Interim Consolidated Financial Statements

For the period ended September 30, 2016 and 2015 and December 31, 2015

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BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of September 30, 2016 and December 31, 2015
(In millions of Chilean pesos -MCH$)

	Notes	As of September, 30 2016 MCH$	As of december,31 2015 MCH$
ASSETS			
Cash and deposits in banks	6	1,327,172	1,272,552
Items in course of collection	6	343,590	434,550
Trading portfolio financial assets	7	1,093,120	1,298,131
Investments under agreements to resell	8	225,531	206,105
Derivative financial agreements	9	1,509,546	1,499,423
Loans and receivables to banks, net	10	264,662	169,416
Loans and receivables to customers, net	11	21,088,963	19,770,529
Financial investments available for sale	12	2,442,961	2,407,882
Financial investments held to maturity	12	854	708
Investments in other companies	13	179,884	170,103
Intangible assets	14	173,770	175,551
Property, plant and equipment, net	15	279,876	282,556
Current income tax	16	44,408	5,093
Deferred income taxes	16	165,159	203,686
Other assets	17	722,514	788,116
TOTAL ASSETS		**29,862,010**	**28,684,401**
LIABILITIES			
Current accounts and demand deposits	18	7,667,452	8,047,288
Items in course of collection	6	204,893	255,800
Obligations under agreements to repurchase	8	686,579	449,128
Time deposits and savings accounts	18	10,217,772	9,301,896
Derivative financial agreements	9	1,570,801	1,535,191
Borrowings from financial institutions	19	1,187,542	1,790,090
Debt issued	20	4,195,325	3,822,650
Other financial obligations	20	950,771	746,946
Current income tax	16	-	-
Deferred income taxes	16	54,151	42,611
Provisions	21	223,912	255,132
Other liabilities	22	433,845	437,144
TOTAL LIABILITIES		**27,393,043**	**26,683,876**
SHAREHOLDERS' EQUITY			
Attributable to equity holders of the Bank:			
Capital	24	2,276,820	1,781,396
Reserves	24	109	109
Accumulated other comprehensive income	24	13,682	(12,790)
Retained earnings:			
Net income for the prior period	24	-	-
Net income for the period	24	254,142	330,819
Less: Accrual for minimum dividends	24	(76,249)	(99,247)
TOTAL EQUITY OF EQUITY HOLDERS OF THE BANK		**2,468,504**	**2,000,287**
Non-controlling interest		463	238
TOTAL SHAREHOLDERS' EQUITY		**2,468,967**	**2,000,525**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		**29,862,010**	**28,684,401**

Notes No. 1 to No. 39 are an integral part of these Interim Consolidated Financial Statements.

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF INCOME

For the periods ended September 30, 2016 and 2015
(In millions of Chilean pesos -MCH$)

	Note	As for September 30, 2016	2015
		MCH$	MCH$
Interest income	25	1,138,656	946,437
Interest expense	25	(461,371)	(385,981)
Net interest income		**677,285**	**560,456**
Fee and commission income	26	248,743	219,859
Fee and commission expense	26	(54,234)	(50,798)
Net fee and commission income		**194,509**	**169,061**
Trading and investment income, net	27	122,696	99,562
Foreign exchange results, net	28	(71,896)	(17,636)
Other operating income	33	21,059	21,167
Operating income		**943,653**	**832,610**
Provisions for loan losses	29	(133,053)	(135,393)
NET OPERATING INCOME		**810,600**	**697,217**
Personnel salaries and expenses	30	(272,948)	(213,652)
Administrative expenses	31	(161,936)	(128,349)
Depreciation and amortization	32	(40,463)	(30,739)
Impairment of property, plant and equipment	32	(6)	(2,289)
Other operating expenses	33	(29,020)	(22,977)
TOTAL OPERATING EXPENSES		**(504,373)**	**(398,006)**
TOTAL NET OPERATING INCOME		**306,227**	**299,211**
Income attributable to investments in other companies	13	13,925	9,292
Income before income tax		**320,152**	**308,503**
Income tax	16	(65,988)	(64,309)
Net income from continuing operations		**254,164**	**244,194**
Net income discontinued operations		-	-
CONSOLIDATED NET INCOME FOR THE PERIOD		**254,164**	**244,194**
Attributable to:			
Equity holders of the Bank		254,142	244,193
Non-controlling interest		22	1
Total		**254,164**	**244,194**
Earnings per share attributable to equity holders of the Bank:			
(stated in Ch$)		Ch$	Ch$
Basic earnings per share		2,057	2,204
Diluted earnings per share		2,057	2,204

Notes No. 1 to No. 39 are an integral part of these Interim Consolidated Financial Statements.

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

For the periods ended September 30, 2016 and 2015
(In millions of Chilean pesos -MCH$)

	As for September 30,	
	2016	**2015**
	MCH$	**MCH$**
CONSOLIDATED NET INCOME FOR THE PERIOD	**254,164**	**244,194**
OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO THE STATEMENT OF INCOME		
Net gain/(loss) resulting on revaluation of financial investments available for sale	53,671	(20,715)
Net gain/(loss) on cash flow hedge derivatives	(14,078)	(31,649)
Accumulated gain/(loss) adjustment for translation differences	(7,719)	9,332
Other comprehensive income before income tax	**31,874**	**(43,032)**
Income tax for other comprehensive income	**(5,402)**	**14,238**
Total other comprehensives income that may be reclassified to the statement of income in subsequent periods	**26,472**	**(28,794)**
OTHER COMPREHENSIVE INCOME (LOSS) THAT WILL NOT BE RECLASSIFIED TO THE STATEMENT OF INCOME IN SUBSEQUENT PERIODS	-	-
TOTAL OTHER COMPREHENSIVE INCOME	**26,472**	**(28,794)**
CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD	**280,636**	**215,400**
Attributable to:		
Equity holders of the Bank	280,614	215,399
Non-controlling interest	22	1
Comprehensive income per share attributable to equity holders of the Bank: (stated in Ch$)		
Basic comprehensive income per share	Ch$ 2,271	Ch$ 1,944
Diluted comprehensive income per share	Ch$ 2,271	Ch$ 1,944

Notes No. 1 to No. 39 are an integral part of these Interim Consolidated Financial Statements.

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the periods ended September 30, 2016 and 2015
(In millions of Chilean pesos -MCH$)

			Accumulated other comprehensive income					Retained earnings				Total Equity		
	Capital	Reserves	Financial instruments available for sale reserve	Cash flow hedges reserve	Cumulative translation adjustment reserve	Income Tax	Total	Retained earnings	Net Income for the period	Accrual for minimum dividends	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, 2016	**1,781,396**	**109**	**(27,381)**	**(15,867)**	**21,866**	**8,592**	**(12,790)**	**-**	**330,819**	**(99,247)**	**231,572**	**2,000,287**	**238**	**2,000,525**
Transfer to retained earnings	-	-	-	-	-	-	-	330,819	(330,819)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	(110,807)	-	99,247	**(11,560)**	**(11,560)**	-	**(11,560)**
Capitalization of reserves	220,016	-	-	-	-	-	-	(220,012)	-	-	**(220,012)**	**4**	(4)	**-**
Increase in capital	275,408	-	-	-	-	-	-	-	-	-	-	**275,408**	-	**275,408**
Other comprehensive income	-	-	53,671	(14,078)	(7,719)	(5,402)	**26,472**	-	-	-	-	**26,472**	207	**26,679**
Net income for 2016 period	-	-	-	-	-	-	-	-	254,142	-	**254,142**	**254,142**	22	**254,164**
Accrual for minimum dividends 2016	-	-	-	-	-	-	-	-	-	(76,249)	**(76,249)**	**(76,249)**	-	**(76,249)**
Shareholders' equity as of September 30, 2016	**2,276,820**	**109**	**26,290**	**(29,945)**	**14,147**	**3,190**	**13,682**	**-**	**254,142**	**(76,249)**	**177,893**	**2,468,504**	**463**	**2,468,967**
Shareholders' equity as of December 31, 2015	**1,781,396**	**109**	**(27,381)**	**(15,867)**	**21,866**	**8,592**	**(12,790)**	**-**	**330,819**	**(99,247)**	**231,572**	**2,000,287**	**238**	**2,000,525**
As of January 1, 2015	**1,547,126**	**-**	**9,275**	**(9,460)**	**14,876**	**(935)**	**13,756**	**-**	**342,972**	**(102,891)**	**240,081**	**1,800,963**	**1**	**1,800,964**
Transfer to retained earnings	-	-	-	-	-	-	-	342,972	(342,972)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	(108,702)	-	102,891	**(5,811)**	**(5,811)**	-	**(5,811)**
Capitalization of reserves	234,270	-	-	-	-	-	-	(234,270)	-	-	**(234,270)**	**-**	-	**-**
First adoption adjustment	-	109	-	-	-	-	-	-	-	-	-	**109**	-	**109**
Other comprehensive income	-	-	(20,715)	(31,649)	9,332	14,238	**(28,794)**	-	-	-	-	**(28,794)**	-	**(28,794)**
Net income for 2015 period	-	-	-	-	-	-	-	-	244,193	-	**244,193**	**244,193**	1	**244,194**
Accrual for minimum dividends 2015	-	-	-	-	-	-	-	-	-	(73,258)	**(73,258)**	**(73,258)**	-	**(73,258)**
Shareholders' equity as of September 30, 2015	**1,781,396**	**109**	**(11,440)**	**(41,109)**	**24,208**	**13,303**	**(15,038)**	**-**	**244,193**	**(73,258)**	**170,935**	**1,937,402**	**2**	**1,937,404**

Notes No. 1 to No. 39 are an integral part of these Interim Consolidated Financial Statements.

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CASHFLOWS

For the periods ended September 30, 2016 and 2015
(In millions of Chilean pesos -MCH$)

	Notes	As for September 30, 2016 MCH$	2015 MCH$
CASH FLOW (USED IN) PROVIDED BY OPERATING ACTIVITIES:			
CONSOLIDATED NET INCOME FOR THE PERIOD		**320,152**	**308,503**
Charges (credits) to income not representing cash flows:			
Depreciation and amortization	32	40,463	30,739
Impairment of property, plant and equipment	32	6	2,289
Provision for loan losses		168,429	166,333
Provision for assets received in lieu of payment		-	72
Adjustment to fair value of financial instruments	33	(8,216)	(9,501)
Net income from investment in other companies		(13,925)	(9,292)
Net loss (gain) from sale of assets received in lieu of payment	13	(1,629)	(2,398)
Gain from sale of property, plant and equipment	33	(201)	(2)
Loss from sale of property, plant and equipment	33	1,497	255
Write-off of assets received in lieu of payment	33	3,311	1,651
Other changes (credits) to income not representing cash flows	33	14,293	120,206
Net income from interest and adjustments		(677,285)	(560,456)
Net income from fees		(194,509)	(169,061)
Changes in assets and liabilities affecting operating cash flows:			
Net increase in loans and receivables to banks		(95,043)	68,554
Net increase in loans and receivables to customers		(1,422,179)	(1,273,923)
Net (increase) decrease in investments		128,046	(255,525)
Increase in current accounts and demand deposits		(379,914)	192,295
Increase in obligations under agreements to repurchase		139,290	4,095
Increase in time deposits and savings accounts		691,851	1,110,182
(Decrease) increase in borrowing from financial institutions		(304,983)	38,563
Decrease in other financial obligations		5,079	(2,124)
Loans from Central Bank of Chile (long-term)		13,540	(43)
Payment of borrowings from the Central Bank of Chile (long-term)		(15,056)	-
Decrease in foreign borrowings (long-term)		3,305,765	3,289,764
Repayment of foreign borrowings (long term)		(3,582,892)	(3,397,602)
Income tax	16	(65,988)	(64,309)
Interest and indexation received		1,134,613	852,892
Interest and indexation paid		85,361	(420,101)
Fees and commissions received	26	248,743	219,859
Fees and commissions paid	26	(54,234)	(50,798)
Total cash flows provided by (used in) operating activities		**(515,615)**	**191,117**
CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	15	(8,688)	(7,840)
Proceeds from sale of property, plant and equipment		31	140
Increase of investments in other companies		(539)	(2,607)
Purchase of intangible assets	14	(15,114)	(35,978)
Dividends received from investments	13	-	28
Sale of investments	13	474	2,938
Sale of assets received in lieu of payment or in foreclosure		2,578	5,346
Net (increase) in other assets and liabilities		74,949	(100,538)
Total cash flows (used in) investing activities		**53,691**	**(138,511)**
CASH FLOW FROM FINANCING ACTIVITIES:			
Redemption of letters of credit		(4,314)	(5,856)
Bond issuance		461,581	651,145
Bond redemption		(142,141)	(313,525)
Capital increase		275,408	-
Dividends paid	24	(110,807)	(108,702)
Total cash flows provided by financing activities		**479,727**	**223,062**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD		**(224,650)**	**41,980**
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCY		**242,453**	**233,688**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**1,674,910**	**1,913,758**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	6	**1,692,713**	**2,189,426**

Notes No. 1 to No. 39 are an integral part of the Interim Consolidated Financial Statements.

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CASHFLOWS

For the periods ended September 30, 2016 and 2015
(In millions of Chilean pesos -MCH$)

Reconciliation of loan losses provisions to Interim Consolidated Statements of Cash Flows

		As for September 30,	
		2016	**2015**
	Notes	**MCH$**	**MCH$**
Loan losses provision in the Interim Consolidated Statements of Cash Flows		168,429	166,333
Recovery of previously written off loans		(35,376)	(30,940)
Loan losses provision	**29**	**133,053**	**135,393**

NOTE 1 – GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

GENERAL INFORMATION

a) The Bank

Banco de Crédito e Inversiones or Banco BCI (hereinafter "the Bank") is a bank incorporated in Chile and regulated by the Superintendence of Banks and Financial Institutions (SBIF). The registered office of the Bank is located at El Golf Avenue, 125, Las Condes. The Interim Consolidated Financial Statementsas of and for the periods ended September 30, 2016 and December 31, 2015 include the financial information of the Bank and its subsidiaries listed below, as well as its Miami Branch. The Bank's business consists of all of the businesses and transactions permitted by the General Banking Law, including retail, corporate and real estate banking, large and medium size companies' services, private banking and asset management services.

The Interim Consolidated Statements of Other Comprehensive Income include the net income for the years and other comprehensive income accumulated in equity, including translation exchange differences between Chilean Pesos and US Dollars originated by BCI Financial Group, Inc. and Subsidiaries and BCI Securities. The financial result to be considered for distribution of dividends is the net income for the year attributable to the equity holders of the Bank, as stated in the Interim Consolidated Income Statement.

b) Basis of Preparation of the Consolidated Financial Statements

The Interim Consolidated Financial Statements have been prepared in accordance with the Compendium of Accounting Standards and Instructions issued by the Superintendence of Banks and Financial Institutions (SBIF), the regulatory agency set up under Article 15 of the General Banking Law, which stipulates that, pursuant to legal provisions, banks must apply the accounting criteria issued by that Superintendence and, in all such matters not specifically covered by it, provided they do not contradict its instructions, banks must abide by the following generally accepted accounting criteria, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). In case of anydiscrepancy between accounting policies and criteria issued by the SBIF, the latter are followed.

Notes to the Interim Consolidated Financial Statements contain additional information to that presented in the Interim Consolidated Statements of Financial Position, in the Interim Consolidated Statements of Income, in the Interim Consolidated Statements of Other Comprehensive Income, Interim Consolidated Statements of Changes in Equity and in Interim Consolidated Statement of Cash Flows. Narrative descriptions and breakdowns of these Statements are supplied in clear, relevant, reliable and comparable way.

The Interim Consolidated Financial Statements as of September 30, 2016 and December 31, 2015 incorporate the financial statements of the Bank and entities controlled by the Bank (subsidiaries). Control is achieved when the Bank has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect the returns. Specifically, the Bank controls an investee if and only if:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

I. Has power over the investee (i.e.: has the rights that give it the current ability to direct relevant activities of the investee);
II. Is exposed, or has right, to variable returns from its involvement with the investee; and
III. Has ability to use its power to affect the returns.

When Bank has less than majority of voting rights of an investee, it has power over investee when these voting rights are sufficient 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 or not the Bank's voting rights in the investee are sufficient to give it power, including:

- The size of Bank's holding of voting rightsrelative to the size and dispersion of holdings of the other vote holders.
- Potential voting rights held by 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 that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Bank reassesses whetheror not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Loss of control results in the deconsolidation of the assets and liabilities of the entity that has ceased to be a subsidiaryfrom the Interim Consolidated Statements of Financial Position and the recognition of a gain or loss on the sale/disposal of the subsidiary.

The Interim Consolidated Statement of Financial Position consider the separate financial statements (individual) of the Bank and the companies involved in the consolidation, and include the adjustments and reclassifications required to unify the accounting policies and valuation criteria applied by the Bank, as well as the elimination of all balances and transactions between consolidated companies

In addition, third party interest in the equity of the consolidated bank is presented as "Non-controlling Interest"in the Interim Consolidated Statement of Financial Position. Its profit share is presented as "Income attributable to non-controlling Interest" in the Interim Consolidated Statement of Income.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

The following table represents entities over which the Bank exercises control:

i. Entities controlled by the Bank through interest ownership:

	Ownership			
	Direct		Indirect	
Entity	2016	2015	2016	2015
	%	%	%	%
Análisis y Servicios S.A. (1)	99.00	99.00	1.00	1.00
BCI Asset Management Administradora de Fondos S.A. (2)	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 (3)	99.90	99.90	0.10	0.10
BCI Corredores de Bolsa de Productos (4)	99.00	-	1.00	-
BCI Financial Group, INC. and Subsidiaries (5)	100.00	-	-	-

(1) On August 1, 2015, Análisis y Servicios S. A.'s employees were integrated into the management model of BCI business and customers, becoming partners of it. Análisis y Servicios S.A. is still in force and operational as a support business company.

(2) BCI Asset Management Administradora de Fondos S.A. consolidatesitsresultswith BCI Activos Inmobiliarios Fondo de Inversión (explained in below in b.ii).

(3) BCI Securities Inc. is a subsidiary located in the State of Florida, United States of America, whose principal business is stockbrokerage. The investment in this entity was authorized by the Superintendence of Banks and Financial Institutions on January 10, 2013 and by the Central Bank of Chile on February 21, 2013. The company is in the process of starting operations.

(4) BCI Corredores de Bolsa de Productos S.A. is a company whose principal business focus is sale of commercial papers traded on the Products Stock Exchange. It is registered with the Superintendence of Securities and Insuranceon November 2, 2015.

(5) On October 16, 2015, Banco de Credito e Inversiones acquired City National Bank of Florida (CNB). BCI acquired 100% of CM Florida Holding (actually BCI Financial Group, Inc. and Subsidiaries), which owns and controls City National Bank of Florida (CNB).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

ii. Entities controlled by the Bank through other considerations:

Although the Bank holds less than majority of voting rights in the following companies, they are considered subsidiaries since the Bank exercises control through ability to direct the relevant activities (corporate business support):

	Ownership interest			
	Direct		Indirect	
Entity	2016	2015	2016	2015
	%	%	%	%
BCI Activos Inmobiliarios Fondo de Inversión Privado (1)	40.00	40.00	-	-
Incentivos y Promociones Limitada (2)	SE	SE	SE	SE

(1) For consolidation purposes, this subsidiary is consolidated into BCI Asset Management.
(2) This structured Entity ("EN" for its acronyms in Spanish) is responsible for the promotion of credit and debit cards products. The Bank does nothold any ownership interest in that company.

iii. Associates:

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

In general, if the Bank holds more than 20% but less than 50% of the voting power of an investee, it is presumed that the Bank has significant influence over an investee. The following factors also might be indicators of significant influence: Having representatives on the Board of Directors, participation in policy-setting processes, significant transactions between the investor and partner, interchange of managerial personnel and providing essential technical information.

These investments are recognized using the equity method.

The following entities are considered associates, in which the Bank has an interest andthose results are recognized using the equity method:

	Ownership interest	
Company	2016	2015
	%	%
Artikos Chile S.A.	50.00	50.00
Servipag Ltda.	50.00	50.00
Centro de Compensación Automatizado ACH Chile	33.33	33.33
AFT S.A.	20.00	20.00
Nexus S.A.	12.90	12.90
Redbanc S.A.	12.71	12.71
Servicio de Infraestructura de Mercado OTC S.A.	13.61	11.48
Combanc S.A.	10.33	10.33
Transbank S.A.	8.72	8.72
Sociedad Interbancaria de Depósitos de Valores S.A.	7.03	7.03
Credicorp Ltda.	1.93	1.93

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

iv. Investments in other Companies:

In this category are presented those entities in which the Bank has no control neither significant influence. These investments are recognized at the acquisition cost (historical cost).

Effects of transactions with subsidiaries have been eliminated and the participation of minority shareholders is recognized and presented in the Interim Consolidated Statements of Income in the "Non-controlling Interest"line.

For consolidation purposes, the assets and liabilities of BCI Financial Group, Inc. and Subsidiaries and BCI Securities Subsidiaries have been translated in to Chilean Pesos at the exchange rate at the end of each year and the income statement accounts have been translated at the monthly average exchange rates.

c) Basis of consolidation

The Interim Consolidated Financial Statements comprise the Interim Consolidated Financial Statements of the Bank and subsidiaries as of September 30, 2016 and December 31, 2015 and for the years then ended.

The Financial Statements of subsidiaries (including the structured entities controlled by the Bank), were homogenized according to the rules laid down in the Compendium of Accounting Standards and Instructions issued by the Superintendence of Banks and Financial Institutions.

The intercompany balances and any unrealized income or expense arising from intercompany transactions between entities on consolidation are eliminated on the preparation of these Consolidated Financial Statements. The unrealized income arising from transactions with companies whose investment is recognized using the equity method are eliminated from the investment to the extent of the group's interest in these companies.

d) 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 interest are presented separately in the Interim Consolidated Statements of Income, the Interim Consolidated Statement of Other Comprehensive Income and Interim Consolidated Statement of Financial Position.

e) Functional currency

The Bank has determined its functional currency and presentation currency as 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 BCI Securities Subsidiary, which have determined the US dollar as their functional currency.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

The balances of the financial statements of the consolidated entities whose functional currency is other than the Chilean peso are translated into Chilean peso in the following way:

i. Assets and liabilities, using the exchange rates prevailing as of September 30, 2016 and December 31, 2015.
ii. Income and expenses and cash flows, using of the monthly average exchange rates.

Translation differences that occur when converting into Chilean pesos, functional currency of the Bank, the balances of entities whose functional currency is different from Chilean peso, are exposed in the Interim Consolidated Statements of Other Comprehensive Income for the Period, in the "translation differences" account.

When the generating element is derecognized, these translation differences are reclassified into results.

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

f) Transactions in foreign currency

As stated previously, the functional currency of the Bank is the Chilean peso. Therefore, all the balances and transactions denominated in currencies different from the Chilean peso are considered denominated in “foreign currency”. The differences in the exchange rate produced when converting the balances denominated in foreign currency into functional currency are recorded in “Foreign exchange results, net” of Interim Consolidated Statements of Income.

As of September 30, 2016, the assets and liabilities of the Bank nominated in foreign currency are shown at their equivalent value in pesos, calculated using the exchange rate of Ch$657.28 per US$1 (Ch$707.75 per US$1 as of December 31, 2015).

g) Business segments

Business segments are determined by the Bank on the basis of its different business units, considering that they are the components:

(i) Which engage in business activities from which they may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity).
(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 its performance; and
(iii) For which discrete financial information is available.

These business units deliver products and services subject to different risks and returns and therefore the chief operating decision makers of the Bank separately evaluate the performance of them.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

h) Measurement of assets and liabilities

Measurement criteria of the assets and liabilities recognized in the Interim Consolidated Statements of Financial Position are the following:

i. Assets and liabilities measured at amortized cost:

Amortized Cost is understood as the acquisition cost of a financial asset, less its incremental costs (more or less as applicable) by the portion systematically recognized in the profit and loss accounts of the difference between the inicial amount and the corresponding repayment value at maturity, under the "effective interest rate" methodology.

In the case of financial assets, the amortized cost also includes adjustments to their value caused by any recognized impairment.

In the case of financial instruments, the systematic part reflected in the profit and loss is recognized by 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.

ii. Assets measured at fair value:

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 local or international stock markets.

A financial instrument is considered quoted in an active market, if prices are regularly and freely available on a stock, index, broker, dealer, supplier prices or regulatory agency 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 wide spread between bid-offer prices, are indications of the inactive market.

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 (e.g. deposits, swaps, exchange rates, volatilities, etc.) observable at the date of the Interim Consolidated Financial Statements.

As of the dates of the Interim Consolidated Financial Statements, the Bank has no instruments whose fair value had been determined based on unobservable data. However, for this type of instrument, the Bank has models developed internally, which are based on techniques and methods generally recognized in the industry. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

The results of the models are always an estimate or approximation of the value and cannot be determined with certainty. 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 values of the financial instruments in the Interim Consolidated Financial Statements. The data, prices and parameters used in the valuations are carefully and regularly checked, and adjusted if necessary.

iii. Assets measured at acquisition cost:

Acquisition cost measurement is 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 on a historic basis, except for:

- The derivative financial instruments, measured at their fair value.
- Assets received in lieu of payment are measured at the lower of carrying amount or fair value less costs to sell.
- The trading instruments, measured at fair value.
- The financial investments available for sale, measured at fair value.
- Property, Plant and Equipment are measured at fair value when Management decided to revaluate such assets and consider this value as deemed cost for the first adoption.

iv. Derecognition of financial assets and liabilities:

The accounting treatment of transfers of financial assets depends on the extent and the manner in which 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 of the financial asset to third parties, such as the unconditional sales, sales with resale agreements at the fair value on the date of resale, the sale of financial assets with the option to repurchase or a sale issued with a high probability that it will not be finalized, the use of assets where the transferring entity does not retain subordinated financing or give up a credit improvement to the new owners, among other similar cases,the transferred financial asset is derecognized from the Interim Consolidated Financial Statement, recognizing simultaneously any right or obligation retained or created as a result of the transfer.

2. If retained substantially all the risks and rewards of the transferred financial asset, 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 Financial Statements and continuous measuring under the same criteria which were applied before the transfer. Consequently, it recognizes:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

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 on the new 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 distinguishes between:

   a) If the Bank does not retain the control of the transferred financial asset: then it is derecognized from the Interim Consolidated Statement of Financial Position and any withheld right or obligation is recognized or created as a consequence of the transfer.

   b) If the Bank maintains control of the financial asset: then it continues recognizing the asset in the Interim Consolidated Statement of Financial Position and recognizes a financial liability associated with the financial asset. The net amount of the asset and the associated liability will be the amortized cost of the withheld rights and obligations if the asset is measured by its amortized cost or the fair value of the withheld rights and obligations if the asset is measured by its fair value.

Accordingly, financial assets are derecognized from the Interim Consolidated Statement 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.

Similarly, financial liabilities are derecognized from the Interim Consolidated Statement of Financial Position when, and only when, the obligations are extinguished, cancelled or expired.

i) 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 classified as available for sale.

Investment instruments are initially recognized at their fair value, including transaction costs. 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 instruments' valuation reserve accumulated in other comprehensive income associated with these instruments is reclassified to income statement and is recognized under "Trading and investment income, net" 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 instruments, an impairment is recorded by a reclassification from other comprehensive income to the line item "Impairment" in the income statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

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

The interests and inflation–indexing of held to maturity and available for sale investments are included in "Interest income" in the Interim Consolidated Statement of Income.

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 the date of trade on which the purchase or sale of the asset is agreed. The rest of the sales or purchases are recorded using settlement date accounting.

j) Trading investments

The trading investments correspond to securities acquired with the intention of generating 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.

Trading investments are measured at their fair value in accordance with market prices at the closing date of the Interim Consolidated Financial Statements. The transaction costs are recognized directly in income statement. The mark to market adjustments, as well as the realized income/loss from trading activities, are included in "Trading and investment income, net" in the Interim Consolidated Statementsof Income.

The interest and inflation-indexing are recognized in "Trading and investment income, net" in the Interim Consolidated Statement of Income.

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

k) Transactions with repurchased agreements and securities lending

Repurchase agreements operations are made as a form of investment. Under these agreements, financing instruments are purchased, which are included as assets in "Investments purchased under agreements to resell" which are measured at amortized cost.

Repurchase agreement operations are also performed as a form of financing In this regard, investments that are sold subject to a repurchase obligation and that serves as collateral for the loan part of their respective areas "instruments for trading" or "available-for-sale". The obligation to buy back the investment is classified under liabilities as "Repurchase agreements and securities lending" and is measured at amortized cost.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

l) Financial derivative instruments

The financial derivative instruments, which include forwards in foreign currency and Unidades de Fomento (UF), interest rate futures, currency and interest rate swaps, currency and interest rate options and other financial derivative instruments are initially recognized on the Interim Consolidated Statement of Financial Position at fair value, which is usually their acquisition cost (including transaction costs) 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 agreements”.

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their risk and characteristics are not closely related with those of the host contract and such host contracts are not measured at fair value through profit or loss.

At the moment of subscribing to a derivative agreement, the Bank must designate it either as a derivative instrument for trading or for hedge accounting purposes.

The changes in the fair value of derivative instruments held for trading are included in “Trading and investment income, net” of the Interim Consolidated Statement 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 if they provide effective hedging for the management of risk positions.

When a derivative 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 recorded through 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 effect on the income statement for the period. Gains or losses from the fair value measurement of the hedging derivative are recognized with effect on the income statement 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 fair value adjustment of the firm commitment recognized in the Interim Consolidated Statement of Financial Position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

When a derivative hedges exposure to changes in the cash flows of existing assets or liabilities, 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 income statement for the period.

The cumulative loss or gain in cash flow hedge reserve is transferred to the income statement to the extent that the hedged item impacts the income because of the hedged risk, offsetting the effect in the same income statement account.

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 income, but the fair value adjustment of the hedged instrument is presented in the Interim Consolidated Statement of Financial Position under “Other assets” or “Other liabilities” accounts, depending on the hedged item position in a moment of time.

The adjustment for counterparty credit risk in derivatives (Credit Valuation Adjustment, “CVA”) determines the expected losses from counterparty risk in OTC derivatives contracts. 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) and the value of risky derivative (corresponding to the original derivative, which has an inherent risk) that considers the possibility of counterparty default. In this way, a customer CVA can be obtained from the expected exposure (EE) for counterparty risk (how much is expected to lose) and the expected loss rate (PE in Spanish) associated with the default of the counterparty.

The valuation adjustment for the existence of the spread bid / offer on financial instruments markets 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 Superintendence of Banks and Financial Institutions (SBIF) and the Central Bank of Chile.

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

i. Define market makers or BCI customer condition:

On an annual basis the BCI condition will be redefined to be considered market makers (BCI must be within 4 main markets) or customers in each of the financial products it operates. This will be done with 2 main brokers’information of the domestic market TRADITION and ICAP.

ii. Condition of Market Makers:

For products (markets) where it is considered that BCI is liquidity provider, shall be valued at mid-price and no bid/offer adjustment will be made for recovery.

iii. Customer status:

For products (markets) where BCI is considered as instruments demanding for different types, shall be valued at mid-price and adjusted at bid/offer to recovery or valued to bid if any liquid ends are held.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

m) Net investment hedge of a foreign operation

According to IAS 21 and IAS 39 the requirements for register and accounting the hedge accounting are:

IAS 21 states that an entity must determine the functional currency of each of its foreign operations as the currency of the primary economic environment of that business. When the results and financial position of a foreign operation are converted in a currency other than the Matrix, the entity recognizes exchange differences in other comprehensive income in equity that are recorded in the sub-heading of accounts appreciation for differences, to the sale or other disposal of the foreign operation and its subsequent recognition in income in the year in the period of disposal.

Coverage net investment of a foreign operation seeks to mitigate the risk of exchange rate being applied to the net assets of the business from abroad included in the Consolidated Statements of Financial Position.

The IAS 39 states that to apply hedge accounting, must meet the following conditions:

a) When starting the hedging relationship, it has been formally documented hedging relationship;
b) Hedge is expected to be highly effective;
c) The effectiveness of the hedge can be measured effectively and;
d) The hedge is highly effective in relation to the risk hedged, continuously throughout the hedging relationship.

The hedged item is the initial investment by the acquisition of BCI Financial Group INC. and Subsidiaries

n) Loans and receivables to 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 measured at their fair value plus direct costs of transaction and subsequently measured at their amortized cost using the effective interest method.

i. Financial lease contracts

Accounts receivable from leasing contracts, included under “Loans and receivables to customers”, correspond to periodic installments of leasing contracts that comply with the requirements to be qualified as finance leases and are presented at present value at period-end.

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 debtor upon collection.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

o) Allowances for Credit Risk

The allowances required to cover the expected losses of a certain financial assets have been recognized in accordance with the regulations and instructions of the Superintendence of Banks and Financial Institutions (SBIF). The assets are presented net of these allowances, or at a new cost basis in the case of investments. In the case of contingent credits, they are shown as liabilities under "Provisions".

The Bank uses models and methods based on individual and group analysis of the debtors, approved by the Board of Directors, to recognize the allowance on loan losses as indicated in the Accounting Standards Compendium issued by the SBIF.

i. Individual assessment:

Individual evaluation of debtors is necessary when it involves companies which, due to their size, complexity or level of exposure with the entity, are required to be identified and analyzed on an individual basis.

Naturally, the analysis of the debtors should be focused on their capacity and disposition to comply with their credit obligations by means of sufficient and reliable information, and analyzing their credit with respect to guarantees, terms, interest rates, currency, inflation - indexation, etc.

For the effects of creating the allowances, the debtors and their operations related to contingent investments and loans must be classified in their corresponding risk category, after being assigned to one of the following portfolio categories: normal, substandard and noncompliance.

ii. Portfolios in normal and substandard compliance:

The portfolio in normal compliance includes those whose payment capacity allows them to comply with their obligations and commitments, a condition that according to their economic-financial situation evaluation, is not expected to change. The classifications assigned to this portfolio are categories A1 to A6.

The substandard portfolio includes the debtors with financial difficulties or significant worsening of their payment capacity presenting reasonable doubt regarding the total reimbursement of principal and interest under the contractually agreed terms, showing that they are less likely to comply with their financial obligations in the short term.

In addition, those debtors that recently present arrears over 30 days will also be part of the substandard portfolio. The classifications assigned to this portfolio are categories B1 to B4.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

Type of portfolio	Debtor Category	Default Probability (PI) (%)	Loss due to non-compliance (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

iii. Allowances on portfolios in normal and substandard compliance:

In order to determine the allowances to be established for the normal and substandard portfolios the exposure must be estimated first, to which the respective loss percentages (expressed in decimals) will be applied, which are comprised by the noncompliance probability (PI in Spanish) and loss given default (PDI in Spanish) established for the category in which the debtor and/or guarantor is classified, as applicable.

The exposure subject to impairment corresponds to the loans and receivables plus the contingent loans, less the amount to be recovered by means of the execution of the guaranties. Likewise, loans and receivables is understood as the carrying amount of loans and accounts receivable from the respective debtor, while contingent loans is understood as the value resulting from applying the clause indicated in N°3 of Chapter B-3 of the Accounting Standards Compendium.

iv. Overdue portfolio:

The overdue portfolio includes the debtors and their loans for which their recovery is considered remote, given that they have suffered a loss event resulting in impairment. This portfolio includes those debtors with evident signs of possible bankruptcy, as well as those in which a forced debt renegotiation is necessary in order to avoid noncompliance, and also includes any debtor presenting arrears equal to or more than 90 days in the payment of interests or principal of any loan. This portfolio includes debtors classified under categories C1 to C6 in the classification scale established below and all the loans, including 100% of the amount of contingent loans that those debtors maintain.

For the effects of allocating impairment on the overdue portfolio, allowance percentages are used, which must be applied on the amount of the exposure, which corresponds to the sum of loans and receivables and contingent loans held by the same debtor. In order to apply this percentage, an expected loss rate must be estimated first, deducting from the amount of exposure the recoverable amounts by means of execution of guaranties and, in the case of having solid data that justifies them, deducting also the current value of the recoveries that can be obtained by executing collection actions, net of expenses associated to them. 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 debtor.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

These categories and the provision percentages which must be applied on the amounts of the exposures are indicated in the following table:

Type of portfolio	Risk Scale	Expected Loss Range	Provision (%)
Overdue 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

v. Collective assessment:

Collective assessment is focused on the Commercially Grouped Loans, Consumer Loans and Housing Mortgage Loans portfolios.

For the determination of group portfolio allowances, credit groups with homogeneous features as the type of debtor and agreed conditions are analyzed. Thus, allowances are based on expected losses from a certain probability of default (PI, acronyms in Spanish) and a percentage of severity loss or loss given default (PDI, acronyms in Spanish), both parameters based on historical analysis and estimates technically substantiated.

The amount of allowances is established by multiplying the total amount stated in the respective group by the estimated percentages of default and loss given default.

a. Commercial Loans:

This group of loans is defined as trade receivables of commercial customers who registered trade credits and / or leasing operations and which are not individually evaluated.

The allowance determination is based on statistical models of expected loss, which can estimate the probability of default for each customer (PI) and loss severity (PDI) for each operation. Both parameters are defined in terms of customer behavior and characteristics of each loan, including: delinquencies (internal and/or external), loan/guarantee ratio (loan-to-value), noncompliance portfolio, customer seniority, type product, among others.

b. Consumer Loans:

The Consumer Loan segment that follows this model considers all operations associated with Bci Customers consumption subscribed by individuals, as well as debt from the use of overdraft credit line, emergency credit lines, credit cards and consumer loans.

The allowance determination is based on statistical models of expected loss, which can estimate the probability of default (PI) and loss severity (PDI) for each customer. Both parameters are defined in terms of customer behavior, highlighting: delinquencies (internal and / or external), indebtedness level, noncompliance portfolio, renegotiation, customer seniority, no agreed overdrafts, protests, among others.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

c. Mortgages Loans:

The mortgages portfolios are loans which have the following characteristics: the objective is the financing of the acquisition, extension, repair or construction of housing; the debtor is an individual who is buying or owns the housing, and the value of the mortgage guarantee covers the total loan.

As of December 31, 2015, determining the provisions of the Bank was based on statistical models of expected loss, which allowed to estimate the probability of default for each customer (PI by its Spanish abbreviation) and loss severity (PDI by its Spanish abbreviation) for each operation. Both parameters are defined in terms of customer behavior and the characteristics of each credit characteristics, highlighting: defaults (internal and/or external), loan/guarantee ratio (loan-to-value), term, credit conditions, customer behavior in other bank products, among others.

As from January 1, 2016 the Bank uses the "Standard Method Provisions for Residential Mortgage Loans" set by the Superintendency of Banks and Financial Institutions issued in No. 3573 Circular, which fixes the following applicable provision factors, represented by the expected loss on the amount of mortgage loans for housing, depending on the default of each loan and the relationship, at the end of each month, between the amount of outstanding principal of each loan and the value of the mortgage guarantee (PVG) that protects it, as indicated in the following table:

Aplicable Provision factor according Default and PVG						
		Default days at the end of the month				
PVG Tranche	Concept	Up to day	1-29	30-59	60-89	Portfolio in default
PVG≤ 40%	PI(%)	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%<PVG≤ 80%	PI(%)	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%<PVG≤ 90%	PI(%)	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
PVG>90%	PI(%)	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

Donde:

PI= Probability of default
PDI= Loss given default
PE = Expected Loss
PVG=Outstanding principal of each loan /value of the mortgage guarantee

In the event of the same debtor keep more than one mortgage home loan with the bank and one of them present a delay of 90 days or more, all these loans shall be allocated to the portfolio in default, calculating provisions for each of them according to their respective shares of PVG.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

d. Write-off of loans:

Generally, write-offs must be made when contractual rights over cash flows expire. Even if this is not the case, for loans the Bank has to write-off the respective asset balances when certain conditions are met according to Title II, Chapter B-2 of the Compendium of Accounting Standards and Instructions issued by the Superintendence of Banks and Financial Institutions (SBIF).

The write-off results in the direct reduction of the previously recognized loan asset in the Interim Consolidated Statement of Financial Position, associated to the respective operation, including the part that could have not been expired if it has beenpaid in installments or partiality, or a leasing operation (for which there are no partial write-offs).

Write-offs are always recognized in provisions for credit risk, according to Chapter B-1 of the Compendium of Accounting Standards, regardless of the reason of the write-off. Subsequent payments received in respect of written-off assets, will be recognized in the Interim Consolidated Income Statement for the year as recoveries of loans written-off.

Write-offs of loans and accounts receivable are made on overdue, past due and current installments, and should be made in accordance with the following terms since their first default:

Type of loan	**Overdue**
Consumer loans with or without guarantees	6 months
Other operations without guarantees	24 months
Commercial loans with guarantees	36 months
Mortgage loans	48 months
Consumer leasing	6 months
Other non-property leasing	12 months
Property leasing (commercial or housing)	36 months

Term of write-off is the maximum period between due date to pay of all or part of the obligation that is default of payment and the write-off.

e. Recovery of written-off loans:

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

p) Fee and commission income and expense

Fee and commission income and expense are recognized in the income statement using different criteria according to their nature. The most significant are:

- Those corresponding to on-off operations are recognized when the operation which originates them is performed.
- Those originating from transactions or services performed over time are recognized over the life of these transactions or services.
- Those relating to financial assets and liabilities are recognized as an adjustment to the effective rate within the operation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

q) Impairment

I. Financial Assets:

A financial asset is assessedat the end of each reporting period to determine if objective evidence of impairment exists. A financial asset is impaired if there is objective evidence indicating that one or more events have had a negative effect on the asset.

A loss due to impairment, regarding financial assets recognized at their amortized cost, is calculated as the difference between the carrying amount of the asset and the present value of the estimated cash flows, discounted using the effective interest rate.

A loss due to impairment, with respect to available for sale financial asset, is calculated in relation to its fair value.

Financial assets that are individually significant are assessed individually to determine their impairment. The remaining financial assets are evaluated in groups that share similar credit risk characteristics.

All the losses due to impairment are recognized in the Interim Consolidated Statement of Income for the Period. Any impairment loss in relation to an available for sale financial asset previously accumulated in equity is transferred to the Interim Consolidated Statement of Income for the period.

Reversal of a loss due to impairment only occurs if it can be objectively related to an event occurring after the impairment was recorded. In the case of financial assets recognized at amortized cost and of those available for sale that are debt instruments, the loss is reversed through the income statement. In the case of equity securities the reversal is recognized directly in equity.

For assets of "Loans and receivables to customers", the impaired portfolio is defined according to Chapter B-2 of the Accounting Standards Compendium of the SBIF as "debtor 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 debt by the way of guarantees, by means of exercise of judicial collection actions or by renegotiation."

Policies regarding impairment measurement indicate that it is measured monthly and subject to the following criteria:

i. Impaired Portfolio:

It consists of loans classified by the Bank as individually significant which include those loans that have a credit risk classified as substandard in categories B3 and B4 or loans in the overdue portfolio.

The remaining impaired loans are classified in the following groups:

- Operations of loans with arrears more than or equal to 90 days.
- Renegotiated operations.
- 100% of the operations associated with the client are moved to the impaired portfolio.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

Operations related to mortgage loans for housing or students loans for higher education under Law N°20,027 are excluded as long as no exist non-compliance conditions as established in Circular N°3,454 of December 10, 2008 arise.

The behavior in the financial systemis not considered to determine income to impaired portfolio.

Exit Conditions

- Individual case: improvement in risk rating.
- Collectively evaluatedcase:

a) Non-renegotiated operations: loan operations in the impaired portfolio may return to the normal portfolio only if the operation complies with the following conditions:

  - Receipt of at least 6 consecutive installments of principal and interest, paying them on schedule or with a maximum delay of 30 days.
  - All obligations up to date and no other loan operations in the impaired portfolio.
  - In any case, there must be no arrears with other banks in the Chilean financial system in the last 90 days (last three periods informed to the SBIF at the date of inquiry).

b) Renegotiated operations: they may exit the impaired portfolio only if the operation complies with the following conditions:

  - Receipt of at least 6 consecutive installments of principal and interest, paying them on schedule or with a maximum delay of 30 days.
  - All obligations up to date and no other loan operations in the impaired portfolio.
  - No other renegotiated operation issued within the last 6 months.
  - In any case, there must not be any arrears with other banks in the Chilean financial system in the last 90 days (last three periods informed to the SBIF at the date of inquiry).

c) Group renegotiated portfolio written-off : written-off operations that had been renegotiated may exit the impaired portfolio and enter the normal portfolio only if the operation complies with the following conditions:

  - Payment of 30% of the originally renegotiated balance or payment of the first 6 payments negotiated under the renegotiated operation.
  - Principal and interests payment up to date.
  - No other operations in the impaired portfolio.
  - No arrears in the Chilean financial system in the last 90 days.

ii. Income and expenses from interest and inflation–indexation:

Income and expenses from interest and adjustments are recognized in theInterim Consolidated Income Statement of the period based on the accrual principle using the effective interest method.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

The effective interest rate is the rate exactly discountsfuture cash receipts through the expected life of the debt instrument (or, when appropriate, a shorter period) to the carrying amount on initial recognition. To calculate the effective interest rate, the Bank determines cash flows considering all contractual terms of the financial instrument. The effective interest rate calculation includes all fees and other amounts paid or received that form part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

However, in the case of a loan which has reached its maturity and of the current loans with high risk of no recoverability, a prudent criterion is followed by suspending the accrual of interest and inflation–indexation; and only recognizing such in the accounts when they are received.

- Amounts to suspend:

The amount of income suspended on an accrual basis corresponds to the amount calculated between the date of suspension and the Consolidated Statementsof Financial Position reporting date. The closing day of the Consolidated Statements of Financial Position corresponds to the last day of the month.

- Date of suspension:

Individually evaluated loans:

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

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

Collectively evaluated loans:

For the loans with collateral whose fair value is less than 80% of the loan balance, it 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 ratio, measured at the time the loan becomes impaired, including the value of the collateral and the estimated value of all covered transactions using the same collateral, including contingent claims.

II. Non-financial assets:

The carrying amount of non-financial assets of the Bank, excluding investment properties and deferred taxes is evaluated at least annually and more frequently, should circumstances require, determining if indicators of impairment exist. If such indicators exist, then the recoverable amount of the asset is calculated. In the case of goodwill and intangible assets with an indefinite useful life or which are not available for use yet, an impairment test is performed annually or, more frequently, should circumstances warrant.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

A loss from impairment in relation with goodwill and intangible assets with indefinite lives is not reversed. Regarding other assets, losses from impairment recognized in previous periods are evaluated to determine if events or circumstances have warranted a reversal of the impairment loss. A loss from impairment is reversed if a change in the estimate has occurred. A loss from impairment may be reversed only to the extent of the original impairment recognized.

r) Intangible assets

Software

The software acquired by the Bank is recognized at its cost less the accumulated amortization and losses from impairment.

The expenses in software developed internally are recognized as assets when the Bank is capable of proving 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 recognized at cost less the accumulated amortization and impairment.

The subsequent expenditures associated with any software are capitalized only when the Bank may derive future economic benefits from them. All other expenditures are recognized in the Interim Consolidated Income Statement for the Period.

Amortization is recognized 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. The estimated useful life of the software is usually six years.

Intangibles arising from business combination

As a consequence of the purchase of BCI Financial Group, Inc. and Subsidiaries materialized in October 2015, amortizable intangible assets and intangible assets with indefinite life were recognized, which were originated in the process of distribution of price paid for acquisition or Purchase Price Allocation (PPA).

According to IFRS3 standard, “Business Combination”, values that are exposed as of December 31, 2015 were preliminarily determined and may be adjusted up to one year period from the date of acquisition.

The amortization of these intangible assets is recognized on a straight-line basis according to their estimated useful lives and indefinite useful intangible assets are subject to impairment review, a process that takes place annually.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

Goodwill

Goodwill generated in a business combination will be distributed from the date of acquisition, between each of the Cash-Generating Unit (CGU) or group of CGUs of the acquirer, which is expected to benefit from the synergies of the business combination regardless of whether other assets or liabilities of the acquired entity to those units or groups of units assigned.

Goodwill is tested to determine whether there is impairment annually and when circumstances indicate that its carrying amount may be impaired.

The impairment losses relating to Goodwill cannot be reversed in future periods.

s) Business Combination

Business combinations are accounted by 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 Company, the liabilities incurred by the Company to the former owners of the acquiree, and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs generally recognized in income statements as incurred.

In a business combination, an independent expert is used to make a determination of fair value of net assets acquired and is 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 IFRS2 at acquisition date; and

- Assets (or group of assets for disposal) that are classified as held for sale in accordance with IFRS5 “Non-current Assets Held for Sale and Discontinued Operations” are measured in accordance with that Standard.

The goodwill generated in the acquisition of CNB 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 the acquiree (if any) over the net amounts of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date 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 income statement as a bargain purchase gain.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

Non-controlling interests that are 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 acquire'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.

t) Property, Plant and Equipment

The items of property, plant and equipment are measured at cost less 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 part of an item of the property, plant and equipment has a different useful life, it is recorded as a separate component (Real Estate Remodeling).

Depreciation is recorded in the Interim Consolidated Statement of Income based 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 September 30, 2016 and December 31, 2015 are the following:

	As of September 30,	As of December 31,
	2016	2015
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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

u) Assets received in lieu of payment

Assets received in lieu of payment are classified under “Other assets”and recognized at the lesser of their adjudicated-in-court value and net realizable value less regulatory write-offs required by the SBIF and are presented net of provisions. Write-offs are required if the asset is not sold within one year of receipt.

v) Employee benefits

i. Staff Vacations:

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

ii. Short-term benefits:

The entity has an annual incentive plan for its staff to be received upon achieving certain objectives. The incentive is defined as a determined number or portion of monthly remunerations and is provisioned on the basis of the estimated amount to be distributed.

iii. Indemnification for years of service:

The Bank and its subsidiaries have no agreements with their employees with respect to indemnification for years of service.

w) Leases

i. Operating lease:

When the Bank or the subsidiaries act as lessee and the contract qualifies as an operating lease, the contracted payment amount is recorded on a straight-line basis over the life of the contract.

At the end of the operating lease period, any payment for penalties under the contract required by the lessor are recorded as expenses for the period in which said contract ended.

ii. Financial lease:

In the case of financial leases, the sum of the minimum lease payments of the installments to be received from the lessee plus the contractual purchase option price is recognized as financing to third parties, and is therefore recognized in “Loans and receivables to customers”.

Inter-company leased assets are treated as own-use assets in the Interim Consolidated Financial Statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

x) Cash flow statement

For the elaboration of the Interim Consolidated Statement of Cash Flows, the indirect method of presentation was used, in which non-cash transactions are included in the basis of Bank's profit, as well as revenues and expenses associated with cash flows from investing or financing activities.

For the Interim Consolidated Statement of Cash Flows, the following are the definitions of the respective activities:

- Cash flows: the inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments subject to an insignificant risk of changes in their value such as: deposits in the Central Bank of Chile, in local banks and abroad.

- Operating activities:are the principalrevenue-producing activities of the Bank, as well as 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 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.

y) Contingent provisions and liabilities

Provisions are liabilities for which there is uncertainty regarding their amount or maturity. These provisions are recognized in the Interim Consolidated Statement of Financial Position when they comply with the following requirements:

- It is a present obligation resulting from a past event and, at the date of the Interim 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 or liability is any asset or obligation arising from past events and whose existence will be confirmed only if one or more uncertain future events happen and these events are not under the Bank's control.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

Provisions (which are measured considering the best available information regarding the consequences of the related event and are re-estimated on every accounting closure) are used to cover specific obligations for which they were originally recognized which are reversed or utilized upon occurrence of the event.

Provisions are recorded in 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 SBIF has defined that the additional provisions are those not deriving from the application of valuation models to the portfolio or to compensate deficiencies in them and that their establishment must be 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 must be approved by the Board of Directors.

These provisions, in accordance with the established under N°10 of Chapter B-1 of the Compendium of Accounting Standards issued by the SBIF, will be recognized as liabilities.

ii. Minimum provisions required for the normal individual portfolio:

The Superintendence of Banks and Financial Institutions has determined that the Bank must maintain a percentage of minimum provision of 0.50% on loans and contingent loans from the normal individual portfolio in accordance with Chapter 2.1.3 of the number B-1 Compendium of Accounting Standards. These minimum provisions are to be presented in liabilities.

z) Use of estimates and judgments

The preparation of the Interim Consolidated Financial Statements require the Management of the Bank to make decisions, estimates and assumptions that affect the application of the accounting policies and the amount of assets, liabilities, income and expenses presented. The actual results may differ from these estimates.

The relevant estimates and assumptions are reviewed on a regular basis by the Management of the Bank in order to quantify certain assets, liabilities, income, expenses and uncertainties. The changes of the accounting estimates are recognized in the year in which the estimate is revised and over the future years affected.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

In particular, the information regarding the most significant areas of uncertainties and critical judgment estimates in the application of accounting policies that have the most significant effect on the amounts recorded in the Interim Consolidated Financial Statements are described in the following notes:

- 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).
- Commitments and contingencies (Note 23).

aa) Income tax and deferred tax

The Bank calculates first category income tax at each year end, according to the current tax law.

The Bank recognizes, when applicable, deferred tax assets and liabilities for the temporary differences attributable to differences between the carrying amount of the assets and liabilities and their tax values. The measurement of deferred tax assets and liabilities is performed based on the tax rate that, according to the tax regulations in force, must be applied in the year in which the deferred tax asset or liability is reversed. The effects of changes in the tax regulations or in tax rates are recognized in deferred taxes as of the date of enactment of the law.

As of September 30, 2016 and December 31, 2015, the Bank recognized net deferred tax assets, which Management has assessed are expected to be recoverable from future taxable earnings and profits, which will allow the recoverability of temporary differences existing at the end of each period.

Under the provisions of Law 20,780 published in the Official Gazette dated September 29, 2014, amended by Law 20,899 published in the Official Gazette dated February 8, 2016, from the business year 2018 the Bank shall apply a permanent rate of 27% for income tax of First Category. And also, temporarily, the Bank must apply a rate of 24% by tax profits earned or accrued in the business year 2016 and 25.5% by tax profits earned or accrued in the 2017 business year.

ab) Non-current assets held for sale

Non-current assets (or an identifiable group that comprises assets and liabilities) those carrying amount is expected to be recovered principally through a sale transaction, rather than through continuing use, are classified as non-current assets and disposal groups held for sale. Immediately before this classification, the assets (or elements of an identifiable group) are re-measured according to the accounting policies of the Bank. From this moment, the assets (or identifiable group) are measured at the lower of their previous carrying amount and fair value less costs to sell.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

ac) Dividends on common shares

Dividends on common shares must be approved by the Board of Directors.

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

ad) Earnings per share

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

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

ae) Collection and Separated Heritage Operations No. 27 made by the direct subsidiary BCI Securitizadora S.A.

i. Collection Operations:

The securitization companies may acquire assets on behalf of separate assets backing the issue of securitized bonds. These assets must be similar in characteristics and each issue will form a separate fund.

These assets may be of future cash flows (a "business plan" or future cash flows is securitized to obtain a specific asset or group of assets or company) or of an existing asset (a portfolio of receivables, mortgage loans, etc.).

This distinction is relevant when it comes to how to account for debt in the Bank; in the first case the future flows to be recognized by the Separate Heritage and also by the originator, and in case of existing assets only by the Separate Heritage.

These collection operations are part of the securitization process. In fact, the very Securities Market Act, providing for the practical difficulty that means the formation of a separate fund, is considering acquiring assets forming a separate estate even before placement of the respective bonds.

Since there is the possibility that the respective separate assets never will be formed or securitized bond will not be issued for different reasons (legal, market, etc.), these transactions contemplated a PUT option (sale) to resell accounts customer receivables under certain circumstances (mainly in case you cannot prosper securitized bond for the reasons discussed above), this should be recorded as a contingent liability of the customer.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

ii. Separated Heritage Operations N°27:

The Interim Consolidated Financial Statements through the direct subsidiary BCI Securitizadora S.A., as of December 31, 2015, maintain a balance of MCH$25,075 corresponding to receivables loans to Separated Heritage Nº27 in training on behalf of which the Securitizadora acquired a loans portfolio originated by Inversiones S.C.G. S.A.On November 7, 2011 La Polar companies introduced a preventive legal agreement to the Creditors Board. In that agreement and according to Separated Heritage Nº27, the agreed conditions mentioned on July 28, 2011, with BCI Securitizadora S.A., where fund structure Separated Heritage Nº27 was resolved by Inversiones S.C.G. S.A., according to the following:

- Recognition of portfolio cash payments: MCH$23,820.
- Calendar of decreases of revolving portfolio, starting the sixth year (2018) according to the following:

  Years 2018, 2019 and 2020: 5% payable semiannually.
  Years 2021 and 2022: 7.5% payable semiannually.
  Years 2023 and 2024: 10% payable semiannually.

- Recognition of fees on October 16, 2012, for compliance with the precedent agreement condition: MCH$1,255.

The revolving portfolio decrease will be made semiannually in accordance with the percentages indicated above, on January 31 and July 31 of the respective year, corresponding to the first day on January 31, 2018 and so on the following, to the last on July 31, 2024.

Fees: accrue equivalent to those that corresponded to 4% interest per year between July 1, 2012 and until fulfillment of the condition precedent, which are capitalized and then, thereafter accrue interest fees BCP 10 (in pesos to 10 years) in force the previous day to compliance with the indicated condition plus 1% per annum, which throughout the course of the operation, which will be paid semiannually from 31 July 2013. Fees paid As of September 30, 2016 totaled MCH$271 (MCH$680 As of December 31, 2015).

On October 25, 2012, the report of agreed procedures implementation was issued, to La Polar companies administration by its external auditors, which confirms that the October 16, 2012 increased capital funds exceed MCH$120,000 so that effect is given to the laid down condition in the Convention of Creditors, generated from October, 16 new conditions for debts payment and other agreement structures. Thus the balance as of September 30, 2016, amounted to MCH$25,346 by Inversiones S.C.G. S.A.

As of September 30, 2016 the Bank recognizes and presents this receivable accounts to Separated Heritage Nº27 in the category “Loans and receivables to customers”.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

af) Interim Consolidated Statements of Changes in Equity

The Interim Consolidated Statement of Changes in Equity presented in these Interim Consolidated Financial Statements, disclose changes in the total consolidated equity during the period. This information is presented in two statements: the Interim Consolidated Statement of Other Comprehensive Income and Interim Consolidated Statement of Changes in Equity. The main features of the information contained in the two statements are explained below:

- **Interim Consolidated Statement of Other Comprehensive Income** - Other comprehensive income comprises items of income and expense as a result of Bank's activities during the period, distinguishing between those recognized as income, in the consolidated income statement, and other income and expenses recognized in equity.

  Therefore, in the Interim Consolidated Financial Statement, the following are presented:

  i) Profit or Loss of the year.

  ii) The net income and expenses temporarily recognized as valuation adjustments in equity.

  iii) The net amount of revenues and expenses permanently recognized in equity.

  iv) The earned income tax on items described above in ii) and iii), except for valuation adjustments arising from investments in associates, accounted for the equity method, which are presented net.

  v) The total recognized income and expense, calculated as the sum of the above, presenting separately the parent entity amounts and the corresponding non-controlling interests.

The revenues and expenses of companies, recognized used equity method of accounting, directly recognized in equity of the associates, whatever its nature, are presented in consolidated equity within "companies accounted using equity".

- **Interim Consolidated Statement of Changes in Equity** –this part of the Interim Consolidated Statement of Changes in Equity discloses all changes in consolidated net equity, including those arising from changes in accounting policies and corrections of errors. Therefore, this statement presents a reconciliation of the carrying amount at the beginning and end of the year of all items comprising equity, grouping the changes according to their nature into the following items:

  i) Adjustments for changes in accounting policies and corrections of errors including changes in equity arising as a result of the retrospective restatement of balances of Interim Consolidated Financial Statements due to changes in accounting policies or to correct errors. During thereporting year there were no adjustments for changes in accounting policies and corrections of errors.

  ii) Income and expenses recognized in a period: total of the items recognized in the Interim Consolidated Statement of Income, in the aggregate.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

ag) Reclassifications Items

The Bank has made classifications of items in the financial statements in order to present better view of the financial position and more relevant information to users. These reclassifications have no significant effect on these Interim Consolidated Financial Statements.

ah) Accounting pronouncements by the International Accounting Standards Board (IASB).

Standards and interpretations, as well as improvements and modifications to IFRS that have been issued but have not yet entered into force at the date of these Interim Consolidated Financial Statements, are detailed below. The Bank has not applied these standards in advance:

	New Regulations	Mandatory Application
IFRS 9	Financial Instruments	January 1, 2018.
IFRS 15	Revenues from Customer's Contracts	January 1, 2018.
IFRS 16	Leases	January 1, 2019.

IFRS 9 "Financial Instruments"

This is the final version of the standard issued in July 2014 and which completes the IASB project to replace IAS 39 "Financial Instruments: Recognition and Measurement". This standard includes new principle based requirements to the classification and measurement, introduces a "more forward" model of expected loss and substantially reformed approach for loan losses accounting. The institutions also have the option of applying in advance accounting of gains and losses from changes in fair value related to the "own credit risk"of financial liabilities designated at fair value through profit or loss, without applying the other requirements of IFRS 9. Standard is mandatory for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

The Bank is still evaluating the potential impact ofthis standard on the Interim Consolidated Financial Statements.

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 Revenue from Customers with Contracts issued on May 2014 is a new standard that is applicable to all customers' contracts except leases, financial instruments and insurance contracts. It is a joint project with the FASB to eliminate differences in revenue recognition between IFRS and US GAAP. This new standard aims to improve the inconsistencies and weaknesses of IAS 18 and provide a model that will facilitate the comparability of companies from different industries and regions. It provides a new model for the recognition of income and more detailed requirements for multiple elements contracts. It also requires more detailed disclosures. The standard is mandatory for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

The Bank is still evaluating the potential impacts of this standard on the Interim Consolidated Financial Statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

IFRS 16 "Leases"

On January 13, 2016, the IASB published a new standard, IFRS 16 Leases. The new standard brings most leases on-balance for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17 *Leases* and related interpretations; it is effective for periods beginning on or after January 1, 2019, early application is permitted as long as IFRS 15 *Revenue from Contracts with Customers*is also applied.

The Bank did not have the opportunity to consider the potential impact of the adoption of this new standard.

	Improvements and Amendments	Mandatory Application
IAS 7	CashFlow Statement	January 1, 2017.
IAS 28	Investment in Associates and Joint Ventures	Near conclusion.
IAS 12	Income Taxes	January 1, 2017.
IFRS 10	Consolidated Financial Statements	Near conclusion.
IFRS 15	Revenue from Contracts with Customers	January 1, 2018.
IFRS 2	Classification and Measurement of Share-based Payment Transactions	January 1, 2018.
IFRS 9	Financial Instruments" with IFRS 4 "Insurance Contracts" (Amendments to IFRS 4)	January 1, 2018.

IAS 7 "Cash Flow Statement"

Amendments to IAS 7 Cash Flows Statement, issued in January 2016 as part of the Initiative Disclosures, require an entity to disclose information that enables users of financial statements to evaluate changes in the obligations of financing activities, including both changes resulting from cash flows and changes that are not in cash. The amendments will become mandatory for annual periods beginning on or after January 1, 2017. Earlier application is permitted.

The Bank assessed the impacts that would generate the above rule, concluding that not affect Interim Consolidated Financial Statements.

IAS 28 "Investment in Associates and Joint Ventures", IFRS 10 "Consolidated Financial Statements"

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) address a recognized inconsistency between the requirements of IFRS 10 and IAS 28 (2011) in the treatment of the sale or contribution of assets between an investor and its associate or joint venture. The amendments issued in September 2014, states that when the transaction involves a business (both when in a subsidiary or not) a gain or loss is recognized complete. Partial gain or loss is recognized when the transaction involves assets that do not constitute a business, even when the assets are in a subsidiary. The amendments will become mandatory for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

The Bank evaluated the impacts that could generate this amendment and concluded that it does not significantly affect the Interim Consolidated Financial Statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

IAS 12 "Income Taxes"

On January 19, 2016, the IASB published final the amendments clarify the following aspects:

- Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits.
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilization of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

The amendments are effective for annual periods beginning on or after 1 January 2017. Earlier application is permitted.

The Bank did not have the opportunity to consider the potential impact of the adoption of this amendment.

IFRS 15 "Revenue from Contracts with Customers"

On April 12, 2016, the International Accounting Standards Board (IASB) has published final clarifications to IFRS 15 "Revenue from Contracts with Customers".

These clarifications focus on the following areas:

- Identifying performance obligations
- Principal versus agent considerations, and
- Guidance licensing application

The amendments are effective for annual reporting periods beginning on or after 1 January 2018 (same effective date as IFRS 15 itself). Earlier application is permitted.

The Bank did not have the opportunity to consider the potential impact of the adoption of this amendment.

NIIF 2 "Classification and Measurement of Share-based Payment Transactions"

On September 20, 2016, the International Accounting Standards Board (IASB) has published final amendments to IFRS 2 "Share-based Payment" that clarify the classification and measurement of share-based payment transactions. The amendments address several requests that the IASB and the IFRS Interpretations Committee received and that the IASB decided to deal with in one combined narrow-scope project.
The amendments are effective for annual periods beginning on or after 1 January 2018. Earlier application is permitted. The amendments are to be applied prospectively. However, retrospective application if allowed if this is possible without the use of hindsight. If an entity applies the amendments retrospectively, it must do so for all of the amendments described above.

The Bank did not have the opportunity to consider the potential impact of the adoption of this amendment.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

IFRS 9 "Financial Instruments" with IFRS 4 "Insurance Contracts" (Amendments to IFRS 4)

On 12 September 2016 the IASB published IFRS 9 application "Financial Instruments" with IFRS 4 "Insurance Contracts". The amendments are intended to address concerns about the different effective dates between IFRS 9 and the next new standard on insurance contracts (IFRS 17 is expected within the next six months).

As has become apparent that the effective date of IFRS 17 can no longer be aligned with the entry into force of IFRS 9 Financial Instruments, it has asked the IASB to delay implementation of IFRS 9 for insurance activities and align the date effective IFRS 9 for activities with the entry into force of the new standard insurance contracts..

The modifications provide two options for entities that issue insurance contracts within the scope of IFRS 4: An option allows entities to reclassify from profit or loss in other comprehensive income, some of the income or expenses arising from financial assets designated; this is called overlay approach; the second option is an optional temporary exemption from the application of IFRS 9 for entities whose primary business is the issuance of contracts within the scope of IFRS 4; This approach is called postponement.

The Bank has not had the opportunity to consider the potential impact of the adoption of this new standard and clarifications

ai) Standards and instructions issued by the Superintendence of Banks and Financial Institutions (SBIF)

i) On December 30, 2014, the SBIF issued No. 3.573 Circular Letter with the Compendium of Accounting Standards. B-1, B-2 and E chapters. The use of the standardized approach in provisioning mortgage loans for housing is mandatory starting on January 1, 2016.

Instructions on the portfolio defaulted loans subject to individual assessment are complementary, including certain conditions to remove from the portfolio credits of a debtor, while same material incorporates for group loans. To remove a debtor defaulting Portfolio, once the circumstances that led to its classification in this portfolio under these rules overcome, at least the following copulative conditions must be complied (updated by Circular No. 3,584, September 22, 2015):

i. Any obligation of the debtor presents a delay in its more than 30 calendar days payment.

ii. It has not been granted new refinancing to pay its obligations.

iii. At least one of the payments includes amortization of capital.

iv. If the debtor had some credit with partial payment in less than six months periods, it has already made two payments.

v. If the debtor must pay monthly fees for one or more credits, he had paid four consecutive installments.

vi. The debtor does not appear with unpaid debts on the information that SBIF merges, except for insignificant amounts.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

ii) On May 25, 2015 No. 3,583 Circular issued, modifies and complements the Compendium of Accounting Standards, Chapter C-3. Student loans, establishing a new opening for the classification of loans for higher studies within Commercial Loans. This new classification include:

- Credits for higher education Law No. 20,027.
- Secured Loans CORFO.
- Other credits for higher education.

Management has estimated that the implementation of this regulatory amendment will not have a significant impact on the Interim Consolidated Financial Statements of the Bank.

iii) Circular No. 3,601, issued on February 18, 2016, adds instructions to the Compendium of Accounting Standards in Chapter C-3 Further information, to report losses related to operational risk events. The regulator has asked banks to report on the losses incurred, to this end it has incorporated codes for additional information to be sent monthly, in relation to operational risk quantification and identification of exposures following the guidelines of Basel. New instructions will apply for the first time for files MC1 and MC2 referrals of 30 September, 2016.

The Bank has made the necessary amendments incorporating codes and information requested, which has been delivered within the stipulated time frame.

iv) Circular No. 3,604 Banks of the Compendium of Accounting Standards, Chapter B-3. Modifies the percentage of credit equivalent to the freely available credit lines - Through this Circular issued on March 29, 2016, SBIF has concluded that the equivalent credit for freely available lines when the debtor does not keep loans in default, can be set at 35% of the available amount. This modification started up in May this year.

Management has estimated that the implementation of this policy change did not have a material impact on the Interim Consolidated Financial Statements of the Bank.

NOTE 2 - ACCOUNTING CHANGES

From 1 January 2016, the estimate of provisions of the mortgage portfolio according to the provisions of Circular No. 3,573 was changed, issued on December 30, 2014, the effect was MCh$14.028,

During the period ended September 30, 2016, no accounting changes have occurred over the previous period affecting these Interim Consolidated Financial Statements.

NOTE 3 - SIGNIFICANT EVENTS

a) Issuance and Bonds placement

- **During the nine months, as of September 30, 2016, there have been no loans Subordinated Bonds.**

NOTE 3 - SIGNIFICANT EVENTS, continuation

- **During the year 2016, the following bond issuances in UF were issued:**

Bonds series	Issuance date	Notional ammount,UF	Nominal interest rate	Maturity date
BBCIL10616	09.09.2016	3,000,000	1.89%	01.06.2022
BBCIL20616	18.08.2016	3,000,000	2.15%	01.06.2023
BBCIL30616	04.08.2016	3,000,000	2.40%	01.06.2024
BBCIL40616	18.08.2016	3,000,000	2.36%	01.06.2028
BBCIL50616	12.09.2016	3,000,000	2.50%	01.06.2031

- **During the year 2016, the following bond were issued in Chilean Pesos:**

Bonds series	Issuance date	Notional ammount, pesos	Nominal interest rate	Maturity date
BBCIAM0616	21.09.2016	50,000,000,000	4.90%	01.06.2023

- **During the year 2016, the following bond were issued in Euros:**

Bonds series	Issuance date	Notional ammount, Euros	Nominal interest rate	Maturity date
XS1493734971	23.09.2016	20,000,000	0.88%	23.09.2024

b) Distribution of dividends and capitalization of earnings

At the Annual Shareholders' Meeting held on March 22, 2016, the distribution of net income for the period 2015 was approved, amounting to MCH$330,823, as follows:

- Distribute a dividend of Ch$1,000 per share among the total 110,806,999 shares issued and registered in the Register of Shareholders, which amounts to the sum of MCH$110,807.

- Allocate the remaining balance of MCH$220,016 to future capitalization reserve fund.

c) Increase in capital stock

On March 22, 2016, at the Extraordinary Shareholders' Meeting, it was approved inter alia, to increase the share capital for the amount of MCH$220,016, through the capitalization of reserves from accumulated profits.

1. Capitalization without issuance of shares, for the amount of MCH$165,411; and

2. capitalization through the issuance of 2,019,920 bonus shares, for the amount of MCH$54,605.

NOTE 3 - SIGNIFICANT EVENTS, continuation

The capital of the Bank in accordance with applicable by-laws amounted to MCH$1,781,396 divided into 110,806,999 shares of the same series and no par value. As a result of the approved capital increase, the share capital of Banco de Crédito e Inversiones, amounts to MCH$2,008,906 divided into 112,826,919 shares of a single series without par value.

The mentioned capital increase was approved by the Superintendency of Banks and Financial Institutions through Resolution No. 163 of May 13, 2016, an excerpt of which was rectified by the Agency on 16, June 2016. Both documents were published in the Official Journal on May 20, 2016 and July 4, of the same year, respectively.

At Extraordinary Shareholders' Meeting held on October 27, 2015, it was approved theannulment of capital increase of MCh$198,876, which was approved by the Extraordinary Shareholders' Meeting held on September 26, 2013, and which wasneither subscribed nor paid.

Moreover, it was agreed to increase the share capital by issuing 10,737,300 shares for payment, increase shall be subscribed and paid within three years from the date of the appointed board.

From those shares payment, as of March 31, 2016 there are 308,023 shares subscribed and paid, equivalents to MCh$7,494.

That on April 19 preferential option period was ended, in which shareholders entitled there to, subscribed and paid a total of 10,148,941 shares. The total proceeds of the capital increase amounted to MCh$260,205.

That on April 26 payment of unsubscribed remaining was materialized for a total of 280,336 shares. Raising the amount of MCh$7,709.

With this, the increase that was agreed at the Extraordinary Meeting of Shareholders held on October 27, 2015, ends, raising a total of MCh$275,408.

NOTE 4 - BUSINESS COMBINATION

i. General Operation

On October 16, 2015, Banco de Crédito e Inversiones (BCI) acquired City National Bank of Florida (CNB) through the acquisition of 100% of BCI Financial Group, Inc. and Subsidiaries, which owned and controlled99.96% of City National Bank of Florida (CNB) shareholding, the remaining 0.04% percentage, is in equal portions held by the six directors of the CNB Bank, who according to Federal Standard of the United States of America (hereinafter "United States"), should hold shares in order to exercise their roles as directors.
With this transaction, BCI strengthens its growth and internationalization strategy, becoming the first Chilean financial institution that has a banking subsidiary in the United States.The acquisition payment totaled US$946.9 million, or its equivalent in Chilean peso of MCh$639,150.

ii. Description of the Acquired Subsidiaries

BCI Financial Group, Inc. is an investment company whose sole business purpose is to hold the investment in CNB and other instruments to a lesser extent.
CNB is a banking financial institution, which is recognized as one of the oldest banks in the State of Florida. It was established in 1946 and headquartered in Miami. CNB is a commercial full service bank offering a range of financial products, including real estate, commercial and consumer banking, to more than 22,000 customers, with 26 branches and 478 employees in four counties in Florida. Also, historically it was focused on a small and medium enterprises as a segment of target market.

At the acquisition date, CNB hold loans of MCH$2,694,027, deposits of MCh$2,949,446 and equity of MCh$629,500, equivalent to 11%, 12% and 3% of consolidated total assets of the Bank as of October 31, 2015, respectively.

iii. Primary reasons for the acquisition

This acquisition represents an important step in the internationalization strategy of BCI, which aims to generate new sources of income, geographically diversify its business, and accompany Chilean and Latin American customers in their regional operations and, at the same time, strengthen their participation in the State of Florida, in which it already operates for 16 years, through the branch which is currently located in the city of Miami.

The purchase represents an important business opportunity for BCI in Florida, the third largest US state in terms of population, fourth in the volume of deposits, distinguished by having a dynamic and attractive economy and population, which both economic and demographic growth is above the average of the other states of the United States. Additionally, it is distinguished by its strong connection with Latin America, being the gateway for Latin American investments to the United States, and vice versa.

Particularly, CNB stands out as one of the oldest banks and one of the leaders in the market, being placed within the 5 biggest banks in the State of Florida. CNB management has a long history of successful operating. The excellent position and performance of CNB, together with the know-how accumulated by BCI in its 70-year history, represent a key pillar for the future development of BCI in the US market.

NOTE 4 - BUSINESS COMBINATION, continuation

iv. Details of assets acquired and liabilities assumed

The following is the Consolidated Statement of Financial Position of the CNB at the acquisition date, as well as fair value measurement adjustments as of October 16, 2015:

	Pre-acquisition balance	Adjustments on acquisitior	Reference	Post-acquisition balance
	MCH$	MCH$		MCH$
ASSETS				
Cash and deposits in banks	272,337	(26,731)	a	245,606
Items in course of collection	-	-		-
Trading portfolio financial assets	9,465	-		9,465
Investments under agreements to resell	48,782	-		48,782
Derivative financial agreements	2,141	-		2,141
Loans and receivables to banks, net	-	-		-
Loans and receivables to customers, net	2,681,665	12,362	b	2,694,027
Financial investments available for sale	881,671	126,043	c	1,007,714
Financial investments held to maturity	124,132	(123,456)	c	676
Investments in other companies	37,017	-		37,017
Intangible assets	143,369	(81,872)	d	61,497
Property, plant and equipment, net	47,493	4,397	e	51,890
Current income tax	-	-		-
Deferred income taxes	91,016	34,449	f	125,465
Other assets	11,200	-		11,200
TOTAL ASSETS	**4,350,288**	**(54,808)**		**4,295,480**
LIABILITIES				
Current accounts and demand deposits	2,949,446	-		2,949,446
Items in course of collection	-	-		-
Obligations under agreements to repurchase	119,058	-		119,058
Time deposits and savings accounts	259,349	541	g	259,890
Derivative financial agreements	2,147	-		2,147
Borrowings from financial institutions	-	-		-
Debt issued	-	-		-
Other financial obligations	321,010	-		321,010
Current income tax	1,379	-		1,379
Deferred income taxes	-	-		-
Provisions	5,773	-		5,773
Other liabilities	7,277	-		7,277
TOTAL LIABILITIES	**3,665,439**	**541**		**3,665,980**
SHAREHOLDERS' EQUITY				
Attributable to equity holders of the Bank:				
Capital and reserves	658,261	(28,761)	h	629.500
Accumulated other comprehensive income	1,621	(1,621)	i	-
Retained earnings:				
Net income for the prior period	-	-		-
Net income for the year	24,967	(24,967)	i	-
Less: Accrual for minimum dividends	-	-		-
TOTAL EQUITY OF EQUITY HOLDERS OF THE BANK	**684.849**	**(55,349)**		**629,500**
Non-controlling interest	-	-		-
TOTAL SHAREHOLDERS' EQUITY	**684,849**	**(55,349)**		**629.500**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	**4,350,288**	**(54,808)**		**4,295,480**

NOTE 4 - BUSINESS COMBINATION, continuation

Fair value adjustments for the acquisition correspond to:

Reference	Adjustments Detail	MCh$
a)	Bank Deposits	(26,731)
b)	Loans and receivables to customers	12,362
c)	Financial investments available for sale	126,043
c)	Financial investments held to maturity	(123,456)
d)	Intangible assets	(81,872)
e)	Property, plant and equipment	4,397
f)	Deferred income taxes	34,449
	Total Assets	**(54,808)**
g)	Time deposits and savings accounts	541
h)	Equity	(28,761)
i)	Accumulated other comprehensive income	(1,621)
i)	Net Income for the year	(24,967)
	Total Liabilities and Equity	**(54,808)**

The fair value adjustments are determined at the date of acquisition. The valuation process was carried out by qualified professionals independent from BCI Management.

Fair Value is defined as the price that would be received in order to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants on the valuation or, in the case of BCI, acquisition date.

Adjustments reflect the assets acquired and liabilities assumed by the acquirer, as a result of business combination.

Accounting of a business combination, according to IFRS3, is the following:

Business combinations are accounted by 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 Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are generally recognized inincome statement as incurred.

The adjustments made to fair value the assets acquired and liabilities assumed at the acquisition date are as follows:

a) Adjustment related to bank deposits at the acquisition date amounted to MCh$ 244,473 and corresponds to the updating of nominal rates to market rates.

NOTE 4 - BUSINESS COMBINATION, continuation

b) Adjustment related to loans and receivables from customers corresponds to updating of effective interest rate of loans. In addition, allowance for loan losses was adjusted.

i) As of October 31, 2015, the composition of the loan portfolio was as follows:

	Assets before allowances			Allowances Established			
	Normal portfolio	Impaired portfolio	Total	Individual allowance	Collective allowance	Total	NetAssets
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
Commercial loans:							
Commercial loans (*)	2,134,080	286	2,134,366	-	(13,370)	(13,370)	2,120,996
Foreign trade loans	-	-	-	-	-	-	-
Checking accounts	-	-	-	-	-	-	-
Factoring operations	-	-	-	-	-	-	-
Leasing transactions	-	-	-	-	-	-	-
Other loans and receivables	-	-	-	-	-	-	-
Subtotal	**2,134,080**	**286**	**2,134,366**	**-**	**(13,370)**	**(13,370)**	**2,120,996**
Mortgage loans:							
Letters of credit	-	-	-	-	-	-	-
Endorsable mortgage loans	544,719	3,734	548,453	-	(7,458)	(7,458)	540,995
Other mortgage loans	-	-	-	-	-	-	-
Leasing transactions	-	-	-	-	-	-	-
Other loans		-	-	-	-	-	-
Subtotal	**544,719**	**3,734**	**548,453**	**-**	**(7,458)**	**(7,458)**	**540,995**
Consumer loans:							
Consumer loans in installments	108,337	323	108,660	-	(1,501)	(1,501)	107,159
Checking accounts	-	-	-	-	-	-	-
Credit card debtors	-	-	-	-	-	-	-
Consumer leasing transactions	-	-	-	-	-	-	-
Other loans and receivables	7,663	-	7,663	-	(34)	(34)	7,629
Subtotal	**116,000**	**323**	**116,323**	**-**	**(1,535)**	**(1,535)**	**114,788**
TOTAL	**2,794,799**	**4,343**	**2,799,142**	**-**	**(22,363)**	**(22,363)**	**2,776,779**

ii) Default

The portfolio of overdue loans (default equal to or greater than 90 days), as of October 16, 2015, is as the following:

	Commercial	Mortgage	Consumer	Total
	MCH$	MCH$	MCH$	MCH$
Secured debt	-	-	-	-
Unsecured debt	286	3,734	323	4,343
TOTAL	286	3,734	323	4,343

iii) As of October 31, 2015, the breakdown of loans receivables to customers by maturity is as follows:

	On demand	Up to 1 month	1 to 3 months	3 to 12 months	Subtotal up to 1 year	1 to 5 years	More than5 years	Total
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
Asset								
Loans and receivables to customers	-	37,492	87,985	208,121	333,598	1,268,372	1,197,172	2,799,142
Total loans and receivables to customers	**-**	**37,492**	**87,985**	**208,121**	**333,598**	**1,268,372**	**1,197,172**	**2,799,142**

NOTE 4 - BUSINESS COMBINATION, continuation

c) Adjustments related to financial investments available for sale and financial investments held to maturity correspond to classifications or designations that the acquirer made on the basis of the pertinent conditions as they exist at the acquisition date, which led to reclassifications some held to maturity assets to available for sale assets and revaluation of them at fair value.

d) Adjustment related to intangibles assets corresponds to three concepts:

i) Derecognition of goodwill generated in the previous acquisition or business combination which is present in the CNB Financial Statements,
ii) Recognition of assets identified in the business combination which will be detailed in the following table, and
iii) Goodwill.

Breakdown of intangible assets identified in the business combination

Detail	Amount (MCH$)	Type	Useful Life
Core deposits	43,855	Amortizable	9 years
Leasehold interest	2,814	Amortizable	30 years
Trade name	12,630	Undefined Useful Life	-
Goodwill	2,198	Undefined Useful Life	-

Core deposits

Corresponds to permanent-term depositsat rates below theactual placement market, rates held by CNB.

Leasehold interest

Corresponds to leases contracts at more favorable prices when actual market prices, held by CNB.

Trade name

Corresponds to the value of CNB recognized brand and tradition in the state of Florida.

Goodwill

Corresponds to the goodwill generated in the acquisition of CNB 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 in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after a reassessment, the net of the acquisition-date 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 income statement as a bargain purchase gain. Generated goodwill is not deductible for tax purposes.

The intangible assets will be subject to impairment assessment in accordance with the definitions and terms established in the accounting standards.

There are no signs of impairment of intangible assets acquired in a business combination and goodwill.

NOTE 4 - BUSINESS COMBINATION, continuation

e) Adjustment related to Property, plant and equipment corresponds to revaluation of CNB's buildings.

f) Adjustments related to deferred income taxes correspond to the temporary differences generated by the differences between the financial and tax treatment of assets and liabilities. These differences should be recognized as deferred tax assets or liabilities. A deferred tax asset was generated by this business combination.

h) Adjustments related to equity and reserves corresponds to the net effect of fair value adjustments of identifiable assets acquired and liabilities assumed generated by the acquisition.

i) Adjustments related to Accumulated comprehensive income and Net income for the year correspond to reversal of the financial net income for the year, which belong to the previous owners or to reversals of accumulated valuation reserves at the acquisition date.

According to the rules of Business Combination, the Bank has a maximum period of one year (measurement period), to adjust retroactively the provisional amounts recognized at the acquisition date, to reflect new information obtained about facts and circumstances existing at the date of acquisition and which, had they been known, would have affected the measurement of the amounts recognized at that date. Increases or decreases in the recognition of provisional amounts will be recognized by a decrease or increase in gains or goodwill.

At the close of April 30, 2016 the Bank, with additional information on the credit portfolio on City National Bank portfolio, a remeasurement of its provisions was made by applying the B-1 rules of the SBIF. This remeasurement was held on the portfolio at the end of October 31, 2015 and generated an increase in goodwill of US$12,918,365, being the equivalent MCh$8,533 chilean pesos.

The reconciliation of goodwill at the beginning and end of the period is revealed as follows:

	MCh$
Goodwill Balance as of 01.01.2016	**2,198**
Accumulated impairment losses at beginning of period	-
Goodwill Increase by remeasurement	8,533
Exchange rate effect during the period	(164)
Goodwill Balance as of 30.09.2016	**10,567**

NOTE 4 - BUSINESS COMBINATION, continuation

The post-acquisition Consolidated Statements of Financial Position of BCI Financial Group, Inc. and Subsidiariesas of October 16, 2015 is presented below:

As of October 16, 2015	BCI Financial Group, Inc. and SubsidiariesIndividual	CNB Post-acquisition	BCI Financial Group, Inc. and Subsidiaries Consolidated
	MCH$	MCH$	MCH$
ASSET			
Cash and deposits in banks	746	245,606	245,606
Items in course of collection	-	-	-
Trading portfolio financial assets	-	9,465	9,465
Investments under agreements to resell	-	48,782	48,782
Derivative financial agreements	-	2,141	2,141
Loans and receivables to banks, net	-	-	-
Loans and receivables to customers, net	-	2,694,027	2,694,027
Financial investments available for sale	80	1,007,714	1,007,794
Financial investments held to maturity	-	676	676
Investments in other companies	629,235	37,017	37,018
Intangible assets	-	61,497	61,497
Property, plant and equipment, net	-	51,890	51,890
Current income tax	-	-	-
Deferred income taxes	7,998	125,465	133,463
Other assets	1,262	11,200	12,462
TOTAL ASSETS	**639,321**	**4,295,480**	**4,304,821**
LIABILITIES			
Current accounts and demand deposits	-	2,949,446	2,948,700
Items in course of collection	-	-	-
Obligations under agreements to repurchase	-	119,058	119,058
Time deposits and savings accounts	-	259,890	259,890
Derivative financial agreements	-	2,147	2,147
Borrowings from financial institutions	5	-	5
Debt issued	-	-	-
Other financial obligations	-	321,010	321,010
Current income tax	151	1,379	1,530
Deferred income taxes	-	-	-
Provisions	-	5,773	5,773
Other liabilities	15	7,277	7,292
TOTAL LIABILITIES	**171**	**3,665,980**	**3,665,405**
SHAREHOLDERS' EQUITY			
Attributable to equity holders of the Bank:			
Capital and reserves	639,150	629,500	639,150
Accumulated other comprehensive income	-	-	-
Retained earnings:			
Net income for the prior period	-	-	-
Net income for the year	-	-	-
Less: Accrual for minimum dividends	-	-	-
TOTAL EQUITY OF EQUITY HOLDERS OF THE BANK	**639,150**	**629,500**	**639,150**
Non-controlling interest	-	-	266
TOTAL SHAREHOLDERS' EQUITY	**639,150**	**629,500**	**639,416**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	**639,321**	**4,295,480**	**4,304,821**

Non-controlling interest of the financial position of the BCI Financial Group, Inc. and Subsidiariesis measured at fair value and corresponds to CNB directors' shares that they must acquire in order to exercise their functionsin accordance with Fed (Federal Reserve Bank) regulation.

NOTE 4 - BUSINESS COMBINATION, continuation

Finally, in orderto explain the impact of this business combination on the consolidated financials of the bank, the Statement of Financial Position of Banco de Crédito e Inversiones as of October 31,2015is provided post of acquisition of BCI Financial Group, Inc. and Subsidiaries (BCIFG) shares:

	BCI Consolidated pre-acquisition	BCFG Consolidated	BCI Consolidated post-acquisition
	MCH$	MCH$	MCH$
ASSETS			
Cash and deposits in banks	1,353,773	104,545	1,458,318
Items in course of collection	613,097	-	613,097
Trading portfolio financial assets	1,139,615	9,636	1,149,251
Investments under agreements to resell	144,287	50,000	194,287
Derivative financial agreements	1,531,188	1,990	1,533,178
Loans and receivables to banks, net	167,867	-	167,867
Loans and receivables to customers, net	16,573,751	2,776,779	19,350,530
Financial investments available for sale	1,299,078	1,043,525	2,342,603
Financial investments held to maturity	-	692	692
Investments in other companies	685,506	39,401	155,079
Intangible assets	166,461	2,371	168,832
Property, plant and equipment, net	225,562	53,519	279,081
Current income tax	-	-	-
Deferred income taxes	117,756	98,251	216,007
Other assets	645,675	6,379	652,054
TOTAL ASSETS	**24,663,616**	**4,187,088**	**28,280,876**
LIABILITIES			
Current accounts and demand deposits	4,628,384	2,890,028	7,518,412
Items in course of collection	492,295	-	492,295
Obligations under agreements to repurchase	294,938	82,062	377,000
Time deposits and savings accounts	9,455,625	261,866	9,717,491
Derivative financial agreements	1,597,598	2,061	1,599,659
Borrowings from financial institutions	1,566,256	5	1,566,261
Debt issued	3,903,605	-	3,903,605
Other financial obligations	69,770	363,521	433,291
Current income tax	678	3,072	3,750
Deferred income taxes	42,112	-	42,112
Provisions	226,238	5,952	232,190
Other liabilities	398,877	8,396	407,273
TOTAL LIABILITIES	**22,676,376**	**3,616,963**	**26,293,339**
SHAREHOLDERS' EQUITY			
Attributable to equity holders of the Bank:			
Capital and reserves	1,781,505	564,316	1,781,505
Accumulated other comprehensive income	13,977	3,443	13,977
Retained earnings:			
Net income for the prior period	-	-	-
Net income for the year	273,937	2,069	273,937
Less: Accrual for minimum dividends	(82,181)	-	(82,181)
TOTAL EQUITY OF EQUITY HOLDERS OF THE BANK	**1.987.238**	**569,828**	**1,987,238**
Non-controlling interest	2	297	299
TOTAL SHAREHOLDERS' EQUITY	**1,987,240**	**570,125**	**1,987,537**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	**24,663,616**	**4,187,088**	**28,280,876**

NOTE 4 - BUSINESS COMBINATION, continuation

v. Other considerations

a) On this business combination neither contingent assets nor contingent liabilities were identified; contingent considerations were not identified either.

b) Transaction costs related to the acquisition amounted US$5 million approximately, which relates mainly to external legal advice and due diligence costs. These costs are presented in administrative expenses in the Consolidated Income Statement for the year.

c) The detail of balances included in cash and cash equivalents as of October 31, 2015, is as follows:

	As of October 31, 2015 MCH$
Cash and deposits banks	
Cash	32,144
Deposits in Central Bank of Chile	-
Deposits in local banks	-
Foreign deposits	72,401
Subtotal of cash and deposits in banks	104,545
Operations pending settlement, net	-
Highly liquid financial instruments	-
Investments under agreements to resell	50,000
Total cash and cash equivalents	**154,545**

d) The results contributed by BCI Financial Group, Inc. and Subsidiariesto consolidated results of Banco BCI October 16 and December 31, 2015 and corresponding percentage, are as follows:

	MCH$	%
OperatingIncome	29,920	2.58
Net Operating income	29,224	2.52
Net Income	10,599	2.74
Income before Income tax	**11,014**	**2.75**

e) Had the acquisition taken place on January 1, 2015, it is estimated that results contributed by BCI Financial Group, Inc. and Subsidiaries would have been MCH$36,598.

The methodology used to estimate the results was adding the pre-acquisition CNB results to the post-acquisition results.

NOTE 5 - BUSINESS SEGMENTS

Segments Structure

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 business segment comprises clients to whom differentiated products are addressed, which are homogeneous in terms and those performance is measured in a similar way, as a part of the same business segment. Overall, this aggregation has no significant impact on understanding the nature and effects of the business activities of the Bank and the economic environment in which it operates.

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

To faithfully reflect the nature of the Bank's business segments, there have been incorporated the following changes in the presentation of this note:

1. The former Corporate and Investment Banking was separated by Commercial Division which serves corporate and high net worth clients and Finance Division which manages trading, own investments and financial clients.

2. The allocation of the results of balance sheet management of the business segments is performed according to the composition of assets of each business (which generates this outcome for the Bank).

3. A greater proportion of corporate expenses isallocated to the business segments, under the same allocation methodology that is used for other expenses or support staff.

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

New commercial structure with five reporting segments and BCI Financial Group, Inc. and Subsidiaries:

Retail Banking: This segment includes individuals. The business units in this segment are Individuals, Preferential, Nova and Tbanc.

Small and Medium Enterprises: This new 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).

Commercial banking: This segment composed mainly of companies whose annual sales exceeding UF80,000 per year. This segment encompasses different business units, such as Large Companies, Real Estate, Companies and Leasing Companies.

Corporate &Investment Banking Commercial Division: This segment includes large corporations, financial institutions and high net worth investors with financial needs of highvalue added financial services. It includes wholesale Banks, Corporate and Private.

NOTE 5 - BUSINESS SEGMENTS, continuation

Corporate &Investment Banking Finance Division: This segment includes the Sales and Trading unit and managesthe Bank's own investment portfolio.

BCI Financial Group, Inc. and Subsidiaries (BCIFG): This segment includes the results of operations of City National Bank of Florida, which operates as an independent unit under the supervision of senior management in Chile.

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

Assignment of income from subsidiaries by client:

Consistent with its customer-focused strategy, management of the above segments is considered in each income and expenses item that occurs in the subsidiaries as a result of care/service delivery to the Bank's customers in each segment, as well as results of the Bureau of Distribution and leasing business.

Assigning result of balance management:

To consider in each segment all the benefits and costs associated with the care of their customers, the results of currency and maturity mismatches management are distributed in the proportion corresponding to the total income for the assets of each segment less the average cost of liabilities to finance them.

Allocation of expenses to business 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 equipment and depreciation.

Indirect expenses (centralized allocation of expenses): expenses recognized in general costs centers, according to Bank's policy are distributed to the various segments.

Support management expenses: there expenses are allocated depending on the time and resources consumed by different segments, based on the requirements to support managements. These expenses were previously defined and are agreed by the areas involved (user and support area).

These criteria have been applied for the periods ended September 30, 2016 and 2015.

The management of commercial areas indicated above is measured with the concepts presented in this Note, which is based on the accounting principles applied to BCI Interim Consolidated Income Statement of the Period.

NOTE 5 - BUSINESS SEGMENTS, continuation

a) Income Statement 2016:

	As of September 30, 2016								
	Commercial Banking	Retail Banking	SME	C&IB Commercial Division	C&IB Finance Division	Total Segments less BCI Financial Group, Inc. and Subsidiaries	BCIFG	Others	Consolidated Total
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
Net interest income	118,261	279,069	97,706	73,485	35,903	604,424	99,191	(26,330)	**677,285**
Net fee and commission income	27,447	106,517	26,433	16,286	8,714	185,397	10,655	(1,543)	**194,509**
Other operating income	19,903	24,612	5,231	24,916	(15,058)	59,604	6,452	5,803	**71,859**
Total operating income	**165,611**	**410,198**	**129,370**	**114,687**	**29,559**	**849,425**	**116,298**	**(22,070)**	**943,653**
Provisions for loan losses	(7,169)	(76,011)	(20,936)	(8,189)	(1,491)	(113,796)	(6,038)	(13,219)	**(133,053)**
Net operating income	**158,442**	**334,187**	**108,434**	**106,498**	**28,068**	**735,629**	**110,260**	**(35,289)**	**810,600**
Total operating expenses	(75,724)	(234,507)	(57,075)	(43,835)	(22,906)	(434,047)	(57,737)	(12,589)	**(504,373)**
Operating income by segment	**82,718**	**99,680**	**51,359**	**62,663**	**5,162**	**301,582**	**52,523**	**(47,878)**	**306,227**
Investment in companies results									**13,925**
Income before taxes									**320,152**
Income tax									**(65,988)**
CONSOLIDATED FINANCIAL INCOME									**254,164**

b) Business Volumes 2016:

	As of September 30, 2016						
	Commercial Banking	Retail Banking	Business Bank	Commercial Division C&IB	Finance Division C&IB	BCIFG	Total Segments
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
ASSETS	5,087,835	7,903,293	2,151,691	5,041,708	4,572,071	5,105,412	**29,862,010**
LIABILITIES	4,569,394	7,113,290	1,923,727	4,538,238	4,801,829	4,446,565	**27,393,043**
EQUITY							**2,468,967**

NOTE 5 - BUSINESS SEGMENTS, continuation

c) Income Statement 2015:

	As of September 30, 2015								
	Commercial Banking	**Retail Banking**	**Business Bank**	**Commercial Division C&IB**	**Finance Division C&IB**	**Total Segments**	**BCIFG**	**Others**	**Consolidated Total**
	MCH$	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**
Net interest income	101,898	255,705	82,433	47,550	50,056	537,642	-	22,814	**560,456**
Net fee and commission income	23,392	103,544	24,674	11,814	3,701	167,125	-	1,936	**169,061**
Other operating income	35,121	41,200	19,254	47,847	(12,776)	130,646	-	(27,553)	**103,093**
Total operating income	**160,411**	**400,449**	**126,361**	**107,211**	**40,981**	**835,413**	**-**	**(2,803)**	**832,610**
Provisions for loan losses	(8,551)	(85,262)	(25,295)	(11,646)	(699)	(131,453)	-	(3,940)	**(135,393)**
Net operating income	**151,860**	**315,187**	**101,066**	**95,565**	**40,282**	**703,960**	**-**	**(6,743)**	**697,217**
Total operating expenses	(68,461)	(210,220)	(51,267)	(42,723)	(14,466)	(387,137)		(10,869)	**(398,006)**
Operating income by segment	**83,399**	**104,967**	**49,799**	**52,842**	**25,816**	**316,823**	**-**	**(17,612)**	**299,211**
Investment in companies results									**9,292**
Income before taxes									**308,503**
Income tax									**(64,309)**
CONSOLIDATED FINANCIAL INCOME									**244,194**

d) Business Volumes 2015:

	As of September 30, 2015						
	Commercial Banking	**Retail Banking**	**Business Bank**	**Commercial Division C&IB**	**Finance Division C&IB**	**BCIFG**	**Total Segments**
	MCH$	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**
ASSETS	4,279,956	7,041,712	2,115,755	4,643,961	6,975,489	-	**25,056,873**
LIABILITIES	3,877,431	6,386,011	1,906,488	4,240,350	6,709,189	-	**23,119,469**
EQUITY							**1,937,404**

NOTE 6 - CASH AND CASH EQUIVALENTS

a) Details of balances included within cash and cash equivalents, and their reconciliation with the Interim Consolidated Statement of Cash Flows at each year end, are as follows:

	As of September 30,	
	2016	2015
	MCH$	MCH$
Cash and deposits in banks		
Cash	370,492	435,947
Deposits in Central Bank of Chile (*)	333,114	657,944
Deposits in local Banks	4,394	7,824
Foreign deposits	619,172	718,437
Subtotal cash and deposits in banks	1,327,172	1,820,152
Operations pending settlement, net	138,697	222,211
Highly liquid financial instruments	1,313	14,695
Investments under agreements to resell	225,531	132,368
Total cash and cash equivalents	**1,692,713**	**2,189,426**

(*) Deposits in Central Bank of Chile represent monthly updated mandatory reserve deposits with the Central Bank of Chile.

b) Items in course of collection:

Items in course of collection correspond to those transactions pending settlement which will increase or decrease the funds at the Central Bank of Chile or in foreign banks, usually within 12 or 24 hours. At each period end, details are as follows:

	As of September 30,	
	2016	2015
	MCH$	MCH$
Assets		
Outstanding notes from other banks (swap)	137,299	139,798
Funds receivable	206,291	632,466
Subtotal assets	343,590	772,264
Liabilities		
Funds payable	204,893	550,053
Subtotal liabilities	204,893	550,053
Items in course of collection, net	**138,697**	**222,211**

NOTE 7 - TRADING INVESTMENTS

The following is the detail of instruments designated as trading investments:

	As of September 30, 2016	As of December 31, 2015
	MCH$	MCH$
Instruments of the Government and Central Bank of Chile (*):		
Bonds of the Central Bank of Chile	513,702	888,726
Promissory notes of the Central Bank of Chile	236	245
Other instruments of the Government and Central Bank of Chile	206,338	14,918
Instruments of other domestic institutions:		
Bonds	23,128	18,080
Time deposits	116,266	183,781
Letters of credit	4,047	21,343
Documents issued by other financial institutions	75,178	84,406
Other instruments	15,571	45,449
Instruments of other foreigninstitutions:		
Other instruments	79,098	156
Investments in mutual funds:		
Funds administered by related entities	45,852	16,768
Funds administered by third parties	13,704	24,259
Total	**1,093,120**	**1,298,131**

(*) As of September 30, 2016 and December 31, 2015, the Bank has instruments with the Central Bank of Chile, classified in the “Instruments of the State and Central Bank of Chile”of MCH$264,244 and MCH$112,455, respectively.

NOTE 8 – INVESTMENTS UNDER AGREEMENTS TO RESELL AND OBLIGATIONS UNDER AGREEMENTS TO REPURCHASE

a) Securities purchased under agreements to resell:

	Maturity of the agreement						
	Up to 3 months		Between 3 months – 1 year		Over 1 year		
Type of entity		Average Rate		Average Rate		Average Rate	Balance as of September 30, 2016
	MCH$	%	MCH$	%	MCH$	%	MCH$
Individual or related party	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-
Securities broker	93,061	0.64	2,643	0.34	184	0.35	**95,888**
Other domestic financial institutions	-	-	-	-	-	-	-
Foreign financial institution	-	-	-	-	-	-	-
Other individual or corporation	113,685	0.34	15,958	0.36	-	-	**129,643**
Total	**206,746**		**18,601**		**184**		**225,531**

	Maturity of the agreement						
	Up to 3 months		Between 3 months – 1 year		Over 1 year		
Type of entity		Average Rate		Average Rate		Average Rate	Balance as of December 31, 2015
	MCH$	%	MCH$	%	MCH$	%	MCH$
Individual or related party	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-
Securities broker	65,512	0.59	5,229	0.37	-	-	70,741
Other domestic financial institutions	-	-	-	-	-	-	-
Foreign financial institution	-	-	-	-	-	-	-
Other individual or corporation	111,767	0.35	23,597	0.36	-	-	135,364
Total	**177,279**		**28,826**		**-**		**206,105**

NOTE 8 -INVESTMENTS UNDER AGREEMENTS TO RESELL AND OBLIGATIONS UNDER AGREEMENTS TO REPURCHASE, continuation

b) Securities sold under repurchase agreements:

	Maturity of the agreement						
	Up to 3 months		Between 3 months – 1 year		Over 1 year		
Type of entity		**Average Rate**		**Average Rate**		**Average Rate**	**Balance as of September 30, 2016**
	MCH$	**%**	**MCH$**	**%**	**MCH$**	**%**	**MCH$**
Individual or related party	-	-	-	-	-	-	**-**
Domestic banks	51,809	0.31	-	-	-	-	**51,809**
Securities broker	495	0.20	-	-	-	-	**495**
Other domestic financial institutions	110,967	0.28	-	-	-	-	**110,967**
Foreign financial institution	-	-	-	-	-	-	**-**
Other individual or corporation	523,185	0.20	123	0.32	-	-	**523,308**
Total	**686,456**		**123**		**-**		**686,579**

	Maturity of the agreement						
	Up to 3 months		Between 3 months – 1 year		Over 1 year		
Type of entity		**Average Rate**		**Average Rate**		**Average Rate**	**Balance as of December 31, 2015**
	MCH$	**%**	**MCH$**	**%**	**MCH$**	**%**	**MCH$**
Individual or related party	-	-	-	-	-	-	-
Domestic banks	68,409	0.33	-	-	-	-	68,409
Securities broker	-	-	-	-	-	-	-
Other domestic financial institutions	126,694	0.29	-	-	-	-	126,694
Foreign financial institution	-	-	-	-	-	-	-
Other individual or corporation	246,731	0.19	7,253	0.20	41	0.33	254,025
Total	**441,834**		**7,253**		**41**		**449,128**

NOTE 9 - FINANCIAL DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

a) As of September 30, 2016 and December 31, 2015, the Bank and its subsidiaries held the following portfolio of derivative instruments:

As of September 30, 2016

	Notional amount		Fair Value	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	MCH$	**MCH$**	**MCH$**	**MCH$**
Trading Derivatives:				
Forwards	29,443,196	28,703,923	192,267	211,642
Swaps	48,700,279	48,470,229	1,003,964	1,020,977
Call Options	231,301	238,291	922	726
Put Options	294,057	332,030	3,982	5,378
Futures	3	3	14	-
Others	-	-	-	-
Subtotal	**78,668,836**	**77,744,476**	**1,201,149**	**1,238,723**
Fair Value Hedge Derivatives:				
Forwards	-	-	-	-
Swaps	2,133,400	850,027	76,899	49,314
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Others	-	-	-	-
Subtotal	**2,133,400**	**850,027**	**76,899**	**49,314**
Cash Flow Hedge Derivatives:				
Forwards	19,718	592,669	18,428	18,269
Swaps	1,181,108	1,422,403	213,070	264,495
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Others	-	-	-	-
Subtotal	**1,200,826**	**2,015,072**	**231,498**	**282,764**
Total	**82,003,062**	**80,609,575**	**1,509,546**	**1,570,801**

NOTE 9-FINANCIAL DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING, continuation

As for December 31, 2015

	Notional amount		Fair Value	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	MCH$	**MCH$**	**MCH$**	**MCH$**
Trading Derivatives:				
Forwards	29,537,235	29,545,133	240,951	239,325
Swaps	45,442,063	45,319,160	1,022,312	1,057,366
Call Options	394,821	385,314	4,889	6,089
Put Options	298,857	306,356	2,518	2,341
Futures	3	3	50	-
Others	-	-	-	-
Subtotal	**75,672,979**	**75,555,966**	**1,270,720**	**1,305,121**
Fair Value Hedge Derivatives:				
Forwards	-	-	-	-
Swaps	2,779,780	263,166	87,160	76,167
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Others	-	-	-	-
Subtotal	**2,779,780**	**263,166**	**87,160**	**76,167**
Cash Flow Hedge Derivatives:				
Forwards	113,240	991,846	16,541	22,001
Swaps	1,712,137	1,110,400	125,002	131,902
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Others	-	-	-	-
Subtotal	**1,825,377**	**2,102,246**	**141,543**	**153,903**
Total	**80,278,136**	**77,921,378**	**1,499,423**	**1,535,191**

NOTE 9-FINANCIAL DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING, continuation

b) Types of derivatives

The Bank uses hedge accounting to manage its exposure to fair value and cash flow risk.

Fair value hedges:

For positions in both foreign currency and in local currency, the fair value of the position is hedged against changes in the base interest rate, the implied credit spread is not considered for this type of strategy. These operations reduce the duration of the positions and reduce the risk related to interest rate changes.

Below is a summary table detailing the items and instruments used in hedge accounting (fair value) as of September 30, 2016 and December 31, 2015:

	As for September 30, 2016		As for December 31, 2015	
	Asset	**Liabilities**	**Asset**	**Liabilities**
	MCH$	**MCH$**	**MCH$**	**MCH$**
Hedged item				
Bonds issued MX, MN	-	744,101	-	501,825
Loans MX, UF	896	-	218,196	-
Time deposits MN	-	1,389,299	-	1,959,468
Investment MX	198,667	-	44,970	-
Macrohedges MN, MX	650,464	-	44,970	-
Liabilities MX	-	-	-	318,487
Total	**850,027**	**2,133,400**	**263,166**	**2,779,780**

	As for September 30, 2016		As for December 31, 2015	
	Asset	**Liabilities**	**Asset**	**Liabilities**
Hedging instrument	**MCH$**	**MCH$**	**MCH$**	**MCH$**
Cross Currency Swaps	376,961	805,560	461,505	215,547
Swap Rate MN	1,389,299	14,000	1,959,468	-
Swap Rate MX	367,140	30,467	358,807	47,619
Total	**2,133,400**	**850,027**	**2,779,780**	**263,166**

NOTE 9 -FINANCIAL DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING, continuation

Cash flow hedges:

The Bank uses cash flow hedge instruments such as Cross Currency Swaps, Forwards (inflation and exchange rate) and UF rate Swaps for the assets and liabilities exposed to variations in interest rates, exchange rates and/or inflation.

	As for September 30, 2016		As for December 31, 2015	
	Asset	Liabilities	Asset	Liabilities
Hedged item	**MCH$**	**MCH$**	**MCH$**	**MCH$**
Assets UF > 1Y	1,772,763	-	1,940,122	-
Future obligations USD	-	59,155	-	155,705
Time deposits CLP	-	807,708	-	1,247,368
Assets UF	98,592	-	106,163	-
Bond MN/MX	-	333,963	-	422,304
Asset USD	143,717	-	55,961	-
Total	**2,015,072**	**1,200,826**	**2,102,246**	**1,825,377**

	As for September 30, 2016		As for December 31, 2015	
	Asset	Liabilities	Asset	Liabilities
Hedging instrument	**MCH$**	**MCH$**	**MCH$**	**MCH$**
Cross Currency Swaps	373,400	1,366,442	464,769	1,054,439
Forward UF	-	592,669	-	991,846
Forward USD	19,718	-	113,240	-
Swap rate	807,708	55,961	1,247,368	55,961
Total	**1,200,826**	**2,015,072**	**1,825,377**	**2,102,246**

Investment hedges abroad:

The net investment hedge of an operation abroad, seeks to mitigate the exchange rate risk that is has been applied to the net assets of the business abroad, as follows:

	As for September 30, 2016		As for December 31, 2015	
	Asset	Liabilities	Asset	Liabilities
Hedged item	**MM$**	**MM$**	**MM$**	**MM$**
Net Investment abroad	622,390	-	670,181	-
Total	**622,390**	**-**	**670,181**	**-**

	As for September 30, 2016		As for December 31, 2015	
	Asset	Liabilities	Asset	Liabilities
Hedging instrument	**MM$**	**MM$**	**MM$**	**MM$**
Issued Bonds MX	-	622,390	-	670,181
Total	**-**	**622,390**	**-**	**670,181**

NOTE 9 -FINANCIAL DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING, continuation

Below is a summary table detailing the expected future cash flows related to cash flow hedge:

Periods of expected cash flows in MCH$

	As of September 30, 2016				
	Within 1Y	**Between 1Y and 5Y**	**Between 5Y and 10Y**	**More than 10 Y**	**Total**
Hedged item					
Cash outflows	(929,815)	(2,355,919)	(913,777)	(54,319)	**(4,253,830)**
Cash inflows	917,705	2,232,080	875,107	54,258	**4,079,150**
Net cash flows	**(12,110)**	**(123,839)**	**(38,670)**	**(61)**	**(174,680)**
Hedging instrument					
Cash outflows	929,815	2,355,919	913,777	54,319	**4,253,830**
Cash inflows	(917,705)	(2,232,080)	(875,107)	(54,258)	**(4,079,150)**
Net cash flows	**12,110**	**123,839**	**38,670**	**61**	**174,680**

	As of December 31, 2015				
	Within 1Y	**Between 1Y and 5Y**	**Between 5Y and 10Y**	**More than 10 Y**	**Total**
Hedged item					
Cash outflows	(929,815)	(2,355,919)	(913,777)	(54,319)	**(4,253,830)**
Cash inflows	917,705	2,232,080	875,107	54,258	**4,079,150**
Net cash flows	**(12,110)**	**(123,839)**	**(38,670)**	**(61)**	**(174,680)**
Hedging instrument					
Cash outflows	929,815	2,355,919	913,777	54,319	**4,253,830**
Cash inflows	(917,705)	(2,232,080)	(875,107)	(54,258)	**(4,079,150)**
Net cash flows	**12,110**	**123,839**	**38,670**	**61**	**174,680**

NOTE 10 - INTERBANK LOANS

a) As of September 30, 2016 and December 31, 2015, balances for this concept are the following:

	As of September 30, 2016 MCH$	As of December 31, 2015 MCH$
Domestic banks		
Highly liquid interbank loans	20,000	1,032
Allowance for loan losses of domestic banks	(7)	(1)
Foreign banks		
Highly liquid interbank loans	245,099	168,679
Allowance for loan losses of foreign banks	(430)	(294)
Total	**264,662**	**169,416**

b) The amount for the period 2016 and the year 2015 of provisions and impairment is as follows:

	As for September 30, 2016			As for December 31, 2015		
	Domestic Banks	Foreign Banks	Total	Domestic Banks	Foreign Banks	Total
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
Balance as of January 1	**1**	**294**	**295**	**1**	**794**	**795**
Write-offs	-	-	-	-	-	**-**
Provisions	**7**	219	**226**	41	265	**306**
Recovery of provisions	(1)	(83)	**(84)**	(41)	(765)	**(806)**
Impairment	-	-	**-**	-	-	**-**
Reversal of impairment	-	-	**-**	-	-	**-**
Total	7	**430**	**437**	**1**	**294**	**295**

NOTE 11 - LOANS AND RECEIVABLES TO CUSTOMERS, NET

a) Loans and receivables to customers

As of September 30, 2016 and December 31, 2015, the composition of the loan portfolio was as follows:

	Assets before allowances			Allowances Established			
As of September 30, 2016	**Normal Portfolio**	**Impaired Portfolio**	**Total**	**Individual Allowance**	**Collective allowance**	**Total**	**Net Assets**
	MCH$	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**
Commercial loans:							
Commercial loans (*)	10,788,129	456,359	11,244,488	(105,714)	(52,478)	(158,192)	**11,086,296**
Foreign trade loans	897,958	14,954	912,912	(19,754)	(14)	(19,768)	**893,144**
Checking accounts	131,082	10,052	141,134	(2,495)	(3,931)	(6,426)	**134,708**
Student Loans	665,975	7,108	673,083	(4,906)	(2,022)	(6,928)	**666,155**
Factoring operations	168,619	19,010	187,629	-	(4,851)	(4,851)	**182,778**
Leasing transactions	887,513	52,619	940,132	(14,375)	(1,288)	(15,663)	**924,469**
Other loans and receivables	26,012	6,377	32,389	(1,820)	(2,545)	(4,365)	**28,024**
Subtotal	**13,565,288**	**566,479**	**14,131,767**	**(149,064)**	**(67,129)**	**(216,193)**	**13,915,574**
Mortgage loans:							
Letters of credit	21,368	1,370	22,738	-	(41)	(41)	**22,697**
Endorsable mortgage loans	570,086	12,723	582,809	-	(5,716)	(5,716)	**577,093**
Other mortgage loans	3,995,011	162,783	4,157,794	-	(27,302)	(27,302)	**4,130,492**
Leasing transactions	-	-	-	-	-	-	**-**
Other loans	-	-	-	-	-	-	**-**
Subtotal	**4,586,465**	**176,876**	**4,763,341**	**-**	**(33,059)**	**(33,059)**	**4,730,282**
Consumer loans:							
Consumer loans in installments	1,787,658	223,471	2,011,129	-	(98,634)	(98,634)	1,912,495
Checking accounts	104,990	8,760	113,750	-	(5,609)	(5,609)	108,141
Credit card debtors	393,518	8,582	402,100	-	(6,970)	(6,970)	395,130
Consumer leasing transactions	3,651	103	3,754	-	(35)	(35)	3,719
Other loans and receivables	24,379	13	24,392	-	(770)	(770)	23,622
Subtotal	**2,314,196**	**240,929**	**2,555,125**	**-**	**(112,018)**	**(112,018)**	**2,443,107**
TOTAL	**20,465,949**	**984,284**	**21,450,233**	**(149,064)**	**(212,206)**	**(361,270)**	**21,088,963**

(*) Includes debt corresponding to Separate Heritage No. 27 as stated in Note 1 letter ae).

NOTE 11 -LOANS AND RECEIVABLES TO CUSTOMERS, NET, continuation

As of December 31, 2015	Assets before allowances			Allowances Established			
	Normal Portfolio	Impaired Portfolio	Total	Individual Allowance	Collective allowance	Total	Net Assets
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
Commercial loans:							
Commercial loans (*)	10,071,571	420,582	10,492,153	(108,627)	(72,132)	(180,759)	10,311,394
Foreign trade loans	845,960	17,796	863,756	(21,427)	(20)	(21,447)	842,309
Checking accounts	98,517	11,059	109,576	(2,756)	(4,733)	(7,489)	102,087
Factoring operations	687,860	4,807	692,667	(6,638)	(1,144)	(7,782)	684,885
Leasing transactions	831,267	39,111	870,378	(13,117)	(1,417)	(14,534)	855,844
Other loans and receivables	178,755	29,398	208,153	(2,112)	(8,166)	(10,278)	197,875
Subtotal	**12,713,930**	**522,753**	**13,236,683**	**(154,677)**	**(87,612)**	**(242,289)**	**12,994,394**
Mortgage loans:							
Letters of credit	25,685	1,652	27,337	-	(134)	(134)	27,203
Endorsable mortgage loans	577,242	5,855	583,097	-	(5,941)	(5,941)	577,156
Other mortgage loans	3,701,786	173,265	3,875,051	-	(16,911)	(16,911)	3,858,140
Leasing transactions	-	-	-	-	-	-	-
Other loans	-	-	-	-	-	-	-
Subtotal	**4,304,713**	**180,772**	**4,485,485**	**-**	**(22,986)**	**(22,986)**	**4,462,499**
Consumer loans:							
Consumer loans in installments	1,723,561	178,560	1,902,121	-	(86,778)	(86,778)	1,815,343
Checking accounts	99,395	7,414	106,809	-	(4,930)	(4,930)	101,879
Credit card debtors	376,462	9,096	385,558	-	(7,079)	(7,079)	378,479
Consumer leasing transactions	2,571	8	2,579	-	(16)	(16)	2,563
Other loans and receivables	15,432	314	15,746	-	(374)	(374)	15,372
Subtotal	**2,217,421**	**195,392**	**2,412,813**	**-**	**(99,177)**	**(99,177)**	**2,313,636**
TOTAL	**19,236,064**	**898,917**	**20,134,981**	**(154,677)**	**(209,775)**	**(364,452)**	**19,770,529**

(*) Includes debt corresponding to Separate Heritage No. 27 as stated in Note 1 letter ae).

NOTE 11-LOANS AND RECEIVABLES TO CUSTOMERS, NET, continuation

The collateral received by the Bank with respect to the loans portfolio relates to mortgages, and consists of cash, securities, accounts receivable, property and real estate assets, and warrants, among others.

The Bank uses the financial lease agreements from 1 to 10 years depending on the contract, to finance toits clients the acquisition of property, both movable and immovable. As of September 30, 2016 and December 31, 2015, the Bank held approximately MCH$374,418 and MCH$380,850, respectively, of financial leases on movable assets, and MCH$511,241 and MCH$484,107, respectively, of financial leases on property.

The following is reconciliation between gross investment and the present value of minimum payments as of September 30, 2016 and December 31, 2015:

	As of September 30, 2016	As of December 31, 2015
	MCH$	MCH$
Gross financial leases	1,096,595	1,020,723
Not accrued income from financial leases	(152,709)	(147,766)
Net financial leases	**943,886**	**872,957**

	As of September 30, 2016	As of December 31, 2015
	MCH$	MCH$
Less than 1 year	270,733	237,444
Between 1 and 5 years	325,792	289,796
Over 5 years	347,361	345,717
Total	**943,886**	**872,957**

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

The Bank has obtained assets in lieu of payment for an amount of MCH$4,773 as of September 30, 2016 and MCH$10,845 for December 31, 2015 through the execution of collaterals or pledge of collateral assets.

NOTE 11 -LOANS AND RECEIVABLES TO CUSTOMERS, NET, continuation

b) Portfolio characteristics:

As of September 30, 2016 and December 31, 2015, the loan portfolio before allowances for loan losses by type of the customer's economic activity is as follows:

	Domestic Loans		Foreign Loans		Total			
	As of September 30, 2016	As of December 31, 2015	As of September 30, 2016	As of December 31, 2015	As of September 30, 2016	As of December 31, 2015	As of September 30, 2016	As of December 31, 2015
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	%	%
Commercial loans:								
Agriculture and livestock except fruit	269,612	187,281	92,954	89,374	362,566	276,655	1.69%	1.37%
Fruit	109,722	42,660	63,144	62,043	172,866	104,703	0.81%	0.52%
Forestry and Wood extraction	60,526	147,689	9,524	28,735	70,050	176,424	0.33%	0.88%
Fishing	29,778	21,756	98,997	107,349	128,775	129,105	0.60%	0.64%
Mining	62,412	46,178	216,225	172,930	278,637	219,108	1.30%	1.09%
Crude oil and natural gas production	2,906	3,144	104,540	113,421	107,446	116,565	0.50%	0.58%
Food, beverage and tobacco industry	193,085	171,778	135,005	110,609	328,090	282,387	1.53%	1.40%
Textile and leather industry	36,901	24,227	51,645	43,112	88,546	67,339	0.41%	0.33%
Timber and furniture industry	30,764	29,460	8,672	16,556	39,436	46,016	0.18%	0.23%
Print and editorial industry	36,130	27,769	4,182	7,266	40,312	35,035	0.19%	0.17%
Chemical product, derived from oil, coal, rubber and plastic	111,688	98,173	80,555	88,568	192,243	186,741	0.90%	0.93%
Production of metal and non-metal production, machinery and equipment	402,755	301,871	72,347	154,612	475,102	456,483	2.21%	2.27%
Other manufacturing industries	34,709	6,205	118,248	95,789	152,957	101,994	0.71%	0.51%
Electricity, gas and water	357,647	183,505	324,121	225,939	681,768	409,444	3.18%	2.03%
Home construction	182,813	973,365	-	199	182,813	973,564	0.85%	4.84%
Other construction	841,966	389,552	155,391	69,305	997,357	458,857	4.65%	2.28%
Wholesale business	571,984	428,408	472,103	367,643	1,044,087	796,051	4.87%	3.95%
Retail, restaurants and hotels	422,042	535,489	327,889	320,581	749,931	856,070	3.50%	4.25%
Transporting and storage	351,235	318,244	235,310	283,930	586,545	602,174	2.73%	2.99%
Communications	88,325	83,205	57,876	34,387	146,201	117,592	0.68%	0.58%
Financial and insurance companies	2,092,699	1,808,866	278,477	213,904	2,371,176	2,022,770	11.05%	10.05%
Real estate and service providers	1,525,724	1,018,897	1,204,045	938,966	2,729,769	1,957,863	12.73%	9.72%
Services	1,210,079	1,681,994	995,015	1,161,749	2,205,094	2,843,743	10.28%	14.13%
Subtotal	**9,025,502**	**8,529,716**	**5,106,265**	**4,706,967**	**14,131,767**	**13,236,683**	**65.88%**	**65.74%**
Mortgage loans	4,193,879	3,918,129	569,462	567,356	4,763,341	4,485,485	22.21%	22.28%
Consumer loans	2,428,869	2,277,101	126,256	135,712	2,555,125	2,412,813	11.91%	11.98%
Total	**15,648,250**	**14,724,946**	**5,801,983**	**5,410,035**	**21,450,233**	**20,134,981**	**100.00%**	**100.00%**

NOTE 11 –LOANS AND RECEIVABLES TO CUSTOMERS, NET, continuation

c) Provisions

The changes in allowances for loan losses during the periods ended September 30, 2016 and December 31, 2015 are summarized as follows:

	As of September 30, 2016			As of December 31, 2015		
	Individual Allowance	Collective Allowance	Total	Individual Allowance	Collective Allowance	Total
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
Balances as of January 1	**154,677**	**209,775**	**364,452**	**161,082**	**181,514**	**342,596**
Goodwill adjustment evaluation	18,555	(20,164)	**(1,609)**	-	-	-
Portfolio write-offs:						
Commercial loans	(21,022)	(41,418)	**(62,440)**	(63,796)	(58,091)	**(121,887)**
Mortgage loans	-	(4,840)	**(4,840)**	-	(4,719)	**(4,719)**
Consumer loans	-	(83,943)	**(83,943)**	-	(107,716)	**(107,716)**
Total Write-offs	**(21,022)**	**(130,201)**	**(151,223)**	**(63,796)**	**(170,526)**	**(234,322)**
Provisions	6,412	162,525	**168,937**	84,086	181,705	**265,791**
Reversal of provisions	(10,398)	(9,344)	**(19,742)**	(26,695)	(10,618)	**(37,313)**
Provision in BCI Financial Group	840	(385)	**455**	-	27,700	**27,700**
Total Provisions	**149,064**	**212,206**	**361,270**	**154,677**	**209,775**	**364,452**

In addition to these provisions for credit risk, the provisions for country risk are maintained to cover operations abroad and additional provisions approved by the Board, which are presented as liabilities in "Provisions" (Note 21). Therefore, the total of provisions for credit risk constituted for different concepts correspond to the following:

	As of September 30, 2016	As of December 31, 2015
	MCH$	MCH$
Individual and group provisions	361,270	364,452
Provisions for contingent credit risk (Note 21)	16,546	18,525
Additional provisions (Note 21)	65,564	76,754
Minimum Allowance 0.50% (Note 21)	5,823	-
Provisions for country risk (Note 21)	1,897	2,669
Provisions on loans and accounts to banks (Note 10)	437	295
Total	**451,537**	**462,695**

During the period 2016 and the year 2015, the Bank has not participated in the purchase, sale, substitution or swap of credits of the loan portfolio with other than those financial institutions reported in the present Interim Consolidate Financial Statement.

NOTE 11-LOANS AND RECEIVABLES TO CUSTOMERS, NET, continuation

d) Collateral

The impaired loan portfolio secured and unsecured as of September 30, 2016 and December 31, 2015 was as follows:

	As of September 30, 2016				As of December 31, 2015			
	Commercial	**Mortgage**	**Consumer**	**Total**	**Commercial**	**Mortgage**	**Consumer**	**Total**
	MCH$	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**
Secured debt	411,609	162,293	65,887	**639,789**	344,832	167,796	52,452	**565,080**
Unsecured debt	154,870	14,583	175,042	**344,495**	177,921	12,976	142,940	**333,837**
Total	**566,479**	**176,876**	**240,929**	**984,284**	**522,753**	**180,772**	**195,392**	**898,917**

e) Overdue

The overdue portfolio (with payment default equal to or more than 90 days) as of December 31, 2015 and 2015 was as follows:

	As of September 30, 2016				As of December 31, 2015			
	Commercial	**Mortgage**	**Consumer**	**Total**	**Commercial**	**Mortgage**	**Consumer**	**Total**
	MCH$	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**
Secured debt	127,585	67,855	4,596	**200,036**	16,612	-	-	**16,612**
Unsecured debt	69,330	4,128	33,009	**106,467**	177,874	74,681	32,330	**284,885**
Total	**196,915**	**71,983**	**37,605**	**306,503**	**194,486**	**74,681**	**32,330**	**301,497**

NOTE 11 -LOANS AND RECEIVABLES TO CUSTOMERS, NET, continuation

f) Current and past due portfolio by impaired and unimpaired:

	As of September 30, 2016											
	non-impaired				Impaired				Total Portfolio			
	Commercial	Mortgage	Consumer	Total non-Impaired	Commercial	Mortgage	Consumer	Total Impaired	Commercial	Mortgage	Consumer	Total Portfolio
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
Normal portfolio	13,506,025	4,584,963	2,310,382	20,401,370	424,639	153,413	208,197	786,249	13,930,664	4,738,376	2,518,579	**21,187,619**
Past due for 1 to 29 days	51,293	1,123	2,727	55,143	7,697	1,397	2,679	11,773	58,990	2,520	5,406	**66,916**
Past due for 30 to 89 days	7,970	379	1,087	9,436	11,969	2,224	10,408	24,601	19,939	2,603	11,495	**34,037**
Past due for 90 days or more	-	-	-	-	122,174	19,842	19,645	161,661	122,174	19,842	19,645	**161,661**
Total portfolio before allowances	**13,565,288**	**4,586,465**	**2,314,196**	**20,465,949**	**566,479**	**176,876**	**240,929**	**984,284**	**14,131,767**	**4,763,341**	**2,555,125**	**21,450,233**
Overdue loans (less than 90 days) as a percentage of the total portfolio	0.44%	0.03%	0.16%	0.32%	3.47%	2.05%	5.43%	3.70%	0.56%	0.11%	0.66%	0.47%
Overdue loans (more than 90 days) as a percentage of the total portfolio	0.00%	0.00%	0.00%	0.00%	21.57%	11.22%	8.15%	16.42%	0.86%	0.42%	0.77%	0.75%

	As of December 31, 2015											
	Non-Impaired				Impaired				Total Portfolio			
	Commercial	Mortgage	Consumer	Total non-Impaired	Commercial	Mortgage	Consumer	Total Impaired	Commercial	Mortgage	Consumer	Total Portfolio
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
Normal portfolio	12,700,717	4,303,772	2,213,136	19,217,625	371,502	151,784	168,589	691,875	13,072,219	4,455,556	2,381,725	**19,909,500**
Past due for 1 to 29 days	8,641	-	3,017	11,658	5,878	-	2,229	8,107	14,519	-	5,246	**19,765**
Past due for 30 to 89 days	4,179	467	1,268	5,914	6,914	788	2,632	10,334	11,093	1,255	3,900	**16,248**
Past due for 90 days or more	393	474	-	867	138,459	28,200	21,942	188,601	138,852	28,674	21,942	**189,468**
Total portfolio before allowances	**12,713,930**	**4,304,713**	**2,217,421**	**19,236,064**	**522,753**	**180,772**	**195,392**	**898,917**	**13,236,683**	**4,485,485**	**2,412,813**	**20,134,981**
Overdue loans (less than 90 days) as a percentage of the total portfolio	0.10%	0.01%	0.19%	0.09%	2.45%	0.44%	2.49%	2.05%	0.19%	0.03%	0.38%	0.18%
Overdue loans (more than 90 days) as a percentage of the total portfolio	0.00%	0.01%	0.00%	0.00%	26.49%	15.60%	11.23%	20.98%	1.05%	0.64%	0.91%	0.94%

NOTE 12 - INVESTMENT INSTRUMENTS

As of September 30, 2016 and December 31, 2015, instruments designated as financial instruments available for sale and held to maturity included the following:

	As of September 30, 2016			As of December 31, 2015		
	Available for sale	Held to maturity	Total	Available for sale	Held to maturity	Total
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
Investments priced in active markets:						
Of the government and the Central Bank of Chile (a):						
Instruments of the Central Bank	332,972	-	**332,972**	292,132	-	**292,132**
Bonds or promissory notes of the Treasury	525,569	-	**525,569**	321,142	-	**321,142**
Other fiscal instruments	12,707	-	**12,707**	14,145	-	**14,145**
Other instruments issued in the country:						
Instruments from other domestic Banks	171,935	-	**171,935**	121,308	-	**121,308**
Bonds and instruments from companies	21,118	-	**21,118**	24,783	-	**24,783**
Other domestic instruments (b)	2,478	-	**2,478**	2,477	-	**2,477**
Instruments issued abroad:						
Instruments from foreign governments and Banks						
Foreign bonds	567,674	-	**567,674**	565,433	-	**565,433**
Other foreign instruments (c)	808,508	854	**809,362**	1,066,462	708	**1,067,170**
Total	**2,442,961**	**854**	**2,443,815**	**2,407,882**	**708**	**2,408,590**

(a) As of September 30, 2016 and December 31, 2015, the Bank has no intermediary instruments classified as available for sale.

(b) Includes the shares that the BCI Corredor de Bolsa S.A. subsidiary has in the Santiago Stock Exchange, in the Chilean Electronic Stock Exchange and the Valparaiso Stock Exchange. These shares are valued according to their last transaction value.

(c) Others held to maturity financial instruments corresponding to the subsidiary BCI Financial Group, Inc. and Subsidiaries portfolio, which recognizes in its consolidated balance sheet investments in government bonds held by the City National Bank of Florida (CNB), intended to hold to maturity.

NOTE 13 - INVESTMENT IN COMPANIES

a) As of September 30, 2016 and December 31, 2015, the main investments in companies and joint ventures are detailed below:

Company	As of September 30, 2016				As of December 31, 2015			
	Equity	Participation	Investment value	Income / Loss	Equity	Participation	Investment value	Income / Loss
	MCH$	%	MCH$	MCH$	MCH$	%	MCH$	MCH$
Investment accounted by using equity method:								
Redbanc S.A	6,319	12,71	803	114	5,419	12.71	689	82
Combanc S.A.	5,409	10,33	561	53	4,956	10.33	512	92
Transbank S.A.	48,116	8,72	4,196	318	40,302	8.72	3,514	438
Nexus S.A.	10,601	12,90	1,368	208	9,472	12.90	1,222	225
Servicios de Infraestructura de mercado OTC S.A.	10,670	13,61	1,423	106	9,831	11.48	1,128	(119)
AFT S.A	13,698	20,00	2,740	188	12,758	20.00	2,552	323
Centro de Compensación Automatico ACH Chile	3,673	33,33	1,224	264	3,252	33.33	1,084	353
Sociedas Interbancaria de Depósitos de Valores S.A.	3,230	7,03	218	41	2,656	7.03	178	39
Credicorp Ltda	3,530,912	1,93	102,972	9,590	3,304,601	1.93	101,278	10,942
Investment recognized at cost:								
SWIFT Shares			34	-			34	-
FED and FHLB Shares (*)			59,252	2,309			53,102	414
Other Shares			11	-			13	2
Bladex Shares			219	167			219	146
Total			**175,021**	**13,358**			**165,525**	**12,937**
Joint ventures investments:								
Servipag Ltda	8,414	50,00	4,207	318	7,778	50.00	3,889	248
Artikos Chile S.A.	1,311	50,00	656	249	1,378	50.00	689	310
Total			**4,863**	**567**			**4,578**	**558**
Total investments in other companies, associates and joint ventures			**179,884**	**13,925**			**170,103**	**13,495**

(*) These are actions that recognizes BCI Financial Group, Inc. and Subsidiaries subsidiary in its Consolidated Statement of Financial Position, for equity securities to be acquired by City National Bank (CNB) of Federal Reserve (Fed) and Federal Home Bank Loans (FHBL) in order to participate in the funding these government agencies provide to banks.

NOTE 13 - INVESTMENT IN COMPANIES, continuation

b) The reconciliation of investment in companies for the periods ended September 30, 2016 and December 31, 2015, is the following:

	As of September 30, 2016	As of December 31, 2015
	MCH$	MCH$
Balance at the beginning of the year	**170,103**	**101,086**
Acquisition of investments	539	2,607
Translation differences	(2,412)	3,338
Share of income	13,925	13,495
Incorporation of BCI Financial Group, Inc. and Subsidiaries Purchase	-	53,102
Sale of company participation	-	(28)
Dividends received	(474)	(2,946)
Adjustment for minimum dividend	(1,665)	(249)
Minimum dividends provision	(132)	(302)
Total	**179,884**	**170,103**

As of September 30, 2016 and December 31, 2015 there were no impairments in investments.

NOTE 14 - INTANGIBLE ASSETS

a) The composition of this account as of September 30, 2016 and December 31, 2015 was the following:

Concept	Years of useful life	Average useful life remaining	As of September 30, 2016 Gross balance	Accumulated amortization & impairment	Net balance
			MCH$	MCH$	MCH$
Intangible assets acquired separately (a)	5	3	50,880	(32,325)	**18,555**
Intangible assets generated internally (b)	5	3	204,612	(110,459)	**94,153**
Amortizable intangible asset in business combination (c)	10	10	43,724	(5,060)	**38,664**
Indefinite Useful life Intangible in Business combination (c)	-	-	22,398	-	**22,398**
Total			**321,614**	**(147,844)**	**173,770**

Concept	Years of useful life	Average useful life remaining	As of December 31, 2015 Gross balance	Accumulated amortization & impairment	Net balance
			MCH$	MCH$	MCH$
Intangible assets acquired separately (a)	6	4	45,722	(28,034)	**17,688**
Intangible assets generated internally (b)	6	4	194,265	(97,229)	**97,036**
Amortizable intangible asset in business combination (c)	10	10	86,124	(40,234)	**45,890**
Indefinite Useful life Intangible in Business combination (c)	-	-	14,937	-	**14,937**
Total			**341,048**	**(165,497)**	**175,551**

(a) Corresponds to software purchased from parties other than the Bank or its subsidiaries with the purpose to generate future benefits.

(b) An identifiable asset, non-monetary without physical substance, internally developed by the Bank or its subsidiaries to generate profits or savings to the Bank or its subsidiaries.

(c) Corresponds to gain on Banco Conosur acquisition and intangible assets generated in 2015 by the business combination of BCI Financial Group, Inc. and Subsidiaries reported in Note 4.

The intangible assets indicated above, are measured according to Note 1.r of the Interim Consolidated Financial Statements.

NOTE 14 - INTANGIBLE ASSETS, continuation

b) The movement of the intangible assets account as of September 30, 2016 and December 31, 2015 is the following:

	Intangible assets acquired separately	Amortizable intangibles in business combinations	Non Amortizable intangibles in business combinations	Intangibles generated internally	Total
	MCH$	MCH$	MCH$	MCH$	MCH$
Balance as of January 1, 2016	**45,722**	**85,899**	**15,162**	**194,265**	**341,048**
Additions	4,547	-	-	10,567	**15,114**
Disposals / transfers	(1)	-	37	(629)	**(593)**
Exchange rate fluctuations	-	(3,349)	(1,109)	-	**(4,458)**
Goodwill remeasurement	-	-	8,533	-	**8,533**
Others	612	(39,051)	-	409	**(38,030)**
Impairment	-	-	-	-	**-**
Gross balance as of September 30, 2016	**50,880**	**43,724**	**22,398**	**204,612**	**321,614**
Amortization for the year	(4,293)	(3,945)	-	(13,247)	**(21,485)**
Accumulated amortization	(28,034)	(40,234)	-	(97,229)	**(165,497)**
Others	2	39,119	-	17	**39,138**
Impairment	-	-	-	-	**-**
Total accumulated amortization and impairment	**(32,325)**	**(5,060)**	**-**	**(110,459)**	**(147,844)**
Balance as of September 30, 2016	**18,555**	**38,664**	**22,398**	**94,153**	**173,770**

	Intangible assets acquired separately	Amortizable intangibles in business combinations	Non Amortizable intangibles in business combinations	Intangible assets generated internally	Total
	MCH$	MCH$	MCH$	MCH$	MCH$
Balance as of January 1, 2015	**32,517**	**39,051**	**-**	**163,905**	**235,473**
Additions	9,172	-	-	37,536	**46,708**
Disposals / transfers	(12)	-	-	(3,860)	**(3,872)**
Acquisition of BCI Financial Group, Inc. and Subsidiaries	-	46,848	15,162	-	**62,010**
Others	4,045	-	-	1,684	**5,729**
Impairment	-	-	-	(5,000)	**(5,000)**
Gross balance as of December 31, 2015	**45,722**	**85,899**	**15,162**	**194,265**	**341,048**
Amortization for the year	(3,582)	(1,183)	-	(16,173)	**(20,938)**
Accumulated amortization	(24,452)	(39,051)	-	(80,940)	**(144,443)**
Others	-	-	-	(116)	**(116)**
Impairment	-	-	-	-	**-**
Total accumulated amortization and impairment	**(28,034)**	**(40,234)**	**-**	**(97,229)**	**(165,497)**
Balance as of December 31, 2015	**17,688**	**45,665**	**15,162**	**97,036**	**175,551**

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

a) The composition of property, plant and equipment as of September 30, 2016 and December 31, 2015 is the following:

	As of September 30, 2016				
	Years of useful life	Average useful life remaining	Gross balance	Accumulated depreciation	Net balance
Concept			**MCH$**	**MCH$**	**MCH$**
Land and buildings	16	13	287,207	(61,017)	**226,190**
Equipment	3	3	128,266	(100,914)	**27,352**
Others	7	4	56,743	(30,409)	**26,334**
Total			**472,216**	**(192,340)**	**279,876**

	As of December 31, 2015				
	Years of useful life	Average useful life remaining	Gross balance	Accumulated depreciation	Net balance
Concept			**MCH$**	**MCH$**	**MCH$**
Land and buildings	27	23	288,330	(54,653)	**233,677**
Equipment	4	3	118,014	(92,102)	**25,912**
Others	8	6	50,633	(27,666)	**22,967**
Total			**456,977**	**(174,421)**	**282,556**

b) The movement of property, plant and equipment as of September 30, 2016 and December 31, 2015 is the following:

	Land and buildings	Equipment	Others	Total
	MCH$	**MCH$**	**MCH$**	**MCH$**
Balance as of January 1, 2016	**288,330**	**118,014**	**50,633**	**456,977**
Additions	145	1,853	6,690	**8,688**
Disposals	-	(578)	(2,588)	**(3,166)**
Transfers	2,017	8,115	1,563	**11,695**
Others	(3,285)	862	451	**(1,972)**
Impairment	-	-	(6)	**(6)**
Gross Balance as of September 30, 2016	**287,207**	**128,266**	**56,743**	**472,216**
Depreciation for the period	(6,365)	(8,972)	(3,641)	**(18,978)**
Other Adjustments	1	160	898	**1,059**
Accumulated depreciation	(54,653)	(92,102)	(27,666)	**(174,421)**
Impairment	-	-	-	**-**
Total Accumulated Depreciation	**(61,017)**	**(100,914)**	**(30,409)**	**(192,340)**
Net Property, plant and equipment Balance as of September 30, 2016	**226,190**	**27,352**	**26,334**	**279,876**

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT, continuation

	Land and buildings	Equipment	Others	Total
	MCH$	MCH$	MCH$	MCH$
Balance as of January 1, 2015	**231,070**	**109,017**	**49,961**	**390,048**
Additions	1,433	9,849	7,576	18,858
Disposals	(144)	(8,428)	(464)	(9,036)
Transfers	3,848	3,923	(5,043)	2,728
Adquisition of BCI Financial Group, Inc. and Subsidiaries	52,123	1,117	-	53,240
Others	-	2,536	499	3,035
Impairment	-	-	(1,896)	(1,896)
Gross Balance as of December 31, 2015	**288,330**	**118,014**	**50,633**	**456,977**
Depreciation for the period	(7,904)	(10,844)	(3,764)	(22,512)
Other Adjustments	71	6,950	333	7,354
Accumulated depreciation	(46,820)	(88,208)	(24,235)	(159,263)
Impairment	-	-	-	-
Total Accumulated Depreciation	**(54,653)**	**(92,102)**	**(27,666)**	**(174,421)**
Net Property, plant and equipment Balance as of December 31, 2015	**233,677**	**25,912**	**22,967**	**282,556**

c) As of September 30, 2016 and December 31, 2015, the net impairment of MCH$6 and MCH$1,896, respectively, corresponds to the gross balance of property, plant and equipment less accumulated depreciation.

d) As of September 30, 2016 and December 31, 2015, the Bank had no operating lease agreements.

e) As of September 30, 2016 and December 31, 2015, the Bank had finance lease agreements that cannot beterminated unilaterally. The information of future payments is detailed as follows:

	Future payments of finance lease agreements			
	Up to 1 year	1 to 5 years	Over 5 years	Total
	MCH$	MCH$	MCH$	MCH$
As of September 30, 2016	20	-	-	**20**
As of December 31, 2015	107	12	-	**119**

Furthermore, the balances of property, plant and equipment under finance leases as of September 30, 2016 amounted to MCH$1,647 (MCH$1,606 as of December 31, 2015) and are presented as part of "Other property, plant and equipment".

NOTE 16 - CURRENT AND DEFERRED TAX

a) Current Tax

As of September 30, 2016 and December 31, 2015, the Bank implemented the provision of first-category income tax and the provision of Unique Tax of Article N°21 of the Income Law, which was determined based on the tributary legal dispositions in force and have reflected assets amounting to MCH$44,408 as of September 30, 2016 asset amounting MCH$5,093 as of December 31, 2015). This provision is presented net of collectible taxes and detailed as follows:

	As of September 30, 2016	As of December 31, 2015
	MCH$	MCH$
Income Tax (Tax rate of 245% for 2016 and 22.5% by 2015)	(52,078)	(83,128)
Excess provision previous year	7,144	(3,814)
35% Provision for Income Tax	(247)	(299)
Less:		
Monthly tax provisional payments	62,275	79,869
Credit for training expenses	194	1,694
Credit for acquisition of property, plant and equipment	3	12
Credit for donations	669	911
Collectible income tax	25,639	9,260
Other collectible taxes and withholdings	809	588
Total	**44,408**	**5,093**

b) Income Tax

The effect of income taxes during the periods between January 1 and September 30, 2016 and 2015 is the following:

	As of September 30, 2016	2015
	MCH$	MCH$
Income tax charges:		
Current year tax	(52,078)	(57,527)
Surplus/ Deficit previous year provision	-	-
	(52,078)	(57,527)
Credit (charge) for deferred taxes:		
Origination and reversal of temporary differences	(13,834)	(6,667)
	(13,834)	(6,667)
Subtotal	(65,912)	(64,194)
Tax for rejected expenses Article N°21	(97)	(115)
Others	21	-
Charge to income statement	**(65,988)**	**(64,309)**

NOTE 16- CURRENT AND DEFERRED TAX, continuation

c) Reconciliation of the effective tax rate

The following is the reconciliation of the income tax rate with the effective rate applied in determining the tax charge as of September 30, 2016 and 2015:

	As of September 30,			
	2016		2015	
	Tax rate	Amount	Tax rate	Amount
	%	MCH$	%	MCH$
Income before tax		320,152		308,503
Applicable tax rate	24.00		22,500	
Statutory income tax		76,836		69,413
Tax effect of non-deductible expenses in calculation of taxable income:				
Permanent differences	(3.038)	(9,727)	(3.902)	(12,038)
Unic tax (rejected expenses)	0.030	97	0.037	115
Others	(0.380)	(1,218)	2.210	6,819
Effective rate and income tax charge	**20.612**	**65,988**	**20.845**	**64,309**

The effective income tax rate for period 2016 and 2015 was 20.612% and 20.845%, respectively.

d) Effect of deferred taxes on equity

The deferred tax recorded with charges to shareholders' equity as of September 30, 2016 and December 31, 2015 is composed of the following:

	Accumulated as of		Effect for the period/year	
	As of September 30, 2016	As of December 31, 2015	As of September 30, 2016	As of December 31, 2015
	MCH$	MCH$	MCH$	MCH$
Financial investment available for sale	(4,891)	4,588	(9,479)	7,986
Cash flow hedges	8,081	4,004	4,077	1,541
Effect of deferred tax on shareholder's equity	**3,190**	**8,592**	**(5,402)**	**9,527**

NOTE 16 - CURRENT AND DEFERRED TAX, continuation

e) Effect of deferred taxes on the income statement

During September 30, 2016 and December 31, 2015, the Bank recognized in its Interim Consolidated Financial Statements the effects of deferred taxes according to IAS 12.

The detail of deferred tax assets and liabilities and allocated results for temporary differences:

	As of September 30, 2016			As of December 31, 2015		
	Assets	Liabilities	Net	Assets	Liabilities	Net
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
Concepts:						
Allowance for loan losses	52,573	-	**52,573**	62,757	-	**62,757**
Provision for staff vacation & bonuses	24,522	-	**24,522**	23,446	-	**23,446**
Derivative contracts operations	-	-	**-**	-	-	**-**
Leasing operations (net)	223	-	**223**	4,775	-	**4,775**
Others	10,157	(706)	**9,451**	886	(507)	**379**
Property, plant and equipment	-	(15,091)	**(15,091)**	-	(14,461)	**(14,461)**
Transitory assets	-	(33,463)	**(33,463)**	-	(32,232)	**(32,232)**
Securities trading	-	-	**-**	-	-	**-**
Derivative contract operations	-	(8,081)	**(8,081)**	-	(4,003)	**(4,003)**
Temporary differences related to BCI Financial Group, Inc. and Subsidiaries (*)	77,684	-	**77,684**	111,822	-	**111,822**
Total assets (liabilities) net	**165,159**	**(57,341)**	**107,818**	**203,686**	**(51,203)**	**152,483**
Effect of deferred tax on equity	-	3,190	**3,190**	-	8,592	**8,592**
Net effect for deferred tax assets	**165,159**	**(54,151)**	**111,008**	**203,686**	**(42,611)**	**161,075**

(*) The deferred tax asset has been recognized by the subsidiary BCI Financial Group, Inc. and Subsidiaries as of September 30, 2016 and December 31, 2015 and it mainly consists of a tax loss carry-forward and some differences on intangible assets.

NOTE 17 - OTHER ASSETS

a) As of September 30, 2016 and December 31, 2015, the composition of the Other Assets account is the following:

	As of September 30, 2016	As of December 31, 2015
	MCH$	MCH$
Assets for leasing (a)	40,186	29,055
Assets received in lieu of payment or awarded:		
Assets received in lieu of payment	3,431	4,986
Assets awarded from judicial auctions	3,615	1,586
Provisions for asset received in lieu of payment or awarded (b)	(198)	(240)
Other assets:		
Guarantee deposits	331,332	425,034
Investment in gold	3,928	3,404
VAT fiscal credit	5,942	5,799
Expenses paid in advance	58,621	40,752
Assets from property, plant and equipment for sale	-	400
Assets recovered from lease agreements available for sale (c)	14,959	17,774
Accounts receivable	64,689	39,904
Assets to be recovered	26,848	36,676
Valuation adjustment by macro coverage	2,758	36,676
Prepayments of insurance rights on City National Bank (d)	131,781	70,949
Other assets	34,622	112,037
Total	**722,514**	**788,116**

(a) Related to available permanent assets to be delivered under finance leases.

(b) The provisions of assets received in lieu of payment or awarded are registered according to what has been stipulated in the Accounting Standards Compendium Chapter B-5 No. 3, which implies recognizing a provision for the difference between the carrying amount and the net realizable value, when the first is higher.

(c) Within the same line item, the recovered leasing assets available for sale, corresponding to real and personal property are included. These properties are assets available for sale, which is considered highly likely to occur. For most assets, it is expected to complete the sale within one year from the date on which the asset is classified as “Property, plant and equipment goods for sale and / or leasing assets recovered held for sale”.

(d) It corresponds to life insurance of City National Bank, for certain executives and employees, of which CNB is the owner and beneficiary. CNB invests in these insurance policies, known as BOLI by its acronym in English (Bank Owned Life Insurance), as they provide an efficient way of withdraw funding in long-term and other benefits related to employee expenses.

NOTE 17 - OTHER ASSETS, continuation

b) The changes in the impairment of assets received in lieu of payment or awarded, during the period 2016 and exercise 2015, is the following:

	Provisión
	MCH$
Balance as of January 1, 2016	**240**
Impairment	198
Reversal of impairment	(240)
Balance as of September 30, 2016	**198**
Balance as of January 1, 2015	**21**
Impairment	240
Reversal of impairment	(21)
Balance as of December 31, 2015	**240**

NOTE 18 - DEPOSITS AND OTHER OBLIGATIONS PAYABLE ON DEMAND AND TIME DEPOSITS

As of September 30, 2016 and December 31, 2015, the composition of this account is the following:

	As of September 30, 2016	As of December 31, 2015
	MCH$	MCH$
Deposits and other obligations payable on demand		
Current accounts	6,824,867	7,196,875
Other deposits and accounts payable on demand	519,974	549,787
Other obligations payable on demand	322,611	300,626
Total	**7,667,452**	**8,047,288**
Savings accounts and time deposits		
Time deposits	10,166,410	9,250,938
Saving accounts	50,233	49,844
Guarantees	1,129	1,114
Total	**10,217,772**	**9,301,896**

NOTE 19 - INTERBANK BORROWINGS

As of September 30, 2016 and December 31, 2015, the composition of the Other Assets account is the following:

	As of September 30,	As of December 31,
	2016	2015
	MCH$	MCH$
Loans received from financial institutions and Central Bank of Chile:		
Other obligations with Central Bank of Chile	217	1,732
Subtotal	217	1,732
Loans received from domestic financial institutions:		
Interbank loans	145,497	395,951
Other obligations	129,002	183,788
Subtotal	274,499	579,739
Loans received from financial institutions abroad:		
Foreign trade financing	377,725	615,286
Loans and other obligations	535,101	593,333
Subtotal	912,826	1,208,619
Total	**1,187,542**	**1,790,090**

NOTE 20 - ISSUED DEBT INSTRUMENTS AND OTHER FINANCIAL OBLIGATIONS

a) As of September 30, 2016 and December 31,2015, details are as follows:

	As of September 30, 2016	As of December 31, 2015
	MCH$	MCH$
Other debentures:		
Public bonds	34,654	40,178
Other local bonds	43,605	33,942
Foreign bonds	872,512	672,826
Total	**950,771**	**746,946**
Issued debt instruments:		
Letters of credit	27,062	33,552
Current bonds	3,266,712	2,903,143
Subordinated bonds	901,551	885,955
Total	**4,195,325**	**3,822,650**

b) As of September 30, 2016 and December 31,2015, the maturities of the current and subordinated bonds are as follows:

	As of September 30, 2016		
	Long term	Short term	Total
	MCH$	MCH$	MCH$
By long and short term maturities			
Ordinary bonds	2,802,744	463,968	**3,266,712**
Subordinated bonds	898,983	2,568	**901,551**
Total	**3,701,727**	**466,536**	**4,168,263**

	As of December 31, 2015		
	Long term	Short term	Total
	MCH$	MCH$	MCH$
By long and short term maturities			
Ordinary bonds	2,759,907	143,236	**2,903,143**
Subordinated bonds	881,099	4,856	**885,955**
Total	**3,641,006**	**148,092**	**3,789,098**

NOTE 20 - ISSUED DEBT INSTRUMENTS AND OTHER FINANCIAL OBLIGATIONS, continuation

c) Details of placements of ordinary and subordinated bonds as of September 30, 2016 are as follows:

CURRENT BONDS IN CHILEAN PESOS

Series	Amount issued Ch$	Amount placed Ch$	Date of issue	Maturity date	Average rate	Balance owed due Ch$	Balance MCH$
SERIE_AG	228,500,000,000	231,242,999,500	01/05/2013	01/05/2018	4.96%	230,986,265,611	230,986
SERIE_AK	500,000,000,000	51,636,058,698	01/11/2014	01/11/2019	5.31%	52,759,053,039	52,759
SERIE_AM	50,000,000,000	50,000,000,000	01/06/2016	01/06/2023	4.90%	48,279,480,039	48,279
Fair Value Adjustment (Fair value hedge)							2,651
Subtotal	**778,500,000,000**	**332,879,058,198**				**332,024,798,689**	**334,675**

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

Series	Amount issued UF	Amount placed UF	Date of issue	Maturity date	Average rate	Balance owed due UF	Balance MCH$
SERIE_AB	10,000,000	10,000,000	01/07/2008	01/07/2018	3.67%	9,386,653	246,158
SERIE_AE2	10,000,000	10,000,000	01/08/2011	01/08/2021	3.73%	9,558,372	250,662
SERIE_AF1	10,000,000	5,740,000	01/08/2012	01/08/2017	3.51%	5,722,943	70,208
SERIE_AF2	10,000,000	10,000,000	01/08/2012	01/08/2022	3.43%	9,617,734	252,218
SERIE_AI1	15,000,000	-	01/03/2014	01/03/2019	1.50%	-	-
SERIE_AI2	5,000,000	-	01/03/2014	01/03/2024	1.50%	-	-
SERIE_AJ1	20,000,000	13,310,000	01/10/2014	01/10/2019	2.04%	13,427,976	349,068
SERIE_AJ2	20,000,000	7,890,000	01/10/2014	01/10/2024	2.89%	7,577,852	198,724
SERIE_AL1	3,000,000	3,000,000	01/06/2016	01/06/2022	2.26%	3,124,012	81,925
SERIE_AL2	3,000,000	3,000,000	01/06/2016	01/06/2023	2.26%	3,091,649	81,076
SERIE_AL3	3,000,000	3,000,000	01/06/2016	01/06/2024	2.26%	3,048,387	79,942
SERIE_AL4	3,000,000	3,000,000	01/06/2016	01/06/2028	2.26%	3,071,073	80,537
SERIE_AL5	3,000,000	3,000,000	01/06/2016	01/06/2031	2.26%	3,029,939	79,458
Fair Value Adjustment (Fair value hedge)							15,510
Subtotal	**115,000,000**	**71,940,000**				**70,656,590**	**1,785,486**

CURRENT BONDS IN FOREIGN CURRENCY – US DÓLAR

Series	Amount issued USD	Amount placed USD	Date of issue	Maturity date	Average rate	Balance owed due USD	Balance MCH$
USP32133CE16	600,000,000	600,000,000	13/09/2012	13/09/2017	3.54%	599,075,132	393,760
USP32133CG63	500,000,000	500,000,000	11/02/2013	11/02/2023	4.35%	498,003,437	327,328
Fair Value Adjustment (Fair value hedge)						(13,076)	20
Subtotal	**1,100,000,000**	**1,100,000,000**	(*)			**1,097,065,493**	**721,079**

(*) These amounts are amortized in accordance with the effective interest method and therefore the initial costs of placing the bond have been discounted and are amortized over the length of the expected useful life of the financial instrument.

CURRENT BONDS IN FOREIGN CURRENCY – EURO

Series	Amount issued USD	Amount placed USD	Date of issue	Maturity date	Average rate	Balance owed due USD	Balance MCH$
XS1493734971	20,000,000	20,000,000	23/09/2015	23/09/2024	0.888%	19,690,071	14,549
Fair Value Adjustment (Fair value hedge)							
Subtotal	**20,000,000**	**20,000,000**				**19,690,071**	**14,549**

NOTE 20 - ISSUED DEBT INSTRUMENTS AND OTHER FINANCIAL OBLIGATIONS, continuation

CURRENT BONDS IN FOREING CURRENCY – SWISS FRANCS

Series	Amount issued CHF	Amount placed CHF	Date of issue	Maturity date	Average rate	Balance owed due CHF	Balance MCH$
CH0246788183	150,000,000	150,000,000	26/06/2014	26/06/2019	1.125%	149,626,209	101,355
CH0260296618	150,000,000	150,000,000	25/11/2014	23/11/2018	0.875%	150,391,426	101,873
CH0278875965	150,000,000	150,000,000	17/06/2015	17/06/2020	0.250%	149,526,905	101,287
Fair Value Adjustment (Fair value hedge)						(499,348)	(339)
Subtotal	**450,000,000**	**450,000,000**				**449,045,192**	**304,176**

CURRENT BONDS IN FOREING CURRENCY – YEN

Series	Amount issued YEN	Amount placed YEN	Date of issue	Maturity date	Average rate	Balance owed due YEN	Balance MCH$
XS1144348411	4,900,000,000	4,900,000,000	04/12/2014	04/12/2017	0.700%	4,894,171,326	31,750
XS1144348841	10,100,000,000	10,100,000,000	04/12/2014	04/12/2019	0.810%	10,065,275,752	65,296
XS1144350821	1,500,000,000	1,500,000,000	04/12/2014	04/12/2017	0.669%	1,495,434,891	9,701
Subtotal	**16,500,000,000**	**16,500,000,000**				**16,454,881,969**	**106,747**
Total Current Bonds							**3,266,712**

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

Series	Amount issued UF	Amount placed UF	Date of issue	Maturity date	Average rate	Balance owed due UF	Balance MCH$
SERIE_C y D	2,000,000	2,000,000	01/12/1995	01/12/2016	6.92%	97,937	2,568
SERIE_E	1,500,000	1,500,000	01/11/1997	01/11/2018	7.37%	350,225	9,184
SERIE_F	1,200,000	1,200,000	01/05/1999	01/05/2024	7.73%	638,770	16,751
SERIE_G	400,000	400,000	01/05/1999	01/05/2025	7.92%	230,024	6,032
SERIE_L	1,200,000	1,200,000	01/10/2001	01/10/2026	6.39%	787,864	20,661
SERIE_M	1,800,000	1,800,000	01/10/2001	01/10/2027	6.43%	1,227,960	32,202
SERIE_N	1,500,000	1,500,000	01/06/2004	01/06/2029	5.25%	1,095,288	28,723
SERIE_O	1,500,000	1,500,000	01/06/2004	01/06/2030	3.93%	1,077,946	28,268
SERIE_R	1,500,000	1,500,000	01/06/2005	01/06/2038	4.72%	684,394	17,948
SERIE_S	2,000,000	2,000,000	01/12/2005	01/12/2030	4.86%	1,471,654	38,593
SERIE_T	2,000,000	2,000,000	01/12/2005	01/12/2031	4.52%	1,536,255	40,287
SERIE_U	2,000,000	2,000,000	01/06/2007	01/06/2032	4.19%	1,901,956	49,878
SERIE_Y	4,000,000	4,000,000	01/12/2007	01/12/2030	4.25%	2,217,200	58,145
SERIE_W	4,000,000	4,000,000	01/06/2008	01/06/2036	4.05%	1,831,200	48,022
SERIE_AC	6,000,000	6,000,000	01/03/2010	01/03/2040	3.96%	5,490,429	143,983
SERIE_AD 1	4,000,000	4,000,000	01/06/2010	01/06/2040	4.17%	3,533,226	92,657
SERIE_AD 2	3,000,000	3,000,000	01/06/2010	01/06/2042	4.14%	2,636,872	69,150
SERIE_AH	15,000,000	9,000,000	01/09/2013	01/09/2043	3.63%	7,569,261	198,499
Total subordinated bonds	**54,600,000**	**48,600,000**				**34,378,461**	**901,551**
TOTAL BONDS							**4,168,263**

NOTE 20 - ISSUED DEBT INSTRUMENTS AND OTHER FINANCIAL OBLIGATIONS, continuation

d) Details of placements of ordinary and subordinated bonds as of December 31, 2015 are as follows:

CURRENT BONDS IN CHILEAN PESOS

Series	Amount issued Ch$	Amount placed Ch$	Date of issue	Maturity date	Average rate	Balance owed due Ch$	Balance MCH$
SERIE_AG	228,500,000,000	231,242,999,500	01/05/2013	01/05/2018	4.96%	156,490,116,960	156,490
SERIE_AK	500,000,000,000	51,636,058,698	01/11/2014	01/11/2019	5.31%	49,053,242,483	49,053
Fair Value Adjustment							(1,141)
Subtotal	**728,500,000,000**	**282,879,058,198**				**205,543,359,443**	**204,402**

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

Series	Amount issued UF	Amount placed UF	Date of issue	Maturity date	Average rate	Balance owed due UF	Balance MCH$
SERIE_AB	10,000,000	10,000,000	01/07/2008	01/07/2018	3.67%	9,135,169	234,126
SERIE_AE2	10,000,000	10,000,000	01/08/2011	01/08/2021	3.73%	9,555,884	244,909
SERIE_AF1	10,000,000	5,740,000	01/08/2012	01/08/2017	3.51%	5,724,256	93,445
SERIE_AF2	10,000,000	10,000,000	01/08/2012	01/08/2022	3.43%	9,634,173	246,915
SERIE_AI1	15,000,000	-	01/03/2014	01/03/2019	1.50%	-	-
SERIE_AI2	5,000,000	-	01/03/2014	01/03/2024	1.50%	-	-
SERIE_AJ1	20,000,000	13,310,000	01/10/2014	01/10/2019	2.04%	13,357,562	342,342
SERIE_AJ2	20,000,000	7,890,000	01/10/2014	01/10/2024	2.89%	7,505,631	192,362
Fair Value Adjustment							2,247
Subtotal	**100,000,000**	**56,940,000**				**54,912,675**	**1,356,346**

CURRENT BONDS IN FOREIGN CURRENCY – US DÓLAR

Series	Amount issued USD	Amount placed USD	Date of issue	Maturity date	Average rate	Balance owed due USD	Balance MCH$
USP32133CE16	600,000,000	600,000,000	13/09/2012	13/09/2017	3.54%	602,258,758	426,249
USP32133CG63	500,000,000	500,000,000	11/02/2013	11/02/2023	4.35%	502,574,249	355,697
Fair Value Adjustment						11,336	8
Total	**1,100,000,000**	**1,100,000,000**				**1,104,844,343**	**781,954**

(*) Balance due according to the effective interest method, i.e., all issuance-related costs are discounted and amortized over the expected life of the financial instrument.

NOTE 20 - ISSUED DEBT INSTRUMENTS AND OTHER FINANCIAL OBLIGATIONS, continuation

CURRENT BONDS IN FOREING CURRENCY – SWISS FRANCS

Series	Amount issued CHF	Amount placed CHF	Date of issue	Maturity date	Average rate	Balance owed due CHF	Balance MCH$
CH0222435429	200,000,000	200,000,000	26/09/2013	26/09/2016	1.250%	200,252,464	143,236
CH0246788183	150,000,000	150,000,000	26/06/2014	26/06/2019	1.125%	149,846,223	107,181
CH0260296618	150,000,000	150,000,000	25/11/2014	23/11/2018	0.875%	149,178,107	106,703
CH0278875965	150,000,000	150,000,000	17/06/2015	17/06/2020	0.250%	149,533,143	106,957
Fair Value Adjustment						242,254	173
Subtotal	**650,000,000**	**650,000,000**				**649,052,191**	**464,250**

CURRENT BONDS IN FOREING CURRENCY – YEN

Series	Amount issued YEN	Amount placed YEN	Date of issue	Maturity date	Average rate	Balance owed due YEN	Balance MCH$
XS1144348411	4,900,000,000	4,900,000,000	04/12/2014	04/12/2017	0.700%	4,872,282,597	28,600
XS1144348841	10,100,000,000	10,100,000,000	04/12/2014	04/12/2019	0.810%	10,023,267,129	58,836
XS1144350821	1,500,000,000	1,500,000,000	04/12/2014	04/12/2017	0.669%	1,491,497,065	8,755
Subtotal	**16,500,000,000**	**16,500,000,000**				**16,387,046,791**	**96,191**
Total Current Bonds							**2,903,143**

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

Series	Amount issued UF	Amount placed UF	Date of issue	Maturity date	Average rate	Balance owed due UF	Balance MCH$
SERIE_C y D	2,000,000	2,000,000	01/12/1995	01/12/2016	6.92%	189,461	4,856
SERIE_E	1,500,000	1,500,000	01/11/1997	01/11/2018	7.37%	405,821	10,401
SERIE_F	1,200,000	1,200,000	01/05/1999	01/05/2024	7.73%	655,159	16,791
SERIE_G	400,000	400,000	01/05/1999	01/05/2025	7.92%	234,237	6,003
SERIE_L	1,200,000	1,200,000	01/10/2001	01/10/2026	6.39%	801,552	20,543
SERIE_M	1,800,000	1,800,000	01/10/2001	01/10/2027	6.43%	1,244,335	31,891
SERIE_N	1,500,000	1,500,000	01/06/2004	01/06/2029	5.25%	1,110,225	28,454
SERIE_O	1,500,000	1,500,000	01/06/2004	01/06/2030	3.93%	1,096,047	28,091
SERIE_R	1,500,000	1,500,000	01/06/2005	01/06/2038	4.72%	661,043	16,942
SERIE_S	2,000,000	2,000,000	01/12/2005	01/12/2030	4.86%	1,488,777	38,156
SERIE_T	2,000,000	2,000,000	01/12/2005	01/12/2031	4.52%	1,553,105	39,805
SERIE_U	2,000,000	2,000,000	01/06/2007	01/06/2032	4.19%	1,878,415	48,142
SERIE_Y	4,000,000	4,000,000	01/12/2007	01/12/2030	4.25%	2,148,800	55,072
SERIE_W	4,000,000	4,000,000	01/06/2008	01/06/2036	4.05%	1,777,200	45,548
SERIE_AC	6,000,000	6,000,000	01/03/2010	01/03/2040	3.96%	5,523,177	141,554
SERIE_AD 1	4,000,000	4,000,000	01/06/2010	01/06/2040	4.17%	3,552,100	91,037
SERIE_AD 2	3,000,000	3,000,000	01/06/2010	01/06/2042	4.14%	2,652,172	67,973
SERIE_AH	15,000,000	9,000,000	01/09/2013	01/09/2043	3.63%	7,596,725	194,696
Total subordinated bonds	**54,600,000**	**48,600,000**				**34,568,351**	**885,955**
TOTAL BONDS							**3,789.098**

NOTE 21 -PROVISIONS

As of September 30, 2016 and December 31, 2015, the composition of this category follows:

	As of September 30, 2016	As of December 31, 2015
	MCH$	MCH$
Provisions for staff benefits and remuneration	42,131	39,151
Provisions for minimum dividends	76,249	99,247
Provisions for contingent credit risk	16,546	18,525
Provisions for contingencies (*)	87,089	95,540
Provisions for country risk	1,897	2,669
Total	**223,912**	**255,132**

(*) Includes additional provisions for MCH$65,564 (MCH$76,754 in 2015), which were constituted according to what is instructed by the SBIF and approved by the Board of Directors of the Bank, (See Note 1.y, literal i and Note 11).

Additionally it includes a provision to comply with the minimum of 0.50% required by the SBIF for the normal individual portfolio MCH$5,823 (MCH$0 in 2015) (See Note 1. letter y, literal ii y Note 11).

a) Provisions for staff benefits and remunerations

	As of September 30, 2016	As of December 31, 2015
	MCH$	MCH$
Provisions for staff benefits	32,817	29,045
Provisions for vacations	9,314	10,106
Total	**42,131**	**39,151**

The provision for other staff benefits includes bonuses related to the achievement of goals which will be paid in the following year.

b) Provisions for contingent loans

The provisions established for contingent loans as of September 30, 2016 and December 31, 2015, is as follows:

	As of September 30, 2016	As of December 31, 2015
	MCH$	MCH$
Provisions for contingent loans		
Guarantee and deposits	668	989
Confirmed foreign letters of credit	1	-
Documents issued letters of credit	216	191
Guarantees	6,339	6,223
Available credit lines	8,093	8,896
Other credit commitments	1,229	2,226
Total	**16,546**	**18,525**

NOTE 21 - PROVISIONS, continuation

c) Movements of provisions for the period 2016 and exercise 2015:

	PROVISIONS FOR					
	Staff benefits and remuneration	**Minimum dividends**	**Contingent credit risk**	**Contingencies**	**Country risk**	**Total**
	MCH$	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**
Balance as of January 1, 2016	**39,151**	**99,247**	**18,525**	**95,540**	**2,669**	**255,132**
Allocated provisions	18,465	76,249	3,398	63,648	51	**161,811**
Applied provisions	(15,485)	(99,247)	(5,377)	(72,099)	-	**(192,208)**
Release of provisions	-	-	-	-	(823)	**(823)**
Balance as of September 30, 2016	**42,131**	**76,249**	**16,546**	**87,089**	**1,897**	**223,912**
Balance as of January 1, 2015	**33,851**	**102,891**	**17,017**	**82,881**	**2,555**	**239,195**
Allocated provisions	22,754	99,247	3,852	22,618	-	**148,471**
Applied provisions	(17,454)	(102,891)	(2,344)	(9,959)	-	**(132,648)**
Release of provisions	-	-	-	-	114	**114**
Balance as of December 31, 2015	**39,151**	**99,247**	**18,525**	**95,540**	**2,669**	**255,132**

NOTE 22 - OTHER LIABILITIES

As of September 30, 2016 and December 31, 2015, the composition of this account is the following:

	As of September 30, 2016	**As of December 31, 2015**
	MCH$	**MCH$**
Accounts and notes payable	167,904	164,933
Unearned income	23,532	24,044
Sundry creditors	227,854	229,208
Other liabilities	14,555	18,959
Total	**433,845**	**437,144**

NOTE 23 - CONTINGENCIES AND COMMITMENTS

a) Commitments and liabilities recognized on off-balance sheet memorandum accounts the Interim Consolidated Statements of Financial Position.

The Bank and its subsidiaries have recognized the Interim Consolidated Statements of Financial Position, the following balances related to commitments and business liabilities on off-balance sheet memorandum accounts:

	As of September 30,	As of December 31,
	2016	2015
CONTINGENT RECEIVABLES	**MCH$**	**MCH$**
Collateral and guarantees:		
Collateral and guarantees in foreign currency	81,179	168,577
Confirmed foreign letters of credit	2,522	458
Document issued letters of credit	166,830	142,941
Performance bonds:		
Performance bonds in Chilean currency	973,788	779,549
Performance bonds in foreign currency	329,728	218,493
Immediately available Credit Lines	4,486,512	3,841,174
Other credit commitments:		
Higher education loans Law 20,027	32,199	47,398
Others	155,275	197,474
THIRD PARTY OPERATIONS		
Collections:		
Foreign collections	163,501	236,488
Domestic collections	165,563	157,304
CUSTODY OF SECURITIES		
Securities in custody with the bank	116,136	118,065
Total	**6,673,233**	**5,907,921**

b) Lawsuits and legal proceedings

BCI Bank

The Bank and its subsidiaries have various legal lawsuits pending related to their businesses and which, in the opinion of the Management and their internal legal advisers, will not result in additional liabilities to those previously recognized by the Bank and its subsidiaries. Hence, Management did not consider thatallocation of additional provisions to those already made for these contingencies is necessary.

NOTE 23 - CONTINGENCIES AND COMMITMENTS, continuation

BCI Corredor de Bolsa S.A.

As of September 30, 2016, BCI Corredora de Bolsa S.A. direct subsidiary, has a bankruptcy revocation demand dated August 8, 2011 in summary proceedings before the Twenty-Third Civil Court of Santiago, N° of ROL-C 10251-2008 between Inversiones Acson Ltda., BCI Corredor de Bolsa S.A. and others. Action seeks to declare the unenforceability of certain operations liquidation performed by Alfa Corredores de Bolsa S.A., before being declared bankrupt for MCH$8,330. On May 26, 2015, the Twenty-Third Civil Court of Santiago delivered a judgment rejecting the action imposed by Acson Investments Limited. That judgement was appealed on September 9, 2015, by "Inversión Acson Limitada"; appeal that, after the root cause, was rejected in its entirety by a judgment dated December 2, 2015, for which "Inversión Acson Limitada" filed on 18 December of the same year, a cassation appeal, which favorably passed the first procedure of admissibility by the Court of Appeals of Santiago. Notwithstanding the foregoing, dated September 21, 2016, at the request of the parties, the Supreme Court ordered the suspension of the procedure up to 17 working days from September 17, 2016. On July 19, 2016, the allegations were made in the First Chamber of the Supreme Court regarding the appeal in the fund filed by Inversiones Acson Limitada, whose judgment is in agreement but pending judgment.There is a low probability of losing the trial. There are no provisions made.

c) Operating guarantees:

- Direct commitments

The Bank as of September 30 2016 has no guarantees for this item.

- Operating guarantees

As of September 30, 2016 the subsidiary BCI Corredor de Bolsa S.A. has contracted guarantees of commitments for simultaneous operations on the Santiago Stock Exchange and Stock Exchange whose valuation amounted to MCH$127,728 (MCH$120,252 As of December 31, 2015).

As of September 30, 2016 the subsidiary BCI Corredor de Bolsa S.A. maintains collateral provided for the proper performance of operations in the CCLV settlement system, the Santiago Stock Exchange, and Stock Exchange of MCH$3,460 (MCH$3,594 As of December 31, 2015).

As of September 30, 2016, the subsidiary BCI Corredor de Bolsa S.A. maintains collateral provided for the proper performance of operations in the CCLV settlement system in financial derivatives, on the Santiago Stock Exchange of MCH$246 (MCH$246 As of December 31, 2015).

As of September 30, 2016, the subsidiary BCI Corredor de Bolsa S.A. maintains collateral provided abroad to international market operations of MCH$66 (MCH$71 As of December 31, 2015).

As of September 30, 2016 the subsidiary BCI Corredor de Bolsa SA holds any collateral by lending commitments, short selling shares on the stock whose valuation Electronics Chile amounted to MCH$4,272 (MCH$6,163 As of December 31, 2015).

As of September 30, 2016, the direct subsidiary BCI Corredor de Bolsa maintains performance bond to ensure contract SOMA for MCH$288 (MCH$266 As of December 31, 2015).

NOTE 23 - CONTINGENCIES AND COMMITMENTS, continuation

As of September 30 2016, the subsidiary BCI Corredor de Bolsa SA maintains constituted an upward UF20,000 guarantee to comply with the provisions of Article No, 30 of Law 18,045, which is to ensure proper and full compliance with all its obligations as securities intermediary and its beneficiaries are creditors, present or future need or come to take account of their operations stockbroker. This warranty applies to a policy taken on August 19, 2016 Nº330-14-00004975 and which is valid until August 19, 2017 the Company Mapfre Insurance and Credit Guarantee, with Santiago Stock Exchange, Stock Exchange the representative of potential beneficiaries' creditors.

- Officer fidelity or employee fidelity insurance

As of September 30, 2016, the subsidiary BCI Corredor de Bolsa S.A., contracted insurance taken with BCI Corredora de Seguros S.A., which protects to the Banco de Credito e Inversiones and its subsidiaries under Policy Banking Integral Nº3106568-2 which is valid starting on November 30, 2015 until November 30, 2016, with a UF100,000 of coverage.

BCI Corredores de Seguros S.A.

As of September 30, 2016, the subsidiary BCI Corredora de Seguros S.A., has taken out the following insurance policies to comply with the provisions of paragraph d) of Article No. 58 of Decree-Law No. 251 of 1931, to answer for the correct and complete fulfillment of all obligations under its activity:

- Guarantee Policy for Insurance Brokers No, 10031788 for an insured amount of UF500 contracted with Compañía de Seguros Generales Consorcio Nacional de Seguros S.A. which is valid from April 15, 2016 until April 14, 2017, establishing himself as right insurance company against repeating the brokerage itself, all sums paid first had to pay to third parties affected by poor trading brokerage.

- Professional Liability Policy for Insurance Brokers Nº10031790 by an insured amount of UF60,000 with Deductible UF500 contracted with Company of Seguros Generales Consorcio Nacional de Seguros S.A., which is valid from April 15, 2016 until April 14, 2017, to protect the broker against any claims by third parties having the right insurance company to request reimbursement of brokerage paid to the third party claimant.

BCI Factoring S.A.

As of September 30, 2016, the subsidiary BCI Factoring S.A., has approved lines of coverage for operators Factor Chain International forMCH$2,768 (MCH$10,115 in December 2015) equivalent to US$4,200,000.00 (US$14,300,000.00 in December 2015) of which MCH$18 (MCH$2,545 in December 2015) has been used, equivalent to US$27,922.00 (US$3,598,377.54 in December 2015).

NOTE 23 - CONTINGENCIES AND COMMITMENTS, continuation

d) Contingent loans and liabilities

In order to satisfy the needs of its customers, the Bank assumed several irrevocable commitments and contingent obligations. Although these obligations are not recognized inthe 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 shows the contractual amounts of the transactions that require the Bank to grant loans and the amount of the provisions made for the risk of loan losses assumed:

	As of September 30,	As of December 31,
	2016	2015
	MCH$	MCH$
Sureties and finances	81,179	168,577
Documentary letters of credit	166,830	142,941
Performance bonds	1,303,516	998,042
Amount available for credit cards users	4,486,512	3,841,174
Provisions (Note 21)	(16,546)	(18,525)
Total	**6,021,491**	**5,132,209**

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

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

	As of September 30,	As of December 31,
	2016	2015
	MCH$	MCH$
Documents in collection	329,064	393,792
Custody of assets	116,136	118,065
Total	**445,200**	**511,857**

NOTE 24 - EQUITY

a) Capital stock and preference shares

Movement of common shares during the periods 2016 and December 31, 2015, is as follows:

	As of September 30, 2016	As of December 31, 2015
	Número	**Número**
Emitidas al 1 de enero	110,806,999	108,701,164
Emisión de acciones liberadas	2,019,920	2,105,835
Subscribed and paid Shares for capital increase	10,737,300	-
Totales emitidas	**123,564,219**	**110,806,999**

The Ordinary Shareholders' Meeting as of March 22, 2016, approved distributing the 2015 net profits of MCH$330,823 as follows:

- Distribute a dividend of $1,000 per share for 110,806,999 shares issued and registered in the Register of Shareholders, which amounts to MCH$110,807.

- Allocate the remaining balance of MCH$220,016 to the reserve fund for capitalization.

On March 22, 2016, the Extraordinary Shareholders' Meeting approved, among other things, increasing the capital stock by MCH$220,016, by capitalizing retained earnings:

- Capitalizing the amount of MCH$165,411 without issuing any shares and

- Capitalizing the amount of 2,019,920 by issuing MCH$54,605 paid-in shares.

In accordance with its by-laws, the Bank's capital stock was MCH$1,781,396 divided into 110,806,999 no-par-value shares of the same series. As a result of the capital increase, the capital stock of Banco de Crédito e Inversiones is MCH$2,008,906 and it was divided into 112,826,919 no-par-value shares of the same series.

The mentioned capital increase was approved by the Superintendency of Banks and Financial Institutions through Resolution No. 163 of May 13, 2016, an excerpt of which was rectified by the Agency on 16 June 2016. Both documents were published in the Official Journal on May 20, 2016 and on July 4, of the same year, respectively.

In Extraordinary Shareholders' Meeting held on October 27, 2015, it was approved to revoke the capital increase of MCH$198,876 which had been approved in the Shareholders Extraordinary Meeting on September 26, 2013, that has not been subscribed nor paid. For the same it was also agreed to increase the share capital through the issuance of 10,737,300 paid-in shares; that increase shall be subscribed and paid within three years from the date of the aforesaid meeting.

NOTE 24 - EQUITY, continuation

From those shares payment, as of March 31, 2016 there are 308,023 shares subscribed and paid, equivalent to MCh$7,494.

That on April 19, preferential option period was completed, in which the shareholders entitled thereto, subscribed and paid a total of 10,148,941 shares. The total proceeds of the capital increase amounted to MCh$260,205.

That on April 26, remaining unsubscribed payment was materialized for a total of 280,336 shares. Raising the amount of MCh$7,709.

With this, all the increase agreed at the Extraordinary Meeting of Shareholders held on October 27, 2015, ends, raising a total of Mch$275,408.

b) As of September 30, 2016 and December 31,2015, the shareholders distribution is the following:

As of September 30, 2016	**shares**	
	Nº of Shares	**% of Participation**
Empresas Juan Yarur SPA	68,128,157	55.14
Jorge Yarur Bascuñán	4,760,582	3.85
Banco de Chile por cuenta de terceros no residentes	4,617,611	3.74
Banco Itaú por cuenta de Inversionistas Extranjeros	3,284,658	2.66
AFP Habitat S,A,	2,924,466	2.37
AFP Provida S,A,	2,641,050	2.14
Credicorp LTD	2,286,328	1.85
Bci Corredor de Bolsa S,A, por cuenta de terceros	2,168,307	1.75
AFP Capital S,A,	2,143,120	1.73
Yarur Rey Luis Enrique	2,065,604	1.67
Imsa Financiera SPA	1,909,945	1.55
Banco Santander por cuenta de Inversionistas Extranjeros	1,908,743	1.54
AFP Cuprum S,A,	1,862,165	1.51
Inversiones Tarascona Corporation Agencia en Chile	1,659,674	1.34
Inversiones Cerro Sombrero Financiero SpA	1,355,742	1.10
Banchile Corredores de Bolsa S,A,	1,201,106	0.97
Yarur Rey Victoria Inés	858,657	0.69
Yarur Rey María Eugenia	858,646	0.69
Yarur Rey Juan Carlos	858,644	0.69
Larraín Vial S,A, Corredora de Bolsa	829,772	0.67
Empresas JY S,A,	731,667	0.59
Valores Security S,A Corredora de Bolsa	696,559	0.56
Inversiones VYR Ltda,	657,595	0.53
Inmobiliaria e Inversiones Chosica S,A,	539,709	0.44
Yarur Rey Jorge Alberto	511,367	0.41
Otros Accionistas	12,104,345	9.82
Acciones suscritas y pagadas	**123,564,219**	**100.00**

NOTE 24 - EQUITY, continuation

As of December 31, 2015	shares	
	Nº of Shares	% of Participation
Empresas Juan Yarur SPA	61,030,794	55.08%
Jorge Yarur Bascuñán	4,682,760	4.23%
Credicorp LTD	4,497,906	4.06%
Sociedad Financiera del Rimac S.A.	3,849,983	3.47%
Banco de Chile por cuenta de terceros no residentes	3,473,278	3.13%
Banco Itaú por cuenta de Inversionistas	3,112,436	2.81%
Bci Corredor de Bolsa S.A. por cuenta de terceros	2,067,074	1.87%
AFP Habitat S.A.	1,977,723	1.78%
AFP Provida S.A.	1,738,324	1.57%
Banco Santander por cuenta de Inversionistas Extranjeros	1,669,093	1.51%
Inversiones Tarascona Corporation Agencia en Chile	1,632,543	1.47%
AFP Capital S.A.	1,474,579	1.33%
AFP Cuprum S.A.	1,410,741	1.27%
Imsa Financiera SPA	1,348,093	1.22%
Inmobiliaria e Inversiones Cerro Sombrero S.A.	1,215,770	1.10%
Yarur Rey Luis Enrique	1,082,348	0.98%
Banchile Corredores de Bolsa S.A.	970,601	0.88%
Larraín Vial S.A. Corredores de Bolsa	831,330	0.75%
Empresas JY S.A.	719,706	0.65%
Inversiones VYR Ltda.	589,702	0.53%
Inmobiliaria e Inversiones Chosica S.A.	483,987	0.44%
Penta Corredores de Bolsa S.A.	472,782	0.43%
Corpbanca Corredores de Bolsa S.A.	400,128	0.36%
Bolsa de Comercio de Santiago Bolsa de Valores	369,893	0.33%
Inversiones Lo Recabarren Ltda.	353,127	0.32%
Otros Accionistas	9,352,298	8.43%
Acciones suscritas y pagadas	**110,806,999**	**100.00%**

c) Dividends

During periods ended as of September 30, 2016 and 2015, the following dividends were declared by the Bank:

	As of September 30,	
	2016	2015
	$	$
Ch$ per common share	1,000	1,000

The mandatory dividend provision as of September 30, 2016 ascends to MCH$76,249 (MCH$99,247 as of December 31, 2015).

NOTE 24 - EQUITY, continuation

d) As of September 30, 2016 and 2015, the composition of diluted earnings and basic earnings is as follows:

	As of September 30,	
	2016	**2015**
Earnings attributable to the equity holders of the Bank	254,142	244,193
Income available for Shareholders	**254,142**	**244,193**
Weighted average number of shares	123,564,219	110,806,999
Basic and diluted earnings per share (Ch$/Share)(*)	**2,057**	**2,204**

(*) Basic and diluted earnings are calculated based on the income of the year in accordance with accounting rules and instructions issued by the Superintendence of Banks and Financial Institutions.

e) Cumulative translation adjustment

As of September 30, 2016 and December 31, 2015, the reconciliation of conversion net differences cumulative as a separate component of shareholders' equity is as follows:

	MCH$
Balance as of January 1, 2015	14,876
Charges of net Exchange differences	6,990
Balance as of December 31, 2015	**21,866**
Balance as of January 1, 2016	21,866
Charges of net Exchange differences	(7,719)
Balance as of September 30, 2016	**14,147**

Reconciliation of the available for sale portfolio and cash flow hedge is as follows:

	Available for share	**Cash flow hedges**
	MCH$	**MCH$**
Accumulated comprehensive income 2014	**9,275**	**(9,460)**
Movement transferred to P&L	2,733	(41)
Market to market of portfolio	(39,389)	(6,366)
Accumulated comprehensive income 2015	**(27,381)**	**(15,867)**
Movement transferred to P&L	(3,185)	6
Market to market of portfolio	56,856	(14,084)
Accumulated comprehensive income 2016	**26,290**	**(29,945)**

NOTE 24 - EQUITY, continuation

f) Nature and purpose of valuation accounts

- Conversion reserves:

Originated from exchange rate differences arising from the conversion of a net investment in a foreign entity with a different currency.

- Hedging reserves:

Originated from the valuation at fair value at the closure of each period of the current derivative contracts defined as cash flow hedges. Over the contractual time period of these cash flow hedges, these reserves must be adjusted based on the valuation at the closure of each period.

- Reserves for fair value:

Reserves for fair value include the accumulated net changes in the market value of available for sale investments. When the investment is sold or disposed of (as a whole or in part), these reserves are recorded in the Interim ConsolidatedStatement of Income for the period as part of the loss or gain related to investments.

g) Capital requirements

The basic capital as of September 30,2016, equivalent to the net amount that should be shown in the Interim Consolidated Financial Statements as Shareholders' equity attributable to equity holders, as indicated in the Compendium of Accounting Regulations. According to General Banking Law, the Bank should maintain a minimum ratio of effective stockholders' equity to consolidated risk-weighted assets of 8%, net of required allowances, and a minimum ratio of net basic capital to consolidated total assets of 3%, net of required allowances. Effective stockholders' equity for these purposes is Capital and reserves or Net capital with the following adjustments: a) the addition of subordinated bonds up to 50% of Net capital base, b) additional provisions as added, c) all goodwill and paid premium are deducted, and d) assets that correspond to investments in non-consolidated subsidiaries.

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 with other 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 endorse these assets. Property, plant and equipment have 100% risk, which means that a minimum capital, equivalent to 8% of these assets, should be held.

NOTE 24 - EQUITY, continuation

All OTC derivative securities are considered in the determination of risk assets with a conversion factor over the notional values, thus obtaining the amount of credit risk exposure (or "credit equivalent"), Off-balance contingent credits are also considered as a "credit equivalent".

The levels of basic capital and effective shareholders' equity at the closing of the period 2016 and exercise 2015 are the following:

	Consolidated assets		Risk-weighted assets	
	As of September 30, 2016	As of December 31, 2015	As of September 30, 2016	As of December 31, 2015
	MCH$	MCH$	MCH$	MCH$
Assets for the Interim Consolidated Statements of Financial Position(net of provisions)				
Cash and deposits in banks	1,327,172	1,272,552	-	-
Ítems in course of collection	343,590	434,550	55,172	64,343
Trading portfolio financial assets	1,093,120	1,298,131	222,921	164,032
Investment under agreements to resell	225,531	206,105	225,529	206,105
Derivative financial instruments	1,509,546	1,499,423	881,981	1,065,534
Interbank loans	264,662	169,416	236,495	154,412
Loans and receivable from costumers, net	21,088,963	19,770,529	19,196,849	17,983,213
Financial investments available for sale	2,442,961	2,407,882	977,085	1,208,055
Investments to the maturity	854	708	854	708
Investments in other companies	179,884	170,103	179,883	170,103
Intangible assets	173,770	175,551	163,203	173,354
Property, plant and equipment, net	279,876	282,556	279,877	282,556
Current income tax provision	90,795	93,458	9,080	9,346
Deferred income tax	165,159	203,686	16,516	20,369
Other assets	722,514	788,116	480,961	460,849
Assets off the the Interim Consolidated Statements of Financial Position				
Contingent loans	2,480,645	2,802,922	1,488,387	1,681,753
Additions and deductions	(190,303)	58,800	-	(1,516)
Total assets	**32,198,739**	**31,634,488**	**24,414,793**	**23,643,216**

NOTE 24 - EQUITY, continuation

	As of September 30,	As of December 31,
	2016	2015
	MCH$	MCH$
Basic capital	2,468,504	2,000,287
Effective shareholder's equity	3,294,202	2,832,980
Consolidated assets	32,198,739	31,634,488
Risk-weighted assets	24,414,793	23,643,216

Concepts:	Ratio	
	As of September 30,	As of December 31,
	2016	2015
	%	%
Basic capital /Consolidated assets	7.67	6.32
Basic capital / Risk-weighted assets	10.11	8.46
Effective shareholder's equity / Risk-weighted assets	13.49	11.98

NOTE 25 - INCOME AND EXPENSES FROM INTEREST AND INFLATION INDEXATION

a) At the end of the period 2016 and 2015, the composition of income from interest and inflation indexation is the following:

Concept	As of September 30, 2016 Interest	2016 Inflation - Indexation	2016 Total	2015 Interest	2015 Inflation - Indexation	2015 Total
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
Repurchase agreements	1,554	779	**2,333**	887	-	**887**
Interbank loans	3,156	-	**3,156**	2,624	-	**2,624**
Commercial loans	526,587	81,993	**608,580**	401,929	97,598	**499,527**
Mortgage loans	120,709	90,123	**210,832**	110,018	102,314	**212,332**
Consumer loans	255,688	225	**255,913**	236,411	881	**237,292**
Investment instruments	53,305	4,054	**57,359**	28,533	4,510	**33,043**
Other income (*)	104	9,213	**9,317**	8,569	1,396	**9,965**
Hedge accounting gain/loss	(8,834)	-	**(8,834)**	(49,233)	-	**(49,233)**
Total income from interest and inflation-indexation	**952,269**	**186,387**	**1,138,656**	**739,738**	**206,699**	**946,437**

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

At the end of the period 2016 and 2015, the detail of the interest charges and adjustments is as follows:

Concept	As of September 30, 2016 MCH$	2015 MCH$
Demand deposits	(9,064)	(5,111)
Repurchase agreements	(10,318)	(11,129)
Time deposits and borrowings	(250,726)	(195,163)
Borrowings from financial institutions	(18,107)	(13,495)
Issued debt instrument	(154,547)	(162,904)
Other financial obligation	(3,897)	(1,484)
Other interest and inflation - indexation expenses	(2,680)	(1,848)
Gain /(loss) from accounting hedges	(12,032)	5,153
Total expenses from interest and inflation - indexation	**(461,371)**	**(385,981)**

b) As of September 30, 2016 and 2015 the detail of income and expenses related to hedge accounting is as follows:

	As of September 30, 2016 Fee	2016 Inflation - Indexation	2016 Total	2015 Fee	2015 Inflation - Indexation	2015 Total
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
Hedge of Assets						
Fair Value Hedge	50,207	19,659	**30,548**	10,224	633	**9,591**
Cash Flow Hedge	17,079	56,461	**(39,382)**	21,659	80,483	**(58,824)**
Subtotal	**67,286**	**76,120**	**(8,834)**	**31,883**	**81,116**	**(49,233)**
Hedge of Liabilities						
Fair Value Hedge	10,774	22,806	**(12,032)**	40,776	35,623	**5,153**
Subtotal	10,774	22,806	**(12,032)**	40,776	35,623	**5,153**
Total	**78,060**	**98,926**	**(20,866)**	**72,659**	**116,739**	**(44,080)**

NOTE 26 - INCOME AND EXPENSES FROM FEES

As of September 30, 2016 and 2015, the composition of income and expenses from fees is the following:

	As of September 30,	
	2016	2015
	MCH$	MCH$
Fee and commission income:		
Lines of credit and overdrafts	4,741	2,605
Guarantees and letter of credit fees	15,586	14,869
Credit card services	57,303	50,207
Commisions for account administration	32,292	26,053
Collection service fees	38,162	36,335
Securities brokerage fees	4,319	7,594
Mutual and investment fund management fees	43,617	35,303
Insurance brokerage fees	31,503	26,583
Remuneration for services provided	15,875	16,663
Other services	5,345	3,647
Total income from fees	**248,743**	**219,859**
Expenses from commissions:		
Credit card operation fees	(28,311)	(25,166)
Securities trading expenses	(9,191)	(12,086)
Other	(16,732)	(13,546)
Total expenses from fees	**(54,234)**	**(50,798)**

NOTE 27 - TRADING AND INVESTMENT INCOME

As of September 30, 2016 and 2015, the detail of trading and investment income is the following:

	As of September 30,	
	2016	2015
	MCH$	MCH$
Trading instruments	58,633	68,720
Derivative financial agreements	58,972	28,516
Other instruments at fair value through profit or loss	2,350	-
Sale of investments available for sale (realized gain)	2,751	2,197
Others	(10)	129
Total	**122,696**	**99,562**

NOTE 28 - FOREIGN EXCHANGE GAINS (LOSSES)

As of September 30, 2016 and 2015, the detail of the foreign exchange gains (losses) is the following:

	As of September 30,	
	2016	**2015**
	MCH$	**MCH$**
Exchange difference		
Gains from Exchange differences	19,149,183	16,689,144
Losses from Exchange differences	(19,165,514)	(16,851,629)
Subtotal	(16,331)	(162,485)
Foreign currency fluctuation effect for assets and liabilities denominated in foreign currency		
Net results for assets and liabilities in foreign currency	(9,381)	30,155
Subtotal	(9,381)	30,155
Hedge Accounting Result		
Asset Coverage Result	(31,096)	83,797
Liabilities Coverage Result	(15,088)	30,897
Subtotal	(46,184)	114,694
Total	**(71,896)**	**(17,636)**

This item includes income accrued in the period due toholding of assets and liabilities in foreign currency or indexed to the exchange rate, the forex trading and results of derivatives used for hedging foreign currency.

NOTE 29 - PROVISIONS FOR CREDIT RISK AND IMPAIRMENT

The movement recorded for September 30, 2016 and 2015, for provisions and impairment is the following:

September 2016	Interbank loans	Commercial loans	Mortgage loans	Consumer loans	Contingent loans	Additional provisions	Minimum provisions adjustment for the normal portfolio	Total
		Loans and receivables to customers						
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
Provisions:								
Individual provisions	226	37,553	-	-	3,251	-	5,820	**46,850**
Collective provisions	-	49,186	10,610	102,344	147	-	-	**162,287**
Total provisions	**226**	**86,739**	**10,610**	**102,344**	**3,398**	**-**	**5,820**	**209,137**
Charge of impairment								
Individual impairment	-	-	-	-	-	-	-	**-**
Collective impairment	-	-	-	-	-	-	-	**-**
Net Income for impairment	-	-	-	-	-	-	-	**-**
Reversal of provisions:								
Individual provisions	(77)	(10,398)	-	-	(2,341)	-	-	**(12,816)**
Collective provisions	-	(7,518)	(1,634)	(192)	(2,740)	(15,808)	-	**(27,892)**
Total reversal of provisions	**(77)**	**(17,916)**	**(1,634)**	**(192)**	**(5,081)**	**(15,808)**	**-**	**(40,708)**
Recovery of written-off assets	-	(15,715)	(1,927)	(17,734)	-	-	-	**(35,376)**
Reversal for impairment	-	-	-	-	-	-	-	**-**
Net provisions for credit risk	**149**	**53,108**	**7,049**	**84,418**	**(1,683)**	**(15,808)**	**5,820**	**133,053**

NOTE 29-PROVISIONS FOR CREDIT RISK AND IMPAIRMENT, continuation

		Loans and accounts receivable from customers						
September 2015	**Interbank loans**	**Commercial loans**	**Mortgage loans**	**Consumer loans**	**Contingent loans**	**Additional provisions**	**Minimum provisions adjustment for the normal portfolio**	**TOTAL**
	MCH$	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**
Provisions established:								
Individual provisions	263	74,288	-	-	1,463	-	-	**76,014**
Group provisions	-	43,803	1,554	84,433	399	7,000	-	**137,189**
Total provisions established	**263**	**118,091**	**1,554**	**84,433**	**1,862**	**7,000**	**-**	**213,203**
Charge of impairment								
Impairment for Individual portfolio	-	-	-	-	-	-	-	**-**
Impairment for collectively evaluated portfolio	-	-	-	-	-	-	-	**-**
Net Income for impairment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Release of provisions:								
Individual provisions	(678)	(30,936)	-	-	(1,378)	-	(7,688)	**(40,680)**
Group provisions	-	(4,660)	-	(133)	(1,397)	-	-	**(6,190)**
Total release of provisions	**(678)**	**(35,596)**	**-**	**(133)**	**(2,775)**	**-**	**(7,688)**	**(46,870)**
Recovery of written-off assets	-	(12,353)	(1,436)	(17,151)	-	-	-	**(30,940)**
Reversal for impairment	-	-	-	-	-	-	-	**-**
Net provisions for credit risk	**(415)**	**70,142**	**118**	**67,149**	**(913)**	**7,000**	**(7,688)**	**135,393**

In Management's opinion, the provisions for credit risk and impairment cover all eventual losses that may occur as a result of the non-recovery of assets, according to the data examined by the Bank.

NOTE 30 - PERSONNEL SALARIES AND EXPENSES

The composition of personnel salaries and expenses for September 30, 2016 and 2015, is the following:

	As of September 30,	
	2016	2015
	MCH$	MCH$
Staff remunerations	137,417	104,348
Bonuses or awards	110,266	90,877
Severance payments	6,206	4,975
Training expenses	2,237	1,629
Other staff expenses	16,822	11,823
Total	**272,948**	**213,652**

NOTE 31 - ADMINISTRATIVE EXPENSES

As of September 30, 2016 and 2015, the composition of this account is the following:

	As of September 30,	
	2016	2015
	MCH$	MCH$
General administrative expenses		
Maintenance and repairs of the bank's property, plant and equipment	8,961	6,493
Office rental	19,339	17,018
Equipment rental	208	308
Insurance premiums	6,505	3,078
Office materials	4,211	3,560
Computer and communications expenses	26,738	19,824
Lighting, heating and other services	6,290	4,319
Security and custody transportation services	9,484	8,775
Travel expenses	3,676	3,255
Judicial and notarial expenses	2,537	2,051
Fees for technical reports	2,129	1,395
Audit fees for financial statements	2,244	1,414
Cleaning services	3,354	3,115
Consulting	8,952	9,571
Postal-related expenses	1,118	1,124
Other general administrative expenses	17,087	11,544
Sub-contracted services		
Data processing	3,957	3,782
Sale of products	-	-
Credit evaluation	198	-
Other	5,521	4,877
Board of Directors expenses		
Board of Directors remuneration	2,583	2,137
Other Board of Directors expenses	139	97
Publicity and advertising	15,724	13,836
Taxes, property taxes and contributions		
Real estate contributions	1,079	962
Licenses	1,180	1,125
Other taxes	3,058	206
Contribution to SBIF	5,664	4,483
Total	**161,936**	**128,349**

NOTE 32- DEPRECIATION, AMORTIZATION AND IMPAIRMENT

a) As of September 30, 2016 and 2015, the values corresponding to position in income for income depreciation and amortization at each year are detailed bellow:

	As of September 30,	
	2016	**2015**
	MCH$	**MCH$**
Depreciation and amortization		
Depreciation of property, plant and equipment	(18,978)	(16,470)
Amortization of intangible assets	(21,485)	(14,269)
Total	**(40,463)**	**(30,739)**

b) As of September 30, 2016 and 2015, the Bank recognized impairment as follows:

	As of September 30,	
	2016	**2015**
	MCH$	**MCH$**
Impairment		
Property, plant and equipment (1)	(6)	(2.289)
Intangible asset	-	-
Total	**(6)**	**(2.289)**

(1) As of September 30, 2016 and 2015 the Property, plant and equipment impairment of MCH$6 and MCH$2.289, corresponds to the balance of gross property, plant and equipment less accumulated depreciation.

c) The reconciliation between the balances as of January 1, 2016 and 2015 and the balances as of September 30, 2016 and 2015 are as follows:

	Depreciation, amortization and impairment As of September 30,					
	2016			**2015**		
	Property, plant and equipment	**Intangible assets**	**Total**	**Property, plant and equipment**	**Intangible assets**	**Total**
	MCH$	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**
Balance as of January 1,	**174,421**	**165,497**	**339,918**	**159,263**	**144,443**	**303,706**
Charges for depreciation and amortization	18,978	21,485	**40,463**	16,470	14,269	**30,739**
Deregister and sales for the exercise	(635)	(39,051)	**(39,686)**	(1,118)	(14)	**(1,132)**
Others	(424)	(87)	**(511)**	22	101	**123**
Balance As of September 30,	**192,340**	**147,844**	**340,184**	**174,637**	**158,799**	**333,436**

NOTE 33 - OTHER OPERATING INCOME AND EXPENSES

a) Other operating income

As of September 30, 2016 and 2015, the composition of operating income is the following:

	As of September 30,	
	2016	2015
Concept	**MCH$**	**MCH$**
Income from assets received in lieu of payment		
Gain on sale of assets received in lieu ofpayment	1,629	2,398
Other income	923	-
Subtotal	2,552	2,398
Release of provisions for contingencies		
Provisions for country risk	660	411
Other provisions for contingencies	-	2,851
Subtotal	660	3,262
Other income		
Gains on sale of property, plant and equipment	201	2
Insurance claims	682	573
Leasing income	4,390	2,345
Other income	12,574	12,587
Subtotal	17,847	15,507
Total	**21,059**	**21,167**

NOTE 33 - OTHER OPERATING INCOME AND EXPENSES, continuation

b) Other operating expenses

During the periods 2016 and 2015, the composition of operating expenses is the following:

	As of September 30,	
	2016	**2015**
Concept	**MCH$**	**MCH$**
Provisions and expenses for assets received in lieu of payment		
Provisions for assets received in lieu of payment	-	72
Write-offs of assets received in lieu of payment	3,311	1,651
Maintenance expenses for assets received in lieu of payment	331	162
Subtotal	3,642	1,885
Establishment of provisions for contingencies		
Provisions for country risk	52	4
Other provisions for contingencies	5,784	5,928
Subtotal	5,836	5,932
Other expenses		
Loss on sale of property, plant and equipment	1,497	255
Contributions and donations	1,723	1,538
Write-offs of judicial and notary expenses	2,842	2,497
Leasing expenses	4,353	3,459
Non-operating write-offs	4,896	4,106
Agreement expenses	585	585
Other expenses	3,646	2,720
Subtotal	19,542	15,160
Total	**29,020**	**22,977**

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES

a) Loans granted to related parties

Loans granted to related parties are as follows:

	As of September 30, 2016			As of December 31, 2015		
	Operating companies MCH$	**Holding companies MCH$**	**Individuals MCH$**	**Operating companies MCH$**	**Holding companies MCH$**	**Individuals MCH$**
Loans and receivables to customers						
Commercial loans	72,694	66,130	12,074	110,050	43,093	10,951
Mortgage loans	-	-	28,728	-	-	26,937
Customer loans	-	-	4,619	-	-	4,198
Loans and receivables to customers-gross	**72,694**	**66,130**	**45,421**	**110,050**	**43,093**	**42,086**
Provisions for loan losses	(289)	(85)	(170)	(275)	(68)	(33)
Loans and receivables to customers, net	**72,405**	**66,045**	**45,251**	**109,775**	**43,025**	**42,053**
Contingent loans	89,145	28,371	11,131	131,244	16,994	10,650
Provisions for contingent loans	(91)	(50)	(3)	(147)	(55)	(5)
Contingent loans, net	**89,054**	**28,321**	**11,128**	**131,097**	**16,939**	**10,645**

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, continuation

b) Other transactions with related parties

During the periods 2016 and 2015, the Bank has undertaken the following transactions with related parties:

September 2016				**Effect on statement of income**	
	Relationship with the Group	**Description**	**Balance assets**	**Expense**	**Income**
			MCH$	**MCH$**	**MCH$**
Archivos Credenciales e Impresos Archivert S.A.	Other	Cards manufacturing	172	172	-
Artikos Chile S.A.	Joint Venture	Acquisitions services	719	719	-
Bolsa de Comercio de Santiago S.A.	Other	Rental terminals	115	115	-
Bci Seguros de Vida S.A.	Common Control	Service revenue and channel usage	4,187	-	4,187
		Marketing	934	-	934
		Premiums Payment	87	74	-
		Subordinated bonds	987	52	-
		Time Deposit Financial Instrument	2,213	35	-
		Brokerage Fees BCI CCSS(*)	12,309	-	12,309
		Cost recovery BCI CCSS(*)	48	-	
Bci Seguros Generales S.A.	Common Control	Commission for collection and PAC	357	-	357
		Casualties	1,561	-	1,561
		Time Deposits Financial Instruments	2,595	-	-
		banking bonus	1,539	8	-
		Brokerage Fees BCI CCSS(*)	14,737	-	14,737
		Brokerage Awards BCI CCSS(*)	2,468	-	2,468
		Cost recovery BCI CCSS(*)	100	100	-
Centro de Compensación Automatizado S.A.	Other	Electronic Banking Transactions	880	824	-
Combanc S.A.	Associate	Compensation and high value payment	222	222	-
Conexxion Spa	Other	Service mail	253	253	-
Depositos Central de Valores S.A.	Associate	Financial Instruments Custody	225	225	-
Diseño y Desarrollo Computacional Ltda.	Other	Development and maintenance applications (Notes)	503	457	-
imagemaker S.A.	Other	Development and application solution	393	382	-
Jordan (Chile) S.A.	Common Control	Printing Forms	1,882	1,518	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Associate	Card Processing	5,720	5,720	-
PB Soluciones Ltda.	Other	ATMs Installation and Cleaning Service	141	109	-
Redbanc S.A.	Associate	ATMs Operation	4,629	3,926	-
Salcobrand S.A.	Common Control	Rent of places for ATMs	225	210	-
Santo Producciones Ltda.	Other	Events Production	127	113	-
Servicios de Información avanzada S.A.	Other	Trade Information Service	586	567	-
Servipag Ltda.	Joint Venture	Collection and Payment Services	6,600	5,444	-
Sistema Nacional de Com. Financieras S.A. (Sinacofi)	Other	Financial Information Service	372	331	-
Transbank S.A.	Associate	Credit Card Management	34,028	7,841	26,188

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, continuation

September 2015				Effect on statement of income	
	Relationship with the Group	Description	Balance assets	Expense	Relationship with the Group
			MCH$	MCH$	MCH$
Archivos Credenciales e Impresos Archivert S.A.	Other	Cards manufacturing	157	1	-
Artikos Chile S.A.	Joint Venture	Acquisitions services	572	572	-
Bolsa de Comercio de Santiago S.A.	Other	Rental terminals	118	112	-
Bci Seguros de Vida S.A.	Common Control	Service revenue and channel usage	4,309	-	4,309
		Premiums Payment	109	85	-
		Brokerage Fees BCI CCSS(*)	12,100	-	12,100
Bci Seguros Generales S.A	Common Control	Commission for collection and PAC	488	-	410
		Casualties	828	-	828
		Time Deposits Financial Instruments	25	-	-
		Brokerage Fees BCI CCSS(*)	12,404	-	12,404
		Brokerage Awards BCI CCSS(*)	1,610	-	1,610
Centro de Compensación Automatizado S.A.	Other	Electronic Banking Transactions	677	482	-
Combanc S.A.	Associate	Compensation and high value payment	245	244	-
Comder Contraparte Central S.A.	Associate	Compensation derivative chamber	158	158	-
Conexxion Spa	Other	Service mail	302	257	-
Depositos Central de Valores S.A.	Associate	Financial Instruments Custody	213	213	-
Diseño y Desarrollo Computacional Ltda.	Other	Development and maintenance applications (Notes)	510	313	-
GTD Teleductos S.A.	Other	Communications Service	307		-
Imagemaker IT S.A.	Other	Multipass Devices Purchase	572	535	-
Imagemaker S.A.	Other	Development and application solution	662	489	-
Jordan (Chile) S.A.	Common Control	Printing Forms	2,114	1,543	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Associate	Card Processing	4,868	4,519	-
PB Soluciones Ltda.	Other	ATMs Installation and Cleaning Service	221	169	-
Redbanc S.A.	Associate	ATMs Operation	4,391	3,739	-
Salcobrand S.A.	Common Control	Rent of places for ATMs	237	185	-
Santo Producciones Ltda.	Other	Events Production	200	185	-
Servicios de Informacion avanzada S.A.	Other	Trade Information Service	576	458	-
Servipag S.A.	Joint Venture	Collection and Payment Services	6,487	5,616	-
Sistema Nacional de Com. Financieras S.A. (Sinacofi)	Other	Financial Information Service	328	328	-
Transbank S.A.	Associate	Credit Card Management	30,122	6,539	23,584

All of these transactions were undertaken under market conditions in force on the date on which they were entered into.

NOTE 34- TRANSACTIONS WITH RELATED PARTIES, continuation

c) Other assets and liabilities with related parties

	As of September 30, 2016 MCH$	As of December 31, 2015 MCH$
ASSETS		
Financial derivative agreements	-	-
Other assets	-	-
LIABILITIES		
Derivatives contract	-	-
Demand deposits	72,597	82,471
Time deposits and other saving accounts	57,899	95,397
Other liabilities	-	-

d) Related parties income/expense recognized:

		As of September 30,			
		2016		2015	
Type of income or expense recognized	**Entity**	**Income MCH$**	**Expense MCH$**	**Income MCH$**	**Expense MCH$**
Income and expenses (net)	Sundry	7,302	(1,393)	8,014	(1,008)
Operational support expenses	Companies supporting the line of business	62,741	(29,417)	55,245	(26,742)
Total		**70,043**	**(30,810)**	**63,259**	**(27,750)**

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

Compensation earned by key personnel corresponds to the following categories:

	As of September 30,	
	2016 MCH$	**2015 MCH$**
Short-term remunerations for employees (*)	13,291	8,306
Severance indemnities for termination of contract	-	2,317
Total	**13,291**	**10,623**

(*) Total expenses corresponding to the Board of Directors and their counterparts at subsidiaries amounted to MCH$2,722 as of September 30, 2016 (MCH$2,234 in 2015).

NOTE 34- TRANSACTIONS WITH RELATED PARTIES, continuation

f) Composition of key personnel

As of September 30, 2016, the composition of the key personnel of the Bank and its subsidiaries is as follows:

Position	N° of executives
Director	20
General manager	14
Division and Area Manager	20
Total	**54**

g) Transactions with key management personnel

As of September 30, 2016 and 2015, the Bank has undertaken the following transactions with key personnel, as specified in detail below:

	As of September 30,					
	2016			**2015**		
	Balance owed	**Total remuneration**	**Income of key executives**	**Balance owed**	**Total remuneration**	**Income of key executives**
	MCH$	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**
Credit Card and other services	2,164	927,824	10	1,341	734,105	19
Mortgage loans	1,630	210,832	79	1,648	212,332	52
Guarantees	2,596	-	-	1,052	-	-
Total	**6,390**	**1,138,656**	**89**	**4,041**	**946,437**	**71**

NOTE 34- TRANSACTIONS WITH RELATED PARTIES, continuation

As of September 30, 2016, the Bank has the following contracts:

No.	Related company	The service involved	Concept	Description of the Contract	Term	Condition
1	Bolsa de Comercio de Santiago	Processing the stock exchange management system, through which BCI Corredor de Bolsa S.A. operates	Lease of terminals.	Contract to use the stock exchange management software.	Indefinite	Automatic renewal.
2	Centro de Automatizado S.A. (CCA)	Electronic transactions adjustment center	Center adjustment services.	Participant and incorporation into the electronic transfer center to expedite the completion of fund transfer operations, the Bank operates in the CET as an IFO (Originating Banking Institution) and as an IFR (Receiving Banking Institution).	Indefinite	Automatic renewal every year.
3	Compañía de Formularios Continuos Jordan (Chile) S.A.	Printing and making checkbooks.	Printing of forms.	Printing services are contracted for basic lists, special forms, revenue stamped forms, such as checks and at sight promissory notes.	Indefinite	Automatic renewal every year.
4	Operadoras de Tarjetas de Crédito Nexus S.A.	Processing credit card operations (issuer list)	Card processing.	Operations of Mastercard, Visa credit cards and debit card with regard to processing the issuer list.	Indefinite	Automatic renewal every 3 years
5	Redbanc S.A.	Administration of the operations of ATM's, Redcompra and RBI.	Operation of ATMs.	In fulfilling its corporate purpose, the Company will offer the participant, for the use of its customers or users, the electronic data transfer service via automatic tellers or other actual or virtual electronic means.	Indefinite	Automatic renewal every 3 years.
6	Servipag Ltda.	Collection and payment of services, payment of checks and receipt of deposits and administration of our teller service.	Collection and payment of services.	The service is contracted for resolution of collection transactions captured by BCI tellers for processing and rendition to customers	Indefinite	Automatic renewal.
7	Transbank S.A.	Processing credit card operations (user list)	Administration of credit cards.	Provision of Visa, Mastercard credit card services with regard to the user list.	Indefinite	Automatic renewal every 2 years.

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, continuation

No.	Related company	The service involved	Concept	Description of the Contract	Term	Condition
8	Artikos Chile S.A.	Purchases and logistics services portal.	Purchase of supplies	Electronic purchase service for assets and/or logistics services.	Indefinite	Automatic renewal every year.
9	BCI Seguros de Vida S.A.	Insurance	Insurance premiums	Individual life insurance policy for executives and guards.	Annual	Contracted annually
10	BCI Seguros Generales S.A.	Insurance	Insurance premiums	Individual policies for the Bank's physical assets, leased assets and comprehensive banking policy.	Annual	Contracted annually
11	Archivos Credenciales e Impresos Archivert Ltda.	Production of Credit and Debit Card Plastics	Credit and Debit Card Production.	Production of Credit and Debit Card Plastics	Indefinite	Automatic renewal every 2 years.
12	Combanc S.A.	Clearing and settlement of High Amounts payments. SWIFT Messaging (Order and / or receive balance information from Bank of Chile, fordaily transfer client funds.	Settlement of High Amounts payments.	Clearing and settlement of High Amounts payments. SWIFT Messaging (Order and / or receive balance information from Bank of Chile, for daily transfer client funds.	Indefinite	Automatic renewal.
13	Conexxion Spa	Postal mail service (normal and registered letter) Messaging (internal courier service and motorbikes)	Mail and Messaging.	Postal mail service (normal and registered letter) Messaging (internal courier service and motorbikes)	Indefinite	Automatic renewal every year.
14	Depósitos Central de Valores S.A.	Service Deposit and Securities Custody.	Securities Custody	Service Deposit and Securities Custody.	Indefinite	Automatic renewal.
15	Diseño y Desarrollo Computacional Ltda.	Software development and maintenance of Lotus Notes platform and Aprocred system (credit approval).	Technological Developments.	Software development and maintenance of Lotus Notes platform and Aprocred system (credit approval).	Indefinite	Automatic renewal every year.
16	GTD Teleductos S.A.	Telephony Services & Data Communications, Rent of links, continuity links, Fixed and continuous Telephony, mainly in Metropolitana Region.	Telephony Service.	Telephony Services & Data Communications, Rent of links, continuity links, Fixed and continuous Telephony, mainly in Metropolitana Region.	Indefinite	Automatic renewal every 2 years.
17	Imagemaker IT S.A.	Sale of Computational Security Devices (Multipass)	Technological Developments.	Sale of Computational Security Devices (Multipass)	Indefinite	Automatic renewal every year.

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, continuation

No.	Related company	The service involved	Concept	Description of the Contract	Term	Condition
18	Imagemaker S.A.	Software Development, Maintenance and Support Internet and Mobile Applications.	Technological Developments.	Software Development, Maintenance and Support Internet and Mobile Applications.	Indefinite	Automatic renewal every year.
19	PB Soluciones Ltda.	Cleaning and electrical maintenance of ATM enclosure in public places.	Cleaning and maintenance of ATM	Cleaning and electrical maintenance of ATM enclosure in public places.	Indefinite	Automatic renewal every 3 years.
20	Salcobrand S.A.	Lease of ATM’s site (affordable).	Lease of ATM’s site.	Lease of ATM’s site (affordable).	Indefinite	Automatic renewal every year.
21	Santo Producciones Ltda.	Events Production.	Events.	Events Production.	Indefinite	Automatic renewal.
22	Servicios de Información avanzada S.A.	Bureau Service: financial and business people information.	Financial and business information.	Bureau Service: financial and business people information.	Indefinite	Automatic renewal every year.
23	Sistema Nacional de Compensación 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.
24	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.

NOTE 35 - ASSETS AND LIABILITIES AT FAIR VALUE

a) Financial instruments not measured at fair value in the Interim Consolidated Financial Statements.

The following table summarizes the carrying amounts and fair values of the main financial assets and liabilities which are not measured at their fair value in the Bank's in the Interim Consolidated Financial Statements.

	As of September 30, 2016		As of December 31, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value
	MCH$	MCH$	MCH$	MCH$
Assets				
Cash and deposits in banks	1,327,172	1,327,172	1,272,552	1,272,552
Items in course of collection	343,590	343,590	434,550	434,550
Trading portfolio financial assets	1,093,120	1,093,120	1,298,131	1,298,131
Investments under agreements to resell	225,531	225,531	206,105	206,105
Derivative financial agreements	1,509,546	1,509,546	1,499,423	1,499,423
Loans and receivables to banks, net	264,662	264,662	169,416	169,416
Loans and receivables to customers, net	21,088,963	24,332,569	19,770,529	23,310,617
Commercial loans	13,915,574	14,601,355	12,994,394	14,325,693
Mortgage loans	4,730,282	6,403,654	4,462,499	5,779,691
Consumer loans	2,443,107	3,327,560	2,313,636	3,205,233
Financial investments available for sale	2,442,961	2,442,961	2,407,882	2,407,882
Financial investments held to maturity	854	854	708	708
Total	**28,296,399**	**31,540,005**	**27,059,296**	**30,599,384**
Liabilities				
Current accounts and demand deposits	7,667,452	7,667,452	8,047,288	8,096,390
Items in course of collection	204,893	204,893	255,800	255,800
Obligations under agreements to repurchase	686,579	686,579	449,128	449,128
Time deposits and savings accounts	10,217,772	10,346,688	9,301,896	9,479,252
Derivative financial agreements	1,570,801	1,570,801	1,535,191	1,535,191
Borrowings from financial institutions	1,187,542	1,187,542	1,790,090	1,790,179
Debt issued	4,195,325	5,063,743	3,822,650	4,343,151
Other financial obligations	950,771	950,771	746,946	746,946
Total	**26,681,135**	**27,678,469**	**25,948,989**	**26,696,037**

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, continuation

Methods used to estimate financial instruments' fair value are detailed below:

Loans and receivable customers

Loans and receivablesto customers are shown net of their allowance for credit risk or impairment, the estimated fair value represents the discounted future cash flows expected to be received.

Cash flows are discounted at the base 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 said operation.

3. The resulting amount when applying the 'provisions/total loans' estimate mentioned in 2) to the current principal and accrued interest outstanding of the respective loan is an approximation of the adjustment for credit risk (in other words, resulting in the allowance calculation).

Deposits and other borrowings

The estimated fair value of demand accounts and deposits without an established term, 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 time deposits has been estimated on the basis of discounted future cash flows based on interest-rate structures adjusted from transactions observed at the valuation date.

Interbank borrowings

The fair value of liabilities to financial institutions has been determined using discounted cash flow models, based on the relevant interest-rate curve for the remaining term of the instrument to its maturity.

Issued debt instruments

The aggregated fair value of the bonds has been calculated based on the effective market rates at the closing of each period.

NOTE 35 - ASSETS AND LIABILITIES AT FAIR VALUE, continuation

Fixed Income Securities and Derivatives

The fair value of debt instruments classified in trading and available for sale, as well as derivative instruments, is estimated using valuation techniques detailed in the c) following point:

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 have no material differences with carrying amount.

b) Financial instruments measured at fair value

Please refer to Note 1 letter h) 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 hierarchies of inputs used for the valuation techniques, discriminating 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 created based on these types of input:

Level 1 – Quoted values on active markets for assets and liabilities identical to those being valued. 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 – Other Inputs observable directly (like prices) or indirectly (price derivative) for assets and liabilities, which are not quoted values included in Level 1. Prices may require interpolation among a price structure (Ex. derivative instruments belong to this level). The same occurs with bonds assessed using a valuation technique like interpolation or matrix pricing, based on observable inputs.

Level 3 – Inputs that are not based on observable market data (unobservable input), this level includes equity and debt instruments that have significant unobservable inputs.

This hierarchy requires that when observable market data exists, it should be used. 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, continuation

	Level 1		Level 2		Level 3		Total	
	September 2016	December 2015	September 2016	December 2015	September 2016	December 2015	September 2016	December 2015
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
Financial Assets								
Trading investments								
Of the Government and Central Bank of Chile	720,274	903,976	-	-	-	-	720,274	903,976
Other National Institutions	234,245	352,971	-	-	-	-	234,245	352,971
Foreign Institutions	79,045	158	-	-	-	-	79,045	158
Investments in mutual funds	59,556	41,026	-	-	-	-	59,556	41,026
Subtotal	**1,093,120**	**1,298,131**	**-**	**-**	**-**	**-**	**1,093,120**	**1,298,131**
Trading derivative contracts								
Forwards	-	-	192,267	240,951	-	-	192,267	240,951
Swaps	-	-	991,655	1,002,210	25,406	31,043	1,017,061	1,033,253
Call options	-	-	922	4,889	-	-	922	4,889
Put options	-	-	3,982	2,519	-	-	3,982	2,519
Futures	-	-	14	50	-	-	14	50
Subtotal	**-**	**-**	**1,188,840**	**1,250,619**	**25,406**	**31,043**	**1,214,246**	**1,281,662**
Derivative Contracts Hedging								
Forwards	-	-	18,428	16,541	-	-	18,428	16,541
Fair value hedges (Swap)	-	-	76,899	87,160	-	-	76,899	87,160
Cash flow hedges (Swap)	-	-	213,070	125,002	-	-	213,070	125,002
Subtotal	**-**	**-**	**308,397**	**228,703**	**-**	**-**	**308,397**	**228,703**
Investment securities available for sale								
Of the Government and Central Bank of Chile	871,249	627,419	-	-	-	-	871,249	627,419
Other National Institutions	195,530	148,568	-	-	-	-	195,530	148,568
Foreign Institutions	1,376,182	1,631,895	-	-	-	-	1,376,182	1,631,895
Subtotal	**2,442,961**	**2,407,882**	**-**	**-**	**-**	**-**	**2,442,961**	**2,407,882**
Total Financial Assets	**3,536,081**	**3,706,013**	**1,497,237**	**1,479,322**	**25,406**	**31,043**	**5,058,724**	**5,216,378**
Financial liabilities								
Trading derivative contracts								
Forwards	-	-	211,642	239,325	-	-	211,642	239,325
Swaps	-	-	1,020,977	1,057,366	-	-	1,020,977	1,057,366
Call options	-	-	726	6,089	-	-	726	6,089
Put options	-	-	5,378	2,341	-	-	5,378	2,341
Futures	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**1,238,723**	**1,305,121**	**-**	**-**	**1,238,723**	**1,305,121**
Derivative Contracts Hedging								
Forwards	-	-	18,269	22,001	-	-	18,269	22,001
Fair value hedges (Swap)	-	-	49,314	76,167	-	-	49,314	76,167
Cash flow hedges (Swap)	-	-	264,495	131,902	-	-	264,495	131,902
Subtotal	**-**	**-**	**332,078**	**230,070**	**-**	**-**	**332,078**	**230,070**
Total Financial Liabilities	**-**	**-**	**1,570,801**	**1,535,191**	**-**	**-**	**1,570,801**	**1,535,191**

The above values do not include adjustments for CVA and Bid Offer, both entries at the end of September 2016 amounted MCH$13,097 (MCH$10,942 in 2015).

Transfers between Levels 1 and 2

Bank and its subsidiaries have not made any transfers of financial assets or liabilities between levels 1 and 2 during the 2016 period.

Reconciliation of movements of valuation in level 3

As of September 30, 2016 the Interim Consolidated Statements of Financial Position has assets valued 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 September 30, 2016, 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 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 business activities involve identifying, evaluating, accepting and managing different kinds of risk or combinations of them. The main categories of risk to which the corporation is exposed are credit, liquidity, market, operations, legal and reputation risks.

The Bank policies are designed to identify and analyze these risks, to establish adequate limits and controls, and monitor the risks and compliance of these limits through the use of reliable and updated information systems. The Bank periodically examines its risk management policies and systems to reflect 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, Trading and Institutional, and Distribution and Corporate areas, parts of the Investment and Finance Banking division. The flow of this information is processed and analyzed by various support units such as Accounting, Middle and Back Office, Management and Process Control and Computers and Systems.

The senior strategic unit is the Board of Director., 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 Finances 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 analyzes 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.

NOTE 36 - RISK MANAGEMENT, continuation

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 theInterim Consolidated Statements of Financial Position.

In accordance with best practices, the Bank defines the segregation of activities between areas that could present conflicts of interest in their objectives, such as:

i. Investment and Finance Banking division.
ii. Support areas, 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 themselves in difficulties to comply with their short-term obligations and even face bankruptcy. These situations are uncommon but have large 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 corporation’s policy and liquidity management models seek to guarantee, even in the case of unexpected events, the Bank’s adequate capacity to meet its short-term obligations satisfactorily. Additionally, the Bank has continuously monitored the impact of recent events on the financial markets, introducing more conservative assumptions when they are 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, continuation

The Corporation 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 financing 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.

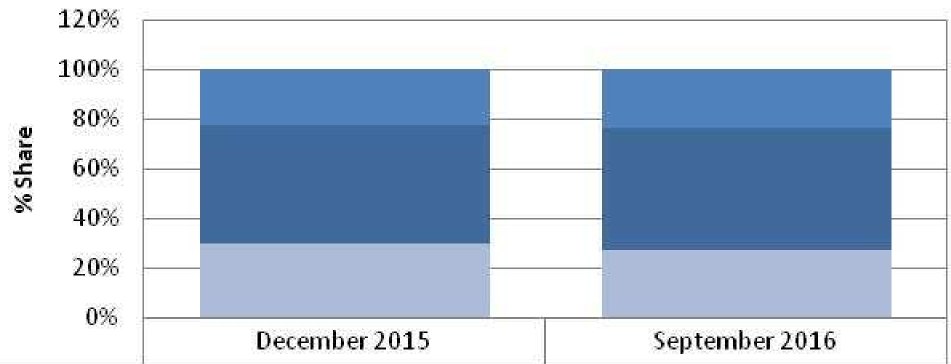
At the regulatory level, liquidity is measured and reported to the SBIF through the standardized liquidity position report. According to bank regulations, the Bank has been authorized to use an adjusted liquidity model, generating procedures and models that allow an evaluation of future income and liabilities 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 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 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, confirming the confidence of the people towards the Chilean banking system in general.

NOTE 36- RISK MANAGEMENT, continuation

Fig.1. Evolution of Main Funding sources, Year 2015 and 2016
(base of 100)



	December 2015	September 2016
Bond Issuance	23%	24%
Deposits and Time Deposits	48%	49%
Demand Deposits	30%	27%

Fig.2. Diversification; liquidity sources by segment,
2015 and 2016 year end (%)

	Currents Account		Time Deposits	
	Dec-15	Sep-16	Dec-15	Sep-16
C& IB	19%	24%	79%	75%
Commercial	53%	53%	10%	13%
Retail	27%	24%	11%	12%

NOTE 36 - RISK MANAGEMENT, continuation

a. Year 2016 Variations

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
Years 2016 and 2015 (maximum = 1)

(a) Short-term mismatch (% on basic capital)

	As of September 30, 2016				As of December 31, 2015			
	Average	Maximum	Minimum	Closure	Average	Maximum	Minimum	Closure
Mismatch 30 days	50.5%	80.5%	20.6%	63.1%	18.6%	85.9%	(24.5%)	85.9%
Mismatch 90 days (*)	65.0%	78.7%	54.1%	75.4%	44.6%	68.6%	28.3%	68.6%

(*) measurement in relation to 2 times basic capital.

(b) Short-term mismatch Ch$-UF (% on Basic Capital).

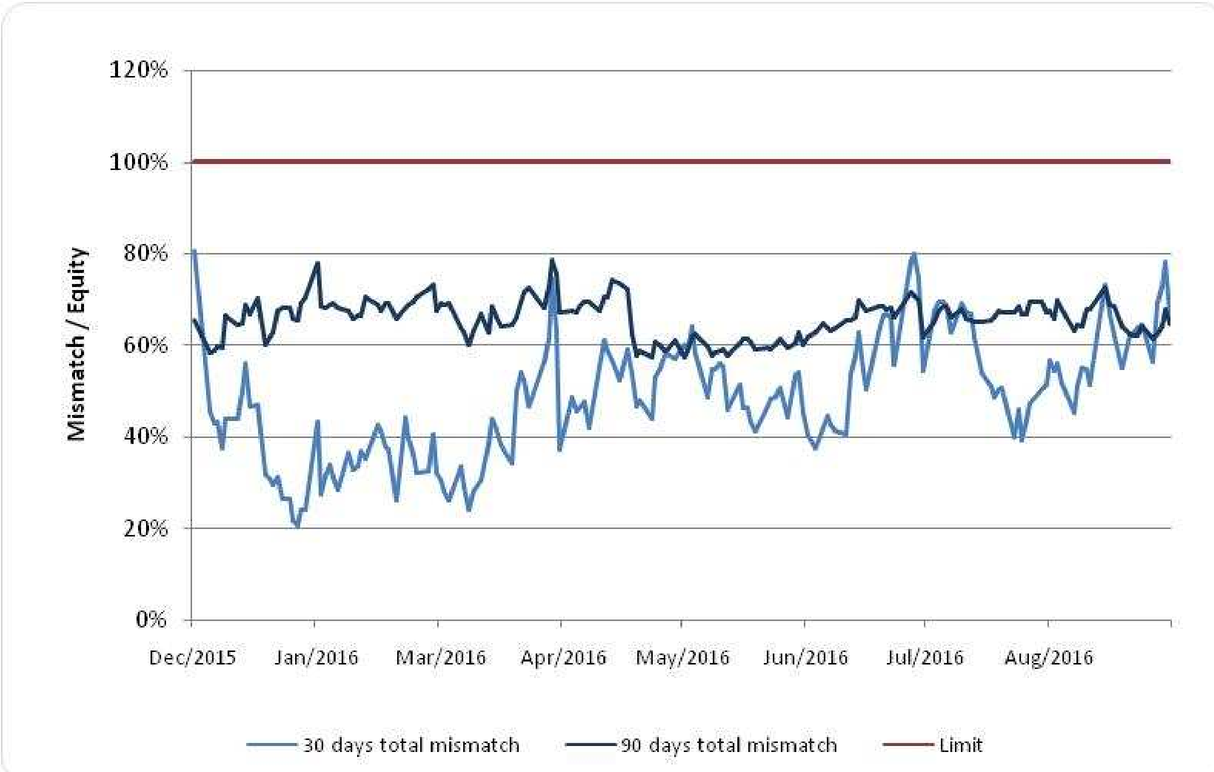
	As of September 30, 2016				As of December 31, 2015			
	Average	Maximum	Minimum	Closure	Average	Maximum	Minimum	Closure
Mismatch 30 days	41.9%	65.5%	18.8%	44.3%	15.3%	66.2%	(23.6%)	66.2%

(c) Short-term mismatch FX (% on Basic Capital).

	As of September 30, 2016				As of December 31, 2015			
	Average	Maximum	Minimum	Closure	Average	Maximum	Minimum	Closure
Mismatch 30 days	8.6%	28.5%	(19.8%)	18.8%	3.3%	27.9%	(35.5%)	19.8%

NOTE 36 - RISK MANAGEMENT, continuation

Fig.4. Liquidity Evolution during 2015 (maximum = 1)
Liquidity 30 days = Mismatch/Basic Capital
Liquidity 90 days = Mismatch /2 Basic Capital*



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 Interim Consolidated Statements of Financial Position depending on the type of financial instrument and its respective accounting treatment.

BCI 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 available for sale 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 Period of the year until maturity. At present, the Bank has no instruments classified as held-to-maturity.

NOTE 36 - RISK MANAGEMENT, continuation

A series of tools are used to monitor the market risk of positions in each category, these include value-at-risk (VaR), CVaR, simulation, and stress analysis. The corporation uses the Algorithmic platform to support the measurement and management of the market risk and counterpart.

a) Top holdings

The main Interim Consolidated Statements of Financial Position are listed by time maturity band or repricing September 2016 and their comparison to the year 2015.

Fig.5. Carrying amount to maturity range or re-pricing by currency
Positions 30/09/16(MCH$)

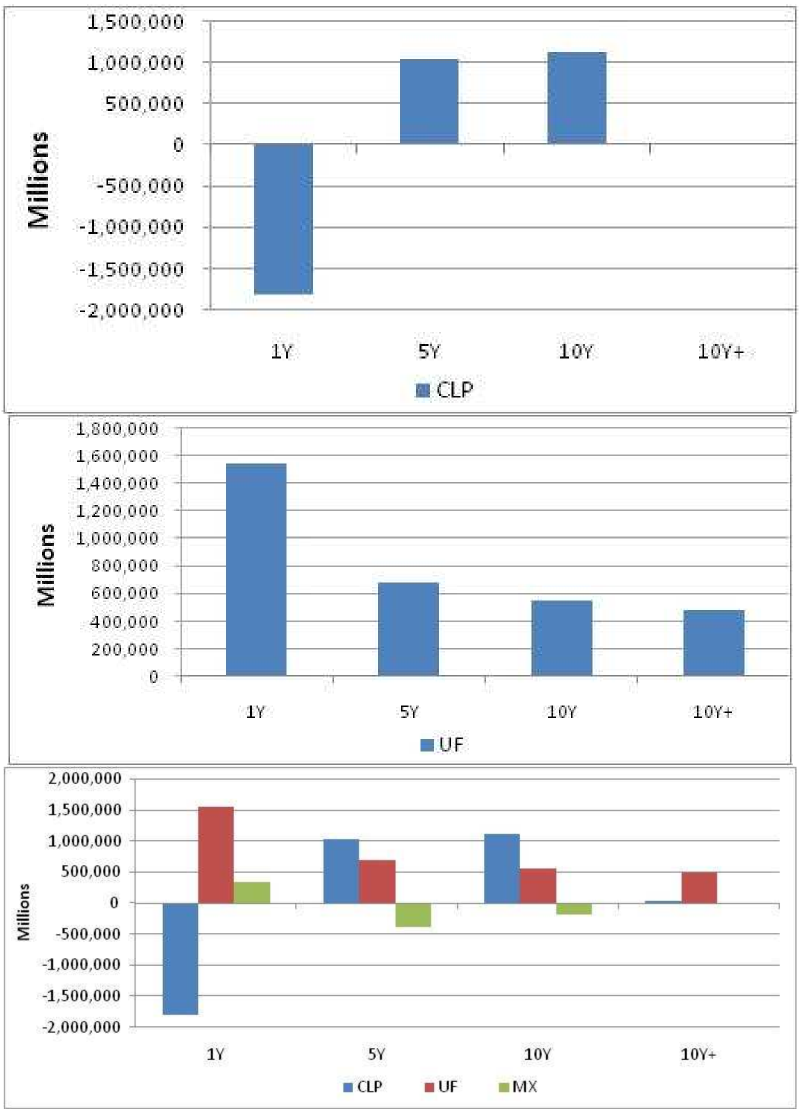
ASSETS	**1Y**	**5Y**	**10Y**	**10Y+**	**Total**
Ch$	8,371,636	4,535,649	1,104,647	28,241	**14,040,173**
UF	3,723,915	3,694,871	2,487,840	1,829,752	**11,736,378**
MX	3,604,234	517,920	374,242	1,983	**4,498,379**
TOTAL	**15,699,785**	**8,748,440**	**3,966,729**	**1,859,976**	**30,274,930**

LIABILITIES	**1Y**	**5Y**	**10Y**	**10Y+**	**Total**
Ch$	10,169,690	3,510,003	6	-	**13,679,699**
UF	2,183,747	3,011,994	1,937,789	1,344,079	**8,477,609**
MX	3,272,126	898,223	561,258	-	**4,731,607**
TOTAL	**15,625,563**	**7,420,220**	**2,499,053**	**1,344,079**	**26,888,915**

MISMATCH	**1Y**	**5Y**	**10Y**	**10Y+**	**Total**
Ch$	(1,798,054)	1,025,646	1,104,641	28,241	**360,474**
UF	1,540,168	682,877	550,051	485,673	**3,258,769**
MX	332,108	(380,303)	(187,016)	1,983	**(233,228)**
TOTAL	**74,222**	**1,328,220**	**1,467,676**	**515,897**	**3,386,015**

NOTE 36 – RISK MANAGEMENT, continuation

Fig6. Carrying amount to maturity range or re-pricing by currency
Positions 30/09/16 (MCH$)



NOTE 36 - RISK MANAGEMENT, continuation

Fig.7. Carrying amount to maturity range or re-pricing by currency
Positions 31/12/15 (MCH$)

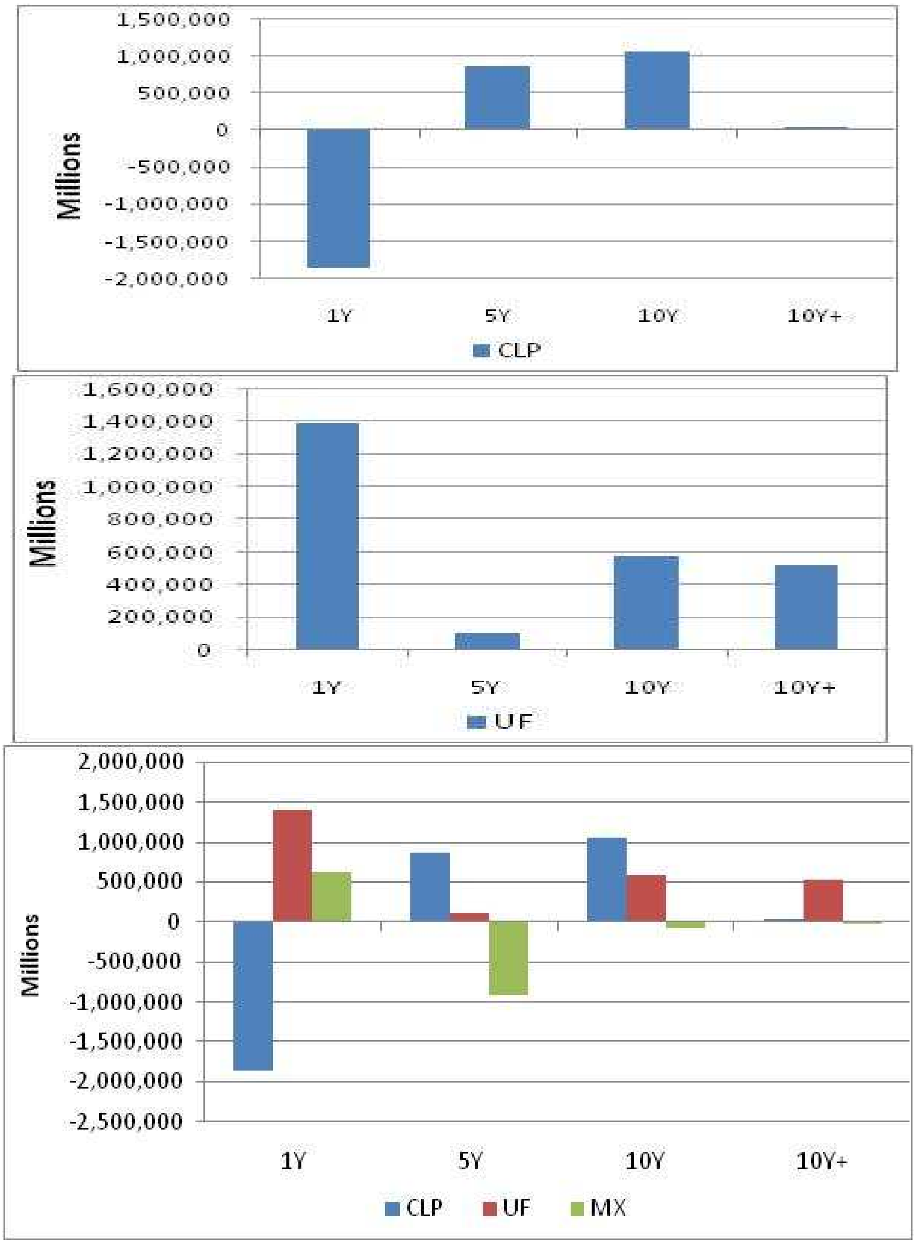
ASSETS	1Y	5Y	10Y	10Y+	Total
Ch$	8,480,217	4,499,710	1,048,340	33,036	**14,061,303**
UF	3,633,918	3,412,111	2,391,880	1,706,710	**11,144,619**
MX	3,829,709	546,613	319,736	2,179	**4,698,237**
TOTAL	**15,943,844**	**8,458,434**	**3,759,956**	**1,741,925**	**29,904,159**

LIABILITIES	1Y	5Y	10Y	10Y+	Total
Ch$	10,331,245	3,640,984	5	-	**13,972,234**
UF	2,245,063	3,301,122	1,813,274	1,189,107	**8,548,566**
MX	3,202,233	1,462,633	392,899	-	**5,057,765**
TOTAL	**15,778,541**	**8,404,739**	**2,206,178**	**1,189,107**	**27,578,565**

MISMATCH	1Y	5Y	10Y	10Y+	Total
Ch$	(1,851,028)	858,726	1,048,335	33,036	**89,069**
UF	1,388,855	110,989	578,606	517,603	**2,596,053**
MX	627,476	(916,020)	(73,163)	2,179	**(359,528)**
TOTAL	**165,303**	**53,695**	**1,553,778**	**552,818**	**2,325,594**

NOTE 36 - RISK MANAGEMENT, continuation

Fig.8. Carrying amount to maturity range or re-pricing by currency
Positions 31/12/15 (MCH$)



NOTE 36 - RISK MANAGEMENT, continuation

Fig.9. Carrying amount to maturity range or re-pricing by Account Positions 30/09/16(MCH$)

ASSETS	1Y	5Y	10Y	10Y+	TOTAL
Central Bank of Chile	15,725	353,758	-	-	**369,483**
Banks and financial institutions of the country	54,740	114,021	28,371	11,421	**208,553**
Purchases under resale agreements	48,951	-	-	-	**48,951**
Commercial loans	6,711,540	1,963,890	905,440	526,683	**10,107,553**
Consumer loans	995,342	1,508,043	81,814	67,655	**2,652,854**
Endorsable housing mortgage loans	741,459	1,960,919	1,339,041	1,205,961	**5,247,380**
Housing mortgage loans with funding notes	29,001	19,895	4,598	4	**53,498**
Cash	969,071	-	-	-	**969,071**
Forwards	455,981	168,808	-	-	**624,789**
Chilean Government	17,551	256,846	2,878	1,331	**278,606**
Consumer Leasing	1,759	2,704	210	7	**4,680**
Commercial leasing operation	407,547	511,213	173,953	44,907	**1,137,620**
Other entities of the country	-	-	-	-	**-**
Other foreign entities	10,809	52,331	249,836	1,983	**314,959**
Other assets	2,241,776	9,718	37,318	23	**2,288,835**
Other housing mortgage loans	5,056	-	-	-	**5,056**
Others	-	-	-	-	**-**
Swaps	2,993,474	1,826,295	1,143,272	-	**5,963,041**
Total Assets	**15,699,782**	**8,748,441**	**3,966,731**	**1,859,975**	**30,274,929**

LIABILITIES	1Y	5Y	10Y	10Y+	TOTAL
Straight bonds	620,342	1,730,834	1,031,418	82,607	**3,465,201**
Subordinated bonds	49,059	174,111	214,601	1,129,530	**1,567,301**
Deferred-drawing savings accounts	41,951	-	-	-	**41,951**
Unconditional-drawing savings accounts	8,282	-	-	-	**8,282**
Sight deposits	1,931,216	2,828,639	-	-	**4,759,855**
Time deposits	8,680,133	378,049	6	1	**9,058,189**
Forwards	450,007	162,591	-	-	**612,598**
Letters of credit	7,720	17,258	5,909	8	**30,895**
Other liabilities	574,965	-	-	-	**574,965**
Others, Except options	-	-	-	-	**-**
Loans and other obligations contracted abroad	526,377	400,973	-	-	**927,350**
Loans and other obligations contracted in Chile	43,130	34,226	2,390	-	**79,746**
Swaps	2,692,382	1,693,539	1,244,728	131,934	**5,762,583**
Sales under repurchase agreements	-	-	-	-	**-**
Total Liabilities	**15,625,564**	**7,420,220**	**2,499,052**	**1,344,080**	**26,888,916**

NOTE 36 - RISK MANAGEMENT, continuation

Fig.10. Carrying amount to maturity or re-pricing by account
Positions 31/12/15 (MCH$)

ASSETS	1Y	5Y	10Y	10Y+	TOTAL
Central Bank of Chile	14,711	262,837	64,293	-	**341,841**
Banks and financial institutions of the country	48,151	85,832	31,881	14,131	**179,995**
Purchases under resale agreements	49,794	-	-	-	**49,794**
Commercial loans	6,081,785	1,862,658	874,051	498,059	**9,316,553**
Consumer loans	928,025	1,391,844	65,331	57,876	**2,443,076**
Endorsable housing mortgage loans	723,234	1,807,380	1,237,144	1,124,079	**4,891,837**
Housing mortgage loans with funding notes	39,974	24,595	6,564	41	**71,174**
Cash	1,249,958	-	-	-	**1,249,958**
Forwards	571,631	557,591	-	-	**1,129,222**
Chilean Government	10,545	275,561	2,862	1,675	**290,643**
Consumer Leasing	1,272	2,050	46	14	**3,382**
Commercial leasing operation	399,570	516,911	173,216	40,745	**1,130,442**
Other entities of the country	-	-	-	-	**-**
Other foreign entities	11,104	60,456	198,681	2,179	**272,420**
Other assets	2,378,946	2,926	37,322	38	**2,419,232**
Other housing mortgage loans	5,130	-	-	-	**5,130**
Others	-	-	-	-	**-**
Swaps	3,430,015	1,607,792	1,068,565	3,089	**6,109,461**
Total Assets	**15,943,845**	**8,458,433**	**3,759,956**	**1,741,926**	**29,904,160**

LIABILITIES	1Y	5Y	10Y	10Y+	TOTAL
Straight bonds	213,056	1,977,121	1,140,226	-	**3,330,403**
Subordinated bonds	49,890	172,690	205,144	1,137,278	**1,565,002**
Deferred-drawing savings accounts	41,735	-	-	-	**41,735**
Unconditional-drawing savings accounts	8,109	-	-	-	**8,109**
Sight deposits	1,985,355	3,086,220	-	-	**5,071,575**
Time deposits	8,142,615	351,378	5	1	**8,493,999**
Forwards	571,944	533,085	-	-	**1,105,029**
Letters of credit	8,900	21,033	8,459	91	**38,483**
Other liabilities	809,859	-	-	-	**809,859**
Others, Except options	-	-	-	-	**-**
Loans and other obligations contracted abroad	660,998	534,594	-	-	**1,195,592**
Loans and other obligations contracted in Chile	71,025	37,012	3,637	-	**111,674**
Swaps	3,215,055	1,691,606	848,707	51,738	**5,807,106**
Sales under repurchase agreements	-	-	-	-	**-**
Total Liabilities	**15,778,541**	**8,404,739**	**2,206,178**	**1,189,108**	**27,578,566**

NOTE 36 - RISK MANAGEMENT, continuation

The main positions are detailed in investments available for sale by type of issuer and currency.The risk classification of those positions at the end of the last period is also reported.

Fig.11.a Available for sale Investments
Fair value 30/09/16 (MCh$)

	Ch$	UF	USD	EUR	OTRAS
Sovereign bonds	540,177	92,461	81,459	109,281	-
Corporate bonds	11,536	9,131	112,547	-	-
Financial institutions bonds	46,787	1,773	21,560	-	-
Mortgage-funding notes	-	68,374	-	-	-
Time deposits	10,870	5,518	-	-	-
Total	**609,370**	**177,257**	**215,566**	**109,281**	**-**

Fig.11.b Available for sale Investments
Fair value 31/12/15 (MCh$)

	Ch$	UF	USD	EUR	OTRAS
Sovereign bonds	514,492	93,800	70,017	35,655	-
Corporate bonds	15,826	10,815	792,887	-	-
Financial institutions bonds	31,005	8,319	614,280	-	-
Mortgage-funding notes	-	77,172	-	-	-
Time deposits	1,697	14,219	-	-	-
Total	**563,020**	**204,325**	**1,477,184**	**35,655**	**-**

NOTE 36 - RISK MANAGEMENT, continuation

Fig.12. Available for sale Investments International-Issued Bond Portfolio Credit Rating 30/09/16 (%)

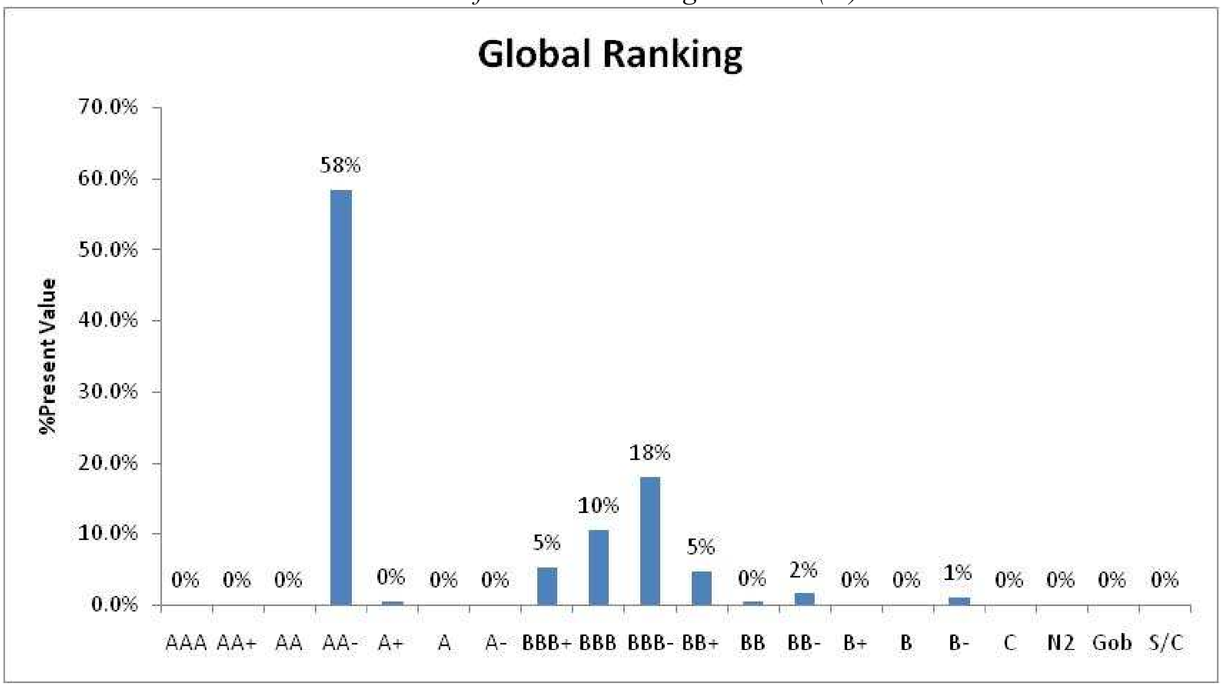
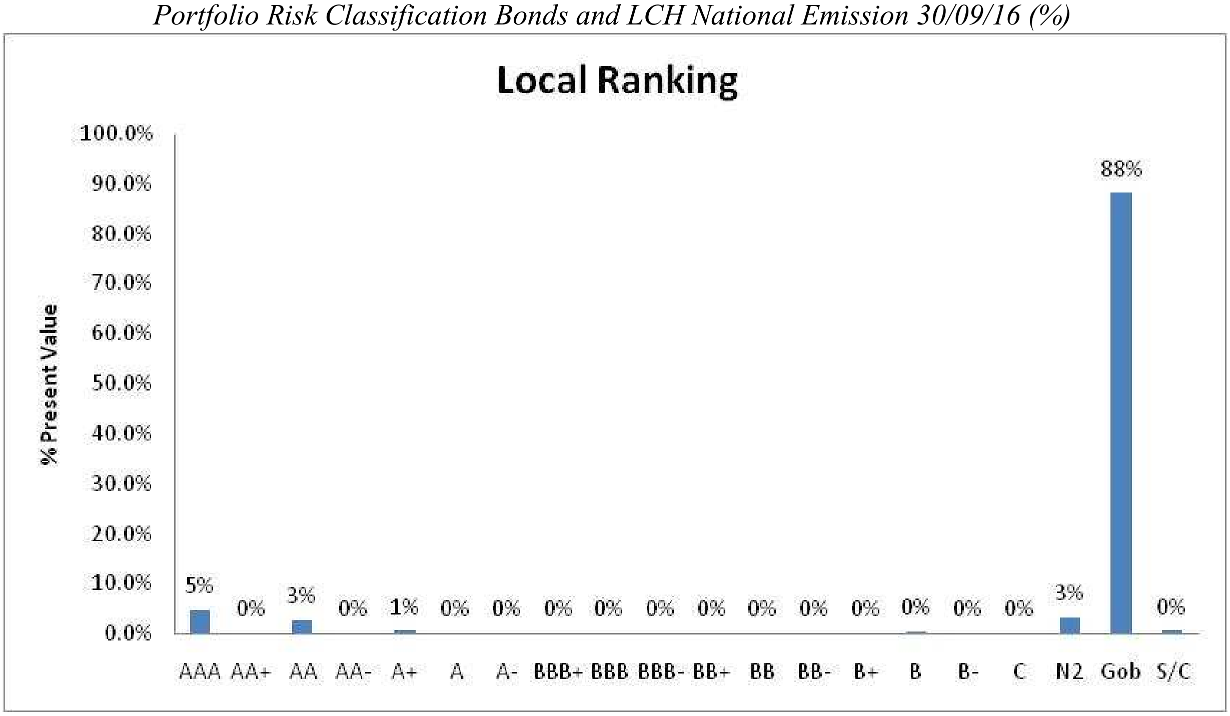


Fig.13. Available for sale Investments Portfolio Risk Classification Bonds and LCH National Emission 30/09/16 (%)



NOTE 36 - RISK MANAGEMENT, continuation

b) Sensitivity analysis

Sensitivity measurements are 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.

The Corporation also performs measurements for sub-portfolios and different risk factors.

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) transforming short-term risk to long-term (taking liabilities from short to long term through interest rate swaps) and b) floating long-term placements using interest rate swap.

In the scenario of 100 basis points increase, holding constant other variables, the effects compared as ofSeptember 2016 and at the end of 2015 are the following:

In the short-term, exposure to interest rates as of September de 2016 and 2015 amounted toMCH$28,956 and MCH$31,567 respectively, equivalent to expect an adverse effect on the financial margin over a 12 months horizon.

The sensitivity rate risk applied to all items in the banking book and all deadlines, measured by MVS, as of September 2016 and December 2015 are MCH$159,750 and MCH$139,289 respectively.This maintained its upward trend as in previous periods.

NOTE 36 – RISK MANAGEMENT, continuation

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 of time 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 4 years of daily data. It is measured at the first percentile of the P&L distribution or VaR at 99% of confidence, which is the same.The *volatility up dating* technique, is used, which records the existence of volatility *clusters*.

The *forecast* horizon is of 1 day. The square root rule is used to escalate this value to the regulatory horizon of 10 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 September 30, 2016, *back-test* places the model in the green area of Basel with four fails during 2015.

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 of time 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 modeled 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.
III. Scenarios of sensitivity that consider movements in risk factors that are not captured by the recent history.

NOTE 36 – RISK MANAGEMENT, continuation

VaR limits

The Corporation has set specific limits to the corporate VaR, as well as sub-limits to the trading, balance and available for sale investments portfolios.

d) Position Limits

In addition to the limits of risk models predictive character as VaR and sensitivity analysis, there are accounting limits by maximum positions and stop loss per book (trading, balance).

e) Variations

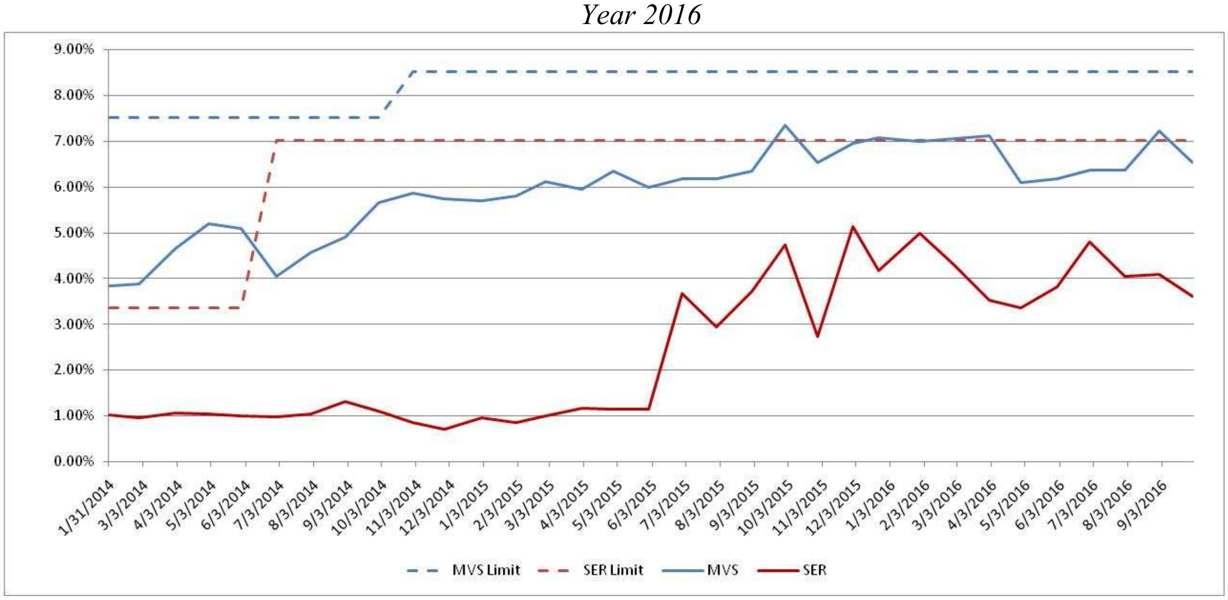
- Sensitivity analysis of the banking book.

The use of hedge accounting and bond, help keep the risk of interest rate bounded in the bankingbook.

Measuring long-term MVS averaged over 2016 to date it has been 6.52% (6.4% in 2015) of capital over a limit of 8.5%. SeR, meanwhile, has a statistical average until September 2016 of 3.60% versus an average of 4.79% in June this year.

As of September 1, 2015 the limit SeR, which went from 3.35% to 6.50% was also amended. Both indices show an increased risk of the banking book rate, which are well below the limits.

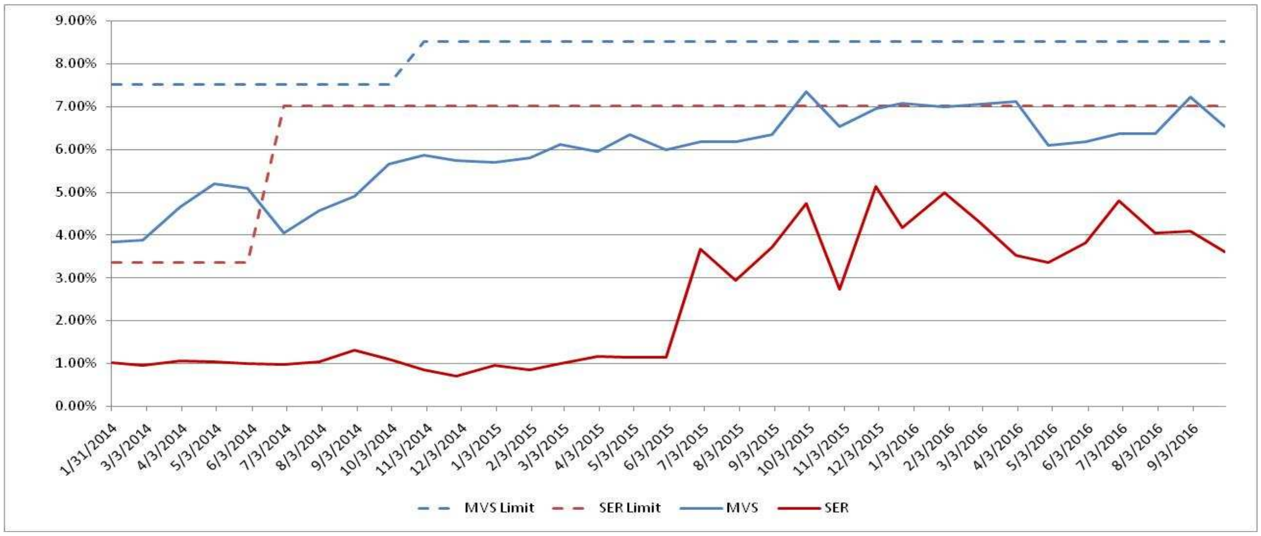
Fig. 14. MVS - SeR
Year 2016



The evolution of regulatory ratios X1 (exposure to market risk in the short term) and X2 (exposure to market risk in the long term) recorded clearance with the limits so far 2016, mainly due to the management of the balance sheet hedge accounting.

NOTE 36 - RISK MANAGEMENT, continuation

Fig.15. Regulatory Market Risk X1 – X2
Year 2016



X1: Limit on Financial Margin
X2: Limit on Effective Shareholders Equity

- Value at risk

The evolution of the 10-day VaR for the rolling year shown; data at the end of September 30, 2016.

Fig.16. Consolidated Value at Risk
Year 2016 (MCH$)

NOTE 36 - RISK MANAGEMENT, continuation

So far in 2016, the average consolidated total risk MCH$10,010 measured over the regulatory horizon of 10 days experienced an increase of 18% over the 2015 average.

On a consolidated basis, the risk of interest rate averages MCH$7,509 while FX MCH$6,297 risk. In trading the aggregate average was MCH$5,134 MCH$4,809 for interest rate and MCH$1,869 for foreign currency. Finally, for non-trading portfolios (investments available for sale) the total VaR averaged MCH$2,540, MCH$1,648 for rate risk and MCH$2,270 for currency risk.

Fig.17. Value at risk by portfolio and type of risk
Year 2016 (MCH$)

(a) Consolidated VaR by type of risk (MCH$)

	9 Months as of September 30, 2016			
	Average	Maximum	Minimum	Final
FX Risk	6,297	13,167	2,332	4,272
Interest rate risk	7,509	11,214	4,405	5,808
Diversification (*)	(3,796)	(7,893)	416	(2,654)
VaR Total	**10,010**	**16,488**	**7,153**	**7,426**

(b) VaR portfolio trading por tipo de riesgo (MCH$)

	9 Months as of September 30, 2016			
	Average	Maximum	Minimum	Final
FX Risk	1,869	5,339	102	1,471
Interest rate risk	4,809	7,983	2,780	3,449
Diversification (*)	(1,544)	(4,657)	905	(1,051)
VaR Total	**5,134**	**8,665**	**3,787**	**3,869**

(c) VaR portfolio non-trading por tipo de riesgo (MCH$)

	6 Month as of September 30, 2016			
	Average	Maximum	Minimum	Final
FX Risk	2,270	7,080	428	1,072
Interest rate risk	1,648	3,685	594	1,574
Diversification (*)	(1,378)	(3,891)	316	(975)
VaR Total	**2,540**	**6,874**	**1,338**	**1,671**

(*) Diversification is defined as the effect of correlation of total VaR.

NOTE 36- RISK MANAGEMENT, continuation

Fig.18. Value at Risk by portfolio and type of risk
Year 2015 (MCH$)

(a) Consolidated VaR by type of risk (MCH$)

	12 Months as of December 31, 2015			
	Average	Maximum	Minimum	Final
FX Risk	4,214	16,491	(1,339)	4,707
Interest rate risk	7,057	10,241	(388)	8,264
Diversification (*)	(2,804)	(13,580)	6,484	(3,558)
VaR Total	**8,467**	**13,152**	**4,757**	**9,413**

(b) VaR portfolio trading por tipo de riesgo (MCH$)

	12 Months as of December 31, 2015			
	Average	Maximum	Minimum	Final
FX Risk	2,037	8,210	(1,435)	1,278
Interest rate risk	4,911	6,820	973	5,004
Diversification (*)	(1,482)	(6,658)	3,612	(1,581)
VaR Total	**5,466**	**8,372**	**3,150**	**4,701**

(c) VaR portfolio non-trading por tipo de riesgo (MCH$)

	12 Months as of December 31, 2015			
	Average	Maximum	Minimum	Final
FX Risk	1,645	7,527	(134)	1,242
Interest rate risk	2,076	3,279	79	2,040
Diversification (*)	(945)	(4,553)	698	(985)
VaR Total	**2,776**	**6,253**	**643**	**2,297**

(*) 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, continuation

Sensitivity of interest rate

The following table shows the sensitivity of the fair values to reasonably possible alternative assumptions:

	Recognition in statement of income		Recognition in statement of other comprehensive income	
	Favorable change	Non favorable change	Favorable change	Non favorable change
	MCH$	MCH$	MCH$	MCH$
As of September 30, 2016				
Securities backed by assets held for trading	11	(11)	-	-
Other non-derivative assets held for trading	(68)	68	-	-
Securities backed by available for sales assets	-	-	(128)	128
As of December 31, 2015				
Securities backed by assets held for trading	(107)	107	-	-
Other non-derivative assets held for trading	6	(6)	-	-
Securities backed by available for sales assets	-	-	(156)	156

Currency Risk

The currency risk is defined as the risk that the value of a financial instrument will fluctuate true 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, continuation

The Bank's exposure to the risk of Exchange rates of foreign currencies is presented in the table below:

	Date:	30-09-2016	
	Exchange rate Ch$/USD:	657.28 Ch$	
	Exchange rate Ch$/EUR:	738.88 Ch$	
Assets	**USD**	**EUR**	**Others**
Cash	489,489	27,056	13,439
Commercial loans	2,132,640	28,807	642
Investments under agreement to resell	-	-	-
Commercial leasing operations	54,392	-	-
Mortgage loans LC	-	-	-
Mortgage loans MHE	-	-	-
Other mortgage loans	-	-	-
Housing leasing	-	-	-
Consumer loans	18,519	-	-
Consumer leasing	-	-	-
Commercial loans LCS	-	-	-
Consumer loans LCS	-	-	-
Central Bank of Chile	-	-	-
Government of Chile	-	-	-
Banks and financial institutions of the country	-	-	-
Other entities of the country	1,598	-	-
Governments and governments bodies MX	-	-	-
Foreign banks	-	-	-
Other foreign entities	147,180	111,900	-
Forward	6,692,967	186,376	87,229
Futures	16,438	-	-
Swaps	10,350,192	121,767	111,829
Other, excluding options	-	-	-
Other assets	1,215,596	19,996	15,470
Delta options	128,310	-	12,171
Total Assets	**21,247,321**	**495,902**	**240,780**
Liabilities	**USD**	**EUR**	**Others**
Demand deposits	681,453	47,614	202
Time deposits	1,151,238	7,224	-
Saving accounts with deferred withdrawal	-	-	-
Savings accounts with unconditional withdrawal	-	-	-
Obligations under agreements to repurchase	78,937	-	-
Loans and other obligations contracted MN	19,346	18	-
Loans and other obligations contracted MX	906,433	1,315	-
Letters of credit	-	-	-
Current bonds	723,624	15,797	109,261
Subordinated bonds	-	-	-
Forward	6,827,906	173,958	91,608
Futures	16,470	-	-
Swaps	10,413,346	233,694	-
Other, excluding options	-	-	-
Other liabilities	533,411	21,656	19,091
Delta Options	55,744	15,412	11,351
Total liabilities	**21,407,908**	**516,688**	**231,513**
Net	**(160,587)**	**(20,786)**	**9,267**

NOTE 36 - RISK MANAGEMENT, continuation

	Date:	31-12-2015	
	Exchange rate Ch$/USD:	710.16 CLP	
	Exchange rate Ch$/EUR:	774.61 CLP	

Assets	**USD**	**EUR**	**Others**
Cash	450,794	43,713	3,792
Commercial loans	4,161,843	20,952	302
Investments under agreement to resell	35,388	-	-
Commercial leasing operations	58,774	-	-
Mortgage loans LC	-	-	-
Mortgage loans MHE	567,356	-	-
Other mortgage loans	-	-	-
Housing leasing	-	-	-
Consumer loans	135,711	-	-
Consumer leasing	-	-	-
Commercial loans LCS	-	-	-
Consumer loans LCS	-	-	-
Central Bank of Chile	-	-	-
Government of Chile	-	-	-
Banks and financial institutions of the country	-	-	-
Other entities of the country	1,716	-	-
Governments and governments bodies MX	-	-	-
Foreign banks	-	-	-
Other foreign entities	1,299	35,240	-
Forward	7,373,465	307,706	144,981
Futures	3,051	-	-
Swaps	9,763,773	20,530	101,263
Other, excluding options	-	-	-
Other assets	81,711	5,795	68
Delta options	133,525	5,592	48,557
Total Assets	**22,768,406**	**439,528**	**298,963**
Liabilities	**USD**	**EUR**	**Others**
Demand deposits	3,548,266	45,594	139
Time deposits	1,237,524	11,365	-
Saving accounts with deferred withdrawal	-	-	-
Savings accounts with unconditional withdrawal	-	-	-
Obligations under agreements to repurchase	62,239	-	-
Loans and other obligations contracted MN	46,854	-	-
Loans and other obligations contracted MX	1,844,440	1,475	524
Letters of credit	-	-	-
Current bonds	778,525	-	100,305
Subordinated bonds	-	-	-
Forward	6,813,681	297,358	150,696
Futures	3,024	-	-
Swaps	10,221,787	58,321	-
Other, excluding options	-	-	-
Other liabilities	534,596	18,869	5,634
Delta Options	98,791	16,580	42,063
Total liabilities	**25,189,727**	**449,562**	**299,361**
Net	**(2,421,321)**	**(10,034)**	**(398)**

NOTE 36 - RISK MANAGEMENT, continuation

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, 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, of which 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 low of 10% of the Chilean peso against the relevant currency, a comparable impact on the earnings and other equity would be produced, and the balances would be negative, as shown below.

NOTE 36 - RISK MANAGEMENT, continuation

MCH$	As of September 30 2016			
	Decrease 10%		Increase 10%	
Assets	**USD**	**EUR**	**USD**	**EUR**
Cash	440,540	24,351	538,438	29,762
Commercial loans	1,919,376	25,926	2,345,904	31,688
Investments under agreement to resell	-	-	-	-
Commercial leasing operations	48,953	-	59,831	-
Mortgage loans LC	-	-	-	-
Mortgage loans MHE	-	-	-	-
Other mortgage loans	-	-	-	-
Housing leasing	-	-	-	-
Consumer loans	16,667	-	20,371	-
Consumer leasing	-	-	-	-
Commercial loans LCS	-	-	-	-
Consumer loans LCS	-	-	-	-
Central Bank of Chile	-	-	-	-
Government of Chile	-	-	-	-
Banks and financial institutions of the country	-	-	-	-
Other entities of the country	1,438	-	1,758	-
Governments and governments bodies MX	-	-	-	-
Foreign banks	-	-	-	-
Other foreign entities	132,462	100,710	161,898	123,090
Forward	6,023,670	167,739	7,362,264	205,014
Futures	14,794	-	18,081	-
Swaps	9,315,173	109,590	11,385,212	133,943
Other, excluding options	-	-	-	-
Other assets	1,094,037	17,996	1,337,156	21,995
Delta options	115,479	-	141,141	-
Total Assets	**19,122,589**	**446,312**	**23,372,054**	**545,492**
Liabilities	**USD**	**EUR**	**USD**	**EUR**
Demand deposits	613,308	42,852	749,598	52,375
Time deposits	1,036,114	6,502	1,266,361	7,946
Saving accounts with deferred withdrawal	-	-	-	-
Savings accounts with unconditional withdrawal	-	-	-	-
Obligations under agreements to repurchase	71,044	-	86,831	-
Loans and other obligations contracted MN	17,411	16	21,280	20
Loans and other obligations contracted MX	815,789	1,183	997,076	1,446
Letters of credit	-	-	-	-
Current bonds	651,262	14,217	795,986	17,377
Subordinated bonds	-	-	-	-
Forward	6,145,115	156,562	7,510,696	191,353
Futures	14,823	-	18,117	-
Swaps	9,372,011	210,325	11,454,681	257,063
Other, excluding options	-	-	-	-
Other liabilities	480,070	19,491	586,752	23,822
Delta Options	50,169	13,870	61,318	16,953
Total Liabilities	**19,267,116**	**465,018**	**23,548,696**	**568,355**
Net	**(144,527)**	**(18,706)**	**(176,642)**	**(22,863)**

NOTE 36 - RISK MANAGEMENT, continuation

MCH$	As of December 31 2015			
	Decrease 10%		Increase 10%	
Assets	**USD**	**EUR**	**USD**	**EUR**
Cash	324,512	39,342	396,626	48,084
Commercial loans	1,765,611	18,857	2,157,968	23,047
Investments under agreement to resell	-	-	-	-
Commercial leasing operations	52,896	-	64,651	-
Mortgage loans LC	-	-	-	-
Mortgage loans MHE	-	-	-	-
Other mortgage loans	-	-	-	-
Housing leasing	-	-	-	-
Consumer loans	13,307	-	16,264	-
Consumer leasing	-	-	-	-
Commercial loans LCS	-	-	-	-
Consumer loans LCS	-	-	-	-
Central Bank of Chile	-	-	-	-
Government of Chile	-	-	-	-
Banks and financial institutions of the country	-	-	-	-
Other entities of the country	1,544	-	1,887	-
Governments and governments bodies MX	-	-	-	-
Foreign banks	-	-	-	-
Other foreign entities	1,169	31,716	1,429	38,764
Forward	6,636,118	276,935	8,110,811	338,476
Futures	2,746	-	3,356	-
Swaps	8,785,836	18,477	10,738,244	22,583
Other, excluding options	-	-	-	-
Other assets	1,127,575	5,215	1,378,147	6,374
Delta options	120,173	5,033	146,878	6,151
Total Assets	**18,831,487**	**395,575**	**23,016,261**	**483,479**
Liabilities	**USD**	**EUR**	**USD**	**EUR**
Demand deposits	602,032	41,034	735,816	50,153
Time deposits	850,349	10,228	1,039,315	12,501
Saving accounts with deferred withdrawal	-	-	-	-
Savings accounts with unconditional withdrawal	-	-	-	-
Obligations under agreements to repurchase	64	-	78	-
Loans and other obligations contracted MN	42,169	-	51,539	-
Loans and other obligations contracted MX	1,054,497	1,327	1,288,829	1,622
Letters of credit	-	-	-	-
Current bonds	700,673	-	856,378	-
Subordinated bonds	-	-	-	-
Forward	6,132,313	267,622	7,495,049	327,094
Futures	2,721	-	3,326	-
Swaps	9,198,003	52,489	11,242,004	64,153
Other, excluding options	-	-	-	-
Other liabilities	474,577	16,982	580,039	20,756
Delta Options	88,912	14,922	108,670	18,238
Total Liabilities	**19,146,310**	**404,604**	**23,401,043**	**494,517**
Net	**(314,823)**	**(9,029)**	**(384,782)**	**(11,038)**

NOTE 36 - RISK MANAGEMENT, continuation

Because the Bank has no net investment hedge accounting, there is no impact on equity due to a 10% change in the Chilean peso against all types of changes.

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 take into account that the Bank's assets and liabilities are actively managed, moreover, the financial position of the Bank may vary at the time that 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.

Consequently, the actual impact of a change in the assumptions may not have any impact on the liabilities, whereas assets are held at market value on the statement 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 the estimation of periodic stress tests, which establish various scenarios of adverse market conditions; on the other hand it has contingency plans that address transverse actions in the corporation in order to face scenarios that expose the corporation to significant loss.

Other Price Risks

The price risk of equity 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 sensitivity analyzes below have been determined based on the exposure to equity price at period over which it is reported.

If equity prices had been 1% higher / lower:

Net income for the September 30, 2016 would not have been affected as the equity investments are classified as available for sale and no investment was expropriated or damaged; not withstanding, the negative effect on equity would have been MCH$24,509, less than the effect December 31, 2015 which amounted MCH$21,612.

NOTE 36 - RISK MANAGEMENT, continuation

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 the implementation thereof. 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. But not only the accounting information depends 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.

Following international accounting rules, are used - provided they are available- quotations or observable prices of identical assets or liabilities that are measured. These are known as Level 1 Inputs Absent identical assets or liabilities measurement is made based on observable prices, Interpolations typically classified in this group for 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 Note 35 present the classification of financial instruments according to their valuation. Below is a brief explanation of that system.

Positions in foreign currency bonds Central Bank and 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 raise supply with demand and allow transactions to be carried out under those circumstances. Normally deposits and derivatives traded over-the-counter are in this segment. These have quotes from different brokers, which guarantees the existence of market prices or inputs needed for valuation. Among derivatives instruments are currency forwards and interest rate forwards, interest rate swaps, cross-currency swaps and foreign currency options. As usual for those instruments other than those listed, valuation techniques and interpolation curves that are standard in the market are used. Debt instruments are less liquid 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 panel's incomplete data and incorporates all the recent price history of the papers 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 backtesting audited by independent parties.

Finally, all instruments whose prices or market factors are not directly observable are classified in Level 3.

NOTE 36 - RISK MANAGEMENT, continuation

g) Derivative instruments

As of September 30, 2016 the Bank had MCH$(17,006) related to fair value of derivative instruments. Derivatives are classified into two groups according to their accounting treatment: (1) instruments for trading and (2) instruments with special hedge accounting treatment. The trading instruments come from activitiesof 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 negotiation (trading) or have special hedge accounting treatment. The toppings look according to current accounting standards 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 two actions, consumer line in derivatives and Credit Value Adjustment (CVA).

Use of line

Consumption credit line derived over-the-counter (OTC) must match the credit exposure generated by 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 potential value that can reach the MTM over the life of the operation.

Monte Carlo 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 use of line segment at the end of September 2016.

NOTE 36 - RISK MANAGEMENT, continuation

Segment	Consumer line 30.09.2016 MCH$	Consumer line 31.12.2015 MCH$
Commercial Banking	153,372	158,184
Entrepreneurs and Enterprising Entities	3,717	4,803
Retail Banking	-	-
Finance Division C&IB	661,679	711,283
Commercial Division C&IB	723,845	703,133
Total	**1,542,613**	**1,577,403**

Adjustment for credit risk in derivatives (CVA)

The objective is to determine the expected loss for counterparty risk in OTC derivative contracts. The CVA of a derivative is defined as the difference between the value of open derivative counterparty risk (equivalent to the original derivative without risk of default of either party) and the value of a derivative (which corresponds to the original derivative, which has an inherent risk) considering the possibility of counterparty default. Thus the CVA of a client can be obtained from the expected exposure (EE) for counterparty risk (how much is expected to lose) and the rate of expected loss (EL) associated with the default of the counterparty. The table below details the provision of CVA segment at the end of September 2016.

Credit Value Adjustment			
Segment	**30.09.2016**	**31.12.2015**	**Variación**
	MCH$	**MCH$**	**MCH$**
Commercial Banking	5,509	5,107	402
Entrepreneurs and Enterprising Entities	501	443	58
Retail Banking	-	-	-
Finance Division C&IB	715	636	79
Commercial Division C&IB	5,501	3,072	2,429
Total	**12,226**	**9,258**	**2,968**

NOTE 36 - RISK MANAGEMENT, continuation

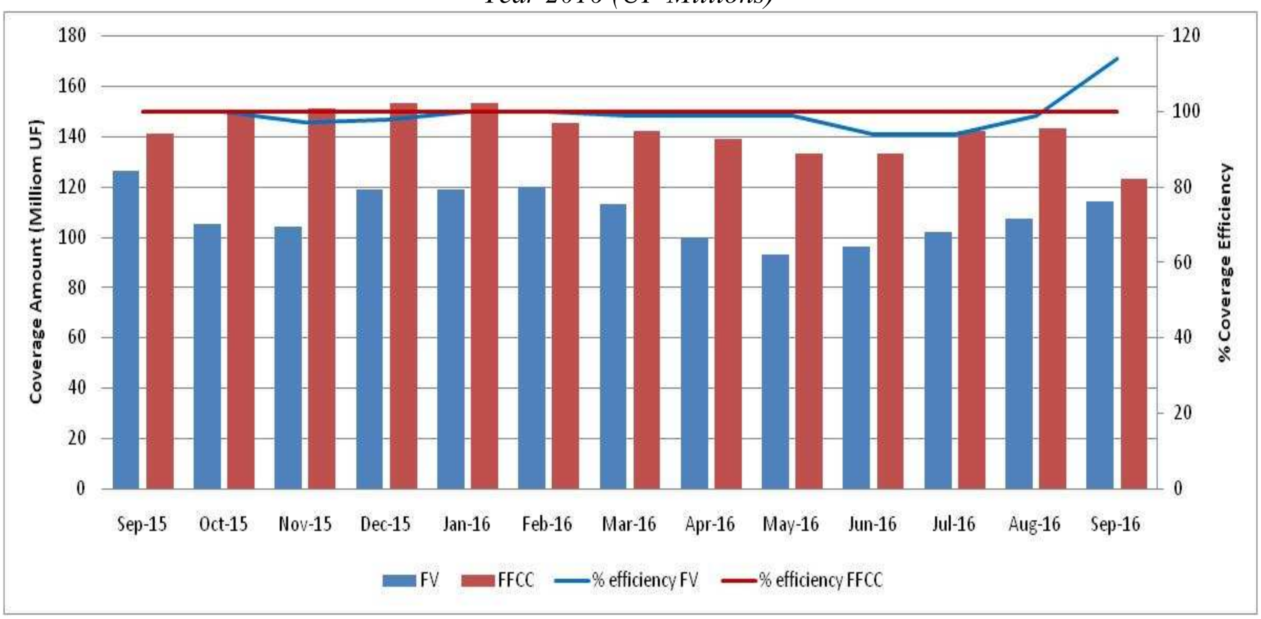
g) Hedge accounting

The Bank uses hedge accounting to manage the risk of fair value and cash flow to which it is exposed. The fair value hedges using derivative instruments to hedge the change in fair value of an asset or liability in the Interim Consolidated Statement of Financial Position.

The cash flow hedges meanwhile, recorded in equity changes in fair value of derivatives that are part of the coverage. Treatment of this type of instrument strictly follows international accounting standards 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 September 30, the total notional amount of cash flow hedges amounted to UF123,194,010 whereas fair value hedges reach UF113,765,742.

Fig.19. Amount, Type and effectiveness of Hedge Accounting
Year 2016 (UF Millions)



NOTE 36 - RISK MANAGEMENT, continuation

CREDIT RISK

Risk Management structure

The Bank has structured its credit approval process on the basis of 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.

Provisions for credit risk

According to the Superintendence of Banks and Financial Institutions (SBIF), the Banks should permanently maintain evaluations of their loans and contingent credit portfolios, in order to establish provisions opportunely and sufficiently, so as to cover possible losses, in accordance with the regulation of said Superintendence, contained on Compendium of Accounting Standards, chapter B1 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.

Models based on the individual analysis of debtors

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 debtor, 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 the company and the relative position of the company on this.

NOTE 36 - RISK MANAGEMENT, continuation

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 Superintendence of Banks and Financial Institutions (SBIF):

	As of September 30, 2016					
	BALANCE			ALLOWANCE		
Debt	Loans and receivables to banks	Loans and receivablesto customers	Total	Loans and receivables to banks	Loans and receivablesto customers	Total
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
A1	20,068	314,664	**334,732**	7	111	**118**
A2	71,163	1,081,618	**1,152,781**	59	773	**832**
A3	138,838	2,036,448	**2,175,286**	304	2,271	**2,575**
A4	-	1,634,738	**1,634,738**	-	9,811	**9,811**
A5	-	1,505,863	**1,505,863**	-	8,714	**8,714**
A6	-	674,023	**674,023**	-	6,570	**6,570**
B1	-	375,922	**375,922**	-	17,911	**17,911**
B2	-	109,718	**109,718**	-	14,912	**14,912**
B3	-	15,840	**15,840**	-	3,633	**3,633**
B4	-	24,446	**24,446**	-	4,923	**4,923**
C1	-	42,871	**42,871**	-	857	**857**
C2	-	58,528	**58,528**	-	5,853	**5,853**
C3	-	44,644	**44,644**	-	11,161	**11,161**
C4	-	6,982	**6,982**	-	2,793	**2,793**
C5	-	13,163	**13,163**	-	8,556	**8,556**
C6	-	23,918	**23,918**	-	21,526	**21,526**
GR	-	8,990,956	**8,990,956**	-	201,757	**201,757**
Subsidiaries	35,030	4,495,891	**4,530,921**	67	39,138	**39,205**
Total	**265,099**	**21,450,233**	**21,715,332**	**437**	**361,270**	**361,707**

NOTE 36 - RISK MANAGEMENT, continuation

	As of December 31, 2015					
	BALANCE			ALLOWANCE		
Debt	**Loans and receivables to banks**	**Loans and receivablesto customers**	**Total**	**Loans and receivables to banks**	**Loans and receivablesto customers**	**Total**
	MCH$	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**
A1	2,765	163,394	166,159	1	58	59
A2	48,239	921,016	969,255	40	598	638
A3	79,298	2,109,779	2,189,077	173	2,498	2,671
A4	140	1,596,690	1,596,830	2	9,068	9,070
A5	46	1,417,247	1,417,293	2	9,232	9,234
A6	-	537,496	537,496	-	12,172	12,172
B1	-	284,310	284,310	-	8,092	8,092
B2	-	153,634	153,634	-	21,315	21,315
B3	-	17,072	17,072	-	646	646
B4	-	23,288	23,288	-	6,538	6,538
C1	-	35,987	35,987	-	720	720
C2	-	22,723	22,723	-	2,272	2,272
C3	-	10,856	10,856	-	2,714	2,714
C4	-	11,499	11,499	-	4,600	4,600
C5	-	48,509	48,509	-	31,531	31,531
C6	-	32,099	32,099	-	28,889	28,889
GR	-	8,460,360	8,460,360	-	180,182	180,182
Subsidiaries	39,223	4,289,022	4,328,245	77	43,327	43,404
Total	**169,711**	**20,134,981**	**20,304,692**	**295**	**364,452**	**364,747**

The analysis of the age of delinquent loans by type of financial assets is the following,

	Less than 30 days		Between 31 and 89 days		90 days or more		Total	
	30.09.2016	**31.12.2015**	**30.09.2016**	**31.12.2015**	**30.09.2016**	**31.12.2015**	**30.09.2016**	**31.12.2015**
	MCH$	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**	**MCH$**
Loans and receivables form banks	-	-	-	-	-	-	-	-
Loans and receivables to customers	66,916	19,765	34,037	16,248	161,661	189,468	**262,614**	**225,481**
Total	**66,916**	**19,765**	**34,037**	**16,248**	**161,661**	**189,468**	**262,614**	**225,481**

NOTE 36- RISK MANAGEMENT, continuation

Maximum exposure to credit risk

The maximum exposure to credit risk varies significantly and depends on both individual risks and general market economy risks.

As of September 30, 2016

	Maximum exposure	Provision	Net exposure after provision	Associated guarantees	Net exposure
	MCH$	MCH$	MCH$	MCH$	MCH$
Trading instruments	1,093,120	-	**1,093,120**	-	**1,093,120**
Loans and receivables to banks	265,099	(437)	**264,662**	-	**264,662**
Loans and receivables to customers, and Contingents loans (1)	27,678,266	(377,816)	**27,300,450**	(10,484,103)	**16,816,347**
Financial investments available for sale	2,442,961	-	**2,442,961**	-	**2,442,961**
Financial investments held to maturity	854	-	**854**	-	**854**
Derivative financial agreements (2)	1,515,165	(13,097)	**1,502,068**	-	**1,502,068**

(1) In this line included loans and receivables of MCH$21,450,233 (see Note 11) and contingent receivables of MCH$6,228,033 (see Note 23). Reported warranties are legally pledged to the Bank and there is uncertainty about their eventual execution or settlement.
(2) For the year 2016 no guarantees were established in favor of the Bank.

As of December 31, 2015

	Maximum exposure	Provision	Net exposure after provision	Associated guarantees	Net exposure
	MCH$	MCH$	MCH$	MCH$	MCH$
Trading instruments	1,298,131	-	**1,298,131**	-	**1,298,131**
Loans and receivables to banks	169,711	(295)	**169,416**	-	**169,416**
Loans and receivables to customers, and Contingents loans (3)	25,531,045	(382,977)	**25,148,068**	(7,709,572)	**17,438,496**
Financial investments available for sale	2,407,882	-	**2,407,882**	-	**2,407,882**
Financial investments held to maturity	708	-	**708**	-	**708**
Derivative financial agreements (4)	1,510,376	(9,259)	**1,501,117**	-	**1,501,117**

(3) In this line are included loans and receivables of MCH$20,134,981 (see Note 11) and contingent receivables of MCH$5,396,064 (see Note 23). Reported warranties are legally pledged to the bank and there is uncertainty about their eventual execution or settlement.

(4) For the year 2015 no guarantees were established in favor of the Bank.

NOTE 36 – RISK MANAGEMENT, continuation

Operational Risk

Due to the importance of a proper administration and control of operational risks, the Bank introduced a specialized management whose organization is aligned with the principles defined in Basel Committee.

The Bank has operational risk specialists in process areas, information security, continuity of business, and regulatory compliance, with the objective of avoiding errors in the processes, unexpected losses, and optimizing the use of required capital.

Over the last several years, the Bank has grown in terms of identification, quantification, mitigation and report of its operational risks, which allows the Bank to manage and monetarily quantify its risks.

Operational risk management

The Bank manages its operational risks with the active participation of those responsible for the areas and processes (Owners of Processes) through four management committees on different areas: a) committee for operational risks b) security of information, c) continuity of business and d) externalized services. These committees meet periodically and their objective is reviewing losses that have occurred, carrying out plans for correcting their causes, and managing the mitigation plans for operational risks identified in the process revisions.

Capital calculation according to Basel

The Bank has participated in the capital calculation exercises according to the standards of Basel II (QIS), a calculation integrating the operating risk with credit and market risks, as a global indicator of risk exposure, however, the bank during the exercise 2015 and 2014 made the calculating Operational Risk Capital under the Advanced Model.

Security of information

The Bank has a security strategy based on the best practices of the industry which is sustained in the regulatory frame and whose main component is the General Policy for Information Security, approved by the Board of Directors Committee, an organization consisting of specialized areas and focused on the administration and operation of security and the management of security risks, and a Security Committee consisting of representatives of several areas of the Bank that monitor compliance with the annual plan of security and the approval of specific policies for security.

This strategy is implemented by a technological infrastructure and specific procedures of operation and monitoring of activity, oriented towards preventing potential attacks on the information security of the clients and the Bank.

NOTE 36-– RISK MANAGEMENT, continuation

Continuity of business

The continuity strategies 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.

Bci Corporation is constantly working on strengthening of its business continuity plan. Plan coverage has increase as Bank requirement, including the processes by criticality requires.

During 2016 the Bank has carried out activities for maintaining and improving business continuity including updating, testing and training of employees. The tests were carried out during working hours, with customer service in order to validate the effectiveness of the procedures and continuity strategies that were established, giving a constant and satisfactory customer service. Tests carried out involve the implementation of operational procedures, technological tests and drills.

NOTE 37 - MATURITIES OF ASSETS AND LIABILITIES

As of September 30, 2016 and December 31, 2015, the breakdown of maturities of assets and liabilities is as follows:

September 30,2016	NIB	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	1,327,172	-	-	-	1,327,172	-	-	-	**1,327,172**
Incomes in course of collection	343,590	-	-	-	343,590	-	-	-	**343,590**
Trading portfolio financial assets	-	1,093,120	-	-	1,093,120	-	-	-	**1,093,120**
Investment under agreement to resell	-	140,461	80,221	4,849	225,531	-	-	-	**225,531**
Securities purchased under resale agreements	-	249,797	104,571	149,212	503,580	449,419	556,547	1,005,966	**1,509,546**
Loans and receivables to banks (*)	-	53,183	45,599	162,373	261,155	3,944	-	3,944	**265,099**
Loans and receivables to customers (**)	-	8,884,254	1,020,728	1,987,432	11,892,414	4,754,133	4,629,285	9,383,418	**21,275,832**
Financial instruments available for sale	-	35,119	51,588	195,136	281,843	771,210	1,389,908	2,161,118	**2,442,961**
Investment instrument held to maturity	-	-	-	-	-	-	854	854	**854**
Total assets	**1,670,762**	**10,455,934**	**1,302,707**	**2,499,002**	**15,928,405**	**5,978,706**	**6,576,594**	**12,555,300**	**28,483,705**
Liabilities									
Current accounts and demand deposits	7,667,452	-	-	-	7,667,452	-	-	-	**7,667,452**
Incomes in course of collection	204,893	-	-	-	204,893	-	-	-	**204,893**
Obligations under agreements to repurchase	-	680,863	5,591	125	686,579	-	-	-	**686,579**
Time deposits and saving accounts (***)	-	4,045,047	2,664,465	2,980,527	9,690,039	525,832	1,901	527,733	**10,217,772**
Derivative financial instruments	-	268,554	108,201	200,502	577,257	469,368	524,176	993,544	**1,570,801**
Borrowing from financial institutions	-	352,470	207,500	238,755	798,725	388,817	-	388,817	**1,187,542**
Debt issued	-	3,118	15,948	565,308	584,374	1,702,564	1,908,387	3,610,951	**4,195,325**
Other financial obligations	-	896,793	5,525	12,711	915,029	33,688	2,054	35,742	**950,771**
Total liabilities	**7,872,345**	**6,246,845**	**3,007,230**	**3,997,928**	**21,124,348**	**3,120,269**	**2,436,518**	**5,556,787**	**26,681,135**

(*) Gross values.
(**) Excludes allowances and amounts whose maturity date has already passed.
(***) Excludes fixed term savings accounts.

NOTE 37 - MATURITIES OF ASSETS AND LIABILITIES, continuation

December 31, 2015	**NIB**	**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	1,272,552	-	-	-	1,272,552	-	-	-	**1,272,552**
Incomes in course of collection	434,550	-	-	-	434,550	-	-	-	**434,550**
Trading portfolio financial assets	-	1,142,227	15,006	83,417	1,240,650	36,191	21,290	57,481	**1,298,131**
Investment under agreement to resell	-	177,279	6,454	22,372	206,105	-	-	-	**206,105**
Securities purchased under resale agreements	-	147,043	89,694	227,810	464,547	534,812	500,064	1,034,876	**1,499,423**
Loans and receivables to banks (*)	-	17,204	30,483	97,960	145,647	24,064	-	24,064	**169,711**
Loans and receivables to customers (**)	-	1,886,691	1,485,141	3,349,680	6,721,512	7,049,347	6,174,427	13,223,774	**19,945,286**
Financial instruments available for sale	-	109,482	461,554	225,937	796,973	424,951	1,185,958	1,610,909	**2,407,882**
Investment instrument held to maturity	-	-	-	-	-	-	708	708	**708**
Total assets	**1,707,102**	**3,479,926**	**2,088,332**	**4,007,176**	**11,282,536**	**8,069,365**	**7,882,447**	**15,951,812**	**27,234,348**
Liabilities									
Current accounts and demand deposits	8,047,288	-	-	-	8,047,288	-	-	-	**8,047,288**
Incomes in course of collection	255,800	-	-	-	255,800	-	-	-	**255,800**
Obligations under agreements to repurchase	-	441,835	7,252	41	449,128	-	-	-	**449,128**
Time deposits and saving accounts (***)	-	3,795,015	2,142,822	2,851,079	8,788,916	509,633	3,347	512,980	**9,301,896**
Derivative financial instruments	-	184,340	129,880	240,426	554,646	582,445	398,100	980,545	**1,535,191**
Borrowing from financial institutions	-	638,116	214,388	410,312	1,262,816	527,274	-	527,274	**1,790,090**
Debt issued	-	3,705	434	173,975	178,114	1,796,690	1,847,846	3,644,536	**3,822,650**
Other financial obligations	-	705,129	553	1,925	707,607	36,243	3,096	39,339	**746,946**
Total liabilities	**8,303,088**	**5,768,140**	**2,495,329**	**3,677,758**	**20,244,315**	**3,452,285**	**2,252,389**	**5,704,674**	**25,948,989**

(*) Gross values.
(**) Excludes the provision and amounts whose maturity date has already passed.
(***) Excludes fixed term savings accounts.

NOTE 38 - FOREIGN CURRENCY

The Interim Consolidated Financial Statements as of September 30, 2016 and 2015, include assets and liabilities in foreign currencies or that are adjusted by the variation in the exchange rate as follows:

	In foreign currency		In Chilean Pesos		Total	
	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015
	MCH$	MCH$	MCH$	MCH$	MCH$	MCH$
ASSETS						
Cash and deposits in banks	788,213	607,777	538,959	664,775	**1,327,172**	**1,272,552**
Items in course of collection	155,785	129,558	187,805	304,992	**343,590**	**434,550**
Trading portfolio financial assets	101,011	9,946	992,109	1,288,185	**1,093,120**	**1,298,131**
Investment under agreement to resell	47,535	35,388	177,996	170,717	**225,531**	**206,105**
Derivative financial agreements	12,836	6,920	1,496,710	1,492,503	**1,509,546**	**1,499,423**
Loans and receivablesto banks	244,669	168,385	19,993	1,031	**264,662**	**169,416**
Loans and receivablesto customers	5,950,809	5,604,206	15,138,154	14,166,323	**21,088,963**	**19,770,529**
Financial investments available for sale	1,599,624	1,631,895	843,337	775,987	**2,442,961**	**2,407,882**
Financial investments held to the maturity	854	708	-	-	**854**	**708**
Investments in other companies	59,252	53,102	120,632	117,001	**179,884**	**170,103**
Intangible assets	2,320	2,740	171,450	172,811	**173,770**	**175,551**
Property, plant and equipment	52,065	55,911	227,811	226,645	**279,876**	**282,556**
Current income tax	4,359	298	40,049	4,795	**44,408**	**5,093**
Deferred income taxes	87,349	111,822	77,810	91,864	**165,159**	**203,686**
Other assets	458,172	511,196	264,342	276,920	**722,514**	**788,116**
TOTAL ASSETS	**9,564,853**	**8,929,852**	**20,297,157**	**19,754,549**	**29,862,010**	**28,684,401**
LIABILITIES						
Current accounts and demand deposits	3,690,897	3,740,597	3,976,555	4,306,691	**7,667,452**	**8,047,288**
Items in course of collection	151,858	175,503	53,035	80,297	**204,893**	**255,800**
Obligation under agreements to repurchase	286,939	73,969	399,640	375,159	**686,579**	**449,128**
Time deposits and saving accounts	2,490,372	2,011,828	7,727,400	7,290,068	**10,217,772**	**9,301,896**
Derivative financial agreements	9,324	2,687	1,561,477	1,532,504	**1,570,801**	**1,535,191**
Borrowing from financial institutions	1,058,540	1,604,598	129,002	185,492	**1,187,542**	**1,790,090**
Debt issued	1,146,672	1,342,395	3,048,653	2,480,255	**4,195,325**	**3,822,650**
Other financial obligations	893,050	685,502	57,721	61,444	**950,771**	**746,946**
Current income tax	-	-	-	-	**-**	**-**
Deferred income taxes	-	-	54,151	42,611	**54,151**	**42,611**
Provisions	19,931	12,006	203,981	243,126	**223,912**	**255,132**
Other liabilities	81,885	63,227	351,960	373,917	**433,845**	**437,144**
TOTAL LIABILITIES	**9,829,468**	**9,712,312**	**17,563,575**	**16,971,564**	**27,393,043**	**26,683,876**

NOTE 39 - SUBSEQUENT EVENTS

Between October 1, 2016 and the date of issuance of these Interim Consolidated Financial Statements, there have been no other subsequent events that may affect the presentation of these Interim Consolidated Financial Statements.

Fernando Vallejos Vásquez Corporate Accounting Manager	Fernando Carmash Cassis Chief Executive Officer (subrogee)