporting date of the interim consolidated statements of financial position. The transaction costs are recognized directly in the interim consolidated statements of income. The mark to market adjustments, as well as the realized income/loss from trading activities, are included under the "Trading and investment income, net" heading in the interim consolidated statements of income.

The interest and indexation for inflation income are recognized in "Trading and investment income (loss), net" line in the interim consolidated statements of income.

All the purchases and sales of trading investments that must be delivered within the period established by the market's regulations or conventions are recognized at the trade date, on which the purchase or sale of the asset is agreed. Any other purchase or sale is recognized on its settlement date.

n) Transactions with resell, repurchase agreements and securities lending

Reverse repurchase agreement is an agreement to receive a financial asset from another party in exchange for cash or other consideration and a concurrent obligation to resell the financial assets at a future date for an amount equal to the cash or other consideration exchanged plus interest. These agreements are accounted for as operating transactions. Assets purchased under reverse repurchase agreements are recognized in the consolidated financial statements as "Investments under agreements to resell" and are measured at amortized cost.

The operation of repurchase agreement are also carried out as a form of financing. Financial assets sold under repurchase agreements are retained in the consolidated financial statements in "Trading portfolio financial assets" or "Financial investments available for sale" categories, and consideration received under these agreements is recognized as a collateralized liability within "Liabilities under agreements to repurchase" line, and measured at amortized cost.

o) Financial derivative instruments

The financial derivative instruments, which include foreign currency and Unidades de Fomento (UF) forwards, interest rate futures, currency and interest rate swaps, currency and interest rate options and other financial derivative instruments are initially recognized in the interim consolidated statements of financial position at their fair value (including transaction costs), except for those classified in hierarchy level 3 (when applicable), and subsequently measured at their fair value. The fair value is obtained from corresponding market pricings, discounted cash flow models and pricing valuation models. The derivative instruments are recognized as an asset when their fair value is positive and as a liability when they are negative in "Derivative financial assets" or "Derivative financial liabilities" lines, respectively, of the interim consolidated statements of financial position.

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their risks and rewards are not closely related with those of the host contract and when such host contracts are not measured at fair value through profit or loss. Upon the contracting of a derivative agreement, the Bank must designate it either as a derivative instrument for trading or for hedge accounting purposes or speculative.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The changes in the fair value of those instruments defined as speculative are included in “Trading and investment income, net” line of the interim consolidated statements of income.

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

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

When a derivative designated as a fair value hedge hedges the exposure to changes in the fair value of an existing item of the asset or liability, such hedged item is measured at fair value from the designation of the fair value hedge until its expiration, termination, etc. The mark to market adjustments for both the hedged item and the hedging instrument are recognized in the interim consolidated statements of income.

If the item hedged in a fair value hedge is a firm commitment, the changes in the fair value of the firm commitment regarding the covered risk are recognized as assets or liabilities with effects on the income for the period. . Gains or losses arising from the measurement at fair value of the hedging derivative are recognized through profit or loss for the period. When a new asset or liability is acquired as a result of the firm commitment, the initial recognition of the acquired asset or liability is adjusted to incorporate the accumulated effect of the fair value valuation of the firm commitment recognized in the interim consolidated statements of financial position. When a derivative hedges exposure to changes in the cash flows of existing assets or liabilities (cash flow hedge), or forecast transactions, the effective portion of changes in fair value related to the hedged risk is recognized in other comprehensive income and accumulated in equity. Any ineffective portion is recognized directly in the consolidated statements of income for the year.

The amounts recorded directly in equity are reclassified to p & l in the same periods in which hedged cash flows affect results.

In case of fair value hedge of interest rate risk of a portfolio with the hedged item representing currency value instead of individual assets or liabilities, gains or losses from the fair value measurement for both the hedged item and the hedging instrument, are recognized in the consolidated statements of income. The fair value adjustment of the hedged instrument is presented in the consolidated statements of financial position the “Other assets” or “Other liabilities” lines, depending on the hedged item position as of reporting date.

The adjustment for counterparty credit risk in derivatives (Credit Valuation Adjustment “CVA”) represents the expected losses from counterparty risk. The CVA of a derivative is defined as the difference between the value of free derivative counterparty risk (equivalent to the original derivative but without the risk of default of either party) or the value of the derivative considering the possibility of counterparty default. In this way, a customer CVA can be obtained from the expected exposure (EE) to counterparty risk and the expected loss rate (“PE” for its acronym in Spanish) associated with the potential default of the counterparty.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The valuation adjustment for the existence of the spread bid/ask on financial instruments (which applies to all financial instruments recognized at market value, both in normal market conditions and financial stress conditions), is based on best practices, the recommendations of the Basel Committee and the requirements of the FMC and the Central Bank of Chile.

In order to make the bid/ask adjustment to financial instruments of Banco de Credito e Inversiones portfolios, the following methodology was established:

i. Define market makers or BCI customer condition:

   On an annual basis the Bank condition will be defined as to whether the Bank is market makers (the Bank must be within the 4 main market operators) or customers in each of the financial products it operates. This will be done with the information provided by the two main brokers in the national market: TRADITION and ICAP.

ii. Market makers condition

   For products (markets) where the Bank is considered to be a liquidity provider, they will be valued at mid-price and there will be no bid-offer adjustment to their valuation.

iii. Customer status
   For products (markets) where BCI is considered the debtor, the instrument shall be valued at mid-price and adjusted for bid/ask, or, in case of high liquidity, valued at bid price.

During the first quarter of 2021, the Bank adopted new adjustments associated with the valuation of derivative instruments in order to improve these estimates. Therefore, a Funding Valuation Adjustment (FVA) was added, which captures the funding cost of uncollateralized derivatives above the risk-free rate of return and other technical considerations. As of March 31, 2021, the aforementioned adjustment implied recognizing a net charge to profit or loss for the period of MCh$11,966.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

p) Hedge of a net investment in a foreign operation

According to current applicable standards, the requirements to recognize hedge accounting are the following:

IAS 21 requires that an entity should determine the functional currency of each of its foreign operations as the currency of the primary economic environment in which it operates. When a hedge of a net investment in a foreign operation qualifies for hedge accounting, the statement of financial position and results of a foreign operation are translated from a currency different from the reporting currency of the parent, the entity will recognize the exchange differences through other comprehensive income in equity as well as the effects of hedging such net investment, under cumulative translation adjustment reserve, until the sale or disposal by other means of the foreign operation. The accumulated difference is to be transferred to the consolidated statements of income at the date on which such sale or disposal occurs.

The hedge of a net investment in a foreign operation seeks to mitigate the foreign exchange rate risk associated with the valuation of the foreign operation.

The current standard establishes the following conditions in order to apply hedge accounting:

a) At the inception of the hedge there is formal designation and documentation of the hedging relationship
b) The hedge is expected to be highly effective.
c) The effectiveness of the hedge can be reliably measured.
d) The accumulated difference is to be transferred to the consolidated statements of income at the date on which such sale or disposal occurs.

q) Loans and receivables from customers

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

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

i. Financial lease contracts

Accounts receivable from lease contracts, included under “Loans and receivables to customers” heading, correspond to the sum of periodic instalments of lease contracts that comply with the requirements to be qualified as financial leases and are measured at present value.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

ii. Factoring Operations:

The Bank and its subsidiary BCI Factoring S.A. perform operations with their clients, in which they receive invoices and other credit representative trading instruments with or without recourse to the transferor, anticipating a percentage of the total amount receivable of the borrower upon collection.

r) Allowances for loan losses and others

The allowances required to cover the expected losses of certain financial assets have been recognized in accordance with the regulations and instructions of the FMC.

The assets are presented net of such allowances, or at a new cost basis in the case of investments. The allowance for credit commitments is presented as a liability under “Provisions” in the statement of financial position.

The Bank and subsidiaries use models and methodologies based on individual and collective analysis of the borrowers, approved by the Board of Directors, to recognize the allowance for loan losses as indicated in the Accounting Standards Compendium issued by the FMC.

i. Individual assessment:

Individual assessment of borrowers is performed when the customer, due to its size, complexity or exposure, is required to be identified and analyzed on an individual basis.

Naturally, the analysis of the borrowers should be focused on their capacity and ability to comply with their credit obligations, evaluated based on sufficient and reliable information. Analysis should consider collateral, terms, interest rates, currency, indexation for inflation related to the loan, etc.

The need for an allowance is assessed based on the classification of the borrowers and their related loans and credit commitments in their corresponding risk category, after being assigned to one of the following portfolio categories: normal, substandard and non-compliant.

- Normal and substandard portfolios:

The normal portfolio includes those borrowers, whose payment capacity allows them to comply with their obligations and commitments, and, according to the evaluation of their economic and financial situation, is not expected to change. The classifications assigned to this portfolio are categories A1 to A6.

The substandard portfolio includes the borrowers which have financial difficulties, or whose payment capacity worsened significantly, presenting reasonable doubt regarding the probability of reimbursement of total principal and interest under the contractually agreed terms, indicating that they are less likely to comply with their financial obligations in the short term.

In addition, borrowers that recently held loans in default for over 30 days also form the part of the substandard portfolio. The classifications assigned to this portfolio are categories B1 to B4.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

As a result of an individual analysis of these borrowers, the banks must classify them under the following categories, assigning to them, subsequently, the probability percentages of probability of default and loss given default, resulting in the consequent percentage of expected loss:

Type of portfolio	Borrower Category	Probability of Default (PD) (%)	Loss given default (PDI)(%)	Expected Loss (%)
Normal portfolio	A1	0.04	90.0	0.03600
	A2	0.10	82.5	0.08250
	A3	0.25	87.5	0.21875
	A4	2.00	87.5	1.75000
	A5	4.75	90.0	4.27500
	A6	10.00	90.0	9.00000
Substandard portfolio	B1	15.00	92.5	13.87500
	B2	22.00	92.5	20.35000
	B3	33.00	97.5	32.17500
	B4	45.00	97.5	43.87500

Collective assessment of normal and substandard portfolios:

In order to determine the amount of allowance to be established for the normal and substandard portfolios, the firststepisthattheexposuremustbeestimated,towhichtherespectivelosspercentages(expressed in decimals) will be applied. This expected loss percentage is comprised of the probability of default (PD) and loss given default (LGD) established for the category in which the borrower and/or guarantor is classified, as applicable.

The exposure subject to allowances corresponds to the loans and receivables plus loan commitments (recorded as a provision), less the amount to be recovered by collateral execution. Likewise, loans and receivables are understood as the carrying value of loans and receivables to the respective borrower, while loan commitments are understood as the amount resulting from applying the clause indicated in No, 3 of Chapter B-3 of the Accounting Standards Compendium.

- Non-compliant portfolio:

Non-compliant portfolio includes the loans to borrowers for which recovery is considered remote, given that they have suffered a loss event resulting in impairment. This portfolio includes borrowers with evident signs of possible bankruptcy, as well as those in which a forced debt renegotiation is required, and also includes any borrower with loans in default for equal to or greater than 90 days in the payment of interest or principal of any loan. This portfolio includes borrowers classified under categories C1 to C6 in the classification scale established below and classification is assigned for all a debtor’s portfolio at the classification at the riskiest level, including 100% of the loan commitments that those borrowers maintain.

For the effects of allocating allowances on the non-compliant portfolio, loss rate percentages are used, which must be applied to the exposure, corresponding to the sum of loans and receivables and loan commitments held. In order to apply this percentage, an expected loss rate must be estimated first, deducting from the exposure the amounts expected to be recovered by execution of collateral and, in the case of having solid data that justifies them, deducting also the net present value of expected recoveries that can be obtained by execution of collection actions, net of expenses associated with them.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

That loss rate must be classified into one of the six categories defined according to the range of losses effectively expected by the Bank for all the operations of an individual borrower.

These categories and the loss rates which must be applied on the exposures are indicated in the following table:

Type of portfolio	Risk Scale	Expected Loss Range	Allowance (%)
Default portfolio	C1	Up to 3 %	2
	C2	More than 3% up to 20%	10
	C3	More than 20% up to 30%	25
	C4	More than 30 % up to 50%	40
	C5	More than 50% up to 80%	65
	C6	More than 80%	90

ii. Collective assessment:

Collective evaluation is focused on the following portfolios: Commercial Loans, Consumer Loans and Mortgage Loans.

For the determination of the collective allowance, loan portfolios with homogeneous features, such as the type of borrower and loan terms, are analyzed. Thus, allowances are based on expected losses based on a certain probability of default (PD) and a loss given default (LGD); both parameters are based on historical information and technically substantiated estimates.

Allowances are established by multiplying the exposure of the respective portfolio by the estimated percentages of PD and LGD.

a. Group Portfolio Trade Credits:

In accordance with General Rulings No.3,638 and No.3,647, as of July 1, 2019, the Bank has begun to apply the standard model of provisions for commercial credits of the group portfolio, as applicable to commercial lease operations, student loans or other types of commercial loans. Prior to the implementation of the standard model, the Bank used its internal models for the determination of group portfolio commercial provisions.

i. Commercial Lease Operations

For these operations, the provision factor must be applied to the present value of commercial leasing operations (including the purchase option) and will depend on the delinquency of each operation, the type of leased asset and the ratio, at closing of each month, between the present value of each operation versus the value of the leased asset (PVB), as indicated in the following tables:

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Probability of Default (PD) applicable according to delinquency and type of good (%)		
Days of default of the operation at the end of the month	**Type of good**	
	Real estate	**Non-real estate**
0	0.79	1.61
1- 29	7.94	12.02
30-59	28.76	40.88
60-89	58.76	69.38
Default portfolio	100	100

Loss Given Default (LGD) applicable according to PVB tranche and type of good %		
PVB = Current value of the operation / Value of the leased asset		
PVB Tranche	**Real estate**	**Non-real estate**
PVB ≤ 40%	0.05	18.2
40% < PVB ≤ 50%	0.05	57
50% < PVB ≤ 80%	5.1	68.4
80% < PVB ≤ 90%	23.2	75.1
<PVB > 90%	36.2	78.9

PVB= Present value of the operation/Value of the leased asset

Allowance determination is based on statistical models of expected loss, which estimates the probability of default for each customer (PD) and loss give default (LGD) for each operation. Both parameters are defined in terms of customer behavior and characteristics of each loan, including delinquencies (internal and/or external), loan/collateral ratio (loan-to-value), non-compliant portfolio, customer seniority and type of product, among others.

ii. Student Loans

For these operations, the provisioning factor should be applied to the student loan placement and contingent credit exposure, when applicable. The calculation of this factor depends on the type of student loan and the repayment of principal or interest at each month-end. When payment is due, the factor will also depend on its delinquency.

For loan classification purposes, a distinction is made between those granted for the financing of higher education in accordance with Law No. 20,027 (CAE, Spanish acronym for State-secured loan) and, on the other hand, loans secured by CORFO or other student loans.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Probability of Default (PD) applicable according to enforceability of payment, delinquency and type of loan			
Exigency of the payment of principal or interest at the end of the month	**Days of default of the operation at the end of the month**	**Type of student loan**	
		CAE	**CORFO or other**
Yes	**0**	5.2	2.9
	1-29	37.2	15
	30-59	59	43.4
	60-89	72.8	71.9
	Default portfolio	100	100
No	**n/a**	41.6	16.5

Loss given Default (LGD) applicable according to enforceability of payment and type of loan		
Exigency of the payment of principal or interest at the end of the month	**Type of student loan**	
	CAE	**CORFO or other**
Yes	70.9	
No	50.3	45.8

iii. Generic Commercial Loans and Factoring

For factoring operations and other commercial loans, the provisioning factor applicable to the amount of the placement and the contingent credit exposure will depend on the delinquency of each operation and the relationship that exists at each month-end between the debtor's obligations to the bank and the value of the actual guarantees that protect them (PTVG), as shown in the following tables:

Probability of default (PD) applicable according to delinquency and PTVG(%) tranche			
Days of default of the operation at the end of the month	**With guarantee**		**Without guarantee**
	PTVG ≤ 100%	**PTVG > 100%**	
0	1.86	2.68	4.91
1-29	11.6	13.45	22.93
30-59	25.33	26.92	45.3
60-89	41.31	41.31	61.63
Default portfolio	100	100	100
Loss given Default (LgD) applicable according to PTVG (%) tranche			
Guarantees (with/without)	**PTVG**	**Factoring without the responsibility of the assigner**	**Factoring with the responsibility of the assigner**
With guarantee	**PTVG ≤ 60%**	5	3.2
	60% < PTVG ≤ 75%	20.3	12.8
	75% PTVG ≤ 90%	32.2	20.3
	90% < PTVG	43	27.1
Without guarantees		56.9	35.9

The guarantees used for the purposes of calculating the PTVG ratio of this method may be specific or general, including those that are simultaneously specific and general.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

A guarantee can only be considered if, according to the respective coverage clauses, it was furnished in the first degree of preference on behalf of the bank and only guarantees the credits of the debtor in respect of which it is recorded (not shared with other debtors). In the calculation, the invoices assigned in factoring operations will not be considered, nor will the guarantees associated with the housing loans of the mortgage portfolio, regardless of their coverage clause.

The following considerations must be considered when calculating PTVG ratio:

I. Operations with specific guarantees: when the debtor provided specific guarantees for generic commercial loans and factoring, the PTVG ratio is calculated separately for each transaction guaranteed, such as the difference between the amount of the loan and the contingent credit exposure and the value of the collateral covering it.

II. Operations with general guarantees: when the debtor granted general guarantees or general and specific guarantees, the Bank calculates the respective PTVG, jointly for all generic commercial loans and factoring and loans not included in i) above, as the difference between the sum of the amounts of the loans and exposures of contingent credits and the general guarantees, or general and specific guarantees that, according to the scope of the remaining coverage clauses, safeguard the credits considered in the numerator of the aforementioned ratio.

The amounts of the guarantees used in the PTVG ratio in (i) and (ii) must be calculated in accordance with:

- The last valuation of the collateral, whether appraised or fair value, depending on the type of collateral in question.
  For the calculation of fair value, the criteria stated in Chapter 7-12 of the Revised Updated Compendium of Regulations should be considered.
- Possible situations that could be resulting in temporary increases in the values of the guarantees.
- Limitations on the amount of coverage set forth in their respective clauses.

iv. Provisions for deductible of FOGAPE Covid-19 guarantee

To determine the specific provisions for the loans secured by the FOGAPE Covid-19 guarantee, the expected losses must be determined by estimating the risk of each operation, without considering the substitution of the credit rating of the guarantor, according to the corresponding individual or group analysis method, in accordance with the provisions of Chapter B-1 of the Compendium of Accounting Standards.

The amounts associated with such operations that have been written off in accordance with the provisions established in Chapter B-2 of the Compendium of Accounting Standards, must be added to the previously mentioned expected losses.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Therefore, the total amount of expected losses resulting from the aggregated calculation of each group of operations, including the written-off amounts in that group as indicated in the preceding paragraph, must be compared with the respective total amount of deductible that is applicable to them, and then one should proceed as indicated below:

- Expected losses less than the deductible

When the expected losses from the operations of a group to which the same deductible percentage should be applied, determined according to the procedure indicated above, are less than or equal to the aggregate amount of the deductible, the provisions are determined without considering the coverage of FOGAPE Covid-19, that is, without replacing the credit rating of the direct debtor with that of the guarantor.

- Expected losses greater than the deductible

When the expected losses from the operations of a group to which the same deductible percentage should be applied, determined according to the procedure indicated above, are greater than the aggregate amount of the deductible, the provisions are determined using the substitution method set forth in paragraph 4.1 a) of Chapter B-1 of the Compendium of Accounting Standards.

For these purposes, the proportion to be replaced will be that defined by the limits established in article 13 of the Administration Regulations of the FOGAPE, applicable to the COVID-19 Guarantee Lines.

Additionally, one must determine the provisions associated with the deductible resulting from multiplying the guaranteed amount of the corresponding group by the percentage of the applicable deductible.

b. Consumer Loans:

This portfolio includes receivables from loans granted to natural persons, as well as loans resulting from the use of overdraft credit lines, emergency credit lines, credit cards, and consumer loans granted to this type of customer.

Allowance determination is based on statistical models of expected loss, which estimates the probability of default (PD) and loss given default (LGD) for each customer. Both parameters are defined in terms of customer behavior, highlighting delinquencies (internal and/or external), indebtedness level, non-compliant portfolio, renegotiations, customer seniority, overdrafts not agreed and protests, among others.

c. Mortgage Loans:

This portfolio includes loans, which have the following characteristics: the objective is the financing of the acquisition, extension, repair or construction of housing; the borrower is a physical person who is buying or owns the housing, and the value of the mortgage collateral covers the total amount of loan.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Bank uses the “Standard Method for Provisioning the Residential Mortgage Loan” established by FMC in its Circular No. 3.573. This circular establishes provisioning factors, representing expected losses over the amount of the loan, applied based on the level of delinquency of each loan, and the loan/collateral ratio (Loan-to-Value or LtV) at the end of each month, as shown in the following table:

Provisioning Factor according to delinquency status and LtV						
		Days in default as of the end of the month				
LtV (loan-to-value)	Concept	Current	1-29	30-59	60-89	More than 90 days overdue
LtV≤ 40%	PD (%)	1.0916	21.3407	46.0536	75.1614	100.0000
	PDI (%)	0.0225	0.0441	0.0482	0.0482	0.0537
	PE (%)	0.0002	0.0094	0.0222	0.0362	0.0537
40%<LtV≤ 80%	PD (%)	1.9158	27.4332	52.0824	78.9511	100.0000
	PDI (%)	2.1955	2.8233	2.9192	2.9192	3.0413
	PE (%)	0.0421	0.7745	1.5204	2.3047	3.0413
80%<LtV≤ 90%	PD (%)	2.5150	27.9300	52.5800	79.6952	100.0000
	PDI (%)	21.5527	21.6600	21.9200	22.1331	22.2310
	PE (%)	0.5421	6.0496	11.5255	17.6390	22.2310
LtV> 90%	PD (%)	2.7400	28.4300	53.0800	80.3677	100.0000
	PDI (%)	27.2000	29.0300	29.5900	30.1558	30.2436
	PE (%)	0.7453	8.2532	15.7064	24.2355	30.2436

Where:

PD = Probability of default
LGD = Loss given default
EL = Expected loss
LtV = Outstanding principal/Value of the collateral

In cases where the same client has more than one mortgage loan outstanding and one of them is past-due 90 days or more, all such loans will be classified as “Non-Compliant” and the allowance for each one of them will be calculated in accordance with their respective level of Loan-to-Value.

iii. Write-off of loans:

Generally, when contractual rights expire over cash flows, assets must be written off. In the case of loans, even if this does not happen, respective asset balances are written off in accordance with the requirements established by Title II of Chapter B-2 of the Compendium of Accounting Standards and Instructions issued by the FMC.

The write-offs in question refer to the write-offs of the assets previously recognized in the interim consolidated statements of financial position corresponding to the respective transaction, including, therefore, the portion that may be not overdue if a loan is to be repaid in installments, or in case of a leasing operation.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Write-offs are always recognized against allowances for loan losses, according to Chapter B-1 of the Compendium of Accounting Standards, regardless of the reason. Subsequent repayments of the assets previously written off are recognized in the interim consolidated statements of income, as recoveries of loans written-off.

Write-offs of loans and accounts receivable are performed on past due, delinquent and outstanding installments, and the term must be calculated from the beginning of the delinquency, i.e., when the delinquency time of an installment or portion of a loan of an operation reaches the term for write-off, as follows:

Type of loan	Period
Consumer loans secured and unsecured	6 months
Other unsecured operations	24 months
Commercial loans secured	36 months
Mortgage loans	48 months
Consumer leasing	6 months
Other non-property leasing operations	12 months
Property leasing (commercial or residential)	36 months

The term corresponds to the time elapsed from the date on which the payment of all or part of the obligation in arrears became due.

iv. Recovery of written off loans:

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

s) Fee and commission income and expense

Fee and commission income and expense are recognized in profit or loss in accordance with the 5-step approach established in IFRS 15, as follows:

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

t) Impairment

I. Financial Assets:

A financial asset is assessed on each reporting date to determine if objective evidence of impairment exists. A financial asset is impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

For financial assets recognized at amortized cost, impairment is calculated as the difference between the carrying value of the asset and the net present value of the estimated future cash flows, discounted using the effective interest rate.

An impairment of financial investments available for sale is calculated in relation to their fair value.

Financial assets that are individually significant are individually assessed for impairment. The remaining financial assets are assessed on the collective basis in groups of assets that share similar credit risk characteristics.

Impairment is recognized in the interim consolidated statements of income for the period. Any impairment of financial investments available for sale previously accumulated as negative revaluation reserve in equity is transferred to the interim consolidated statements of income for the year.

The previously recognized impairment is reversed only if in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized. The reversal of an impairment loss cannot exceed an asset’s carrying amount that could have been obtained if an impairment loss had not been recognized for that asset in previous periods. The reversal is recognized in the result of the fiscal period.

For loans and receivables to customers, the impaired loans are defined according to Chapter B-2 of the Accounting Standards Compendium of the FMC as “borrower loans on which there is evidence they will not meet any of their obligations under the agreed-upon payment conditions, without the possibility of recovering the loan by repossessing collateral, by means of judicial collection actions or by renegotiation.”

Impairment policies indicate that impairment is measured monthly, and consider the following criteria:

i. Impaired Portfolio:

Impaired portfolio includes loans individually assessed by the Bank which have a credit risk classified as substandard in categories B3 and B4 and loans in the non-compliant portfolio.

The collectively assessed loans are classified as impaired loans when they present at least one of the following conditions:

- Loans in default more than or equal to 90 days.
- Renegotiated loans.
- 100% of the loans associated with the client, when any of its loans is classified as impaired, are reclassified to the impaired portfolio.

Operations related to residential mortgage loans or student loans for higher education under Law No, 20,027 are excluded from the requirements of this classification as long as non-compliance conditions as established in Circular No. 3,454 dated December 10, 2008 are not presented.

The behavior of the client in the financial system is not considered determinative as to whether the loan should be included in the impaired portfolio.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

<u>Exit Conditions</u>

- <u>Individual assessment:</u> improvement in risk rating, movement to B3 and above category of the individual classification.

- <u>Collective assessment:</u>

  a) Non-renegotiated loans: loans of the impaired portfolio may be reclassified back to the normal portfolio only upon compliance with the following conditions:

     - Receipt of at least six consecutive installments of principal and interest, paid on time in accordance with the schedule of payments or with a maximum delay of 30 days.
     - All obligations up to date and no other loan operations of the borrower in the impaired portfolio.
     - In any case, there must not be any installments in default with other banks in the Chilean financial system in the last 90 days (last three periods informed to the FMC at the date of inquiry).

  b) Renegotiated loans: loans of the impaired portfolio may be reclassified back to the normal portfolio only upon compliance with the following conditions:

     - Receipt of at least six consecutive installments of principal and interest, paid on time in accordance with the schedule of payments or with a maximum delay of 30 days.
     - All obligations up to date and no other loan operations of the borrower in the impaired portfolio.
     - No other renegotiations of the borrower’s loans within the last six months.
     - In any case, there must not be any installments in default with other banks in the Chilean financial system in the last 90 days (last three periods informed to the FMC at the date of inquiry).

  c) Collectively renegotiated portfolio written-off: written-off loans that had been renegotiated may be reclassified back to the normal portfolio only upon compliance with the following conditions:

     - Payment of 30% of the originally renegotiated balance or payment of the first nine payments agreed for the renegotiated loan.
     - Principal and interests’ payments up to date.
     - No other loans of the borrower in the impaired portfolio.
     - No instalments in default in the Chilean financial system in the last 90 days.

II. Non-financial assets:

Non-financial assets of the Bank, except for goodwill, intangible assets with an indefinite useful life and assets not yet available for use and excluding investment property and deferred taxes are evaluated at least annually or more frequently, should circumstances warrant, in order to determine if indicators of impairment exist. If such indicators exist, then the recoverable amount of the asset is calculated. Additionally, goodwill and intangible assets with indefinite useful lives or not yet available for use are tested for impairment on each reporting date.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

According to IAS 36 "Impairment of Assets", the entity must evaluate at the end of each reporting year, if there is any impairment of its intangible assets with indefinite useful lives, as well as of the goodwill generated in a business combination. On the other hand, the Financial Market Commission (CMF in Spanish) requires that "the valuations of goodwill and other intangible non-amortizable assets must be supported by two reports issued by independent professionals of the bank and its external auditors. These reports support the initial value of intangible assets and valuations as of December 31 of each year.

An impairment loss related to goodwill is not reversed. Impairment losses of other non-financial assets recognized in previous periods are evaluated to determine if events or circumstances indicate the need for reversal of the impairment loss. A loss from impairment is reversed if a change in the estimate has occurred. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

The Bank carries out quarterly monitoring of intangible assets and goodwill generated in the business combination of its subsidiaries BCI Servicios Financieros in Chile and City National Bank in the United States. On December 31, 2020, the Bank assessed if any asset impairment had occurred, concluding that there are no impairments to be recorded in the indefinite useful life intangibles and goodwill of said investments. Regarding the assessment of amortizable intangible assets acquired on the merging of BCI Servicios Financieros' businesses, an impairment loss of MCh$4,994 was determined, corresponding to the following intangibles: MCh$2,636 for Client Relations, and MCh$2,358 for Rights acquired under cross-sales agreement. These recorded impairments represent 9% and 59% over book value, respectively. For further information, see Note 32.

u) Interest and indexation for inflation income and expenses:

Income and expenses from interest and indexation for inflation are recognized in the interim consolidated statements of income based on the accrual principle using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition or issuance of a financial asset or liability.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

However, in the case of past-due loans which correspond to installments overdue for 90 days or more or the current loans with high credit risk, a prudent criteria is followed to suspend the accrual of interest and indexation for inflation. Such items are recognized only when they are received.

- Amounts to suspend:

The amount of suspended income on an accrual basis posted to memo accounts corresponds to the amount calculated between the date of suspension and the consolidated statements of financial position reporting date.

- Date of suspension:

Individually assessed loans:

Case a) Loans classified as C5 and C6: the accrual is suspended when the loan is classified as non-compliant.

Case b) Loans classified as C3 and C4: the accrual is suspended when the loan has been classified as non-compliant for more than three months.

Collectively assessed loans:

For the loans with collateral whose fair value of collateral is less than 80% of the loan balance, accrual of interest income is suspended when the loan or one of the installments has not been paid for six months.

The 80% percent of collateral refers to the value of the collateral and the estimated value of all obligations covered by the same collateral, including credit commitments.

v) Intangible assets

I) Software

The software acquired by the Bank is recognized at cost less the accumulated amortization and impairment, if any.

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

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The subsequent expenditures associated with any software are capitalized only when the Bank may derive future economic benefits from them. All other expenses are recognized in the interim consolidated statements of income for the year.

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

ii) Intangibles acquired in a business combination

As a consequence of the purchase process of BCI Financial Group, INC. and Subsidiaries, agreed upon in October 2015, the acquisition of Total Bank by City National Bank of Florida was consummated (simultaneously merging with CNB) on June 15, 2018 and the acquisition of the credit card business from Walmart (Servicios Financieros) was consummated on 4 December 2018. Amortized intangible assets were recognized with an indefinite useful life were recognized, which originated in the process of distributing the price paid for the acquisition or Purchase Price Allocation (PPA). The Bank is constantly evaluating for impairment its intangible assets in accordance with the CMF regulations of the Compendium of Accounting Standards, Chapter A-2 number 7; two independent consultants opine upon the purchase price allocation.

For the acquisition of Total Bank the value of the assets acquired, and liabilities assumed was provisionally determined, and the Bank adjusted the provisionally determined values to their final values within the term established in IFRS 3, “Business Combinations” on December 31, 2018.

For the acquisition of BCI Servicios Financieros, the value of the assets acquired, and liabilities assumed was provisionally determined, and the Bank adjusted the provisionally determined values to their final values within the term established in IFRS 3, “Business Combinations” on December 4,2019 as at December 31, 2019 without retrospective restatement due to the immaterial nature of the adjustments to the provisional amounts.

The amortizable intangibles will be subject to straight-line amortization, according to the estimated useful life.

iii) Goodwill

The goodwill generated in a business combination will be distributed from the date of acquisition, between each of the cash generating unit (CGU) or the acquired entity CGU group, when applicable, which are expected to benefit from the synergies of the business combination, regardless of whether other assets or liabilities of the acquired entity are assigned to those units or groups of units.

The goodwill is subject to tests to determine if there is an impairment of value, on an annual basis, or more frequently, when the circumstances indicate that the carrying amount may be impaired.

Impairment losses related to goodwill cannot be reversed in future periods.

Intangible assets, including goodwill, were subject to the impairment tests indicated by IAS 36.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

As of March 31, 2021, and December 31, 2020, there were no significant changes between the book value and the recoverable value of cash generating units containing goodwill and intangibles with indefinite useful lives.

w) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree, and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognized in the consolidated statements of income as incurred.

In a business combination, an independent expert is used to decide of fair value of assets acquired and liabilities assumed including intangible assets identified. For the estimation of recovery of these intangibles identified in a business combination, cash flow projections are used based on yield estimates of acquired businesses.

At the acquisition date, the identifiable assets acquired, and liabilities assumed are recognized at their fair value, except for the following:

- The deferred tax assets or liabilities, and assets or liabilities related to agreements of employee benefits are recognized and measured in accordance with IAS 12 “Income Taxes” and IAS 19 “Employee Benefits”, respectively;

- Liabilities or equity instruments related to share-based arrangements of the acquiree or share-based company agreements entered into agreements to replace share-based payments of the acquired payment transactions, are measured in accordance with IFRS 2 “Share-based Payment” at acquisition date; and

- Assets (or group of assets for disposal) that are classified as held for sale .

- in accordance with IFRS 5 “Non- current Assets Held for Sale and Discontinued Operations” are measured in accordance with that Standard.

The goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer’s previously held interest in acquiree (if any) over the net amounts (at fair value) of the acquisition-date fair value amount of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date fair value amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognized immediately in statements of income as a bargain purchase gain.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Non-controlling interests that represent ownership interest and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

The measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which may not exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

x) Property, plant and equipment

The items of property, plant and equipment, excluding real estate, are measured at acquisition cost, net of accumulated depreciation and impairment.

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

When some part of an item of the property, plant and equipment has a different useful life to that property, plant and equipment, it is recognized as a separate component (i.e., real estate remodeling).

Depreciation is recognized in the interim consolidated statements of income on the straight-line basis over the useful life of the item or each component of an item of the property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful life, unless it is certain that the Bank will retain the property at the end of the leasing period.

The estimated useful lives for the property, plant and equipment, as of March 31, 2020 and December 31, 2020, are the following:

	As of March 31 2021	**As of March 31 2020**
Buildings	50 years	50 years
Machinery and equipment	3 - 10 years	3 - 10 years
Facilities	7 - 10 years	7 - 10 years
Furniture and fixtures	7 years	7 years
Computing equipment	3 - 6 years	3 - 6 years
Real estate improvements	10 years	10 years
Other property, plant and equipment	3 - 6 years	3 - 6 years

y) Repossessed assets

Repossessed assets are classified under "Other assets" heading and recognized at the lesser of their adjudicated- in-court value and net realizable value, net of regulatory write-offs required by the FMC. Repossessed assets are presented net of impairment. Assets not sold within 18 months the adjudication date must be written off.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

z) Staff benefits

i. Unused Vacations:

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

ii. Short-term benefits:

The entity provides for its employees an annual incentive plan for meeting certain objectives. The incentive is defined as a determined number or portion of monthly remuneration.

A corresponding provision is recognized based on the estimated amount to be distributed.

iii. Severance indemnities:

The Bank and its subsidiaries have no agreements with their employees with respect to severance payments, except for the subsidiaries BCI Servicios Financieros y Administración de Créditos Comerciales S.A. and BCI Administradora de Tarjetas Servicios Financieros Limitada, which have certain severance plans defined in a collective agreement with a portion of their employees; these plans provide severance payments regardless of the reason for terminating the employment, and the obligation is accounted for at actuarial value.

These companies recognize a provision (see note 21) to reflect the obligation to pay severance indemnities to employees who are entitled to receive these payments regardless of the reason for terminating the employment. This provision has been calculated using an actuarial methodology that considers estimates of staff turnover, discount rate, salary increase rate and mortality. The employee benefits liability is recognized at present value using the projected unit credit method, in accordance with the provisions of “IAS 19 — Employee Benefits”. Actuarial gains or losses related to experience adjustments and changes in variables are recognized as Other comprehensive income and form part of the balance of Other Equity Reserves.

The cost of services for the current period is the increase in the present value of the defined benefit obligations, which occurs because of the services provided by employees in the current period.

The financial cost is the increase during a period in the present value of the defined benefit obligations because such benefits are a period closer to their due date.

There is a present obligation when, and only when, the Entity has no other more realistic alternative than to make the corresponding payments.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The following are the assumptions used:

Detail	Source
Mortality	"RV-2014" Mortality tables established by the Commission for the Financial Market (CMF) were used.
Worker turnover	The historical turnover for executives, considering the collective bargaining agreement, voluntary resignation or termination of employment due to company needs, is 0% for key executives and 15% for non-key executives.
Discount rate	The discount rate used to discount the benefit payment flows for severance indemnities was an actual 0.58% a year. This rate corresponds to the 20-year BCU (Central Bank of Chile bond rate for bonds denominated in U.F.) as of December 27, 2020. (Source: Banco Central de Chile).
Salary Growth Rate	The salary growth used for the projections, both for base salary growth and for total salaries, is an actual 2.0% a year.
Retirement	The retirement ages used to make the payment projections are the minimum statutory ages for retirement in Chile (according to Decree Law 3500). These ages are widely used in the market, except when the reality of the company indicates otherwise. These ages are 65 years for men and 60 years for women.

As of March 31, 2021, and December 31, 2020, there are no experience adjustments or changes in variables. Therefore, no adjustments have been made against other reserves.

aa) Leases

On the start date of a lease the bank recognizes a right of use asset and a lease liability in accordance with the provisions of IFRS 16.

(i) Right of use assets

The Bank has lease contracts through which it has offices and branches, which are necessary to carry out its activities. Contract terms are negotiated individually and include a wide range of terms and conditions.

Leases are recognized, measured and disclosed in accordance with IFRS 16 "Leases." This requires that a right of use asset be determined and its corresponding lease liability at the date that the asset is available for use. Each rent payment consists of principal and interest. Financial interest is charged to the interest expense over the term of the lease agreement; the right-of-use asset is depreciated on a straight-line basis over the term of the contract.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The term of the lease includes the non-cancelable period established in the lease agreements, and generally has an automatic renewal clause, which is not included in the calculation of the financial liability. Additionally, each party can terminate the contract before expiration, upon notice. For both concepts, only the current contractual period has been considered for the calculation.

The present value of the lease payments is determined using the discount rate that represents the incremental rate of the Bank at the start date of the contracts.

In the initial measurement, the Bank measures the right of use asset at cost. The rent of the lease agreements is agreed in UF and paid in Chilean pesos. In accordance with the provisions of Circular No. 3,649 by the Financial Market Commission, the monthly variation in UF that affects the contracts established in said monetary unit must be treated as a new measurement; therefore, the adjustments must be recognized as a modification to the obligation and at the same time the amount of the asset must be adjusted for the right to use leased assets.

Contracts whose non-cancellable year is equal or less than 12 months are treated as short-term leases. Therefore, the associated payments are recorded as a straight-line expense. Any modification (as defined in the standard) in the terms or rental fee is treated according to IFRS 16.

The Bank has not entered into lease agreements with residual value guarantee clauses or variable lease payments.

The Bank applies IAS 36 “Impairment of assets” to determine if the right-of-use asset shows impairment and recognizes the identified impairment losses.

As of March 31, 2021, and December 31, 2020 the Bank has not identified impairment in the value of right-to-use assets.

(ii) Lease liability

The Bank measures the lease liability at the present value of the lease payments that have not been made as of that date. Lease payments are discounted using the interest rate implicit in the lease, if that rate can be easily determined. If that rate cannot be easily determined, the Bank will use the incremental rate. The lease payments included in the measurement of the lease liability include payments for the right to use the underlying asset during the term of the lease not made at the measurement date, which include (a) fixed payments, less any collectible lease incentive; (b) variable lease payments, which depend on an index or a rate, initially measured using the index or rate on the start date; (c) amounts expected by the lessee to pay as residual value guarantees; (d) the exercise price of a purchase option if the lessee is reasonably sure to exercise that option; and (e) payments for penalties arising from the termination of the lease, if the term of the lease reflects that the lessee will exercise an option to terminate the lease.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

After the initial recognition date, the Bank measures the lease liability in order to recognize (a) the interest on the lease liability; (b) the lease payments made; and (c) the new lease measurements or modifications, and also to reflect the essentially fixed lease payments that have been modified.

The Bank makes new measurements of the lease liability, discounting the modified lease payments, if, among other things, (a) there is a change in the expected amounts payable related to a residual value guarantee. A lessee will determine the lease payments to reflect the change in the amounts expected to be paid under the residual value guarantee; (b) there is a change in future lease payments from a change in an index or rate used to determine those payments.

The Bank measures the lease liability again to reflect modified lease payments only when there is a change in cash flows. The Bank will determine the revised lease payments, for the remainder of the lease term, based on the revised contractual payments.

As of January 1, 2019, the Bank measured the lease liability at the present value of the lease payments discounted using the incremental interest rate.

ab) Cash flow statement

The indirect method was applied for presentation of the interim consolidated statements of cash flows. This method is has a starting point of profit before tax. Revenues and expenses associated with cash flows from investing or financing activities are presented in such categories.

The following concepts are applied for the interim consolidated statements of cash flows:

- Cash flows: the inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in their maturity value equal or less to 90 days, such as: deposits with the Central Bank of Chile, with domestic and foreign banks.

- Operating activities: are the principal revenue-producing activities of the Bank and other activities that are not investing or financing activities.

- Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

- Financing activities: are activities that result in changes in size and composition of net equity and borrowings and that do not form part of the operating and investing activities.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

ac) Provisions and contingent assets and liabilities

Provisions are liabilities for which there is uncertainty regarding their amount or maturity. Provisions are recognized in the interim consolidated statements of financial position when they comply with all the following requirements:

- It is a present obligation as a result of a past event, and at the date of the consolidated financial statements, it is probable that an outflow of economic benefits will be required by the Bank or its subsidiaries to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

A contingent asset is an asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Provisions (which are measured considering the best available information regarding the consequences of the related event and are reviewed at the end of each reporting period and adjusted to reflect the current best estimate) are used to cover specific obligations for which they were originally recognized which are reversed or utilized upon non-occurrence or occurrence of the event.

Provisions are recognized for the following categories:

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

i. Additional provisions:

The FMC has defined that the additional provisions are those not deriving from the application of valuation models totheportfolioinordertocompensatedeficienciesinthem,andthattheirestablishmentmustbe justified by assumed risk as defined in unpredictable economic fluctuations.

The Bank has formal criteria and procedures for the use and constitution for the determination of additional provisions, which are approved by the Board of Directors.

As of March 31, additional provisions of MCh$43,347 (MCh$160,176 as of December 31, 2020) have been made. These have been made to anticipate the potential impairment of the loan portfolios resulting from the crisis caused by the COVID-19 pandemic.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

In no case have the additional provisions been established to compensate issues in the provision models used by the Bank, but to anticipate any potential impairment of the placement portfolio due to the crisis produced by the COVID-19 pandemic.

These provisions are established as set forth on Number 10 of Chapter B-1 of Accounting Regulations Compendium of the Commission for the Financial Market, which will be reported in liabilities (see Note 21 of Provisions).

ii. Minimum provisions required for the normal individual portfolio:

The FMC has determined that the Bank must maintain a percentage of minimum provision of 0.50% on loans and credit commitments from the normal individual portfolio in accordance with Chapter 2,1,3 of the number B-1 Compendium of Accounting Standards.

ad) Use of estimates and judgments

In the application of the Bank’s accounting policies, Bank management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Modifications to accounting estimates are recognized in the period in which the estimate is revised if the modification affects only that period, or in the period of the modification and future periods if the modification affects both current and future periods.

In particular, the information regarding the most significant areas of uncertainties and critical judgments in the application of accounting policies that have the most significant effect on the amounts recognized in the interim consolidated financial statements are described in the following notes:

- Allowances for loan losses (Notes 10, 11 y 29).
- Impairment of certain assets (Note 32).
- Valuation of financial instruments (Notes 7, 9 and 12).
- Useful life of property, plant and equipment and intangible assets (Notes 14 and 15).
- Use of tax loss carry-forward (Note 16).
- Contingencies and commitments (Note 23).
- Impairment test and intangible (Note 14).
- Employee benefits (note 19).

af) Income tax and deferred tax

The corporate income tax expense is calculated in accordance with IAS 12 and the Chilean Income Tax Act, which has a statutory rate of 27% for the default tax system under article 14 section A, which is the rate applied to both BCI and its subsidiaries in Chile.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The effects of changes in the tax regulations or in tax rates are recognized in deferred taxes as of the date of the law enactment or substantial law enactment.

As of March 31, 2021, and December 31, 2020, the Bank recognized deferred tax assets for which Management has assessed that it is probable that taxable profits will be available against which tax loss carryforwards can be utilized.

Deferred tax assets and deferred tax liabilities are offset in the consolidated statement of financial position, if you have the legally enforceable right to offset assets for current taxes against current tax liabilities, and only if these deferred taxes are related to taxes on the corresponding profits of the same taxable entity levied by the same tax authority.

In accordance with the Law 20,780 published in the Official Gazette on September 29, 2014, as amended by Law 20,899 published in the Official Gazette on February 8, 2016, the Bank as of the 2018 business year must apply a permanent rate of 27% for First Category tax. In addition, and temporarily, the Bank applied a rate of 24% for tax profits received or accrued in the 2016 business year and 25,5% was applied for tax profits received or accrued in the 2017 business year. In 2017, the tax reform law was published in the United States, which reduced the federal tax rate from 35% to 21%, as a result of which the subsidiaries domiciled in that country recalculated their deferred tax assets.

ag) Dividends on common shares

Dividends on ordinary shares are recognized in equity in the year in which they were approved by the Shareholders' Meeting of the Bank.

The Bank recognizes a liability for the portion of the period profit that must be distributed among the shareholders in compliance with Corporate Law, establishing that a minimum of 30% of net income for the period, or more, must be distributed as dividend, or according to the dividends policy.

ah) Earnings per share

Basic earnings per share are determined by dividing the consolidated net income for the period attributable to the Bank by the weighted average number of shares during that year.

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

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

ai) Collection operations and Protected Assets No, 27 formed by the direct subsidiary BCI Securitizadora S.A.

i) Collection Operations:

BCI Securitizadora S.A. may acquire assets in order to form a separate fund ("Protected Assets Fund") that supports the issuance of securitized bonds. These assets must have similar characteristics in order to be securitized and a separate fund must be formed for each separate issuance.

These assets may represent future cash flows (a "business plan" or future cash flows to be obtained from a specific asset or group of assets or entity) or existing asset (a portfolio of receivables, mortgage loans, etc.).

The above distinction is relevant when it comes to accounting for the debt at the Bank; in the first case, future cash flows should be accounted for at the Protected Assets Fund and also at the originator, and in the case of existing assets they should be accounted for only at the Protected Assets Fund.

Collection operations form part of the securitization process. In fact, the Securities Market Law itself, foreseeing the practical difficulty of forming a Protected Assets Fund, contemplates the possibility of acquiring assets that represent Protected Assets Fund underlying even before the placement of the respective bonds.

Since there is a possibility that the respective Protected Assets Fund never will be created or the securitized bond not be issued for any reason (legal, market, etc.), these transactions contract a put option where BCI Securitizadora S.A. may put the asset back under certain circumstances (mainly in the case when an entity cannot issue securitized bonds for the reasons discussed above).

ii) Protected Assets Fund No, 27:

The Interim Consolidated Financial Statements through the subsidiary BCI Securitizadora S.A., as of March 31, 2021 and December 31, 2020, maintains a balance amounted to MCh$15,851 and MCh$18,028, respectively, corresponding to loan receivables being the underlying of the Protected Assets Fund No. 27.

aj) Reclassifications

As of March 31, 2021, and December 31, 2020, no material reclassifications have been made.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

ak) Accounting pronouncements by the International Accounting Standards Board (IASB)

a.- Application of new and revised International Financial Reporting Standards (IFRS).

Amendments and Improvements to IFRS	**Effective date**
COVID-19-Related Rent Concessions (Amendment to IFRS 16)	Annual periods beginning on or after January 1, 2021

COVID-19-related Rent Concessions (Amendment to IFRS 16)

In May 2020, the International Accounting Standards Board (the Board) issued the amendment to IFRS 16 *Leases* that allows lessees not to assess whether rent concessions, which are a direct consequence of the effects of COVID-19 and meet a number of conditions, are lease modifications.

Amendments include an optional practical expedient that simplifies how the lessee accounts for rent concessions that are a direct result of COVID-19. The lessee applying the practical expedient is not required to assess whether the rent reductions are modifications to the lease, and to account for them along with the other considerations established in the guidance. The resulting accounting will depend on the details of the rent concession. For example, if the concession is in the form of a one-off reduction in rent, it will be accounted for as a variable lease payment and recognized in profit or loss.

The practical solution can be adopted only for rent concessions as a direct consequence of the COVID-19 and only if all the following conditions are met:

- the revised consideration is substantially equal to or less than the original consideration;
- any rent concession relates to payments which originally expired on or prior to June 30, 2021; and
- no other significant changes have been made to the terms of the lease.

The Bank’s Management believes that the implementation of these amendments had no effect on the Interim Consolidated Financial Statements.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

b.- New and revised IFRS issued but not yet effective:

New Standards	**Effective date**
IFRS 17 Insurance contracts	Annual periods beginning on or after January 1, 2023
Amendments and Improvements to IFRS	
Classification of liabilities as current or non-current (amendments to IAS 1).	Annual periods beginning on or after January 1, 2023
References to the Conceptual Framework (amendments to IFRS 3)	Annual periods beginning on or after January 1, 2022
Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)	Annual periods beginning on or after January 1, 2022
Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)	Annual periods beginning on or after January 1, 2022
Annual improvements to IFRS, cycle 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16)	Annual periods beginning on or after, January 1, 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date deferred indefinitely.

IFRS 17 Insurance contracts

Issued on May 18, 2017, this Standard requires that insurance obligations are measured at current compliance values and provides a more consistent approach for presenting and measuring all insurance contracts. Such requirements are designed to provide a consistent principle-based accounting treatment.

In March 2020, the International Accounting Standards Board (the Board) decided to defer the effective date of IFRS 17 to January 1, 2023. Early adoption is permitted if IFRS 9 and IFRS 15 have been adopted. The Board also decided to extend the temporary exemption to IFRS 9 granted to insurers who meet specified criteria, through January 1, 2023.

The Bank's Management believes this new standard will not have an impact on the Interim Consolidated Financial Statements, as companies in their consolidation perimeter do not issue insurance contracts.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The International Accounting Standards Board amended IAS 1 *Presentation of Financial Statements* to foster consistent application and clarify the requirements to determine whether an liability is current or non-current. As a result of such amendment, entities are required to review their loan contracts to determine whether their classification will change.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The amendments include the following:

- Right to defer settlement must have substance: under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for, at least, twelve months after the end of the reporting period. As part of its amendments, the IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

- Classification of revolving credit facilities may change: entities classify a liability as non-current if they have a right to defer its settlement for at least twelve months after the end of the reporting period. The IASB has now clarified that a right to defer exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.

- Liabilities with equity-settlement features: the amendments state that settlement of a liability includes transferring an entity's own equity instruments to the counterparty. The amendments clarify how a company classifies a liability that includes a counterparty conversion option, which could be recognized as either equity or a liability separately from the liability component foreseen in IAS 32 *Financial Instruments: Presentation*.

The amendment is effective retrospectively for annual periods beginning on or after January 1, 2023. Early adoption is permitted. However, companies will consider including disclosures in conformity with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* in their next annual financial statements.

The Bank's Management is assessing the possible impact of this amendment, however, it believes the application of this standard will not have any effect on the Bank's Interim Consolidated Financial Statements.

Reference to the Conceptual Framework (Amendments to IFRS 3)

In May 2020, the International Accounting Standards Board (the Board), issued the Reference to Conceptual Framework, which amends IFRS 3 Business Combinations. The amendment replaces the reference made to a previous version of the Conceptual Framework for Financial Reporting containing a reference to the last version issued in March 2018. In addition, the IASB included an exception to its requirement to the entity to make reference to the Conceptual Framework to determine what is an asset or a liability. This exception establishes that, for certain types of contingent assets and contingent liabilities, the entity that applies IFRS 3 must refer to IAS 37, "Provisions, Contingent Liabilities and Contingent Assets."

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Bank's Management is assessing the possible impact of this amendment, however, it believes the application of this reform will not have any effect on the Bank's Interim Consolidated Financial Statements.

Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)

In order to provide guidance on the accounting for sales and costs that entities can generate in the process of making an item of property, plant and equipment available for use, the International Accounting Standards Board (the Board) issued in May 2020 the amendment to IAS 16.

In accordance with these amendments, proceeds from the sale of the assets obtained in the process in which an item of Property, Plant and Equipment is available for use, should be recognized in the statement of income together with the costs of producing such assets. IAS 2 Inventories should be applied in identifying and measuring these items.

Entities will have the need to make the difference between:

- costs associated with producing and selling items before the item of Property, plant and equipment is available for use; and
- costs associated with making the item of Property, plant and equipment available for its intended use.

The Bank's Management is assessing the possible impact of this amendment, however, it believes the application of this reform will not have any effect on the Bank's Interim Consolidated Financial Statements.

Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)

In order to clarify the types of costs a company includes as fulfillment costs when assessing whether a contract is onerous, the IASB issued the amendment to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" in May 2020. As a result of such amendment entities which currently apply the "incremental cost" approach will be required to recognize larger provisions and an increased number of onerous contracts.

The amendment clarifies that cost of fulfilling a contract includes:

- the incremental costs, e.g. direct labor and materials; and
- allocations of other directs costs, e.g. the allocation of a depreciation expense of an item of property, plant and equipment used in fulfilling the contract.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

At the date of initial application, the cumulative effect of the application of this amendment to the Standard is recognized in the opening balances as an adjustment to retained earnings or any other item in equity, as applicable.

The Bank's Management is assessing the possible impact of this amendment, however, it believes the application of this standard will not have any effect on the Bank's Interim Consolidated Financial Statements.

2018-2020 Annual Improvements Cycle to IFRSs

Annual improvements includes amendments to four Standards, as follows:

- IFRS 1 *First-time Adoption of International Financial Reporting Standards*: This amendment simplifies the initial adoption of a subsidiary that adopts IFRS at a date later than the Parent, i.e., if a subsidiary adopts IFRS at a date later than the Parent and applies IFRS 1.D16(a), then the subsidiary is able to opt for measuring the cumulative translation effects for all foreign operations considering the amounts included in the Parent's consolidated financial statements on the basis of the Parent's date of transition to IFRS.

- IFRS 9 *Financial Instruments.* This amendment clarifies that – for the purpose of performing the '10 percent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

- IFRS 16 *Leases.* The amendment eliminates the illustrative example of lessor payments related to improvements to the leased property. As currently drafted, the example is unclear as to why such payments are not a lease incentive. The amendment will help eliminate the possibility of confusion in the identification of lease incentives in real estate agent transactions.

The Bank's Management is assessing the possible impact of this amendment, however, it believes the application of this standard will not have any effect on the Bank's Interim Consolidated Financial Statements. IFRS 9 will be applied by the Bank from January 2022, except for Section 5.5 on impairment of loans classified as "financial assets at amortized cost".

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 8).

On September 11, 2014, the IASB issued this amendment that requires that when transferring subsidiaries to an associate or joint venture, the total gain should be recognized when assets transferred meet the definition of “business” under IFRS 3, Business Combinations. This amendment establishes a strong pressure on the definition of “business” for recognition in profit or loss. Also, it introduces new and unexpected recognition for transactions that partially consider maintenance in assets that are not businesses.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The effective application date has been deferred indefinitely.

The Bank's Management has not determined the potential impact of the application of this amendment on its Interim Consolidated Financial Statements.

aj) Standards and Instructions issued by the Financial Market Commission (CMF).

General Standard No.451: establishing features and conditions that shall be complied with, in order to register debt securities such as: bonds, securitized bonds, convertible bonds, commercial papers and, in general, any short-term and long-term debt security, under automatic registry. Provided that the issuer's registration in the Securities Registry is valid as of the date of deposit of the issue for which registration is requested, and the issuer's registration has been in effect continuously during the 12 months prior to that date. In the case of mutual funds and investment funds supervised by this Commission, it shall be sufficient to meet this condition that, at the time of the request, the fund has the minimum equity and number of participants required by Article 5 of Article First of Law No. 20.712 on the Administration of Third-Party Funds and Individual Portfolios.

The Bank's Management considers that the application of this standard will have no significant effect on the Interim Consolidated Financial Statements.

Circular 2.285: the CMF complements instructions and extends the deadline to March 31, 2021 for the first submission of the R11 file on the rating of systemically important banks, which includes information for each of the twelve months of 2020.

The Bank's Management implemented these measures in the regulatory report R11 beginning on March 31, 2021.

NOTE 2 - ACCOUNTING CHANGES

During the period ended March 31, 2021, there have been no accounting changes with respect to the prior year that affect these Interim Consolidated Financial Statements.

NOTE 3 - SIGNIFICANT EVENTS

a) Agreement to distribute year 2020 profits

A Board meeting held on February 25, 2021 agreed to distribute the net profits of the Bank in 2020, which was approved at the Ordinary Shareholders' Meeting held on April 6, 2021. The Board approved the following matters:

• Distribute the net income for the year 2019, amounting to Ch$310,696,231,357 (MCh$310,696), as follows:

-Distribute a dividend of Ch$700 per share among the total of 148,767,940 shares issued and registered in the Shareholder Registry, which involves allocating for this purpose the sum of Ch$104,137,558,000 (MCh$ 104,138), that is 32.8% of the Bank's distributable net profit for 2020, and;

-Allocate the remaining balance of profits for the year, to the fund of reserves from profits, that is, the sum of Ch$ 206,558,673,357 (MCh$ 206,559).

b) Issuance and placement of bonds

During the first quarter of 2021, the following placement of ordinary bonds took place in UF:

Series	Issuance date	UF	TIR*rate	Maturity date
BBCIM31019	01.08.2021	3,000,000	(0.09)%	10.01.2028
BBCIM51019	01.13.2021	3,000,000	0.27%	10.01.2030
BBCIM41019	02.10.2021	3,000,000	(0.31)%	10.01.2029
BBCII20219	03.11.2021	100,000	0.01%	02.01.2029

During the first quarter of 2021, the following issue of ordinary bonds took place in U.S. dollars:

Series	Issuance date	CHF	TIR* rate	Maturity date
XS2318617185	03.17.2021	54,000,000.00	2.37%	12.03.2029

During the first quarter of 2021, the following placement of ordinary bonds took place in U.S. dollars:

Series	Issuance date	CHF	TIR*rate	Maturity date
XS2318617185	03.17.2021	54,000,000.00	2.37%	12.03.2029

NOTE 3 - SIGNIFICANT EVENTS, CONTINUED

c) Incorporation of Banco BCI Perú

The Bank's Board of Directors has authorized BCI's management to incorporate a bank in the city of Lima, Peru, which will become a subsidiary of BCI (hereinafter "Banco BCI Peru") subject to the conditions set forth below. Banco BCI Peru will have the nature of a corporation under the regulations of the Republic of Peru. This corporation will be registered with the National Superintendency of Public Registries of Peru and its shares will be registered with the Public Registry of the Securities Market and the Registry of the Lima Stock Exchange. 99.9% of the shares of Banco BCI Peru will be owned by BCI and the remaining 0.1% will be owned by Empresas JY S.A. Banco BCI Peru will be subject to the supervision of the appropriate Chilean and Peruvian regulatory entities. The incorporation and operation of Banco BCI Peru is subject, among other conditions, to approval by the Commission for the Financial Market and the Central Bank of Chile, in accordance with the provisions of Article 76 of the General Banking Law and Chapter 11-7 of the Commission's Updated Compendium of Regulations, as well as to obtaining the regulatory authorizations, and registrations required under Peruvian law.

As of March 31, 2021, the authorization processes before CMF in Chile and Superintendencia de Banca, Seguros y AFP (SBS) in Peru continue progressing.

d) Dissolution of the Subsidiary Análisis y Servicios S.A.

On November 15, 2019, the Financial Market Commission was requested to approve the dissolution of the company Analisis Servicios S.A. This company’s shareholders are Banco de Crédito e Inversiones with a 99% interest and BCI Corredor de Bolsa, S.A. with a 1% interest, respectively. The dissolution was approved by the Board of Directors of BCI at its meeting on August 27, 2019.

On December 12, 2019, the Council of the Financial Market Commission approved the request in ordinary meeting number 161.

On January 20, 2021, the resolution from the Chilean Internal Revenue Service was officially received confirming the line of business of Sociedad de Análisis y Servicios S.A. As of March 31, 2021, the Company is in process of liquidation.

e) Merger of the subsidiaries Servicios de Comercialización y de Apoyo Financiero y de Gestión SSFF and Servicios Financieros y Administración de Créditos Comerciales S.A.

On January 26, 2021, the Bank received authorization by the Financial Market Commission to perform the merger between Servicios Financieros y Administración de Créditos Comerciales S.A, the surviving company, and Sociedad de Servicios de Comercialización y de Apoyo Financiero y de Gestión SSFF Limitada. Management decided to perform the merger on January 31, 2021. The purpose of the merger is to enhance the efficiency and profitability, facilitate the supervision and oversight of the supporting companies, achieve greater organizational alignment and integrated management of the credit card business, simplifying business management, among others.

NOTE 3 - SIGNIFICANT EVENTS, CONTINUED

f) Ratification of Directors

At the Ordinary Meeting of April 6, 2021, Mr. Jorge Becerra Urbano was ratified as Bank Director, until the next Ordinary Shareholders' Meeting of the year.

g) Pagos y Servicios S.A.

On March 25, 2020, through resolution No. 2450, the Financial Market Commission authorized Banco de Crédito e Inversiones to make an investment, as a non-controlling interest, in the special stock company called Pagos y Servicios S.A., which operates under the commercial name “BCI Pagos”, and which will have as single line of business to act as a payment card operator. The Bank has contributed the amount of MCh$ 356 to this entity, divided into 499 shares, which is equivalent to a 49.9% interest.

To the date of these interim consolidated financial statements, the company Pagos y Servicios S.A. is in the process of obtaining authorization from the CMF to start operations.

h) Capital increase at Pagos y Servicios S.A.

On February 23, a capital increase was performed in Pagos y Servicios S.A, of which the Bank contributed with MCh$ 354, maintaining its ownership percentage in 49.9%.

i) FOGAPE Reactiva

On February 12, 2021, the Chilean Government implemented a new financing through FOGAPE Reactiva, which is an instrument that allows economic support to companies whose income was affected due to the difficulties generated by the pandemic and that were unable to apply to the 2020 version of this benefit. Note that the new credits may be used for investment, working capital and to refinance FOGAPE credits already requested, term and guarantee coverage for up to 7 years (2028). In addition, stamp tax is exempted from payment, but the company must not be in default for more than 29 days in the financial system, and must not be in default for more than 60 days in the Bank. As of March 31, 2021, the Bank has processed 2,030 transactions amounting to MCh$218,720 for this type of loan..

NOTE 4 – BUSINESS COMBINATION

Acquisition of National Bank acquisition

i. General aspects

On October 9, 2020, Banco de Crédito e Inversiones, through its indirect subsidiary City National Bank of Florida (hereinafter "CNB") acquired Executive National Bank by buying a 100% interest.

With this transaction, BCI reinforces its strategy of consolidating its presence in the market of the State of Florida, in the United States of America, expanding CNB's presence in this State through the growth of its customer base, offering exceptional service and a personalized experience. The Bank paid a total of US$62 million, equivalent in Chilean pesos to MCh$49,930, for this acquisition.

ii. Description of Acquired Bank

Executive National Bank is the investment company that merges with CNB, with the latter becoming the absorbing and legal successor to Executive National Bank

Executive National Bank is a leading retail and commercial banking financial institution in South Florida and has more than 40 years of presence in Miami, where its headquarters are located, offering a wide range of financial services, to small businesses and individuals.

At the time of acquisition, Executive National Bank had a loan portfolio of MCh$270,881, deposits of MCh$365,903 and equity of MCh$36,062, equivalent to 0.75%, 1.24% and 0.91% of the consolidated respective balances of such accounts in consolidation as of September 30,2020.

iii. Main reasons for the purchase

This operation is another step in BCI's decision of increasing its presence in Florida , an attractive market because of its size and growth; therefore, the Bank plans to become a platform with regional coverage, to accompany its clients as they expand their operations outside of Chile, through BCI Miami Branch, BCI Securities, City National Bank of Florida and representative offices.

This represents an advance of BCI's strategic objective of generating new sources of income; having a geographic diversification that allows the company not only to diversify risks, but also having access to new markets and clients; and serving current clients seeking solutions at a regional level. Therefore, the Bank is able to expend in Latin America.

With this transaction, City National Bank of Florida reached the consolidated assets for US$18 million. This growth will improve the position of the Bank as a leading competitor in the Miami market.

NOTE 4 – BUSINESS COMBINATION, CONTINUED

i. Detail of assets acquired, and liabilities assumed at fair value

The following is detail of assets and liabilities assumed at fair value of Executive National Bank at the acquisition date, as of October 9, 2020:

	Fair value recognized on date of acquisition (Provisional)	Reference
	MCh$	MCh$
ASSETS		
Cash and deposits in banks	107,282	
Items in course of collection	-	
Trading portfolio financial assets	22,282	**a**
Liabilities under agreements to repurchase	-	
Derivative financial liabilities	6,113	
Loans and receivables to banks, net	-	
Loans and receivables from customers, net	267,439	**b**
Financial investments available for sale	-	
Financial investments held to maturity	-	
Investments in other companies	-	
Intangible assets	4,482	**c**
Property, plant and equipment	2,664	**d**
Current and deferred taxes	384	**e**
Other assets	3,243	**f**
TOTAL ASSETS	**413,889**	
LIABILITIES		
Current accounts and demand deposits	356,702	**g**
Items in course of collection	-	
Liabilities under agreements to repurchase	-	
Deposits and other term loans	8,904	**g**
Derivative financial liabilities	6,113	
Borrowings from financial institutions	-	
Debt issued	-	
Other financial liabilities	4,210	**h**
Current and deferred taxes	-	
Provisions	-	
Other liabilities	2,617	**i.**
TOTAL LIABILITIES	**378,546**	
Total net identifiable assets at fair value	**35,343**	
Goodwill arising from acquisition	14,087	**j**
Consideration transferred in exchange for the acquire	**49,430**	
Net cash received with subsidiary (including cash flow from investing activities)	107,282	
Payment in cash	(49,430)	
Net cash difference	**57,852**	

NOTE 4 – BUSINESS COMBINATION, CONTINUED

The fair value adjustments presented have been determined on a provisional basis. The valuation process was carried out by qualified professionals independent from BCI Management and their external auditors. Fair value is defined as the price that would be received for selling an asset or that would be paid for transferring a liability in an orderly transaction between market participants at the valuation date, or acquisition in the case of BCI.

The way to determine the fair values at the date of purchase of the assets acquired and liabilities assumed is as follows:

a) Instruments for trading are valued at fair value in accordance with market prices on the date of the transaction.

b) Loans and accounts receivable from customers are presented net of provisions, unearned income and unaccreted amounts. The client portfolio is not impaired in value and the contractual cash flows are expected to be received in full.

c) Intangibles, this valuation corresponds to two concepts:

   a. Derecognition of goodwill generated in the previous acquisition or business combination which is present in the Executive National Bank financial statements,

   b. Assets identified through business combination, which will be detailed in the following table, and

Summary of intangibles identified in the business combination

Detail	Amount MCh$	Type	Useful life
Core deposits	3,667	Amortizable	8 years

Core deposits

Executive National Bank 's term deposits available to finance the placement of loans placed at a rate below the current market placement rates.

NOTE 4 – BUSINESS COMBINATION, CONTINUED

d) Adjustment related to Property, plant and equipment, corresponds to revaluation of Executive National Bank 's buildings.

e) Deferred tax asset corresponds to the tax effect associated with loans and intangibles recorded in the acquisition.

f) Other assets was adjusted to fair value based on the derecognition of low value and brand assets.

g) Deposits and other term deposits corresponds to valuations at market rates to recognize the deposits at fair value.

h) Other financial liabilities correspond to the valuations at market rates of Banco Federal de Préstamos Hipotecarios. (Federal Home Loan Bank)

i) Other liabilities correspond to severance indemnities payment obligations.

j) Goodwill

This corresponds to the goodwill generated on the acquisition of Executive National Bank and is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the acquiree over the net amounts at the acquisition date of the identifiable assets acquired and liabilities assumed. If, after reassessment, the net amounts at the acquisition date of the identifiable assets acquired and liabilities assumed exceed the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), such excess is recognized immediately in net income as a bargain purchase gain. Goodwill generated is not deductible for tax purposes.

Intangible assets will be subject to an impairment test according to the definitions and terms of IAS 36 for the asset value impairment.

iv. Other considerations

a) In the business combination, no contingent assets and liabilities were identified, nor contingent consideration.

b) Transaction costs related to the acquisition amounted to approximately US$900,000, which mainly corresponds to external legal advice and due diligence costs.

NOTE 5 - INFORMATION BY SEGMENTS

In accordance with IFRS 8, the Bank has aggregated operating segments with similar economic characteristics based on the aggregation criteria specified in the standard. Thus, a reporting segment comprises clients to whom differentiated products are addressed, which are homogeneous and whose performance is measured in a similar way, thus part of the same reporting segment. In general, this aggregation does not have any significant impact for understanding the nature and effects of the Bank's business activities and the economic environment in which it operates.

Segment reporting is presented by the Bank based on a defined business structure, which is focused on optimizing assistance to clients with products and service, according to relevant commercial characteristics.

The allocation of the results of asset and liability management of the reporting segments is performed according to the composition of assets of each business.

1. A proportion of corporate expenses is allocated to the reporting segments, under the same allocation methodology that is used for other expenses or support staff.

2. A higher proportion of corporate expenses is allocated to the reporting segments, under the same allocation methodology that is used for other support expenses or staff expenses (see next page).

3. Results for recognition or reversal of additional provisions and minimum provision adjustments were allocated to the segments in accordance with the proportion of customers for which these results were tabulated.

Following is the Bank's commercial structure with its reporting segments:

Retail Banking Segment: This segment includes individuals and entities with sales and incomes up to UF80,000, annual.

Retail Banking: Individuals. Individuals, Preferential, and Nova.

Small and Medium Enterprises: This operating segment includes entrepreneurs and enterprising entities (with sales of between UF2,400 and UF80,000) and includes microenterprises (with sales of less than UF2,400).

Wholesale Banking Segment: This segment is composed of companies whose annual sales exceed UF80,000, with the following operating segments:

This segment is composed of companies whose annual sales exceed UF80,000 (Companies, Large Companies and Real Estate) and large corporations, financial institutions and high net worth investors with financial needs of high value-added financial services (Corporate and Private).

Finance Segment: This segment includes financial position intermediation and the management of the Bank's own investments.

NOTE 5 – INFORMATION BY SEGMENTS, CONTINUED

BCI Financial Group: corresponds to business and operations carried out in the United States through the City National Bank of Florida (CNB), which operates as an independent unit, under the senior management supervision in Chile.

Financial Services: corresponds to the businesses associated with the issuance and operation of BCI Lider Mastercard and Presto credit cards, the origination of advances and brokerage of personal insurance, among others, which operates as an independent unit, under the supervision of BCI's top management.

In "**Others**" are included those expenses and/or income, which by their nature are not directly identifiable within the reportable segments and therefore are not assigned.

Income from subsidiaries allocation by client:

Consistent with its customer-focused strategy, management of the above segments considers each segment's income and expenses recorded in the subsidiaries as a result of the customer service in each segment, as well as the gain or loss from the distribution desk and the leasing business.

Investment management results allocation:

In order to allocate in each segment all, the benefits and costs associated with services provided to clients, the results of investment management services are allocated to the segments in proportion to total income for assets in each segment less average cost of funding.

Allocation of expenses to reporting segments:

Direct expenses: correspond to the costs directly attributable to each cost center of each segment which are clearly recognizable and assignable. For example, personnel expenses, materials and inventory, and depreciation.

Indirect expenses (centralized allocation of expenses): expenses recognized in general cost centers, according to Bank policy, are allocated to different segments.

Management support expenses: these expenses are allocated depending on the time and resources consumed by different segments, based on the need. These expenses are preliminarily defined and agreed to by the areas involved (user and support area).

These criteria have been applied for the periods ended March 31, 2021 and 2020.

The management of the above-mentioned commercial areas is measured with the concepts presented in this note, which is based on the accounting principles applied to the Bank's Interim Consolidated Statements of Income.

NOTE 5 – INFORMATION BY SEGMENTS, CONTINUED

a) Profit or loss in 2021:

	As of March 31, 2021							
	Retail Banking							
	Personal banking	Small & Medium Entities	Wholesale	Finance	BCI Financial Group	Financial Services	Other	Consolidated balances
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Net interest and indexation income	119,970	44,318	100,546	(146,020)	92,064	28,811	177,159	**416,848**
Net fee and commission income	35,596	7,873	19,102	(316)	11,814	5,480	(398)	**79,151**
Other operating income	1,569	2,701	23,251	160,580	2,685	2,106	(193,045)	**(153)**
Operating income	**157,135**	**54,892**	**142,899**	**14,244**	**106,563**	**36,397**	**(16,284)**	**495,846**
Provision for loan losses Impairment of repossessed assets	(8,827)	(11,531)	(7,855)	(479)	1,311	(4,718)	(39,835)	**(71,934)**
Operating income, net	**148,308**	**43,361**	**135,044**	**13,765**	**107,874**	**31,679**	**(56,119)**	**423,912**
Total operating expenses	**(90,902)**	**(24,919)**	**(43,081)**	**(11,124)**	**(54,879)**	**(17,536)**	**(16,288)**	**(258,729)**
OPERATING INCOME	**57,406**	**18,442**	**91,963**	**2,641**	**52,995**	**14,143**	**(72,407)**	**165,183**
Share of profits of investments accounted for using the equity method								**91**
Profit or loss before income tax								**165,274**
Income tax								**(16,324)**
CONSOLIDATED PROFIT OR LOSS FOR THE PERIOD								**148,950**

b) Business volume in 2021:

	As of March 31, 2021						
	Retail Banking						
	Personal banking	Small & Medium Entities	Wholesale	Finance	BCI Financial Group	Financial Services	Consolidated balances
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
ASSETS	11,449,482	3,011,054	10,359,412	17,162,550	14,225,192	617,956	**56,825,646**
LIABILITIES	6,504,327	1,997,652	11,138,685	19,872,666	12,789,210	531,653	**52,834,193**
EQUITY							**3,991,453**

NOTE 5 – INFORMATION BY SEGMENTS, CONTINUED

c) Profit or loss in 2020:

	As of March 31, 2020							
	Retail Banking							
	Personal banking	Small & Medium Entities	Wholesale	Finance	BCI Financial Group	Financial Services	Other	Consolidated balances
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Net interest and indexation income	116,280	39,411	87,028	134,748	85,168	32,023	(142,890)	**351,768**
Net fee and commission income	45,409	9,387	19,367	(1,712)	7,673	10,744	452	**91,320**
Other operating income	1,525	2,758	21,794	(128,721)	3,991	2,681	164,097	**68,125**
Operating income	**163,214**	**51,556**	**128,189**	**4,315**	**96,832**	**45,448**	**21,659**	**511,213**
Provision for loan losses Impairment of repossessed assets	(52,763)	(12,884)	(11,938)	(1,068)	(6,338)	(28,488)	(17,557)	**(131,036)**
Operating income, net	**110,451**	**38,672**	**116,251**	**3,247**	**90,494**	**16,960**	**4,102**	**380,177**
Total operating expenses	**(98,848)**	**(25,159)**	**(40,911)**	**(11,667)**	**(46,947)**	**(17,459)**	**(11,189)**	**(252,180)**
OPERATING INCOME	**11,603**	**13,513**	**75,340**	**(8,420)**	**43,547**	**(499)**	**(7,087)**	**127,997**
Share of profits of investments accounted for using the equity method								**919**
Profit or loss before income tax								**128,916**
Income tax								**(34,086)**
CONSOLIDATED PROFIT OR LOSS FOR THE PERIOD								**94,830**

d) Business volume in 2020:

	As of March 31, 2020						
	Retail Banking						
	Personal banking	Small & Medium Entities	Wholesale	Finance	BCI Financial Group	Financial Services	Consolidated balances
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
ASSETS	11,164,949	2,267,338	10,569,344	18,858,721	13,912,105	704,169	**57,476,626**
LIABILITIES	4,965,520	1,383,067	12,565,354	21,609,363	12,307,986	651,935	**53,483,225**
EQUITY							**3,993,401**

NOTE 6 - CASH AND CASH EQUIVALENTS

a) Details of balances included within cash and cash equivalents, and their reconciliation with the interim consolidated statements of cash flows, are as follows:

	As of March 31		As of December 31
	2021	**2020**	**2020**
	MCh$	**MCh$**	**MCh$**
Cash and deposits in banks			
Cash	601,262	506,654	608,987
Deposits in Central Bank of Chile (*)	2,322,551	299,688	1,708,329
Deposits in domestic banks	16,624	13,076	20,945
Deposits in foreign banks	1,719,072	2,266,517	2,259,606
Subtotal cash and deposits in banks	4,659,509	3,085,935	4,597,867
Items in course of collection, net	5,354	51,007	35,272
Highly liquid financial instruments	1,852,545	370,870	625,391
Repurchase agreements	144,925	154,472	156,448
Total cash and cash equivalents	**6,662,333**	**3,662,284**	**5,414,978**

(*) Deposits in Central Bank of Chile reflects the monthly average that the Bank must maintain in accordance with the regulations governing minimum reserves although the balance can be withdrawn on demand.

b) Items in course of collection

Itemsduringcollectioncorrespondtothosetransactionspendingsettlementwhichwillincrease or decrease deposits in Central Bank of Chile or in foreign banks, usually within 12 or 24 hours. At the end of each period, these operations are presented according to the following detail:

	As of March 31		As of December 31
	2021	**2020**	**2020**
	MCh$	**MCh$**	**MCh$**
Assets			
Outstanding notes from other Banks	50,322	47,580	71,092
Funds receivable	324,218	439,134	165,618
Subtotal assets	**374,540**	486,714	**236,710**
Liabilities			
Funds payable	369,186	435,707	201,438
Subtotal liabilities	369,186	435,707	**201,438**
Items in course of collection, net	**5,354**	**51,007**	**35,272**

NOTE 7 - TRADING PORTFOLIO FINANCIAL ASSETS

The following is the detail of trading portfolio financial assets as of March 31, 2021 and December 31, 2020:

	As of March 31 2021 MCh$	As of December 31 2020 MCh$
Instruments of the state and Central Bank of Chile (*)		
Bonds of the Central Bank of Chile	4,955	5,239
Promissory notes of the Central Bank of Chile	54,275	189,001
Other instruments of the State and Central Bank of Chile	42,358	242,844
Instruments of other domestic institutions:		
Bonds	86,415	397,541
Term deposits	94,737	119,599
Letters of credit	1,851	4,160
Documents issued by other financial institutions	58,636	68,613
Other instruments	8,922	19,388
Instruments of other foreign institutions:		
Other instruments	2,265	3,463
Investments in mutual funds:		
Funds administered by related parties	35,461	61,441
Funds administered by third parties	51,192	35,990
Total	**441,067**	**1,147,279**

(*) As of March 31, 2021 and December 31, 2020, the Bank holds instruments issued by the Central Bank of Chile, classified under "Instruments of the State and Central Bank of Chile" for MCh$36,711 and MCh$44,684, respectively.

NOTE 8 - INVESTMENTS UNDER AGREEMENTS TO RESELL AND LIABILITIES UNDER AGREEMENTS TO REPURCHASE

a) Securities purchased under agreements to resell:

Type of entity	Maturity of the agreement: Up to 3 months		Between 3 months and 1 year		Over 1 year		As of March 31, 2021
		Average rate		Average rate		Average rate	
	MCh$	%	MCh$	%	MCh$	%	MCh$
Individuals and/or related parties	-	-	-	-	-	-	**-**
Domestic banks	-	-	-	-	-	-	**-**
Securities brokers	23,080	0.15	6,544	0.15	-	-	**29,624**
Other domestic financial institutions	-	-	-	-	-	-	**-**
Foreign financial institutions	-	-	-	-	-	-	**-**
Other legal and/or natural persons	121,846	0.08	65,059	0,14	-	-	**186,905**
Total	**144,926**		**71,603**		**-**		**216,529**

Type of entity	Maturity of the agreement: Up to 3 months		Between 3 months and 1 year		Over 1 year		As of December 31, 2020
		Average rate		Average rate		Average rate	
	MCh$	%	MCh$	%	MCh$	%	MCh$
Individuals and/or related parties	-	-	-	-	-	-	**-**
Domestic banks	-	-	-	-	-	-	**-**
Securities brokers	4,955	0.14	895	0.12	-	-	**5,850**
Other domestic financial institutions	-	-	-	-	-	-	**-**
Foreign financial institutions	-	-	-	-	-	-	**-**
Other legal and/or natural persons	151,493	0.08	32,905	0.11	-	-	**184,398**
Total	**156,448**		**33,800**		**-**		**190,248**

NOTE 8 - INVESTMENTS UNDER AGREEMENTS TO RESELL AND LIABILITIES UNDER AGREEMENTS TO REPURCHASE, CONTINUED

b) Securities sold under repurchase agreements:

	Maturity of the agreement						
	Up to 3 months		Between 3 months and 1 year		Over 1 year		
Type of entity		Average rate		Average rate		Average rate	As of March 31, 2021
	MCh$	%	MCh$	%	MCh$	%	MCh$
Individuals and/or related parties	-	-	-	-	-	-	**-**
Domestic banks	28,140	0.04	-	-	-	-	**28,140**
Securities brokers	-	-	-	-	-	-	**-**
Other domestic financial institutions	59,999	0.02	-	-	-	-	**59,999**
Foreign financial institutions	-	-	-	-	-	-	**-**
Other legal and/or natural persons	149,402	0.02	2,254	0.02	-	-	**151,656**
Total	**237,541**		**2,254**				**239,795**

	Maturity of the agreement						
	Up to 3 months		Between 3 months and 1 year		Over 1 year		
Type of entity		Average rate		Average rate		Average rate	As of December 31, 2020
	MCh$	%	MCh$	%	MCh$	%	MCh$
Individuals and/or related parties	-	-	-	-	-	-	**-**
Domestic banks	52,018	0.04	-	-	-	-	**52,018**
Securities brokers	-	-	-	-	-	-	**-**
Other domestic financial institutions	79,997	0.03	-	-	-	-	**79,997**
Foreign financial institutions	-	-	-	-	-	-	**-**
Other legal and/or natural persons	218,222	0.07	77	0.06	-	-	**218,299**
Total	**350,237**		**77**		**-**		**350,314**

NOTE 9 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING

a) As of March 31, 2021 and December 31, 2020, the Bank and its subsidiaries held the following portfolio of derivative instruments:

As of March 31, 2021

	Notional Amount		Fair value	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Trading Derivatives				
Forwards	29,659,394	28,759,782	333,260	380,550
Swaps	98,405,319	97,272,145	2,927,645	2,924,754
Call Options	86,797	92,896	767	517
Put Options	93,830	94,632	1,276	3,087
Futures	43,145	43,145	34	1,402
Other	-	-	-	-
Subtotal	**128,288,485**	**126,262,600**	**3,262,982**	**3,310,310**
Fair Value Hedge Derivatives				
Forwards	-	-	-	-
Swaps	1,373,774	1,377,206	243,319	59,698
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Other	-	-	-	-
Subtotal	**1,373,774**	**1,377,206**	**243,319**	**59,698**
Cash Flow Hedge Derivatives				
Forwards	-	316,081	2,339	4,326
Swaps	2,127,309	3,158,527	784,379	1,134,314
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Other	-	-	-	-
Subtotal	**2,127,309**	**3,474,608**	**786,718**	**1,138,640**
Total	**131,789,568**	**131,114,414**	**4,293,019**	**4,508,648**

NOTE 9 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING, CONTINUED

As of December 31, 2021

	Notional Amount		Fair value	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Trading Derivatives				
Forwards	29,425,884	28,023,386	527,822	562,464
Swaps	121,459,609	119,407,296	3,887,843	3,960,328
Call Options	112,745	125,696	664	518
Put Options	114,710	120,516	3,846	4,868
Futures	3	3	-	238
Other	-	-	-	-
Subtotal	**151,112,951**	**147,676,897**	**4,420,175**	**4,528,416**
Fair Value Hedge Derivatives				
Forwards	-	-	-	-
Swaps	1,455,209	1,057,972	208,858	78,803
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Other	-	-	-	-
Subtotal	**1,455,209**	**1,057,972**	**208,858**	**78,803**
Cash Flow Hedge Derivatives				
Forwards	-	287,380	3,573	4,106
Swaps	2,116,451	2,970,952	819,291	1,182,029
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Other	-	-	-	-
Subtotal	2,116,451	**3,258,332**	**822,864**	**1,186,135**
Total	**154,684,611**	**151,993,201**	**5,451,897**	**5,793,354**

NOTE 9 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING, CONTINUED

b) Types of derivatives

The Bank uses hedge accounting to manage its exposure to fair value risk and risk of changes in cash flows.

Fair value hedges:

For hedged items in both foreign currency and local currency, the fair value of the hedged item is hedged to protect against changes in the base interest rate. These hedges reduce the risk related to fair value changes due to changes in the interest rate or foreign exchange rates, among others.

The following tables provide a summary of the hedged items and hedging instruments for fair value hedge accounting as of March 31, 2021 and December 31, 2020:

	As of March 31, 2021		As of December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Hedged item	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Bonds issued MX/MN	-	1,111,325	-	976,348
Term deposits	-	-	-	219,061
Investment MX	842,221	-	514,357	-
Macro hedge MN, MX	534,985	-	543,615	-
Obligations MN	-	262,449	-	259,800
Total	**1,377,206**	**1,373,774**	**1,057,972**	**1,455,209**

	As of March 31, 2021		As of December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Hedging instrument	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Cross Currency Swaps	438,905	581,011	396,601	591,271
Interest rate Swap MN	-	438,082	219,061	-
Interest rate Swap MX	934,869	358,113	839,547	466,701
Total	**1,373,774**	**1,377,206**	**1,455,209**	**1,057,972**

MX: Foreign currency
MN: Domestic currency

NOTE 9 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING, CONTINUED

Cash flow hedges:

The Bank uses cash flow hedging instruments such as cross currency swaps, forwards (inflation and exchange rate) and UF rate swaps to hedge the assets and liabilities exposed to variations in interest rates, exchange rates and/or inflation.

The following tables provide a summary of the hedged items and hedging instruments for fair value hedge accounting as of March 31, 2021 and December 31, 2020:

	As of March 31, 2021		As of December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Hedged item	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Assets UF > 1Y	2,198,097	-	1,992,524	-
Future obligations US$	-	64,714	-	64,060
Term deposits Ch$	-	1,865,392	-	1,853,524
Assets UF	316,378	-	313,183	-
Credits MX	485,352	-	480,451	-
Bond MN/MX	431,424	197,203	427,068	198,867
Assets US$	43,357	-	45,106	-
Total	**3,474,608**	**2,127,309**	**3,258,332**	**2,116,451**

	As of March 31, 2021		As of December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Hedging instrument	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Cross Currency Swaps	261,917	2,256,172	262,927	2,047,163
Forward UF	-	311,585	-	284,889
Swap MX	-	489,848	-	480,451
Forward US$	-	-	-	2,491
Swap rate	1,865,392	417,003	1,853,524	443,338
Total	**2,127,309**	**3,474,608**	**2,116,451**	**3,258,332**

MX: Foreign currency
MN: Domestic currency

NOTE 9 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING, CONTINUED

The following table provides details of the expected future cash flows related to cash flow hedges:

Periods of expected future cash flows

	As of March 31, 2021				
	Within 1 year	**Between 1 and 5 years**	**Between 5 and 10 years**	**More than 10 years**	**Total**
Hedged item	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Cash inflows	554,071	3,634,077	2,060,122	169,113	6,417,383
Cash outflows	(569,820)	(3,494,135)	(1,767,147)	(199,650)	(6,030,752)
Net cash flows	**(15,749)**	**139,942**	**292,975**	**(30,537)**	**386,631**
Hedging instrument					
Cash inflows	569,820	3,494,135	1,767,147	199,650	6,030,752
Cash outflows	(554,071)	(3,634,077)	(2,060,122)	(169,113)	(6,417,383)
Net cash flows	**15,749**	**(139,942)**	**(292,975)**	**30,537**	**(386,631)**

Periods of expected future cash flows

	As of December 31, 2020				
	Within 1 year	**Between 1 and 5 years**	**Between 5 and 10 years**	**More than 10 years**	**Total**
Hedged item	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Cash inflows	633,123	3,353,185	2,235,947	79,268	6,301,523
Cash outflows	(641,547)	(3,184,154)	(1,935,290)	(94,781)	(5,855,772)
Net cash flows	**(8,424)**	**169,031**	**300,657**	**(15,513)**	**445,751**
Hedging instrument					
Cash inflows	641,547	3,184,154	1,935,290	94,781	5,855,772
Cash outflows	(633,123)	(3,353,185)	(2,235,947)	(79,268)	(6,301,523)
Net cash flows	**8,424**	**(169,031)**	**(300,657)**	**15,513**	**(445,751)**

NOTE 10 - LOANS AND RECEIVABLES FROM BANKS

a) As of March 31, 2021 and December 31, 2020, balances for this concept are the following:

	As of March 31 2021 MCh$	As of December 31 2020 MCh$
Domestic banks		
Highly liquid interbank loans	-	-
Allowance for loans with domestic banks	-	-
Foreign banks		
Commercial interbank loans	439,153	357,032
Allowance for loans with foreign banks	(420)	(363)
Total	**438,733**	**356,669**

b) The rollforward as of March 31, 2021 and December 31, 2020 of provisions and impairment is as follows:

	As of March 31, 2021			As of December 31, 2020		
Detail	**Domestic banks MCh$**	**Foreign banks MCh$**	**Total MCh$**	**Domestic banks MCh$**	**Foreign banks MCh$**	**Total MCh$**
Balance as of January 1	**-**	**363**	**363**	**-**	**505**	**505**
Write-offs	-	-	-	-	-	-
Allowances established	-	92	**92**	-	-	**-**
Allowances released	-	(35)	**(35)**	-	(142)	**(142)**
Impairment	-	-	-	-	-	-
Reversal of impairment	-	-	-	-	-	-
Balances	**-**	**420**	**420**	**-**	**363**	**363**

NOTE 11 – LOANS TO AND RECEIVABLES FROM CUSTOMERS

a) Loans and receivables from customers

As of March 31, 2021 and December 31, 2020, the composition of the loan portfolio was as follows:

	Assets before allowances				Allowances established			
As of March 31, 2021	**Normal portfolio**	**Substandard portfolio**	**Non-compliant portfolio**	**Total**	**Individual allowance**	**Collective allowance**	**Total**	**Net assets**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Commercial loans:								
Commercial loans (*)	17,442,581	1,727,920	716,394	19,886,895	(242,799)	(166,015)	(408,814)	19,478,081
Foreign trade loans	695,113	41,566	236	736,915	(13,045)	(486)	(13,531)	723,384
Current accounts receivable	119,044	2,727	9,756	131,527	(1,658)	(6,085)	(7,743)	123,784
Factoring operations	794,548	12,701	1,426	808,675	(6,898)	(1,533)	(8,431)	800,244
Student Loans	123,995	-	20,485	144,480	-	(4,921)	(4,921)	139,559
Consumer leasing transactions	1,348,387	68,288	28,924	1,445,599	(14,357)	(7,102)	(21,459)	1,424,140
Other loans and receivables	48,479	594	8,968	58,041	(634)	(5,560)	(6,194)	51,847
Subtotal	**20,572,147**	**1,853,796**	**786,189**	**23,212,132**	**(279,391)**	**(191,702)**	**(471,093)**	**22,741,039**
Mortgage loans:								
Letters of credit	4,639	-	354	4,993	-	(9)	(9)	4,984
Negotiable mortgage loans	1,493,733	-	20,481	1,514,214	-	(8)	(8)	1,514,206
Other mortgage loans	7,353,835	-	223,482	7,577,317	-	(49,751)	(49,751)	7,527,566
Consumer leasing transactions	-	-	-	-	-	-	-	-
Other loans and receivables	132,741	-	5,676	138,417	-	(628)	(628)	137,789
Subtotal	**8,984,948**	**-**	**249,993**	**9,234,941**	**-**	**(50,396)**	**(50,396)**	**9,184,545**
Consumer loans:								
Consumer loans in installments	1,839,248	-	206,651	2,045,899	-	(149,484)	(149,484)	1,896,415
Current accounts receivable	59,137	-	7,715	66,852	-	(8,392)	(8,392)	58,460
Credit card borrowers	1,160,216	-	55,017	1,215,233	-	(79,972)	(79,972)	1,135,261
Consumer leasing transactions	626	-	5	631	-	(7)	(7)	624
Other loans and receivables	7,112	-	143	7,255	-	(449)	(449)	6,806
Subtotal	**3,066,339**	**-**	**269,531**	**3,335,870**	**-**	**(238,304)**	**(238,304)**	**3,097,566**
		-						
TOTAL	**32,623,434**	**1,853,796**	**1,305,713**	**35,782,943**	**(279,391)**	**(480,402)**	**(759,793)**	**35,023,150**

(*) Includes loans corresponding to Protected Assets Fund No. 27 as stated in Note 1, ag).

NOTE 11 – LOANS TO AND RECEIVABLES FROM CUSTOMERS, CONTINUED

As of December 31, 2020	Assets before allowances				Allowances established			
	Normal portfolio	Substandard portfolio	Non-compliant portfolio	Total	Individual allowance	Collective allowance	Total	Net assets
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Commercial loans:								
Commercial loans (*)	17,504,282	1,582,279	680,960	19,767,521	(233,967)	(170,030)	(403,997)	19,363,524
Foreign trade loans	666,961	33,733	279	700,973	(11,935)	(633)	(12,568)	688,405
Current accounts receivable	121,036	1,969	10,806	133,811	(1,560)	(6,652)	(8,212)	125,599
Factoring operations	907,285	14,026	2,305	923,616	(6,832)	(1,830)	(8,662)	914,954
Student Loans	125,148	-	21,082	146,230	-	(5,339)	(5,339)	140,891
Consumer leasing transactions	1,337,162	79,192	27,675	1,444,029	(14,089)	(7,028)	(21,117)	1,422,912
Other loans and receivables	47,615	366	9,566	57,547	(1,115)	(5,600)	(6,715)	50,832
Subtotal	**20,709,489**	**1,711,565**	**752,673**	**23,173,727**	**(269,498)**	**(197,112)**	**(466,610)**	**22,707,117**
Mortgage loans:								
Letters of credit	5,190	-	379	5,569	-	(9)	(9)	5,560
Negotiable mortgage loans	1,509,776	-	23,314	1,533,090	-	(10)	(10)	1,533,080
Other mortgage loans	7,056,103	-	214,884	7,270,987	-	(47,758)	(47,758)	7,223,229
Consumer leasing transactions	-	-	-	-	-	-	-	-
Other loans and receivables	132,021	-	4,034	136,055	-	(453)	(453)	135,602
Subtotal	**8,703,090**	**-**	**242,611**	**8,945,701**	**-**	**(48,230)**	**(48,230)**	**8,897,471**
Consumer loans:								
Consumer loans in installments	1,839,122	-	251,056	2,090,178	-	(176,326)	(176,326)	1,913,852
Current accounts receivable	56,790	-	8,595	65,385	-	(9,349)	(9,349)	56,036
Credit card borrowers	1,161,662	-	63,265	1,224,927	-	(89,010)	(89,010)	1,135,917
Consumer leasing transactions	728	-	34	762	-	(21)	(21)	741
Other loans and receivables	7,866	-	167	8,033	-	(486)	(486)	7,547
Subtotal	**3,066,168**	**-**	**323,117**	**3,389,285**	**-**	**(275,192)**	**(275,192)**	**3,114,093**
		-						
TOTAL	**32,478,747**	**1,711,565**	**1,318,401**	**35,508,713**	**(269,498)**	**(520,534)**	**(790,032)**	**34,718,681**

(*) Includes loans corresponding to Protected Assets Fund No. 27 as stated in Note 1, ag).

NOTE 11 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, CONTINUED

The collateral received by the Bank with respect to the mortgage loan portfolio consists of cash, securities, accounts receivable, property and real estate assets, and guarantees, among others.

The Bank uses finance lease agreements for terms from 1 to 10 years, depending on the contract, to finance acquisition of property, both movable and immovable, for its clients. Those are presented in the heading of leasing operations. As of March 31, 2021 and December 31, 2020, the Bank held approximately MCh$585,471 and MCh$575,648, respectively, of movable property under finance leases, and MCh$860,759 and MCh$869,143, respectively, of immovable property under finance lease arrangements.

The following tables provide a reconciliation between gross investment in and present value of minimum payments as of March 31, 2021 and December 31, 2020 as well as a maturity analysis at such dates:

.	As of March 31	As of December 31
	2021	2020
	MCh$	MCh$
Gross finance leases	1,608,548	1,612,395
Unaccrued finance income	(162,318)	(167,604)
Net finance leases	**1,446,230**	**1,444,791**

.	As of March 31	As of December 31
	2021	2020
	MCh$	MCh$
Less than 1 year	352,954	350,850
Over 1 year and less than 5 years	627,726	633,074
Over 5 years	465,550	460,867
Total	**1,446,230**	**1,444,791**

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

The Bank has obtained repossessed assets for an amount of MCh$1,129 as of March 31, 2021 and MCh$6,037 as of December 31, 2020 through the execution of collateral held on assets.

NOTE 11 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, CONTINUED

b) Portfolio characteristics:

As of March 31, 2021 and December 31, 2020, the loan portfolio, before allowances, by type of customer economic activity is as follows:

	Domestic loans		Foreign loans		Total			
	As of March 31	As of December 31	As of March 31	As of December 31	As of March 31	As of December 31	As of March 31	As of December 31
	2021	2020	2021	2020	2021	2020	2021	2020
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	%	%
Commercial loans:								
Agriculture and livestock except fruit farming	370,238	362,664	129,972	136,201	500,210	498,865	1.40%	1.40%
Fruit farming	125,388	125,220	161,995	146,164	287,383	271,384	0.80%	0.76%
Forestry and wood extraction	115,126	124,884	20,537	21,085	135,663	145,969	0.38%	0.41%
Fishing	41,691	43,994	98,459	103,435	140,150	147,429	0.39%	0.42%
Mining	67,438	66,874	61,610	91,149	129,048	158,023	0.36%	0.45%
Crude oil and natural gas production	1,814	30,238	68,148	40,614	69,962	70,852	0.20%	0.20%
Food, beverage and tobacco industry	312,303	292,586	94,291	103,320	406,594	395,906	1.14%	1.11%
Textile and leather industry	51,443	53,125	15,881	22,471	67,324	75,596	0.19%	0.21%
Timber and furniture industry	66,342	61,224	7,157	4,065	73,499	65,289	0.21%	0.18%
Print and editorial industry	71,815	81,237	23,881	12,921	95,696	94,158	0.27%	0.27%
Chemical product, derived from oil, coal, rubber and plastic	156,724	165,965	63,351	49,065	220,075	215,030	0.62%	0.61%
Production of metal and non-metal products, machinery and equipment	493,039	501,233	127,396	119,339	620,435	620,572	1.73%	1.75%
Other manufacturing industries	41,301	39,508	219,661	211,081	260,962	250,589	0.73%	0.71%
Electricity, gas and water	267,440	270,663	314,589	309,253	582,029	579,916	1.63%	1.63%
Home construction	79,249	109,323	11,027	2,467	90,276	111,790	0.25%	0.31%
Other construction	1,557,584	1,571,475	263,096	257,667	1,820,680	1,829,142	5.09%	5.15%
Wholesale business	1,114,578	1,183,063	422,323	387,691	1,536,901	1,570,754	4.30%	4.42%
Retail, restaurants and hotels	929,425	972,932	1,492,305	1,378,470	2,421,730	2,351,402	6.77%	6.62%
Transporting and storage	576,393	522,923	554,036	574,164	1,130,429	1,097,087	3.16%	3.09%
Communications	200,763	270,543	177,641	182,757	378,404	453,300	1.06%	1.28%
Financial and insurance companies	2,165,690	2,271,488	391,612	399,290	2,557,302	2,670,778	7.15%	7.52%
Real estate and service providers	2,148,521	2,100,433	2,828,616	2,757,274	4,977,137	4,857,707	13.91%	13.68%
Communal, social and personal services	2,259,975	2,255,641	2,450,268	2,386,548	4,710,243	4,642,189	13.16%	13.07%
Subtotal	**13,214,280**	**13,477,236**	**9,997,852**	**9,696,491**	**23,212,132**	**23,173,727**	**64.90%**	**65.26%**
Mortgage loans	7,724,074	7,416,285	1,510,867	1,529,416	9,234,941	8,945,701	25.81%	25.19%
Consumer loans	3,281,759	3,326,941	54,111	62,344	3,335,870	3,389,285	9.32%	9.54%
Total	**24,220,113**	**24,220,462**	**11,562,830**	**11,288,251**	**35,782,943**	**35,508,713**	**100.00%**	**100.00%**

NOTE 11 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, NET, CONTINUED

c) Provisions

The changes in allowances for loan losses as of March 31, 2021 and December 31, 2020:

	As of March 31, 2021			As of December 31, 2020		
	Individual allowance	Collective allowance	Total	Individual allowance	Collective allowance	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balances as of January 1,	**269,498**	**520,534**	**790,032**	**189,281**	**479,040**	**668,321**
Portfolio write-offs:						
Commercial loans	(1,691)	(19,619)	(21,310)	(42,323)	(64,632)	(106,955)
Mortgage loans	-	(1,772)	(1,772)	-	(7,896)	(7,896)
Consumer loans	-	(51,960)	(51,960)	-	(334,383)	(334,383)
Total Write-offs	**(1,691)**	**(73,351)**	**(75,042)**	**(42,323)**	**(406,911)**	**(449,234)**
Allowances established	15,245	75,716	90,961	146,828	496,987	643,815
Reversal of provisions	(3,661)	(42,497)	(46,158)	(24,288)	(48,582)	(72,870)
Ending balance	**279,391**	**480,402**	**759,793**	**269,498**	**520,534**	**790,032**

In addition to these allowances for loan losses, the provisions for country risk are maintained to cover operations abroad, as well as additional provisions approved by the Board, which are presented as liabilities under “Provisions” (See Note 21). Therefore, the total amount of allowances and provisions for credit risk constituted for different concepts corresponds to the following:

	As of March 31	As of December 31
	2021	2020
	MCh$	MCh$
Individual and collective allowance (*)	759,793	790,032
Provisions for contingent credit risk (Note 21)	53,890	51,593
Additional provisions (Note 21)	203,523	160,176
Minimum provision 0.50% (Note 21)	-	-
Provisions for country risk (Note 21)	3,349	3,608
Allowances on loans and receivables to banks (Note 10)	420	363
Total	**1,020,975**	**1,005,772**

(*) As of March 31, 2021 and December 31, 2020 the Bank has established provisions totaling MCh$29,187 and MCh$ 29,276, respectively, to cover the FOGAPE Covid-19 deductible guarantees, associated with commercial banking loans.

During the period 2021 and year 2020, the Bank has not participated in any purchase, sale, substitution or swap of the loan portfolio with other financial institutions, except for operations disclosed in these interim consolidated financial statements.

d) Collateral

Impaired loan portfolio, secured and unsecured, before allowances for loan losses, as of March 31, 2021 and December 31, 2020 was as follows:

	As of March 31, 2021				As of December 31, 2020			
	Commercial	**Mortgage**	**Consumer**	**Total**	**Commercial**	**Mortgage**	**Consumer**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Secured debt	860,192	247,527	65,403	1,173,122	813,030	236,927	77,433	**1,127,390**
Unsecured debt	123,588	2,466	204,128	330,182	129,139	5,684	245,684	**380,507**
Total	**983,780**	**249,993**	**269,531**	**1,503,304**	**942,169**	**242,611**	**323,117**	**1,507,897**

e) Past due portfolio

The past due portfolio (overdue for 90 days or more) as of March 31, 2021 and December 31, 2020 was as follows:

	As of March 31, 2021				As of December 31, 2020			
	Commercial	**Mortgage**	**Consumer**	**Total**	**Commercial**	**Mortgage**	**Consumer**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Secured debt	220,450	74,652	9,848	304,950	198,888	74,984	6,621	**280,493**
Unsecured debt	62,202	1,817	64,322	128,341	72,893	3,133	61,137	**137,163**
Total	**282,652**	**76,469**	**74,170**	**433,291**	**271,781**	**78,117**	**67,758**	**417,656**

NOTE 11 – LOANS TO AND RECEIVABLES FROM CUSTOMERS, CONTINUED

f) Normal, substandard and non-compliant portfolio:

	As of March 31, 2021															
	Normal				Substandard				Non-compliant				Total portfolio			
	Commercial	Mortgage	Consumer	Total Normal	Commercial	Mortgage	Consumer	Total substandard	Commercial	Mortgage	Consumer	Total non-compliant	Commercial	Mortgage	Consumer	Total portfolio
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Portfolio Current	20,304,117	8,949,011	3,062,025	32,315,153	1,791,008	-	-	1,791,008	500,445	223,723	198,447	922,615	22,595,570	9,172,734	3,260,472	35,028,776
Overdue for 1 to 29 days	252,181	17,868	3,539	273,588	49,606	-	-	49,606	48,967	914	1,797	51,678	350,754	18,782	5,336	374,872
Overdue for 30 to 89 days	15,849	18,069	775	34,693	11,562	-	-	11,562	26,981	3,434	14,315	44,730	54,392	21,503	15,090	90,985
Overdue for 90 days or more					1,620	-	-	1,620	209,796	21,922	54,972	286,690	211,416	21,922	54,972	288,310
Total portfolio before allowances	**20,572,147**	**8,984,948**	**3,066,339**	**32,623,434**	**1,853,796**	**-**	**-**	**1,853,796**	**786,189**	**249,993**	**269,531**	**1,305,713**	**23,212,132**	**9,234,941**	**3,335,870**	**35,782,943**
Past due loans (less than 90 days in default) as a percentage of the portfolio	1.30%	0.40%	0.14%	0.94%	3.30%	0.00%	0.00%	3.30%	9.66%	1.74%	5.98%	7.38%	1.75%	0.44%	0.61%	1.30%
Past due loans (less than 90 days in default) as a percentage of the portfolio	0.00%	0.00%	0.00%	0.00%	0.09%	0.00%	0.00%	0.09%	26.69%	8.77%	20.40%	21.96%	0.91%	0.24%	1.65%	0.81%

NOTE 11 – LOANS TO AND RECEIVABLES FROM CUSTOMERS, CONTINUED

	As of December 31, 2020															
	Normal				Substandard				Non-compliant				Total portfolio			
	Commercial	Mortgage	Consumer	Total Normal	Commercial	Mortgage	Consumer	Total substandard	Commercial	Mortgage	Consumer	Total non-compliant	Commercial	Mortgage	Consumer	Total portfolio
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Portfolio Current	19,703,320	8,542,695	3,048,838	31,294,853	1,520,077	-	-	1,520,077	520,901	211,217	258,214	990,332	21,744,298	8,753,912	3,307,052	33,805,262
Overdue for 1 to 29 days	958,139	127,245	14,767	1,100,151	152,895	-	-	152,895	6,329	1,021	5,247	12,597	1,117,363	128,266	20,014	1,265,643
Overdue for 30 to 89 days	48,030	32,780	2,563	83,373	37,560	-	-	37,560	18,123	4,138	12,031	34,292	103,713	36,918	14,594	155,225
Overdue for 90 days or more	-	370	-	370	1,033	-	-	1,033	207,320	26,235	47,625	281,180	208,353	26,605	47,625	282,583
Total portfolio before allowances	**20,709,489**	**8,703,090**	**3,066,168**	**32,478,747**	**1,711,565**	**-**	**-**	**1,711,565**	**752,673**	**242,611**	**323,117**	**1,318,401**	**23,173,727**	**8,945,701**	**3,389,285**	**35,508,713**
Past due loans (less than 90 days in default) as a percentage of the portfolio	4.86%	1.84%	0.57%	3.64%	11.13%	0,00%	0,00%	11.13%	3.25%	2.13%	5.35%	3.56%	5.27%	1.85%	1.02%	4.00%
Past due loans (less than 90 days in default) as a percentage of the portfolio	0,00%	0,00%	0,00%	0,00%	0.06%	0,00%	0,00%	0.06%	27.54%	10.81%	14.74%	21.33%	0.90%	0.30%	1.41%	0.80%

NOTE 12 – FINANCIAL INVESTMENTS

As of March 31, 2021 and December 31, 2020, financial investments available for sale and held to maturity are as follows:

	As of March 31, 2021			As of December 31, 2020		
	Available for sale	Held to maturity	Total	Available for sale	Held to maturity	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Financial investments quoted in active markets						
Of the state and the Central Bank of Chile (a):						
Instruments of the Central Bank of Chile (b)	1,861,936	-	1,861,936	1,840,936	-	1,840,936
Bonds or promissory notes of the Treasury	2,107,470	-	2,107,470	1,578,684	-	1,578,684
Other fiscal instruments	4,913	-	4,913	5,110	-	5,110
Other domestic instruments:						
Financial instruments issued by other domestic banks	955,050	-	955,050	913,288	-	913,288
Bonds and corporate commercial papers	11,586	-	11,586	11,792	-	11,792
Other domestic instruments:	2,448	-	2,448	2,443	-	2,443
Foreign instruments:						
Instruments issued by foreign states and central banks (c)	377,323	18,716	396,039	486,068	18,626	504,694
Other foreign instruments	3,418,493	276,829	3,695,322	3,157,719	6,518	3,164,237
Total	**8,739,219**	**295,545**	**9,034,764**	**7,996,040**	**25,144**	**8,021,184**

(a) As of March 31, 2021 and December 31, 2020, the Bank does not maintain zero coupon instruments classified in the portfolio available for sale.

(b) As of March 31, 2021 and December 31, 2020, the Bank does not maintain instruments of the Central Bank of Chile, sold with repurchase agreements classified in the caption "State Instruments and Central Bank of Chile.”

(c) Financial investments held to maturity correspond to the portfolio of the Bank subsidiary, BCI Financial Group, INC. and subsidiaries, that holds investments in state bonds on the balance sheet of CNB, and the intent is to hold them to maturity.

As of March 31, 2021 and December 31, 2020, there is no evidence of impairment in the investment instruments available for sale.

NOTE 13 - INVESTMENTS IN OTHER COMPANIES

a) As of March 31, 2021 and December 31, 2020, principal investments in associates, joint ventures and other entities are detailed below:

	As of March 31, 2021				As of December 31, 2020			
Company	Equity	Ownership	Investment value	Accrued profit or loss	Equity	Ownership	Investment value	Accrued profit or loss
	MCh$	%	MCh$	MCh$	MCh$	%	MCh$	MCh$
Investments under equity method:								
Redbanc S.A.	8,831	12.71	1,122	24	8,663	12.71	1,101	(82)
Combanc S.A.	6,465	11.74	759	7	6,436	11.74	756	22
Transbank S.A.	61,499	8.72	5,362	(509)	67,336	8.72	5,871	(1,453)
Nexus S.A.	9,639	14.81	1,428	167	8,626	14.81	1,277	(1,341)
Servicio de Infraestructura de Mercado OTC S.A.	12,204	13.61	1,661	(4)	12,248	13.61	1,667	(26)
AFT S.A.	19,338	20.00	3,868	48	19,171	20.00	3,834	389
Centro de Compensación Automatizado S.A.	8,576	33.33	2,858	49	8,182	33.33	2,727	635
Sociedad Interbancaria de Depósitos de Valores S.A.	5,707	7.03	401	13	5,526	7.03	388	72
Pagos y Servicios S.A.	1,271	49.90	700	(46)	654	49.90	392	-
Investment measured at cost:								
SWIFT shares			56	-			56	-
Bladex shares			219	37			219	266
Other shares			462	98			429	119
Total			**18,896**	**(116)**			**18,717**	**(1,399)**
Investment in joint ventures								
Investments under equity method:								
Servipag Ltda.	13,451	50.00	6,726	92	13,268	50.00	6,634	488
Artikos Chile S.A.	2,777	50.00	1,388	115	2,547	50.00	1,274	553
Total			**8,114**	**207**			**7,908**	**1,041**
Total investments in other companies			**27,010**	**91**			**26,625**	**(358)**

NOTE 13 - INVESTMENTS IN OTHER COMPANIES, CONTINUED

b) The rollforward of investments in other companies as of March 31, 2021 and December 31, 2020, is as follows:

	As of March 31, 2021	As of December 31, 2020
	MCh$	MCh$
Balances as of January 1	**26,625**	**27,823**
Acquisition of investments	354	392
Share of profit or loss of equity-accounted investees	91	(358)
Dividends received	40	(388)
Adjustment for minimum dividend provision	(48)	(465)
Minimum dividends provision	(52)	(379)
Ending balance	**27,010**	**26,625**

NOTE 14 - INTANGIBLE ASSETS

a) The composition of intangible assets as of March 31, 2021 and December 31, 2020 was the following:

			As of March 31, 2021		
Concept	Average useful life years	Remaining average useful life years	Gross balance	Accumulated amortization	Net balance
			MCh$	MCh$	MCh$
Intangible assets acquired separately (a)	6	5	100,342	(46,619)	**53,723**
Intangible generated internally (b)	6	5	251,585	(162,443)	**89,142**
Intangible assets acquired in business combination (c):					
Core deposits	9	5	89,801	(49,788)	**40,013**
Leasehold interest	30	26	6,785	(1,856)	**4,929**
Relationship with clients	10	9	34,890	(11,123)	**23,767**
Other	10	9	19,367	(4,982)	**14,385**
Intangible assets not amortizable acquired in business combination (c):					
Trademark			12,943	-	**12,943**
Goodwill			152,790	-	**152,790**
Total			**668,503**	**(276,811)**	**391,692**

NOTE 14 - INTANGIBLE ASSETS, CONTINUED

Concept	Average useful life years	Remaining average useful life years	As of December 31, 2020 Gross balance MCh$	Accumulated amortization MCh$	Net balance MCh$
Intangible assets acquired separately (a)	6	5	98,269	(44,506)	**53,763**
Intangible generated internally (b)	6	5	245,126	(155,165)	**89,961**
Intangible assets acquired in business combination (c):					
Core deposits	9	5	88,894	(46,081)	**42,813**
Leasehold interest	30	26	6,521	(1,677)	**4,844**
Relationship with clients	10	9	34,890	(10,190)	**24,700**
Other	10	9	19,367	(4,498)	**14,869**
Intangible assets not amortizable acquired in business combination (c):					
Trademark			12,812	-	**12,812**
Goodwill			151,514	-	**151,514**
Total			**657,393**	**(262,117)**	**395,276**

a. Corresponds to software purchased from parties not related to the Bank or its subsidiaries.

b. Corresponds to software developed internally for the bank or subsidiaries to generate profits for the bank or subsidiaries.

c. Corresponds to intangible assets for the business combinations of BCI Financial Group, INC, and Subsidiaries and the merger between City National Bank of Florida and TotalBank, City National Bank of Florida and Executive Banking Corporation and acquisition by the Financial Services business of Walmart by BCI.

NOTE 14 - INTANGIBLE ASSETS, CONTINUED

b) The movements of intangible assets as of March 31, 2021 and December 31, 2020 are the following:

	Intangible assets acquired separately	Intangible generated internally	Amortizable intangible assets in business combination				Not amortizable intangible assets acquired in business combination		
			Core deposits	Leasehold interest	Relationship with clients	Other	Trademark	Goodwill	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balance as of January 1, 2021	**98,269**	**245,126**	**88,894**	**6,521**	**34,890**	**19,367**	**12,812**	**151,514**	**657,393**
Acquisitions	1,803	5,905	-	198	-	-	-	-	**7,906**
Disposals/ transfers	111	554	-	-	-	-	-	-	**665**
Exchange differences	159	-	907	66	-	-	131	1,276	**2,539**
Remeasurement of goodwill and intangible assets	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Gross balance as of March 31, 2021	**100,342**	**251,585**	**89,801**	**6,785**	**34,890**	**19,367**	**12,943**	**152,790**	**668,503**
Amortization for the year	(2,120)	(7,278)	(3,222)	(146)	(933)	(484)	-	-	**(14,183)**
Accumulated amortization	(44,506)	(155,165)	(46,081)	(1,677)	(10,190)	(4,498)	-	-	**(262,117)**
Transfers	7	-	(485)	(33)	-	-	-	-	**(511)**
Other	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Total accumulated amortization and impairment	(46,619)	(162,443)	(49,788)	(1,856)	(11,123)	(4,982)	-	-	**(276,811)**
Net balance as of March 31, 2021	**53,723**	**89,142**	**40,013**	**4,929**	**23,767**	**14,385**	**12,943**	**152,790**	**391,692**

NOTE 14 - INTANGIBLE ASSETS, CONTINUED

	Intangible assets acquired separately	Intangible generated internally	Amortizable intangible assets in business combination				Not amortizable intangible assets acquired in business combination		
			Core deposits	Leasehold interest	Relationship with clients	Other	Trademark	Goodwill	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balance as of January1, 2020	**84,278**	**215,972**	**90,444**	**5,427**	**37,526**	**21,726**	**13,534**	**144,508**	**613,415**
Acquisitions	10,870	46,893	3,667	-	-	-	-	14,087	**75,517**
Disposals/ transfers	3,738	(312)	-	-	-	-	-	-	**3,426**
Exchange differences	(595)	(17,427)	(5,217)	-	-	-	(722)	(7,081)	**(31,042)**
Remeasurement of goodwill and intangible assets	-	-	-	-	-	-	-	-	**-**
Other	(22)	-	-	1,094	-	(1)	-	-	**1,071**
Impairment	-	-	-	-	(2,636)	(2,358)	-	-	**(4,994)**
Gross balance as of December 31, 2020	**98,269**	**245,126**	**88,894**	**6,521**	**34,890**	**19,367**	**12,812**	**151,514**	**657,393**
Amortization for the year	(8,096)	(27,366)	(14,432)	(247)	(4,676)	(2,153)	-	-	**(56,970)**
Accumulated amortization	(36,486)	(128,546)	(35,095)	(1,214)	(5,514)	(2,345)	-	-	**(209,200)**
Transfers	76	747	3,446	(216)	-	-	-	-	**4,053**
Other	-	-	-	-	-	-	-	-	**-**
Impairment	-	-	-	-	-	-	-	-	**-**
Total accumulated amortization and impairment	(44,506)	(155,165)	(46,081)	(1,677)	(10,190)	(4,498)	-	-	**(262,117)**
Net balance as of December 31, 2020	**53,763**	**89,961**	**42,813**	**4,844**	**24,700**	**14,869**	**12,812**	**151,514**	**395,276**

NOTE 14 - INTANGIBLE ASSETS, CONTINUED

d) Impairment

The Bank assesses, at the end of the reported fiscal year, if there is any indicator of impairment of any amortizable asset. If any indicator is present, or an impairment test is needed, the Bank calculates the recoverable amount of the asset.

As of March 31, 2021, the Bank performed an assessment on the impairment of its non-amortizable intangible assets, concluding that there is no indication of impairment as of that date.

As of December 31, 2020, the Bank recorded impairment on the following amortizable intangible assets generated in the acquisition of BCI Servicios Financieros business: Client Relations and Rights acquired for cross-sales equal to MCh $2,636 and MCh $2,358, respectively.

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

a) The composition of property, plant and equipment as of March 31, 2021 and December 31, 2020 was the following:

	As of March 31, 2021				
Concept	**Average useful life**	**Remaining average useful life**	**Gross balance**	**Accumulated depreciation**	**Net balance**
			MCh$	**MCh$**	**MCh$**
Land and buildings	36	29	235,309	(44,065)	191,244
Equipment	4	3	126,066	(91,628)	34,438
Other property, plant and equipment	8	7	58,508	(36,309)	22,199
Total			**419,883**	**(172,002)**	**247,881**

	As of December 31, 2020				
Concept	**Average useful life**	**Remaining average useful life**	**Gross balance**	**Accumulated depreciation**	**Net balance**
			MCh$	**MCh$**	**MCh$**
Land and buildings	36	30	235,657	(43,304)	192,353
Equipment	4	3	124,672	(87,969)	36,703
Other property, plant and equipment	8	7	57,770	(35,609)	22,161
Total			**418,099**	**(166,882)**	**251,217**

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT, CONTINUED

b) The movements of property, plant and equipment as of March 31, 2021 and December 31, 2020 are the following:

	Buildings and land	Equipment	Other property, assets	Total
	MCh$	MCh$	MCh$	MCh$
Balance as of January 1, 2021	**235,657**	**124,672**	**57,770**	**418,099**
Additions	88	1,291	1,386	2,765
Disposals	(890)	(781)	(179)	(1,850)
Transfers	22	685	(456)	251
Other	432	199	10	641
Impairment	-	-	(23)	(23)
Gross balance as of March 31, 2021	**235,309**	**126,066**	**58,508**	**419,883**
Depreciation for the period	**(773)**	**(4,138)**	**(830)**	**(5,741)**
Disposals	36	546	138	**720**
Transfer	-	-	-	**-**
Accumulated depreciation	**(43,304)**	**(87,969)**	**(35,609)**	**(166,882)**
Other	(24)	(67)	(8)	**(99)**
Impairment	-	-	-	-
Total accumulated depreciation	**(44,065)**	**(91,628)**	**(36,309)**	**(172,002)**
Net balance as of March 31, 2021	**191,244**	**34,438**	**22,199**	**247,881**

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT, CONTINUED

	Buildings and land	Equipment	Other property, assets	Total
	MCh$	MCh$	MCh$	MCh$
Balance as of January 1, 2020	**235,941**	**160,457**	**57,394**	**453,792**
Additions	4,871	7,527	11,392	23,790
Disposals	(4,727)	(57,212)	(2,283)	(64,222)
Transfers	1,686	14,645	(8,614)	7,717
Other	(2.114)	(745)	(40)	(2,899)
Impairment	-	-	(79)	(79)
Gross balance as of December 31, 2020	**235,657**	**124,672**	**57,770**	**418,099**
Depreciation for the year	(4,732)	(16,896)	(3,610)	**(25,238)**
Disposals	2,571	57,328	1,641	**61,540**
Transfer	-	-	-	-
Accumulated depreciation	(41,241)	(128,678)	(33,679)	**(203,598)**
Other	98	277	39	**414**
Impairment	-	-	-	-
Total accumulated depreciation	**(43,304)**	**(87,969)**	**(35,609)**	**(166,882)**
Net balance as of December 31, 2020	**192,353**	**36,703**	**22,161**	**251,217**

c) As of March 31, 2021 and December 31, 2020 the impact of impairment amounted to MCh$23 and MCh$79, respectively, related to other property, plant and equipment.

d) The detail of the right-of-use asset as of March 31, 2021 and December 31, 2020 is as follows:

	As of March 31, 2021				
Concept	**Average useful life**	**Remaining average useful life**	**Gross balance**	**Accumulated depreciation**	**Net balance**
			MCh$	MCh$	MCh$
Land and buildings	10	9	215,428	(41,235)	174,193
Leasehold improvements	10	8	68,445	(46,884)	21,561
Total			**283,873**	**(88,119)**	**195,754**

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT, CONTINUED

Concept	As of December 31, 2020 Average useful life	Remaining average useful life	Gross balance MCh$	Accumulated depreciation MCh$	Net balance MCh$
Land and buildings	10	9	219,662	(37,374)	182,288
Leasehold improvements	10	8	69,165	(46,646)	22,519
Total			**288,827**	**(84,020)**	**204,807**

e) Movements in right-of-use asset as of March 31, 2021 and December 31, 2020 are as follows:

	Buildings and land MCh$	Leasehold improvements MCh$	Total MCh$
Balance as of January 1, 2021	**219,662**	**69,165**	**288,827**
Additions	12,573	115	**12,688**
Disposals	(17,442)	(962)	**(18,404)**
Other	635	127	**762**
Impairment	-	-	-
Gross balance as of March 31, 2021	**215,428**	**68,445**	**283,873**
Depreciation for the period	**(6,282)**	**(93)**	**(6,375)**
Disposals	2,542	792	**3,334**
Other	**(121)**	**(937)**	**(1,058)**
Accumulated depreciation	**(37,374)**	**(46,646)**	**(84,020)**
Impairment	-		-
Total accumulated depreciation	**(41,235)**	**(46,884)**	**(88,119)**
Net balance as of March 31, 2021	**174,193**	**21,561**	**195,754**

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT, CONTINUED

	Buildings and land	Leasehold improvements	Total
	MCh$	MCh$	MCh$
Balance as of January 1, 2020	**223,147**	**70,296**	**293,443**
Additions	42,125	3,952	**46,077**
Disposals	(42,098)	(4,212)	**(46,310)**
Other	(3.512)	(871)	**(4,383)**
Impairment	-	-	-
Gross balance as of December 31, 2020	**219,662**	**69,165**	**288,827**
Depreciation for the year	**(23,585)**	**(3,217)**	**(26,802)**
Disposals	4,286	426	**4,712**
Other	1,020	(851)	**169**
Accumulated depreciation	(19,095)	(43,004)	**(62,099)**
Impairment	-	-	-
Total accumulated depreciation	**(37,374)**	**(46,646)**	**(84,020)**
Net balance as of December 31, 2020	**182,288**	**22,519**	**204,807**

f) As of March 31, 2021 and December 31, 2020, there is no evidence of impairment in right-of-use assets.

g) Lease liabilities as of March 31, 2021 and December 31, 2020:

	Analysis of maturity				
	Up to 1 year	1 to 3 years	1 to 5 years	More than 5 years	Total
	MCh$	MCh$	MCh$	MCh$	MCh$
As of March 31, 2021	19,765	43,573	45,541	69,591	**178,470**

	Analysis of maturity				
	Up to 1 year	1 to 3 years	1 to 5 years	More than 5 years	Total
	MCh$	MCh$	MCh$	MCh$	MCh$
As of December 31, 2020	20,664	44,313	46,365	74,951	**186,293**

NOTE 16 - CURRENT AND DEFERRED INCOME TAX

a) Current Income Tax

As of March 31, 2021 and December 31, 2020, the Bank has recognized a provision for the corporate income tax and the provision for one-off tax under Article No. 21 of the Income Tax Law, which were determined based on the current tax legal provisions, which resulted in liabilities amounting to MCh$7,263 as of March 31, 2021 (assets amounting to MCh$ 27,198 as of December 31, 2020). This provision is presented net of recoverable taxes, as detailed below:

	As of March 31	As of December 31
	2021	2020
	MCh$	MCh$
Income tax (tax rate of 27% for 2021 and 2020)	(53,618)	(116,300)
Prior year provision	(116,207)	-
40% Provision for Income Tax	(68)	(251)
Less:		
Monthly provisional income tax payments	133,051	123,972
Credit for training expenses	2,212	2,104
Credit for acquisition of property, plant and equipment	128	128
Credit for donations	2,375	2,064
Recoverable taxes from prior years	21,319	12,723
Other recoverable taxes and withholdings	3,545	2,758
Total current taxes, net	**(7,263)**	**27,198**

The net current tax is presented below by economic entity as well as by geographical unit, in accordance with the provisions of IAS 12:

	As of March 31, 2021		
	Chile	Florida	Total
	MCh$	MCh$	MCh$
Current tax assets	13,952	-	13,952
Current tax liabilities	(2,715)	(18,500)	(21,215)
Total, net	**11,237**	**(18,500)**	**(7,263)**

	As of December 31, 2020		
	Chile	Florida	Total
	MCh$	MCh$	MCh$
Current tax assets	36,270	-	36,270
Current tax liabilities	(2,742)	(6,330)	(9,072)
Total, net	**33,528**	**(6,330)**	**27,198**

NOTE 16 - CURRENT AND DEFERRED INCOME TAX, CONTINUED

b) Income Tax Expense

The tax expense for the periods between January 1 and March 31, 2021 and 2020, consists of the following items:

	As of March 31	
	2021	**2020**
	MCh$	**MCh$**
Income tax expenses:		
Current tax for the year, net of tax credits	(53,618)	(41,586)
Surplus/Deficit of prior year provision	-	
	(53,618)	**(41,586)**
Credit (debit) for deferred taxes:		
Origination and reversal of temporary differences	37,362	7,552
Subtotal	(16,256)	**(34,034)**
Non-deductible expenses under Article No.21	(68)	(52)
Net debit to profit or loss for income taxes	**(16,324)**	**(34,086)**

NOTE 16 - CURRENT AND DEFERRED INCOME TAX, CONTINUED

c) Reconciliation of nominal income tax rate with effective income tax rate

The reconciliation of the income tax rate to the effective rate applied for the determination of tax expenses as of March 31, 2021 and 2020 is detailed as follows:

	As of March 31			
	2021		2020	
	Tax rate %	Amount MCh$	Tax rate %	Amount MCh$
Profit before tax		165,274		128,916
Nominal tax rate	27.000	44,624	27.000	34,807
Effect of non-deductible expenses in calculation of taxable income:				
Price-level adjustment, BCI Financial Group (1)	(5.19)	(8,580)	14.65	18,892
Rate difference USA (2)	(0.22)	(369)	(5.06)	(6,528)
Price-level adjustment of equity	(8.47)	(14,000)	(9.26)	(11,937)
One-off tax (non-deductible expenses)	0.04	68	0.04	52
Income tax from prior years	(2.81)	(4,649)	(2.67)	(3,448)
Other	(0.47)	(770)	1.74	2,248
Effective rate and income tax expense	**9.88**	**16,324**	**26.44**	**34,086**

The effective income tax rate for the periods 2021 and 2020 is 9.88% and 26.44%, respectively.

(1) BCI's investment in the US, which is BCI Financial Group INC, is adjusted for tax purposes in Chile, for the variation in the exchange rate (between the Chilean peso and the US dollar), which is subject to the first category (Chilean corporate) income tax. The impact of this adjustment as of March 2021 is an income tax benefit of MCh$8,580 while as of March 2020, this effect was a higher income tax expense of MCh$18,892.

(2) The statutory tax rate in Chile is 27%, while in the US the tax rate is 25.345%. Therefore, regarding a portion of BCI's consolidated profit or loss (BCI Financial Group, Miami Branch, and BCI Securities) reduction were made in taxes as a result of the tax rate difference between the two separate jurisdictions.

NOTE 16 - CURRENT AND DEFERRED INCOME TAX, CONTINUED

d) Effect of deferred tax recognized in equity

The deferred tax recognized in equity as of March 31, 2021 and December 31, 2020 is composed of the following:

	Accumulated		Effect for the period/year ended	
	As of March 31 2021	As of December 31 2020	As of March 31 2021	As of December 31 2020
	MCh$	MCh$	MCh$	MCh$
Financial Investments Available for Sale	9,002	(7,036)	16,038	(3,343)
Cash flow hedges	28,855	47,598	(18,743)	13,366
Effect of deferred taxes on equity	**37,857**	**40,562**	**(2,705)**	**10,023**

e) Effect of deferred taxes

As of March 31, 2021 and December 31, 2020, the Bank recognized the effects of deferred taxes in its interim consolidated financial statements in accordance with IAS 12.

The effects of deferred taxes on assets, liabilities and equity allocated by temporary differences are detailed as follows:

	As of March 31, 2021			As of December 31, 2020		
	Assets	Liabilities	Net	Assets	Liabilities	Net
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Item:						
Allowances for loans	176,776	-	176,776	173,757	-	173,757
Accrued vacations and provision for personnel bonuses	39,163	-	39,163	41,328	-	41,328
Leasing operations (net)	4,572		4,572	4,000		4,000
Other	-	(1,003)	(1,003)	4,242	-	4,242
Subordinated bonds	25,032	-	25,032	15,803	-	15,803
Property, plant and equipment, net	-	(17,144)	(17,144)	-	(17,970)	(17,970)
Transitory assets	-	(31,710)	(31,710)	-	(29,471)	(29,471)
Derivative contract operations	-	(4,027)	(4,027)	-	(32,974)	(32,974)
Temporary differences generated in Florida (*)	5,565	-	5,565	-	(10,241)	(10,241)
Total assets (liabilities) net	**251,108**	**(53,884)**	**197,224**	**239,130**	**(90,656)**	**148,474**
Effect of deferred taxes on equity	37,857	-	37,857	40,562	-	40,562
Net effect of deferred tax assets	**288,965**	**(53,884)**	**235,081**	**279,692**	**(90,656)**	**189,036**

NOTE 16 - CURRENT AND DEFERRED INCOME TAX, CONTINUED

(*) This deferred tax asset corresponds to those generated by subsidiaries located in Miami and BCI Miami Branch arising mainly from the tax loss, some intangible assets and the provision for credit risk of the subsidiary BCI Financial Group, Inc. and Subsidiaries. The variation in deferred taxes of subsidiaries which functional currency is the U.S. dollar is MCh$5,565 (MCh$10,241 as of December 31, 2020), is part of the caption "Accumulated adjustment for translation difference" in equity.

Below is a detail of the net deferred taxes, by geographic unit, in accordance with the provisions of IAS 12:

	As of March 31, 2021		
	Chile	**Florida**	**Total**
	MCh$	**MCh$**	**MCh$**
Deferred tax assets	193,140	5,567	198,707
Deferred tax liabilities	(1,483)	-	(1,483)
Total, net	191,657	5,567	197,224
Deferred taxes generated through equity	37,857	-	37,857
Total deferred taxes, net	**229,514**	**5,567**	**235,081**

	As of December 31, 2020		
	Chile	**Florida**	**Total**
	MCh$	**MCh$**	**MCh$**
Deferred tax asset	170,518	144	170,662
Deferred tax liability	(11,803)	(10,385)	(22,188)
Total, net	158,715	(10,241)	148,474
Deferred taxes generated through equity	40,562	-	40,562
Total deferred taxes, net	**199,277**	**(10,241)**	**189,036**

NOTE 17 - OTHER ASSETS

a) As of March 31, 2021 and December 31, 2020, the composition of other assets is as follows:

	As March 31, 2021	As of December 31
	2021	2020
	MCh$	MCh$
Assets under lease agreements (a)	78,212	90,317
Assets received in lieu of payment or awarded:		
Assets received in lieu of payment	-	59
Assets awarded from judicial auctions	1,107	2,230
Provisions received in lieu of payment or awarded (b)	(4)	(73)
Other assets:		
Cash deposits held as guarantee	429,830	535,771
Investment in gold	5,569	6,084
VAT fiscal credit	7,587	7,161
Prepaid expenses	48,257	38,079
Assets recovered from lease agreements held for sale (c)	44,704	43,290
Accounts receivable	332,104	322,648
Amounts to be recovered	56,879	19,474
Valuation adjustment for macro hedges	36,494	53,452
Insurance policy rights in favor of City National Bank of Florida (CNB) (d)	87,561	97,358
FED and FHLB shares (e)	69,478	79,615
Other assets	33,704	14,880
Total	**1,231,482**	**1,310,345**

(a) Corresponds to property, plant and equipment available to be used in finance leases.

(b) Impairment of repossessed or awarded assets is recognized in accordance with the Accounting Standards Compendium Chapter B-5 No. 3, which implies recognition of impairment for the difference between the carrying value and the net realizable value, when the first is higher.

(c) Corresponds to assets recovered from leasing and held for sale, principally real estate. These assets are held for sale, which is considered highly likely to occur. For most assets, it is expected that the sale will be completed within a one year period from the date on which the asset is classified as "Property, plant and equipment held for sale" and/or "Assets recovered from lease agreements held for sale."

(d) Corresponds to life insurance contracts of the subsidiary City National Bank of Florida for certain senior management and employees where CNB is the owner and beneficiary. These policies are known by its acronym in English, as BOLI (Bank Owned Life Insurance).

NOTE 17 - OTHER ASSETS, CONTINUED

(e) These are shares that BCI Financial Group, Inc, and subsidiaries holds on its balance sheet, related to equity securities of the Federal Reserve (FED) and Federal Home Bank Loans (FHBL) acquired by CNB in order to participate in the funding program provided by these governmental agencies to the banks established in the state of Florida. CNB is required to maintain a specific level of holdings based on a formula provided by the respective agency.

b) The changes in the impairment of repossessed or awarded assets during period 2021 and year 2020 are as follows:

	Provision established
	MCh$
Balance as of January 1, 2021	(73)
Provisions established	77
Release of provisions	(8)
Balance as of March 31, 2021	**(4)**
Balance as of January 1, 2020	**-**
Provisions established	914
Release of provisions	(987)
Balance as of December 31, 2020	**(73)**

NOTE 18 – DEPOSITS AND OTHER ON-DEMAND LIABILITES AND ON-DEMAND DEPOSITS

As of March 31, 2021 and December 31, 2020 the composition of borrowings from customers is as follows:

	As of March 31 2021	As of December 31 2020
	MCh$	MCh$
Deposits and other on-demand liabilities:		
Current accounts	18,443,591	17,264,331
Other deposits and accounts payable on demand	1,362,563	1,322,312
Other liabilities payable on demand	1,382,172	1,139,931
Total	**21,188,326**	**19,726,574**
Deposits and term deposits		
Term deposits	9,565,021	10,783,161
Savings accounts	57,977	55,176
Other credit term balances	1,177	1,274
Total	**9,624,175**	**10,839,611**

NOTE 19 – BANK BORROWINGS

As of March 31, 2021 and December 31, 2020, the composition of borrowings from financial institutions is as follows:

	As of March 31	As of December 31
	2021	2020
	MCh$	MCh$
Loans received from financial institutions and Central Bank of Chile:		
Other liabilities with Central Bank of Chile	4,023,555	3,904,339
Subtotal	4,023,555	3,904,339
Loans received from domestic financial institutions:		
Interbank loans	1,083,670	1,004,361
Other liabilities	309,652	250,618
Subtotal	1,393,322	1,254,979
Loans received from foreign financial institutions:		
Foreign trade financing	278,761	367,286
Loans and other liabilities	749,971	744,095
Subtotal	1,028,732	1,111,381
Total	**6,445,609**	**6,270,699**

NOTE 20 – DEBT SECURITIES ISSUED AND OTHER FINANCIAL LIABILITIES

a) As of March 31, 2021 and December 31, 2020 the composition of debt issued, and other financial liabilities is as follows:

	As of March 31	As December 31
	2021	2020
	MCh$	MCh$
Debt securities issued:		
Letters of credit	5,799	6,510
Ordinary bonds	6,504,583	6,166,461
Subordinated bonds	1,277,931	1,258,653
Total	**7,788,313**	**7,431,624**
Other financial liabilities:		
Public bonds	3,127	3,138
Other domestic bonds	55,407	43,394
Foreign bonds	800,887	864,512
Total	**859,421**	**911,044**

NOTE 20 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

b) As of March 31, 2021 and December 31, 2020, the classification of the ordinary and subordinated bonds is as follows:

	As of March 31, 2021		
	Long-term	**Short-term**	**Total**
	MCh$	**MCh$**	**MCh$**
By long and short term			
Ordinary bonds	5,913,417	591,166	6,504,583
Subordinated bonds	1,277,931	-	1,277,931
Total	**7,191,348**	**591,166**	**7,782,514**

	As of December 31, 2020		
	Long-term	**Short-term**	**Total**
	MCh$	**MCh$**	**MCh$**
By long and short term			
Ordinary bonds	5,663,712	502,749	6,166,461
Subordinated bonds	1,258,653	-	1,258,653
Total	**6,922,365**	**502,749**	**7,425,114**

c) Details of placements of ordinary and subordinated bonds as of March 31, 2021 are as follows:

ORDINARY BONDS DENOMINATED IN CHILEAN PESOS

Series	**Issued amount Ch$**	**Placed amount Ch$**	**Issuance date**	**Issuance date**	**Average rate**	**Balance due Ch$**	**Balance due MCh$**
SERIES_AM	50,000,000,000	50,000,000,000	06/01/2016	06/01/2023	4.90%	49,798,960,204	49,799
SERIES_E	100,000,000,000	100,000,000,000	11/01/2017	11/01/2022	4.27%	90,726,883,145	90,727
SERIES_H	50,000,000,000	50,000,000,000	06/01/2018	06/01/2021	2.36%	50,923,938,323	50,924
Fair Value Adjustment (fair value hedges)						6,913,141,422	6,913
Subtotal	**200,000,000,000**	**200,000,000,000**				**198,362,923,094**	**198,363**

NOTE 20 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

ORDINARY BONDS DENOMINATED IN UNIDADES DE FOMENTO (UF = Inflation index-linked units of account)

Series	Issued amount UF	Placed amount UF	Issuance date	Maturity date	Average rate	Balance due UF	Balance due MCh$
SERIE_AE2	10,000,000	10,000,000	08/01/2011	08/01/2021	3.73%	10,005,576	294,112
SERIE_AF2	10,000,000	10,000,000	08/01/2012	08/01/2022	3.43%	9,937,082	292,098
SERIE_AI2	5,000,000	-	03/01/2014	03/01/2024	-	-	-
SERIE_AJ2	20,000,000	20,000,000	10/01/2014	10/01/2024	2.23%	19,683,997	578,607
SERIE_AL1	3,000,000	3,000,000	06/01/2016	06/01/2022	1.89%	3,046,068	89,538
SERIE_AL2	3,000,000	3,000,000	06/01/2016	06/01/2023	2.15%	3,047,582	89,583
SERIE_AL3	3,000,000	3,000,000	06/01/2016	06/01/2024	2.40%	3,034,872	89,209
SERIE_AL4	3,000,000	3,000,000	06/01/2016	06/01/2028	2.36%	3,054,532	89,787
SERIE_AL5	3,000,000	3,000,000	06/01/2016	06/01/2031	2.50%	3,028,523	89,023
SERIE_AN1	3,000,000	3,000,000	12/01/2016	12/01/2021	1.50%	3,029,345	89,047
SERIE_AN2	3,000,000	3,000,000	12/01/2016	12/01/2024	1.95%	3,025,719	88,940
SERIE_AN3	3,000,000	3,000,000	12/01/2016	12/01/2026	2.00%	3,021,192	88,807
SERIE_A1	3,000,000	3,000,000	04/01/2017	04/01/2022	1.72%	3,037,613	89,290
SERIE_A2	3,000,000	3,000,000	04/01/2017	04/01/2027	2.18%	3,001,256	88,221
SERIE_B1	3,000,000	3,000,000	05/01/2017	05/01/2022	1.50%	3,040,819	89,384
SERIE_B2	3,000,000	3,000,000	05/01/2017	05/01/2023	1.67%	3,045,264	89,515
SERIE_C1	3,000,000	3,000,000	07/01/2017	01/01/2022	2.24%	3,009,144	88,453
SERIE_C2	3,000,000	3,000,000	07/01/2017	07/01/2023	2.32%	2,994,689	88,028
SERIE_C3	3,000,000	3,000,000	07/01/2017	07/01/2025	2.28%	2,982,326	87,665
SERIE_C4	3,000,000	3,000,000	07/01/2017	07/01/2026	2.42%	2,954,895	86,858
SERIE_D1	3,000,000	3,000,000	11/01/2017	11/01/2023	1.84%	3,037,328	89,282
SERIE_D2	3,000,000	3,000,000	11/01/2017	11/01/2025	2.04%	3,020,688	88,792
SERIE_D3	3,000,000	3,000,000	11/01/2017	11/01/2028	2.34%	2,956,565	86,908
SERIE_D4	3,000,000	3,000,000	11/01/2017	11/01/2029	2.45%	2,923,598	85,938
SERIE_F1	3,000,000	3,000,000	04/01/2018	04/01/2022	1.46%	3,046,092	89,539
SERIE_F2	3,000,000	3,000,000	04/01/2018	04/01/2024	1.60%	3,065,172	90,100
SERIE_F3	3,000,000	3,000,000	04/01/2018	04/01/2025	2.00%	3,030,638	89,085
SERIE_F4	3,000,000	3,000,000	04/01/2018	04/01/2028	2.17%	2,998,824	88,150
SERIE_F5	3,000,000	3,000,000	04/01/2018	04/01/2029	2.36%	2,953,987	86,832
SERIE_G1	3,000,000	3,000,000	06/01/2018	06/01/2025	1.47%	3,084,298	90,662
SERIE_G2	3,000,000	3,000,000	06/01/2018	06/01/2026	1.09%	3,157,074	92,801
SERIE_G3	3,000,000	3,000,000	06/01/2018	06/01/2029	2.10%	2,999,446	88,168
SERIE_I1	3,000,000	3,000,000	02/01/2019	02/01/2028	0.70%	3,269,818	96,116
SERIE_I2	3,000,000	2,730,000	02/01/2019	02/01/2029	0.49%	3,054,805	89,795
SERIE_I3	3,000,000	3,000,000	02/01/2019	02/01/2030	1.19%	3,213,539	94,461
SERIE_K1	3,000,000	3,000,000	05/01/2019	05/01/2023	(0.03)%	3,151,954	92,651
SERIE_K4	3,000,000	3,000,000	05/01/2019	05/01/2029	0.45%	3,393,617	99,755
SERIE_M3	3,000,000	3,000,000	10/01/2019	10/01/2028	(0.09)%	3,381,646	99,403
SERIE_M4	3,000,000	3,000,000	10/01/2019	10/01/2029	(0.31)%	3,490,752	102,610
SERIE_M5	3,000,000	3,000,000	10/01/2019	10/01/2030	(0.27)%	3,368,351	99,012
	Fair value adjustment (fair value hedges)					1,171,195	34,420
Subtotal	**153,000,000**	**147,730,000**				**151,749,881**	**4,460,645**

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY – US DOLLAR

Series	Issued amount USD	Placed amount USD	Date placed	Maturity date	Average rate	Balance due USD	Balance due in MCh$ (*)
USP32133CG63	500,000,000	500,000,000	02/11/2013	02/11/2023	4.09%	501,320,883	360,470
XS1655597034	50,000,000	50,000,000	08/01/2017	08/01/2022	2.96%	50,084,310	36,013
XS1692845396	50,000,000	50,000,000	10/06/2017	10/06/2022	3.00%	50,567,266	36,360
US05890MAA18	500,000,000	500,000,000	10/12/2017	10/12/2027	3.65%	500,114,500	359,602
XS1703060829	50,000,000	50,000,000	10/19/2017	10/19/2022	2.32%	49,941,159	35,910
XS1702405702	40,000,000	40,000,000	10/20/2017	10/20/2022	2.27%	39,956,795	28,731
XS1879614755	50,000,000	50,000,000	09/13/2018	03/13/2024	3.85%	49,797,831	35,807
XS1888335194	100,000,000	100,000,000	10/04/2018	04/04/2024	4.02%	101,384,366	72,899
XS1895749593	45,000,000	45,000,000	10/19/2018	04/19/2024	4.03%	45,540,150	32,745
XS1919312626	25,000,000	25,000,000	12/07/2018	12/07/2023	1.75%	24,838,339	17,860
XS1984711355	10,000,000	10,000,000	04/23/2019	04/23/2024	1.54%	9,946,070	7,152
XS2012024696	50,000,000	50,000,000	06/04/2019	06/14/2029	3.32%	50,033,275	35,976
XS2024766276	50,000,000	50,000,000	07/10/2019	07/10/2029	3.21%	49,893,702	35,876
XS2047630970	10,000,000	10,000,000	08/28/2019	08/28/2024	1.35%	9,943,274	7,150
XS2085920416	20,000,000	20,000,000	12/02/2019	06/02/2025	1.35%	19,809,057	14,244
XS2318617185	54,000,000	54,000,000	03/07/2021	12/03/2029	2.37%	53,242,770	38,284
Fair value adjustment (fair value hedges)						64,593,871	46,446
Subtotal	**1,604,000,000**	**1,604,000,000**				**1,671,007,618**	**1,201,525**

NOTE 20 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

(*) Balance owed in accordance with the effective interest rate, i.e. after deducting all bond placement origination costs, which will be repaid during the expected life of the financial instrument.

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY - EURO

Series	Issued amount EU	Placed amount EU	Issuance date	Maturity date	Average rate	Balance due EUR	Balance due in MCh$
XS1493734971	20,000,000	20,000,000	09/23/2016	09/23/2024	0.89%	19,960,927	16,857
Fair Value Adjustment (fair value hedges)						-	-
Subtotal	**20,000,000**	**20,000,000**				**19,960,927**	**16,857**

ORDINARY BONDS DENIMINATED IN FOREIGN CURRENCY-AUD

Series	Issued amount AUD	Placed amount AUD	Issuance date	Maturity date	Average rate	Balance due AUD	Balance due in MCh$
XS1717587007	80,000,000	80,000,000	11/15/2017	11/15/2027	4.150%	80,538,610	44,110
XS1859545367	40,000,000	40,000,000	07/25/2018	07/25/2033	4.670%	40,908,698	22,405
XS1879612973	60,000,000	60,000,000	09/14/2018	09/14/2033	4.650%	60,909,261	33,360
XS1897619968	40,000,000	40,000,000	10/24/2018	10/24/2033	4.700%	40,122,697	21,975
XS2087687435	30,000,000	30,000,000	12/02/2019	12/03/2029	1.811%	29,728,472	16,282
Fair Value Adjustment (fair value hedges)						22,627,688	12,374
Subtotal	**250,000,000**	**250,000,000**				**262,528,243**	**143,784**

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY- SWISS FRANCS (CHF)

Series	Issued amount CHF	Placed amount CHF	Issuance date	Maturity date	Average rate	Balance due CHF	Balance due in MCh$
XS1520623627	90,000,000	90,000,000	11/17/2016	11/17/2021	0.000%	89,872,378	68,630
CH0471298007	175,000,000	175,000,000	05/22/2019	11/22/2024	0.320%	174,308,338	133,108
CH0494734376	100,000,000	100,000,000	09/24/2019	09/24/2029	0.225%	99,082,151	75,663
CH0505011889	105,000,000	105,000,000	10/29/2019	10/29/2025	0.247%	103,962,140	79,389
CH0506071239	125,000,000	125,000,000	03/18/2020	09/18/2026	0.099%	123,524,405	94,328
Fair Value Adjustment (fair value hedges)						-	-
Subtotal	**595,000,000**	**595,000,000**				**590,749,412**	**451,118**

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY - YEN

Series	Issued amount YEN	Placed amount YEN	Date placed	Maturity date	Average rate	Balance due YEN	Balance due in MCh$
XS1830985781	5,000,000,000	5,000,000,000	06/01/2018	12/01/2028	0.750%	4,967,364,086	32,291
Subtotal	**5,000,000,000**	**5,000,000,000**				**4,967,364,086**	**32,291**
Total ordinary bonds							**6,504,583**

SUBORDINATED BONDS DENOMINATED IN UNIDADES DE FOMENTO (UF = Inflation index-linked units of account)

Series	Issued amount UF	Placed amount UF	Issuance date	Maturity date	Average rate	Balance due UF	Balance due in MCh$
SERIES_F	1,200,000	1,200,000	05/01/1999	05/01/2024	7.73%	326,438	9,596
SERIES_G	400,000	400,000	05/01/1999	05/01/2025	7.92%	134,547	3,955
SERIES_L	1,200,000	1,200,000	10/01/2001	10/01/2026	6.39%	511,438	15,034
SERIES_M	1,800,000	1,800,000	10/01/2001	10/01/2027	6.43%	848,494	24,941
SERIES_N	1,500,000	1,500,000	06/01/2004	06/01/2029	5.25%	795,198	23,375
SERIES_O	1,500,000	1,500,000	06/01/2004	06/01/2030	3.93%	792,526	23,296
SERIES_R	1,500,000	1,500,000	06/01/2005	06/01/2038	4.72%	790,608	23,240
SERIES_S	2,000,000	2,000,000	12/01/2005	12/01/2030	4.86%	1,117,573	32,851
SERIES_T	2,000,000	2,000,000	12/01/2005	12/01/2031	4.52%	1,192,622	35,057
SERIES_U	2,000,000	2,000,000	06/01/2007	06/01/2032	4.19%	1,943,545	57,130
SERIES_Y	4,000,000	4,000,000	12/01/2007	12/01/2030	4.25%	2,674,000	78,602
SERIES_W	4,000,000	4,000,000	06/01/2008	06/01/2036	4.05%	2,189,200	64,351
SERIES_AC	6,000,000	6,000,000	03/01/2010	03/01/2040	3.96%	5,497,705	161,604
SERIES_AD 1	4,000,000	4,000,000	06/01/2010	06/01/2040	4.17%	3,682,989	108,261
SERIES_AD 2	3,000,000	3,000,000	06/01/2010	06/01/2042	4.14%	2,742,431	80,613
SERIES_AH	15,000,000	9,000,000	09/01/2013	09/01/2043	3.63%	7,889,425	231,907
SERIE_B1S	3,000,000	3,000,000	06/11/2020	12/01/2039	1.32%	3,358,185	98,712
SERIE_B2S	3,000,000	3,000,000	06/22/2020	12/01/2044	1.30%	3,448,472	101,367
SERIE_B3S	3,000,000	3,000,000	06/24/2020	12/01/2049	1.28%	3,539,364	104,039
Total subordinated bonds	**60,100,000**	**54,100,000**				**43,474,760**	**1,277,931**

TOTAL BONDS	**7,782,514**

NOTE 20 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

d) Details of placements of ordinary and subordinated bonds as of March 31, 2021 are as follows:

ORDINARY BONDS DENOMINATED IN CHILEAN PESOS

Series	Issued amount Ch$	Placed amount Ch$	Issuance date	Issuance date	Average rate	Balance due Ch$	Balance due MCh$
SERIES_AM	50,000,000,000	50,000,000,000	06/01/2016	06/01/2023	4.90%	49,214,879,222	49,215
SERIES_E	100,000,000,000	100,000,000,000	11/01/2017	11/01/2022	4.27%	100,260,320,839	94,521
SERIES_H	50,000,000,000	50,000,000,000	06/01/2018	06/01/2021	2.36%	50,629,675,064	50,630
Fair Value Adjustment						9,932,593,030	9,933
Subtotal	**200,000,000,000**	**200,000,000,000**				**210,037,468,155**	**204,299**

ORDINARY BONDS DENOMINATED IN UNIDADES DE FOMENTO (UF = Inflation index-linked units of account)

Series	Issued amount UF	Placed amount UF	Issuance date	Maturity date	Average rate	Balance due UF	Balance due MCh$
SERIES_AE2	10,000,000	10,000,000	08/01/2011	08/01/2021	3.73%	9,952,681	292,019
SERIE_AF2	10,000,000	10,000,000	08/01/2012	08/01/2022	3.43%	9,899,875	290,256
SERIE_AI2	5,000,000	-	03/01/2014	03/01/2024	-	-	-
SERIES_AJ2	20,000,000	20,000,000	10/01/2014	10/01/2024	2.23%	19,928,962	571,230
SERIE_AL1	3,000,000	3,000,000	06/01/2016	06/01/2022	1.89%	3,031,982	88,141
SERIE_AL2	3,000,000	3,000,000	06/01/2016	06/01/2023	2.15%	3,031,682	88,132
SERIE_AL3	3,000,000	3,000,000	06/01/2016	06/01/2024	2.40%	3,017,251	87,712
SERIE_AL4	3,000,000	3,000,000	06/01/2016	06/01/2028	2.36%	3,037,091	88,289
SERIE_AL5	3,000,000	3,000,000	06/01/2016	06/01/2031	2.50%	3,010,037	87,503
SERIE_AN1	3,000,000	3,000,000	12/01/2016	12/01/2021	1.50%	3,018,130	87,738
SERIE_AN2	3,000,000	3,000,000	12/01/2016	12/01/2024	1.95%	3,011,519	87,546
SERIE_AN3	3,000,000	3,000,000	12/01/2016	12/01/2026	2.00%	3,006,411	87,397
SERIE_A1	3,000,000	3,000,000	04/01/2017	04/01/2022	1.72%	3,024,561	87,925
SERIE_A2	3,000,000	3,000,000	04/01/2017	04/01/2027	2.18%	2,985,367	86,786
SERIE_B1	3,000,000	3,000,000	05/01/2017	05/01/2022	1.50%	3,029,698	88,074
SERIE_B2	3,000,000	3,000,000	05/01/2017	05/01/2023	1.67%	3,032,905	88,168
SERIE_C1	3,000,000	3,000,000	07/01/2017	01/01/2022	2.24%	3,022,764	87,873
SERIE_C2	3,000,000	3,000,000	07/01/2017	07/01/2023	2.32%	3,007,948	87,442
SERIE_C3	3,000,000	3,000,000	07/01/2017	07/01/2025	2.28%	2,995,821	87,089
SERIE_C4	3,000,000	3,000,000	07/01/2017	07/01/2026	2.42%	2,967,644	86,270
SERIE_D1	3,000,000	3,000,000	11/01/2017	11/01/2023	1.84%	3,023,671	87,899
SERIE_D2	3,000,000	3,000,000	11/01/2017	11/01/2025	2.04%	3,005,610	87,374
SERIE_D3	3,000,000	3,000,000	11/01/2017	11/01/2028	2.34%	2,939,694	85,458
SERIE_D4	3,000,000	3,000,000	11/01/2017	11/01/2029	2.45%	2,906,286	84,487
SERIE_F1	3,000,000	3,000,000	04/01/2018	04/01/2022	1.46%	3,035,111	88,232
SERIE_F2	3,000,000	3,000,000	04/01/2018	04/01/2024	1.60%	3,053,197	88,757
SERIE_F3	3,000,000	3,000,000	04/01/2018	04/01/2025	2.00%	3,016,116	87,679
SERIE_F4	3,000,000	3,000,000	04/01/2018	04/01/2028	2.17%	2,982,951	86,715
SERIE_F5	3,000,000	3,000,000	04/01/2018	04/01/2029	2.36%	2,937,126	85,383
SERIE_G1	3,000,000	3,000,000	06/01/2018	06/01/2025	1.47%	3,073,419	89,345
SERIE_G2	3,000,000	3,000,000	06/01/2018	06/01/2026	1.09%	3,148,542	91,529
SERIE_G3	3,000,000	3,000,000	06/01/2018	06/01/2029	2.10%	2,984,174	86,751
SERIE_I1	3,000,000	3,000,000	02/01/2019	02/01/2028	0.70%	3,294,171	95,763
SERIE_I2	3,000,000	2,630,000	02/01/2019	02/01/2029	0.51%	2,961,523	86,092
SERIE_I3	3,000,000	3,000,000	02/01/2019	02/01/2030	1.19%	3,234,275	94,021
SERIE_K1	3,000,000	3,000,000	05/01/2019	05/01/2023	(0.03)%	3,152,187	91,635
SERIE_K4	3,000,000	3,000,000	05/01/2019	05/01/2029	0.45%	3,389,962	98,547
Fair Value Adjustment (fair value hedges)						2,048,081	59,536
Subtotal	**144,000,000**	**138,630,000**				**142,198,425**	**4,130,793**

NOTE 20 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY – US DOLLAR

Series	Issued amount USD	Placed amount USD	Date placed	Maturity date	Average rate	Balance due USD	Balance due in MCh$ (*)
USP32133CG63	500,000,000	500,000,000	02/11/2013	02/11/2023	4.09%	506,129,212	360,253
XS1655597034	50,000,000	50,000,000	08/01/2017	08/01/2022	2.96%	50,422,702	35,890
XS1692845396	50,000,000	50,000,000	10/06/2017	10/06/2022	3.00%	50,164,661	35,706
US05890MAA18	500,000,000	500,000,000	10/12/2017	10-12-2027	3.65%	495,427,297	352,635
XS1703060829	50,000,000	50,000,000	10/19/2017	10/19/2022	2.32%	49,913,246	35,527
XS1702405702	40,000,000	40,000,000	10/20/2017	10/20/2022	2.27%	39,936,113	28,426
XS1879614755	50,000,000	50,000,000	09/13/2018	03/13/2024	3.85%	50,251,621	35,768
XS1888335194	100,000,000	100,000,000	10/04/2018	04/04/2024	4.02%	100,327,490	71,411
XS1895749593	45,000,000	45,000,000	10/19/2018	04-19-2024	4.03%	45,061,875	32,074
XS1919312626	25,000,000	25,000,000	12/07/2018	12/07/2023	1.78%	24,822,338	17,668
XS1984711355	10,000,000	10,000,000	04/23/2019	04/23/2024	1.53%	9,940,673	7,076
XS2012024696	50,000,000	50,000,000	06/14/2019	06/14/2029	3.32%	49,600,844	35,305
XS2024766276	50,000,000	50,000,000	07/10/2019	07/10/2029	3.21%	50,277,527	35,787
XS2047630970	10,000,000	10,000,000	08/28/2019	08-28-2024	1.37%	9,937,567	7,073
XS2085920416	20,000,000	20,000,000	12/02/2019	06/02/2025	1.38%	19,795,808	14,090
Fair Value Adjustment (fair value hedges)						16,990,602	12,775
Subtotal	**1,550,000,000**	**1,550,000,000**				**1,623,139,584**	**1,155,318**

(*) Balance owed in accordance with the effective interest rate, i.e. after deducting all bond placement origination costs, which will be repaid during the expected life of the financial instrument.

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY - EURO

Series	Issued amount EU	Placed amount EU	Issuance date	Maturity date	Average rate	Balance due EUR	Balance due in MCh$
XS1493734971	20,000,000	20,000,000	09/23/2016	09/23/2024	0.89%	19,913,502	17,413
Fair Value Adjustment (fair value hedges)						-	-
Subtotal	**20,000,000**	**20,000,000**				**19,913,502**	**17,413**

ORDINARY BONDS DENIMINATED IN FOREIGN CURRENCY-AUD

Series	Issued amount AUD	Placed amount AUD	Issuance date	Maturity date	Average rate	Balance due AUD	Balance due in MCh$
XS1717587007	80,000,000	80,000,000	11/15/2017	11/15/2027	4.150%	79,981,938	43,575
XS1859545367	40,000,000	40,000,000	07/25/2018	07/25/2033	4.670%	40,434,211	22,112
XS1879612973	60,000,000	60,000,000	09/14/2018	09/14/2033	4.650%	60,199,719	32,921
XS1897619968	40,000,000	40,000,000	10/24/2018	10/24/2033	4.700%	39,641,015	21,678
XS2087687435	30,000,000	30,000,000	12/02/2019	12/03/2029	1.811%	29,719,188	16,252
Fair Value Adjustment						22,627,688	12,374
Subtotal	**250,000,000**	**250,000,000**				**272,303,759**	**148,912**

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY- SWISS FRANCS (CHF)

Series	Issued amount CHF	Placed amount CHF	Issuance date	Maturity date	Average rate	Balance due CHF	Balance due in MCh$
XS1520623627	90,000,000	90,000,000	11/17/2016	11/17/2021	0.000%	89,829,605	72,362
CH0471298007	175,000,000	175,000,000	05/22/2019	11/22/2024	0.320%	174,127,345	140,267
CH0494734376	100,000,000	100,000,000	09/24/2019	09/24/2029	0.225%	99,036,402	79,778
CH0505011889	105,000,000	105,000,000	10/29/2019	10/29/2025	0.247%	103,881,088	83,681
CH0506071239	125,000,000	125,000,000	03/18/2020	09/18/2026	0.099%	123,486,271	99,474
Fair Value Adjustment (fair value hedges)						(498,555)	
Subtotal	**595,000,000**	**595,000,000**				**590,360,712**	**475,562**

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY - YEN

Series	Issued amount YEN	Placed amount YEN	Date placed	Maturity date	Average rate	Balance due YEN	Balance due in MCh$
XS1830985781	5,000,000,000	5,000,000,000	06/01/2018	12/01/2028	0.750%	4,958,600,911	34,164
Subtotal	**5,000,000,000**	**5,000,000,000**				**4,958,600,911**	**34,164**
Total ordinary bonds							**6,166,461**

NOTE 20 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

SUBORDINATED BONDS DENOMINATED IN UNIDADES DE FOMENTO (UF = Inflation index-linked units of account)

Series	Issued amount UF	Placed amount UF	Issuance date	Maturity date	Average rate	Balance due UF	Balance due in MCh$
SERIE_F	1,200,000	1,200,000	05/01/1999	05/01/2024	7.73%	320,522	9,318
SERIE_G	400,000	400,000	05/01/1999	05/01/2025	7.92%	132,039	3,838
SERIE_L	1,200,000	1,200,000	10/01/2001	10/01/2026	6.39%	503,689	14,642
SERIE_M	1,800,000	1,800,000	10/01/2001	10/01/2027	6.43%	835,572	24,290
SERIE_N	1,500,000	1,500,000	06/01/2004	06/01/2029	5.25%	785,211	22,826
SERIE_O	1,500,000	1,500,000	06/01/2004	06/01/2030	3.93%	785,037	22,821
SERIE_R	1,500,000	1,500,000	06/01/2005	06/01/2038	4.72%	781,726	22,725
SERIE_S	2,000,000	2,000,000	12/01/2005	12/01/2030	4.86%	1,104,580	32,110
SERIE_T	2,000,000	2,000,000	12/01/2005	12/01/2031	4.52%	1,179,644	34,293
SERIE_U	2,000,000	2,000,000	06/01/2007	06/01/2032	4.19%	1,923,946	55,930
SERIE_Y	4,000,000	4,000,000	12/01/2007	12/01/2030	4.25%	2,646,400	76,932
SERIE_W	4,000,000	4,000,000	06/01/2008	06/01/2036	4.05%	2,168,000	63,024
SERIE_AC	6,000,000	6,000,000	03/01/2010	03/01/2040	3.96%	5,636,211	163,847
SERIE_AD 1	4,000,000	4,000,000	06/01/2010	06/01/2040	4.17%	3,645,908	105,988
SERIE_AD 2	3,000,000	3,000,000	06/01/2010	06/01/2042	4.14%	2,715,219	78,932
SERIE_AH	15,000,000	9,000,000	09/01/2013	09/01/2043	3.63%	7,819,965	227,328
SERIE_B1S	3,000,000	3,000,000	06/11/2020	12/01/2039	1.32%	3,347,467	97,311
SERIE_B2S	3,000,000	3,000,000	06/22/2020	12/01/2044	1.30%	3,437,614	99,932
SERIE_B3S	3,000,000	3,000,000	06/24/2020	12/01/2049	1.28%	3,528,062	102,566
Total subordinated bonds	**60,100,000**	**54,100,000**				**43,296,812**	**1,258,653**
TOTAL BONDS							**7,425,114**

NOTE 21 -PROVISIONS

a) As of March 31, 2021 and December 31, 2020, the breakdown of the balance of this item is as follows:

	As of March 31 2021 MCh$	As of December 31 2020 MCh$
Provisions for staff benefits and remuneration (**)	89,450	97,406
Provisions for minimum dividends	139,912	95,236
Provisions for credit commitments	53,890	51,593
Provisions for contingencies (*)	244,327	193,734
Provisions for country risk	3,349	3,608
Total	**530,928**	**441,577**

(*) Provisions for contingencies as of March 31, 2021 include additional provisions for MCh$203,523 (MCh$ 160,176 as of December 31, 2020), recognized according to the policies approved by the Board of Directors of the Bank (see Note 1, ab, i and Note 11 c).

As of March 31, 2021, no provisions were made to comply with the minimum of 0.50% required by the CMF for the normal portfolio of individuals (MCh$0 as of December 31, 2020) (see Note 1, ab, ii and Note 11c).

(**) As of March 31, 2021 and December 31, 2020, Servicios Financieros y Administración de Créditos Comerciales S.A. has recorded provisions for severance indemnity payments amounting to MCh$716 and MCh$721, respectively.

As of March 31, 2021 and December 31, 2020, Administradora de Tarjetas de Servicios Financieros Limitada has recorded provisions for severance indemnity payments amounting to MCh$184 and MCh$146, respectively.

NOTE 21 –PROVISIONS, CONTINUED

b) Provisions for staff benefits and remunerations

	As of March 31 2021 MCh$	As of December 31 2020 MCh$
Provision for other personnel benefits	76,198	81,573
Accrued vacations	13,252	15,833
Total	**89,450**	**97,406**

The provisions for staff benefits include bonuses related to the achievement of goals which will be paid in the following period and provisions for severance indemnity payments.

c) Provisions for credit commitments

The detail of provisions for credit commitments as of March 31, 2021 and December 31, 2020 is as follows:

	As of March 31 2021 MCh$	As of December 31 2020 MCh$
Provisions for credit commitments		
Endorsements and performance bonds	4,174	3,720
Confirmed foreign letters of credit	1	1
Issued documentary letters of credit	826	720
Guarantees	11,496	9,979
Available credit lines	34,203	34,219
Other credit commitments	3,190	2,954
Total	**53,890**	**51,593**

d) Movements in provisions during period 2021 and year 2020 are as follow:

	Provisions for					
	Staff benefits and remuneration MCh$	Minimum dividends MCh$	Risk of Credit Commitments MCh$	Contingencies MCh$	Country risk MCh$	Total MCh$
As of January 1, 2021	**97,406**	**95,236**	**51,593**	**193,734**	**3,608**	**441,577**
Provisions established	5,754	44,676	5,082	50,593	842	**106,947**
Provisions released	(14,159)		(2,811)	282	-	**(16,688)**
Exchange differences	449		26	(282)	(1,101)	**(908)**
As of March 31, 2021	**89,450**	**139,912**	**53,890**	**244,327**	**3,349**	**530,928**
As of January 1, 2020	**98,100**	**120,794**	**42,669**	**44,460**	**3,017**	**309,040**
Provisions established	4,320	95,236	15,942	159,981	1,143	**276,622**
Provisions released	5,402	(120,794)	(4,243)	(15,036)	(323)	**(134,994)**
Exchange differences	(10,416)	-	(2,775)	4,329	(229)	**(9,091)**
As of December 31, 2020	**97,406**	**95,236**	**51,593**	**193,734**	**3,608**	**441,577**

NOTE 22 - OTHER LIABILITIES

As of March 31, 2021 and December 31, 2020, the detail of other liabilities is as follows:

	As of March 31	As of December 31
	2021	2020
	MCh$	MCh$
Account payables and notes payable	259,097	357,729
Unearned income	19,667	18,764
Sundry creditors	780,928	673,082
Other liabilities	18,932	28,231
Total	**1,078,624**	**1,077,806**

NOTE 23 - CONTINGENCIES AND COMMITMENTS

a) Commitments and liabilities recognized in off-balance sheet memorandum accounts.

The Bank and its subsidiaries have recognized the following balances related to contingencies and commitments, in off-balance sheet memorandum accounts:

	As of March 31	As of December 31
	2021	2020
CONTINGENT RECEIVABLES	MCh$	MCh$
Collateral and guarantees:		
Collateral and guarantees in foreign currency	287,343	196,037
Confirmed foreign letters of credit	11,308	5,189
Issued documentary letters of credit	285,638	317,129
Performance bonds:		
Performance bonds in Chilean currency	1,292,584	1,222,972
Performance bonds in foreign currency	589,329	596,912
Amount available of revolving credit facilities	7,464,514	7,245,618
Other credit commitments:		
Higher education loans in accordance with Law No.20,027	4,318	4,608
Other	458,168	430,258
THIRD PARTY OPERATIONS		
Collections:		
Foreign collections	35,156	30,946
Domestic collections	188,931	187,635
CUSTODY OF SECURITIES		
Securities in custody with the bank	66,654	66,466
Total	**10,683,943**	**10,303,770**

NOTE 23 - CONTINGENCIES AND COMMITMENTS, CONTINUED

b) Lawsuits and legal proceedings:

BCI Bank

The Bank and its subsidiaries are involved in several pending legal lawsuits related to their lines of business and, based on facts related to the defense presented, it is the opinion of Management and their internal legal advisers, that no additional liabilities or updated estimates for those already recognized by the Bank and its subsidiaries are required. Accordingly, no additional provisions have been deemed necessary or recorded for such contingencies.

c) Operating guarantees granted:

- Direct commitments

  As of March 31, 2021 and December 31, 2020 the Bank has no such types of guarantees.

- Operating guarantees

BCI Corredor de Bolsa S.A.

As of March 31, 2021, the company has made a deposit to guarantee compliance with the commitments for simultaneous operations on the Santiago Stock Exchange for MCh$98,277 (MCh$41,170 as of December 31, 2020).

As of March 31, 2021,the company made a deposit to guarantee compliance with the proper performance of operations in the CCLV settlement system of the Santiago Stock Exchange for MCh$7,200 (MCh$7,200 as of December 31, 2020).

As of March 31, 202, the company made a deposit to guarantee compliance with the proper performance of operations in the CCLV settlement system in financial derivatives of the Santiago Stock Exchange for MCh$295 (MCh$295 as of December 31, 2020).

As of March 31, 2021, the company made a foreign deposit to guarantee compliance with the international market operations for MCh$36 (MCh$36 as of December 31, 2020).

As of March 31, 2021 and December 31, 2020, the company has not made any guarantee deposit.

NOTE 23 - CONTINGENCIES AND COMMITMENTS, CONTINUED

As of March 31, 2021, BCI Corredor de Bolsa S.A., the subsidiary of the Bank, acquired a UF20,000 maximum guarantee to ensure compliance with the provisions of Article No. 30 of Law No. 18,045, in order to ensure proper and full compliance with all its obligations as securities intermediary. The beneficiaries of this guarantee are current or future creditors, which it has or will have as a result of stockbroker operations, this warranty applies to a policy taken on August 19, 2020 No. 330-19-00026838 and is valid until August 19, 2021. The insurer is the Compañía de Seguros de Mapfre Garantía y Crédito, and Santiago Stock Exchange is the representative of potential beneficiaries.

As of March 31, 2021, there is a bond of UF 10,000 to fulfill what is set forth in Article 12 and following, and 99 and following, of Law 20,712, guaranteeing the complete fulfillment of BCI Corredor de Bolsa obligations of fund and portfolio management for third parties, valid from November 25, 2020 to November 23, 2021.

BCI Corredor de Bolsa S.A.

As of December 31, 2020, it had taken out an insurance policy signed with Southbridge Compañía de Seguros Generales SA., which covers Banco de Credito e Inversiones and its subsidiaries up to UF500,000, for faithful compliance of duties by employees whose effective date is from November 30, 2020 until May 31, 2022.

BCI Corredores de Seguros S.A.

As of March 31, 2021, the following insurance policies have been contracted to comply with the provisions of letter d) of Article No. 58 of Decree Law No. 251 of 1931, in order to respond to the correct and full compliance with all obligations arising from its activity:

- Guarantee Policy for Insurance Brokers No. 01-23-15196 for an insured amount of UF500 contracted with Aseguradora Porvenir S.A., whose term is from April 15, 2020 to April 14, 2021, establishing the right of the insurance company to collect from the broker all the sums disbursed by the insurance company to third parties affected by the broker's deficient intermediation in excess of the insured amounts.

- Professional Civil Liability Policy for Insurance Brokers No. 01-53-14278 for an insured amount of UF60,000 contracted with Aseguradora Porvenir S.A., whose term is from April 15, 2020 to April 14, 2021, for the purpose of safeguarding the broker in the event of possible claims by third parties, with the insurance company having the right to ask the broker to reimburse the amount paid to the third party claimant.

NOTE 23 - CONTINGENCIES AND COMMITMENTS, CONTINUED

BCI Factoring S.A.

As of March 31, 2021, BCI Factoring S.A., the subsidiary of the Bank, has approved guarantee lines for operators with Factor Chain International for MCh$1,574 (MCh$2,596 in December 2020), equivalent to US$2,150,000 (US$3,650,000,00 in December 2020) of which MCh$180 (MCh$439 in December 2020) has been used, equivalent to US$246,273.60 (US$618,222,35 in December 2020).

BCI Corredores de Bolsa de Productos S.A.

As of March 31, 2021, it has a Bank guarantee No. 529972 taken with Banco de Crédito e Inversiones, for UF6,000, in favor of Bolsa de Productos Agropecuarios S.A., to guarantee compliance with the Company's obligations as an intermediary of products in accordance with article 11 of Act 19,220. The possibility of payment of this bond is covered by a "Contract to open a line of credit to cover possible guarantee payments issued in Chilean pesos or foreign currency," which is held by the financial institution with due date on December 3, 2021.

As of March 31, 2021, it has a Bank guarantee No. 529973 taken with Banco de Credito e Inversiones, for UF2,000, in favor of Bolsa de Productos Agropecuarios SA, to guarantee the fulfillment of all its obligations as a stock exchange broker in connection with operations invoiced to the Company. The possibility of payment of this bond is covered by a "Contract to open a line of credit to cover possible guarantee payments issued in Chilean pesos or foreign currency," which is held by the financial institution with due date on December 3, 2021.

BCI Asset Management Administradora General de Fondos S.A

Collaterals established in articles 12, 13 and 14 of the Single Act on Funds No. 20.712.

As of March 31, 2021, there are policies securing all funds and portfolio administration, which amount to MCh$ 86,703.

Funds	Type of collateral	Amount MCh$	Amount paid UF
Funds	Guarantees in UF	76,458	2,601,060.58
Portfolio administration	Guarantees in UF	10,245	348,516.47
	Total	**86,703**	**2,949,577.05**

The foregoing is in accordance with the provisions of article 125 of Act No. 18.045 on the Stock Market and the provisions in NCG No. 125 of 2001, which stipulate that General Fund Administrators must permanently maintain a guarantee for each managed fund, which should always be equivalent to UF 10,000 or 1% of the average assets of the corresponding calendar year prior to the date of calculation.

NOTE 23 - CONTINGENCIES AND COMMITMENTS, CONTINUED

Also, in order to comply with the requirements of Title IV of Circular 1790, mutual funds defined as structured and secured must always have collateral provided by a third party other than the administrator company.

To ensure compliance with these standards, BCI Asset Management Administradora General de Fondos S.A. maintains deposits with BCI Bank.

d) Credit commitments

In order to satisfy the needs of its customers, the Bank assumed several irrevocable commitments and contingent liabilities. Although these obligations are not recognized in the interim consolidated statements of financial position, they are subject to credit risks and, therefore, are part of the Bank's overall risk.

The table below presents the contractual amounts of the transactions that require the Bank to grant loans and the amount of the provisions made for the credit commitment risk assumed:

	As of March 31	As of December 31
	2021	2020
	MCh$	MCh$
Endorsements and performance bonds	287,343	196,037
Documentary letters of credit	285,638	317,129
Guarantees	1,881,913	1,819,884
Amount available of revolving credit facilities	7,464,514	7,245,618
Provisions established (Note 21)	(53,890)	(51,593)
Total	**9,865,518**	**9,527,075**

e) Documents in custody and for collection on the part of the Bank

The Bank and its subsidiaries have the following operations derived from the normal course of business:

	As of March 31	As of December 31
	2021	2020
	MCh$	MCh$
Documents in collection	224,087	218,581
Custody of assets	66,654	66,466
Total	**290,741**	**285,047**

NOTE 24 – SHAREHOLDERS' EQUITY

a) Issued capital and shares

Movements in common shares during the periods ended March 31, 2021 and December 31, 2020 are the following:

	As of March 31 2021 No.	As of December 31 2020 No.
Issued as of January 1	**148,767,940**	**141,616,409**
Issuance of shares released	-	7,151,531
Shares subscribed and paid for capital increase	-	-
Total issued	**148,767,940**	**148,767,940**

As of March 31, 2021 and December 31, 2020, the distribution of shareholders is as follows:

As of March 31, 2021	Shares	
	No. of shares	Ownership %
Empresas Juan Yarur S.P.A.	82,356,919	55.36%
Banco de Chile on behalf of non-resident third parties	7,576,494	5.09%
Jorge Yarur Bascuñán	4,916,919	3.31%
BCI Corredor de Bolsa S.A. on behalf of non-resident third parties.	3,795,103	2.55%
Banco Santander on behalf of foreign investors	3,791,951	2.55%
AFP Habitat S.A	3,561,321	2.39%
AFP Capital S.A.	2,954,253	1.99%
AFP Provida S.A	2,907,866	1.95%
AFP Cuprum S.A.	2,758,554	1.85%
Larraín Vial S.A. Corredora de Bolsa	2,687,230	1.81%
Inversiones Cerro Sombrero Financiero S.P.A.	2,531,269	1.70%
Imsa Financiera S.P.A.	2,220,465	1.49%
Banchile Corredores de Bolsa S.A.	2,053,899	1.38%
Inversiones Tarascona Corporation Agencia en Chile	1,720,465	1.16%
Inversiones VYR S.P.A.	1,695,786	1.14%
Inversiones Nueva Altamira S.P.A	1,484,801	1.00%
Luis Enrique Yarur Rey	1,471,380	0.99%
AFP Modelo S.A	858,934	0.58%
Empresas JY S.A.	818,301	0.55%
Credicorp Capital S.A. Corredores de Bolsa	762,969	0.51%
Inversiones Colibrí Financiera S.A.	694,729	0.47%
Bolsa de Comercio de Santiago Bolsa de Valores	670,308	0.45%
BTG Pactual Chile S.A. Corredores de Bolsa	644,134	0.43%
Bice Inversiones Corredores de Bolsa S.A.	562,552	0.38%
AFP Planvital S.A.	529,892	0.36%
Other shareholders	12,741,446	8.56%
Subscribed and paid-in shares	**148,767,940**	**100.00%**

NOTE 24 –SHAREHOLDERS' EQUITY, CONTINUED

As of December 31, 2020	Shares	
	No. of shares	Ownership %
Empresas Juan Yarur S.P.A.	82,356,919	55.36%
Banco de Chile on behalf of non-resident third parties	7,903,241	5.31%
Jorge Yarur Bascuñán	4,916,919	3.31%
Banco Santander on behalf of foreign investors	3,869,509	2.60%
BCI Corredor de Bolsa S.A. on behalf of third parties.	3,709,455	2.49%
AFP Habitat S.A	3,532,781	2.37%
AFP Provida S.A	2,891,507	1.94%
Larraín Vial S.A. Corredora de Bolsa	2,597,592	1.75%
AFP Capital S.A.	2,570,090	1.73%
Inversiones Cerro Sombrero Financiero S.P.A.	2,531,269	1.70%
Banchile Corredores de Bolsa S.A.	2,247,127	1.51%
Imsa Financiera S.P.A.	2,220,465	1.49%
AFP Cuprum S.A.	2,090,561	1.41%
Inversiones Tarascona Corporation Agencia en Chile	1,807,326	1.21%
Inversiones VYR S.P.A.	1,695,786	1.14%
Inversiones Nueva Altamira S.P.A	1,484,801	1.00%
Luis Enrique Yarur Rey	1,471,380	0.99%
Inversiones Meyar S.A.C.	1,104,880	0.74%
Bolsa de Comercio de Santiago Bolsa de Valores	962,989	0.65%
AFP Modelo S.A	863,228	0.58%
Empresas JY S.A.	818,301	0.55%
Credicorp Capital S.A. Corredores de Bolsa	753,546	0.51%
Inversiones Colibrí Financiera S.A.	694,729	0.47%
BTG Pactual Chile S.A. Corredores de Bolsa	675,833	0.45%
Compañía de Seguros de Vida Consorcio Nacional de Seguro S.A.	652,752	0.44%
Other shareholders	12,344,954	8.30%
Subscribed and paid-in shares	**148,767,940**	**100.00%**

b) Dividends

During the periods ended March 31, 2021 and 2020, the following dividends were declared by the Bank:

	As of March 31	
	2021	2020
	Ch$	Ch$
Ch$ per ordinary share	-	-

The provision for minimum dividends as of March 31, 2021 amounts to MCh$139,912 (MCh$95,236 as of December 31, 2020).

NOTE 24 –SHAREHOLDERS' EQUITY, CONTINUED

c) The composition of basic and diluted earnings per share is as follows:

	As of March 31	
	2021	2020
Net income for the period attributable to the equity holders of the Bank	148,919	94,804
Income available for shareholders in MCh$	**148,919**	**94,804**
Weighted average number of shares	148,767,940	141,616,409
Basic and diluted earnings per share (Ch$-Share)	**1,001**	**669**

d) Translation adjustment reserve

As of March 31, 2021 and December 31, 2020, the reconciliation of the cumulative translation adjustment reserve as a separate component of shareholders' equity is as follows:

	Translation adjustment reserve
	MCh$
As of January 1, 2020	**175,490**
Net Exchange rate charges for subsidiaries in Florida	(95,503)
As of December 31, 2020	**79,987**
As of January 1, 2021	**79,987**
Net Exchange rate charges for subsidiaries in Florida	14,829
As of March 31, 2021	**94,816**

Reconciliation of the investment revaluation reserve and cash flow hedge reserve is as follows:

	Investment revaluation reserve	Cash flow hedges reserve
	MCh$	MCh$
Accumulated other comprehensive income 2019	**35,479**	**(126,789)**
Transferred to statements of income 2020	3,408	828
Mark to market adjustment	39,079	(50,331)
Accumulated other comprehensive income 2020	**77,966**	**(176,292)**
Transferred to statements of income 2021	273,237	192
Mark to market adjustment	(362,285)	69,226
Accumulated other comprehensive income 2021	**(11,082)**	**(106,874)**

NOTE 24 –SHAREHOLDERS' EQUITY, CONTINUED

e) Nature of valuation reserves

- Cumulative translation adjustment reserve:

Originated by exchange rate differences arising from the conversion of a net investment in a foreign entity which has a different functional currency.

- Cash flow hedges reserve:

Originated by the valuation at fair value of the derivative contracts designated as hedging instruments in cash flow hedges.

- Fair value reserves:

The fair value reserve includes the accumulated net changes in the market value of the investments available for sale. When the investment (all or part) is sold or disposed of, these reserves are recognized in the Interim Consolidated Statement of Profit or Loss as part of the loss or gain related to investments (Note 1, section t, indicates the accounting treatment in case of impairment).

f) Capital requirements

According to General Banking Law, the Bank should maintain a minimum ratio of effective stockholders' equity to consolidated risk-weighted assets, net of required loan loss allowances and provisions and deductions, of 8%, and a minimum ratio of basic capital to consolidated total assets, net of required loan loss allowances and provisions and deductions of 3%. Regulatory capital for these purposes is defined as basic capital (which represents paid-in capital and reserves) with the following adjustments: a) aggregate subordinated bonds for up to 50% of the basic capital, b) aggregate additional allowances, c) deductions of the balance of assets corresponding to goodwill or overprices paid and investments in companies not included in the consolidation, and (d) aggregate the balance of the non-controlling interest.

The assets are weighted according to a risk category to which a risk percentage is assigned according to the amount of capital necessary to support each of these assets, five risk categories are applied (0%, 10%, 20%, 60% and 100%). For example, cash, deposits in banks, and financial instruments issued by the Central Bank of Chile have 0% risk, which means that according to the regulations in force, capital is not needed to maintain these assets. Property, plant and equipment have 100% risk, which means that a minimum capital, equivalent to 8% of these assets, should be held.

All over the counter ("OTC") derivative securities are considered in the determination of risk-weighted assets with a conversion factor over the notional values, thus obtaining the amount of credit risk exposure (or "credit equivalent") that complies with Chapter 12-1 of the Updated Compilation of Standards issued by the CMF. Contingent credits, recognized off – balance sheet, which are also considered as a "credit equivalent" for purposes of risk exposure.

During 2019, the Financial Market Commission initiated the regulatory process for the implementation of Basel III standards in Chile, in accordance with the provisions of Law No. 21.130 on Modernization of the Banking Legislation. During 2020, the CMF has issued the final regulations.

NOTE 24 –SHAREHOLDERS' EQUITY, CONTINUED

The regulatory and basic capital for the period ended 2021 and the year 2020 are the following:

	Consolidated assets		Risk- weighted assets	
	As of March 31	As of December 31	As of March 31	As of December 31
	2021	2020	2021	2020
	MCh$	MCh$	MCh$	MCh$
Assets - Consolidated statements of financial position (net of provisions)				
Cash and deposits in banks	4,659,509	4,597,867	-	-
Items in course of collection	374,540	236,710	126,728	40,899
Trading portfolio financial assets	441,067	1,147,279	150,320	230,456
Liabilities under agreements to repurchase	216,529	190,248	216,529	190,248
Derivative financial liabilities	4,293,019	5,451,897	750,265	834,039
Credit equivalent	(3,251,931)	(4,388,819)	-	-
Loans and receivables due from banks	438,733	356,669	438,733	356,669
Loans and receivables from customers	35,023,150	34,718,681	30,219,683	29,841,236
Financial investments available for sale	8,739,219	7,996,040	1,667,236	1,541,591
Financial investments held to maturity	295,545	25,144	280,573	10,244
Investments in other companies	27,010	26,625	27,009	26,625
Intangible assets	391,692	395,276	238,902	243,764
Property, plant and equipment	247,881	251,217	247,881	251,217
Right-of-use assets	195,754	204,807	195,753	204,807
Current income taxes	13,952	36,270	1,395	3,627
Deferred income taxes	236,564	211,224	23,656	21,122
Other assets	1,231,482	1,310,345	878,705	877,563
Assets off– balance sheet				
Contingent loans	4,305,196	4,085,765	2,583,118	2,451,459
Total	**57,878,911**	**56,853,245**	**38,046,486**	**37,125,566**

	As of March 31	As of December 31
	2021	2020
	MCh$	MCh$
Basic capital	3,838,665	3,893,620
Regulatory capital	5,132,629	4,971,521
Total consolidated assets	57,878,911	56,853,245
Total Risk- weighted assets	38,046,486	37,125,566

Concept	Ratio	
	As of March 31	As of December 31
	2021	2021
	%	%
Basic capital-Consolidated assets	6.63	6.85
Basic capital- Risk-weighted assets	10.09	10.49
Regulatory capital- Risk-weighted assets	13.49	13.39

(*) On August 21, 2020, the CMF published Circular No. 2,265, which indicates the new treatment for risk-weighted assets associated with loans guaranteed by the Chilean Treasury, CORFO and FOGAPE, that are incorporated to the category No. 2. Consequently, these loans' credit risk has been reduced from 100% to 10%.

NOTE 25 - INTEREST INCOME AND EXPENSES AND INDEXATION FOR INFLATION

a) For the three-month periods ended March 31, 2021 and 2020, the composition of income from interest and indexation for inflation is the following:

	For the three-month periods ended March 31					
	2021			2020		
Concept	Interest	Indexation for inflation	Total	Interest	Indexation for inflation	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Repurchase agreements	89	270	359	625	-	625
Interbank loans	1,610	-	1,610	4,354	-	4,354
Commercial loans	226,336	53,153	279,489	267,041	48,731	315,772
Mortgage loans	51,115	83,020	134,135	47,532	67,196	114,728
Consumer loans	104,449	353	104,802	131,595	510	132,105
Investment instruments	23,961	10,674	34,635	24,410	4,806	29,216
Other income from interest or indexation (*)	1,544	764	2,308	4,829	420	5,249
Hedge accounting offset effect	(3,636)	-	(3,636)	(22,221)	-	(22,221)
Total income from interest and indexation for inflation	**405,468**	**148,234**	**553,702**	**458,165**	**121,663**	**579,828**

(*)Includes interest on overnight deposits, the liquidity current account with Central Bank of Chile, and others.

For the three-month periods ended March 31, 2021 and 2020 the sum of interest expenses and indexation for inflation is as follows:

	For the periods ended March 31	
	2021	2020
Concept	**MCh$**	**MCh$**
Demand deposits	(9,125)	(19,382)
Repurchase agreements	(1,597)	(6,752)
Term deposits and borrowings	(13,028)	(78,222)
Borrowings from financial institutions	(9,140)	(22,522)
Debt issued	(108,952)	(97,167)
Other financial liabilities	(1,435)	(4,715)
Lease liabilities	(792)	(1,114)
Other interest expenses and indexation for inflation	(5,668)	(5,257)
Hedge Accounting Results	12,883	7,071
Total interest expenses and-indexation for inflation	**(136,854)**	**(228,060)**

b) For the three-month periods ended March 31, 2021 and 2020, the detail of income and expenses related to hedge accounting is as follows:

	For the three-month periods ended March 31					
	2021			2020		
	Income	Expense	Total	Income	Expense	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Asset hedge margin						
Fair value hedges	53,596	(27,408)	26,188	2,780	(16,872)	**(14,092)**
Cash flow hedges	2,470	(32,294)	**(29,824)**	16,737	(24,866)	**(8,129)**
Subtotal	**56,066**	**(59,702)**	**(3,636)**	**19,517**	**(41,738)**	**(22,221)**
Liabilities hedge margin						
Fair value hedges	76,558	(63,675)	12,883	527,106	(520,035)	**7,071**
Subtotal	**76,558**	**(63,675)**	**12,883**	**527,106**	**(520,035)**	**7,071**
Total	**132,624**	**(123,377)**	**9,247**	**546,623**	**(561,773)**	**(15,150)**

NOTE 26 – FEE AND COMMISSION INCOME AND EXPENSES

For the three-month periods ended March 31, 2021 and 2020, the composition of fee and commission income and expenses is the following:

	For the three-month period ended March 31	
	2021	2020
	MCh$	MCh$
Fee and commission income:		
Commissions for credit lines and overdrafts	839	1,091
Commissions for guarantees and letters of credit	6,234	5,939
Commissions for credit card services	22,682	29,726
Commissions for administration of accounts	11,845	12,683
Commissions for collection services	14,471	19,998
Commissions for securities brokerage	2,188	1,429
Commissions for management of mutual and investment funds	14,160	14,679
Commissions for insurance brokerage	15,617	20,759
Commissions for other services provided	16,950	11,556
Other commissions	4,715	3,594
Total fee and commission income	**109,701**	**121,454**
Fee and commission expenses:		
Commissions on operations with credit cards:	(13,114)	(12,308)
Commissions on securities trading	(6,980)	(5,860)
Other commissions	(10,456)	(11,966)
Total fee and commission expenses	**(30,550)**	**(30,134)**

NOTE 27 – GAIN OR LOSS FROM FINANCIAL OPERATIONS

For the three-month period ended March 21, 2021 and 2020, the detail of gain or loss from financial operations is the following:

	For the three-month period ended March 31	
	2021	2020
	MCh$	MCh$
Trading instruments	16,451	35,778
Derivative financial agreements (speculative)	12,676	69,762
Other instruments at fair value through profit or loss	-	23
Gains on financial investments available for sale	(13,858)	20,808
Total	**15,269**	**126,371**

NOTE 28 – NET FOREIGN EXCHANGE GAIN OR LOSS

For the three-month periods ended March 31, 2021 and 2020, the detail of the net foreign exchange gain or loss is the following:

	For the three-month periods ended March 31	
	2021	**2020**
	MCh$	**MCh$**
Exchange difference		
Gains from exchange differences	9,301,268	11,585,925
Losses from exchange differences	(9,275,856)	(11,929,632)
Subtotal	25,412	(343,707)
Foreign currency fluctuation		
Effect for assets and liabilities denominated in foreign currency	5,709	39,161
Subtotal	5,709	39,161
Hedge Accounting Results		
Assets hedge results	(60,454)	106,862
Liabilities hedge results	3,458	126,527
Subtotal	(56,996)	233,389
Total	**(25,875)**	**(71,157)**

This item includes income accrued in the period, related to holding of assets and liabilities in foreign currency or indexed to the exchange rate, for ex trading and results of derivatives used to hedge foreign currency.

NOTE 29 - PROVISIONS AND IMPAIRMENT FOR CREDIT RISK

The detail of provisions and impairment for credit risk for the three-month period ended March 31, 2021 and 2020 is as follows:

March 2021	Owed by banks	Loans and receivables from customers, net: Consumer loans	Mortgage loans	Consumer loans	Credit Commitments	Additional	Adjustment to minimum provision for normal portfolio	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Provisions:								
Individual provisions	82	15,245	-	-	3,338	-	-	**18,665**
Collective provisions		18,305	2,467	54,944	1,744	49,001	-	**126,461**
Total provisions	**82**	**33,550**	**2,467**	**54,944**	**5,082**	**49,001**	**-**	**145,126**
Impairment								
Individual impairment	-	-	-	-	-	-	-	-
Collective impairment	-	-	-	-	-	-	-	-
Total impairment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reversal of provisions								
Individual provisions	(35)	(3,661)	-	-	(844)	-	-	**(4,540)**
Collective provisions	-	(6,788)	(257)	(35,452)	(1,967)	(6,119)	-	**(50,583)**
Total reversal of provisions	**(35)**	**(10,449)**	**(257)**	**(35,452)**	**(2,811)**	**(6,119)**	**-**	**(55,123)**
Recovery of loans previously written off	-	(3,608)	(339)	(14,122)	-	-	-	**(18,069)**
Reversal of impairment	-	-	-	-	-	-	-	-
Net provisions for credit risk	**47**	**19,493**	**1,871**	**5,370**	**2,271**	**42,882**	**-**	**71,934**

NOTE 29 - PROVISIONS AND IMPAIRMENT FOR CREDIT RISK, CONTINUED

March 2020	Owed by banks	Loans and receivables from customers, net			Credit Commitments	Additional	Adjustment to minimum provision for normal portfolio	Total
		Consumer loans	Mortgage loans	Consumer loans				
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Provisions:								
Individual provisions	207	27,935	-	-	2,164	-	719	**31,025**
Collective provisions	-	23,164	2,971	89,405	2,555	10,000	-	**128,095**
Total provisions	**207**	**51,099**	**2,971**	**89,405**	**4,719**	**10,000**	**719**	**159,120**
Impairment								
Individual impairment	-	-	-	-	-	-	-	-
Collective impairment	-	-	-	-	-	-	-	-
Total impairment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reversal of provisions								
Individual provisions	(48)	(284)	-	-	(999)	-	(2,837)	**(4,168)**
Collective provisions	-	(6,671)	(2,115)	(1,036)	(242)	-	-	**(10,064)**
Total reversal of provisions	**(48)**	**(6,955)**	**(2,115)**	**(1,036)**	**(1,241)**	**-**	**(2,837)**	**(14,232)**
Recovery of loans previously written off	-	(4,801)	(377)	(8,674)	-	-	-	**(13,852)**
Reversal of impairment	-	-	-	-	-	-	-	-
Net provisions for loan losses	**159**	**39,343**	**479**	**79,695**	**3,478**	**10,000**	**(2,118)**	**131,036**

In Management’s opinion, the provisions recorded for credit risk and for impairment cover all possible losses that may result if assets are not recovered based on the information corroborated by the Bank.

NOTE 30 - STAFF COSTS

The composition of staff costs as of March 31, 2021 and 2020 is as follows:

	For the three-month period ended March 31	
	2021	2020
	MCh$	MCh$
Staff remuneration	68,822	70,537
Bonuses or awards	51,660	44,446
Severance payments	2,166	2,512
Training expenses	493	472
Other staff expenses	8,384	9,841
Total	**131,525**	**127,808**

NOTE 31 - ADMINISTRATIVE EXPENSES

As of March 31, 2021 and 2020, the composition of administrative expenses is as follows:

	For the three-month period ended March 31	
	2021	2020
	MCh$	MCh$
General administrative expenses		
Maintenance and repair of the bank's property, plant and equipment	3,147	3,413
Insurance premiums	2,346	2,341
Office supplies	603	1,061
Computer and communication expenses	22,357	22,482
Lighting, heating and other services	2,087	2,419
Securities custody and transportation services	3,407	3,261
Travel expenses	526	1,194
Judicial and notarial expenses	688	1,535
Fees for technical reports	1,860	1,488
Audit fees	1,015	1,347
Fines imposed by the CMF	-	
Fines imposed by other agencies	7	213
Low-value lease contract expenses	2,145	2,260
Cleaning services	1,105	1,085
Advisory services	5,755	3,086
Postal-related expenses	330	395
Other general administrative expenses	5,852	13,909
Sub- contracted services		
Data processing	1,507	1,760
Sale of products	456	258
Credit evaluation	1	139
Other	2,272	2,474
Board of Director expenses		
Board of Directors remuneration	1,305	1,274
Other Board of Directors expenses	117	104
Publicity and advertising	7,152	6,757
Taxes, real estate taxes and contributions		
Real estate taxes	747	642
Licenses	589	653
Other taxes	3,471	4,384
Contribution to CMF	3,843	3,268
Total	**74,690**	**83,202**

NOTE 32 - DEPRECIATION, AMORTIZATION AND IMPAIRMENT

a) As of March 31, 2021 and 2020, depreciation and amortization expenses are detailed below:

	For the three-month period ended March 3	
	2021	2020
	MCh$	MCh$
Depreciation and amortization		
Depreciation of property, plant and equipment	(5,741)	(6,354)
Amortization of intangible assets	(14,183)	(13,885)
Amortization and depreciation of right-to- use assets	(6,375)	(6,776)
Total	(26,299)	(27,015)

b) As of March 31, 2021 and 2020, the bank presents impairment which is detailed below:

	For the three-month period ended March 31	
	2021	2020
	MCh$	MCh$
Impairment of property, plant and equipment and intangible assets		
Property, plant and equipment (1)	(23)	(4)
Intangibles	-	-
Total	**(23)**	**(4)**

(1) As of March 31, 2021 and 2020, the impairment of property, plant and equipment of MCh$23 and MCh$4 corresponds to the gross balance of property, plant and equipment.

The Bank and its branches assess, on the end of the reported fiscal period if there is any indicator of impairment of any asset with a defined life. If any indicator is present, or an impairment test is needed, the entity calculates the recoverable amount of the asset.

NOTE 32 - DEPRECIATION, AMORTIZATION AND IMPAIRMENT, CONTINUED

c) The reconciliation between the amounts as of January 1, 2021 and 2020 and the balances as of March 31, 2021 and 2020 is as follows:

	Accumulated depreciation and amortization 2021			
	Property, plant and equipment, net	**Leased assets**	**Intangible assets**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Balances as of January 1	**166,882**	**84,020**	**262,117**	**513,019**
Charges for depreciation and amortization	5,741	6,375	14,183	26,299
Disposals	(720)	(3,334)	-	(4,054)
Others	99	1,058	511	1,668
Balance as of December 31	**172,002**	**88,119**	**276,811**	**536,932**

	Accumulated depreciation and amortization 2020			
	Property, plant and equipment, net	**Leased assets**	**Intangible assets**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Balances as of January 1	**204,076**	**62,099**	**209,200**	**475,375**
Charges for depreciation and amortization	6,354	6,776	13,885	**27,015**
Disposals	(6,265)	(909)	-	**(7,174)**
Others	414	1,737	5,752	**7,903**
Balance as of December 31	**204,579**	**69,703**	**228,837**	**503,119**

NOTE 33 - OTHER OPERATING INCOME AND EXPENSES

a) Other operating income

As of December 31, 2021 and 2020, the composition of other operating income is as follows:

	For the three-month period ended March 31	
	2021	**2020**
Concept	**MCh$**	**MCh$**
Income from repossessed assets		
Gain on sale of repossessed assets	328	586
Other income	871	28
Subtotal	1,199	614
Reversal of provisions for credit commitments		
Reversal of provisions for country risk	-	-
Subtotal	-	-
Other income		
Gains on sale of property, plant and equipment	1,033	944
Insurance claims	73	376
Leasing income	1,542	879
Other income	6,606	10,098
Subtotal	9,254	12,297
Total	**10,453**	**12,911**

b) Other operating expenses

During 2021 and 2020, the composition of other operating income is as follows:

	For the three-month period ended March 31	
	2021	**2020**
Concept	**MCh$**	**MCh$**
Impairment and expenses for repossessed assets		
Provisions for repossessed assets	-	87
Write-off of repossessed assets	138	72
Maintenance expenses for repossessed assets	151	284
Subtotal	289	443
Establishment of provisions for credit commitments		
Provisions for country risk	842	573
Other provisions for credit commitments	7,726	1,390
Subtotal	8,568	1,963
Other expenses		
Contributions and donations	1,079	722
Penalties for judicial and notary expenses	1,241	1,070
Leasing expenses	8,552	4,417
Non-operating expenses	1,994	3,567
Other expenses	4,469	1,969
Subtotal	17,335	11,745
Total	**26,192**	**14,151**

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES

a) Loans with related parties

The following shows the loans and accounts receivable, contingent loans and assets for trading and investment instruments, corresponding to related entities:

	As of March 31, 2021			As of December 31, 2020		
	Operating companies MCh$	Investment companies MCh$	Individuals MCh$	Operating companies MCh$	Investment companies MCh$	Individuals MCh$
Loans and receivables to customers						
Commercial loans	114,388	83,541	22,573	113,594	83,731	22,152
Mortgage loans	-	-	46,441	-	-	46,894
Consumer loans	-	-	7,262	-	-	7,483
Gross loans	**114,388**	**83,541**	**76,276**	**113,594**	**83,731**	**76,529**
Allowances for loan losses	(248)	(47)	(456)	(282)	(50)	(477)
Net loans	**114,140**	**83,494**	**75,820**	**113,312**	**83,681**	**76,052**
Loan commitments	68,913	10,066	17,020	68,031	10,047	17,707
Provisions for loan commitments	(231)	(10)	(55)	(231)	(10)	(61)
Loan commitments, net	**68,682**	**10,056**	**16,965**	**67,800**	**10,037**	**17,646**

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

b) Other transactions with related parties

During 2021 and 2020, the Bank conducted the following transactions with related parties:

March 2021				**Effect on income**	
Company name	**Relationship with the Group**	**Description**	**Amount of transaction**	**Expense**	**Income**
			MCh$	**MCh$**	**MCh$**
Artikos Chile S.A.	Joint venture	Acquisition services	272	272	-
BCI Seguros de Vida S.A	Other	Revenue and channel usage service	326	-	326
		Brand use	331	-	331
		Messaging	30	-	30
		Channel usage	110	-	110
		Loss management	250	-	250
		Marketing	-	-	-
		Subordinated bonds	608	17	-
		Financial bond	6,156	32	-
		Term deposits	894	2	-
		Forward operation	8	8	-
		Bank expenses	46	-	46
		Collection fees Servicios Financieros y Administración de Créditos Comerciales S.A.	1,608	-	1,352
		Collection fees Servicios de Comercialización y Apoyo Financiero y de Gestión Ltda.	78	-	65
		Intermediation fees BCI CCSS	2,443	-	2,443
BCI Seguros Generales S.A.	Other	Revenue and channel usage service	10	-	10
		Brand use	331	-	331
		Messaging	20	-	20
		Channel usage	110	-	110
		Marketing	52	-	52
		Forward operation	3,028		39
		Intermediation fees financial services, Corredores de Seguros y Gestión Financiera Ltda	513	-	431
		Collection fees Servicios de Comercialización y Apoyo Financiero y de Gestión Ltda	1,306	-	1,098
		Intermediation fees BCI CCSS	6,153	-	6,153
Zenit Seguros Generales S.A.	Other	Bank expenses	10	-	10
		Financial bond	612	29	-
		Fixed term deposits	800	-	-
Centro de Compensación Automatizado S.A.	Others	Electronic banking transactions	447	447	-
Combanc S.A.	Associate	Compensation and high value payment	126	126	-
Comder Contraparte Central S.A.	Associate	Bank processing	189	189	-
Conexxion Spa	Others	Postal mail service	64	64	-
DCV Registros S.A.	Others	Management of register of shareholders	21	21	-
Depósitos Central de Valores S.A.	Others	Financial instruments custody	187	187	-
Digitech Solutions S.A.	Others	Digital documentation	78	78	-
Inmobiliaria Anya S.A.	Others	Real estate projects	30	30	-
Inmobiliaria JY S.A.	Others	Real estate projects	57	57	-
Jordan (Chile) S.A.	Common parent	Forms printing	411	411	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Associate	Card Processing	2,078	2,078	-
Redbanc S.A.	Associate	ATMs Operation	1,607	1,607	-
Salcobrand S.A.	Common parent	Rent of places for ATMs	57	57	-
Servicios de Información Avanzada S.A.	Others	Trade information service	226	226	-
Servipag Ltda.	Joint venture	Services collection and payment	1,099	1,099	-
Sistema Nacional de Com. Financieras S.A. (Sinacofi)	Others	Financial information service	139	139	-
Transbank S.A.	Other	Credit card management and credit card use income	491	356	135

NOTE: Only transactions over UF1,000 are disclosed.
All these transactions were undertaken under prevailing market conditions at the date on which they were entered.

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

March 2020 Company name	Relationship with the Group	Description	Amount of transaction	Effect on income Expense	 Income
			MCh$	MCh$	MCh$
Artikos Chile S.A.	Joint venture	Acquisition services	273	273	-
Bolsa de Comercio de Santiago	Others	Rent of terminals	41	41	-
BCI Seguros de Vida S.A.	Common parent	Revenue and channel usage service	320	-	320
		Brand use	2,011	-	2,011
		Messaging	56	-	56
		Channel usage	214	-	214
		Loss management	243	-	243
		Marketing	357	-	357
		Subordinated bonds	229	-	229
		Contracted insurance	697	19	-
		Financial bond	729	5	-
		Terms deposits	5,534	5,534	-
		Forward operation	338	-	338
		Fees for collection of financial services y management of commercial loans	3,383	-	2,843
		Collection fees, Servicios de Comercialización y Apoyo Financiero y de Gestion Ltda	450	-	450
		Intermediation fees, BCI CCSS	2,893	-	2,893
BCI Seguros Generales S.A.	Common parent	Revenue and channel usage service	22	-	22
		Brand use	402	-	402
		Digital transformation	357	-	357
		Marketing	143	-	143
		Forward operation	135	-	135
		Intermediation fees SSFF Corredores de Seguros y Gestión Financiera Ltda	433	-	364
		Collection fees Servicios de Comercialización y Apoyo Financiero y de Gestión Limitada.	2,701	-	2,269
		Intermediation fees BCI CCSS	4,960	-	4,960
Centro de Compensación Automatizado S.A.	Others	Electronic banking transactions	439	439	-
Combanc S.A.	Associate	Compensation and high value payment	122	122	-
Comder Contraparte Central S.A.	Associate	Bank processing	251	251	-
Conexxion Spa	Others	Postal mail service	69	69	-
DCV Registros S.A.	Others	Management of register of shareholders	20	20	-
Depósitos Central de Valores S.A.	Others	Financial instruments custody	76	76	-
Digitech Solutions S.A.	Others	Digital documentation	79	79	-
Fernando Vallejos V	Others	Advice and consultancy	20	20	-
Inmobiliaria Anya S.A.	Others	Real estate projects	28	28	-
Inmobiliaria JY S.A.	Others	Real estate projects	55	55	-
Jordan (Chile) S.A.	Common parent	Forms printing	572	572	-
Mario Gómez D.	Others	Advice and consultancy	59	59	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Associate	Card Processing	2,338	2,338	-
Redbanc S.A.	Associate	ATMs Operation	1,642	1,642	-
Salcobrand S.A.	Common parent	Rent of places for ATMs	40	40	-
Servicios de Información Avanzada S.A.	Others	Trade information service	183	183	-
Servipag Ltda.	Joint venture	Services collection and payment	1,501	1,501	-
Sistema Nacional de Com. Financieras S.A. (Sinacofi)	Others	Financial information service	123	123	-
Transbank S.A.	Other	Credit card management and credit card use income	18,187	3,930	14,257

NOTE: Only transactions over UF1,000 are disclosed.
All these transactions were undertaken under prevailing market conditions at the date on which they were entered.

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

c) Other assets and liabilities with related parties

	As of March 31 2021 MCh$	As of December 31 2020 MCh$
ASSETS		
Derivative financial assets	-	-
Other assets	-	-
LIABILITIES		
Derivative financial liabilities	-	-
On-demand deposits	99,879	99,686
Term and other on-demand deposits	312,020	315,306
Other liabilities	-	-

d) Income (expense) recognized on transactions with related parties:

		For the three-month period ended March 31			
		2021		2020	
Type of income or (expense) recognized	**Entity**	**Income MCh$**	**Expense MCh$**	**Income MCh$**	**Expense MCh$**
Income and expenses	Sundry	3,468	(398)	2,940	(1,306)
Operational support expenses	Companies supporting the line of business	13,342	(7,532)	32,863	(17,419)
Total		**16,810**	**(7,930)**	**35,803**	**(18,725)**

e) Remuneration of the Board of Directors and key management personnel.

Compensation earned by key management personnel corresponds to the following categories:

	For the three-month period ended March 31 2021 MCh$	2020 MCh$
Short-term remuneration of key management personnel (*)	7,034	7,425
Severance indemnities	-	-
Total	**7,034**	**7,425**

(*) As of March 31, 2021 total expenses for the corresponding remuneration of the Board of Directors of the Bank and subsidiaries amounted to MCh$1,422 (MCh$1,378 in 2020).

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

f) Composition of key management personnel

As of March 31, 2021, the composition of the key management personnel of the Bank and its subsidiaries is as follows:

Position	No. of executives
Director	22
General manager	8
Division and Area Manager	25
Total	**55**

g) Transactions with key management personnel

As of March 31, 2021 and 2020, the Bank has undertaken the following transactions with key management personnel, as specified below:

	For the three-month period ended March 31,					
	2021			2020		
	Balance owed	Interest income	Income of key executives	Balance owed	Interest income	Income of key executives
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Credit cards and other services	2,221	419,567	1	2,263	465,100	1
Mortgage loans	2,198	134,135	43	2,580	114,728	36
Collateral	2,685	-	-	2,087	-	-
Total	**7,070**	**553,702**	**44**	**6,930**	**579,828**	**37**

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

As of March 31, 2021, the Bank has the following contracts:

No.	Related company	The service involved	Concept	Description of the Contract	Period	Condition
1	Archivos Credenciales e Impresos Archivert Ltda.	Production of credit and debit plastic cards	Credit and Debit Card Production	Production of credit and debit plastic cards	Indefinite	Automatic renewal every two years.
2	Artikos Chile S.A.	Purchases and logistics services portal	Purchase of supplies	Electronic purchase service for assets and/or logistics services	Indefinite	Annual automatic renewal
3	Automotora Aventura Motors S.A.	Vehicle maintenance	Vehicle maintenance	Vehicle maintenance	Indefinite	Seasonal purchase
4	BCI Seguros de Vida S.A.	Insurance	Insurance premiums	Individual life insurance policy for executives and guards	Annual	Annual Hiring
5	BCI Seguros Generales S.A.	Insurance	Insurance premiums	Individual policies for the Bank's physical assets, leased assets and comprehensive banking policy	Annual	Annual Hiring
6	Boston Consulting Group	Advisory and consulting services	Advisory and consulting services	Advisory and consulting services	Definite	Definite
7	Centro de Automatizado S.A.(CCA)	Electronic transactions adjustment center	Centre adjustment Services	Participation in and incorporation into the electronic transfer center to expedite the completion of fund transfer transactions, the Bank operates in the CET as an IFO (Originating Banking Institution) and as an IFR (Receiving Banking Institution)	Indefinite	Annual automatic renewal
8	Combanc S.A.	Clearing and settlement of High Amount payments SWIFT Messaging (Order and / or receive balance information from Central Bank of Chile, for daily transfer of customers' funds)	Settlement of significant amount payments	Clearing and settlement of High Amount payments SWIFT Messaging (Order and / or receive balance information from Central Bank of Chile, for daily transfer client funds)	Indefinite	Automatic renewal every year
9	COMDER Contraparte Central S.A.	Operating systems clearing and settlement of financial instruments	Clearing house of derivatives	Clearing and Settlement as Central counterparty mode of Financial Instruments	Indefinite	Automatic renewal every year
10	Compañía de Formularios Continuos Jordan (Chile) S.A.	Printing and manufacturing of checkbooks,	Form printing	Printing services are contracted for basic lists, special forms, and revenue stamped forms, such as checks and at sight promissory notes	Indefinite	Annual automatic renewal

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

No.	Related company	The service involved	Concept	Description of the Contract	Period	Condition
11	Conexxion Spa	Postal mail service (normal and registered letter), Messaging (internal courier service and motorbikes)	Mail and Messaging	Postal mail service (regular and registered letter), Messaging (internal courier service and motorbikes)	Indefinite	Annual automatic renewal
12	Corporación Cultural Arte +	Advertising spaces	Advertising spaces	Advertising in magazine La Panera.	Definite	Seasonal purchase
13	Corporación de Crédito al Menor o Demos una Oportunidad al Menor	Donation for social purposes	Donation for social purposes	Donations for social purposes to fund the Continuous Improvement Program for the comprehensive development of the Villa Jorge Yarur Banna Protection Residence for Girls and Adolescents seriously violated in their rights.	52 months (4 years and 4 months)	Definite
14	DCV Registros S.A.	Management of register of shareholders	Management of register of shareholders	Comprehensive and personalized attention of the shareholders of BCI and brokers	Indefinite	Automatic renewal every year
15	Depósitos Central de Valores S.A.	Service Custody Deposit and Securities	Securities Custody	Service Custody Deposit and Securities	Indefinite	Automatic renewal every year
16	Digitech Solutions S.A.	Document digitalization	Document Scanning Service	Digitizing documents Back Office, Foreign Trade, document management Mortgage and Corporate Banking	Indefinite	Automatic renewal every year
17	Galería de Arte Patricia Ready Ltda.	Exhibition Hall Art Gallery	Sponsorship	Ensure BCI brand presence in all invitations printed for each exhibition and in the invitation in digital format, Include the BCI logo in all catalogues	Indefinite	Automatic renewal every year
18	Inmobiliaria Anya S.A.	Rent for BCI branch	Lease	Lo Echevers branch lease	8 years	Automatic renewal for the same period
19	Inmobiliaria JY S.P.A.	Real estate projects	Real estate projects	Real estate projects	Indefinite	Automatic renewal every year
20	Inmobiliaria SB SPA	Real estate services	Lease	Sub-lease of stores in Building Centro Santa María de Manquehue.	Indefinite	Automatic renewal every year
21	Inversiones Edelweiss Chile Limitada	Sale of supplies	Sale of supplies	Purchase of supplies	Definite	Seasonal purchase
22	Irarrazabal Ruiz-Tagle Goldenberg Lagos & Silva Abogados Ltda.	Intangible Services Lawyers Presidency	Advisory services	Professional Advice in General to the Bank and Subsidiaries	Indefinite	Automatic renewal every year

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

No.	Related company	The service involved	Concept	Description of the Contract	Period	Condition
23	Mario Gómez D.	Advisory and consulting services	Advisory services	Development of banking and micro-business plan. Comprehensive advice to commercial bank management	Definite	Definite, subject to renewal every 30 days
24	Operadoras de Tarjetas de Crédito Nexus S.A.	Processing credit card operations (issuer list)	Card Processing	Operations of Mastercard, Visa credit cards and debit card regarding processing the issuer list	Indefinite	Automatic renewal every three years.
25	Redbanc S.A.	Administration of the operations of ATMs, Redcompra and RBI	ATMs Operation	In fulfilling its corporate purpose, the company will offer the participant, for the use of its customers or users, the electronic data transfer service via automatic tellers or other actual or virtual electronic means	Indefinite	Automatic renewal every three years.
26	Reparaciones Express Ltda.	Vehicle maintenance	Vehicle maintenance	Vehicle maintenance	Indefinite	Automatic renewal every year
27	Salcobrand S.A.	Lease of ATM’s site (affordable)	Lease of ATM’s site	Lease of ATM’s site (affordable)	Indefinite	Annual automatic renewal
28	Servicios de Información Avanzada Comercial y Financiera S.A. (SINACOFI BURO)	Computer Services	Computer Services	IT services	Indefinite	Automatic renewal every year
29	Servipag Ltda.	Collection and payment of services, payment of checks and receipt of deposits and administration of our teller service	Collection and payment of services	The service is engaged for resolution of collection transactions captured by BCI tellers for processing and rendition to customers	Indefinite	Automatic renewal every year
30	Sistema Nacional de Com. Financieras S.A. (Sinacofi)	Electronic Messaging Service: secure information exchange Clearing Service: Corresponds to the electronic exchange	Financial and business Information	Electronic Messaging Service: secure information exchange Clearing Service: Corresponds to the electronic exchange	Indefinite	Automatic renewal every year
31	Transbank S.A.	Processing credit card operations (user list)	Administration of credit cards	Provision of Visa, Mastercard credit card services regarding the user list	Indefinite	Automatic renewal every two years.
32	Tu Ves S.A.	Advertising exhibition	Basic services	Provision of satellite television service and equipment leasing	Definite	Seasonal purchase
33	Vigamil S.A.C.I.	Making of envelopes	Making of envelopes	Services for making of envelopes	Definite	Seasonal purchase

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

N°	Related company	The service involved	Concept	Description of the Contract	Period	Condition
34	Viña Morandé S.A.	Wines for gifts to customers and consumption	Wines for gifts to customers	Wines for gifts to customers and consumption	Indefinite	Automatic renewal every year
35	Pagos y Servicios S.A	Authorization of online card transactions	Information and transaction services	Information and transaction services	Lease	Sublease of office
36	Plaza S.A.	Lease of offices	Lease	Rent for BCI Branch	Lease	Rent for BCI Branch
37	Sixtra Chile S.A	Telecommunications	Telephone service	Communications and other related services	Telephone service	Communications and other related services

NOTE 35 - ASSETS AND LIABILITIES AT FAIR VALUE

a) The following table summarizes the carrying amounts and fair values of the principal financial assets and liabilities in the Bank´s Interim Consolidated Statements of Financial Position:

	As of March 31, 2021		As of December 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
	MCh$	MCh$	MCh$	MCh$
Assets				
Cash and deposits in banks	4,659,509	4,659,509	4,597,867	4,597,867
Items in course of collection	374,540	374,540	236,710	236,710
Trading portfolio financial assets	441,067	441,067	1,147,279	1,147,279
Liabilities under agreements to repurchase	216,529	216,529	190,248	190,248
Derivative financial liabilities	4,293,019	4,293,019	5,451,897	5,451,897
Loans and receivables to banks, net	438,733	438,733	356,669	356,669
Loans and receivables to customers, net	35,023,150	39,060,496	34,718,681	39,017,527
Commercial loans	22,741,039	23,331,417	22,707,117	23,239,166
Mortgage loans	9,184,545	11,393,608	8,897,471	11,412,160
Consumer loans	3,097,566	4,335,472	3,114,093	4,366,200
Financial investments available for sale	8,739,219	8,739,219	7,996,040	7,996,040
Financial investments held to maturity	295,545	295,545	25,144	25,144
Total assets	**54,481,311**	**58,518,657**	**54,720,535**	**59,019,381**
Liabilities				
Deposits and other on-demand liabilities	21,188,326	21,188,326	19,726,574	19,726,574
Items in course of collection	369,186	369,186	201,438	201,438
Liabilities under agreements to repurchase	239,795	239,795	350,314	350,314
Term and on-demand deposits	9,624,175	10,882,994	10,839,611	10,910,289
Derivative financial liabilities	4,508,648	4,508,648	5,793,354	5,793,354
Bank borrowings	6,445,609	6,445,609	6,270,699	6,270,699
Debt securities issued	7,788,313	8,827,380	7,431,624	8,827,380
Other financial liabilities	859,421	859,421	911,044	911,044
Total liabilities	**51,023,473**	**53,321,359**	**51,524,658**	**52,991,092**

The fair value estimates presented above, do not attempt to estimate the value of the bank’s profits generated by their business or future activities and therefore, do not represent the value of the Bank as a going concern.

NOTE 35 - ASSETS AND LIABILITIES AT FAIR VALUE, CONTINUED

Methods used to estimate financial instruments' fair value are detailed below:

Loans and receivables to customers

Loans and receivables to customers are presented net of their allowance for loan losses and impairment. The estimated fair value represents the discounted future cash flows expected to be received.

Cash flows are discounted at market interest rate, using an interbank rate that considers the relevant term and currency.

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

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

2. In quantitative terms, the provision percentage assigned to an operation results in an estimate of the provision based on the credit profile of the operation.

3. The resulting amount when applying the 'provisions-total loans' factor mentioned in 2) to the current principal and accrued interest outstanding of the respective loan approximates the adjustment for credit risk (in other words, resulting in the allowance calculation).

Term and on-demands deposits

The estimated fair value of demand accounts and deposits, for which maturity is not established, including non-interest-bearing accounts, is the amount payable when the customer demands it. The redeemed cost of these deposits is a reasonable approximation of their fair value.

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

Bank borrowings

For the items in the previous table, their fair value will be equivalent to their carrying amount, because it reflects the corresponding market price.

Debt securities issued

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

NOTE 35 - ASSETS AND LIABILITIES AT FAIR VALUE, CONTINUED

Fixed Income Securities and Derivatives

The fair value of debt instruments classified as trading and available for sale, as well as derivative instruments, is estimated using valuation techniques detailed in the c) below.

Other balance sheet accounts

For other balance sheet accounts the carrying amount was used, because they are items with very short-term flows and therefore their discounted value does not differ significantly from their carrying amount.

b) Financial instruments measured at fair value.

Please refer to Note 1,k for further details on the criteria used to determine the fair value.

c) Hierarchy used for determining the fair value

The regulation distinguishes among different types of inputs used for the valuation techniques, differentiating between ‘‘observable’’ or ‘‘unobservable’’ inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the assumptions of the Bank and subsidiaries in relation to market behavior. The following hierarchy has been established based on these types of inputs:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes the debt instruments (whether fixed or variable income), equity instruments, and financial derivative instruments traded on domestic or international stock markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities or similar assets and liabilities , either directly (i.e. as prices) or indirectly (i.e. derived from prices). Prices may require interpolation within a price structure (e.g., derivative instruments belong to this level), and the same occurs with bonds assessed using a valuation technique like interpolation or matrix pricing, based on observable inputs.

Level 3 - Inputs for assets or liabilities that are not based on observable market data (significant unobservable input). This level includes equity and debt instruments whose valuation uses significant unobservable input.

This hierarchy requires the maximization of the use of relevant observable inputs and the minimization of unobservable inputs. The Bank and its subsidiaries consider the relevant observable market data in their valuations whenever it is possible.

Financial assets and liabilities classified by valuation levels

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

NOTE 35 - ASSETS AND LIABILITIES AT FAIR VALUE, CONTINUED

	Level 1		Level 2		Level 3		Total	
	March	December	March	December	March	December	March	December
	2021	2020	2021	2020	2021	2020	2021	2020
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Financial Assets								
Trading portfolio financial assets								
State and Central Bank of Chile	101,588	437,084	-	-	-	-	101,588	437,084
Other domestic institutions	250,561	609,301	-	-	-	-	250,561	609,301
Foreign institutions	2,265	3,463	-	-	-	-	2,265	3,463
Investments in mutual funds	86,653	97,431	-	-	-	-	86,653	97,431
Subtotal	**441,067**	**1,147,279**	**-**	**-**	**-**	**-**	**441,067**	**1,147,279**
Trading Derivative contracts								
Forwards	-	-	333,260	527,822	-	-	333,260	527,822
Swaps	-	-	2,901,643	3,852,775	7,889	8,210	2,909,532	3,860,985
Call Options	-	-	767	664	-		767	664
Put Options	-	-	1,276	3,846	-	-	1,276	3,846
Futures	-	-	34	-	-	-	34	-
Subtotal	**-**	**-**	**3,236,980**	**4,385,107**	**7,889**	**8,210**	**3,244,869**	**4,393,317**
Hedging derivatives								
Forwards	-	-	2,339	3,573	-	-	2,339	3,573
Fair value hedges:(swap)	-	-	243,319	208,858	-	-	243,319	208,858
Cash flow hedges (swap)	-	-	784,379	819,291	-	-	784,379	819,291
Subtotal	**-**	**-**	**1,030,037**	**1,031,722**	**-**	**-**	**1,030,037**	**1,031,722**
Available-for-sale investment securities					-	-		
State and Central Bank of Chile	3,974,319	3,424,730	-	-	-	-	3,974,319	3,424,730
Other domestic institutions	969,084	927,523	-	-	-	-	969,084	927,523
Foreign institutions	3,795,816	3,643,787	-	-	-	-	3,795,816	3,643,787
Subtotal	**8,739,219**	**7,996,040**	**-**	**-**	**-**	**-**	**8,739,219**	**7,996,040**
Total financial assets	**9,180,286**	**9,143,319**	**4,267,017**	**5,416,829**	**7,889**	**8,210**	**13,455,192**	**14,568,358**

	Level 1		Level 2		Level 3		Total	
	December	December	December	December	December	December	December	December
	2020	2019	2020	2019	2020	2019	2020	2019
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Financial liabilities								
Trading Derivative contracts								
Forwards	-	-	380,550	562,464	-	-	380,550	562,464
Swaps	-	-	2,924,754	3,960,328	-	-	2,924,754	3,960,328
Call Options	-	-	517	518	-	-	517	518
Put Options	-	-	3,087	4,868	-	-	3,087	4,868
Futures	-	-	1,402	238	-	-	1,402	238
Subtotal	**-**	**-**	**3,310,310**	**4,528,416**	**-**	**-**	**3,310,310**	**4,528,416**
Hedging derivatives								
Forwards	-	-	4,326	4,106	-	-	4,326	4,106
Fair value hedges:(swap)	-	-	59,698	78,803	-	-	59,698	78,803
Cash flow hedges (swap)	-	-	1,134,314	1,182,029	-	-	1,134,314	1,182,029
Subtotal	**-**	**-**	**1,198,338**	**1,264,938**	**-**	**-**	**1,198,338**	**1,264,938**
Total financial liabilities	**-**	**-**	**4,508,648**	**5,793,354**	**-**	**-**	**4,508,648**	**5,793,354**

The above amounts do not include adjustments for CVA and Bid Offer (Credit Value Adjustment or Adjustment for Credit Counterparty Derivative Risk. As of March 31, 2021,the total of the items sum to MCh$18,113 (MCh$26,858 as of December 31, 2020).

Transfers between Level 1 and 2

The Bank and its subsidiaries have not made any transfers of financial assets or liabilities between Levels 1 and 2 during the period 2021 and 2020.

Level 3 valuation reconciliation

As of March 31, 2021, the interim consolidated statements of financial position have assets classified as Level 3 which relate to Swap TAB contracts for which there are no market observable inputs.

d) Valuation of La Polar Bonds

As of March 31, 2021, the Bank has applied valuation techniques to determine the fair value of the financial instruments “BLAPO-F” and “BLAPO-G.” This enhancement builds on the Internal Rate of Return (IRR) of the last transaction of the existing market between the closing date of the consolidated financial statements and the date of redemption of the financial instrument.

NOTE 36 - RISK MANAGEMENT

1. Introduction

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

The Bank policies are designed to identify and analyze these risks, to establish adequate limits and controls, and to monitor the risks and compliance with established limits by reliable and updated information systems. The Bank periodically reviews its risk management policies and systems to incorporate changes in the markets, regulations, products and new best practices.

In relation to financial risks, the organizational structure is designed to manage these risks efficiently, transparently and timely. It is formed by strategic units composed by the Board of Directors, the Executive Committee, the Finances and Risk Committee, and the Asset and Liabilities Committee ("ALCO"). These are divided into operative units such as the Corporate Risk Management and the Balance Sheet, Trading and Institutional, and Distribution and Corporate areas, parts of the Investment and Finance Banking division. All this information flow is processed and analyzed by supporting units, such as Accounting, Middle and Back Office (Supporting Areas and Operational Departments), Management and Processes Control and Information Technology and Systems.

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

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

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

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

Financial Risk Management has the role of evaluating and controlling the Bank's exposure to market risk, both on or off the interim consolidated statements of financial position; pricing risks associated with interest rates, exchange rates, volatility, maximum loss, etc., are measured and monitored. This is complemented by the analysis of scenarios and simulations to obtain a better measure of the risk. The Financial Risk Management is also responsible for defining the valuation methodologies for the financial assets and liabilities measured at fair value held by the corporation on or off the interim consolidated statements of financial position.

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

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

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

2. Liquidity and financing

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

1. Presence of a minimum reserve of liquid assets to face stress situations.
2. Regulatory and internal liquidity indicators.
3. Accounting mismatches (relating to maturity).
4. Alert and contingency plans.

The policy and liquidity management models seek to guarantee, even in front of unexpected events, the Bank's capacity to respond adequately to its short-term obligations. In this regard, the Bank has continuously monitored the impact of recent events on financial markets, introducing more conservative assumptions when justified.

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

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

NOTE 36 - RISK MANAGEMENT, CONTINUED

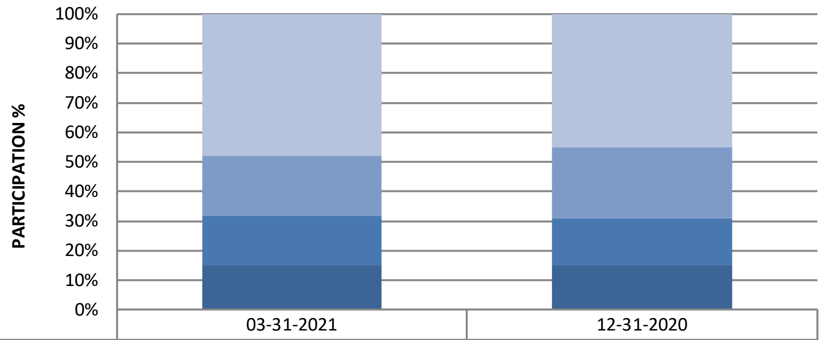
The Bank has internally set explicit minimum limits for the liquidity level, parallel to the limits of Technical Reserve, which are periodically subject to simulations of stress testing for balances of current accounts and deposits, which are the Bank's main sources of liquidity. This is performed using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

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

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

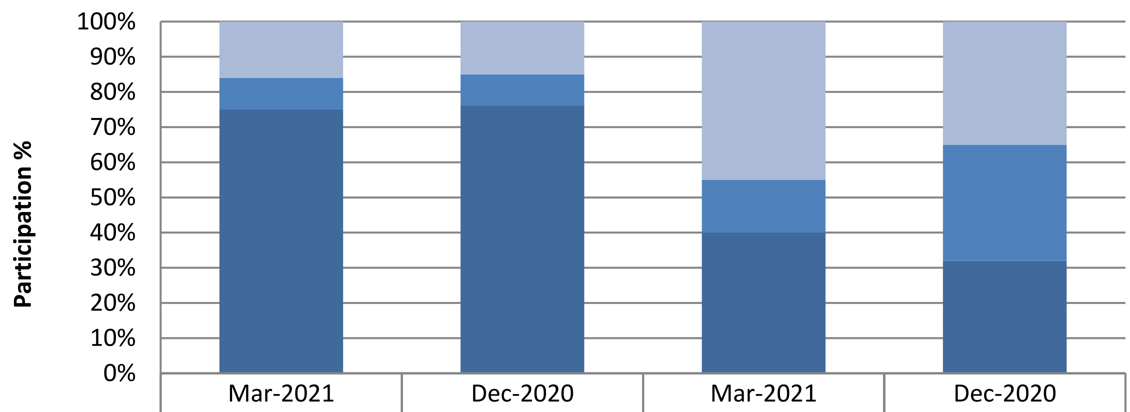
In the measurement of liquidity, both internal and regulatory, a reasonable level of liquidity was observed in line with the Bank's policies. Even in the moments of highest uncertainty due to the global financial crisis, there were no events indicative of a loss of confidence of the people, nor mass removal of accounts or deposits by customers.

Fig. 1. Evolution of principal funding sources
As of March 31, 2021, and December 31, 2020
Banco de Credito e Inversiones and City National Bank



	03-31-2021	12-31-2020
DEMAND DEPOSITS	48%	45%
DEPOSITS & LONG TERM SAVING ACCOUNTS	20%	24%
BOND ISSUANCES	17%	16%
OTHER LIABILITIES	15%	15%

Fig. 2. Diversification of liquidity sources by segment
As of March 31, 2021 and December 31, 2020
Banco de Credito e Inversiones and City National Bank



	DEMAND DEPOSITS		TIME DEPOSITS	
	Mar-2021	Dec-2020	Mar-2021	Dec-2020
OTHER WHOLESALE	16%	15%	45%	35%
FINANCIAL	9%	9%	15%	33%
RETAIL	75%	76%	40%	32%

NOTE 36 - RISK MANAGEMENT, CONTINUED

a. Variations in 2021 (domestic consolidation)

The rates of short-term mismatch remained bounded, keeping a certain amount of slack with respect to regulatory limits given the capital base measured at 30 days and two times capital (for measurement at 90 days).

Fig. 3. Liquidity Ratios (domestic consolidation)
As of March 31, 2021 and December 31, 2020 (maximum = 1)

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

	As of March 31, 2021				As of December 31, 2020			
	Average	Maximum	Minimum	Close	Average	Maximum	Minimum	Close
Mismatch 30 days	(13.47)%	4.51%	(35.19)%	4.51%	9.86%	50.91%	(24.98)%	0.39%
Total mismatch 90 days (*)	13.52%	35.07%	6.57%	19.21%	30.09%	50.90%	8.29%	35.07%

(*)Measurement in relation to 2 times basic capital.

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

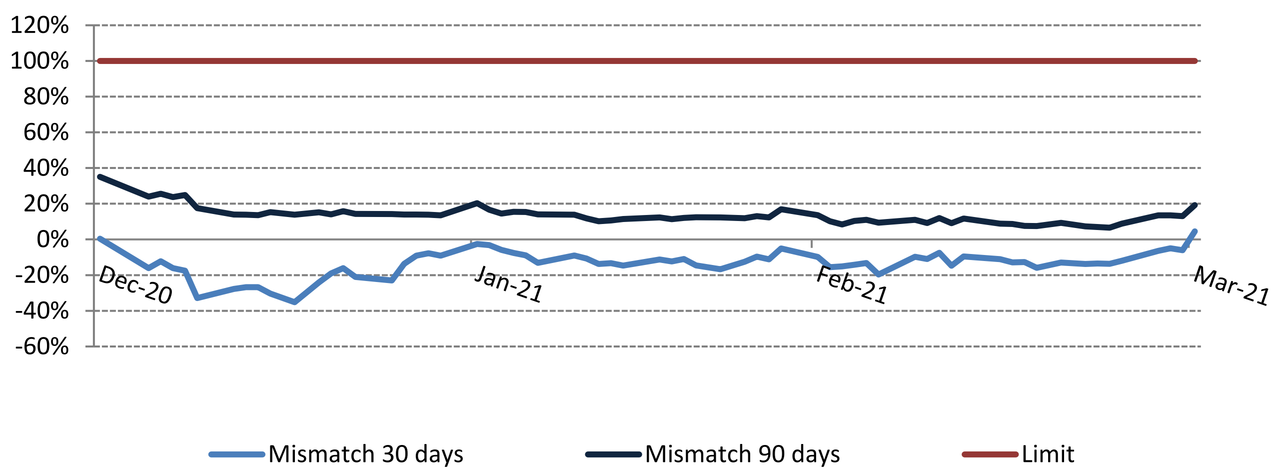
	As of March 31, 2021				As of December 31, 2020			
	Average	Maximum	Minimum	Close	Average	Maximum	Minimum	Close
Mismatch 30 days	(19.40)%	15.65%	(33.50)%	(8.89)%	4.32%	37.90%	(33.93)%	15.65%

,

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

As of March 31, 2021				As of December 31, 2020			
Average	Maximum	Minimum	Close	Average	Maximum	Minimum	Close
5.93%	15.65%	(15.27%)	13.40%	5.55%	22.28%	(17.77)%	(15.27)%

Fig. 4. Liquidity Evolution (domestic consolidation) As of March 31, 2021 (maximum = 1)
Liquidity 30 days = Mismatch /Basic Capital
Liquidity 90 days = Mismatch /2x Basic Capital



Regarding the impact of the pandemic on liquidity, in 2020, prior to the spread of the Covid-19 virus, the Bank was in a favorable and sound liquidity position both in the short-term and structural metrics, in part because of a generally conservative administration both before and after the social unrest of October 2019, as well as for the use of the different liquidity facilities from the Central Bank and the increase in demand deposit accounts from the partial withdrawal of funds from the pension funds during 2020, and management intended to the short-term liquidity of our clients. All this allows the Bank to maintain comfortable levels of liquidity to date. In particular, the levels of the short-term liquidity ratio (LCR) remain on average over 200%, which is well above the regulatory limit (70%).

3. Market Risk

Market risk is the risk inherent in the price variations of financial assets.

Variations in interest rates, the exchange rate, commodities and shares prices, credit spreads, volatility, etc., constitute a risk known as market risk. This is expressed in the possibility of incurring losses that will be translated to the interim consolidated statements of income for the period or the interim consolidated statements of financial position depending on the type of financial instrument and its respective accounting treatment.

The Bank manages its exposure to market risk between trading portfolios and portfolios available for sale or held-to-maturity. Trading portfolios include positions coming from sales to corporate and institutional clients, positions coming from market making business, and hedge or trading positions. The AFS and held to maturity portfolios hold positions mainly related to interest rate management associated with personal and commercial banking loans, in addition to a portfolio of financial investments. These portfolios have less rotation and their change in fair value does not affect the interim consolidated statements of income for the year until maturity, except in the case of impairment over the available for sale portfolio or held to maturity portfolio.

The Financial Risk Management uses a series of tools to monitor the Bank's intrinsic risk and that is acquired through the management of financial instruments. Among the main methodologies are, Value at Risk (VaR), CVaR and Stress VaR as main tools that measure market risk. Additional methodologies are available to simulate the situation of each counterparty dependent upon the portfolio of derivative instruments that they possess, within these methodologies are PFE (Potential Future Exposure) and EPE (Expected Potential Exposure) among others. The Bank uses the Algorithmics system to support the measurement of market and counterparty risk.

NOTE 36 - RISK MANAGEMENT, CONTINUED

a. Top holdings

The principal positions of the consolidated statements of financial position as of March 31, 2021 are listed by maturity band or repricing and their comparison to the year 2020.

Fig. 5. Carrying amount to maturity range or re-pricing by currency
Positions as of March 31, 2021 (MCh$)

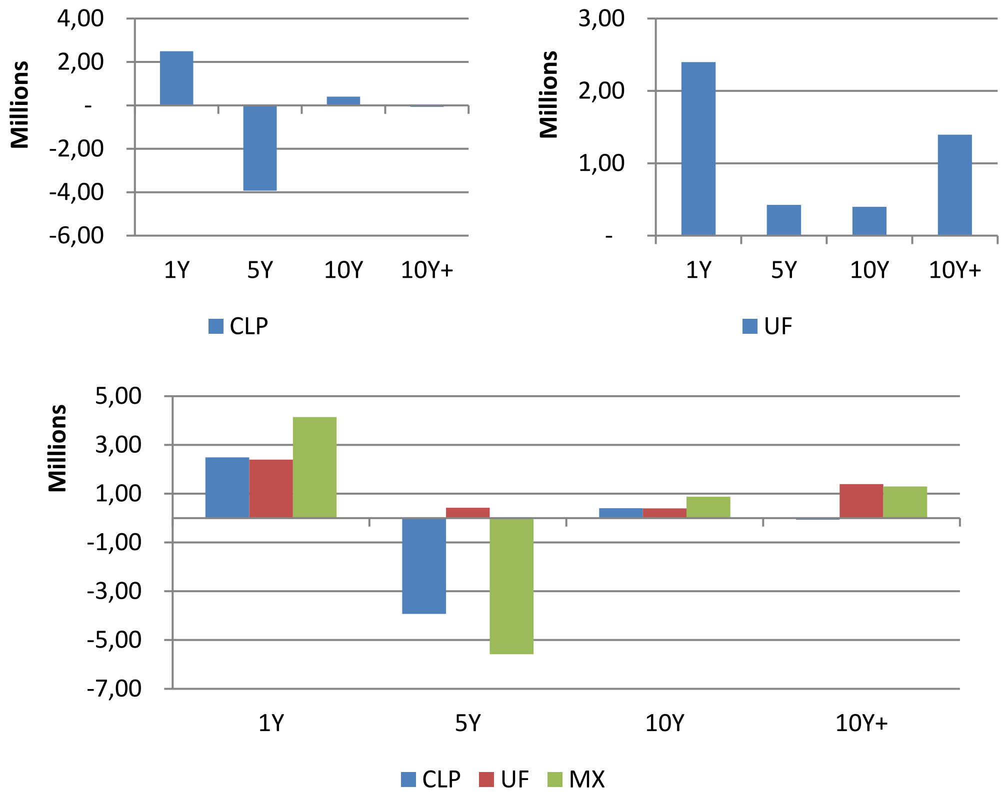
ASSETS	1Y	5Y	10Y	10Y+	Total
Ch$	14,767,527	4,967,032	570,324	293,259	20,598,142
UF	3,967,315	6,151,766	4,054,435	2,957,725	17,131,241
MX	10,904,092	6,137,453	2,227,881	1,385,470	20,654,896
Total	**29,638,934**	**17,256,251**	**6,852,640**	**4,636,454**	**58,384,279**

LIABILITIES	1Y	5Y	10Y	10Y+	Total
Ch$	12,275,834	8,896,910	167,471	360,348	21,700,564
UF	1,569,274	5,727,309	3,656,247	1,563,606	12,516,436
MX	6,760,274	11,720,501	1,353,171	89,057	19,923,004
Total	**20,605,383**	**26,344,720**	**5,176,890**	**2,013,012**	**54,140,004**

MISMATCH	1Y	5Y	10Y	10Y+	Total
Ch$	2,491,692	(3,929,878)	402,853	(67,089)	(1,102,422)
UF	2,398,041	424,457	398,188	1,394,118	4,614,804
MX	4,143,818	(5,583,048)	874,710	1,296,413	731,892
Total	**9,033,551**	**(9,088,469)**	**1,675,751**	**2,623,442**	**4,244,275**

NOTE 36 - RISK MANAGEMENT, CONTINUED

Fig. 6. Carrying amount to maturity range or re-pricing by currency
Positions as of March 31, 2021 (MCh$)



Ch$: Chilean pesos
UF: Unidades de Fomento
MX: Foreign currency

NOTE 36 - RISK MANAGEMENT, CONTINUED

Fig. 7. Carrying amount to maturity range or re-pricing by currency
Positions as of December 31, 2020 (MCh$)

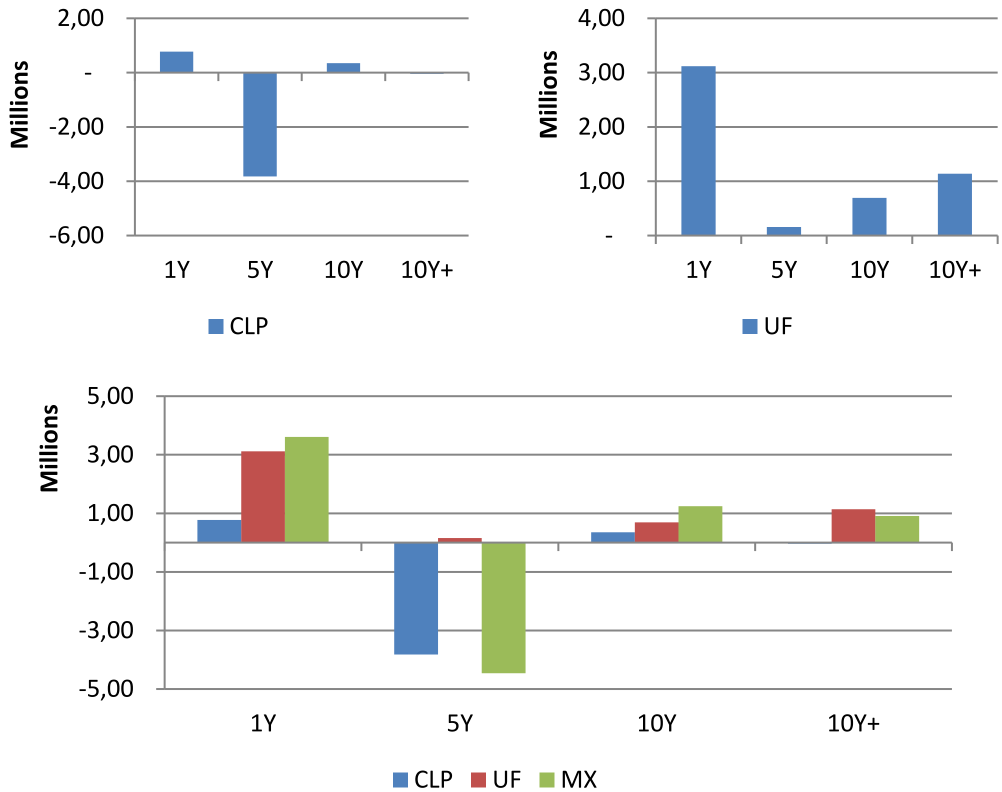
ASSETS	1Y	5Y	10Y	10Y+	Total
Ch$	13,533,950	5,204,403	494,497	127,425	19,360,275
UF	4,654,863	5,778,857	3,967,524	2,754,589	17,155,833
MX	10,690,627	6,225,117	2,007,756	996,069	19,919,569
Total	**28,879,440**	**17,208,377**	**6,469,777**	**3,878,083**	**56,435,677**

LIABILITIES	1Y	5Y	10Y	10Y+	Total
Ch$	12,758,055	9,027,988	143,481	170,521	22,100,045
UF	1,535,748	5,620,822	3,273,878	1,614,803	12,045,251
MX	7,083,368	10,688,360	764,002	87,390	18,623,120
Total	**21,377,171**	**25,337,170**	**4,181,361**	**1,872,714**	**52,768,416**

MISMATCH	1Y	5Y	10Y	10Y+	Total
Ch$	775,895	(3,823,585)	351,016	(43,096)	(2,739,770)
UF	3,119,115	158,035	693,646	1,139,786	5,110,582
MX	3,607,259	(4,463,243)	1,243,754	908,679	1,296,449
Total	**7,502,269**	**(8,128,793)**	**2,288,416**	**2,005,369**	**3,667,261**

NOTE 36 - RISK MANAGEMENT, CONTINUED

Fig. 8. Carrying amount to maturity range or re-pricing by currency
Positions as of December 31, 2020 (MCh$)



Ch$: Chilean pesos
UF: Unidades de Fomento
MX: Foreign currency

NOTE 36 - RISK MANAGEMENT, CONTINUED

Fig. 9. Carrying amount to maturity range or re-pricing by Account Positions as of March 31, 2021 (MCh$)

Assets	1Y	5Y	10Y	10Y+	Total
Central Bank of Chile	1,858,156	3,724	-	-	1,861,880
Domestic banks and financial institutions	1,139,047	1,610,592	651,953	578,223	3,979,815
Investments under agreements to resell	39,403	-	-	-	39,403
Commercial loans	9,642,875	6,218,166	1,749,581	920,894	18,531,516
Consumer loans	1,131,794	1,497,565	120,512	46,039	2,795,910
Negotiable residential mortgage loans	1,139,185	3,262,025	2,498,386	1,970,340	8,869,936
Residential mortgage loans with funding notes	8,214	3,733	10	-	11,957
Cash	4,213,881	-	-	-	4,213,881
Forwards	226,324	91,947	-	-	318,271
Chilean State	148,294	736,446	140,927	708,726	1,734,393
Consumer leasing	5	-	-	-	5
Commercial leasing operations	495,433	640,546	167,269	39,952	1,343,200
Other domestic entities	-	-	-	-	-
Other foreign entities	47,634	211,554	97,293	32,130	388,611
Other assets	3,670,449	150,390	5,672	2,428	3,828,939
Other residential mortgage loans	770,969	637,861	209,316	249,661	1,867,807
Other, excluding options	-	-	-	-	-
Swaps	5,107,271	2,191,702	1,211,721	88,061	8,598,755
Total assets	**29,638,934**	**17,256,251**	**6,852,640**	**4,636,454**	**58,384,279**

Liabilities	1Y	5Y	10Y	10Y+	Total
Ordinary bonds	856,053	3,594,314	2,359,026	176,706	6,986,099
Subordinated bonds	52,245	220,365	349,062	1,303,887	1,925,559
Saving accounts with deferred withdrawal	44,873	-	-	-	44,873
Savings accounts with unconditional withdrawal	185,681	-	-	-	185,681
Demand deposits (*)	4,749,328	15,955,370	-	-	20,704,698
Term deposits	8,584,457	177,113	45	107	8,761,722
Forwards	223,400	88,184	-	-	311,584
Letters of credit	2,571	3,598	11	-	6,180
Other liabilities	1,282,925	-	-	-	1,282,925
Other, excluding options	-	-	-	-	-
Foreign loans and other obligations	460,036	18,796	563,570	-	1,042,402
Domestic loans and other obligations	1,558,516	1,376,717	-	-	2,935,233
Swaps	2,541,681	3,590,684	1,905,176	532,311	8,569,852
Liabilities under agreements to repurchase	63,617	1,319,579	-	-	1,383,196
Total liabilities	**20,605,383**	**26,344,720**	**5,176,890**	**2,013,011**	**54,140,004**

(*)Determined in accordance with internal models.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Fig. 10. Carrying amount to maturity range or re-pricing by Account Positions as of December 31, 2020 (MCh$)

Assets	**1Y**	**5Y**	**10Y**	**10Y+**	**Total**
Central Bank of Chile	1,836,271	4,562	-	-	1,840,833
Domestic banks and financial institutions	946,147	1,467,389	376,644	478,269	3,268,449
Investments under agreements to resell	39,402	-	-	-	39,402
Commercial loans	9,367,938	6,386,746	1,741,995	924,548	18,421,227
Consumer loans	1,133,786	1,557,837	135,763	46,566	2,873,952
Negotiable residential mortgage loans	1,106,196	3,135,328	2,404,547	1,873,075	8,519,146
Residential mortgage loans with funding notes	8,387	4,333	30	-	12,750
Cash	3,584,889	-	-	-	3,584,889
Forwards	226,919	119,799	-	-	346,718
Chilean State	197,442	658,622	296,687	149,802	1,302,553
Consumer leasing	5	-	-	-	5
Commercial leasing operations	490,352	625,326	160,045	37,981	1,313,704
Other domestic entities	-	-	-	-	-
Other foreign entities	51,884	210,216	103,869	32,655	398,624
Other assets	4,179,774	187,435	9,763	1,773	4,378,745
Other residential mortgage loans	718,068	667,020	213,646	215,977	1,814,711
Other, excluding options	-	-	-	-	-
Swaps	4,991,980	2,183,764	1,026,788	117,437	8,319,969
Total assets	**28,879,440**	**17,208,377**	**6,469,777**	**3,878,083**	**56,435,677**

Liabilities	**1Y**	**5Y**	**10Y**	**10Y+**	**Total**
Ordinary bonds	764,157	3,654,268	2,028,836	176,681	6,623,942
Subordinated bonds	51,670	217,940	224,266	1,416,073	1,909,949
Saving accounts with deferred withdrawal	43,605	-	-	-	43,605
Savings accounts with unconditional withdrawal	163,171	-	-	-	163,171
Demand deposits (*)	4,540,929	14,658,824	-	-	19,199,753
Term deposits	9,840,352	187,152	48	105	10,027,657
Forwards	226,885	116,285	-	-	343,170
Letters of credit	2,669	4,219	70	-	6,958
Other liabilities	1,090,598	-	-	-	1,090,598
Other, excluding options	-	-	-	-	-
Foreign loans and other obligations	1,014,305	-	7,924	-	1,022,229
Domestic loans and other obligations	803,023	2,031,716	-	-	2,834,739
Swaps	2,754,875	3,360,344	1,920,217	279,855	8,315,291
Liabilities under agreements to repurchase	80,932	1,106,422	-	-	1,187,354
Total liabilities	**21,377,171**	**25,337,170**	**4,181,361**	**1,872,714**	**52,768,416**

(*)Determined in accordance with internal models.

NOTE 36 - RISK MANAGEMENT, CONTINUED

The principal positions of financial investments available for sale by type of issuer and currency and risk classification as of March 31, 2021 and December 31, 2020 are stated below. The risk classification of these positions at the end of the last fiscal year is also reported.

Fig. 11.a Fair Value of Financial Investments Available for Sale
As of March 31, 2021 (MCh$)
Banco de Credito e Inversiones and City National Bank (CNB)

	CLP	UF	USD	EUR	OTHER
Sovereign bonds	1,109,870	84,671	383,884	-	-
Corporate bonds	-	8,846	192,361	47,594	-
Financial institutions bonds	18,028	454,000	2,965,062	-	-
Mortgage-funding notes	-	30,553	-	-	-
Term deposits	434,554	-	-	-	-
Investment funds (*)	-	-	38,230	-	-
Shares (*)	-	-	82,765	-	-
Total	**1,562,452**	**578,070**	**3,662,302**	**47,594**	**-**

(*)The investment funds and the shares correspond to the available-for-sale portfolio of City National Bank of Florida (CNB).

Fig. 11.b Fair Value of Financial Investments Available for Sale
As of December 31, 2020 (MCh$)
Banco de Credito e Inversiones and City National Bank (CNB)

	CLP	UF	USD	EUR	OTHER
Sovereign bonds	791,083	213,940	283,206	-	-
Corporate bonds	-	9,116	173,504	48,682	-
Financial institutions bonds	15,036	426,640	2,635,956	-	-
Mortgage-funding notes	-	32,204	-	-	-
Term deposits	429,429	-	-	-	-
Investment funds (*)	-	-	59,735	-	-
Shares (*)	-	-	159,378	-	-
Total	**1,235,548**	**681,900**	**3,311,779**	**48,682**	**-**

(*)The investment funds and the shares correspond to the available-for-sale portfolio of City National Bank of Florida (CNB).

NOTE 36 - RISK MANAGEMENT, CONTINUED

Fig. 12. Financial Investments Available for Sale
Internationally Issued Bond Portfolio Credit Rating as of March 31, 2021 (%)
Banco de Credito e Inversiones and City National Bank (CNB)

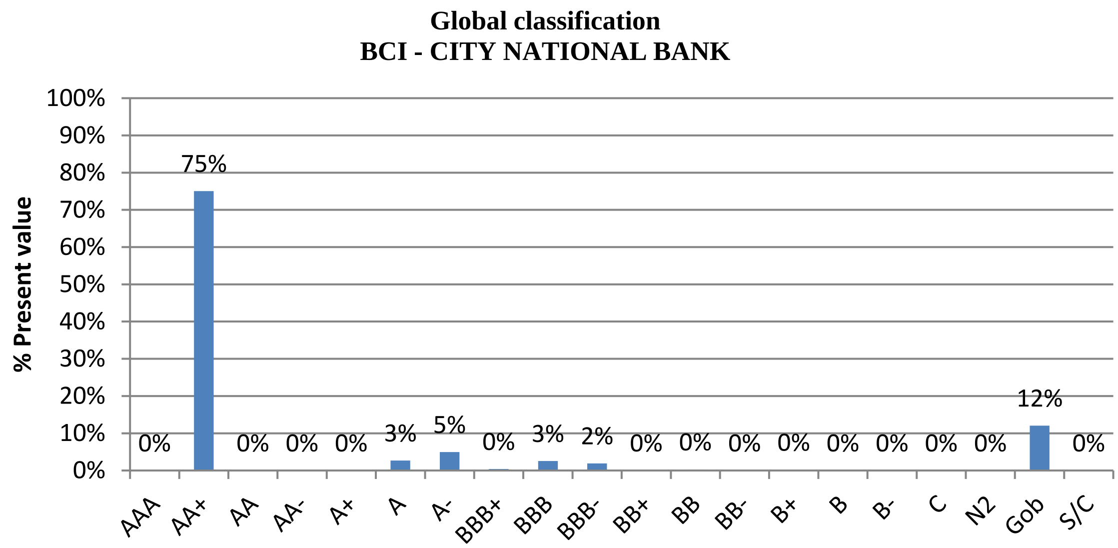
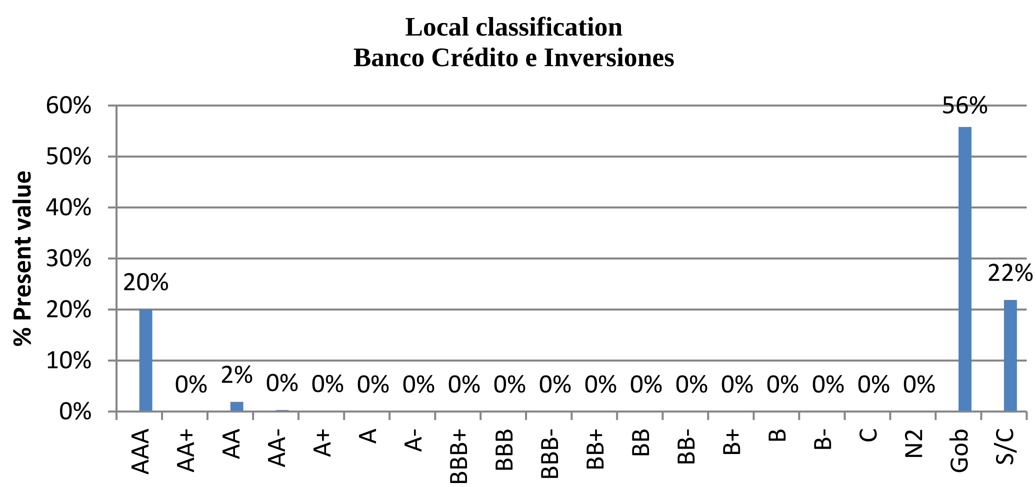


Fig. 13. Financial Investments Available for Sale
Portfolio Risk Classification Bonds and LCH National Issue as of March 31, 2021 (%)
Banco de Credito e Inversiones and City National Bank (CNB)



NOTE 36 - RISK MANAGEMENT, CONTINUED

b. Sensitivity analysis

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

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

Among the models used is *Market Value Sensitivity* or MVS, which measures the change in economic value of equity in the event of a parallel movement of 100 basis points in interest rates.

For a short-term horizon, the *Spreads at Risk* or SAR model is used, which measures the impact on results in 12 months' time of a parallel movement in rates. For both models, there are explicit internal limits measured as a ratio of capital (for MVS) and of financial margin (for SAR).

The Bank structurally generates risk rate exposure, which is mainly explained by maintaining long-term fixed rate assets and obtaining short-term financing, such as deposits. In this regard, the Bank is an active market participant in managing their interest rate risk strategy using hedge accounting.

Some of the hedging strategies are a) moving short-term risk to the long-term (moving short-term liabilities to the long-term through rate swap) and b) floating long-term borrowings with the use of rate swap.

In the scenario of 100 basis points increase, holding other variables constant, the effects compared at March 2021 and December 2020 are the following:

- In the short-term, exposure to interest rates as of March 31, 2021 and December 31, 2020, amounted to MCh$32,839 and MCh$23,885 respectively, equivalent to expecting an adverse effect on the financial margin over a 3-month horizon.

- The sensitivity rate risk applied to all items in the banking book and all deadlines, measured by MVS, as of March 31, 2021 and December 31, 2020, are MCh$32,044 and MCh$15,026 respectively.

NOTE 36 - RISK MANAGEMENT, CONTINUED

c. Value at Risk

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

The VaR methodology used is a historic simulation that records the fat-tails property of the financial income; it uses a window of nine years of daily data, and it is measured at the first percentile of the P&L distribution or VaR at 99% of confidence, which is the same. The *volatility updating* technique is used, which records the existence of volatility *clusters.*

The *forecast* horizon is of 1 day. The square root rule is used to project this value to the regulatory horizon of ten days.

The *value-at-risk* model is validated by back-testing the daily results, both observed and theoretical.

Statistically, excess losses of VaR are expected to be observed on average 1% daily. As of March 31, 2021, *back-test* places the model in the yellow area of Basel with 5 fails in the last 250 business days.

Objectives and limitations of the VaR methodology

The objective of the VaR is to measure the risk of a portfolio of assets by determining how much you can lose of the portfolio over a period and with a given confidence level under normal market conditions.

This method is very easy to apply in portfolios that include information on relevant market variables. Furthermore, calculation does not depend on correlations and volatilities, as these are implicitly calculated using historical information. However, this means obtaining the history of associated variables for performing this calculation, which implies an effort to have such data. In addition, to have a certain degree of confidence in the measurement, in this case with VaR at 99%, this leads to the loss of 1 in every 100 days, which will be the least as predicted by the VaR, without a possible limit for this value.

- Stress Testing VaR

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

I. Historic simulation scenarios that incorporate fluctuations observed during historic extreme events.
II. Monte-Carlo simulation scenarios, which generate multiplicity of possible scenarios from the historic data.

NOTE 36 - RISK MANAGEMENT, CONTINUED

III. Scenarios of sensitivity that consider movements in risk factors that are not captured by the recent history.

- VaR limits

The Bank has set specific limits to the corporate VaR, as well as sublimits to the trading, balance and investment portfolios available for sale.

d. Position Limit

In addition to the limits of predictive risk models such as VaR and sensitivity analyzes, there are accounting limits for maximum positions.

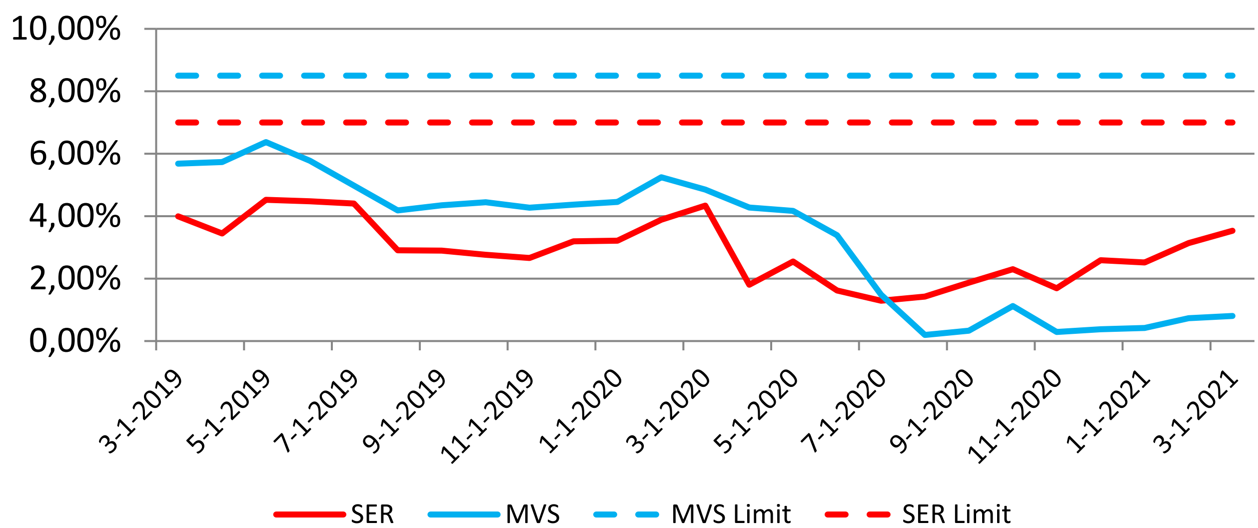
e. Variations

- Sensitivity analysis of the banking book.

Asset and liability management team constantly monitors the use of hedge accounting and the potential advantages of bond issuances, helping to keep the risk of interest rate limited in the banking book.

Long-term risk MVS averaged during 2021, 0.65% (2.52% during 2020) over the capital limit of 8.5%. Additionally, the short-term risk (SeR), presented a mean of 3.06% until March 2021 versus a mean of 2.38% for December 2020.

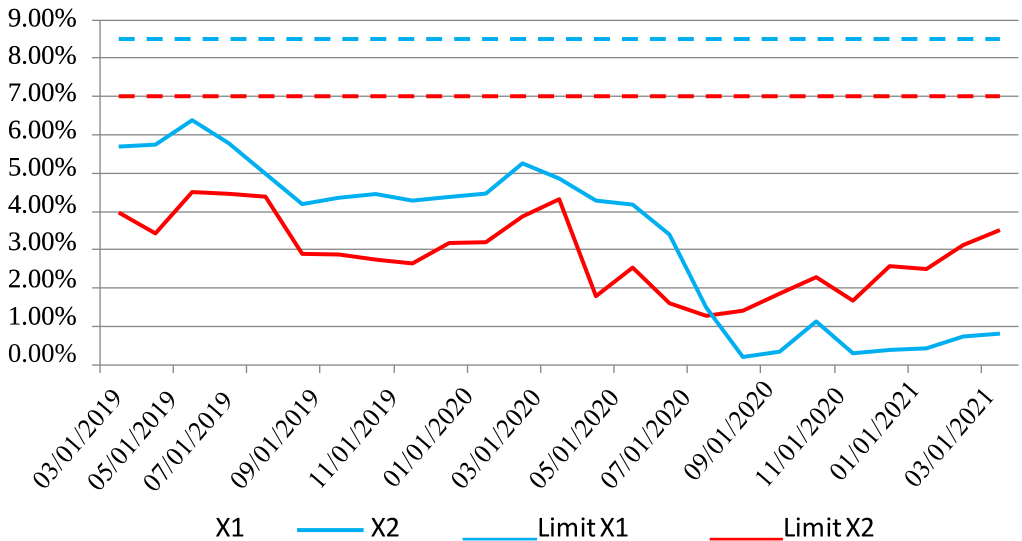
Fig. 14. MVS - SeR
As of March 31, 2021



NOTE 36 - RISK MANAGEMENT, CONTINUED

The evolution of regulatory ratios X1 (short term exposure to market risk) and X2 (long term exposure to market risk) were below the limits as of March 31, 2021, mainly due to the management of the balance sheet through hedge accounting.

Fig. 15. Regulatory Market Risk X1 - X2
Banco Crédito e Inversiones and City National Bank [1]
As of March 31,2021



X1: Limit on financial margin
X2: Limit on effective equity

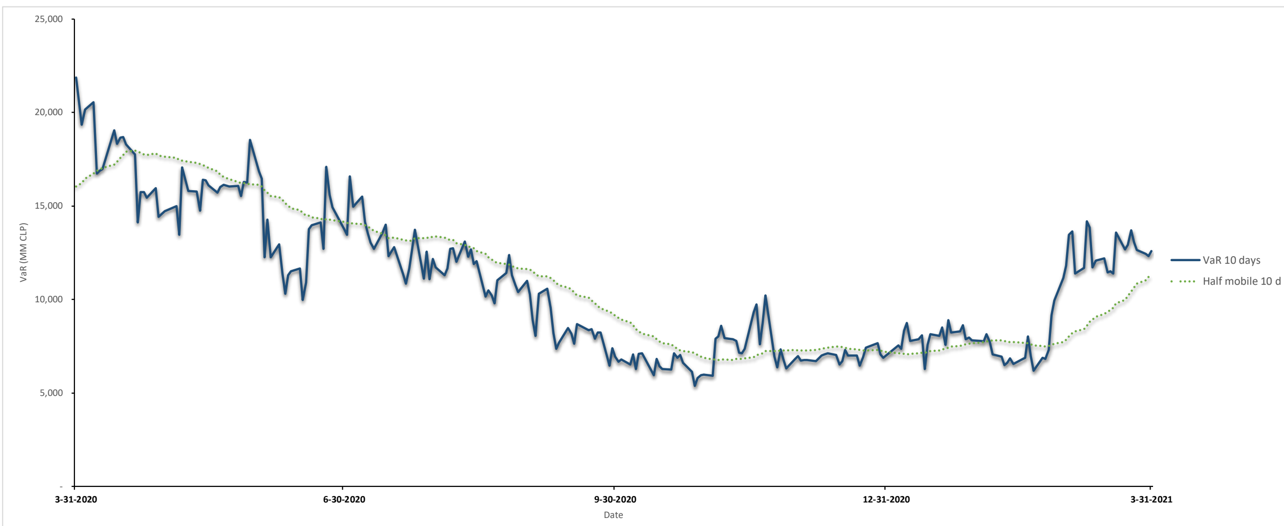
[1] Financial margin values are added for X1 while consolidated equity is used for X2.

NOTE 36 - RISK MANAGEMENT, CONTINUED

- Value at Risk

The evolution of the 10-day VaR for the last quarter; Data as of March 31, 2021.

Fig. 16. Consolidated Value at Risk
As of March 31, 2021 (MCh$)



NOTE 36 - RISK MANAGEMENT, CONTINUED

During the first quarter of 2021, the total consolidated risk averaged MCh$9,427, measured over the 10- day regulatory horizon, and increased by 21.9% compared to March 2021. In the period between January and March, the exchange rate volatility increased dramatically as a result of both the social crisis in Chile and the impact of COVID-19 on world markets, which also has an impact on the levels of bond rates. In this period the senior management approved excesses over the limits.

On a consolidated basis, the risk of interest rate averages MCh$3,920 while the foreign currency risk averages (FX) MCh$1,430. In trading the aggregate average was MCh$3,799, MCh$3,037 for interest rate risk and MCh$951 for foreign currency risk. Finally, for non-trading portfolios (investments available for sale) the total VaR averaged MCh$1,074; MCh$884 for interest rate risk and MCh$479 for foreign currency risk.

Fig. 17. Value at risk by portfolio and type of risk
As of March 31, 2021 (MCh$)

(A) Consolidated VaR by type of risk (MCh$)

	3 months until March 31, 2021			
	Average	Maximum	Minimum	Close
FX risk	1,430	4,228	318	2,103
Interest rate risk	3,920	8,656	1,383	8,656
Diversification (*)	4,077	1,304	4,489	1,842
Total VaR	**9,427**	**14,188**	**6,190**	**12,601**

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

	3 months until March 31, 2021			
	Average	Maximum	Minimum	Close
FX risk	951	3,442	73	295
Interest rate risk	3,037	6,949	776	6,949
Diversification	189	2,553	370	354
Total VaR	**3,799**	**7,838**	**1,219**	**6,890**

(c) VaR portfolio of investments available for sale by type of risk (MCh$)

	3 months until March 31, 2021			
	Average	Maximum	Minimum	Close
FX risk	479	2,485	239	358
Interest rate risk	884	2,164	146	1,707
Diversification	289	1,579	128	371
Total VaR	**1,074**	**3,070**	**257**	**1,694**

(*)Diversification is defined as the effect of correlation of total VaR.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Fig. 18. Value at risk by portfolio and type of risk
As of December 31, 2020 (MCh$)(**)

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

	12 months until December 31, 2020			
	Average	Maximum	Minimum	Close
FX risk	7,860	15,820	1,445	4,020
Interest rate risk	7,123	11,931	1,965	4,900
Diversification (*)	2,907	5,894	1,971	2,047
Total VaR	**12,076**	**21,857**	**5,381**	**6,873**

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

	12 months until December 31, 2020			
	Average	Maximum	Minimum	Close
FX risk	1,058	5,784	3	106
Interest rate risk	2,830	5,165	481	1,853
Diversification	423	3,291	116	96
Total VaR	**3,465**	**7,658**	**600**	**1,863**

(c) VaR portfolio of investments available for sale by type of risk (MCh$)

	12 months until December 31, 2020			
	Average	Maximum	Minimum	Close
FX risk	1,884	5,176	101	908
Interest rate risk	779	2,902	5	531
Diversification	394	3,033	292	409
Total VaR	**2,269**	**5,045**	**398**	**1,030**

(*)Diversification is defined as the effect of correlation of total VaR.

While VaR captures the Bank's daily exposure to the risks of currency and interest rate sensitivity analysis, it also evaluates the impact of a reasonably possible change in interest rates and exchange rates over one year. The longer time frame of sensitivity analysis complements VaR and helps the Bank to assess their exposure to market risk. The details of the sensitivity analysis for the risk of exchange rate and interest rate risk are set out below.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Sensitivity of interest rate

The table below shows the sensitivity of fair values to reasonably possible alternative assumptions:

	Recognition in statements of income		Recognition in statements of other comprehensive income	
	Favorable	Unfavorable	Favorable	Unfavorable
	MCh$	MCh$	MCh$	MCh$
As of March 31, 2021				
Securities backed by assets held for trading	(108)	108	-	-
Other non-derivative assets held for trading	(14)	14	-	-
Securities backed by available for sales assets	-	-	(198)	198
As of December 31, 2020				
Securities backed by assets held for trading	(88)	88	-	-
Other non-derivative assets held for trading	(6)	6	-	-
Securities backed by available for sales assets	-	-	(218)	218

Currency risk

The currency risk is defined as the risk that the value of a financial instrument will fluctuate due to changes in exchange rates. The Bank is exposed to the effects of fluctuations in prevailing exchange rates regarding its financial position and cash flows.

NOTE 36 - RISK MANAGEMENT, CONTINUED

The Bank's exposure to the risk of exchange rates of foreign currencies is presented in the table below:

As of March 31, 2021

Amounts in MCh$

Assets	**US$**	**EUR**	**Other**
Cash	601,693	47,942	16,333
Commercial loans	1,708,881	22,437	7,129
Investments under agreement to resell	-	-	-
Commercial leasing operations	107,853	-	-
Mortgage loans LC- Credit line	-	-	-
Endorsable mortgage loans MHE	-	-	-
Other residential mortgage loans	-	-	-
Residential leasing	-	-	-
Consumer loans	20,912	-	-
Consumer leasing	-	-	-
Commercial loans - credit lines and overdrafts	-	-	-
Consumer loans - credit lines and overdrafts	-	-	-
Central Bank of Chile	-	-	-
Chilean State	113,178	47,181	-
Domestic banks and financial institutions	15,261	-	-
Other domestic entities	-	-	-
State and governments bodies MX	-	-	-
Foreign banks	-	-	-
Other foreign entities	96,825	-	5,569
Forward	9,477,334	241,109	117,254
Futures	5,380	-	-
Swaps	16,573,808	368,262	743,314
Other, excluding options	-	-	-
Other assets	2,484,580	38,714	19,845
Delta Options	41,954	1,232	-
Total assets	**31,247,659**	**766,877**	**909,444**
Liabilities			
Demand deposits	1,015,478	61,923	207
Term deposits	1,420,467	5,928	-
Saving accounts with deferred withdrawal	-	-	-
Savings accounts with unconditional withdrawal	-	-	-
Liabilities under agreements to repurchase	-	-	-
Loans and other liabilities contracted MN (National Currency)	810,885	-	-
Loans and other liabilities contracted MX (Foreign Currency)	193,267	1,303	-
Letters of credit	-	-	-
Ordinary bonds	1,161,241	16,942	627,548
Subordinated bonds	-	-	-
Forward	8,243,970	248,984	157,544
Futures	5,142	-	-
Swaps	16,223,470	409,144	68,438
Other, excluding options	-	-	-
Other liabilities	775,788	24,000	5,448
Delta Options	27,466	-	-
Total liabilities	**29,877,174**	**768,224**	**859,185**
Net	**1,370,485**	**(1,347)**	**50,259**

NOTE 36 - RISK MANAGEMENT, CONTINUED

As of December 31, 2020

Amounts in MCh$

Assets	**US$**	**EUR**	**Other**
Cash	802,590	57,942	10,958
Commercial loans	1,739,304	26,736	2,506
Investments under agreement to resell	-	-	-
Commercial leasing operations	101,911	-	-
Mortgage loans LC- Credit line	-	-	-
Endorsable mortgage loans MHE	-	-	-
Other residential mortgage loans	-	-	-
Residential leasing	-	-	-
Consumer loans	19,788	-	-
Consumer leasing	-	-	-
Commercial loans - credit lines and overdrafts	-	-	-
Consumer loans - credit lines and overdrafts	-	-	-
Central Bank of Chile	-	-	-
Chilean State	-	49,484	-
Domestic banks and financial institutions	15,519	-	-
Other domestic entities	-	125	-
State and governments bodies MX	-	-	-
Foreign banks	-	-	-
Other foreign entities	106,095	-	6,084
Forward	7,905,396	215,282	127,373
Futures	5,388	-	-
Swaps	16,043,011	385,603	788,077
Other, excluding options	-	-	-
Other assets	2,986,144	36,294	13,654
Delta Options	50,457	-	-
Total assets	**29,775,603**	**771,466**	**948,652**
Liabilities			
Demand deposits	1,085,846	62,444	726
Term deposits	1,354,029	5,894	-
Saving accounts with deferred withdrawal	-	-	-
Savings accounts with unconditional withdrawal	-	-	-
Liabilities under agreements to repurchase	-	-	-
Loans and other liabilities contracted MN (National Currency)	921,114	-	-
Loans and other liabilities contracted MX (Foreign Currency)	148,545	4,554	786
Letters of credit	-	-	-
Ordinary bonds	1,110,614	17,504	652,627
Subordinated bonds	-	-	-
Forward	7,905,248	230,591	151,364
Futures	5,164	-	-
Swaps	15,187,036	429,489	70,266
Other, excluding options	-	-	-
Other liabilities	577,837	17,722	1,238
Delta Options	46,659	-	-
Total liabilities	**28,342,092**	**768,198**	**877,007**
Net	**1,433,511**	**3,268**	**71,645**

NOTE 36 - RISK MANAGEMENT, CONTINUED

Sensitivity of currency risk

The following tables detail the Bank's sensitivity against an increase and decrease of 10% in the Chilean peso against the relevant foreign currencies. The 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents Management's assessment of reasonable possible changes in exchange rates.

The sensitivity analysis includes only outstanding monetary items denominated in foreign currencies and it adjusts its conversion at the end of the period, where it reports a 10% change in the exchange rates. The sensitivity analysis includes external loans as well as loans to foreign operations with the Bank where the loan is denominated in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in earnings and other net equity when the Chilean peso goes up by 10%, compared to the corresponding currency.

In the case of a decrease of 10% of the Chilean peso against the relevant currency, a comparable impact on the earnings and other equity would be produced, and the amounts would be negative, as shown below.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Amounts in MCh$	As of March 31, 2021			
	Decrease of 10%		Increase of 10%	
Assets	**US$**	**EUR**	**USD**	**EUR**
Cash	541,523	43,148	661,862	52,736
Commercial loans	1,537,993	20,193	1,879,769	24,681
Investments under agreement to resell	-	-	-	-
Commercial leasing operations	97,067	-	118,638	-
Mortgage loans LC- Credit line	-	-	-	-
Mortgage loans MHE	-	-	-	-
Other residential mortgage loans	-	-	-	-
Residential leasing	-	-	-	-
Consumer loans	18,821	-	23,003	-
Consumer leasing	-	-	-	-
Commercial loans LCS- Credit Line and overdraft	-	-	-	-
Consumer loans LCS- Credit line and overdraft	-	-	-	-
Central Bank of Chile	-	-	-	-
Chilean State	101,860	42,463	124,496	51,900
Domestic banks and financial institutions	13,735	-	16,787	-
Other domestic entities	-	-	-	-
State and governments bodies MX	-	-	-	-
Foreign banks	-	-	-	-
Other foreign entities	87,143	-	106,508	-
Forward	8,529,600	216,998	10,425,067	265,220
Futures	4,842	-	5,918	-
Swaps	14,916,427	331,436	18,231,189	405,088
Other, excluding options	-	-	-	-
Other assets	2,236,122	34,843	2,733,038	42,586
Delta Options	37,759	1,109	46,150	1,355
Total assets	**28,122,892**	**690,190**	**34,372,425**	**843,566**
Liabilities				
Demand deposits	913,931	55,730	1,117,026	68,115
Term deposits	1,278,420	5,335	1,562,513	6,521
Saving accounts with deferred withdrawal	-	-	-	-
Savings accounts with unconditional withdrawal	-	-	-	-
Liabilities under agreements to repurchase	-	-	-	-
Loans and other liabilities contracted MN (National Currency)	729,796	-	891,973	-
Loans and other liabilities contracted MX (Foreign Currency)	173,940	1,172	212,594	1,433
Letters of credit	-	-	-	-
Ordinary bonds	1,045,117	15,248	1,277,365	18,636
Subordinated bonds	-	-	-	-
Forward	7,419,573	224,085	9,068,367	273,882
Futures	4,628	-	5,656	-
Swaps	14,601,123	368,230	17,845,816	450,059
Other, excluding options	-	-	-	-
Other liabilities	698,210	21,600	853,367	26,400
Delta Options	24,719	-	30,213	-
Total liabilities	**26,889,457**	**691,400**	**32,864,890**	**845,046**
Net	**1,233,435**	**(1,210)**	**1,507,535**	**(1,480)**

NOTE 36 - RISK MANAGEMENT, CONTINUED

Amounts in MCh$	As of December 31, 2020			
	Decrease of 10%		Increase of 10%	
Assets	US$	EUR	USD	EUR
Cash	722,331	52,148	882,849	63,736
Commercial loans	1,565,374	24,062	1,913,235	29,409
Investments under agreement to resell	-	-	-	-
Commercial leasing operations	91,720	-	112,102	-
Mortgage loans LC- Credit line	-	-	-	-
Mortgage loans MHE	-	-	-	-
Other residential mortgage loans	-	-	-	-
Residential leasing	-	-	-	-
Consumer loans	17,809	-	21,767	-
Consumer leasing	-	-	-	-
Commercial loans LCS- Credit Line and overdraft	-	-	-	-
Consumer loans LCS- Credit line and overdraft	-	-	-	-
Central Bank of Chile	-	-	-	-
Chilean State	-	44,535	-	54,432
Domestic banks and financial institutions	13,967	-	17,071	-
Other domestic entities	-	112	-	137
State and governments bodies MX	-	-	-	-
Foreign banks	-	-	-	-
Other foreign entities	95,486	-	116,705	-
Forward	7,114,856	193,754	8,695,936	236,810
Futures	4,849	-	5,927	-
Swaps	14,438,710	347,042	17,647,312	424,163
Other, excluding options	-	-	-	-
Other assets	2,687,529	32,667	3,284,757	39,926
Delta Options	45,412	-	55,503	-
Total assets	**26,798,043**	**694,320**	**32,753,164**	**848,613**
Liabilities				
Demand deposits	977,262	56,199	1,194,431	68,688
Term deposits	1,218,626	5,305	1,489,431	6,484
Saving accounts with deferred withdrawal	-	-	-	-
Savings accounts with unconditional withdrawal	-	-	-	-
Liabilities under agreements to repurchase	-	-	-	-
Loans and other liabilities contracted MN (Domestic Currency)	829,002	-	1,013,225	-
Loans and other liabilities contracted MX (Foreign Currency)	133,690	4,099	163,399	5,009
Letters of credit	-	-	-	-
Ordinary bonds	999,552	15,753	1,221,675	19,254
Subordinated bonds	-	-	-	-
Forward	7,114,723	207,532	8,695,773	253,650
Futures	4,647	-	5,680	-
Swaps	13,668,333	386,540	16,705,740	472,438
Other, excluding options	-	-	-	-
Other liabilities	520,055	15,950	635,623	19,495
Delta Options	41,993	-	51,325	-
Total liabilities	**25,507,883**	**691,378**	**31,176,302**	**845,018**
Net	**1,290,160**	**2,942**	**1,576,862**	**3,595**

NOTE 36 - RISK MANAGEMENT, CONTINUED

Limitations of sensitivity analysis

The above tables demonstrate the effect of a change in a key assumption while other assumptions remain the same. In fact, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear, and larger and smaller impacts should not be interpolated or extrapolated from these results.

The sensitivity analyses do not consider that the Bank's assets and liabilities are actively managed. Moreover, the financial position of the Bank may vary at the time when an actual market movement occurs. For example, the strategy of financial risk management of the Bank seeks to manage the exposure to market fluctuations. As investment markets go through different trigger levels, management actions could include selling investments, changing the allocation of the investment portfolio and taking other protective measures.

Therefore, the actual impact of a change in assumptions may not have any impact on the liabilities, while the assets remain at market value in the Interim Consolidated Statements of Financial Position. In these circumstances, the different measurement bases of assets and liabilities could result in volatility of equity.

Price risk - own products

The Bank is exposed to price risks of its products that are subject to general and specific fluctuations in the market.

The Bank manages price risk through periodic stress tests, which establish various scenarios of adverse market conditions; on the other hand, it has contingency plans that address mitigating actions in the corporation in order to face scenarios that expose the corporation to significant loss.

Other Price Risks

The price risk on equity instruments is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to individual value and its issuer or factors affecting all actual market values.

The following sensitivity analysis described below have been determined based on the exposure of equity prices at the end of the reporting period.

On a scenario where the equity prices had been 1% higher - lower:

The net income of the period as of March 31, 2021, would not have been affected given that all bank´s equity instruments are classified as available for sale, and no investment was impaired; notwithstanding, the possible negative effect on equity would have amounted to MCh$32,044 while the impact for the year ended December 31, 2020 would have been MCh$15,026.

f. Fair value

The area of Market Risk is responsible for defining the methodologies of valuation of assets and liabilities measured at fair value, while operations are responsible for their implementation. The fundamental principle of the task of fair value measurement is to determine the starting price of an asset or liability in an ordinary transaction in a representative market. Not only does the accounting information depend on this assessment, risk indicators such as value-at-risk are also based on these prices, so that the implied volatility on any valuation model is also very relevant.

The following international accounting rules are used, provided they are available: quotations or observable prices of identical assets or liabilities that are measurable. These are known as Level 1 inputs, Absent identical assets or liabilities, measurement is made based on observable prices. Interpolations are typically performed in this group in the case of derivatives and other instruments or matrix pricing models for fixed income instruments. This class is known as Level 2 inputs.

Finally, when it is not possible to rely on the above inputs, the measurement is performed based on inputs that are not directly observable on the market. These are the Level 3 Inputs. Note35 presents the classification of financial instruments according to the valuation hierarchy, below is a brief explanation of that system.

Positions in foreign currency bonds, Central Bank bonds, futures contracts and other instruments traded on exchanges have very liquid markets where prices or prices for identical instruments are usually observable. These instruments are included in Level 1.

Even for liquid instruments, some markets require the existence of brokers to equate supply with demand and allow transactions to be carried out. Normally deposits and derivatives traded over- the-counter are in this segment. These have quotes from different broker, which guarantees the existence of market prices or inputs needed for valuation. Among derivative instruments are currency forwards and interest rate forwards, interest rate swaps, cross-currency swap and foreign currency options. As usual for those instruments other than those listed, valuation techniques and interpolation curves are used. Debt instruments are less liquid such as some sovereign bonds, corporate bonds and mortgage securities of domestic issue, and are valued - unless there is available pricing - based on fair value models based on directly observable prices or market factors. All these instruments are classified in Level 2 valuation.

The base model for the valuation of fixed income securities without much liquidity in the local market is a dynamic model of interest rates using panels of incomplete data and incorporates all the recent price history of the instruments in question and instruments with similar characteristics as to issuer risk rating, duration, etc. The fair value models used (both internal and external) are tested periodically and back tested by independent parties.

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

g. Derivative instruments

As of March 31, 2021, the Bank had a net liability position of MCh$210,162 in derivative instruments measured at fair value. Derivatives are classified into two groups according to their accounting treatment: (1) instruments for trading and (2) instruments with hedge accounting treatment. The trading instruments come from activities of Sales & Trading (S&T), whether from sales to third parties or hedging the risks involved in such sales. The areas responsible for Asset & Liability Management (ALM) also use derivatives to hedge their risks. They can follow the standard treatment for trading or have hedge accounting treatment under the applicable accounting standards. The recording, according to current accounting standards, may reduce fluctuations in the value of assets and liabilities or cash flows.

The market risk associated with derivative instruments is measured by VaR and stress tests.

h. Counterparty risk

The Bank manages its counterparty risk by establishing a limit for transactions (credit line) to enter with each customer in derivatives and recognizes the *Credit Value Adjustment (CVA).*

Use of line to operate with derivative instruments

The level of usage of the credit line approved by the Bank for each customer due to an *over the counter (OTC)* derivative transaction must match the credit exposure that this transaction generates to the Bank. The credit risks on these contracts exist when the recovery or *mark-to-market (MTM)* is positive in favor of the Bank. As these contracts are valued daily, in this there is uncertainty regarding the mark to market adjustment over the life of the operation.

MonteCarlo simulation techniques are used to estimate future peak exposures by counterparty. Specific counterparty limits ensure that the accepted risk levels are not exceeded, and proper diversification is achieved. The table below details the level of usage of the credit line by segment for the periods ended March 31, 2021 and December 31, 2020.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Segment	Use of line to operate with derivative instruments 03.31.2021	Use of line to operate with derivative instruments 12.31.2020
	MCh$	MCh$
Retail Banking	**1,853**	**1,998**
Retail Banking	-	-
Small and Medium Enterprises	1,853	1,998
Wholesale Banking	**920,604**	**833,033**
Commercial Banking	239,559	229,314
C&IB Commercial Division	681,045	603,719
Finance Division	**864,559**	**661,687**
Total	**1,787,016**	**1,496,718**

Credit Valuation Adjustment in derivatives (CVA)

The objective of the credit valuation adjustments is to determine the counterparty risk associated with the credit exposure in OTC derivative contracts. The CVA of a derivative is defined as the difference between its market-to-market value determined without the risk of default from the counterparty and its market-to-market value with the probability of default of the counterparty. Thus, the CVA of a client can be determined from the expected exposure (EE) to counterparty risk (how much loss is expected) and the probability of default (PD) associated with the risk of default of the counterparty. The table below details the CVA for periods ended March 31, 2021 and December 31, 2020.

Credit Value Adjustment			
Segment	**03.31.2020**	**12.31.2020**	**Variation**
	MCh$	MCh$	MCh$
Retail Banking	**31**	**32**	**(1)**
Retail Banking	-	-	-
Small & Medium Enterprise	31	32	(1)
Wholesale Banking	**16,252**	**25,727**	**(9,475)**
Commercial Banking	5,454	6,028	(574)
C&IB Commercial Division	10,798	19,699	(8,901)
Finance division	**530**	**409**	**121**
City National Bank	**884**	**2,807**	**(1,923)**
Total	**17,697**	**28,975**	**(11,278)**

During the first quarter of 2021, the Bank adopted new adjustments associated with the valuation of derivative instruments in order to improve these estimates. Therefore, a Funding Valuation Adjustment (FVA) was added, which captures the funding cost of uncollateralized derivatives above the risk-free rate of return and other technical considerations. As of March 31, 2021, the aforementioned adjustment implied recognizing a net charge to profit or loss for the period of MCh$11,966.

NOTE 36 - RISK MANAGEMENT, CONTINUED

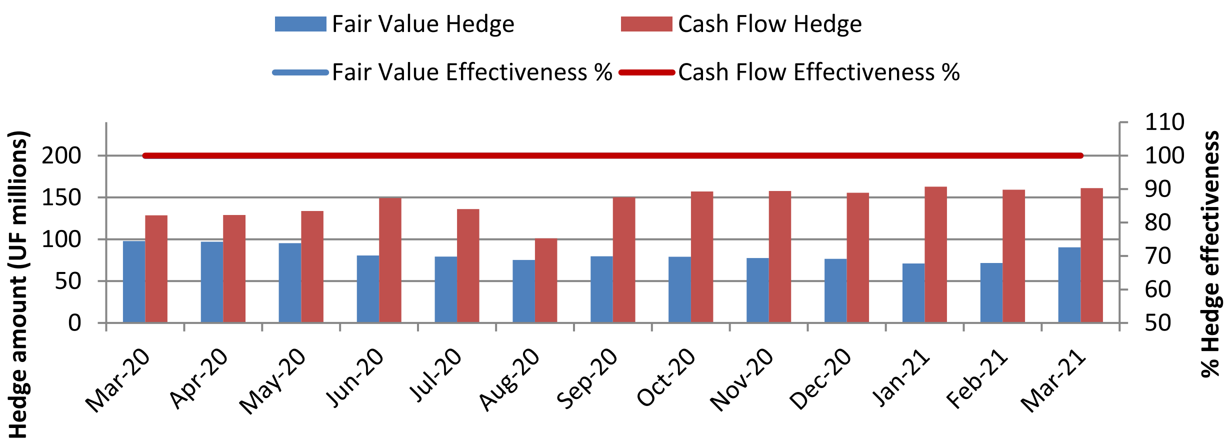
i. Hedge accounting

The Bank uses hedge accounting to manage the risk of fair value and cash flow to which it is exposed. Fair value hedges use derivative instruments to hedge the change in fair value of an asset or liability in the interim consolidated statements of financial position.

Cash flow hedges effects meanwhile are recognized initially in equity. Treatment of this type of instrument strictly follows International Accounting Standard ("IAS") 39. Financial Risk Management is responsible for designing and validating the effectiveness of the hedges, generating effectiveness indicators that are monitored and reported to ALCO.

As of March 31, 2021, the total notional amount of cash flow hedges amounted to UF 161,135,629 whereas fair value hedges reach UF 90,455,692. As of December 31, 2020, the total notional amount of cash flow hedges amounted to UF 150,246,360 whereas fair value hedges reach UF 79,672,930.

Fig. 19. Amount, Type and effectiveness of Hedge Accounting
As of March 31, 2021 (UF Millions)



NOTE 36 - RISK MANAGEMENT, CONTINUED

4. Credit Risk

Risk Management structure

The Bank has structured its credit approval process based on personal and non-delegable discretionary limits authorized by the Board of Directors. Based on these credit faculties, the operations are approved at the different levels of Management, always requiring the concurrence of two executives with discretionary limits.

As the amount of the operation increases, pairs of senior executives both from the commercial and risk areas and from the senior management committees must approve the operation, until reaching the highest level represented by approval from the Board of Director's Executive Committee.

Provision for credit risk

According to the Financial Market Commission (FMC), the Banks should permanently maintain evaluations of their loans and contingent credit portfolios, in order to establish provisions timely and sufficiently, so as to cover possible losses, in accordance with the regulation of said Commission, contained in the Compendium of Accounting Standards, chapter B-1 referring to provisions for credit risk.

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

Additionally, note 1, letter ac), informs that the Bank's Board of Directors approved the constitution of additional provisions during 2021 for MCh$43,347 (MCh$160,176 as of December 31, 2020). These provisions were constituted to anticipate the potential impairment of the placement portfolio due to the crisis produced by the COVID-19 pandemic.

Models based on the individual analysis of borrowers

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

These models consider the analysis of issues such as the financial situation of the borrower, payment behavior, knowledge and experience of the partners and managers in the business, the degree of commitment of the same with the company and the industry in which it operates and its relative position.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Quality of the loans by type of financial asset

Regarding the quality of the loans, these are described in accordance with the Compendium of Accounting Standards issued by the Financial Market Commission (CMF):

	As of March 31, 2021					
	DEBT			ALLOWANCE		
Debt	Loans and Receivables from Banks	Loans and receivables from customers	Total	Loans and Receivables from Banks	Loans and receivables from customers	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
A1	-	100,253	100,253	-	36	36
A2	75,298	1,050,955	1,126,253	62	561	623
A3	6,433	2,063,812	2,070,245	14	2,416	2,430
A4	-	2,244,503	2,244,503	-	15,370	15,370
A5	-	2,489,953	2,489,953	-	19,662	19,662
A6	-	1,053,707	1,053,707	-	11,180	11,180
B1	-	843,202	843,202	-	15,483	15,483
B2	-	157,106	157,106	-	1,034	1,034
B3	-	44,889	44,889	-	6,553	6,553
B4	-	147,668	147,668	-	23,533	23,533
C1	-	98,260	98,260	-	1,965	1,965
C2	-	43,964	43,964	-	4,396	4,396
C3	-	21,900	21,900	-	5,475	5,475
C4	-	32,964	32,964	-	13,186	13,186
C5	-	35,199	35,199	-	22,879	22,879
C6	-	63,655	63,655	-	57,290	57,290
Collective assessment	-	14,052,414	14,052,414	-	368,665	368,665
Subsidiaries	357,422	11,238,539	11,595,961	344	190,109	190,453
Total	**439,153**	**35,782,943**	**36,222,096**	**420**	**759,793**	**760,213**

NOTE 36 - RISK MANAGEMENT, CONTINUED

	As of December 31, 2020					
	DEBT			ALLOWANCE		
Debt	Loans and Receivables from Banks	Loans and receivables from customers, net	Total	Loans and Receivables from Banks	Loans and receivables from customers, net	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
A1	-	110,073	110,073	-	37	37
A2	99,482	1,109,838	1,209,320	82	611	693
A3	13,229	2,132,819	2,146,048	29	2,626	2,655
A4	-	2,155,577	2,155,577	-	13,969	13,969
A5	-	2,583,798	2,583,798	-	22,053	22,053
A6	-	1,090,902	1,090,902	-	12,345	12,345
B1	-	600,028	600,028	-	9,433	9,433
B2	-	251,341	251,341	-	4,556	4,556
B3	-	57,518	57,518	-	6,656	6,656
B4	-	126,968	126,968	-	23,439	23,439
C1	-	98,965	98,965	-	1,979	1,979
C2	-	44,544	44,544	-	4,454	4,454
C3	-	28,059	28,059	-	7,015	7,015
C4	-	26,719	26,719	-	10,688	10,688
C5	-	30,929	30,929	-	20,104	20,104
C6	-	63,025	63,025	-	56,723	56,723
Collective assessment	-	13,810,496	13,810,496	-	394,363	394,363
Subsidiaries	244,321	11,187,114	11,431,435	252	198,981	199,233
Total	**357,032**	**35,508,713**	**35,865,745**	**363**	**790,032**	**790,395**

The analysis of the age of overdue installments and their accrued interest by type of financial assets is the following:

	Less than 30 days		Between 31 and 89 days		90 days or more		Total	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020	03.31.2021	12.31.2020	03.31.2021	12.31.2020
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Loans and receivables from banks	-	-		-		-		-
Loans and receivables from customers	374,872	1,265,643	90,985	155,225	288,310	282,583	754,167	1,703,451
Total	**374,872**	**1,265,643**	**90,985**	**155,225**	**288,310**	**282,583**	**754,167**	**1,703,451**

NOTE 36 - RISK MANAGEMENT, CONTINUED

Maximum exposure to credit risk

The exposure to credit risk varies significantly and depends on both individual risks and general market economy risks.

As of March 31, 2021

	Maximum exposure	Allowance	Net exposure after allowances	Associated collateral	Net exposure
	MCh$	MCh$	MCh$	MCh$	MCh$
Trading portfolio financial assets	441,067	-	**441,067**	-	**441,067**
Loans and receivables to banks, net	439,153	(420)	**438,733**	-	**438,733**
Loans and receivables from customers, and credit commitments (1)	46,176,145	(813,683)	**45,362,462**	(16,005,481)	**29,356,981**
Financial investments available for sale	8,739,219	-	**8,739,219**	-	**8,739,219**
Financial investments held to maturity	295,545	-	**295,545**	-	**295,545**
Derivative financial agreements (2)	4,326,245	(33,226)	**4,293,019**	-	**4,293,019**

(1) In this line loans and receivables are included for an amount of MCh$35,782,943 (see Note 11) and credit commitments of MCh$10,393,202 (see Note 23). Reported collateral is legally pledged to the Bank and there is no uncertainty regarding its possible execution or settlement.
(2) As of March 31, 2021, no collateral was provided in favor of the Bank.

As of December 31, 2020

	Maximum exposure	Allowance	Net exposure after allowances	Associated collateral	Net exposure
	MCh$	MCh$	MCh$	MCh$	MCh$
Trading portfolio financial assets	1,147,279	-	**1,147,279**	-	**1,147,279**
Loans and receivables to banks, net	357,032	(363)	**356,669**	-	**356,669**
Loans and receivables from customers, and credit commitments (3)	45,527,436	(813,188)	**44,714,248**	(15,247,171)	**29,467,077**
Financial investments available for sale	7,996,040	-	**7,996,040**	-	**7,996,040**
Financial investments held to maturity	25,144	-	**25,144**	-	**25,144**
Derivative financial agreements (4)	5,485,123	(33,226)	**5,451,897**	-	**5,451,897**

(3) In this line loans and receivables are included for an amount of MCh$35,508,713 (see Note 11) and credit commitments of MCh$10,018,723 (see Note 23). Reported collateral is legally pledged to the Bank and there is no uncertainty regarding its possible execution or settlement.
(4) As of December 31, 2020, no collateral was provided in favor of the Bank.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Operational Risk

Goals

BCI has adopted the Operating Risk definition of the Basel Commission, defining it as “loss risk resulting from the lack of adequacy or fail of processes, personnel, and internal systems, or due to an external event.” This definition includes technological and legal risks.

The operating risk is an inherent risk to all banking products and services, processes and systems. Therefore, effective management of the risk is a vital element of BCI’s risk management program.

Description of Operating Risk Policies

Our Operating Risk Policy sets the operating risk management framework, including all governance elements, prepared through the actions of the committees defined in this policy, in order to build a sturdy operating risk management and culture; a process of continuous operational risk identification and management; a measurement of risk; strategies for mitigating risk; and operational risk reports and culture, setting clear roles and responsibilities based on three defense lines.

The principles of the policy are the following:

- The Board of Directors and High-Level Management promote a risk culture between all BCI collaborators in matters of operating risk.

- Bci has an operating risk management framework consistent with the volume and complexity of its activities, implemented in the whole organization.

- Bci manages operating risk based on the three defense lines approach, where all collaborators assume and understand their roles and responsibilities regarding risk management.

- For Bci, risk management is a vital element for the fulfillment of its business strategy through the enhancing of its internal controlling environment, promoting safe and simple process generation and maintenance of effective controls, allowing the reduction of losses, complaints, operating and technological issues, and improving the client's experience and protecting the equity and reputation of Corporación Bci.

The policy contemplates all guidelines and requirements set forth by Comisión del Mercado Financiero (Commission for the Financial Market) and the recommendations of the Basel Committee regarding good practices of operating risk management.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Operating risk management structure

The Bank manages its operating risks daily, and makes decisions with a solid Corporate Governance, according to the following structure:

- Committees Integrated by Directors:

- **Executive Board Committee,** responsible for the approval of operating risk policies, assessing the relative importance of operating risks, considering the volume and complexity of operations and approval of Operating Risk Tolerance.

- **Finance and Corporate Risk Committee,** responsible for acknowledging the follow-up of the different operating risk levels for Bci.

- **Directors' Committee** acknowledges the relevant operating risks detected by the comptrollers, third line of defense, Information Security and Operating Risk Management, External Auditors, or other sources, learning about action plans or measures defined or under execution for their mitigation. It analyzes reports on inspection visits, instructions, and presentations made by regulators related to operating risk.

Committees Integrated by High-level Management:

The committees integrated by the General Manager and/or Top-level managers reporting to the General manager, with direct participation in operating risk management are:

- **Information Security and Operating Risk Committee,** headed by BCI's General Manager, responsible for operating risk strategy and management for the Bank and its Branches.

- **Information Security and Operating Risk Committee** specific for Finances, Wholesale Banking, and Retail Banking risk management. Each of these committees are headed by the corresponding High-level Manager reporting directly to the General Manager of these three Business and Support Units and is responsible for the operating risk management in each Business.

Committees formed for specific management of operating risks
These committees' goal is the specific management of operating risks, and they are:

- **Information Security and Cybersecurity Committee:** The Bank has an Information Security and Cybersecurity Risk Committee, made up of representatives from various areas in the Bank, which ensures that the regulatory framework is updated for new risks and threats, and is responsible for the execution and monitoring of the annual security and compliance with specific policies.

NOTE 36 - RISK MANAGEMENT, CONTINUED

- **Risk Management in Outsourced Services Committee:** Committee responsible for governance of operating risk management in services outsourced to third parties and strategic suppliers.

- **Corporate Business Continuity Risk Committee:** Committee responsible for governance of the business continuity management, disaster recovery plans and crisis management.

- **New Products Committee:** Committee responsible for the risk analysis of new initiatives and the launching of products and services with identified and controlled risks.

Operating Risk Management in Branches

Regarding operating risk management in branches, operating risk work methodologies have been continuously strengthened with risk management teams in the Bank's branches, who execute the risk management program in each branch with an independent corporate governance, coordinated and aligned with policies, risk tolerance reference framework, and corporate risk governance.

Operating Risk Management and Information Security.

Responsible for designing policies, programs and methodologies for an adequate risk management, monitoring the execution of risk management activities, and risk level independently from the first line. Responsible for the development of the governance committees and risk level reporting.

The Operating Risk Management and Information Security Management actively participates in:

- **Operating Issues Management**

The Bank has systems, procedures, organization and governance allowing it to identify operating issues, assess their impact, mitigate their effects, monitor security and operating and report them in a timely manner. Issues discovered are a source for cause analysis and improvement plan implementing, which are shared with CMF.

- **Information Security and Cybersecurity**

The Bank has an information security and cybersecurity strategy based on best industry practices that is based on a comprehensive management program, whose main component is the overall information security policy approved by the Board Executive Committee, reviewed on an annual basis, and supplemented by a regulatory body of specific controls regulations, a security culture program aimed at employees, customers and suppliers, ongoing programs of vulnerability analysis and ethical hacking, and an organization formed by areas specializing in the Bank’s three lines of defense, focused on the operation of security controls and specialized management of these risks.

The information Security and cybersecurity strategy contemplates the execution of various initiatives and investments to strengthen technological infrastructure, team training and specific procedures of operation and monitoring of cybersecurity, oriented towards preventing, identifying and stopping cyberattacks on the bank and its subsidiaries.

NOTE 36 - RISK MANAGEMENT, CONTINUED

- **Business continuity and management of the crisis**

The continuity strategies and crisis management developed during the last several years have been consolidated, adding new risk scenarios and increasing the coverage plan to the different units that need to continue operating in situations of contingency.

The Bank is constantly working on strengthening of its business continuity plan, on training contingency team members and on crisis management. Plan coverage has increased according to the requirements of the Bank, including the processes that are critical.

Currently, and due to the COVID-19 pandemic affecting the World economy, the Bank has taken the measures necessary for dealing with the health crisis in order to (i) safeguard the health of our clients and collaborators through the implementation of telecommuting for those who can work from home, and protocols for preventing spread of disease for in-office work, which were successful during 2020; (ii) guaranteeing the operating continuity of our products and services, with strong support from digital and phone channels, and (iii) support clients during the crisis.

- **Prevention of fraud**

This function is responsible for implementing a corporate fraud prevention strategy, both internal and external, that safeguards the equity of our clients, the Bank and ensuring the reputation and corporative image of BCI. To this end, processes, technologies, methodologies and data models for optimal decision making in real time have been reinforced to prevent and anticipate emerging and sophisticated fraud risks, as well as activities to strengthen the culture and adherence to the ethical framework for the good work of the employees of the Bank and its subsidiaries.

- **Management of operational risk in outsourced services**

Operational Risk Management has a risk management program in outsourced services for the Bank, which aims to identify and timely manage the risks that may exist in a process contracted to a third party. This management is carried out throughout the life cycle of the outsourced service, that is, from when the service is contracted until the contractual relationship is terminated. Depending on the risks identified, decisions are made to keep risks within acceptable levels for BCI.

- **Insurance**

Corporación Bci has risk reduction programs through insurance policies allowing to transfer the risk of high-severity losses.

NOTE 36 - RISK MANAGEMENT, CONTINUED

- **Physical security Procedures and Controls**

Corporación has adequate security controls for physical protection of cash, negotiable instruments, precious metals and client assets.

- **Regulatory Management**

Bci performs all activities with strict respect and compliance of the applicable regulations, both external and internal, in all countries and jurisdictions where it operates. For this, it has a continuous review process for new external regulations, for their incorporation into the internal regulatory framework.

NOTE 37 - MATURITIES OF ASSETS AND LIABILITIES

As of March 31, 2021 and December 31, 2020, the breakdown of maturities of assets and liabilities is as follows:

March 31, 2021

	Current	Up to 1 month	Between 1 and 3 months	Between 3 and 12 months	Subtotal up to 1 year	Between 1 and 5 years	More than 5 years	Subtotal Over 1 year	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Assets									
Cash and deposits in banks	4,659,509	-	-	-	4,659,509	-	-	-	4,659,509
Items in course of collection	-	374,540	-	-	374,540	-	-	-	374,540
Trading portfolio financial assets	-	441,067	-	-	441,067	-	-	-	441,067
Liabilities under agreements to repurchase	-	156,703	26,259	33,567	216,529	-	-	-	216,529
Derivative financial liabilities	-	1,332,167	125,426	376,594	1,834,187	1,364,572	1,094,260	2,458,832	4,293,019
Loans and receivables from banks (*)	-	58,934	135,897	240,727	435,558	3,595	-	3,595	439,153
Loans and receivables from customers (**)	-	2,820,840	2,512,960	5,139,295	10,473,095	12,852,594	12,215,700	25,068,294	35,541,389
Financial investments available for sale	-	1,910,059	147,513	317,502	2,375,074	2,378,292	3,985,853	6,364,145	8,739,219
Financial investments held to maturity	-	-	-	-	-	-	295,545	295,545	295,545
Total assets	**4,659,509**	**7,094,310**	**2,948,055**	**6,107,685**	**20,809,559**	**16,599,053**	**17,591,358**	**34,190,411**	**54,999,970**
Liabilities									
Current accounts and demand deposits	21,188,326	-	-	-	21,188,326	-	-	-	**21,188,326**
Items in course of collection	-	369,186	-	-	369,186	-	-	-	**369,186**
Liabilities under agreements to repurchase	-	163,530	18,615	47,085	229,230	9,996	569	10,565	**239,795**
Term deposits and savings accounts	-	4,967,480	2,575,356	1,866,150	9,408,986	215,041	148	215,189	**9,624,175**
Derivative financial liabilities	-	1,372,278	129,279	360,890	1,862,447	1,620,499	1,025,702	2,646,201	**4,508,648**
Borrowings from financial institutions	-	832,759	613,146	1,517,426	2,963,331	3,482,278	-	3,482,278	**6,445,609**
Debt issued	-	18,498	66,973	561,247	646,718	3,533,738	3,607,857	7,141,595	**7,788,313**
Other financial liabilities	-	761,529	70,622	25,472	857,623	1,798	-	1,798	**859,421**
Lease liabilities	-	-	-	63,338	63,338	45,541	69,591	115,132	**178,470**
Total liabilities	**21,188,326**	**8,485,260**	**3,473,991**	**4,441,608**	**37,589,185**	**8,908,891**	**4,703,867**	**13,612,758**	**51,201,943**

(*) Gross values.
(**) Excludes provisions and amounts whose maturity date has already passed.

NOTE 37 - MATURITIES OF ASSETS AND LIABILITIES, CONTINUED

December 31, 2020

	Current Current MCh$	Up to 1 month MCh$	Between 1 and 3 months MCh$	Between 3 and 12 months MCh$	Subtotal Up to 1 year MCh$	Between 1 and 5 years MCh$	More than 5 years MCh$	Subtotal Over 1 year MCh$	Total MCh$
Assets									
Cash and deposits in banks	4,597,867	-	-	-	4,597,867	-	-	-	**4,597,867**
Items in course of collection	-	236,710	-	-	236,710	-	-	-	**236,710**
Trading portfolio financial assets	-	1,147,279	-	-	1,147,279	-	-	-	**1,147,279**
Liabilities under agreements to repurchase	-	101,300	55,148	33,800	190,248	-	-	-	**190,248**
Derivative financial liabilities	-	1,024,060	182,351	503,850	1,710,261	1,907,714	1,833,922	3,741,636	**5,451,897**
Loans and receivables from banks (*)	-	33,761	74,112	245,600	353,473	3,559	-	3,559	**357,032**
Loans and receivables from customers (**)	-	2,882,628	2,179,938	5,283,901	10,346,467	12,821,030	12,117,582	24,938,612	**35,285,079**
Financial investments available for sale	-	2,283,920	179,347	566,155	3,029,422	2,019,497	2,947,121	4,966,618	**7,996,040**
Financial investments held to maturity	-	-	-	-	-	-	25,144	25,144	**25,144**
Total assets	**4,597,867**	**7,709,658**	**2,670,896**	**6,633,306**	**21,611,727**	**16,751,800**	**16,923,769**	**33,675,569**	**55,287,296**
Liabilities									
Current accounts and demand deposits	19,726,574	-	-	-	19,726,574	-	-	-	**19,726,574**
Items in course of collection	-	201,438	-	-	201,438	-	-	-	**201,438**
Liabilities under agreements to repurchase	-	128,779	31,024	132,696	292,499	55,429	2,386	57,815	**350,314**
Term deposits and savings accounts	-	4,439,324	4,384,381	1,814,907	10,638,612	200,862	137	200,999	**10,839,611**
Derivative financial liabilities	-	195,005	192,851	1,446,093	1,833,949	2,128,715	1,830,690	3,959,405	**5,793,354**
Borrowings from financial institutions	-	708,824	519,382	887,661	2,115,867	4,154,832	-	4,154,832	**6,270,699**
Debt issued	-	26,811	98	539,547	566,456	3,600,069	3,265,099	6,865,168	**7,431,624**
Other financial liabilities	-	875,318	32,025	1,922	909,265	1,779	-	1,779	**911,044**
Lease liabilities	-	-	-	64,977	64,977	46,365	74,951	121,316	**186,293**
Total liabilities	**19,726,574**	**6,575,499**	**5,159,761**	**4,887,803**	**36,349,637**	**10,188,051**	**5,173,263**	**15,361,314**	**51,710,951**

(*) Gross values.
(**) Excludes provisions and amounts whose maturity date has already passed.

NOTE 38 - FOREIGN CURRENCY

The interim consolidated financial statements as of March 31, 2021 and December 31, 2020 include assets and liabilities in foreign currencies or in Chilean Pesos according to the following detail:

	In foreign currency		In Chilean Pesos		Total	
	As of March, 31 2021	As of December, 31 2020	As of March, 31 2021	As of December, 31 2020	As of March, 31 2021	As of December, 31 2020
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
ASSETS						
Cash and deposits in banks	2,031,947	2,470,703	2,627,562	2,127,164	**4,659,509**	**4,597,867**
Items in course of collection	191,577	154,042	182,963	82,668	**374,540**	**236,710**
Trading portfolio financial assets	68,233	71,074	372,834	1,076,205	**441,067**	**1,147,279**
Liabilities under agreements to repurchase	-	-	216,529	190,248	**216,529**	**190,248**
Derivative financial liabilities	177,121	191,970	4,115,898	5,259,927	**4,293,019**	**5,451,897**
Loans and receivables to banks, net	438,733	356,669	-	-	**438,733**	**356,669**
Loans and receivables to customers, net	11,762,458	11,617,411	23,260,692	23,101,270	**35,023,150**	**34,718,681**
Financial investments available for sale	3,954,777	3,695,972	4,784,442	4,300,068	**8,739,219**	**7,996,040**
Financial investments held to maturity	295,545	25,144	-	-	**295,545**	**25,144**
Investments in other companies	-	-	27,010	26,625	**27,010**	**26,625**
Intangible assets	153,451	153,476	238,241	241,800	**391,692**	**395,276**
Property, plant and equipment, net	52,890	52,962	194,991	198,255	**247,881**	**251,217**
Right-of-use asset	58,234	60,024	137,520	144,783	**195,754**	**204,807**
Current income tax	-	-	13,952	36,270	**13,952**	**36,270**
Deferred income taxes	5,565	144	230,999	211,080	**236,564**	**211,224**
Other assets	856,971	972,763	374,511	337,582	**1,231,482**	**1,310,345**
TOTAL ASSETS	**20,047,502**	**19,822,354**	**36,778,144**	**37,333,945**	**56,825,646**	**57,156,299**
LIABILITIES						
Current accounts and demand deposits	12,348,691	11,261,139	8,839,635	8,465,435	**21,188,326**	**19,726,574**
Items in course of collection	197,112	98,923	172,074	102,515	**369,186**	**201,438**
Liabilities under agreements to repurchase	109,409	112,467	130,386	237,847	**239,795**	**350,314**
Term deposits and savings accounts	3,013,107	2,973,923	6,611,068	7,865,688	**9,624,175**	**10,839,611**
Derivative financial liabilities	160,426	214,343	4,348,222	5,579,011	**4,508,648**	**5,793,354**
Borrowings from financial institutions	2,112,402	2,115,614	4,333,207	4,155,085	**6,445,609**	**6,270,699**
Debt issued	1,783,574	1,758,748	6,004,739	5,672,876	**7,788,313**	**7,431,624**
Other financial liabilities	805,937	870,582	53,484	40,462	**859,421**	**911,044**
Lease liabilities	50,126	51,554	128,344	134,739	**178,470**	**186,293**
Current income tax	18,500	6,330	2,715	2,742	**21,215**	**9,072**
Deferred income taxes	-	10,385	1,483	11,803	**1,483**	**22,188**
Provisions	86,190	91,498	444,738	350,079	**530,928**	**441,577**
Other liabilities	240,384	268,056	838,240	809,750	**1,078,624**	**1,077,806**
TOTAL LIABILITIES	**20,925,858**	**19,833,562**	**31,908,335**	**33,428,032**	**52,834,193**	**53,261,594**

NOTE 39 - SUBSEQUENT EVENTS

On April 22, 2021, it was agreed at the Extraordinary Shareholders' Meeting of de Transbank S.A., a share capital increase of MCh$30,000, through the issue of 152,905,194 new payment shares. The funds obtained by this company from the issue of the payment shares will be used to comply with the minimum capital and liquidity reserve requirements established in Chapter III.J.2 of the Compendium of Financial Standards issued by the Central Bank of Chile for companies operating payment cards.

Between April 1, 2021 and the date of issuance of these interim consolidated financial statements, no other subsequent events that may affect the presentation of these interim consolidated financial statements have been recorded or have occurred.

Alfredo Mendoza Osorio Corporate Accounting Manager	Eugenio Von Chrismar Carvajal General Manager