Interim Consolidated Financial Statements

As of March 31, 2017 and December 31, 2016

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BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Interim Consolidated Financial Statements
As of March 31, 2017 and December 31, 2016

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BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of March 31, 2017 and December 31, 2016
(In millions of Chilean pesos -MCh$)

	Note	As of March 31, 2017 MCh$	As of December 31, 2016 MCh$
ASSETS			
Cash and deposits in banks	5	1,348,673	1,577,565
Items in course of collection	5	563,678	264,265
Trading portfolio financial assets	6	1,358,667	1,267,979
Investments under agreements to resell	7	134,622	116,461
Derivative financial agreements	8	1,343,256	1,360,247
Loans and receivables to banks, net	9	212,704	223,228
Loans and receivables to customers, net	10	22,024,789	21,954,346
Financial investments available for sale	11	2,506,420	2,524,500
Financial investments held to maturity	11	859	872
Investments in other companies	12	260,227	187,958
Intangible assets	13	171,201	177,516
Property, plant and equipment, net	14	272,187	279,496
Current income tax	15	41,591	31,247
Deferred income taxes	15	191,186	198,094
Other assets	16	693,732	686,130
TOTAL ASSETS		**31,123,792**	**30,849,904**
LIABILITIES			
Current accounts and demand deposits	17	8,485,689	8,194,263
Items in course of collection	5	450,185	132,507
Liabilities under agreements to repurchase	7	650,154	799,844
Term deposits and savings accounts	17	9,796,097	9,957,688
Derivative financial agreements	8	1,432,167	1,420,086
Borrowings from financial institutions	18	1,469,703	1,648,764
Debt issued	19	4,584,320	4,398,430
Other financial liabilities	19	809,549	953,246
Current income tax	15	-	-
Deferred income taxes	15	92,034	55,655
Provisions	20	186,045	263,495
Other liabilities	21	583,222	507,249
		28,539,165	**28,331,227**
TOTAL LIABILITIES			
SHAREHOLDERS' EQUITY			
Attributable to equity holders of the Bank:			
Capital		2,493,420	2,276,820
Reserves		109	109
Accumulated other comprehensive income		(7,976)	3,256
Retained earnings:			
Net income for the prior period	23	-	-
Net income for the year	23	140,843	340,121
Less: Accrual for minimum dividends	23	(42,257)	(102,049)
TOTAL EQUITY OF EQUITY HOLDERS OF THE BANK		**2,584,139**	**2,518,257**
Non-controlling interest		488	420
TOTAL SHAREHOLDERS' EQUITY		**2,584,627**	**2,518,677**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		**31,123,792**	**30,849,904**

Notes No. 1 to No. 38 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 March 31, 2017 and 2016
(In millions of Chilean pesos -MCh$)

	Note	For the periods ended March 31 2017 MCh$	2016 MCh$
Interest income	24	365,639	378,995
Interest expense	24	(144,493)	(154,901)
Net interest income		**221,146**	**224,094**
Fee and commission income	25	81,700	77,180
Fee and commission expense	25	(19,444)	(18,509)
Net fee and commission income		**62,256**	**58,671**
Trading and investment income, net	26	27,748	67,137
Foreign exchange results, net	27	16,635	(55,437)
Other operating income	32	11,941	5,991
Operating income		**339,726**	**300,456**
Provisions for loan losses	28	(62,903)	(44,068)
OPERATING INCOME, NET OF PROVISIONS FOR LOAN LOSSES INTERESTS AND COMMISSIONS		**276,823**	**256,388**
Staff costs	29	(99,157)	(86,325)
Administrative expenses	30	(56,338)	(51,355)
Depreciation and amortization	31	(14,364)	(12,861)
Impairment of property, plant and equipment and intangible assets	31	(26)	(2)
Other operating expenses	32	(7,374)	(6,819)
TOTAL OPERATING EXPENSES		**(177,259)**	**(157,362)**
TOTAL NET OPERATING INCOME		**99,564**	**99,026**
Share of profit/loss of investments accounted using the equity method	12	103,223	3,817
Income before income tax		**202,787**	**102,843**
Income tax expense		(61,931)	(28,924)
Net income from continuing operations		**140,856**	**73,919**
Net income discontinued operations		-	-
CONSOLIDATED NET INCOME FOR THE PERIOD		**140,856**	**73,919**
Attributable to:			
Equity holders of the Bank		140,843	73,914
Non-controlling interest		13	5
Earnings per share attributable to equity holders of the Bank:		140,856	73,919
(stated in Ch$)			
Basic earnings per share		$1,140	$665
Diluted earnings per share		$1,140	$665

Notes No. 1 to No. 38 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 March 31, 2017 and 2016
(In millions of Chilean pesos -MCh$)

	Note	For the periods ended March 31 2017 MCh$	2016 MCh$
CONSOLIDATED NET INCOME FOR THE PERIOD		**140,856**	**73,919**
OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIEDTO THE STATEMENTS OF INCOME			
Net gain/(loss) resulting on revaluation of financial investments available for sale		9,571	30,633
Net loss on cash flow hedge derivatives		(8,381)	(12,171)
Accumulated (loss)/gain adjustment for translation differences		(15,459)	(11,377)
Other comprehensive income before income tax		**(14,269)**	**7,085**
Income tax for other comprehensive income	15	3,037	(83)
Total other comprehensives (loss) income that may be reclassified to the statements of income in subsequent periods		**(11,232)**	**7,002**
OTHER COMPREHENSIVE INCOME (LOSS) THAT WILL NOT BE RECLASSIFIED TO THE STATEMENTS OF INCOME IN SUBSEQUENT PERIODS		-	-
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		**(11,232)**	**7,002**
CONSOLIDATED TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**129,624**	**80,921**
Attributable to:			
Equity holders of the Bank		129,611	80,916
Non-controlling interest		13	5
Earnings per share attributable to equity holders of the Bank:			
Basic earnings per share		$1,049	$728
Diluted earnings per share		$1,049	$728

Notes No. 1 to No. 38 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 March 31, 2017 and 2016
(In millions of Chilean pesos -MCh$)

			Accumulated other comprehensive income					Retained earnings				Total Equity		
	Capital	Reserves	Instruments Revaluation reserve	Cash flow hedges reserve	Cumulative translation adjustment reserve	Income Tax	Total	Retained earnings	Net Income for the period	Minimum dividends Provision	Total	Total attributable to equity holders of the bank	Non-Controlling interest	Total equity
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
As of January 1, 2017	**2,276,820**	**109**	**170**	**(16,678)**	**18,450**	**1,314**	**3,256**	**-**	**340,121**	**(102,049)**	**238,072**	**2,518,257**	**420**	**2,518,677**
Transfer to retained earnings	-	-	-	-	-	-	-	340,121	(340,121)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	(123,564)	-	102,049	**(21,515)**	**(21,515)**	-	**(21,515)**
Capitalization of reserves	216,600	-	-	-	-	-	-	(216,557)	-	-	**(216,557)**	**43**	(43)	-
Other comprehensive income	-	-	9,571	(8,381)	(15,459)	3,037	**(11,232)**	-	-	-	-	**(11,232)**	98	**(11,134)**
Net income for the period 2017	-	-	-	-	-	-	-	-	140,843	-	**140,843**	**140,843**	13	**140,856**
Provision for minimum dividends 2017	-	-	-	-	-	-	-	-	-	(42,257)	**(42,257)**	**(42,257)**	-	**(42,257)**
As of March 31, 2017	**2,493,420**	**109**	**9,741**	**(25,059)**	**2,991**	**4,351**	**(7,976)**	**-**	**140,843**	**(42,257)**	**98,586**	**2,584,139**	**488**	**2,584,627**
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)	-
Paid-in Capital	7,494	-	-	-	-	-		-	-	-	-	**7,494**	-	**7,494**
Other comprehensive income	-	-	30,633	(12,171)	(11,377)	(83)	**7,002**	-	-	-	-	**7,002**	(8)	**6,994**
Net income for the period 2016	-	-	-	-	-	-	-	-	73,914	-	**73,914**	**73,914**	5	**73,919**
Provision for minimum dividends 2016	-	-	-	-	-	-	-	-	-	(22,176)	**(22,176)**	**(22,176)**	-	**(22,176)**
As of March 31, 2016	**2,008,906**	**109**	**3,252**	**(28,038)**	**10,489**	**8,509**	**(5,788)**	**-**	**73,914**	**(22,176)**	**51,738**	**2,054,965**	**231**	**2,055,196**

Notes No. 1 to No. 38 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 March 31, 2017 and 2016
(In millions of Chilean pesos -MCh$)

	Note	For the periods ended March 31 2017 MCh$	2016 MCh$
CASH FLOWS (USED IN) PROVIDED BY OPERATING ACTIVITIES:			
INCOME BEFORE INCOME TAX		**202,787**	**102,843**
Charges (credits) to income not representing cash flows:			
Depreciation and amortization	31	14,364	12,861
Impairment of property, plant and equipment and intangible assets	31	26	2
Provision for loan losses		72,782	55,459
Impairment of repossessed assets		15	-
Adjustment to fair value of financial instruments		(1,313)	(2,659)
Share of (profit) loss of investments accounted using equity method	12	(103,223)	(3,817)
Net loss (gain) from sale of repossessed assets	32	(186)	(387)
Gain from sale of property, plant and equipment	32	(7,020)	(142)
Loss on sale of property, plant and equipment	32	6	56
Write-off of repossessed assets	32	630	813
Other changes (credits) to income not representing cash flows		73,190	29,805
Net interest and indexation income		(221,146)	(224,094)
Net fee and commission income		(62,256)	(58,671)
Changes in assets and liabilities affecting operating cash flows:			
Net increase in loans and receivables to banks		10,504	8,160
Net increase in loans and receivables to customers		(140,430)	(123,637)
Net (increase) decrease in investments in other companies		(39,016)	82,950
Net increase in current accounts and other demand deposits		286,909	(146,987)
Net increase (decrease) in liabilities under agreements to repurchase		(148,634)	109,679
Net increase in term deposits and savings accounts		(152,976)	542,689
Net increase in borrowing from financial institutions		(113,077)	(124,091)
Net increase in other financial liabilities		(129,845)	97,655
Proceeds from loans from Central Bank of Chile (long-term)		-	-
Repayment of loans from Central Bank of Chile (long-term)		(1,959)	(1,719)
Proceeds from foreign borrowings (long-term)		1,256,069	1,184,417
Repayment of foreign borrowings (long term)		(1,353,419)	(1,302,997)
Income tax paid		(61,931)	(28,924)
Interest and indexation received	15	362,816	366,737
Interest and indexation paid		(111,328)	(91,863)
Fees and commissions received	25	81,700	77,180
Fees and commissions paid	25	(19,444)	(18,509)
Total cash flows (used in) provided by operating activities		**(305,405)**	**542,809**
CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	14	(12,817)	(1,683)
Proceeds from sale of property, plant and equipment		15,661	-
Increase of investments in other companies	12	(16,547)	-
Sale of investments in other companies	13	(11,123)	(2,119)
Proceeds from sale of intangible assets		31,825	-
Dividends received from investments	12	455	-
Sale of repossessed assets		400	435
Net changes in other assets and liabilities		37,940	8,731
Total cash flows provided by (used in) investing activities		**45,794**	**5,364**
CASH FLOW FROM FINANCING ACTIVITIES:			
Redemption of letters of credit		(1,180)	(1,581)
Bond issuance		160,510	-
Bond redemption		-	-
Paid-in capital	23	-	-
Dividends paid	23	(123,560)	(110,807)
Total cash flows provided by financing activities		**35,770**	**(112,388)**
NET DECREASE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD		**(194,984)**	**43,905**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(28,857)**	**391,880**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**1,826,828**	**1,674,910**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	**1,602,987**	**2,110,695**

Notes No. 1 to No. 38 are an integral part of the Interim Consolidated Financial Statements.

(In millions of Chilean pesos -MCh$)

Reconciliation of provisionsfor loan losses to Consolidated Statements of Cash Flows for the period

		For the periods ended March 31	
		2017	**2016**
	Note	**MCh$**	**MCh$**
Provisions for loan losses presented in the Consolidated Statements of Cash Flows		72,782	55,459
Recovery of loans previously written off		(9,879)	(11,391)
Provisions for loan losses	28	**62,903**	**44,068**

NOTE 1 -GENERAL INFORMATION ANDSUMMARY OF 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 (hereinafter the “SBIF”). The registered office of the Bank is located at El Golf Avenue, 125, Las Condes. The Interim Consolidated Financial Statements as of March 31, 2017 and December 31, 2016 include 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.

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 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 follow generally accepted accounting criteria established in International Financial Reporting Standards (hereinafter the “IFRS”) issued by the International Accounting Standards Board (hereinafter the “IASB”). In case of any discrepancy between IFRS and SBIF, the latter are followed.

The Interim Consolidated Statements of Income include the net income for the period and the period of Other Comprehensive Income reflect other comprehensive income recognized 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 period attributable to the equity holders of the Bank, as stated in the Interim Consolidated Statements of Income.

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

NOTE 1 -GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

c) Controlled Companies (subsidiaries)

The Interim Consolidated Financial Statements as of March 31, 2017 and December 31, 2016 include financial information of the Bank and controlled companies (subsidiaries) (hereinafter the “Group”). Control is achieved when the following conditions are met:

I. 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 hasrights, to variable returns from its involvement with the investee; and
III. Has the capacity to use its power over the investee to affect its returns.

When the Bank has less than a majority of voting rights of an investee, it has power overthe investee, when the 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 an investee are sufficient to give it power, including:

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

The Bank reassesses whether or not it controls an investee if facts and circumstances indicatethere are changes in one or more of the three elements of control listed above.

Consolidation of a subsidiary ceases when the Bank loses control of the subsidiary. Income and expenses of a subsidiary disposed of during the year are included in the consolidated statements of income until the date when the Bank ceases to control the subsidiary.

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

The Interim Consolidated Financial Statements, 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.

NOTE 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

i. Entities controlled by the Bank through interest ownership:

	Ownership			
	Direct		Indirect	
Entity	**2017**	**2016**	**2017**	**2016**
	%	%	%	%
Análisis y Servicios S.A. (1)	99.00	99.00	1.00	1.00
BCI Asset Management Administradora de Fondos S.A.	99.90	99.90	0.10	0.10
BCI Asesoría Financiera S.A.	99.00	99.00	1.00	1.00
BCI Corredor de Bolsa S.A.	99.95	99.95	0.05	0.05
BCI Corredores de Seguros S.A.	99.00	99.00	1.00	1.00
BCI Factoring S.A.	99.97	99.97	0.03	0.03
BCI Securitizadora S.A.	99.90	99.90	-	-
Banco de Crédito e Inversiones Sucursal Miami	100.00	100.00	-	-
Servicio de Normalización y Cobranza. Normaliza S.A.	99.90	99.90	0.10	0.10
BCI Securities INC (2)	99.90	99.90	0.10	0.10
BCI Corredores de Bolsa de Productos S.A. (3)	99.00	99.00	1.00	1.00
BCI Financial Group. INC. and Subsidiaries (4)	100.00	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 employees of the latter. Análisis y Servicios S.A. is still in force and operational as a support business company.

(2) 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 SBIF on January 10, 2013 and by the Central Bank of Chile on February 21, 2013. The subsidiary started operations on March 1, 2016.

(3) 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 Insurance (hereinafter the “SVS”)since November 2, 2015.

(4) On October 16, 2015, Banco de Crédito e Inversiones acquired City National Bank of Florida (hereinafter “CNB”). BCI acquired 100% of CM Florida Holding (currently BCI Financial Group, Inc. and Subsidiaries), which owns and controls CNB.

NOTE 1 -GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

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

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

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

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

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

BCI Securitizadora S.A.was established as a closely held corporation by public deed dated March 1, 2001. Its corporate purpose is the acquisition of the credits referred to in Article No. 135 of Law No. 18,045 or the rules that replace or complement it, and the issuance of debt securities, short or long term, causing for each issuance the formation of capital separate from its own, supervised by the SVS.

NOTE 1 -GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

BCI Securities INC.was established in the State of Florida, United States of America on July 6, 2011. Its corporate purpose is to buy and sell stocks, mutual funds, corporate debt, US government bonds, sovereign debt, and call and put options for its customers, primarily residents of South America. BCI Securities INC may establish network agreements with banks, savings banks or credit unions.

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

BCI Financial Group, INC.and Subsidiaries, a parent company of CNB, was acquired in 2015. CNB is a banking financial institution established in 1946 with headquarter in Miami, offering a wide range of financial products (including real estate, commercial and consumer banking) to more than 22,000 customers, with 26 branches in four Florida counties.

NOTE 1 -GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

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 activitiesand oversight financial and operational policy decisions:

	Ownership interest			
	Direct		Indirect	
Entity	2017	2016	2017	2016
	%	%	%	%
BCI Activos Inmobiliarios Fondo de Inversión Privado	40.00	40.00	-	-
Incentivos y Promociones Limitada (1)	SE	SE	SE	SE

(1) Structured Entity (“SE”) is responsible for the promotion of credit and debit cards products. The Bank does not hold any ownership interest in that company.

d) Associates

An associate is an entity over which the Bank has significant influence. Significant influence is the power to participate in the financial and operational 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, participating in policy-setting processes, significant transactions between the Bank and the associate, interchange of managerial personnel and provision of essential technical information.

These investments are accounted under equity method. The investment in an associate is originally recognized at cost. As of the acquisition date, the investment is recognized in the statements of financial position based on the share of its equity that Bank’s interest represents in its capital.

NOTE 1 -GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

The following entities are considered associates:

	Ownership interest	
Company	**2017**	**2016**
	%	%
Artikos Chile S.A.	50.00	50.00
Servipag Ltda.	50.00	50.00
Centro de Compensación Automatizado S.A.	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 LTD. (**)	-	1.93

(*) During June and July of 2016 the Bank acquired 206 shares of the associate, increasing its ownership by 2.3 percentage points in comparison to December 31, 2016.

(**) As of January 2017, the Bank ceased to have a significant influence on Credicorp LTD, which changed the method of recognition of investment, which from March 2017 was carried at historical cost, being classified in investments in other companies (See Note 3 Siginticant events).

Entities in the table above, in which Bank holds less than 20%, are still considered associates given the Bank's ability to have a representative in their Board of Directors, which indicate the Bank has significant influence over them.

ii. Investments in other Companies:

In this category are presented those entities in which the Bank has no control neither significant influence.
Includes permanent minority investments in companies in the country and abroad, recorded at cost and with impairment adjustments when applicable.

As of March 31, 2017, the Bank has the following investments in other companies: SWIFT, FED, FHLB, BLADEX, CREDICORP LTD, (*) and others.

(*) The Bank has a 1.93% stake in Credicorp LTD., Which, as of March 2017, is carried at historical cost, classified in this item, see Note 3 Significant events.

As of March 31, 2016, the Bank has the following investments in other companies: SWIFT, FED, FHLB, BLADEX and others.

NOTE 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

e) Basis of consolidation

The Interim Consolidated Financial Statements comprise financial information of the Bank and its subsidiaries as of March 31, 2017 and December 2016, and for the periods then ended.

The Financial Statements of subsidiaries (including the Structured Entity controlled by the Bank), were aligned with the financial statements of the Bank according to the rules laid down in the Compendium of Accounting Standards and Instructions issued by the SBIF.

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

For consolidation purposes, the assets and liabilities of BCI Financial Group, Inc. and Subsidiaries and BCI Securities Subsidiaries are translated into Chilean Pesos using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the monthly average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interest as appropriate).

f) 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 Statements of Other Comprehensive Income and Interim Consolidated Statements of Financial Position.

g) 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 Subsidiaries and BCI Securities subsidiary, which have determined the US dollar as their functional currency.

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

h) Transactions in foreign currency

Balances and transactions denominated in currencies different to the Chilean peso are considered denominated in "foreign currency". Transactions carried out by each entity in currency other than its functional currency are recognized using the exchange rates prevailing at the date of the transaction. During the period, the differences that arise between the prevailing exchange rate at the date of the transaction and the exchange rate as of the date of collection or payment are recognized as "Foreign exchange results, net" in the Interim Consolidated Statements of Income.

NOTE 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

The differences that arise on translation of the balances denominated in foreign currency into functional currency are recognized as “Foreign exchange gains, net” in the Interim Consolidated Statements of income.

As ofMarch 31, 2017 and December 2016, the assets and liabilities of the Bank nominated in foreign currency are shown at their equivalent value in Chilean pesos.

i) Operating segments

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

(i) That engage in business activities from which the Bank may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Bank).
(ii) Whose operating results are regularly reviewed by the entity’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
(iii) For which discrete financial information is available.

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

j) 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:

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

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

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

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all feeson points paid or received that form an integral part of the effective interest rate, transaction costs and otherpremiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorterperiod, to the net carrying amount on initial recognition.

NOTE 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

ii. Assets and liabilities measured at fair value:

For financial instruments traded in active markets, the determination of fair values is based on their listed orrecent transaction prices. This includes instruments traded in domestic or international stock markets.

A financial instrument is considered quoted on an active market, if prices are regularly and freely available ona stock, index, broker, dealer, supplier prices or regulatory agency and those prices represent current andregular market transactions. If the market does not meet that condition, it is considered inactive. The lack ofrecent transactions or a too wide spread between bid-offer prices, are indications that the market is inactive.

For all other financial instruments, fair value is determined using valuation techniques. The valuationtechniques used should maximize the use of relevant observable inputs with respect to similar financinginstruments. The fair value is estimated using models to estimate the present value of the expected cash flowsor other valuation techniques, using inputs (e.g. deposits, swaps, exchange rates, volatilities, etc.) observableat 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 hadbeen determined based on unobservable data. However, for this type of instruments, the Bank has modelsdeveloped internally, which are based on techniques and methods generally recognized in the industry. Whenthe data used in the models is unobservable, the Bank must develop assumptions in order to estimate the fairvalues. These valuations are known as Level 3 valuations. Instruments classified according to their valuationlevel are detailed in Note 34 to the Interim Consolidated Financial Statements.

The results of the models are always an estimate or approximation of the value and cannot be determinedwith certainty. Valuations are adjusted, when applicable, in order to reflect additional factors, such asliquidity 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 toreasonably present the values of the financial instruments in the Interim Consolidated Financial Statements. The information,prices and parameters used in the valuations are carefully and regularly checked, and adjusted if necessary.

iii. Assets and liabilities measured at acquisition cost:

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

The Consolidated Financial Statements have been prepared based on a historicalcost basis, except for:

- Derivative financial agreements, measured at their fair value.
- Repossessed assets, measured at the lower of carrying amount or fair value less coststo sell.
- Trading portfolio financial assets, measured at their fair value.
- Financial investments available for sale, measured at their fair value.

Property, Plant and Equipment are measured at fair value when Management decided to revaluate suchassets and consider this value as deemed cost for the first adoption.

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NOTE 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued
iv. Derecognition of financial assets and liabilities:

The accounting treatment of transfers of financial assets depends on the extent and the manner in which therisks 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 thirdparties, such as the unconditional sales, sales with resale agreements at the fair value on the date ofresale, the sale of financial assets with the option to repurchase or a sale issued with a high probabilitythat it will not be finalized, the use of assets where the transferring entity does not retain subordinatedfinancing or give up a credit improvement to the new owners, among other similar cases, the transferredfinancial asset is derecognized from the Interim Consolidated Financial Statements, recognizing simultaneouslyany 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 financialassets sale with a resale agreement at a fixed price or at sale price plus interest, the contracts forsecurities in which the borrower has the obligation to return the same or similar assets, among othersimilar cases, the transferred financial asset is not derecognized from the Interim Consolidated FinancialStatements and continuous measuring under the same criteria which were applied before the transfer.Consequently, it recognizes:

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

b) Any income on the transferred (but not derecognized) financial asset and any expenses incurred onthe new financial liability.

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

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

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

Accordingly, financial assets are derecognized from the Interim Consolidated Statements of Financial Position when,and only when, the contractual rights to the cash flows from the financial asset expire; or when the Banktransfers the financial assets and substantially all the risks and rewards of ownership of the assets to thirdparties.

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

NOTE 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

k) Investment instruments

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

Investment instruments are initially recognized at their fair value, including transaction costs. 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 othercomprehensive income. When these investments are sold the available for sale investment instruments' reserve accumulated in other comprehensive income associated with these instruments is reclassified to the Consolidated Statements of Income and recognized under "Trading and investment income, net" heading as well as any realized gain/loss on disposal. In the case of a significant or prolonged decline in the fair value of any of these instruments, an impairment is recognized by a reclassification from other comprehensive income to the line item "Impairment" in the statements of income.

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

The interests and indexation for inflation of held to maturity and available for sale investments are included in "Interest income" line in the Interim Consolidated Statements 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 their trade date, on which the purchase or sale of the asset is agreed.All other purchases and sales are recognized at their settlement date.

l) Trading investments

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

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

The interest and indexation for inflation are recognized in "Trading and investment income, net" line in the Interim Consolidated Statements of Income.

NOTE 1 -GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

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

m) Transactions with repurchased agreements and securities lending

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

Repurchase agreement is an agreement to transfer a financial asset to another party in exchange for cash or other consideration and a concurrent obligation to reacquire the financial assets at a future date for an amount equal to the cash or other consideration exchanged plus interest. These agreements are accounted for as financing transactions. Financial assets sold under repurchase agreements are retained in the consolidated financial statements in "Trading portfolio financial assets" or "Financial investments available for sale" categories, and consideration received under these agreements is recognized as collateralized liability within "Liabilities under agreements to repurchase" line, and measured at amortized cost.

n) Financial derivative instruments

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

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

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" line of the Interim Consolidated Statements of Income.

NOTE 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

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 documentationof the hedging relationship; (b) the hedge is expected to be highly effective; (c) the effectiveness of the hedge can be reliably measured and; (d) the hedge is assessed on an ongoing basis and determined to have actually been highly effective throughout the financial reporting periods for which the hedge was designated.

Certain transactions with derivatives that do not qualify for being classified as hedging derivatives are treated and recognized as trading derivatives, even when they provide effective economic hedge of the 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 recognized in the Interim Consolidated Statements of Income.

If the item hedged in a fair value hedge is a firm commitment, the changes in the fair value of the firm commitment regarding the covered risk are recognized as assets or liabilities with effect on the Interim Consolidated Statements of Income for the period. Gains or losses from the changes in fair value measurement of the hedging derivative are recognized with effect on the Consolidated Statements of Income for the period. When a new asset or liability is acquired as a result of the firm commitment, the initial recognition of the acquired asset or liability is adjusted to incorporate the accumulated effect of the fair value valuation of the firm commitment recognized in the Interim Consolidated Statements of Financial Position.

When a derivative hedges exposure to changes in the cash flows of existing assets or liabilities, 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 Interim Consolidated Statements of Income for the period.

The cumulative loss or gain in cash flow hedge reserve is transferred to the statements of income to the extentthat the hedged item impacts the income because of the hedged risk, offsetting the effect in the same line of the Interim Consolidated Statements of Income.

In case of fair value hedge of interest rate risk of a portfolio with the hedged item representing currency valueinstead of individual assets or liabilities, gains or losses from the fair value measurement for both the hedgeditem and the hedging instrument, are recognized in the Consolidated Statements of Income, but the fair value adjustment of the hedgedinstrument is presented in the Interim Consolidated Statements of Financial Position under “Other assets” or “Otherliabilities” lines, depending on the hedged item position as of reporting date.

NOTE 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

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" for its acronym in Spanish) associated with the default of the counterparty.

The valuation adjustment for the existence of the spread bid/ask 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 requirementsSBIF and the Central Bank of Chile.

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

i. Define market makers or BCI customer condition:

On an annual basis the Bank condition will be redefined to be considered market makers (the Bank must be within 4 main markets) or customers for each of the financial products it operates. This will be done based on information get from two principal brokers of the domestic market: TRADITION and ICAP.

ii. Condition of Market Makers:

For products (markets) where BCI is considered creditor, the instrument shall be valued at mid-price and bid/ask adjustment will not be applied.

iii. Customer status:

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

o) Hedge of a net investment in a foreign operation

According to IAS 21 and IAS 39 the requirements to recognize hedge accounting are the following: IAS 21 requires that an entity should determine the functional currency of each of its foreign operations as the currency of the primary economic environment in which it operates. When financial situation and results of a foreign operation are translated from a currency different to functional currency of the parent, the entity will recognize the exchange differences thorough other comprehensive income in equity, under Cumulative Translation Adjustment Reserve, until the sale or disposal by other means of the foreign operation. The accumulated difference is to be transferred to the Interim Consolidated Statements of Income for the period in which the sale or disposal occurs.

NOTE 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

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

IAS 39 stablishes the following conditions in order to apply hedge accounting:

a) At the inception of the hedge there is formal designation and documentation of the hedging relationship and the entity’s risk management objective and strategy for undertaking the hedge;
b) The hedge is expected to be highly effective;
c) The effectiveness of the hedge can be reliably measured;
d) The hedge is assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting periods for which the hedge was designated.

The hedged item is the initial investment made for the purchase of BCI Financial Group INC. andSubsidiaries.

p) 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 recognized at their fair value plus direct transaction costs and subsequently measured at their amortized cost using the effective interest method.

i. Financial lease contracts

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

ii. Factoring Operations

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

q) Allowances for loan losses

The allowances required to cover the expected losses a certain financial assets have been recognized in accordance with the regulations and instructions of the SBIF. The assets are presented net of such allowances, or at a new cost basis in the case of investments. Provision on credit commitments is presented as liability under “Provisions” heading.

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

NOTE 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

i. Individual assessment:

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

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

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

ii. Normal and substandard portfolios:

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

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

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

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

Type of portfolio	Borrower Category	Probability of Default (PD) (%)	Loss given default(LGD) (%)	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

NOTE 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

iii. Collective assessment of normal and substandard portfolios:

In order to determine the amount of allowances to be established for the normal and substandard portfolios as the first step it must be estimated the exposure, to which the respective loss percentages (expressed in decimals) will be applied. This expected loss percentage is comprised of the probability of default (PD) and loss given default (LGD) established for the category in which the borrower and/or guarantor is classified, as applicable.

The exposure subject to allowances corresponds to the loans and receivables plus loan commitments, less the amount to be recovered by collateral execution. Likewise, loans and receivables are understood as the carrying value of loans and receivables to the respective borrower, while loan commitments are understood as the amount resulting from applying the clause indicated in N°3 of Chapter B-3 of the Accounting Standards Compendium.

iv. Non-compliant portfolio:

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

For the effects of allocating allowances on the non-compliant portfolio, loss rate percentages are used, which must be applied to the exposure, corresponding to the sum of loans and receivables and loan commitments held by the same borrower. In order to apply this percentage, an expected loss rate must be estimated first, deducting from the exposure the amounts expected to be recovered by execution of collateral and, in the case of having solid data that justifies them, deducting also the net present value of expected recoveries that can be obtained by execution of collection actions, net of expenses associated with them. That loss rate must be classified into one of the six categories defined according to the range of losses effectively expected by the Bank for all the operations of an individual borrower.

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

Type of portfolio	Risk Scale	Expected Loss Range	Loss Rate (%)
Non-Compliant 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

NOTE 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

v. Collective assessment:

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

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

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

a. Commercial Loans:

This portfolio includes receivables to customers holding commercial loans and/or leasing operations, and which are not assessed individually.

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

b. Consumer Loans:

This portfolio includes receivables associated with consumption of individuals, as well as loans resulting from the use of overdraft credit lines, emergency credit lines, credit cards and consumer loans.

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

c. Mortgage Loans:

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

As of December 31, 2015 the allowance determination was based on statistical models of expected loss, which estimated the probability of default for each customer (PD) and loss given default (LGD) for each operation. Both parameters were defined in terms of customer behaviour and characteristics of each loan, including delinquencies (internal and/or external), loan/collateral ratio (loan-to-value), overdue status, credit conditions, and customer behaviour in other products of the Bank, among others.

NOTE 1 -GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

Beginning January 1, 2016 the Bank adopted the "Standard Method for Provisioning the Residential Mortgage Loan" established by SBIF in its Circular No. 3,573. This circular stablishes provisioning factors, representing expected losses over the amount of the loan, applied based on the level of delinquency of each loan, and the loan/collateral ratio (Loan-to-Value or LtV) at the end of each month, as shown in the following table.

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

Where:

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

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

The application of this new rule resulted in an increase in the allowances for residential mortgage loans amounting to MCh$14,028 as of January 1, 2016, and a reduction in the same amount of additional provisions recognized as of December 31, 2015. Accordingly, the application of this new regulation has no effect on the Consolidated Statements of Income forthe year ended December 31, 2016.

d. Write-off of loans:

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

NOTE 1 -GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

The write-off in question refer to the write-offs of the assets previously recognized in the Interim Consolidated Statements of Financial Position corresponding to the respective transaction, including, therefore, the portion that may be not expired if a loan is to be repaid in instalments, or in case of a leasing operation (there are no partial write-offs).

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

Write-offs of loans and receivables are made on overdue, past due and current instalments, and should be made in accordance with the following deadlines since their first default:

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

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

e. Recovery of written off loans:

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

r) Fee and commission income and expense

Fee and commission income and expense are recognized in the Interim Consolidated Statements of Income using different criteriaaccording to their nature. The most significant are:

- Those corresponding to operationswhich happen at the moment of time are recognized when the operation which originates them has been complete.
- Those originated 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 -GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

s) Impairment

I. Financial Assets:

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

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

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

Financial assets that are individually significant are individually assessed for impairment. The remaining financial assets are assessed on the collective basis in groups of assets that share similar credit risk characteristics.Impairment is recognized in the Consolidated Statements of Income for the year. Any impairment of financial investments available for sale previously accumulated as negative revaluation reserve in equity is transferred to the Consolidated Statements of Income for the year.

The previously recognized impairment is reversed only if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized. For the financial assets measured at amortized cost and debt financial investments available for sale, the reversal of impairment loss is recognized in the Interim Consolidated Statements of Income. In respect of equity financial investments available for sale, impairment losses previously recognized in the Consolidated Statements of Income are not reversed through Interim Consolidated Statements of Income. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve.

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

NOTE 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

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

i. Impaired Portfolio:

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

The remaining impaired loans are classified in the following groups:

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

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

The behaviour in the financial system it is not considered in determining income on the impaired portfolio.

<u>Exit Conditions</u>

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

- <u>Collective assessment:</u>

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

- Receipt of at least six consecutive instalments of principal and interest, paid on time in accordance with the schedule of payments or with a maximum delay of 30 days.
- All obligations up to date and no other loans in the impaired portfolio.
- In any case, there must be no instalmentsin default 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 loans: loans of the impaired portfolio may be reclassified back to the normal portfolio only upon compliance with the following conditions:

- Receipt of at least six consecutive instalments of principal and interest, paid on time in accordance with the schedule of payments or with a maximum delay of 30 days.
- All obligations up to date and no other loan operations of the borrower in the impaired portfolio.
- No other renegotiations of the borrower's loans within the last six months.
- In any case, there must not be any instalmentsin default 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).

NOTE 1 -GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

ii. Interest and indexation for inflation income and expenses:

Income and expenses from interest and indexation for inflation are recognized in the Interim Consolidated Statements of Income for the period based on the accrual principle using the effective interest method.

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

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

• Amounts to suspend:

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

• Date of suspension:

Individually assessed loans:

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

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

NOTE 1 -GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

Collectively assessed loans:

For the loans with collateral whose fair value is less than 80% of the loan balance, accrual of income is suspended when the loan or one of the instalments 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 assets covered by the same collateral, including credit commitments.

II. Non-financial assets:

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

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

t) Intangible assets

Software

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

The expenses in software developed internally are recorded as assets when the Bank 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 recorded at cost less the accumulated amortization and losses from impairment.

The subsequent expenditures associated with any software are capitalized only when the Bank may derive future economic benefits from them. The rest of the expenditures are recognized in the Interim Consolidated Income Statement of the period.

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

NOTE 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

Intangibles acquired in a business combination

Intangible assets with finite and indefinite useful lives were recognized as a consequence of the purchase of BCI Financial Group, INC. and Subsidiaries at the acquisition date, in October 2016. These intangible assets were identified in Purchase Price Allocation (PPA) process.

According to IFRS 3 “Business Combinations”, amounts presented as of December 31, 2015 were determined as preliminarily and could be adjusted during up to one year period from the acquisition date.

Intangible assets with finite useful life are amortized on a straight-line basis over their estimated useful life.

Intangible withindefinite useful life are subject to annual impairment review. In accordance with the SBIF rules, under the Compendium of Accounting Rules, Chapter A2 number 7, two independent appraisers different from the Bank’s auditors performed an impairment test over indefinite life intangible assets. This review was performed at an interim date, June 30, 2016, and as of the year end.

Goodwill

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired entity to those units or groups of units assigned.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired.

An impairment loss recognised for goodwill is not reversed in subsequent periods.

NOTE 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

u) Business Combinations

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

In a business combination, an independent expert is used to make a determination of fair value of net assetsacquired and is intangible assets identified. For the estimation of recovery of these intangibles identified in abusiness 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 “Share-based Payment” in 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 is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer’s previously held interest in acquiree (if any) over the net amounts of the acquisition-date amount 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 statements of incomeas a bargain purchase gain.

Non-controlling interests that are represent ownership interest and entitle their holders to a proportionateshare of the entity’s net assets in the event of liquidation may be initially measured either at fair value or atthe non-controlling interest’s proportionate share of the recognized amounts of the acquire’s identifiable netassets. 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.

NOTE 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

v) Property, Plant and Equipment

The items of property, plant and equipment are measured at acquisition cost, net of accumulated depreciation and impairment, if any.

In addition to the price paid to acquire each item, the cost also includes, where applicable, the capitalized cost. The capitalized cost includes expenses attributed directly to the asset acquisition and any other costs directly attributable to the process of placing the asset in conditions to be used.

When some part of an item of the property, plant and equipment has a different useful life to that property, plant and equipment, it is recognized as aseparate component (Real Estate Remodelling).

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

The estimated useful lives for the property, plant and equipment as of March 31, 2017 and December 2016 are the following:

	As of March 31, 2017	As of December 31, 2016
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

w) Repossessed assets

Repossessed assets are classified under “Other assets” heading and recognized at the lesser of their adjudicated-in-court value and net realizable value, net of regulatory write-offs required by the SBIF. Repossessed assets are presented net of impairment.Asset not sold within one year from the adjudication date have to be written off.

NOTE 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

x) Staff benefits

i. Unused Vacations:

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

ii. Short-term benefits:

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

y) Leases

i. Operating lease:

When the Bank or the subsidiaries act as lessee and the contract qualifies as an operating lease, operating lease payments are recognised as an expense on a straight-line basis over the lease term

At the end of the operating lease period, any payment for penalties arising under operating leases are recognised as an expense in the period in which they are incurred.

ii. Financial lease:

Amounts due from lessees under finance leases are recognised as receivables at the amount of the net investment in the leases under the heading “Loans and receivables to customers”. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

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

z) Cash flow statement

Indirect method was applied for presentation of the Interim Consolidated Statements of Cash Flows. In accordance with this method non-cash transactions are included as adjustments to the Bank’s profit, as well as revenues and expenses associated with cash flows from investing or financing activities.

NOTE 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

The following concepts are applied for the Interim Consolidated Statements of Cash Flows:

Cash flows: the inflows and outflows of cash and cash equivalents, which are short-term, highly liquidinvestments that are readily convertible to know amount of cash and which are subject to an insignificant risk of changes in value, such as: deposits with the Central Bankof Chile, with domestic and foreign banks.

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

Investing activities: are the acquisition and disposal of long-term assets and other investments notincluded in cash equivalents.

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

aa) Provisions and contingent assets and liabilities

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

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

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

A contingent liability is:

a. a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
b. a present obligation that arises from past events but is not recognised because:
    - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
    - the amount of the obligation cannot be measured with sufficient reliability.

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

NOTE 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

Provisions are recognized for the following categories:

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

i. Additional provisions:

The SBIF has defined that the additional provisions are those not deriving from the application of valuation models to the portfolio in order 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 No. 10 of Chapter B-1 of the Compendium of Accounting Standards issued by the SBIF, has to be recognized as liabilities.

ii. Minimum provisions required for the normal individual portfolio:

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

ab) Use of estimates and judgments

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

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

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

- Impairment of certain assets (Note 31).
- Valuation of financial instruments (Notes6, 8 and 11).
- Useful life property, plant and equipment and intangible assets (Notes 13 and 14).
- Use of tax loss carry-forward (Note 15).
- Contingencies and Commitments (Note 22).

NOTE 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

ac) Income tax and deferred tax

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

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

As of March 31, 2017 and December 2016, the Bank recognized net deferred tax assets, for which Management has assessed that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

In accordance of Law No. 20,780 published on September 29, 2014 and modified by Law 20,899 published on February 8, 2016, from 2018 the Bank will be subject to a 27% income tax rate on a permanent basis. Meanwhile, the Bank will be subject to a 24% income tax rate in 2016, and to a 25% income tax rate in 2017.

ad) 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 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 cost to sell.

ae) 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 periodsprofit 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.

af) Earnings per share

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

NOTE 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

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

i. Collection Operations:

The securitization companies may acquire assets in order to forma separate equity ("Protected Assets Fund")that support the issuance of securitized bonds. These assets must be similar in nature. A separate equity has to be formed for each separate issuance.

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

Accountingof debt to be issued depends on the type of assets: debt secured by assets representing future cash flows has be recognized by both the Protected Assets Fund and the originator, while debt secured by existing assets has to be recognizedonly by the Protected Assets Fund.

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

Since there is a possibility that the respective ProtectedAssets Fund never will be created or securitized bond will not be issued for any reason (legal, market, etc.), these transactions contemplate a put option to resell account receivables back to the customer under certain circumstances (mainly in case when an entity cannot issue securitized bond for the reasons discussed above). This option has to be recognized as a contingent liability by the customer.

ii. Protected Assets Fund No. 27:

The Bank through the direct subsidiary BCI Securitizadora S.A., as of March 31, 2017, maintainsin its Interim Consolidated Financial Statements a balance of MCh$25,075, corresponding to loan receivables forming equity of the Protected Assets Fund No. 27.In order to create the latter, BCI Securitizadora S.A. acquired a loans portfolio originated by Inversiones S.C.G. S.A. On November 7, 2011 La Polar Companies filed a preventive legal agreement to the Board of Creditors. This agreement in its part related to Protected Assets Fund No. 27, mentions the conditions agreed with BCI Securitizadora S.A. on July 28, 2011. In accordance with these conditions,confirmed byInversiones S.C.G. S.A, the collection process of the assets forming structure of Protected Assets Fund No. 27 was establishedas follows:

- Cash payment on acquisition of portfolio: MCh$23,820.
- Schedule of portfolio repayments, starting the sixth year (2018),as follows:

  Years 2018, 2019 and 2020: 5% of portfolio twice a year.
  Years 2021 and 2022: 7.5% of portfolio twice a year.
  Years 2023 and 2024: 10% of portfolio twice a year.
- Commissions recognized on October 16, 2012, for compliance with the precedent agreement condition: MCh$1,255.

NOTE 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

Partial portfolio repayment will be made every 6 months 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.

Commissions: commissions to be accrued corresponded to 4% of the portfolio per year between July 1, 2012 and until fulfilment of the precedent condition. These commissions will be capitalized from the date of capitalization subject to interest at BCP 10 rate (in pesos for 10 years) in force on the previous day to the date of compliance with the precedent condition plus 1% per annum. This interest rate to be used throughout the course of the operation, and to be paid semi-annually starting from July 31, 2013. Interest paid for the year endedMarch 31, 2017totalledMCh$262 (MCh$680 for the year ended December 31, 2016).

On October 25, 2012, external auditors of La Polar companies issued to its management the report on implementation of agreed procedures.This report confirms that on October 16, 2012 the funds raised from the effected capital increase exceed MCh$120,000. This fact, in compliance with the suspensive condition agreed in the legal agreement to the Board of Creditors, provoked establishment of new conditions for debts payment and change of agreement structures starting from October 16, 2012. Thus the balance of account receivables to Inversiones S.C.G. S.A. as of March 31, 2017 amounted to MCh$25,337.

As of March 31, 2017 the Bank recognizes and presents this account receivable related to Protected Assets Fund No. 27 in the category “Loans and receivables to customers”.

ah) Interim Consolidated Statements of Changes in Equity

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

- **InterimConsolidated Statements 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 statements of income, and other income and expenses recognized in equity.

NOTE 1 - GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES, Continued

Therefore, in the Interim Consolidated Statements of Other Comprehensive Income, the following are presented:

i) Net income for the period.

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 on a net basis.

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.

- **InterimConsolidated Statements of Changes in Equity -** this part of the Interim Consolidated Statements 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 period 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 financial statements due to changes in accounting policies or to correct errors. During the reporting 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 Statements of Income, in the aggregate.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, Continued

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

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

a) New and revised IFRS effective in the current year

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

Enmiendas a NIIFs	**Fecha de aplicación obligatoria**
Disclosure Initiative (Amendments to IAS 7)	Annual periods beginning on or after January 1, 2017.
Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12)	Annual periods beginning on or after January 1, 2017.

Disclosure Initiative (Amendments to IAS 7)

The amendments are part of the IASB´s Disclosure initiative project and introduce additional disclosure requirements intended to address investors´ concerns that financial statements do not currently enable them to understand the entity´s cash flows; particularly in respect of the management of financing activities. The amendments require disclosure of information enabling users of financial statements to evaluate changes in liabilities arising from financial activities. Although there is no specific format required to comply with the new requirements, the amendments include illustrative examples to show how an entity can meet the objective of these amendments.

Management is currently assessing the impact of applying these amendments, however, it is not practicable to provide a reasonable estimate of the effects that these IFRS will have until Management finalizes a detail review.

Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12)

On January 19, 2016, the IASB published final amendments to IAS 12 'Income Taxes'.
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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, Continued

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

Management is currently assessing the impact of applying these amendments, however, it is not practicable to provide a reasonable estimate of the effects that these IFRS will have until Management finalizes a detail review.

b) New and revised IFRS in issue but not yet effective:

New Standards	**Effective date**
IFRS 9 *Financial Instruments*	Annual periods beginning on or after January 1, 2018.
IFRS 15 *Revenue from Contracts with Customers*	Annual periods beginning on or after January 1, 2018.
IFRS 16 *Leases*	Annual periods beginning on or after January 1, 2019.
Amendments to Standards	**Effective date**
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date deferred indefinitely
Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12)	Annual periods beginning on or after January 1, 2017.
Disclosure Initiative (Amendments to IAS 7)	Annual periods beginning on or after January 1, 2017.
Clarifications to IFRS 15 "Revenue from Contracts with Customers"	Annual periods beginning on or after January 1, 2018.
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)	Annual periods beginning on or after January 1, 2018.
Applying IFRS 9 "Financial Instruments" with IFRS 4 "Insurance Contracts" (Amendments to IFRS 4)	Overlay approach to be applied when IFRS 9 is first applied. Deferral approach effective for annual periods beginning on or after 1 January 2018 and only available for three years after that date.
Transfers of Investment Property (Amendments to IAS 40)	Annual periods beginning on or after January 1, 2018.
Annual Improvements to IFRS Standards 2014-2016 Cycle	The amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after January 1, 2018. The amendment to IFRS 12 for annual periods beginning on or after January 1, 2017.
New Interpretations	**Effective date**
IFRIC 22 Foreign Currency Transactions and Advance Consideration	Annual periods beginning on or after January 1, 2018.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, Continued

IFRS 9 *Financial Instruments*

In 2014 IASB issued a finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a "fair value through other comprehensive income" category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39 *Financial Instruments: Recognition and Measurement*, however there are differences in the requirements applying to the measurement of an entity's own credit risk.

Impairment. The 2014 version of IFRS 9 introduces an "expected credit loss" model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.

Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

Derecognition. The requirements for derecognition of financial assets and liabilities are carried forward from IAS 39 *Financial Instruments: Recognition and Measurement*.

IFRS 9 must be applied in an entity's first annual IFRS financial statements for periods beginning on or after 1 January 2018. Early adoption is permitted.

The Bank, in accordance with the rules of the SBIF, will not anticipate the adoption of this standard. The standard will be adopted once the SBIF authorizes to do so.

IFRS 15 *Revenue from Contracts with Customers*

On May 28, 2014, the IASB has published its new standard, IFRS 15 Revenue from contracts with customers. At the same time, the Financial Accounting Standards Board (FASB) has published its equivalent revenue standard, ASU 2014-09.

The new standard provides a single, principles based five-step model to be applied to all contracts with customers, i) identify the contract with the customer, ii) identify the performance obligations in the contract, iii) determine the transaction price, iv) allocate the transaction price to the performance obligations in the contracts, v) recognize revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, Continued

IFRS 15 must be applied in an entity's firs annual IFRS financial statements for periods beginning on or after 1 January 2018. Application of the Standard is mandatory and early adoption is permitted. An entity that chooses to apply IFRS 15 earlier than 1 January 2018 must disclose this fact.

Management is currently assessing the impact of applying IFRS 15, however, it is not practicable to provide a reasonable estimate of the effects that these IFRS will have until Management finalizes a detail review.

IFRS 16 Leases

On January 13, 2016 the IASB has published a new standard, IFRS 16 "Leases". The new standard brings most leases on-balance sheet 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 and is effective for periods beginning on or after 1 January 2019, with earlier adoption permitted if IFRS 15 "Revenue from Contracts with Customers" has also been applied.

Management is currently assessing the impact of applying IFRS 16, however, it is not practicable to provide a reasonable estimate of the effects that these IFRS will have until Management finalizes a detail review.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

On September 11, 2014, the IASB has published "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)". The amendments address a conflict between the requirements of IAS 28 *Investments in Associates and Joint Ventures* and IFRS 10 *Consolidated Financial Statements* and clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

- require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 *Business Combinations*)
- require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture.

On December 17, 2015 IASB has published final amendments to "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture". The amendments defer the effective date of the September 2014 amendments to these standards indefinitely until the research project on the equity method has been concluded.

Management is currently assessing the impact of applying these amendments, however, it is not practicable to provide a reasonable estimate of the effects that these IFRS will have until Management finalizes a detail review.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, Continued

Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12)

On January 19, 2016, the IASB published final amendments to IAS 12 'Income Taxes'.
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.

Management is currently assessing the impact of applying these amendments, however, it is not practicable to provide a reasonable estimate of the effects that these IFRS will have until Management finalizes a detail review.

Disclosure Initiative (Amendments to IAS 7)

The amendments are part of the IASB´s Disclosure initiative project and introduce additional disclosure requirements intended to address investors´ concerns that financial statements do not currently enable them to understand the entity´s cash flows; particularly in respect of the management of financing activities. The amendments require disclosure of information enabling users of financial statements to evaluate changes in liabilities arising from financial activities. Although there is no specific format required to comply with the new requirements, the amendments include illustrative examples to show how an entity can meet the objective of these amendments.

Management is currently assessing the impact of applying these amendments, however, it is not practicable to provide a reasonable estimate of the effects that these IFRS will have until Management finalizes a detail review.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, Continued

Clarifications to IFRS 15 "Revenue from Contracts with Customers"

On April 12, 2016, the 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.

Management is currently assessing the impact of applying these amendments, however, it is not practicable to provide a reasonable estimate of the effects that these IFRS will have until Management finalizes a detail review.

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)

On June 20, 2016, the 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.

Management does not anticipate that the application of these amendments will have any effect on the interim consolidated financial statements of Bank.

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

On September 12, 2016, the IASB has published 'Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts''. The amendments are intended to address concerns about the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard (expected as IFRS 17 within the next six months).

As it has become obvious that the effective date of IFRS 17 can no longer be aligned with the effective date of IFRS 9 Financial Instruments there have been calls for the IASB to delay application of IFRS 9 for insurance activities and align the effective date of IFRS 9 for those activities with the effective date of the new insurance contracts standard.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, Continued

The amendments in Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4) provide two options for entities that issue insurance contracts within the scope of IFRS 4:

- an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach;
- an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach.

The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

An entity applies the overlay approach retrospectively to qualifying financial assets when it first applies IFRS 9. Application of the overlay approach requires disclosure of sufficient information to enable users of financial statements to understand how the amount reclassified in the reporting period is calculated and the effect of that reclassification on the financial statements.

An entity applies the deferral approach for annual periods beginning on or after 1 January 2018. Predominance is assessed at the reporting entity level at the annual reporting date that immediately precedes 1 April 2016. Application of the deferral approach needs to be disclosed together with information that enables users of financial statements to understand how the insurer qualified for the temporary exemption and to compare insurers applying the temporary exemption with entities applying IFRS 9. The deferral can only be made use of for the three years following 1 January 2018. Predominance is only reassessed if there is a change in the entity's activities.

Management does not anticipate that the application of these amendments will have any effect on the interim consolidated financial statements of Bank.

Transfers of Investment Property (Amendments to IAS 40)

On December 8, 2016, the IASB has issued "Transfers of Investment Property (Amendments to IAS 40)" to clarify transfers of property to, or from, investment property.
The amendments to IAS 40 *Investment Property*:

- Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.
- The list of examples of evidence in paragraph 57(a) – (d) is now presented as a non-exhaustive list of examples instead of the previous exhaustive list.

The amendments are effective for periods beginning on or after 1 January 2018. Earlier application is permitted.

Management does not anticipate that the application of these amendments will have any effect on the interim consolidated financial statements of Bank.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, Continued

Annual Improvements to IFRS Standards 2014-2016 Cycle

On December 8, 2016, the IASB has issued "Annual Improvements to IFRS Standards 2014–2016 Cycle". The pronouncement contains amendments to three IFRSs as result of the IASB's annual improvements project.

IFRS	Subject of amendment
IFRS 1 *First-time Adoption of International Financial Reporting Standards*	*Deleted the short-term exemptions in paragraphs E3–E7 of IFRS 1, because they have now served their intended purpose.*
IFRS 12 *Disclosure of Interests in Other Entities*	*Clarified the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.*
IAS 28 *Investments in Associates and Joint Ventures*	*Clarified that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.*

The amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after 1 January 2018, the amendment to IFRS 12 for annual periods beginning on or after 1 January 2017.

Management does not anticipate that the application of these amendments will have any effect on the interim consolidated financial statements of Bank.

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

i) On May 25, 2016 Circular No. 3,583 was issued, modifying and complementing the Compendium of Accounting Standards, Chapter C-3, student loans, establishing new instructions for the classification of loans for higher education within Commercial Loans. This new classification include:

- Loans for higher education in accordance with Law No. 20,027.
- Secured Loans CORFO.
- Other loans for higher education.

ii) On February 18, 2016 Circular No. 3,601 was issued, introducing new instructions to the Compendium of Accounting Standards, Chapter C-3, complementary information, in order to report losses arising from operational risk events. In order to do so, the SBIF has requested the Banks to report on a monthly basis operational risk quantification and exposure identification according to the rules of Basel. These rules were applied for first time in the MC1 and MC2 monthly reports as of June 30, 2016.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, Continued

iii) On March 29, 2016 Circular No. 3,604 was issued, modifying the percentage of credit equivalent for available credit lines. The SBIF has concludes that the credit equivalent for available credit lines, when the client has no overdue loans, can be set at 35% of the available balance. This modification came in forcefrom May 2016.

iv) On December 12, 2016 Circular No. 3,615 was issued. In order to increase the level of transparency of the information provided by the banks, the SBIF has instructed that from June 30, 2017, interim financial statements as of June 30 will be subject to a review by independent auditors in accordance with NAGA No. 63, AU930, or its international equivalent, SAS No. 122, section AU-C930; which should be filed with the SBIF the same day of its publication, or the business day before or after it.

On March 15, 2017 Circular No. 3,621 was issued - related to Chapters B1 and C3 of the Compendium of Accounting Standards of SBIF. It complements instructions for the accounting registration and determination of provisions of the credits guaranteed by the School Infrastructure Guarantee Fund, stipulated in Law No. 20,845.
The Bank has implemented the new regulations described above in its financial statements as of March 31, 2017.

NOTE 2 - ACCOUNTING CHANGES

During the period ended March 31, 2016, no accounting changes over the previous year affecting these Interim Consolidated Financial Statements have occurred.

NOTE 3 - SIGNIFICANT EVENTS

a) Issuance and bonds placements

- **During 2017 no issuance of subordinated bonds took place.**

- **During the year 2017, the following bonds nominated in UF were issued:**

Bonds Series	Issuance Date	Notional amount. UF	Nominal Interest rate	Maturity Date
SERIE_AN1	17.02.2017	3,000,000	1.75%	21.12.2021
SERIE_AN3	28.02.2017	3,000,000	1.75%	01.12.2026

b) Distribution of dividends and capitalization of earnings

At the Annual Shareholder's Meeting held on March 28, 2017, the distribution of net income for the year 2016 was approved, amounting to MCh$340,164, as follows:

- Distribute a dividend of Ch$1,000 per share among the total 123,564,219 shares issued and registered in the Register of Shareholder's, which amounts to the sum of MCh$123,564.

- Allocate the remaining balance of the profits for the year to the profit reserve fund, that is, the sum of MCh $ 216,600.

c) Discontinuación método de la participación inversión en sociedades

As of December 31, 2016, the Bank had an investment in Credicorp LTD, equivalent to 1.93% of its equity interest, recorded in accordance with the equity method (VP: Equity Value), recording this investment to VP Is based on the fact that the Bank had a director at Credicorp LTD at the end of 2016 and therefore had the capacity to exert significant influence given its ability to intervene in financial and operating policy decisions,

On January 25, 2017, the Bank ceased to hold a director in this company, thereby losing its capacity to exercise significant influence. In accordance with IFRS 28, paragraph 22, when it ceased to have significant influence, The Bank must discontinue the use of the equity method, then measure the fair value of the investment and recognize in profit or loss for the period the difference between that fair value and the carrying amount at the date when the equity method was interrupted. The proportional participation, generating a profit of MCh $ 87,060 for that difference,

In addition, and in accordance with paragraph 23 of IFRS 28, the Bank reclassified from the reserve account of equity conversion to income for the period the sum of MCh $ 14,846.

NOTE 3 - SIGNIFICANT EVENTS, Continued

Given this new value determined, in the month of March an adjustment was generated in results as follows: In February, a sale of 92,000 shares of Credicorp LTD, which had generated a result of MM $ 5,147, had been made, this sale was reversed in March, together with the profit that had Method of participation for Ch $ 3,366 (corresponding to Credicorp LTD's share of the fourth quarter of 2016),

A deferred tax of MCh $ 38,612 is recognized, this occurs because the calculation of the income tax is made on the taxable income that in this case is higher than the financial profit,

As a result of the above, in March 2017, the Bank recognized a net profit of Ch $ 54, 781, -
See table:

Description	**MCh$**
Book value of the investment	(109,730)
Fair Value	196,790
Income, difference between fair value and book value	87,060
Income from reclassification of equity conversion reserve	14,846
Profit by discontinuation of participation method	101,906
Reverse VP utility	(3,366)
Reverse sale of shares	(5,147)
Profit recognized in March	93,393
Deferred Taxes	(38,612)
Result	**54,781**

In accordance with SBIF's Compendium of Accounting Standards (Chapter C-3), once the adjustments indicated in the previous paragraphs have been made, this investment will be classified as a "Permanent minority investment in foreign companies" At historical cost, corresponding to the market value at the time of discontinuing the equity method (VP). From this moment, the Bank will recognize income from this investment only for the dividends that are received. Likewise, it will be subject In accordance with IAS 36 paragraph 8, "the value of an asset is impaired when its carrying amount exceeds its recoverable amount", that is to say, impairment is considered when the market valueis less than the book value of the asset.

NOTE 4–INFORMATION BY 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 reporting 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 reporting 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 reporting segments, the presentation of the note considers the following:

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

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

3. 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.

Additionally, and with the purpose of improve focus and capture synergies from the customer service model, in 2016 the presentation of segments was simplified: Retail Banking and Small and Medium Entreprise segments were aggregated under "Retail Banking" heading; and Commercial Banking and Corporate & Investment Banking Commercial Division segments were aggregated under "Wholesale Banking" heading.

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

Retail Banking Segment: This segment includes individuals and entities with sales of less than UF 80,000, with the following sub segments:

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

Small and Medium Enterprises**:** This sub segment includes entrepreneurs and enterprising entities (with sales of between UF 2,400 and UF 80,000) and includes microenterprises (with sales of less than UF 2,400).

NOTE 4–BUSINESS SEGMENTS,Continued

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

Commercial Banking: This sub segment includes mainly companies whose annual sales exceed UF80,000. The operatingunits in this sub segment are: Real Estate and Companies.

Corporate & Investment Banking Commercial Division**:**This sub segment includes large corporations, financial institutions and high net worth investors with financial needs of high value added financial services. The operating units in this sub segment are:Wholesale Banks, Corporate and Private.

Corporate &Investment Banking Finance Division Segment: This segment manages the Bank's own investment portfolio. The operating unit in this segment is Sales and Trading.

BCI Financial Group, Inc. and Subsidiaries (BCIFG) Segment: 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 reportable segments and therefore are not assigned.

Assignment of income from subsidiaries by client:

Consistent with its customer-focused strategy and as a result of attention/provision of services to the Bank's clients in each segment, management in the subsidiaries, as well as results of the Bureau of Distribution and leasing business, is carried out in line with the above segments.

Assigning result of balance management:

In order to recognize in each segment all the benefits and costs associated with the clients' attention, the results of currency and maturity mismatches management are allocated to the segments in the proportion corresponding to the total income for the assets of each segment less the average cost of liabilities to finance these assets.

Allocation of expenses to reporting segments:

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

Indirect expenses (centralized allocation of expenses): expenses recognized in general costs centres, according to Bank's policy, are allocated to different segments.

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

NOTE 4 – BUSINESS SEGMENT, Continued

These criteria have been applied for the periods ended March 31, 2017and December 31, 2016.

The management of commercial areas indicated above is measured in accordance with the concepts presented in this Note, which is based on the accounting principles applied to BCI *Interim* Consolidated Statements of Incomefor the period.

NOTE 4–BUSINESS SEGMENTS, Continued

a) Statements of Income forthe period ended March 31, 2017:

	Retail Banking		Wholesale Banking					
	Retail	Small & Medium Entreprise	Commercial Banking	C&IB Commercial Division	C&IB Finance Division	BCI FG	Others	Consolidated
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Net interest income	92,408	33,796	40,563	25,103	(739)	36,705	(6,690)	**221,146**
Net fee and commission income	35,635	8,198	7,624	4,985	3,107	3,458	(751)	**62,256**
Other operating income	11,361	2,902	8,629	11,772	13,312	8,061	287	**56,324**
Operating income	**139,404**	**44,896**	**56,816**	**41,860**	**15,680**	**48,224**	**(7,154)**	339,726
Provision for loan losses	(40,384)	(12,420)	(11,112)	4,555	(1,163)	(2,496)	117	**(62,903)**
Operating income, net of loan losses, interest and commission	**99,020**	**32,476**	**45,704**	**46,415**	**14,517**	**45,728**	**(7,037)**	276,823
Total operating expenses	(85,311)	(22,190)	(22,953)	(15,523)	(7,416)	(21,776)	(2,090)	**(177,259)**
TOTAL NET OPERATING INCOME BY SEGMENT	**13,709**	**10,286**	**22,751**	**30,892**	**7,101**	**23,952**	**(9,127)**	**99,564**
Share of profit/loss of investments accounted using the equity method								**103,223**
Income before income tax								**202,787**
Income tax expense (*)								**(61,931)**
CONSOLIDATED NET INCOME FOR THE PERIOD ENDED MARCH 31, 2017								**140,856**

(*) See note 15.c.

b) Reporting Segments Balances for 2017:

	As of March 31, 2017						
	Retail Banking		Wholesale Banking				
	Retail	Small & Medium Entreprise	Commercial	C&IB Commercial Division	C&IB Finance Division	BCI FG	Total Segments
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
TOTAL ASSETS	8,371,100	2,337,990	5,055,566	4,834,360	4,965,092	5,559,684	**31,123,792**
TOTAL LIABILITIES	7,532,073	2,100,287	4,541,304	4,337,835	5,068,135	4,959,531	**28,539,165**
EQUITY							**2,584,627**

NOTE 4–BUSINESS SEGMENTS, Continued

c) Statements of Income forthe period ended March 31, 2016:

	Retail Banking		Wholesale Banking					
	Retail	Small and medium enterprise	Commercial	C&IB Commercial Division	C&IB Finance Division	BCIFG	Others	Consolidated balances
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Net interest income	90,426	32,981	40,021	23,469	14,104	32,453	(9,360)	**224,094**
Net fee and commission income	34,137	7,564	7,811	3,559	2,863	3,002	(265)	**58,671**
Other operating income	9,589	930	4,430	7,473	(8,276)	2,214	1,331	**17,691**
Operating income	**134,152**	**41,475**	**52,262**	**34,501**	**8,691**	**37,669**	**(8,294)**	**300,456**
Provision for loan losses	(27,644)	(6,098)	1,295	(6,056)	(3,657)	(931)	(977)	**(44,068)**
Operating income, net of loan losses, interest and commission	**106,508**	**35,377**	**53,557**	**28,445**	**5,034**	**36,738**	**(9,271)**	**256,388**
Total operating expenses	(73,967)	(17,046)	(23,980)	(13,949)	(8,132)	(18,455)	(1,833)	**(157,362)**
TOTAL NET OPERATING INCOME BY SEGMENT	**32,541**	**18,331**	**29,577**	**14,496**	**(3,098)**	**18,283**	**(11,104)**	**99,026**
Share of profit/loss of investments accounted using the equity method								**3,817**
Income before income tax								**102,843**
Income tax expense (*)								**(28,924)**
CONSOLIDATED NET INCOME FOR THE PERIOD ENDED MARCH 31, 2016								**73,919**

(*) See note 16.c.

d) Operating Segments Balances for2016:

	As of March 31, 2016						
	Retail Banking		Wholesale Banking				
	Retail	Small & Medium Entreprise	Commercial	C&IB Commercial Division	C&IB Finance Division	BCIFG	Total Segments
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
TOTAL ASSETS	7,577,402	2,042,233	4,916,879	4,741,455	5,307,427	4,753,013	**29,338,409**
TOTAL LIABILITIES	6,941,723	1,865,821	4,499,894	4,346,808	5,526,314	4,102,653	**27,283,213**
EQUITY							**2,055,196**

NOTE 5- CASH AND CASH EQUIVALENTS

a) Details of balances included within cash and cash equivalents, and their reconciliation with the Interim Consolidated Statements of Cash Flows as of March 31, 2017 and December 31, 2016, are as follows:

	As of March 31,	
	2017	**2016**
	MCh$	**MCh$**
Cash and deposits in banks		
Cash	403,335	434,512
Deposits in Central Bank of Chile (*)	291,377	525,566
Deposits in domestic banks	4,134	9,991
Deposits in foreign banks	649,827	789,249
Subtotal cash and deposits in banks	1,348,673	1,759,318
Items in course of collection, net	113,493	135,513
Highly liquid financial instruments	6,199	20,804
Investments under agreements to resell	134,622	195,060
Total cash and cash equivalents	**1,602,987**	**2,110,695**

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

b) Items in the course of collection:

Items in the course of collection correspond to those transactions pending settlement which will increase or decrease deposits in Central Bank of Chile or in foreign banks, usually within 12 or 24 hours. The details of items in the course of collection, netas of March 31, 2017 and December 31, 2016 are as follows:

	As of March 31,	
	2017	**2016**
	MCh$	**MCh$**
Assets		
Outstanding notes from other banks (swap)	112,924	127,911
Funds receivable	450,754	563,172
Subtotal assets	563,678	691,083
Liabilities		
Funds payable		
Subtotal liabilities	450,185	555,570
Items in course of collection, net	450,185	555,570
	113,493	**135,513**

NOTE 6 - TRADING PORTFOLIO FINANCIAL ASSETS

The following is the detail of trading portfolio financial assets as of March 31, 2017 and December 31, 2016:

(*) As of March 31, 2017 and December 31, 2016, the Bank has instruments with the Central Bank of Chile, classified in the “Instruments of the State and Central Bank of Chile” of MCh$276,908 and MCh$112,455, respectively.

	As ofMarch 31, 2017 MCh$	As ofDecember 31, 2016 MCh$
Instruments of the State and Central Bank of Chile (*):		
Bonds of the Central Bank of Chile	588,088	488,903
Promissory notes of the Central Bank of Chile	95	99
Other instruments of the State and Central Bank of Chile	92,103	181,073
Instruments of other domestic institutions:		
Bonds	135,173	70,910
Term deposits	282,394	352,576
Letters of credit	2,330	2,467
Documents issued by other financial institutions	97,112	93,931
Other instruments	21,497	18,220
Instruments of other foreign institutions:		
Other instruments	107,164	1,311
Investments in mutual funds:		
Funds administered by related parties	19,505	45,048
Funds administered by third parties	13,206	13,441
Total	**1,358,667**	**1,267,979**

(*) As of March 31, 2017 and December 2016, the Bank has instruments of intermediation with the Central Bank of Chile, classified in the "Instruments of the State and Central Bank of Chile" of MCh$197,674 and MCh$276,908, respectively.

NOTE 7- INVESTMENTS UNDER AGREEMENTS TO RESELL AND LIABILITIES UNDER AGREEMENTS TO REPURCHASE

a) Securities purchased under agreements to resell:

Type of entity	Maturity of the agreement: Up to 3 months MCh$	Up to 3 months Average Rate %	Between 3 months and 1 year MCh$	Between 3 months and 1 year Average Rate %	Over 1 year MCh$	Over 1 year Average Rate %	Balance as of March 31, 2017 MCh$
Related party (individuals or entities)	-	-	-	-	-	-	**-**
Domestic banks	-	-	-	-	-	-	**-**
Securities brokers	49,483	0.30	7,036	0.32	-	-	**56,519**
Other domestic financial institutions	-	-	-	-	-	-	-
Foreign financial institutions	-	-	-	-	-	-	-
Other individuals or corporations	58,868	0.31	19,235	0.32	-	-	**78,103**
Total	**108,351**		**26,271**		**-**		**134,622**

Type of entity	Maturity of the agreement: Up to 3 months MCh$	Up to 3 months Average Rate %	Between 3 months and 1 year MCh$	Between 3 months and 1 year Average Rate %	Over 1 year MCh$	Over 1 year Average Rate %	Balance as of December 31, 2016 MCh$
Related party (individuals or entities)	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-
Securities brokers	41,668	0.35	4,426	0.35	-	-	46,094
Other domestic financial institutions	-	-	-	-	-	-	-
Foreign financial institutions	-	-	-	-	-	-	-
Other individuals or corporations	56,140	0.35	14,227	0.36	-	-	70,367
Total	**97,808**		**18,653**		**-**	**-**	**116,461**

NOTE 7- INVESTMENTS UNDERAGREEMENTS TO RESELL AND LIABILITIES UNDER AGREEMENTS TO REPURCHASE, Continued

b) Securities sold under repurchase agreements:

Type of entity	Maturity of the agreement						
	Up to 3 months		Between 3 months to 1 year		Over 1 year		Balance as of March 31, 2017
	MCh$	Average Rate %	MCh$	Average Rate %	MCh$	Average Rate %	MCh$
Related party (individuals or entities)	-	-	-	-	-	-	**-**
Domestic banks	53,114	0.27	-	-	-	-	**53,114**
Securities brokers	6,003	0.27	-	-	-	-	**6,003**
Other domestic financial institutions	99,960	0.24	-	-	-	-	**99,960**
Foreign financial institutions	-	-	-	-	-	-	**-**
Other individuals or corporations	491,072	0.30	5	0.28	-	-	**491,077**
Total	**650,149**		**5**		**-**		**650,154**

Type of entity	Maturity of the agreement						
	Up to 3 months		Between 3 months to 1 year		Over 1 year		Balance as of December 31, 2016
	MCh$	Average Rate %	MCh$	Average Rate %	MCh$	Average Rate %	MCh$
Related party (individuals or entities)	-	-	-	-	-	-	-
Domestic banks	80,164	0.32	-	-	-	-	80,164
Securities brokers	-	-	-	-	-	-	-
Other domestic financial institutions	139,939	0.29	-	-	-	-	139,939
Foreign financial institutions	-	-	-	-	-	-	-
Other individuals or corporations	579,333	0.26	408	0.29	-	-	579,741
Total	**799,436**		**408**		**-**	**-**	**799,844**

NOTE 8 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING

a) As of March 31, 2017 and December 31, 2016, the Bank and its subsidiaries held the following portfolio of derivative instruments:

As of March 31, 2017:

	Notional amount		Fair value	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Trading Derivatives:				
Forwards	20,305,501	20,041,675	103,437	88,219
Swaps	51,189,406	50,992,455	954,294	1,001,871
Call Options	384,568	404,883	2,144	1,817
Put Options	271,277	270,322	1,635	3,505
Futures	3	3	-	3
Others	-	-	-	-
Subtotal	**72,150,755**	**71,709,338**	**1,061,510**	**1,095,415**
Fair Value Hedge Derivatives:				
Forwards	-	-	-	-
Swaps	2,117,627	1,401,980	72,704	56,296
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Others	-	-	-	-
Subtotal	**2,117,627**	**1,401,980**	**72,704**	**56,296**
Cash Flow Hedge Derivatives:				
Forwards	-	341,488	14,948	12,759
Swaps	695,888	1,430,986	194,094	267,697
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Others	-	-	-	-
Subtotal	**695,888**	**1,772,474**	**209,042**	**280,456**
Total	**74,964,270**	**74,883,792**	**1,343,256**	**1,432,167**

NOTE 8 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING, Continued

As of December 31, 2016

	Notional amount		Fair value	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Trading Derivatives:				
Forwards	24,194,017	23,869,561	125,632	123,748
Swaps	50,450,992	50,209,209	928,447	978,143
Call Options	213,476	224,332	1,147	653
Put Options	143,991	143,154	3	2,293
Futures	13,416	13,416	137	-
Others	-	-	-	-
Subtotal	**75,015,892**	**74,459,672**	**1,055,366**	**1,104,837**
Fair Value Hedge Derivatives:				
Forwards	-	-	-	-
Swaps	1,881,077	1,412,925	85,932	47,366
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Others	-	-	-	-
Subtotal	**1,881,077**	**1,412,925**	**85,932**	**47,366**
Cash Flow Hedge Derivatives:				
Forwards	-	548,038	22,552	19,352
Swaps	718,683	1,427,387	196,397	248,531
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Others	-	-	-	-
Subtotal	**718,683**	**1,975,425**	**218,949**	**267,883**
Total	**77,615,652**	**77,848,022**	**1,360,247**	**1,420,086**

b) Types of derivatives

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

Fair value hedges:

For positions in both foreign currency and 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.

NOTE 8 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING, Continued

The following tables provide a summary of the hedged items and hedging instruments for fair value hedge accounting as of March 31, 2017 and December 31, 2016:

	As of March 31, 2017		As of December 31, 2016	
Hedged item	**Assets**	**Liabilities**	**Assets**	**Liabilities**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Bonds issued MX/MN	-	743,867	-	749,973
Loans MX, UF	668	-	678	-
Term deposits MN	-	1,373,760	-	1,131,104
Investment MX	197,634	-	200,204	-
Macro hedge MN, MX	1,203,678	-	1,212,043	-
Liabilities MX	-	-	-	-
Total	**1,401,980**	**2,117,627**	**1,412,925**	**1,881,077**

	As of March 31, 2017		As of December 31, 2016	
Hedging instrument	**Assets**	**Liabilities**	**Assets**	**Liabilities**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Cross Currency Swaps	293,844	1,371,601	381,101	1,368,073
Interest Rate Swap MN	1,373,760	-	1,131,104	14,000
Interest Rate Swap MX	450,023	30,379	368,872	30,852
Total	**2,117,627**	**1,401,980**	**1,881,077**	**1,412,925**

Cash flow hedges:

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

The following tables provide a summary of the hedged items and hedging instruments for cash flow hedge accounting as of March 31, 2017 and December 31, 2016:

	As of March 31, 2017		As of December 31, 2016	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Hedged item	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Assets UF > 1Y	1,532,725	-	1,733,697	-
Future obligations USD	-	39,624	-	40,241
Term deposits CLP	-	277,955	-	303,001
Assets UF	99,060	-	100,602	-
Bond MN/MX	-	378,309	-	375,441
Asset USD	140,689	-	141,126	-
Total	**1,772,474**	**695,888**	**1,975,425**	**718,683**

NOTE 8 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING, Continued

	As of March 31, 2017		As of December 31, 2016	
	Assets	Liabilities	Assets	Liabilities
	MCh$	MCh$	MCh$	MCh$
Hedging instrument				
Cross Currency Swaps	417,933	1,375,025	415,682	1,371,426
Forward UF	-	341,488	-	548,038
Forward USD	-	-	-	-
Swap rate	277,955	55,961	303,001	55,961
Total	**695,888**	**1,772,474**	**718,683**	**1,975,425**

Hedge of a net investment in a foreign operation:

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

The following tables provide a summary of the hedged items and hedging instruments for hedge of a net investment in a foreign operation accounting as of March 31, 2017 and December 31, 2016:

	As of March 31, 2017		As of December 31, 2016	
	Assets	Liabilities	Assets	Liabilities
Hedged item	MCh$	MCh$	MCh$	MCh$
Net investment in a foreign operation	625,344	-	635,079	-
Total	**625,344**	**-**	**635,079**	**-**

	As of March 31, 2017		As of December 31, 2016	
	Assets	Liabilities	Assets	Liabilities
Hedge instrument	MCh$	MCh$	MCh$	MCh$
Bonds in foreign currency	-	625,344	-	635,079
Total	**-**	**625,344**	**-**	**635,079**

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

	Periods of expected future cash flows				
	As of March 31, 2017				
	Within 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years	Total
Hedged item					
Cash outflows	(588,144)	(973,125)	(845,927)	(333,702)	(2,740,898)
Cash inflows	556,292	910,533	833,282	334,383	2,634,490
Net cash flows	**(31,852)**	**(62,592)**	**(12,645)**	**681**	**(106,408)**
Hedging instrument					
Cash outflows	588,144	973,125	845,927	333,702	2,740,898
Cash inflows	(556,292)	(910,533)	(833,282)	(334,383)	(2,634,490)
Net cash flows	**31,852**	**62,592**	**12,645**	**(681)**	**106,408**

NOTE 8 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING, Continued

	As of December 31, 2016				
	Within 1 year	**Between 1 and 5 years**	**Between 5 and 10 years**	**More than 10 years**	**Total**
Hedged item					
Cash outflows	(637,840)	(1,115,162)	(882,484)	(360,537)	(2,996,023)
Cash inflows	602,905	1,041,367	861,817	360,984	2,867,073
Net cash flows	**(34,935)**	**(73,795)**	**(20,667)**	**447**	**(128,950)**
Hedging instrument					
Cash outflows	637,840	1,115,162	882,484	360,537	2,996,023
Cash inflows	(602,905)	(1,041,367)	(861,817)	(360,984)	(2,867,073)
Net cash flows	**34,935**	**73,795**	**20,667**	**(447)**	**128,950**

NOTE 9 - LOANS AND RECEIVABLES TO BANKS, NET

a) As of March 31, 2017 and December 31, 2016, balances for this concept are the following:

	As of March 31, 2017	**As of December 31, 2016**
	MCh$	**MCh$**
Domestic banks		
Highly liquid interbank loans	-	-
Allowance for loan losses of domestic banks	-	-
Foreign banks		
Highly liquid interbank loans	213,126	223,660
Allowance for loan losses of domestic banks	(422)	(432)
Total	**212,704**	**223,228**

b) The amount for the period 2017 and 2016of provisions and impairment is as follows:

	As of March 31, 2017			As of December 31,2016		
	Domestic Banks	**Foreign Banks**	**Total**	**Domestic Banks**	**Foreign Banks**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Balance as of January 1,	**-**	**432**	**432**	**1**	**294**	**295**
Write-offs	-	-	**-**	-	-	**-**
Provisions	-	8	**8**	7	279	**286**
Recovery of provisions	-	(18)	**(18)**	(8)	(141)	**(149)**
Impairment	-	-	**-**	-	-	**-**
Reversal of impairment	-	-	**-**	-	-	**-**
Total	**-**	**422**	**422**	**-**	**432**	**432**

NOTE 10 - LOANS AND RECEIVABLES TO CUSTOMERS, NET

a) Loans and receivables to customers

As of March 31, 2017 and December 31, 2016, the composition of the loan portfolio was as follows:

	Assets before allowances			Allowances Established			
As of March 31, 2017	**Normal Portfolio**	**Non-compliant Portfolio**	**Total**	**Individual Allowance**	**Collective Allowance**	**Total**	**Net Assets**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Commercial loans:							
Commercial loans (*)	11,004,548	507,083	11,511,631	(114,962)	(56,163)	(171,125)	11,340,506
Foreign trade loans	732,368	12,209	744,577	(17,653)	(15)	(17,668)	726,909
Checking accounts	134,361	10,122	144,483	(1,436)	(3,991)	(5,427)	139,056
Loans to college students	758,154	10,587	768,741	(5,813)	(2,218)	(8,031)	760,710
Factoring operations	163,821	20,274	184,095	-	(4,579)	(4,579)	179,516
Leasing transactions	991,181	108,449	1,099,630	(16,889)	(1,875)	(18,764)	1,080,866
Other loans and receivables	32,429	6,525	38,954	(1,490)	(2,711)	(4,201)	34,753
Subtotal	**13,816,862**	**675,249**	**14,492,111**	**(158,243)**	**(71,552)**	**(229,795)**	**14,262,316**
Mortgage loans:							
Letters of credit	18,492	1,249	19,741	-	(34)	(34)	19,707
Negotiable mortgage loans	611,088	12,460	623,548	-	(5,654)	(5,654)	617,894
Other mortgage loans	4,386,897	163,056	4,549,953	-	(26,756)	(26,756)	4,523,197
Leasing transactions	-	-	-	-	-	-	-
Other loans	-	-	-	-	-	-	-
Subtotal	**5,016,477**	**176,765**	**5,193,242**	**-**	**(32,444)**	**(32,444)**	**5,160,798**
Consumer loans:							
Consumer loans in instalments	1,860,852	247,636	2,108,488	-	(109,348)	(109,348)	1,999,140
Checking accounts	100,002	10,755	110,757	-	(6,819)	(6,819)	103,938
Credit card borrowers	460,089	8,431	468,520	-	(7,667)	(7,667)	460,853
Consumer leasing transactions	3,653	49	3,702	-	(23)	(23)	3,679
Other loans and receivables	35,049	8	35,057	-	(992)	(992)	34,065
Subtotal	**2,459,645**	**266,879**	**2,726,524**	**-**	**(124,849)**	**(124,849)**	**2,601,675**
TOTAL	**21,292,984**	**1,118,893**	**22,411,877**	**(158,243)**	**(228,845)**	**(387,088)**	**22,024,789**

(*) Includes loans corresponding to Protected Assets FundNo. 27 as stated in Note 1.ag.

NOTE 10 - LOANS AND RECEIVABLES TO CUSTOMERS, NET, Continued

	Assets before allowances			Allowances Established			
As of December 31, 2016	**Normal Portfolio**	**Non-compliant Portfolio**	**Total**	**Individual Allowance**	**Collective Allowance**	**Total**	**Net Assets**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Commercial loans:							
Commercial loans (*)	11,181,048	471,379	11,652,427	(107,450)	(54,780)	(162,230)	11,490,197
Foreign trade loans	725,270	9,884	735,154	(18,136)	(13)	(18,149)	717,005
Checking accounts	138,785	9,279	148,064	(1,286)	(3,847)	(5,133)	142,931
Loans to college students	848,911	7,464	856,375	(6,041)	(2,500)	(8,541)	847,834
Factoring operations	165,005	17,949	182,954	-	(4,259)	(4,259)	178,695
Leasing transactions	1,010,823	59,704	1,070,527	(16,326)	(1,506)	(17,832)	1,052,695
Other loans and receivables(**)	28,311	5,810	34,121	(1,157)	(2,626)	(3,783)	30,338
Subtotal	**14,098,153**	**581,469**	**14,679,622**	**(150,396)**	**(69,531)**	**(219,927)**	**14,459,695**
Mortgage loans:							
Letters of credit	19,969	1,308	21,277	-	(41)	(41)	21,236
Negotiable mortgage loans	602,184	12,703	614,887	-	(6,129)	(6,129)	608,758
Other mortgage loans	4,202,498	161,255	4,363,753	-	(26,585)	(26,585)	4,337,168
Leasing transactions	-	-	-	-	-	-	-
Other loans	-	-	-	-	-	-	-
Subtotal	**4,824,651**	**175,266**	**4,999,917**	**-**	**(32,755)**	**(32,755)**	**4,967,162**
Consumer loans:							
Consumer loans in instalments	1,837,437	231,962	2,069,399	-	(103,804)	(103,804)	1,965,595
Checking accounts	97,755	9,053	106,808	-	(5,895)	(5,895)	100,913
Credit card borrowers	432,624	8,622	441,246	-	(6,462)	(6,462)	434,784
Consumer leasing transactions	3,808	142	3,950	-	(45)	(45)	3,905
Other loans and receivables	23,060	10	23,070	-	(778)	(778)	22,292
Subtotal	**2,394,684**	**249,789**	**2,644,473**	**-**	**(116,984)**	**(116,984)**	**2,527,489**
TOTAL	**21,317,488**	**1,006,524**	**22,324,012**	**(150,396)**	**(219,270)**	**(369,666)**	**21,954,346**

(*) Includes loans corresponding to Protected Assets FundNo. 27 as stated in Note 1.ag.

(**) Includes loans to college students, which are separately disclosed from 2016 in accordance with Circular No. 3,583 issued on May 25, 2016.

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 acquisition of property, both movable and immovable for its clients. As of March31, 2017 and December 31, 2016, the Bank held approximately MCh$689,859 and MCh$565,889, respectively, of financial leases on movable assets, and MCh$413,472 and MCh$508,588, respectively, of financial leases on property.

NOTE 10 - LOANS AND RECEIVABLES TO CUSTOMERS, NET, Continued

The following table provides reconciliation between gross investment in lease and present value of minimum lease payments as of March 31, 2017 and December 31, 2016:

	As of March 31, 2017	As of December 31, 2016
	MCh$	MCh$
Gross investments in lease	1,277,165	1,237,236
Unearned income from financial lease	(173,833)	(162,759)
Net financial leases	**1,103,332**	**1,074,477**

	As of March 31, 2017	As of December 31, 2016
	MCh$	MCh$
Less than 1 year	267,538	257,565
Between 1 and 5 years	404,361	411,582
Over 5 years	431,433	405,330
Total	**1,103,332**	**1,074,477**

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

The Bank has obtained repossessed assets for an amount of MCh$1,061as of March 31, 2017 and MCh$6,089 for December 31, 2016 through the execution of collateral held on assets.

NOTE 10 - LOANS AND RECEIVABLES TO CUSTOMERS, NET, Continued

b) Portfolio characteristics:

As of March 31, 2017 and December 31, 2016, 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 March 31, 2017	As of December 31, 2016	As of March 31, 2017	As of December 31, 2016	As of March 31, 2017	As of December 31, 2016	As of March 31, 2017	As of December 31, 2016
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Commercial loans:								
Agriculture and livestock except fruits	288,973	286,534	134,669	91,617	423,642	378,151	1.89%	1.69%
Fruits	53,762	48,174	61,995	92,120	115,757	140,294	0,52%	0.63%
Forestry and wood extraction	149,424	166,431	11,398	13,519	160,822	179,950	0,72%	0.81%
Fishing	33,963	33,340	80,892	83,647	114,855	116,987	0.51%	0.52%
Mining	58,002	61,681	129,025	144,865	187,027	206,546	0.83%	0.93%
Crude oil and natural gas production	1,821	2,356	123,302	106,234	125,123	108,590	0.56%	0.49%
Food, beverage and tobacco industry	197,028	200,301	198,433	131,814	395,461	332,115	1.76%	1.49%
Textile and leather industry	32,457	33,630	26,767	47,492	59,224	81,122	0.26%	0.36%
Timber and furniture industry	31,561	31,941	11,092	14,699	42,653	46,640	0.19%	0.21%
Print and editorial industry	38,330	37,184	20,017	8,749	58,347	45,933	0.26%	0.21%
Chemical product, derived from oil, coal, rubber and plastic	117,114	122,563	114,083	129,254	231,197	251,817	1.03%	1.13%
Production of metal and non-metal production, machinery and equipment	327,584	367,547	44,317	88,564	371,901	456,111	1.66%	2.04%
Other manufacturing industries	17,576	16,378	141,244	147,768	158,820	164,146	0.71%	0.74%
Electricity, gas and water	366,084	346,253	241,718	235,605	607,802	581,858	2.71%	2.61%
Home construction	141,991	183,091	1,432	2,578	143,423	185,669	0.64%	0.83%
Other construction	884,466	901,496	166,458	157,555	1,050,924	1,059,051	4.69%	4.74%
Wholesale business	648,398	612,984	577,980	502,280	1,226,378	1,115,264	5.47%	5.00%
Retail, restaurants and hotels	459,790	467,131	306,387	381,979	766,177	849,110	3.42%	3.80%
Transporting and storage	322,192	321,611	326,576	256,042	648,768	577,653	2.89%	2.59%
Communications	84,226	109,091	74,564	58,346	158,790	167,437	0.71%	0.75%
Financial and insurance companies	2,118,402	2,263,893	296,048	269,265	2,414,450	2,533,158	10.77%	11.35%
Real estate and service providers	1,431,104	1,460,248	1,365,799	1,216,009	2,796,903	2,676,257	12.48%	11.99%
Services	1,212,407	1,186,006	1,021,260	1,239,757	2,233,667	2,425,763	9.98%	10.84%
Subtotal	**9,016,655**	**9,259,864**	**5,475,456**	**5,419,758**	**14,492,111**	**14,679,622**	**64.66%**	**65.75%**
Mortgage loans	4,581,664	4,397,665	611,578	602,252	5,193,242	4,999,917	23.17%	22.40%
Consumer loans	2,587,453	2,516,666	139,071	127,807	2,726,524	2,644,473	12.17%	11.85%
Total	**16,185,772**	**16,174,195**	**6,226,105**	**6,149,817**	**22,411,877**	**22,324,012**	**100.00%**	**100.00%**

NOTE 10 - LOANS AND RECEIVABLES TO CUSTOMERS, NET, Continued

c) Provisions

The changes in allowances for loan losses during the periods ended March 31, 2017 and December 31, 2016 are summarized as follows:

	As of March 31, 2017			As of December 31, 2016		
	Individual Allowance	**Collective Allowance**	**Total**	**Individual Allowance**	**Collective Allowance**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Balances as of January 1	**150,396**	**219,270**	**369,666**	**154,677**	**209,775**	**364,452**
Portfolio write-offs:						
Commercial loans	(5,555)	(11,874)	**(17,429)**	(7,228)	(73,959)	**(81,187)**
Mortgage loans	-	(1,723)	**(1,723)**	-	(7,456)	**(7,456)**
Consumer loans	-	(31,822)	**(31,822)**	-	(113,833)	**(113,833)**
Total Write-offs	**(5,555)**	**(45,419)**	**(50,974)**	**(7,228)**	**(195,248)**	**(202,476)**
Provisions	23,592	56,095	**79,687**	8,486	215,078	**223,564**
Reversal of provisions	(12,173)	(473)	**(12,646)**	(7,751)	(8,893)	**(16,644)**
Effect of provisions in BCI Financial Group	1,983	(628)	**1,355**	2,212	(1,442)	**770**
Balances as of 31	**158,243**	**228,845**	**387,088**	**150,396**	**219,270**	**369,666**

In addition to these allowances for loan losses, the provisions for country risk are maintained to cover operations abroad, as well as additional provisions approved by the Board, which are presented as liabilities under "Provisions" heading (See Note 20). Therefore, the total amount of allowances and provisions for credit risk constituted for different concepts correspond to the following:

	As of March 31, 2017	**As of December 31, 2016**
	MCh$	**MCh$**
Individual and collective allowance	387,088	369,666
Provisions for contingent credit risk (Note 20)	23,259	20,179
Additional provisions	69,450	64,068
Minimum provision 0,50% (Note 20)	929	4,588
Provisions for country risk (Note 20)	1,749	1,926
Allowances on loans and receivables to banks (Note 9)	422	432
Total	**482,897**	**460,859**

During the period 2017 and year 2016, the Bank has not participated in the purchase, sale, substitution or swap of credits of the loan portfolio, except for operations disclosed in the present Interim Consolidate Financial Statements.

NOTE 10 - LOANS AND RECEIVABLES TO CUSTOMERS, NET, Continued

d) Collateral

Non-complied loan portfolio,secured and unsecured,before allowances for loan losses, as of March 31, 2017 and December 31, 2016 was as follows:

	As of March 31, 2017				As of December 31, 2016			
	Commercial	Mortgage	Consumer	Total	Commercial	Mortgage	Consumer	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Secured debt	476,209	173,835	74,748	724,792	429,986	171,750	69,930	671,666
Unsecured debt	199,040	2,930	192,131	394,101	151,483	3,516	179,859	334,858
Total	**675,249**	**176,765**	**266,879**	**1,118,893**	**581,469**	**175,266**	**249,789**	**1,006,524**

e) Overdue

The overdue portfolio as of March 31, 2017 and December 31, 2016 was as follows:

	As of March 31, 2017				As of December 31, 2016			
	Commercial	Mortgage	Consumer	Total	Commercial	Mortgage	Consumer	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Secured debt	199,274	72,908	6,725	278,907	141,836	71,397	4,903	218,136
Unsecured debt	75,786	1,895	37,042	114,723	67,227	2,481	32,523	102,231
Total	**275,060**	**74,803**	**43,767**	**393,630**	**209,063**	**73,878**	**37,426**	**320,367**

NOTE 10 - LOANS AND RECEIVABLES TO CUSTOMERS, NET, Continued

f) Current, overdue and past due loans bynormal and non-compliant portfolio:

As of March 31, 2017

	Normal portfolio				Non-compliant portfolio				Total			
	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$
Current and overdue, but not past due	13,785,319	5,014,959	2,455,773	21,256,051	496,066	158,286	226,993	881,345	14,281,385	5,173,245	2,682,766	**22,137,396**
Past due for 1 to 29 days	22,139	1,088	2,761	25,988	6,588	1,356	3,992	11,936	28,727	2,444	6,753	**37,924**
Past due for 30 to 89 days	9,398	430	1,111	10,939	41,457	2,176	10,250	53,883	50,855	2,606	11,361	**64,822**
Past due for 90 days or more	6	-	-	6	131,138	14,947	25,644	171,729	131,144	14,947	25,644	**171,735**
Total portfolio before allowances	**13,816,862**	**5,016,477**	**2,459,645**	**21,292,984**	**675,249**	**176,765**	**266,879**	**1,118,893**	**14,492,111**	**5,193,242**	**2,726,524**	**22,411,877**
Overdue. but not past due loans (less than 90 days in default) as a percentage of the total portfolio	0.23%	0.03%	0.16%	0.17%	7.12%	2.00%	5.34%	5.88%	0.55%	0.10%	0.66%	0.46%
Past due loans (more than 90 days in default) as a percentage of the total portfolio	0.00%	0.00%	0.00%	0.00%	19.42%	8.46%	9.61%	15.35%	0.90%	0.29%	0.94%	0.77%

As of December 31, 2016

	Normal portfolio				Non-compliant portfolio				Total			
	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$
Current and overdue, but not past due	14,072,866	4,823,002	2,390,737	21,286,605	443,324	154,837	217,111	815,272	14,516,190	4,977,839	2,607,848	**22,101,877**
Past due for 1 to 29 days	17,332	1,080	2,735	21,147	5,172	1,212	3,058	9,442	22,504	2,292	5,793	**30,589**
Past due for 30 to 89 days	7,955	569	1,212	9,736	13,609	2,355	7,169	23,133	21,564	2,924	8,381	**32,869**
Past due for 90 days or more	-	-	-	-	119,364	16,862	22,451	158,677	119,364	16,862	22,451	**158,677**
Total portfolio before allowances	**14,098,153**	**4,824,651**	**2,394,684**	**21,317,488**	**581,469**	**175,266**	**249,789**	**1,006,524**	**14,679,622**	**4,999,917**	**2,644,473**	**22,324,012**
Overdue, but not past due loans (less than 90 days in default) as a percentage of the total portfolio	0.18%	0.03%	0.16%	0.14%	3.23%	2.04%	4.09%	3.24%	0.30%	0.10%	0.54%	0.28%
Past due loans (more than 90 days in default) as a percentage of the total portfolio	0.00%	0.00%	0.00%	0.00%	20.53%	9.62%	8.99%	15.76%	0.81%	0.34%	0.85%	0.71%

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NOTE 11–FINANCIAL INVESTMENTS

As of March 31, 2017 and December 31, 2016, financial investments available for sale and held to maturity are as follows:

	As of March 31. 2017			As of December 31. 2016		
	Available for sale	Held to maturity	Total	Available for sale	Held to maturity	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Financial investments quoted in an active markets:						
Of the State and the Central Bank of Chile (a):						
Instruments of the Central Bank of Chile	120,234	-	**120,234**	218,189	-	**218,189**
Bonds or promissory notes of the Treasury	437,411	-	**437,411**	516,271	-	**516,271**
Other fiscal instruments	10,728	-	**10,728**	11,757	-	**11,757**
Other domestic instruments						
Financial instruments in instruments issued by other domestic Banks	194,537	-	**194,537**	254,201	-	**254,201**
Bonds and corporate commercial papers	25,825	-	**25,825**	20,407	-	**20,407**
Other domestic instruments (b)	1,901	-	**1,901**	1,901	-	**1,901**
Foreign instruments:						
Instruments issued by foreign states and central banks (c)	602,917	859	**603,776**	634,697	872	**635,569**
Other foreign instruments	1,112,867	-	**1,112,867**	867,077	-	**867,077**
Total	**2,506,420**	**859**	**2,507,279**	**2,524,500**	**872**	**2,525,372**

(a) As of March 31, 2017 and December 31, 2016, the Bank does not maintain intermediation instruments classified in portfolio available for sale.

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

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

NOTE 12 - INVESTMENTS IN OTHER COMPANIES

a) As of March 31, 2017 and December 31, 2016, principal investments in associates, joint ventures and other entities are detailed below:

	As of March 31, 2017				As of December 31, 2016			
Company	**Equity**	**Participation**	**Investment value**	**Income / Loss**	**Equity**	**Participation**	**Investment value**	**Income / Loss**
	MCh$	**%**	**MCh$**	**MCh$**	**MCh$**	**%**	**MCh$**	**MCh$**
Investment accounted for using equity method:								
Redbanc S,A,	6,739	12.71	856	40	6,422	12.71	816	141
Combanc S,A,	5,544	10.33	571	11	5,472	10.33	565	68
Transbank S,A,	50,707	8.72	4,421	115	49,518	8.72	4,318	454
Nexus S,A,	11,333	12.90	1,462	97	10,809	12.90	1,395	246
Servicios de Infraestructura de mercado OTC S,A,	11,114	13.61	1,513	15	11,000	13.61	1,497	149
AFT S,A,	14,186	20.00	2,837	56	13,907	20.00	2,781	230
Centro de Compensación Automatizado S,A,	4,133	33.33	1,378	55	3,985	33.33	1,328	394
Sociedad Interbancaria de Depósitos de Valores S,A,	3,244	7.03	228	10	3,101	7.03	218	47
Credicorp Ltda	-	-	-	-	3,844,309	1.93	109,730	13,341
Investment measured at cost:								
SWIFT Shares			34	-			34	-
FED and FHLB Shares (*)			54,694	667			60,032	3,059
Bladex Shares			219	18			219	178
Credicorp LTD,(**)			186,851	101,906			-	-
Other Shares			10	93			11	(21)
Total			**255,074**	**103,083**			**182,944**	**18,286**
Investments in joint ventures								
Servipag Ltda	8,728	50.00	4,364	66	8,596	50.00	4,298	409
Artikos Chile S,A,	1,578	50.00	789	74	1,431	50.00	716	441
Total			**5,153**	**140**			**5,014**	**850**
Total investments associates, joint ventures and other entities			**260,227**	**103,223**			**187,958**	**19,136**

(*) These are shares that holds BCI Financial Group, Inc. and Subsidiaries subsidiary on its balance sheet, related to equity securities Federal Reserve (FED) and Federal Home Bank Loans (FHBL) acquired by CNB in order to participate in the funding program of United States banks, realized by these state agencies established in the State of Florida.

(**) See Note 3 Significant events

NOTE 12 - INVESTMENTS IN OTHER COMPANIES, Continued

b) The reconciliation of investments in other companies for the periods ended March 31, 2017 and December 31, 2016, is as following:

	As of March 31, 2017 MCh$	As of December 31, 2016 MCh$
Balance at the beginning of the year	**187,958**	**170,103**
Acquisition of investments	16,547	7,469
Translation differences (*)	-	(2,031)
Share of profit/loss of investments accounted using the equity method	103,223	19,136
Effect of acquisition of BCI Financial Group Inc,, and Subsidiaries	(31,825)	-
Sale of investments in other companies	(455)	-
Dividends received	(14,846)	(5,977)
Adjustment for minimum dividend provision	(324)	(403)
Minimum dividends provision	(51)	(339)
Total	**260,227**	**187,958**

(*) Corresponds to the exchange difference resulted from investments in foreign companies (Credicorp LTD., FED and FMLB shares)

As of March 31, 2017 and December 31, 2016, no impairment was recognized on the investments.

NOTE 13 - INTANGIBLE ASSETS

a) The composition of intangible assetsas of March 31, 2017 and December 31, 2016 was the following:

Concept	Total useful life	Remaining average useful life	Gross balance	Accumulated amortization and impairment	Net balance
	Years	Years	MCh$	MCh$	MCh$
Intangible assets acquired separately (a)	5	5	52,796	(35,018)	**17,778**
Intangible generated internally (b)	6	5	214,808	(120,089)	**94,719**
Intangible assets acquired in business combination – amortizable (c):					
Core deposits	9	7	41,276	(7,411)	**33,865**
Leasehold interest	30	28	2,648	(313)	**2,335**
Others					
Intangible assets acquired in business combination - indefinite life (c):					
Trademark	-	-	11,887	-	**11,887**
Goodwill	-	-	10,617	-	**10,617**
Total			**334,032**	**(162,831)**	**171,201**

Concept	Total useful life	Remaining average useful life	Gross balance	Accumulated amortization and impairment	Net balance
	Years	Years	MCh$	MCh$	MCh$
Intangible assets acquired separately (a)	5	3	51,650	(33,577)	**18,073**
Intangible generated internally (b)	5	3	213,724	(115,242)	**98,482**
Intangible assets acquired in business combination – amortizable (c):					
Core deposits	9	8	41,917	(6,236)	**35,681**
Leasehold interest	30	29	2,689	(263)	**2,426**
Others	-	-	39,051	(39,051)	-
Intangible assets acquired in business combination - indefinite life (c):					
Trademark	-	-	12,072	-	**12,072**
Goodwill	-	-	10,782	-	**10,782**
Total			**371,885**	**(194,369)**	**177,516**

(a) Correspond to software purchased from parties other than the Bank or its subsidiaries held for use in the production or supply of goods or services, for rental to others, or for administrative purposes.
(b) Represent an identifiable non-monetary assets without physical substance, internally developed by the Bank or its subsidiaries held for use in the production or supply of goods or services, for rental to others, or for administrative purposes.
(c) Correspond to intangible assets acquired in business combinations acquisition in previous years and Financial Group, Inc. and Subsidiaries.

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

NOTE 13 - INTANGIBLE ASSETS, Continued

b) The movements of the intangible assets for the periods endedMarch 31, 2017 and December 31, 2016are the following:

	Intangible assets acquired separately	Intangibles generated internally	Amortizable intangible assets acquired in business combination			Not amortizable intangible assets acquired in business combination		
			Core Deposit	Leasehold Interest	Others	Trade Name	Goodwill	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balance as of January 1, 2017	**51,650**	**213,724**	**41,917**	**2,689**	**-**	**12,072**	**10,782**	**332,834**
Additions	1,160	9,963	-	-	-	-	-	**11,123**
Disposals / transfers	(14)	(8,888)	-	-	-	-	-	**(8,902)**
Increase (decrease) from net foreign exchange differences	-	-	(641)	(41)	-	(185)	(165)	**(1,032)**
Adjustment of Goodwill	-	-						
Other changes	-	9	-	-	-	-	-	**9**
Impairment	-	-	-	-	-	-	-	-
Gross balance as of March 31, 2017	**52,796**	**214,808**	**41,276**	**2,648**		**11,887**	**10,617**	**334,032**
Amortization for the year	(1,460)	(4,802)	(1,260)	(53)	-	-	-	**(7,575)**
Accumulated amortization for previous periods	(33,577)	(115,242)	(6,236)	(263)	-	-	-	**(155,318)**
Others	19	(45)	85	3	-	-	-	**62**
Impairment	-	-	-	-	-	-	-	-
Total accumulated amortization and impairment	(35,018)	(120,089)	(7,411)	(313)	-	-	-	**(162,831)**
Balance as of March 31, 2017	**17,778**	**94,719**	**33,865**	**2,335**	**-**	**11,887**	**10,617**	**171,201**

NOTE 13 - INTANGIBLE ASSETS, Continued

	Intangible assets acquired separately	Intangibles generated internally	Amortizable intangible assets acquired in business combination			Not amortizable intangible assets in business combination		
			Core Deposit	Leasehold Interest	Others	Trade Name	Goodwill	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balance as of January 1, 2016	**45,722**	**194,265**	**44,234**	**2,838**	**39,051**	**12,740**	**2,198**	**341,048**
Additions	4,820	19,314	-	-	-	-	-	24,134
Disposals / transfers	(1)	(956)	-	-	-	-	-	(957)
Increase (decrease) from net foreign exchange differences	-	-	(2,317)	(149)	-	(668)	51	(3,083)
Adjustment of Goodwill	-	-	-	-	-	-	8,533	8,533
Other changes	1,109	1,101	-	-	-	-	-	2,210
Impairment	-	-	-	-	-	-	-	-
Gross balance as of December 31, 2016	**51,650**	**213,724**	**41,917**	**2,689**	**39,051**	**12,072**	**10,782**	**371,885**
Amortization for the year	(5,508)	(18,013)	(5,206)	(219)	-	-	-	(28,946)
Accumulated amortization for previous periods	(28,034)	(97,229)	(1,135)	(48)	(39,051)	-	-	(165,497)
Others	(35)	-	105	4	-	-	-	74
Impairment	-	-	-	-	-	-	-	-
Total accumulated amortization and impairment	**(33,577)**	**(115,242)**	**(6,236)**	**(263)**	**(39,051)**	**-**	**-**	**(194,369**
Balance as of December 31, 2016	**18,073**	**98,482**	**35,681**	**2,426**	**-**	**12,072**	**10,782**	**177,516**

As of December 31, 2016 the Bank performed impairment test in accordance with the instructions of Chapter A-2 of the Compendium of Accounting Rules of the SBIF. The reports issued by two independent consultants concluded that there was no indication of impairment for the goodwill as well as for the trade name recorded in the acquisition of CNB.

NOTE 14 - PROPERTY, PLANT AND EQUIPMENT

a) The composition of property, plant and equipment as of March 31, 2017 and December 31, 2016 is the following:

	As of March 31, 2017				
Concept	**Total useful life**	**Remaining average useful life**	**Gross balance**	**Accumulated depreciation**	**Net balance**
	Years	**Years**	**MCh$**	**MCh$**	**MCh$**
Land and buildings	34	30	283,370	(65,431)	**217,939**
Equipment	4	4	138,369	(106,788)	**31,581**
Others	8	6	52,600	(29,933)	**22,667**
Total			**474,339**	**(202,152)**	**272,187**

	As of December 31, 2016				
Concept	**Total useful life**	**Remaining average useful life**	**Gross balance**	**Accumulated depreciation**	**Net balance**
	Years	**Years**	**MCh$**	**MCh$**	**MCh$**
Land and buildings	33	30	290,898	(63,244)	**227,654**
Equipment	4	4	131,519	(103,202)	**28,317**
Others	8	6	52,768	(29,243)	**23,525**
Total			**475,185**	**(195,689)**	**279,496**

b) The movements of property, plant and equipment for the periods ended March 31, 2017 and December 31, 2016 are the following:

	Land and buildings	**Equipment**	**Others**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Balance as of January 1, 2017	**290,898**	**131,519**	**52,768**	**475,185**
Additions	1,792	6,966	4,059	**12,817**
Disposals	(286)	(125)	(99)	**(510)**
Transfers	-	-	(4,121)	**(4,121)**
Others	(9,034)	9	19	**(9,006)**
Impairment	-	-	(26)	**(26)**
Gross Balance as of March 31, 2017	**283,370**	**138,369**	**52,600**	**474,339**
Depreciation for the period	(2,116)	(3,794)	(879)	**(6,789)**
Other adjustments	(71)	208	189	**326**
Accumulated depreciation for the previous years	(63,244)	(103,202)	(29,243)	**(195,689)**
Impairment	-	-	-	-
Total Accumulated Depreciation	**(65,431)**	**(106,788)**	**(29,933)**	**(202,152)**
Net Property, plant and equipment Balance as of March 31, 2017	**217,939**	**31,581**	**22,667**	**272,187**

NOTE 14 - PROPERTY, PLANT AND EQUIPMENT, Continued

	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	1,694	6,532	1,418	**9,644**
Disposals	-	(2,249)	(2,247)	**(4,496)**
Transfers	3,201	7,719	1,987	**12,907**
Others	(2,327)	1,503	1,069	**245**
Impairment	-	-	(92)	**(92)**
Gross Balance as of December 31, 2016	**290,898**	**131,519**	**52,768**	**475,185**
Depreciation for the period	(8,591)	(13,851)	(3,720)	**(26,162)**
Other Adjustments	-	2,751	2,143	**4,894**
Accumulated depreciation for previous periods	(54,653)	(92,102)	(27,666)	**(174,421)**
Impairment	-	-	-	-
Total Accumulated Depreciation	**(63,244)**	**(103,202)**	**(29,243)**	**(195,689)**
Net Property, plant and equipment Balance as of December 31, 2016	**227,654**	**28,317**	**23,525**	**279,496**

c) As of March 31, 2017 and December 31, 2016, the net impairment of MCh$26 and MCh$92, respectively, affected gross value of property, plant and equipment.

d) As of March 31, 2017 and December 31, 2016, the Bank had non-cancellable finance lease agreements. The information on future payments related to such agreements is detailed as follows:

	Future payments on non-cancellablefinance lease agreements			
	Up to 1 year	**1 to 5 years**	**Over 5 years**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**
As of March 31, 2017	5	-	-	**5**
As of December 31, 2016	11	-	-	**11**

Furthermore, the balances of property, plant and equipment under finance leases as of March 31, 2017 amounted to MCh$1,653 (MCh$1,647 as of December 31, 2016) and are presented as part of “Other Property, plant and equipment”.

NOTE 15 - CURRENT AND DEFERRED TAX

a) Current Tax

As of March 31, 2017 and ecember 31, 2016, the Bank implemented the provision of first-category income tax and the provision of Unique Tax of Article No. 21 of the Income Tax Law, which was determined based on the current tax legislation, and recognized assets amounting to MCh$41,591 as of March 31, 2017 (and liabilities amounting MCh$31,247 as of December 31, 2016). The detail of current tax assets net of current tax liabilities is provided as follows:

	As of March 31, 2017	**As of December 31, 2016**
	MCh$	**MCh$**
Income Tax (tax rate of 25.5% for 2017 and 24% by 2016)	(13,534)	(76,691)
Prior year provision excess	(66,743)	(6,862)
35% Provision for Income Tax	(205)	(111)
Less:		
Monthly tax provisional payments	99,182	84,023
Credit for training expenses	1,782	1,821
Credit for acquisition of property, plant and equipment	8	9
Credit for donations	1,442	802
Income tax to be recovered	18,880	27,509
Other taxes and withholdings to be recovered	779	747
Total	**41,591**	**31,247**

b) Income Tax

The detail of income tax expense for the periods endedMarch 31, 2017 and 2016, is as follows:

	For the periods ended March 31,	
	2017	**2016**
	MCh$	**MCh$**
Income tax charges:		
Current year tax	(13,534)	(15,857)
Surplus/ Deficit of prior year provisions	-	-
	(13,534)	(15,857)
Credit (charge) for deferred taxes:		
Origination and reversal of temporary differences	(48,393)	(13,049)
	(48,393)	(13,049)
Subtotal	(61,927)	(28,906)
Tax for rejected expenses in accordance with Article No, 21		
Others	(9)	(18)
Income tax expense	5	-
	(61,931)	**(28,924)**

NOTE 15 - CURRENT AND DEFERRED TAX, Continued

c) Reconciliation of the effective income tax rate

The following is the reconciliation of the nominal income tax rate with the effective income tax rate for the periods ended March 31, 2017 and 2016:

	For the period ended March 31,			
	2017		2016	
	Tax rate %	Amount MCh$	Tax rate %	Amount MCh$
Income before income tax	-	202,787	-	102,843
Nominal tax rate	25,500	-	24,000	-
Income tax calculated in accordance with statutory tax rate	-	51,711	-	24,682
Tax effect of non-deductible expenses in calculation of taxable income:				
Permanent differences	(11,861)	(24,054)	3,881	3,991
Unique tax (rejected expenses)	19,041	38,612	-	-
Others	0,004	9	0,018	18
Effective income tax rate and income tax expense	(2,144)	(4,347)	0,227	233
	30,540	**61,931**	**28,126**	**28,924**

The effective income tax rate for period 2017 and 2016 was 30.540% and 28.126%, respectively.

d) Effect of deferred taxes recognized in equity

The deferred tax recognized in shareholder's equity as of March 31, 2017 and December 31, 2016 is composed of the following:

	Accumulated as of		Effect for the year	
	As of March 31, 2017 MCh$	As of December 31, 2016 MCh$	As of March 31, 2017 MCh$	As of December 31, 2016 MCh$
Financial investments available for sale	(5,697)	(3,198)	(2,499)	(7,786)
Cash flow hedges	10,048	4,512	5,536	508
Effect of deferred tax in shareholder's equity	**4,351**	**1,314**	**3,037**	**(7,278)**

NOTE 15 - CURRENT AND DEFERRED TAX, Continued

e) Effect of deferred taxes recognized in the Consolidated Statements of Income

During the periods ended March 31, 2017 and December 2016, 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 is as follows:

	As of March 31, 2017			As of December 31, 2016		
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Concepts:						
Allowance for loan losses	63,696	-	63,696	67,424	-	67,424
Provision for staff vacation & bonuses	22,281	-	22,281	25,798	-	25,798
Derivative contracts operations	-	-	-	-	-	-
Leasing operations (net)	10,764	-	10,764	814	-	814
Others	13,964	(432)	13,532	12,993	(2,779)	10,214
Property, plant and equipment	-	(17,596)	(17,596)	-	(15,075)	(15,075)
Transitory assets	-	(32,983)	(32,983)	-	(34,604)	(34,604)
Trading securities	-	-	-	-	-	-
Credicorp LTD.(*)	-	(38,612)	(38,612)	-	-	-
Derivative contract operations	-	(6,762)	(6,762)	-	(4,511)	(4,511)
Temporary differences related to BCI Financial Group, Inc, and Subsidiaries (**)	80,481	-	80,481	91,065	-	91,065
Total assets (liabilities) net	**191,186**	**(96,385)**	**94,801**	**198,094**	**(56,969)**	**141,125**
Effect of deferred tax recognized in equity	-	4,351	4,351	-	1,314	1,314
Net effect of changes in deferred tax assets and liabilities	**191,186**	**(92,034)**	**99,152**	**198,094**	**(55,655)**	**142,439**

(*) This deferred tax liability has been calculated on the tax and tax base difference of the investment in shares held by the Bank in Credicorp LTD.

(**) The deferred tax asset has been recognized by the subsidiary BCI Financial Group, Inc. and Subsidiaries as of March 31, 2017 and December 31, 2016 and it mainly consists of a tax loss carry-forward and some differences on intangible assets.

NOTE 16 - OTHER ASSETS

a) As of March 31, 2017 and December 31, 2016 the composition of the other assets is as follows:

	As of March 31, 2017 MCh$	As of December 31, 2016 MCh$
Assets acquired to transfer to leasing (a)	41,871	92,638
Repossessed or awarded assets:		
Repossessed assets	1,496	1,477
Assets awarded from judicial auctions	4,359	3,389
Impairment of repossessed or awarded assets (b)	(91)	(76)
Other assets:		
Cash deposits held as guarantee	275,610	259,700
Investment in gold	3,732	3,515
VAT	7,844	8,186
Prepaid expenses	58,789	54,120
Property, plant and equipment held for sale	-	-
Assets recovered from lease agreements held for sale (c)	14,766	14,427
Account receivables	30,451	42,846
Amounts to be recovered	21,962	13,653
Macro hedge valuation adjustment	12,497	4,251
Prepayments of insurance rights on City National Bank of Florida (CNB) (d)	134,080	135,343
Other assets	86,366	52,661
Total	**693,732**	**686,130**

(a) Correspond to property, plant and equipment available to be used in finance lease.

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

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

(d) Correspond to life insurance contracts for certain senior management of CNB, where CNB is the owner and beneficiary. CNB invests in these contracts, better known as BOLI (Bank Owned Life Insurance), considering that they provide an efficient way of funding retirement and other long term employee benefits.

NOTE 16 - OTHER ASSETS, Continued

b) The changes in the impairment of repossessed or awarded assets, during the period 2017 and year 2016, is as follows:

	Impairment MCh$
Balance as of January 1, 2017	**76**
Impairment	75
Reversal of impairment	(60)
Balance as of March 31, 2017	**91**
Balance as of January 1, 2016	**240**
Impairment	76
Reversal of impairment	(240)
Balance as of December 31, 2016	**76**

NOTE 17–BORROWINGS FROM CUSTOMERS

As of March 31, 2017 and December 31, 2016, the composition of borrowings from customers is the following:

	As of March 31, 2017 MCh$	As of December 31, 2016 MCh$
Current accounts and demand deposits		
Current accounts	7,603,713	7,345,946
Other deposits and accounts payable on demand	554,015	549,227
Other liabilities payable on demand	327,961	299,090
Total current accounts and demand deposits	**8,485,689**	**8,194,263**
Term deposits and savings accounts		
Term deposits	9,744,799	9,906,299
Saving accounts	49,936	50,186
Guarantees	1,362	1,203
Total term deposits and savings accounts	**9,796,097**	**9,957,688**

NOTE 18 - BORROWINGS FROM FINANCIAL INSTITUTIONS

As of March 31, 2017 and December 31, 2016 the composition of borrowings from financial institutions is as follows:

	As of March 31, 2017	As of December 31, 2016
Loans received from financial institutions and Central Bank of Chile:	**MCh$**	**MCh$**
Other liabilities to Central Bank of Chile	-	1,959
Subtotal	-	1,959
Loans received from domestic financial institutions:		
Interbank loans	293,143	355,515
Other liabilities to domestic financial institutions	214,721	265,437
Subtotal	507,864	620,952
Loans received from foreign financial institutions:		
Foreign trade financing	394,182	398,596
Loans and other liabilities to foreign financial institutions	567,657	627,257
Subtotal	961,839	1,025,853
Total	**1,469,703**	**1,648,764**

NOTE 19 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES

a) As of March 31, 2017 and December 31, 2016, details of the debt issued and other financial liabilities are as follows:

	As of March 31, 2017	As of December 31, 2016
	MCh$	**MCh$**
Other financial liabilities:		
Public bonds	33,982	33,943
Other domestic bonds	37,554	39,119
Foreign bonds	738,013	880,184
Total	**809,549**	**953,246**
Debt issued:		
Letters of credit	23,148	24,996
Ordinary bonds	3,654,173	3,475,056
Subordinated bonds	906,999	898,378
Total	**4,584,320**	**4,398,430**

NOTE 19 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, Continued

b) As of March 31, 2017 and December 31, 2016, the maturities of the ordinary and subordinated bonds are as follows:

	As of March 31, 2017		
	Long term	**Short term**	**Total**
	MCh$	**MCh$**	**MCh$**
By long and short term:			
Ordinary bonds	3,131,122	523,051	3,654,173
Subordinated bonds	906,999	-	906,999
Total	**4,038,121**	**523,051**	**4,561,172**

	As of December 31, 2016		
	Long term	**Short term**	**Total**
	MCh$	**MCh$**	**MCh$**
By long and short term:			
Ordinary bonds	2,954,835	520,221	**3,475,056**
Subordinated bonds	898,378	-	**898,378**
Total	**3,853,213**	**520,221**	**4,373,434**

c) Details of placements of ordinary and subordinated bonds as of March 31, 2017 are as follows:

ORDINARY BONDS IN NOMINATED IN CHILEAN PESOS

Serie	Amount issued Ch$	Amount placed Ch$	Date of issue emisión	Maturity date vencimiento	Average rate promedio	Balance owed due Ch$	Balance MCh$
SERIE_AG	228,500,000,000	228,500,000,000	01/05/2013	01/05/2018	4.96%	222,224,259,731	222,224
SERIE_AK	500,000,000,000	51,636,058,698	01/11/2014	01/11/2019	5.31%	52,987,929,716	52,988
SERIE_AM	50,000,000,000	50,000,000,000	01/06/2016	01/06/2023	4.90%	48,368,679,617	48,369
Fair Value Adjustment						3,839,386,580	3,839
Subtotal	**778,500,000,000**	**330,136,058,698**				**327,420,255,644**	**327,420**

NOTE 19 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, Continued

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

Serie	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%	9,557,353	252,743
SERIE_AE2	10,000,000	10,000,000	01/08/2011	01/08/2021	3.73%	9,604,127	254,240
SERIE_AF1	10,000,000	5,740,000	01/08/2012	01/08/2017	3.51%	5,747,597	88,875
SERIE_AF2	10,000,000	10,000,000	01/08/2012	01/08/2022	3.43%	9,650,358	255,464
SERIE_AI1	15,000,000	-	01/03/2014	01/03/2019	-	-	-
SERIE_AI2	5,000,000	-	01/03/2014	01/03/2024	-	-	-
SERIE_AJ1	20,000,000	13,310,000	01/10/2014	01/10/2019	2.04%	13,429,834	352,391
SERIE_AJ2	20,000,000	13,375,000	01/10/2014	01/10/2024	2.47%	13,078,163	346,204
SERIE_AL1	3,000,000	3,000,000	01/06/2016	01/06/2022	2.11%	3,115,633	82,477
SERIE_AL2	3,000,000	3,000,000	01/06/2016	01/06/2023	2.11%	3,086,902	81,716
SERIE_AL3	3,000,000	3,000,000	01/06/2016	01/06/2024	2.11%	3,046,668	80,651
SERIE_AL4	3,000,000	3,000,000	01/06/2016	01/06/2028	2.11%	3,069,352	81,252
SERIE_AL5	3,000,000	3,000,000	01/06/2016	01/06/2031	2.11%	3,029,733	80,203
SERIE_AN1	3,000,000	3,000,000	01/12/2016	01/12/2021	1.75%	3,085,209	81,671
SERIE_AN2	3,000,000	-	01/12/2016	01/12/2024	1.75%	-	-
SERIE_AN3	3,000,000	3,000,000	01/12/2016	01/12/2026	1,75%	3,022,097	80,001
Fair Value Adjustment							17,442
Subtotal	**124,000,000**	**83,425,000**				**82,523,026**	**2,135,330**

ORDINARY BONDS NOMINATED IN FOREIGN CURRENCY - US DÓLAR

Serie	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%	600,037,493	396,265
USP32133CG63	500,000,000	500,000,000	11/02/2013	11/02/2023	4.35%	498,256,594	329,049
Fair Value Adjustment						(43,849)	(30)
Subtotal	**1,100,000,000**	**1,100,000,000(*)**				**1,098,250,238**	**725,284**

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

ORDINARY BONDS NOMINATED IN FOREIGN CURRENCY - EURO

Serie	Amount issued EU	Amount placed EU	Date of issue	Maturity date	Average rate	Balance owed due EU	Balance MCh$
XS1493734971	20,000,000	20,000,000	23/09/2016	23/09/2024	0.888%	19,784,455	13,970
Fair Value Adjustment						-	-
Subtotal	**20,000,000**	**20,000,000**				**19,784,455**	**13,970**

ORDINARY BONDS NOMINATED IN FOREING CURRENCY - SWISS FRANCS (CHF)

Serie	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%	150,606,726	99,416
CH0260296618	150,000,000	150,000,000	25/11/2014	23/11/2018	0.875%	149,892,482	98,944
CH0278875965	150,000,000	150,000,000	17/06/2015	17/06/2020	0.250%	149,777,152	98,868
XS1520623627	90,000,000	90,000,000	17/11/2016	17/11/2021	0.000%	88,965,984	58,727
Fair Value Adjustment						(2,079,902)	(1,373)

Subtotal	**540,000,000**	**540,000,000**	**537,162,442**	**354,582**

ORDINARY BONDS NOMINATED IN FOREING CURRENCY – YEN

Serie	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%	4,900,801,709	29,038
XS1144348841	10,100,000,000	10,100,000,000	04/12/2014	04/12/2019	0.810%	10,071,570,443	59,676
XS1144350821	1,500,000,000	1,500,000,000	04/12/2014	04/12/2017	0.669%	1,497,460,577	8,873
Subtotal	**16,500,000,000**	**16,500,000,000**				**16,469,832,729**	**97,587**
Total ordinary bonds							**3,654,173**

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

Serie	Amount issued UF	Amount placed UF	Date of issue	Maturity date	Average rate	Balance owed due UF	Balance MCh$
SERIE_E	1,500,000	1,500,000	01/11/1997	01/11/2018	7.37%	3,605,951	95,457
SERIE_F	1,200,000	1,200,000	01/05/1999	01/05/2024	7.73%	2,690,800	71,231
SERIE_G	400,000	400,000	01/05/1999	01/05/2025	7.92%	285,054	7,546
SERIE_L	1,200,000	1,200,000	01/10/2001	01/10/2026	6.39%	608,952	16,120
SERIE_M	1,800,000	1,800,000	01/10/2001	01/10/2027	6.43%	220,951	5,849
SERIE_N	1,500,000	1,500,000	01/06/2004	01/06/2029	5.25%	760,742	20,138
SERIE_O	1,500,000	1,500,000	01/06/2004	01/06/2030	3.93%	1,190,745	31,521
SERIE_R	1,500,000	1,500,000	01/06/2005	01/06/2038	4.72%	1,065,199	28,198
SERIE_S	2,000,000	2,000,000	01/12/2005	01/12/2030	4.86%	1,048,589	27,758
SERIE_T	2,000,000	2,000,000	01/12/2005	01/12/2031	4.52%	700,224	18,536
SERIE_U	2,000,000	2,000,000	01/06/2007	01/06/2032	4.19%	1,435,827	38,009
SERIE_Y	4,000,000	4,000,000	01/12/2007	01/12/2030	4.25%	1,501,237	39,741
SERIE_W	4,000,000	4,000,000	01/06/2008	01/06/2036	4.05%	1,906,129	50,459
SERIE_AC	6,000,000	6,000,000	01/03/2010	01/03/2040	3.96%	1,867,600	49,439
SERIE_AD 1	4,000,000	4,000,000	01/06/2010	01/06/2040	4.17%	2,263,600	59,922
SERIE_AD 2	3,000,000	3,000,000	01/06/2010	01/06/2042	4.14%	5,405,265	143,088
SERIE_AH	15,000,000	9,000,000	01/09/2013	01/09/2043	3.63%	7,705,772	203,987
Total subordinated bonds	**52,600,000**	**46,600,000**				**34,262,637**	**906,999**
TOTAL BONDS							**4,561,172**

NOTE 19 - DEBT ISSUED AND OTHER FINANCIAL LIABILITES, Continued

d) Details of placements of ordinary and subordinated bonds as of December 31, 2016 are as follows:

ORDINARY BONDS IN NOMINATED 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	228,500,000,000	01-05-2013	01-05-2018	4.96%	219,542,877,155	219,543
SERIE_AK	500,000,000,000	51,636,058,698	01-11-2014	01-11-2019	5.31%	52,317,528,419	52,318
Serie _ AM	50,000,000,000	50,000,000,000	01-06-2016	01-06-2023	4.90%	47,797,884,553	47,798
Fair Value Adjustment						**3,581,043,966**	3,581
Subtotal	**778,500,000,000**	**330,136,058,698**				**323,239,334,093**	**323,240**

ORDINARY BONDS NOMINATED 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%	9,462,771	249,325
SERIE_AE2	10,000,000	10,000,000	01/08/2011	01/08/2021	3.73%	9,647,225	254,185
SERIE_AF1	10,000,000	5,740,000	01/08/2012	01/08/2017	3.51%	2,974,410	78,370
SERIE_AF2	10,000,000	10,000,000	01/08/2012	01/08/2022	3.43%	9,699,783	255,570
SERIE_AI1	15,000,000	-	01/03/2014	01/03/2019	-	-	-
SERIE_AI2	5,000,000	-	01/03/2014	01/03/2024	-	-	-
SERIE_AJ1	20,000,000	13,310,000	01/10/2014	01/10/2019	2.04%	13,247,029	349,032
SERIE_AJ2	20,000,000	13,375,000	01/10/2014	01/10/2024	2.47%	12,999,184	342,502
SERIE_AL1	3,000,000	3,000,000	01/06/2016	01/06/2022	2.26%	3,101,123	81,708
SERIE_AL2	3,000,000	3,000,000	01/06/2016	01/06/2023	2.26%	3,070,762	80,908
SERIE_AL3	3,000,000	3,000,000	01/06/2016	01/06/2024	2.26%	3,028,975	79,807
SERIE_AL4	3,000,000	3,000,000	01/06/2016	01/06/2028	2.26%	3,051,821	80,409
SERIE_AL5	3,000,000	3,000,000	01/06/2016	01/06/2031	2.26%	3,011,239	79,340
Fair Value Adjustment							15,121
Subtotal	**115,000,000**	**77,425,000**				**73,294,322**	**1,946,277**

ORDINARY BONDS NOMINATED 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%	604,127,154	405,176
USP32133CG63	500,000,000	500,000,000	11-02-2013	11-02-2023	4.35%	503,157,330	337,458
Fair Value Adjustment						(29,097)	(20)
Subtotal	**1,100,000,000**	**1,100,000,000 (*)**				**1,107,255,387**	**742,614**

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

ORDINARY BONDS NOMINATED IN FOREIGN CURRENCY - EURO

Series	Amount issued EU	Amount placed EU	Date of issue	Maturity date	Average rate	Balance owed due EU	Balance MCh$
XS1493734971	20,000,000	20,000,000	23/09/2016	23/09/2024	0.888%	19,732,095	13,967
Fair Value adjustment						-	-
Subtotal	**20,000,000**	**20,000,000**				**19,732,095**	**13,967**

NOTE 19 - DEBT ISSUED AND OTHER FINANCIAL LIABILITES, Continued

ORDINARY BONDS NOMINATED IN FOREING CURRENCY - SWISS FRANCS (CHF)

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%	150,114,684	99,130
CH0260296618	150,000,000	150,000,000	25/11/2014	23/11/2018	0.875%	149,482,943	98,713
CH0278875965	150,000,000	150,000,000	17/06/2015	17/06/2020	0.250%	149,643,477	98,819
XS1520623627	90,000,000	90,000,000	17/11/2016	17/11/2021	0.000%	88,909,434	58,713
Fair Value adjustment						(1,206,898)	(794)
Subtotal	**540,000,000**	**540,000,000**				**536,943,640**	**354,581**

ORDINARY BONDS NOMINATED 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%	4,888,163,230	28,080
XS1144348841	10,100,000,000	10,100,000,000	04/12/2014	04/12/2019	0.810%	10,044,621,936	57,702
XS1144350821	1,500,000,000	1,500,000,000	04/12/2014	04/12/2017	0.669%	1,496,180,471	8,595
Subtotal	**16,500,000,000**	**16,500,000,000**				**16,428,965,637**	**94,377**
Total ordinary bonds							**3,475,056**

SUBORDINATED BONDS NOMINATED 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_E	1,500,000	1,500,000	01/11/1997	01/11/2018	7.37%	280,098	7,380
SERIE_F	1,200,000	1,200,000	01/05/1999	01/05/2024	7.73%	597,883	15,753
SERIE_G	400,000	400,000	01/05/1999	01/05/2025	7.92%	216,836	5,713
SERIE_L	1,200,000	1,200,000	01/10/2001	01/10/2026	6.39%	749,221	19,740
SERIE_M	1,800,000	1,800,000	01/10/2001	01/10/2027	6.43%	1,172,592	30,895
SERIE_N	1,500,000	1,500,000	01/06/2004	01/06/2029	5.25%	1,051,819	27,713
SERIE_O	1,500,000	1,500,000	01/06/2004	01/06/2030	3.93%	1,038,618	27,365
SERIE_R	1,500,000	1,500,000	01/06/2005	01/06/2038	4.72%	692,376	18,243
SERIE_S	2,000,000	2,000,000	01/12/2005	01/12/2030	4.86%	1,419,153	37,392
SERIE_T	2,000,000	2,000,000	01/12/2005	01/12/2031	4.52%	1,484,975	39,126
SERIE_U	2,000,000	2,000,000	01/06/2007	01/06/2032	4.19%	1,886,943	49,717
SERIE_Y	4,000,000	4,000,000	01/12/2007	01/12/2030	4.25%	2,240,400	59,030
SERIE_W	4,000,000	4,000,000	01/06/2008	01/06/2036	4.05%	1,849,600	48,733
SERIE_AC	6,000,000	6,000,000	01/03/2010	01/03/2040	3.96%	5,544,223	146,079
SERIE_AD 1	4,000,000	4,000,000	01/06/2010	01/06/2040	4.17%	3,569,619	94,052
SERIE_AD 2	3,000,000	3,000,000	01/06/2010	01/06/2042	4.14%	2,664,089	70,193
SERIE_AH	15,000,000	9,000,000	01/09/2013	01/09/2043	3.63%	7,638,227	201,254
Total subordinated bonds	**52,600,000**	**46,600,000**				**34,096,672**	**898,378**
TOTAL BONDS							**4,373,434**

NOTE 20 -PROVISIONS

a) The provisions established as of March 31, 2017 and December 31, 2016 are as follows:

	As of March 31, 2017 MCh$	As of December 31, 2016 MCh$
Provisions for staff benefits and remuneration	31,773	48,906
Provisions for minimum dividends	42,257	102,049
Provisions for credit commitments	23,259	20,179
Provisions for contingencies (*)	87,007	90,435
Provisions for country risk	1,749	1,926
Total	**186,045**	**263,495**

(*) Provisions for contingencies as of March 31, 2017 include additional provisions for MCh$69,450 (MCh$64,068as of December 31, 2016),recognized according SBIF instructions and approved by the Board of Directors of the Bank (see Note 1.aa.i and Note 10).

Additionally provisions for contingencies include a provision to comply with the minimum of 0.50% required by the SBIF for the normal portfolio of individuals for the amount ofMCh$929 as of March 31, 2017 (MCh$4,588 as of December 31, 2016) (see Note 1.aa. ii and Note 10).

b) Provisions for staff benefits and remunerations

	As of March 31, 2017 MCh$	As of December 31, 2016 MCh$
Provisions for staff benefits	23,140	38,700
Provisions for vacations	8,633	10,206
Total	**31,773**	**48,906**

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

NOTE 20 –PROVISIONS, Continued

c) Provisions credit commitments

The detail of provisions for credit commitmentsas of March 31, 2017 and December 31, 2016 is as follows:

,	As of March 31, 2017	As of December 31, 2016
Provisions for credit commitments	**MCh$**	**MCh$**
Endorsements and performance bonds	637	717
Confirmed foreign letters of credit	1	2
Issued documentary letters of credit	250	293
Guarantees	11,935	9,805
Available credit lines	8,794	8,149
Other credit commitments	1,642	1,213
Total	**23,259**	**20,179**

d) Movements of provisions for the periods 2017 and December 31,2016 are as follows:

	PROVISIONS FOR					
	Staff benefits and remuneration	**Minimum dividends**	**Credit Commitments**	**Contingencies**	**Country risk**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Balance as of January 1, 2017	**48,906**	**102,049**	**20,179**	**90,435**	**1,926**	**263,495**
Provisions	8	42,257	3,361	5,534	17	**51,177**
Use of provisions	(16,548)	(102,049)	(256)	(8,912)	(158)	**(127,923)**
Reversal of provisions	(593)	-	(25)	(50)	(36)	**(704)**
Balance as of March 31, 2017	**31,773**	**42,257**	**23,259**	**87,007**	**1,749**	**186,045**
Balance as of January 1, 2016	**39,151**	**99,247**	**18,525**	**95,540**	**2,669**	**255,132**
Provisions	24,331	102,049	5,811	66,877	157	99,978
Use of provisions	(14,192)	(99,247)	(3,870)	(71,870)	(771)	(90,703)
Reversal of provisions	(384)	-	(287)	(112)	(129)	(912)
Balance as of December 31, 2016	**48,906**	**102,049**	**20,179**	**90,435**	**1,926**	**263,495**

NOTE 21 - OTHER LIABILITIES

As of March 31, 2017 and December 31, 2016, the detail of other liabilities is as follows:

	As of March 31, 2017	As of December 31, 2016
	MCh$	**MCh$**
Account payables and notes payable	215,465	196,447
Unearned income	20,521	22,785
Sundry creditors	288,344	278,198
Other liabilities	58,892	9,819
Total	**583,222**	**507,249**

NOTE 22 - CONTINGENCIES AND COMMITMENTS

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

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

	As of March 31, 2017	As of December 31, 2016
CONTINGENT RECEIVABLES	**MCh$**	**MCh$**
Collateral and guarantees:		
Collateral and guarantees in foreign currency	74,577	81,627
Confirmed foreign letters of credit	1,697	3,694
Issued documentary letters of credit	201,557	215,431
Performance bonds and credit lines:		
Performance bonds in Chilean currency	927,703	975,211
Performance bonds in foreign currency	318,028	332,504
Immediately available Credit Lines	4,531,701	4,573,760
Other credit commitments:		
Higher education loans in accordance with Law No, 20,027	28,436	30,288
Others	292,013	184,060
THIRD PARTY OPERATIONS		
Collections:		
Foreign collections	129,832	517,756
Domestic collections	175,342	170,531
CUSTODY OF SECURITIES		
Securities in custody with the bank	150,166	150,427
Total	**6,831,052**	**7,235,289**

NOTE 22 - CONTINGENCIES AND COMMITMENTS, Continued

b) Lawsuits and legal proceedings.

BCI Bank

The Bank and its subsidiaries are involved in various pending legal lawsuits 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 already recognized by the Bank and its subsidiaries in its financial statements. Hence, Management did not consider that allocation of additional provisions to those already recognized for these contingencies is necessary.

BCI Corredor de Bolsa S.A.

As of March 31, 2017 BCI Corredora de Bolsa S.A. direct subsidiary of the Bank, has a bankruptcy revocation demand dated August 8, 2011 in summary proceedings before the Twenty-Third Civil Court of Santiago, No. 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 of liquidation performed by Alfa Corredores de Bolsa S.A. before being declared bankrupt for the amount ofMCh$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 ruling was appealed on June 9, 2015 by Acson Investments Limited, and, subsequently to review of the case, was decisively rejected by the court on December 2, 2015, in respect of which Inversiones Acson Ltda. filed on December 18 of the same year an appeal, which favourably passed the first instance procedure in the Court of Appeals of Santiago.Notwithstanding the above, on June 21, 2016, the Supreme Court, at the request of the intervening parties, ordered the suspension of the proceeding for up to 17 working days from June 17, 2016. On July 19, 2016, the allegations took place in the First Chamber of the Supreme Court regarding the appeal filed by Inversiones Acson Limitada, whose judgment was in agreement, but pending. On October 26, 2016, the Supreme Court rejected the appeal filed against the ruling of the 9th Chamber of the Court of Appeals that had confirmed the sentence of first degree that rejected the action deduced by Acson Investments Limited.

The probability of losing the lawsuit is low. No provisions have been made.

c) Operating guarantees granted:

- Direct commitments

The Bank as of March 31, 2017 has no such types of guarantees.

- Operating guarantees

BCI Corredor de Bolsa S.A.

As of March 31, 2017BCI Corredor de Bolsa S.A., the subsidiary of the Bank has acquiredguaranteeto ensure compliance with thecommitments for simultaneous operations on the Santiago Stock Exchange forMCh$115,607 (MCh$115,935 as of December 31, 2016).

NOTE 22 - CONTINGENCIES AND COMMITMENTS, Continued

As of March 31, 2017 BCI Corredor de Bolsa S.A., the subsidiary of the Bank,acquiredguaranteeto ensure compliance with the proper performance of operations in the CCLV settlement system of the Santiago Stock Exchange forMCh$3,797 (MCh$3,491 as of December 31, 2016).

As of March 31, 2017 BCI Corredor de Bolsa S.A., the subsidiary of the Bank,acquiredguaranteeto ensure compliance with the proper performance of operations in the CCLV settlement system in financial derivatives of the Santiago Stock Exchange for MCh$246 (MCh$246 as of December 31, 2016).

As of March 31, 2017 BCI Corredor de Bolsa S.A., the subsidiary of the Bank,acquiredforeign guarantee to ensure compliance with the international market operations for MCh$66 (MCh$67 as of December 31, 2016).

As of March 31, 2017 BCI Corredor de Bolsa S.A., the subsidiary of the Bank,acquired guarantee to ensure compliance with the lending commitments and short selling shares on the Electronic Stock Exchange of Chile forMCh$1,099 (MCh$1,125 as of December 31, 2016).

As of March 31, 2017 BCI Corredor de Bolsa S.A., the direct subsidiary of the Bank,acquired performance bonds to ensure contract with SOMA for MCh$278 (MCh$277 as of December 31, 2016).

As of March 31, 2017 BCI Corredor de Bolsa S.A., the subsidiary of the Bank,acquired an upward UF20,000 warranty to ensure compliance with the provisions of Article No. 30 of Law No. 18,045, in order to ensure proper and full compliance with all its obligations as securities intermediary.The beneficiaries of this guarantee are current or future creditors, which it has or will have as a result of stockbroker operations. This warranty applies to a policy taken on August 19, 2016 No. 330-14-00004975 and is valid until August 19, 2017. The insurer isthe Company Mapfre Insurance, and Santiago Stock Exchange is the representative of potential beneficiaries.

- Insurance for employee loyalty

BCI Corredor de Bolsa S.A.

As of March 31, 2017, BCI Corredor de Bolsa S.A., the subsidiary of the Bank; contracted insurance from BCI Seguros General S.A., which covers Banco de Crédito e Inversiones and its subsidiaries under IntegralBanking PolicyNo. 3106568-2, valid from November 30, 2016 to November 30, 2017, with a coverage of UF100,000.

NOTE 22 - CONTINGENCIES AND COMMITMENTS, Continued
BCI Corredores de Seguros S.A.

As of March 31, 2017 BCI Corredora de Seguros S.A., the subsidiary of the Bank, has taken the following insurance policies in order to comply with the provisions of paragraph d of Article No. 58 of Decree-Law No. 251 of 1931, to ensure the correct and complete fulfilment 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. valid from April 15, 2016 to April 14, 2017, establishing as right of insurance company to request reimbursement from broker, of all sums paid or to pay to third parties affected by poor trading brokerage.

- Professional Liability Policy for Insurance Brokers No. 10031788 for an insured amount of UF60,000 with Deductible UF500 contracted with Compañía de Seguros Generales Consorcio Nacional de Seguros S.A., valid from April 15, 2016 to April 14, 2017, in order to protect the broker against any claims of third parties establishing the right of insurance company to request reimbursement of brokerage paid to the third party claims.

BCI Factoring S.A.

As of March 31, 2017 BCI Factoring S.A., the subsidiary of the Bank, has approved guarantee lines for operators with Factor Chain International for MCh$3,797 (MCh$13,090as of December 31, 2016), equivalent to US$5,730,000.00 (US$4,630,000.00 as of December 31, 2016) of which MCh$27 (MCh$1,257 as of December 31, 2016) have been used, equivalent to US$39,990,92 (US$1,883,476.00 as of December 31, 2016).

BCI Corredora de Productos S.A.

As of March 31, 2017 BCI Corredora de Productos S.A. has delivered performance bond No. 25831 together with Banco de Crédito e Inversiones amounting for UF2,000 to Bolsa de Productos Agropecuarios S.A. to guarantee proper performance of all obligations as broker dealer in the agricultural products stock exchange. The payment of this guarantee is ensured by a “credit line opening contract” intended to cover possible guarantee payments issued in Chilean currency or in foreign currency, which is held by the financial institution.

As of March 31, 2017 BCI Corredora de Productos S.A. has delivered performance bond No. 252832 together with Banco de Crédito e Inversiones amounting for UF6,000 to Bolsa de Productos Agropecuarios S.A. to guarantee proper performance of all obligations as broker dealer in the agricultural products stock exchange. The payment of this guarantee is ensured by a “credit line opening contract” intended to cover possible guarantee payments issued in Chilean currency or in foreign currency, which is held by the financial institution maturing on June 1, 2018.

d) Credit commitments

In order to satisfy the needs of its customers, the Bank assumed several irrevocable commitments and contingent liabilities. Although these obligations are not recognized in the Interim Consolidate Financial Statements, they are subject to credit risks and, therefore, are part of the Bank’s overall risk.

NOTE 22 - CONTINGENCIES AND COMMITMENTS, Continued

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

	As of March 31, 2017	As of December 31, 2016
	MCh$	MCh$
Endorsements and deposits performance bonds	74,577	81,627
Documentary letters of credit	201,557	215,431
Guarantees	1,245,731	1,307,715
Amount available for credit cards users	4,531,701	4,573,760
Provisions (Note 20)	(23,259)	(20,179)
Total	**6,030,307**	**6,158,354**

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 March 31, 2017	As of December 31, 2016
	MCh$	MCh$
Documents in collection	305,174	688,287
Custody of assets	150,166	150,427
Total	**455,340**	**838,714**

NOTE 23 - EQUITY

a) Issued capital and preference shares

Movements of common shares during the periods 2017 and December 31, 2016are the following:

	As ofMarch 31, 2017	As ofDecember 31, 2016
	N°	N°
Issued as of January 1	123,564,219	110,806,999
Issued bonus shares	-	2,019,920
Shares subscribed and paid for capital increase	-	10,737,300
Total issued	**123,564,219**	**123,564,219**

The Ordinary Shareholders' Meeting held as of March 28, 2017approved the distribution of net income for the year 2016, for the amount ofMCh$340,164, as follows:

- Distribute a dividend of Ch$1,000 per share among the total 123,564,129 shares issued and registered in the Register of Shareholders, which amounts to the sum of MCh$123,564.

- Allocate the remaining balance of the profits for the year to the profit reserve fund, that is, for the amount of MCh $ 216,600.

a) As of March 31, 2017 and December 31, 2016, the distribution of shareholders is as follows:

As of March 31, 2017	**Shares**	
	N°, of Shares	**Ownership, %**
Empresas Juan Yarur S,P,A,	68,128,157	55.14%
Jorge Yarur Bascuñán	4,760,582	3.85%
Banco de Chile on behalf of non-resident third parties	4,739,554	3.84%
Banco Itaú on behalf of investors	3,455,507	2.80%
AFP Habitat S,A,	2,926,026	2.37%
AFP Provida S,A,	2,790,745	2.26%
Credicorp LTD	2,286,328	1.85%
Inversiones Cerro Sombrero Financiero S,P,A,	2,206,998	1.79%
AFP Cuprum S,A	2,172,836	1.76%
BCI Corredor de Bolsa S,A, on behalf of third parties	2,162,100	1.75%
AFP Capital S,A,	2,032,152	1.64%
Banco Santander on behalf of foreign investors	1,939,270	1.57%
Imsa Financiera S,P,A,	1,909,945	1.55%
Inversiones Tarascona Corporation Agencia en Chile	1,659,674	1.34%
Inversiones VYR Ltda,	1,516,252	1.23%
Luis Enrique Yarur Rey	1,315,604	1.06%
Inversiones Nueva Altamira Limitada	1,139,751	0.92%
Banchile Corredores de Bolsa S,A,	1,115,415	0.90%
Maria Eugenia Yarur Rey	858,646	0.69%
Empresas JY S,A	731,667	0.59%
Larraín Vial S,A, Corredora de Bolsa	720,936	0.58%
Valores Security S,A, Corredora de Bolsa	624,990	0.51%
Nueva Chosica S,A,	539,709	0.44%
Inversiones Colibri Financiera Ltda,	511,367	0.41%
AFP Modelo S,A,	491,119	0.40%
Other shareholders	10,828,889	8.76%
Subscribed and paid shares	**123,564,219**	**100.00%**

NOTE 23 - EQUITY, Continued

As of December 31, 2016	**Shares**	
	No. of Shares	**Ownership, %**
Empresas Juan Yarur S.P.A.	68,128,157	55.14%
Banco de Chile on behalf of non-resident third parties	4,801,320	3.89%
Jorge Yarur Bascuñán	4,760,582	3.85%
Banco Itaú on behalf of investors	3,391,456	2.74%
AFP Habitat S.A.	2,939,570	2.38%
AFP Provida S.A.	2,684,859	2.17%
Credicorp LTD	2,286,328	1.85%
BCI Corredor de Bolsa S.A. on behalf of third parties	2,201,738	1.78%
AFP Capital S.A.	2,143,120	1.73%
AFP Cuprum S.A.	1,932,089	1.56%
Imsa Financiera S.P.A.	1,909,945	1.55%
Banco Santander on behalf of foreign investors	1,876,209	1.52%
Inversiones Cerro Sombrero Financiero S.P.A.	1,762,390	1.43%
Inversiones Tarascona Corporation Agencia en Chile	1,659,674	1.34%
Luis Enrique Yarur Rey	1,315,604	1.06%
Banchile Corredores de Bolsa S.A.	1,155,815	0.94%
Inversiones Nueva Altamira Limitada	1,121,002	0.91%
Victoria Ines Yarur Rey	858,657	0.69%
Maria Eugenia Yarur Rey	858,646	0.69%
Empresas JY S.A.	731,667	0.59%
Larraín Vial S.A. Corredora de Bolsa	719,044	0.58%
Inversiones VYR Ltda.	657,595	0.53%
Valores Security S.A. Corredora de Bolsa	646,651	0.52%
Inmobiliaria e Inversiones Chosica S.A.	539,709	0.44%
Jorge Alberto Yarur Rey	511,367	0.41%
Other shareholders	11,971,025	9.71%
Subscribed and paid shares	**123,564,219**	**100.00%**

b) Dividends

The following dividends were declared by the Bank as of March 31, 2017 and 2016:

	As of March 31, 2017	**As of March 31, 2016**
	Ch$	**Ch$**
Ch$ per common share	1,000	1,000

The provision for mandatory dividend as of March 31, 2017 was MCh$42,257 (MCh$102,049as of December 31, 2016).

NOTE 23 - EQUITY, Continued

c) As of March 31, 2017 and 2016, the composition of basic and diluted earnings per share is as follows:

	As of March 31,	
	2017	**2016**
Net income for the year attributable to the equity holders of the Bank, MCh$	140,843	73,919
Income available for Shareholders, MCh$	**140,843**	**73,919**
Weighted average number of shares	123,564,219	111,115,022
Basic and diluted earnings per share (Ch$/Share)	**1,140**	**665**

d) Cumulative translation adjustment reserve

As of March 31, 2017 and December 31, 2016, the reconciliation of the cumulative translation adjustment reserve as a separate component of shareholders' equity is as follows:

	MCh$
Balance as of January 1, 2016	**21,866**
Exchange differences	(3,416)
Balance as of December 31, 2016	**18,450**
Balance as of January 1, 2017	**18,450**
Exchange differences	(15,459)
Balance as of March 31, 2017	**2,991**

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

	Investment revaluation reserve MCh$	**Cash flow hedge reserve MCh$**
Accumulated comprehensive income 2015	**(27,381)**	**(15,867)**
Transferred to statements of income	(3,989)	35
Market to market adjustment	31,540	(846)
Accumulated comprehensive income 2016	**170**	**(16,678)**
Transferred to statements of income	4,654	55
Market to market adjustment	4,917	(8,436)
Accumulated comprehensive income 2017	**9,741**	**(25,059)**

NOTE 23 - EQUITY, Continued

e) Nature of valuation reserves

- Cumulative translation adjustment reserve:

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

- Cash flow hedges reserve:

Originated by the valuation at fair value of the derivative contracts designated as hedging instruments in cash flow hedges. Over the contractual period of these cash flow hedges, these reserves must be adjusted based on the valuation at each reporting date.

- Investments revaluation reserve:

Originated by the valuation at fair value of financial investments available for sale. When the investment is impaired, sold or disposed of (as a whole or in part), the accumulated revaluation is transferred from this reserve to Interim Consolidated Statements of Income and recognized as part of the loss or gain related to investments.

f) Capital requirements

The regulatory capital as of March 31, 2017 is defined as 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, net of required loan loss allowances and provisions and deductions, of 8%, and a minimum ratio of basic capital to consolidated total assets, net of required loan loss allowances and provisions and deductions, of 3%. Regulatory capital for these purposes is defined asbasic capital (which represents paid-in capital and reserves)adjusted to: a) aggregate subordinated bonds issued by the Bank valued at their placement price for an amount up to 50% of its basic capital commencing six years prior to their maturity, b) aggregate additional required allowances and provisions as stipulated, c) deduct all goodwill and share premium, and d) deduct 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 in banks, and financial instruments issued by the Central Bank of Chile have 0% risk, which means that according to the regulations in force, capital is not needed to maintainthese assets. Property, plant and equipment have 100% risk, which means that a minimum capital, equivalent to 8% of these assets, should be held.

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".

NOTE 23 - EQUITY, Continued

All OTC derivative instruments form part of risk-weighted assets, as a result of application of conversion factor to notional values of all such derivatives in order to get the amount of credit risk exposure (or "credit equivalent") that complies with Chapter 12-1 of Updated Compilation of Standards issued by SBIF. Credit Commitments recognized off balance sheet also considered as "credit equivalents" for the purpose to calculate portion forming part of risk-weighted assets.

The regulated and basic capital as of March 31, 2017 and ecember 31, 2016 are the following:

	Consolidated assets and off-balance sheet items		Risk-weighted assets	
	As of March 31, 2017	As of December 31, 2016	As of March 31, 2017	As of December 31, 2016
Consolidated Balance sheet assets (net of allowances and provisions)	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Cash and deposits in banks	1,348,673	1,577,565	-	-
Items in course of collection	563,678	264,265	126,805	38,543
Trading portfolio financial assets	1,358,667	1,267,979	181,274	195,843
Investment under agreements to resell	134,622	116,461	134,621	116,461
Derivative financial agreements	1,343,256	1,360,247	773,169	777,467
Credit equivalent	(118,530)	(124,888)	(57,897)	-
Loans and receivables to banks, net	212,704	223,228	202,897	216,210
Loans and receivables to customers, net	22,024,789	21,954,346	19,870,364	19,879,359
Financial investments available for sale	2,506,420	2,524,500	1,072,210	1,032,309
Financial investments held to maturity	859	872	172	174
Investments in other companies	260,227	187,958	260,227	187,958
Intangible assets	171,201	177,516	160,583	166,733
Property, plant and equipment, net	272,187	279,496	272,188	279,496
Current income tax	125,139	116,574	12,514	11,658
Deferred income taxes	191,186	198,094	19,119	19,809
Other assets	693,732	686,130	483,252	488,003
Off-balance sheets items				
Credit commitments	2,597,210	2,548,549	1,558,326	1,529,129
Total assets	**33,686,020**	**33,358,892**	**25,069,824**	**24,939,152**

	As of March 31, 2017	As of December 31 2016
	MCh$	**MCh$**
Basic capital	2,584,139	2,518,257
Regulatory capital	3,364,412	3,344,119
Consolidated assets	33,686,020	33,358,892
Risk-weighted assets	25,069,824	24,939,152

NOTE 23 - EQUITY, Continued

	As of March 31 2017	As of December 31 2016
	%	%
Basic capital /Consolidated assets	7.67	7.55
Basic capital / Risk-weighted assets	10.31	10.10
Regulatory capital / Risk-weighted assets	13.42	13.41

NOTE 24 - INCOME AND EXPENSES FROM INTEREST AND INDEXATION FOR INFLATION

a) For the periods ended March 31, 2017 and 2016, the composition of income from interest and indexation for inflation is the following:

	For the year period ended March 31,					
	2017			2016		
Concept	**Interest**	**Indexation for inflation**	**Total**	**Interest**	**Indexation for inflation**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Repurchase agreements	460	118	**578**	496	438	**934**
Interbank loans	1,616	-	**1,616**	891	-	**891**
Commercial loans	185,867	16,966	**202,833**	173,235	26,075	**199,310**
Mortgage loans	43,279	20,961	**64,240**	39,438	27,364	**66,802**
Consumer loans	87,335	123	**87,458**	83,827	(204)	**83,623**
Investment instruments	16,316	680	**16,996**	18,486	1,307	**19,793**
Other income (*)	1,853	169	**2,022**	3,341	113	**3,454**
Hedge accounting effect	(10,104)	-	**(10,104)**	4,188	-	**4,188**
Total income from interest and indexation for inflation	**326,622**	**39,017**	**365,639**	**323,902**	**55,093**	**378,995**

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

For the periods ended March 31, 2017 and 2016, the detail of the interest expenses and indexation for inflation is as follows:

	For the year period ended March 31,	
Concept	**2017**	**2016**
	MCh$	**MCh$**
Demand deposits	(3,881)	(2,726)
Repurchase agreements	(4,850)	(3,368)
Term deposits and borrowings	(73,979)	(81,504)
Borrowings from financial institutions	(7,851)	(6,468)
Issued debt instruments	(50,491)	(49,774)
Other financial liabilities	(1,644)	(1,128)
Accounting hedge effect	(908)	(906)
Other interest expenses indication for inflation	(889)	(9,027)
Total interest expenses and –indexation for inflation	**(144,493)**	**(154,901)**

NOTE 24 - INCOME AND EXPENSES FROM INTEREST AND INDEXATION FOR INFLATION,

Continued

b) For the periods ended March 31, 2017 and 2016 the detail of income and expenses related to hedge accounting is as follows:

	For the year period ended March 31,					
	2017			2016		
	Gain	Loss	Total	Gain	Loss	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Hedge of Assets						
Fair Value Hedge	14,689	11,336	**3,353**	14,998	693	**14,305**
Cash Flow Hedge	8,785	22,242	**(13,457)**	15,409	25,526	**(10,117)**
Subtotal	**23,474**	**33,578**	**(10,104)**	**30,407**	**26,219**	**4,188**
Hedge of Liabilities						
Fair Value Hedge						
Subtotal	2,429	3,318	**(889)**	9,096	18,123	**(9,027)**
Total	**2,429**	**3,318**	**(889)**	**9,096**	**18,123**	**(9,027)**
	25,903	**36,896**	**(10,993)**	**39,503**	**44,342**	**(4,839)**

NOTE 25–FEE AND COMMISSION INCOME AND EXPENSES

For the periods ended March 31, 2017 and 2016, the composition of fee and commission income and expenses is the following:

	For the year period ended March 31,	
	2017	**2016**
	MCh$	**MCh$**
Fee and commission income:		
Commissions for credit lines and overdrafts	1,539	1,478
Commissions for guarantees and letters of credit	5,270	5,377
Commissions for credit card services	20,242	19,503
Commissions for administration of accounts	10,902	10,682
Commissions for collection services	13,073	12,124
Commissions for securities brokerage	1,422	1,263
Commissions for management of mutual and investment funds	12,518	11,536
Commissions for insurance brokerage	10,221	9,202
Commissions for other services provided	5,280	4,668
Other commissions	1,233	1,347
Total fee and commission income	**81,700**	**77,180**
Fee and commission expenses:		
Commissions on operations with credit cards	(10,306)	(9,443)
Commissions on securities trading	(2,943)	(3,374)
Other commissions	(6,195)	(5,692)
Total fee and commission expenses	**(19,444)**	**(18,509)**

NOTE 26 - TRADING AND INVESTMENT INCOME

For the periods ended March 31, 2017 and 2016, the detail of trading and investment income is the following:

	For the year period ended March 31,	
	2017	**2016**
	MCh$	**MCh$**
Trading instruments	23,634	20,848
Derivative financial agreements	1,343	47,495
Other instruments at fair value through profit or loss	-	-
Sale of financial investments available for sale	2,774	(1,188)
Others	(3)	(18)
Total	**27,748**	**67,137**

NOTE 27 - FOREIGN EXCHANGE RESULTS

For the periods ended March 31, 2017 and 2016 the detail of the foreign exchange results is the following:

	For the year period ended March 31,	
	2017	**2016**
	MCh$	**MCh$**
Exchange difference		
Gains from exchange differences	4,706,573	7,513,705
Losses from exchange differences	(4,695,563)	(7,525,994)
Subtotal	**11,010**	**(12,289)**
Foreign currency fluctuation effect for assets and liabilities denominated in foreign currency		
Net results for assets and liabilities in foreign currency	(1,362)	(7,833)
Subtotal	**(1,362)**	**(7,833)**
Hedge Accounting Result		
Assets hedge results	15,709	(12,406)
Liabilities hedge results	(8,722)	(22,909)
Subtotal	6,987	**(35,315)**
Total	**16,635**	**(55,437)**

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

NOTE 28 - PROVISIONS FOR LOAN LOSSES AND IMPAIRMENT

The detail of provisions for loan losses and impairmentfor the periods ended March 31, 2017 and 2016 is as follows:

		Loans and receivables to customers						
For the year period ended March 31, 2017	**Interbank loans**	**Commercial loans**	**Mortgage loans**	**Consumer Loans**	**Credit commitments**	**Additional provisions**	**Minimum provisions adjustment for the normal portfolio**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Provisions:								
Individual provisions	8	25,575	-	-	2,973	-	-	**28,556**
Collective provisions	-	15,207	493	39,767	388	5,000	-	**60,855**
Total provisions	**8**	**40,782**	**493**	**39,767**	**3,361**	**5,000**	**-**	**89,411**
Impairment:								
Individual impairment								
Collective impairment	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total impairment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reversal of provisions:								
Individual provisions	(68)	(12,173)	-	-	(249)	-	(3,659)	**(16,149)**
Collective provisions	-	(21)	(336)	(116)	(7)	-	-	**(480)**
Total reversal of provisions	**(68)**	**(12,194)**	**(336)**	**(116)**	**(256)**	**-**	**(3,659)**	**(16,629)**
Recovery of assets previously written off	-	(4,026)	(889)	(4,964)	-	-	-	**(9,879)**
Reversal of impairment	-	-	-	-	-	-	-	-
Net provisions for loan losses	**(60)**	**24,562**	**(732)**	**34,687**	**3,105**	**5,000**	**(3,659)**	**62,903**

NOTE 28 - PROVISIONS FOR LOAN LOSSES AND IMPAIRMENT, Continued

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

		Loans and receivables to customers						
For the year period ended March 31, 2016	**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:								
Individual provisions	72	9,889	-	-	734	-	4,878	**15,573**
Collective provisions	-	15,488	13,367	33,669	488	972	-	**63,984**
Total provisions	**72**	**25,377**	**13,367**	**33,669**	**1,222**	**972**	**4,878**	**79,557**
Impairment:								
Individual impairment	-							
Collective impairment	-	-	-	-	-	-	-	-
Total impairment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reversal of provisions:		-	-	-	-	-	-	-
Individual provisions	(46)	(6,876)	-	-	(968)	-	-	**(7,890)**
Collective provisions	-	(840)	-	(251)	(117)	(15,000)	-	**(16,208)**
Total reversal of provisions	**(46)**	**(7,716)**	**-**	**(251)**	**(1,085)**	**(15,000)**	**-**	**(24,098)**
Recovery of assets previously written off	-	(5,469)	(592)	(5,330)	-	-	-	**(11,391)**
Reversal of impairment	-	-	-	-	-	-	-	-
Net provisions for loan losses	**26**	**12,192**	**12,775**	**28,088**	**137**	**(14,028)**	**4,878**	**44,068**

This item includes income accrued, in the period, for the maintenance 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 - STAFF COSTS

The composition of staff costsfor the periods ended March 31, 2017 and 2016 is as follows:

	For the year period ended March 31,	
	2017	**2016**
	MCh$	**MCh$**
Staff remunerations	53,674	45,094
Bonuses or awards	38,089	35,131
Severance payments	2,115	1,856
Training expenses	625	563
Other staff expenses	4,654	3,681
Total	**99,157**	**86,325**

NOTE 30 - ADMINISTRATIVE EXPENSES

For the periods ended March 31, 2017 and 2016, the composition of administrative expenses is as follows:

	For the year period ended March 31,	
	2017	**2016**
	MCh$	**MCh$**
General administrative expenses		
Maintenance and repairs of the bank's property, plant and equipment	3,080	3,000
Office rent	6,693	6,847
Equipment rent	63	76
Insurance premiums	1,204	2,118
Office materials	1,520	1,276
Computer and communications expenses	11,552	8,217
Lighting, heating and other services	2,066	2,165
Security and custody transportation services	3,539	3,294
Travel expenses	1,195	1,008
Judicial and notarial expenses	673	801
Fees for technical reports	627	687
Audit fees	748	658
Cleaning services	1,156	1,153
Consulting	1,709	1,982
Postal-related expenses	443	377
Other general administrative expenses	6,775	5,395
Sub-contracted services		
Data processing	1,365	1,256
Sale of products	-	-
Credit evaluation	177	23
Other	2,045	1,855
Board of Directors expenses		
Board of Directors remuneration	1,070	781
Other Board of Directors expenses	42	55
Publicity and advertising	4,117	4,795
Taxes, property taxes and contributions		
Real estate contributions	405	274
Licenses	402	381
Other taxes	1,532	1,077
Contribution to SBIF	2,140	1,804
Total	**56,338**	**51,355**

NOTE 31 - DEPRECIATION, AMORTIZATION AND IMPAIRMENT

a) For the periods ended March 31, 2017 and 2016, depreciation and amortization expenses are detailed bellow:

	For the year period ended March 31,	
	2017	**2016**
	MCh$	**MCh$**
Depreciation and amortization		
Depreciation of property, plant and equipment	(6,789)	(5,995)
Amortization of intangible assets	(7,575)	(6,866)
Total	**(14,364)**	**(12,861)**

b) For the years ended March 31, 2017 and 2016, the impairment of property, plant and equipment and intangible assets is detailed as follows:

	For the year period ended March 31,	
	2017	**2016**
	MCh$	**MCh$**
Impairment		
Property, plant and equipment (1)	(26)	(2)
Intangible asset	-	-
Total	**(26)**	**(2)**

(1) As of March 31, 2017 and 2016impairment of property, plant and equipment for MCh$26 and MCh$2 was recognized against gross value of property, plant and equipment.

c) The reconciliation of accumulated depreciation, amortization and impairment for the periods ended March 31, 2017 and 2016 is as follows:

	Depreciation, amortization and impairment					
	For the year period ended March 31, 2017			For the year period ended March 31, 2016		
	Accumulated depreciation of property Plant and Equipment	Accumulated amortization of intangible assets	Total	Accumulated depreciation of property Plant and Equipment	Accumulated amortization of intangible assets	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balance as of January 1	**195,689**	**155,318**	**351,007**	**174,421**	**165,497**	**339,918**
Charges for depreciation and amortization for the year	6,789	7,575	14,364	5,995	6,866	12,861
Sales	-	-	-	(16)	-	(16)
Others	(326)	(62)	(388)	(183)	2,049	1,866
Balance as of March 31	**202,152**	**162,831**	**364,983**	**180,217**	**174,412**	**354,629**

NOTE 32 - OTHER OPERATING INCOME AND EXPENSES

a) Other operating income

For the periods ended March 31, 2017 and 2016 the composition of other operating income is as follows:

Concept	**For the year period ended March 31,**	
	2017	**2016**
Income from repossessed assets	**MCh$**	**MCh$**
Gain on sale of repossessed assets	186	387
Other income	218	308
Subtotal	404	695
Reversal of provisions for credit commitments		
Reversal of provisions for country risk	158	250
Reversal of other provisions for credit commitments	-	-
Subtotal	158	250
Other income		
Gains on sale of property, plant and equipment	7,020	142
Insurance claims	65	149
Leasing income	975	845
Other income	3,319	3,910
Subtotal	11,379	5,046
Total	**11,941**	**5,991**

b) Other operating expenses

For the periods ended March 31, 2017 and 2016, the composition of other operating expenses is as follows:

	For the year period ended March 31,	
Concept	**2017**	**2016**
Impairment and expenses for repossessed assets	**MCh$**	**MCh$**
Impairment of repossessed assets	15	-
Write-offs of repossessed assets	630	813
Maintenance expenses for repossessed assets	80	121
Subtotal	725	934
Establishment of provisions for credit commitments		
Provisions for country risk	17	67
Other provisions for credit commitments	23	-
Subtotal	40	67
Other expenses		
Loss on sale of property, plant and equipment	6	56
Contributions and donations	1,035	744
Penalties for judicial and notary expenses	763	975
Leasing expenses	2,114	1,890
Non-operating expenses	1,490	1,356
Agreement expenses	195	195
Other expenses	1,006	602
Subtotal	6,609	5,818
Total	**7,374**	**6,819**

NOTE 33 - TRANSACTIONS WITH RELATED PARTIES

a) Loans granted to related parties

Loans granted to related parties are detailed as follows:

	March 31, 2017			As ofDecember31,		
	Operating Companies	Investment Companies	Individuals	Holding Companies	Investment companies	Individuals
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Loans and receivables to customers						
Commercial loans	71,310	76,449	14,172	69,203	83,934	13,959
Mortgage loans	-	-	33,693	-	-	28,311
Consumer loans	-	-	8,950	-	-	4,537
Loans and receivables to customers, gross	**71,310**	**76,449**	**56,815**	**69,203**	**83,934**	**46,807**
Allowances for loan losses	(188)	(141)	(75)	(215)	(133)	(58)
Loans and receivables to customers, net	**71,122**	**76,308**	**56,740**	**68,988**	**83,801**	**46,749**
Credit commitments	66,151	21,837	18,320	80,161	16,302	11,521
Provisions for credit commitments	(71)	(40)	(12)	(78)	(39)	(7)
Credit commitments, net	**66,080**	**21,797**	**18,308**	**80,083**	**16,263**	**11,514**

NOTE 33 - TRANSACTIONS WITH RELATED PARTIES, Continued

b) Other transactions with related parties

For the periods ended March 31, 2017 and 2016, the Bank has undertaken the following transactions with related parties:

For the year period ended March 31, 2017	Relationship with the Group	Description	Balance assets	Effect on statements Expense	Income
			MCh$	MCh$	MCh$
Artikos Chile S,A,	Joint Venture	Acquisitions services	349	349	-
Bolsa de Comercio de Santiago	Other	Rental terminals	35	35	-
Bci Seguros de Vida S,A,	Common Control	Service revenue and channel usage	1,431	-	1,431
		Brokerage Fees BCI CCSS	3,820		3,820
Bci Seguros Generales S,A,	Common Control	Commission for collection and PAC	122	-	122
		Brokerage Fees BCI CCSS	4,658		4,658
		Brokerage Awards BCI CCSS	396		396
Centro de Compensación Automatizado S,A,	Other	Electronic Banking Transactions	347	318	-
Combanc S,A,	Associate	Compensation and high value payment	88	64	-
Comder Contraparte Central S,A,	Associate	Bank processing	192	192	-
Conexxion Spa	Other	Service mail	97	90	-
Depositos Central de Valores S,A,	Other	Financial Instruments Custody	63	63	-
Digitech Solutions S,A,	Other	Document digitalization	84	84	-
Diseño y Desarrollo Computacional Ltda,	Other	Development and maintenance applications (Notes)	170	97	-
EMC Chile S,A,	Other	Computer Solutions	105	43	-
GTD Teleductos S,A,	Other	Communications Service	84	84	-
IBM Chile S,A,	Other	Computer equipment and solutions	338	122	-
Imagemaker S,A,	Other	Application Development and Solution	102	102	-
Inmobiliaria Anya S,A,	Other	Proyectos Inmobiliarios	28	28	-
Jordan (Chile) S,A,	Common Control	Forms printing	673	640	-
Mario Gómez D,	Other	Advice and consultancy	57	57	-
Operadoras de Tarjetas de Crédito Nexus S,A,	Associate	Card Processing	1,884	1,873	-
PB Soluciones Ltda,	Other	ATMs Installation and Cleaning Service	43	36	-
Redbanc S,A,	Associate	ATMs Operation	1,660	1,437	-
Salcobrand S,A,	Common Control	Rent of places for ATMs	75	63	-
Servicios de Informacion avanzada S,A,	Other	Trade Information Service	166	156	-
Servipag Ltda,	Joint Venture	Collection and Payment Services	2,094	1,761	-
Sistema Nacional de Com, Financieras S,A, (Sinacofi)	Other	Financial Information Service	132	119	-
Transbank S,A,	Other	Credit Card Management	13,106	3,072	10,034

NOTE 33 - TRANSACTIONS WITH RELATED PARTIES, Continued

For the year period ended March 31, 2016	Relationship with the Group	Description	Balance assets	Effect on statements of Expense	Income
			MCh$	MCh$	MCh$
Archivos Credenciales e Impresos Archivert Ltda,	Other	Card making			
Artikos Chile S,A,	Joint Venture	Acquisitions services	55	55	-
Bolsa de Comercio de Santiago	Other	Rental terminals	366	366	-
Bci Seguros de Vida S,A,	Common Control	Service revenue and channel usage	40	40	-
		Financial Instruments Time deposits	1,611	-	1,354
		Marketing	-	-	-
		Premiums Payment	266	-	223
		Subordinated bond	49	49	-
		Expenditures and income - Premiums reject credits	1,017	18	-
		Brokerage Fees BCI CCSS	3,497	31	-
		Brokerage Awards BCI CCSS	4,029	-	4,029
Bci Seguros Generales S,A,	Common Control	Commission for collection and PAC	-	-	-
		Casualties	121	-	121
		Time Deposits Financial Instruments	149	-	149
		Banking Bond	5,675	29	-
		Brokerage Fees BCI CCSS	1,027	13	-
		Brokerage Awards BCI CCSS	3,882	-	3,882
Centro de Compensación Automatizado S,A,	Other	Electronic Banking Transactions	540	-	540
Combanc S,A,	Associate	Compensation and high value payment	305	272	-
Conexxion Spa	Other	Service mail	93	76	-
Depositos Central de Valores S,A,	Other	Financial Instruments Custody	103	85	-
Diseño y Desarrollo Computacional Ltda,	Other	Development and maintenance applications (Notes))	77	77	-
Imagemaker S,A,	Other	Application Development and Solution	197	180	-
Jordan (Chile) S,A,	Common Control	Forms printing	151	142	-
Operadoras de Tarjetas de Crédito Nexus S,A,	Associate	Card Processing	714	548	-
PB Soluciones Ltda,	Other	ATMs Installation and Cleaning Service	1,712	1,712	-
Redbanc S,A,	Associate	ATMs Operation	51	37	-
Salcobrand S,A,	Common Control	Rent of places for ATMs	1,510	1,297	-
Santo Producciones Ltda,	Other	Events Production	75	63	-
Servicios de Informacion avanzada S,A,	Other	Trade Information Service	13	13	-
Servipag Ltda,	Joint Venture	Collection and Payment Services	165	145	-
Sistema Nacional de Com, Financieras S,A, (Sinacofi)	Other	Financial Information Service	2,169	1,908	-
Transbank S,A,	Other	Credit Card Management	104	89	-
			11,615	2,712	8,903

Note: only transactions over UF1,000 are disclosed.

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

NOTE 33 - TRANSACTIONS WITH RELATED PARTIES, Continued

c) Other assets and liabilities with related parties

	As ofMarch 31, 2017 MCh$	As ofDecember31, 2016 MCh$
ASSETS		
Derivative financial agreements	-	-
Other assets	-	-
LIABILITIES		
Derivative financial agreements	-	-
Demand deposits	77,295	70,183
Term deposits and saving accounts	46,414	39,649
Other liabilities	-	-

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

Type of income or expense recognized	Entity	For the year period March 31, 2017 Income MCh$	2017 Expense MCh$	2016 Income MCh$	2016 Expense MCh$
Income and expenses	Sundry	2.573	(323)	2,095	(339)
Operational support expenses	Companies supporting the line of business	20.461	(10,885)	19,201	(9,957)
Total		**23,034**	**(11,208)**	**21,296**	**(10,296)**

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

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

	For the year period March 31, 2017 MCh$	2016 MCh$
Short-term remunerations of key management personnel (*)	6,093	8,039
Severance indemnities for termination of contract	-	-
Total	**6,093**	**8,039**

(*) For the year ended March 31, 2017, total expenses corresponding to the remuneration of the Board of Directors of the Bank and subsidiaries amounted to MCh$1,112 (MCh$836 for the year ended March 31, 2016).

NOTE 33 - TRANSACTIONS WITH RELATED PARTIES, Continued

f) Composition of key management personnel

As of March 31, 2017, the composition of the key management personnel of the Bank and its subsidiaries is as follows:

Position	**N° of executives**
Director	20
General manager	13
Division and Area Manager	17
Total	**50**

g) Transactions with key management personnel

For the periods ended March 31, 2017 and 2016, the Bank has undertaken the following transactions with key management personnel, as specified below:

	For the period March 31,					
	2017			**2016**		
	Balance Owed	**Total remuneration**	**Income of key executives**	**Balance Owed**	**Total remuneration**	**Income of key executives**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Credit cards and other services	1,757	301,399	2	1,819	312,193	3
Mortgage loans	1,359	64,240	17	1,792	66,802	28
Guarantees provided	2,346	-	-	2,382	-	-
Total	**5,462**	**365,639**	**19**	**5,993**	**378,995**	**31**

NOTE 33 - TRANSACTIONS WITH RELATED PARTIES, Continued

As of March 31, 2017, the Bank has the following contracts:

N°	Related company	The service involved	Concept	Description of the Contract	Term
1	Bolsa de Comercio de Santiago	Processing the stock exchange management system, through which BCI Corredor de Bolsa S.A.	Lease of terminals.	Contract to use the stock exchange management software.	Indefinite
2	Centro de Automatizado S.A.(CCA)	Electronic transactions adjustment centre.	Centre adjustment Services.	Participation in and incorporation into the electronic transfer centre 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
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, and revenue stamped forms, such as checks and at sight promissory notes.	Indefinite
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
5	Redbanc S.A.	Administration of the operations of ATMs, 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
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
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
8	Artikos Chile S.A.	Purchases and logistics services portal.	Purchase of supplies.	Electronic purchase service for assets and/or logistics services.	Indefinite
9	BCI Seguros de Vida S.A.	Insurance.	Insurance premiums.	Individual life insurance policy for executives and guards.	Annual
10	BCI Seguros Generales S.A.	Insurance.	Insurance premiums.	Individual policies for the Bank’s physical assets, leased assets and comprehensive banking policy.	Annual
11	Archivos Credenciales e Impresos Archivert Ltda.	Production of Credit and Debit Card Plastics	Credit and Debit Card Production.	Production of credit and debit plasticcards.	Indefinite
12	Combanc S.A.	Clearing and settlement of High Amounts payments, SWIFT Messaging (Order and / or receive balance information from Central Bank of Chile, for daily transfer client funds.	Settlement of High Amounts payments.	Clearing and settlement of High Amounts payments. SWIFT Messaging (Order and / or receive balance information from Central Bank of Chile, for daily transfer client funds.	Indefinite

NOTE 33 - TRANSACTIONS WITH RELATED PARTIES, Continued

N°	Related company	The service involved	Concept	Description of the Contract	Term
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
14	Depósitos Central de Valores S.A.	Service Deposit and Securities Custody.	Securities Custody.	Service Deposit and Securities Custody.	Indefinite
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
16	GTD Teleductos S.A.	Telephone Services & Data Communications, Rent of links, continuity links, Fixed and mobile, mainly in Metropolitana Region.	Telephone Service.	Telephone Services & Data Communications, Rent of links, continuity links, fixed and mobile, mainly in Metropolitana Region.	Indefinite
17	Imagemaker IT S.A.	Sale of Computational Security Devices (Multipass).	Technological Developments.	Sale of Computational Security Devices (Multipass).	Indefinite
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
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
20	Salcobrand S.A.	Lease of ATM’s site (affordable).	Lease of ATM’s site.	Lease of ATM’s site (affordable).	Indefinite
21	Santo Producciones Ltda.	Events Production.	Events,	Events Production.	Indefinite
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
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
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

NOTE 33 - TRANSACTIONS WITH RELATED PARTIES, Continued

N°	Related company	The service involved	Concept	Description of the Contract	Term
25	Administración e Inversiones Centinela Ltda.	Provision of administrative, accounting and financial advisory services	Financial Advising	Provision of administrative, accounting and financial advisory services	End April 2016
26	Cia. Nacional de Telefonos Telefónica del Sur S.A.	Fixed telephony service continuity and Internet service Broadband	Telephone service	Fixed telephony service continuity and Internet service Broadband	Undefined
27	Comunicaciones Capítulo Ltda.	Private telephone service	Telephone service	Private telephone service	2 Years from July 2016
28	DCV Registros S.A.	Administration of shareholders register	Administration of shareholders register	Comprehensive and personalized attention of the shareholders of BCI and brokers.	Undefined
29	Digitech Solutions S.A.	Document digitalization	Document Scanning Service	Digitizing documents Back Office, Comex, document management Mortgage and Corporate Banking	Undefined
30	Engage S.A.Servicios y Asesorías en Comunicaciones Publicas Marketing	Internal Marketing Consulting	Advisory	Consulting and Advertising Agency Services	Undefined
31	EMC Chile S.A.	Government and Migration	Data	Government of Migration and Data Centre Moving	Undefined
32	Galería de Arte Patricia Ready Ltda.	Exhibition Hall Art Gallery	Auspice	Ensure BCI brand presence in all invitations printed for each exhibition and in the invitation in digital format. Include the BCI logo in all catalogues.	Undefined
33	GTD Teleductos S.A.	Lease of data links	Telephone service	Telephone Supply	Finished
34	IBM Chile S.A.	Computer Equipment and Solutions	Technology support service	Computer Equipment and Solutions and support staff (specialists)	Undefined
35	Irarrazabal Ruiz-Tagle Goldenberg Lagos & Silva Abogados Ltda.	Intangible Services Lawyers Presidency	Advisory	Professional Advice in General to the Bank and Subsidiaries	Undefined
36	Inmobiliaria Anya S.A.	Rent for BCI branch	Lease	Lo Echevers branch lease	8 years
37	Let´s Talk Spa	Electronic messaging	Messaging services	Instant Messaging	3 months
38	Mario Gómez D.	Advisory and consultancy	Advisory	Development of Banking Plan. Integral Consulting to the Bank Management.	Undefined
39	Oliver Wyman	Advisory	Advisory	Strategic Consulting Services - Project “Transaction Banking”	Undefined
40	Telesat Compañía de Teléfonos S.A.	Lease of data links	Telephone service	Local Service Measured traffic	Undefined

NOTE 34 - ASSETS AND LIABILITIES AT FAIR VALUE

a) Financial instruments measured at fair value and that are not measured at fair value in the Interim Consolidated Financial Statements

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

	As of March 31, 2017		As of December 31, 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
	MCh$	MCh$	MCh$	MCh$
Assets				
Cash and deposits in banks	1,348,673	1,348,673	1,577,565	1,577,565
Items in course of collection	563,678	563,678	264,265	264,265
Trading portfolio financial assets	1,358,667	1,358,667	1,267,979	1,267,979
Investments under agreements to resell	134,622	134,622	116,461	116,461
Derivative financial agreements	1,343,256	1,343,256	1,360,247	1,360,247
Loans and receivables to banks, net	212,704	212,704	223,228	223,228
Loans and receivables to customers, net	22,024,789	24,474,089	21,954,346	24,020,556
Commercial loans	14,262,316	14,658,696	14,459,695	14,648,198
Mortgage loans	5,160,798	6,387,071	4,967,162	6,067,665
Consumer loans	2,601,675	3,428,322	2,527,489	3,304,693
Financial investments available for sale	2,506,420	2,506,420	2,524,500	2,524,500
Financial investments held to maturity	859	859	872	872
TOTAL ASSETS	**29,493,668**	**31,942,968**	**29,289,463**	**31,355,673**
Liabilities				
Current accounts and demand deposits	8,485,689	8,485,689	8,194,263	8,194,263
Items in course of collection	450,185	450,185	132,507	132,507
Liabilities under agreements to repurchase	650,154	650,154	799,844	799,844
Term deposits and savings accounts	9,796,097	9,842,287	9,957,688	9,994,254
Derivative financial agreements	1,432,167	1,432,167	1,420,086	1,420,086
Borrowings from financial institutions	1,469,703	1,469,703	1,648,764	1,648,764
Debt issued	4,584,320	5,283,679	4,398,430	5,064,358
Other financial liabilities	809,549	809,549	953,246	953,246
TOTAL LIABILITIES	**27,677,864**	**28,423,413**	**27,504,828**	**28,207,322**

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.

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

Loans and receivable to customers.
Loans and receivables to customers are presented net of their allowance for loan lossesand impairment.

The estimated fair value represents the discounted future cash flows expected to be received.

Cash flows are discounted at market interest rate, using an interbank rate that considers the relevant term and currency.

NOTE 34 - ASSETS AND LIABILITIES AT FAIR VALUE, Continued

The approaches used for the incorporation of credit risk of the assets are:

1. Based on the models of estimation of expected loss, it is possible to infer the credit quality of the portfolio (at least in qualitative terms) specifically, for the remaining term of the operations comprising the asset accounts considered (commercial loans, mortgage loans and consumer loans).

2. In quantitative terms, the provision percentage assigned to an operation results in an estimate of the provision based on the credit profile of the operation.

3. The resulting amount when applying the ‘provisions/total loans’ factor mentioned in 2) to the current principal and accrued interest outstanding of the respective loan 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, for which maturity is not established, including non-interest bearing accounts, is the amount payable when the customer demands it. The redeemed cost of these deposits is a reasonable approximation of their fair value.

The fair value of term deposits has been estimated 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.

Fixed Income Securities and Derivatives

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

Other balance sheet accounts

For other balance sheet accounts the carrying amount was used, because they are items with very short-term flows and therefore their discounted value does not differ significantly from theircarrying amount.

NOTE 34 - ASSETS AND LIABILITIES AT FAIR VALUE, Continued

b) Financial instruments measured at fair value

Please refer to Note 1.j for further details on the criteria used to determine the fair value.

c) Hierarchy used for determining the fair value

The regulation distinguishes among different types of inputs used for the valuation techniques, differentiating between ‘‘observable’’ or ‘‘unobservable’’ inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the assumptions of the Bank and subsidiaries in relation to market behaviour. The following hierarchy has been established based on these types of inputs:

Level 1 -Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes the debt instruments (whether fixed or variable income), equity instruments, and financial derivative instruments traded on domestic or international stock markets.

Level 2 -Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).. Prices may require interpolation among a price structure (e.g., 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 for assets or liabilities that are not based on observable market data (unobservable inputs). This level includes equity and debt instruments whose valuation uses significant unobservable inputs.

This hierarchy requires maximise the use of relevant observable inputs and minimise unobservable inputs. The Bank and its subsidiaries consider the relevant observable market data in their valuations whenever it is possible.

NOTE 34 - ASSETS AND LIABILITIES AT FAIR VALUE, Continued

Financial assets and liabilities classified by valuation levels

The following chart shows the assets and liabilities that are presented at fair value in the Consolidated Financial Statements, classified in their respective levels of hierarchy previously described.

	Level 1		Level 2		Level 3		Total	
Financial Assets	**March 2017**	**December 2016**	**March 2017**	**December 2016**	**March 2017**	**December 2016**	**March 2017**	**December 2016**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Trading portfolio financial assets								
State and Central Bank of Chile	784,583	712,788	-	-	-	-	784,583	712,788
Other domestic institutions	434,439	495,393	-	-	-	-	434,439	495,393
Foreign institutions	106,934	1,309	-	-	-	-	106,934	1,309
Investments in mutual funds	32,711	58,489	-	-	-	-	32,711	58,489
Subtotal	**1,358,667**	**1,267,979**	**-**	**-**	**-**	**-**	**1,358,667**	**1,267,979**
Trading derivative contracts								
Forwards	-	-	103,437	125,632	-	-	103,437	125,632
Swaps	-	-	942,439	918,642	25,240	25,240	967,679	943,882
Call options	-	-	2,144	1,147	-	-	2,144	1,147
Put options	-	-	1,635	3	-	-	1,635	3
Futures	-	-	-	137	-	-	-	137
Subtotal	**-**	**-**	**1,049,655**	**1,045,561**	**25,240**	**25,240**	**1,074,895**	**1,070,801**
Hedging Derivatives								
Forwards			14,948	22,552	-	-	14,948	22,552
Fair value hedges (Swap)	-	-	72,704	85,932	-	-	72,704	85,932
Cash flow hedges (Swap)	-	-	194,094	196,397	-	-	194,094	196,397
Subtotal	**-**	**-**	**281,746**	**304,881**	**-**	**-**	**281,746**	**304,881**
Financial investment available for sale	**-**	**-**						
State and Central Bank of Chile	568,373	746,217			-	-	568,373	746,217
Other domestic institutions	222,264	276,509	-	-	-	-	222,264	276,509
Foreign institutions	1,715,785	1,501,774	-	-	-	-	1,715,785	1,501,774
Subtotal	**2,506,422**	**2,524,500**	**-**	**-**	**-**	**-**	**2,506,422**	**2,524,500**
Total Financial Assets	**3,865,089**	**3,792,479**	**1,331,401**	**1,350,442-**	**25,240**	**25,240**	**5,221,730**	**5,168,161**
Financial liabilities								
Trading derivativecontracts								
Forwards	-	-	88,219	123,748	-	-	88,218	123,748
Swaps	-	-	1,001,871	978,143	-	-	1,003,112	978,143
Call options	-	-	1,817	653	-	-	1,817	653
Put options	-	-	3,505	2,293	-	-	3,505	2,293
Futures	-	-	3	-	-	-	3	-
Subtotal	**-**	**-**	**1,095,415**	**1,104,837**	**-**	**-**	**1,095,415**	**1,104,837**
Hedging Derivatives								
Forwards	-	-	12,759	19,352	-	-	12,759	19,352
Fair value hedges (Swap)	-	-	56,296	47,366	-	-	56,296	47,366
Cash flow hedges (Swap)	-	-	267,697	248,531	-	-	267,697	248,531
Subtotal	**-**	**-**	**336,752**	**315,249**	**-**	**-**	**336,752**	**315,249**
Total Financial Liabilities	**-**	**-**	**1,432,167**	**1,420,086**	**-**	**-**	**1,432,167**	**1,420,086**

The above values do not include adjustments for CVA and Bid Offer, amountedas ofMarch 31, 2017 for MCh$13,385 (MCh$15,435 as of December 31, 2016).

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 period 2017.

Level 3 valuation reconciliation

As of March 31, 2017 the Interim Consolidated Statements of Financial Position has assets classified as Level 3 which relate to Swap TAB contracts for which there are no market observable inputs.

NOTE 34 - ASSETS AND LIABILITIES AT FAIR VALUE, Continued

d) Valuation of La Polar Bonds

As of March 31, 2017, 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 35 - 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, and legal and reputation risks.

The Bank policies are designed to identify and analyse these risks, to establish adequate limits and controls, and to monitor the risks and compliance of established limits through the use of reliable and updated information systems. The Bank periodically reviews its risk management policies and systems to incorporate changes in the markets, regulations, products and new best practices.

In relation to financial risks, the organizational structure is designed to manage these risks efficiently, transparently and timely. It is formed by strategic units composed by the Board of Directors, the Executive Committee, the Finances and Risk Committee, and the Asset and Liabilities Committee (“ALCO”). These are divided into operative units such as the Corporate Risk Management, Trading and Institutional, and Distribution and Corporate areas, parts of the Investment and Finance Banking division. The flow of this information is processed and analysed 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 analyses in detail the strategies and models associated with the treasury function, both in the trading portfolio and the Bank’s books, and the performance and risks associated with such strategies.

ALCO (Assets & Liabilities Committee) is the committee where the corporation’s assets and liabilities policy is discussed and agreed for the approval of the Board of Directors or the Executive Committee. The general objectives of the ALCO Committee are to ensure the Bank’s adequate liquidity, protect the capital, make decisions on the financing of loans, and maximize the financial margin subject to the risk restrictions imposed by the Board of Directors and the Finances and Risk Committee.

NOTE 35 - RISK MANAGEMENT, Continued

The Corporate Risk Management and its Operational Risk, Credit Risk, and Market Risk units are responsible for the integral management of the Bank's risk. While a few years ago it was common in the industry to have an independent, internal department manage these risks, the development of derivative markets and the acceptance of common methodologies, such as the concept of maximum loss, value at risk, etc., have made limits increasingly more subject to fluctuation. Therefore, this management area has a corporate reach, with a comprehensive vision of the risks involved.

Financial Risk Management has the role of evaluating and controlling the Bank's exposure to market risk, both on or off the Consolidated Statements of Financial Position, pricing risks associated with interest rates, exchange rates, volatility, maximum loss, etc., are measured and monitored. This is complemented by the analysis of scenarios and simulations to obtain a better measure of the risk. The Financial Risk Management is also responsible for defining the valuation methodologies for the financial assets and liabilities measured at fair value held by the corporation on or off the 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 policy and liquidity management models seek to guarantee, even in front of unexpected events, the Bank's capacity to respond adequately to its short-term obligations. In this regard, the Bank has continuously monitored the impact of recent events on financial markets, introducing more conservative assumptions when justified.

The management of liquidity and funding is basically carried out by Treasury in accordance with practices and limits reviewed periodically by ALCO and authorized by the Board of Directors.

These limits may vary according to the depth and liquidity shown by the markets in order to anticipate unlikely capital expenditures while providing funding at a competitive cost.

NOTE 35 - RISK MANAGEMENT, Continued

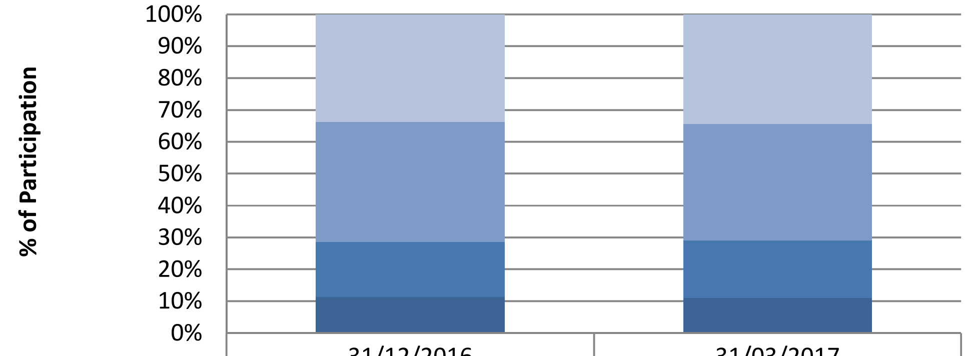
The Bank has internally set explicit minimum limits for the liquidity level, parallel to the limits of Technical Reserve, which are periodically subject to simulations of stress financing for balances of current accounts and deposits, which are the Bank's main sources of liquidity. This is performed 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 unfavourable scenarios.

At the regulatory level, liquidity is measured and reported to the SBIF through the standardized reports. 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.

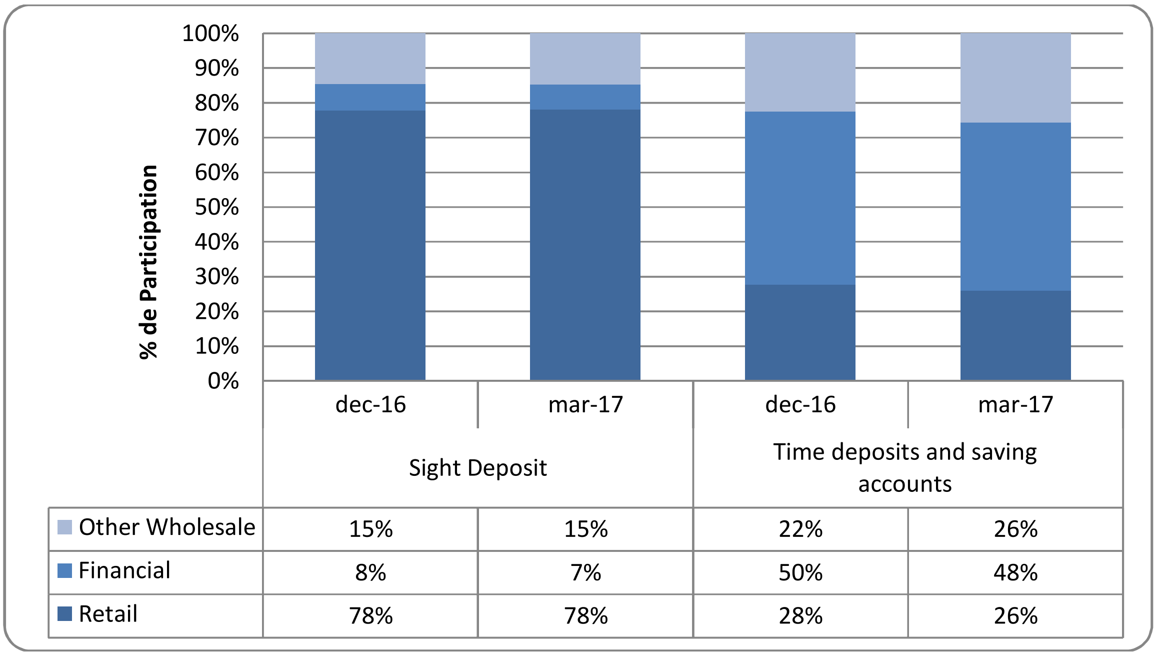
Fig. 1. Evolution of principal funding sources
As of March 31, 2017and December 31, 2016,
Banco de Crédito e Inversiones and City National Bank (CNB)



	31/12/2016	31/03/2017
Sight deposit	34%	34%
Time deposits and saving accounts	38%	37%
Debt issued	17%	18%
Other Liabilities	11%	11%

NOTE 35 - RISK MANAGEMENT, Continued

Fig. 2.Diversification of liquidity sources by segment,
As of March 31, 2017 and December 31, 2016(%),
Banco de Crédito e Inversiones and City National Bank of Florida (CNB)



a. Year 2017 Variations (domestic consolidation)

The rates of short-term mismatch remained bounded, keeping a certain amount of slackwith respect toregulatory limits giventhe capital base measured at 30 days and two times capital (for measurement at 90 days).

Fig. 3. Liquidity Ratios
As of March 31, 2017 and December 31, 2016(maximum = 1)

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

	March 31, 2017				December 31, 2016			
	Average	**Maximum**	**Minimum**	**Closure**	**Average**	**Maximum**	**Minimum**	**Closure**
Mismatch 30 days	62.89%	74.78%	51.85%	58.68&	52.74%	87.35%	19.96%	57.23%
Mismatch 90 days (*)	51.90%	65.21%	29.43%	34.97%	60.56%	81.96%	43.02%	52.88%

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

NOTE 35 - RISK MANAGEMENT, Continued

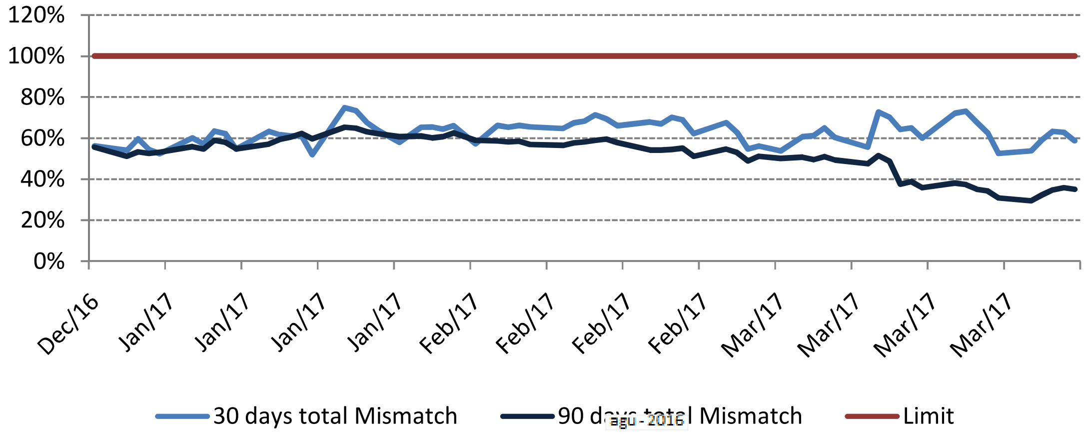
(b) Short-term mismatch Ch$-UF (% on basic capital),

	March 31, 2017				December 31, 2016			
	Average	Maximum	Minimum	Closure	Average	Maximum	Minimum	Closure
Mismatch 30 days	43.36%	52.30%	30.66%	38.40%	40.74%	68.01%	3.38%	38.94%

(c) Short-term mismatch FX (% on basic capital),

	March 31, 2017				December 31, 2016			
	Average	Maximum	Minimum	Closure	Average	Maximum	Minimum	Closure
Mismatch 30 days	19.53%	26.91%	11.70%	19.85%	12.00%	35.46%	(20.22)%	18.29%

Fig. 4,Liquidity Evolution (domestic consolidation) during 2017 (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 statements of income or the balance sheet depending on the type of financial instrument and its respective accounting treatment.

NOTE 35 - RISK MANAGEMENT, Continued

The Bank manages its exposure to market risk between trading portfolios and portfolios available for sale or held-to-maturity, Trading portfolios include positions coming from sales to corporate and institutional clients, positions coming from market making business, and hedge or trading positions. The AFS and held to maturity portfolios hold positions mainly related to interest rate management associated with personal and commercial banking loans, in addition to a portfolio of financial investments. These portfolios have less rotation and theirchange in fair value does not affect the Consolidated Statements of Incomefor the period until maturity.

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 counterparty risk.

a) Top holdings

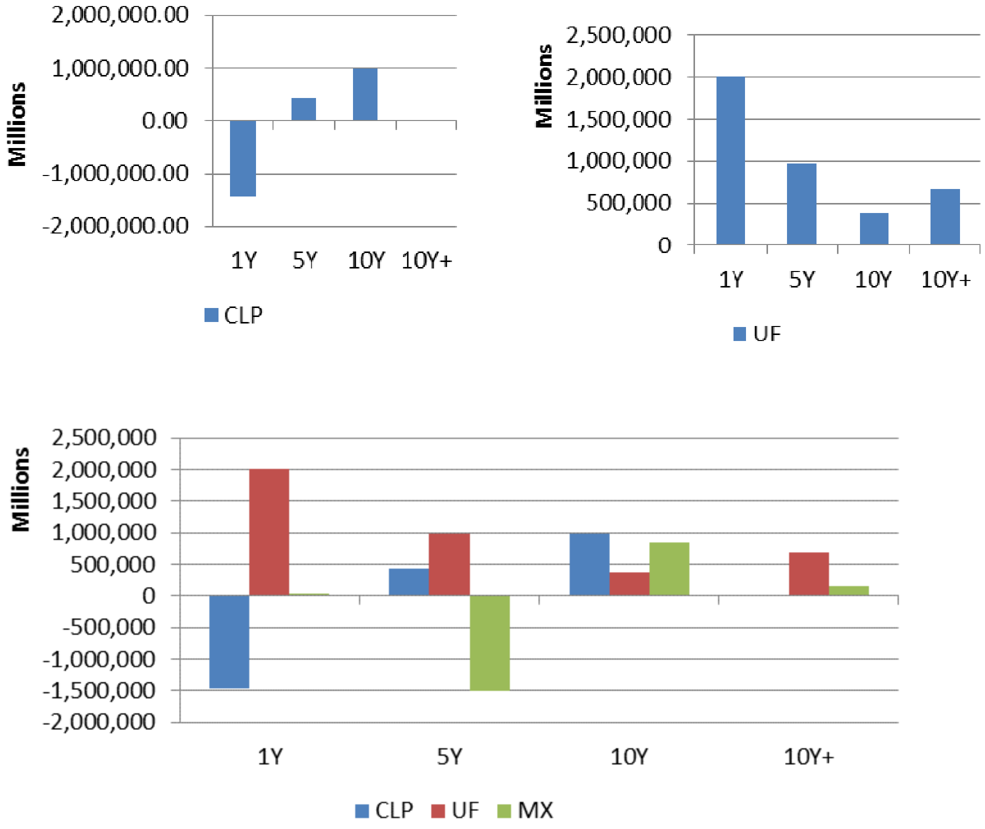
The principal positions of the Consolidation Statements of Financial Position as of March31, 2017 are listed by maturity band or repricing and their comparison to the year 2016.

Fig. 5.Carrying amount to maturity range or re-pricing by currency
Positions as of March31, 2017(MCh$)

ASSETS	**1Y**	**5Y**	**10Y**	**10Y+**	**Total**
Ch$	8,963,699	3,916,855	1,044,903	25,754	13,951,211
UF	3,732,174	3,961,091	2,728,100	1,972,802	12,394,167
MX	5,477,728	2,362,441	1,382,018	196,781	9,418,968
TOTAL	**18,173,601**	**10,240,387**	**5,155,021**	**2,195,337**	**35,764,346**
LIABILITIES					
Ch$	10,416,055	3,481,752	53,004	-	13,950,811
UF	1,716,804	2,983,318	2,349,193	1,291,679	8,340,994
MX	5,437,519	3,870,816	531,023	31,898	9,871,256
TOTAL	**17,570,378**	**10,335,886**	**2,933,220**	**1,323,577**	**32,163,061**
MISMATCH					
Ch$	(1,452,356)	435,103	991,899	25,754	400
UF	2,015,370	977,773	378,907	681,123	4,053,173
MX	40,209	(1,508,375)	850,995	164,883	(452,288)
TOTAL	**603,223**	**(95,499)**	**2,221,801**	**871,760**	**3,601,285**

NOTE 35 - RISK MANAGEMENT, Continued

Fig. 6. Carrying amount to maturity range or re-pricing by currency positions
As of March 31, 2017(MCh$)



NOTE 35 - RISK MANAGEMENT, Continued

Fig. 7.Carrying amount to maturity range or re-pricing by currency positions
As of December31, 2016 (MCh$)

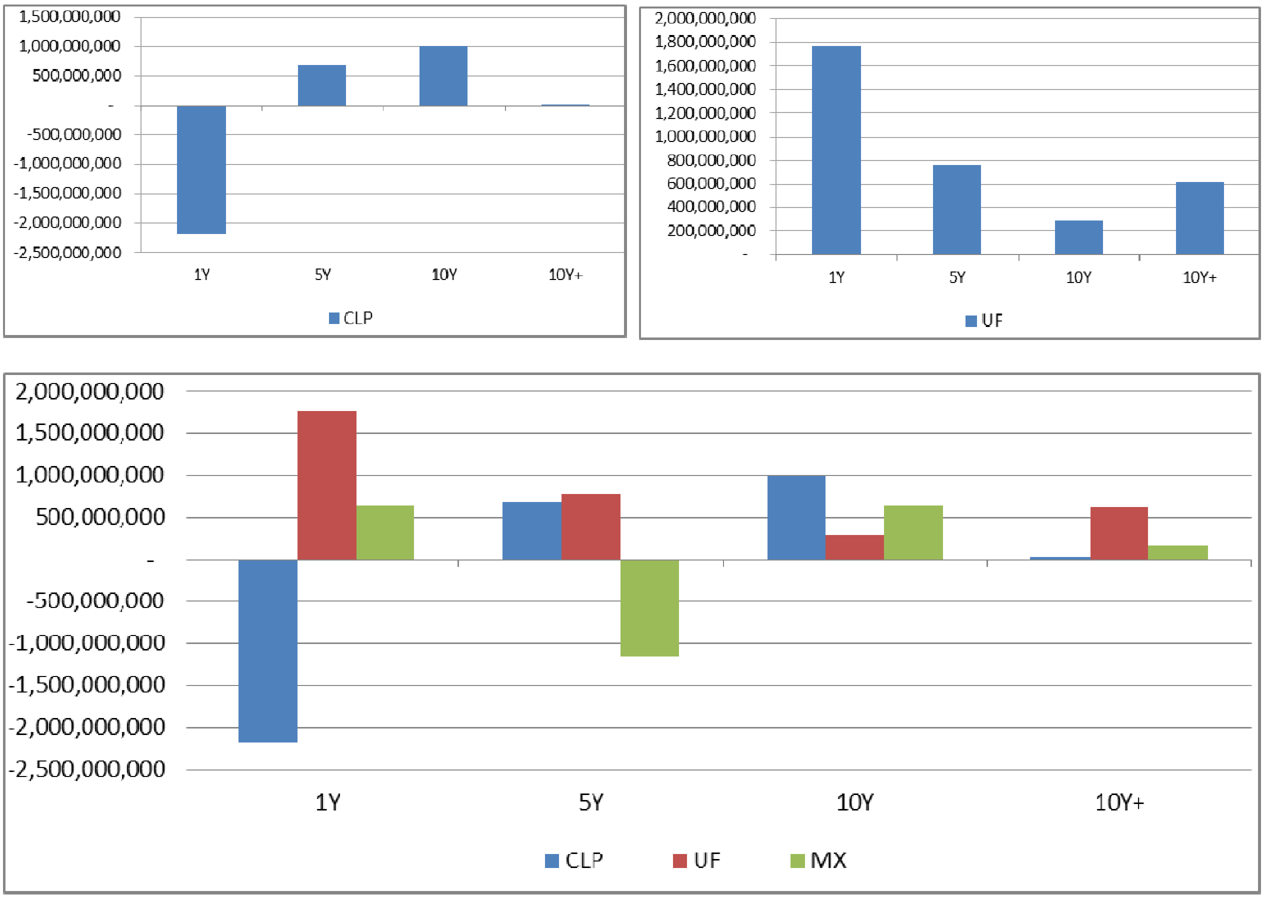
ASSETS	1Y	5Y	10Y	10Y+	Total
CLP	8,171,804	4,183,709	1,047,259	27,023	13,429,795
UF	3,831,611	3,810,344	2,569,311	1,911,780	12,123,046
MX	6,072,766	2,406,341	1,181,559	216,156	9,876,822
TOTAL	**18,076,181**	**10,400,394**	**4,798,129**	**2,154,959**	**35,429,663**

LIABILITIES	1Y	5Y	10Y	10Y+	Total
CLP	10,354,038	3,501,342	53,000	-	13,908,380
UF	2,060,951	3,045,726	2,280,892	1,297,351	8,684,920
MX	5,438,516	3,561,334	544,904	52,122	9,596,876
TOTAL	**17,853,505**	**10,108,402**	**2,878,796**	**1,349,473**	**32,190,176**

MISMATCH	1Y	5Y	10Y	10Y+	Total
CLP	(2,182,234)	682,367	994,259	27,023	(478,585)
UF	1,770,660	764,618	288,419	614,429	3,438,126
MX	634,250	(1,154,993)	636,655	164,034	279,946
TOTAL	**222,676**	**291,992**	**1,919,333**	**805,486**	**3,239,487**

NOTE 35 - RISK MANAGEMENT, Continued

Fig. 8. Carrying amount to maturity range or re-pricing by currency positions
As of December 31, 2016 (MCh$)



NOTE 35 - RISK MANAGEMENT, Continued

Fig. 9.Carrying amount to maturity range or re-pricing by Account positions
As of March31, 2017(MCh$)

(*) Determined in accordance with internal models.

ASSETS	1Y	5Y	10Y	10Y+	TOTAL
Central Bank of Chile	32,841	93,742	-	-	126,583
Domestic banks and financial institutions	143,496	84,200	26,281	9,723	263,700
Investments under agreements to resell	18,524	-	-	-	18,524
Commercial loans	8,209,446	2,800,725	1,507,671	586,136	13,103,978
Consumer loans	1,065,942	1,582,374	88,946	66,493	2,803,755
Negotiable residential mortgage loans	776,798	2,157,134	1,461,560	1,332,986	5,728,478
Residential mortgage loans with funding notes	23,307	17,448	3,375	-	44,130
Cash	1,067,967	-	-	-	1,067,967
Forwards	347,994	-	-	-	347,994
Chilean State	277,030	822,455	362,471	89,023	1,550,979
Consumer leasing	1,712	2,671	149	43	4,575
Commercial leasing operation	441,879	543,516	167,317	40,059	1,192,771
Other domestic entities	-	-	-	-	-
Other foreign entities	26,677	155,360	247,818	5,294	435,149
Other assets	2,175,047	60,206	42,318	685	2,278,256
Other residential mortgage loans	338,013	307,165	107,315	64,895	817,388
Others	-	-	-	-	-
Swaps	3,226,928	1,613,391	1,139,800	-	5,980,119
Total Assets	**18,173,601**	**10,240,387**	**5,155,021**	**2,195,337**	**35,764,346**

LIABILITIES	1Y	5Y	10Y	10Y+	TOTAL
Ordinary bonds	666,964	1,859,083	1,409,791	170,744	4,106,582
Subordinated bonds	46,900	173,755	218,268	1,120,934	1,559,857
Deferred-drawing savings accounts	41,356	-	-	-	41,356
Unconditional-drawing savings accounts	88,424	-	-	-	88,424
Demand deposits (*)	2,306,147	6,013,753	-	-	8,319,900
Term deposits	8,924,583	146,567	7	1	9,071,158
Forwards	341,488	-	-	-	341,488
Letters of credit	6,904	15,121	4,326	-	26,351
Other liabilities	787,625	-	-	31,898	819,523
Others, except options	-	-	-	-	-
Foreign loans and other obligations	1,308,718	382,785	-	-	1,691,503
Domestic loans and other obligations	36,235	34,208	1,903	-	72,346
Swaps	2,823,274	1,710,614	1,298,925	-	5,832,813
Liabilities under agreements to repurchase	191,760	-	-	-	191,760
Total Liabilities	**17,570,378**	**10,335,886**	**2,933,220**	**1,323,577**	**32,163,061**

NOTE 35 - RISK MANAGEMENT, Continued

Fig. 10.Carrying amount to maturity or re-pricing by account positions
As of December 31, 2016 (MCh$)

ASSETS	**1Y**	**5Y**	**10Y**	**10Y+**	**TOTAL**
Central Bank of Chile	12,721	226,141	-	-	238,862
Domestic banks and financial institutions	136,825	131,917	27,216	10,575	306,533
Investments under agreements to resell	-	-	-	-	-
Commercial loans	8,226,445	2,670,792	1,399,234	585,563	12,882,034
Consumer loans	1,025,877	1,560,216	85,003	66,153	2,737,249
Negotiable residential mortgage loans	760,596	2,066,290	1,400,874	1,271,792	5,499,552
Residential mortgage loans with funding notes	26,093	18,565	3,983	2	48,643
Cash	1,604,090	-	-	-	1,604,090
Forwards	448,271	109,320	-	-	557,591
Chilean State	324,968	971,242	240,765	106,460	1,643,435
Consumer leasing	30	-	-	-	30
Commercial leasing operation	384,145	528,238	172,317	42,085	1,126,785
Other domestic entities	-	-	-	-	-
Other foreign entities	26,086	146,431	227,839	4,591	404,947
Other assets	1,695,617	41,305	42,549	64	1,779,535
Other residential mortgage loans	344,986	302,674	103,628	67,674	818,962
Others	-	-	-	-	-
Swaps	3,059,431	1,627,263	1,094,721	-	5,781,415
Total Assets	**18,076,181**	**10,400,394**	**4,798,129**	**2,154,959**	**35,429,663**

LIABILITIES	**1Y**	**5Y**	**10Y**	**10Y+**	**TOTAL**
Ordinary bonds	674,704	1,756,643	1,330,479	171,921	3,933,747
Subordinated bonds	46,680	172,941	212,563	1,125,427	1,557,611
Deferred-drawing savings accounts	41,807	-	-	-	41,807
Unconditional-drawing savings accounts	90,410	-	-	-	90,410
Demand deposits (*)	2,247,548	5,816,944	-	-	8,064,492
Term deposits	9,177,939	126,978	-	-	9,304,917
Forwards	442,632	105,389	-	-	548,021
Letters of credit	7,295	16,067	5,096	3	28,461
Other liabilities	658,094	-	-	52,122	710,216
Others, except options	-	-	-	-	-
Foreign loans and other obligations	1,618,068	304,246	-	-	1,922,314
Domestic loans and other obligations	137,798	33,784	2,416	-	173,998
Swaps	2,517,738	1,775,410	1,328,242	-	5,621,390
Liabilities under agreements to repurchase	192,792	-	-	-	192,792
Total Liabilities	**17,853,505**	**10,108,402**	**2,878,796**	**1,349,473**	**32,190,176**

(*) Determined in accordance with internal models.

NOTE 35 - RISK MANAGEMENT, Continued

The principal positions offinancial investments available for sale by type of issuer and currency and risk classification as ofMarch 31, 2017 and December 31, 2016 are stated below.

Fig. 11.aFair Value of Financial Investments Available for Sale
As of March31, 2017(MCh$)
Banco de Crédito e Inversiones and City National Bank of Florida (CNB)

	Ch$	UF	USD	EUR	OTHERS
Sovereign bonds	263,686	76,659	82,708	105,348	-
Corporate bonds	17,735	9,022	100,989	-	-
Financial institutions bonds	39,210	1,734	1,260,404	-	-
Mortgage-funding notes	-	63,164	-	-	-
Term deposits	65,761	-	-	-	-
Investment funds (*)	-	-	122	-	-
Shares (*)	-	-	547	-	-
Total	**386,392**	**150,579**	**1,444,770**	**105,348**	-

Fig. 11.b Fair Value of Financial Investments Available for Sale
As of December 31, 2016(MCh$)
Banco de Crédito e Inversiones and City National Bank of Florida (CNB)

	Ch$	UF	USD	EUR	OTHERS
Sovereign bonds	424,613	91,894	82,923	104,232	-
Corporate bonds	12,483	9,053	113,612	-	-
Financial institutions bonds	47,383	1,724	1,286,862	-	-
Mortgage-funding notes	-	62,009	-	-	-
Term deposits	94,831	5,561	-	-	-
Investment funds (*)	-	-	124	-	-
Shares (*)	-	-	686	-	-
Total	**579,310**	**170,241**	**1,484,207**	**104,232**	-

(*) Investment funds and shares correspond to the CNB's available for sale portfolio.

NOTE 35 - RISK MANAGEMENT, Continued

Fig. 12.Financial Investments Available for Sale
Internationally-Issued Bond Portfolio Credit Rating as of March31, 2017 (%)
Banco de Crédito de Inversiones and City National Bank of Florida (CNB)

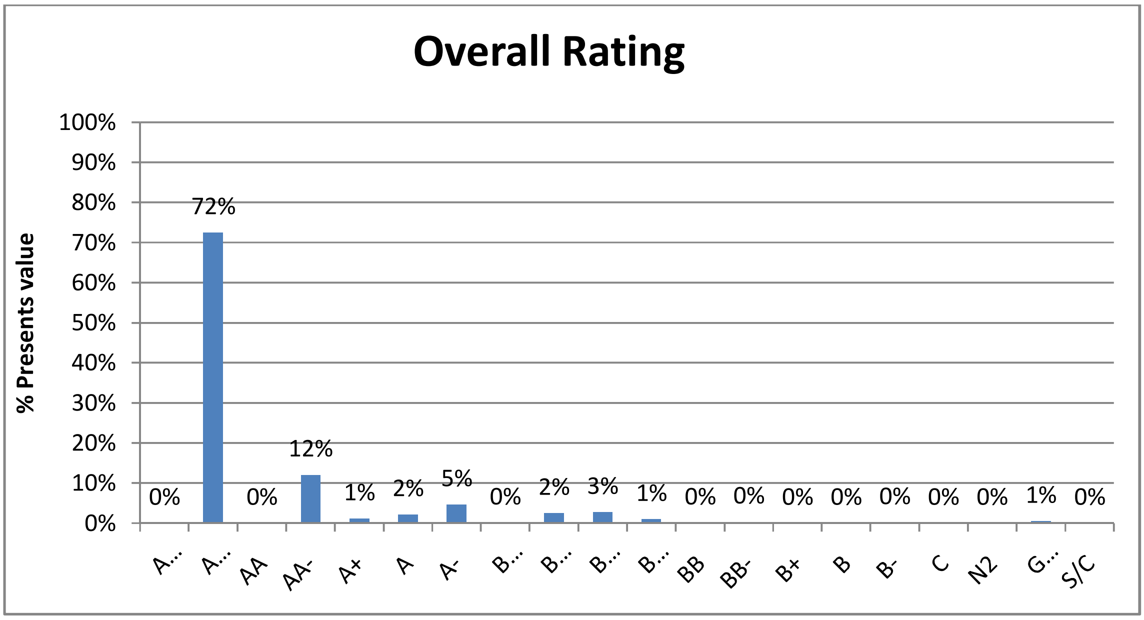
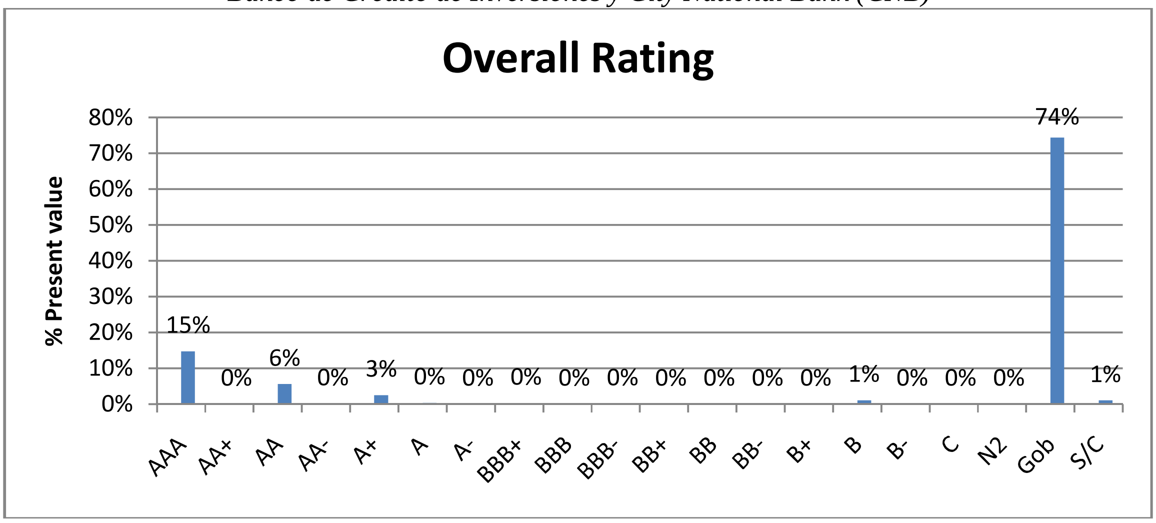


Fig. 13.Financial Investments Available for Sale
Portfolio Risk Classification Bonds and LCH National Emission as of March *31, 2017 (%)*
Banco de Crédito de Inversiones y City National Bank (CNB)



NOTE 35 - RISK MANAGEMENT, Continued

b. Sensitivity analysis

Sensitivity analysis is used to monitor the market risk of positions by sensitivity to each of the risk factors,for example, a change in the present value of 100 basis points in the interest rate is a type of risk factor. This type of model is especially useful for measuring the risk of a mismatch between assets and liabilities, i.e., essentially the banking book.

The regulatory sensitivity measurements perform these analyses by applying interest rates, exchange rates, inflation, commodities positions, shares positions, and exposure to derivative instruments, according to predetermined sensitivities.

The Bank 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 at the end of March 2017 and 2016for the Bank are the following:

- In the short-term, exposure to interest rates as of March 2016 and 2017, amounted to MCh$29,614and MCh$21,295 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 March 2016 and 2017, are MCh$145,353 and MCh$142,547 respectively. The risk maintained its upward trend as in previous periods.

NOTE 35 - RISK MANAGEMENT, Continued

c. Value at Risk

Value-at-Risk (VaR) is a methodology that estimates potential losses that might affect a portfolio as a result of adverse interest-rate movements and/or market-price changes over a period 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,and it is measured at the first percentile of the P&L distribution or VaR at 99% of confidence, which is the same. The *volatility 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 ten days.

The value-at-risk model is validated by *back-testing* the daily results, both observed and theoretical. Statistically, excess losses of VaR are expected to be observed on average 1% daily. As of December 31, 2016, *back-test* places the model in the green area of Basel with 5 fails in the last 250 business days.

Objectives and limitations of the VaR methodology

The objective of the VaR is to measure the risk of a portfolio of assets by determining how much you can lose of the portfolio over a period 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 modelled to evaluate potential impacts on the value of portfolios in the most extreme, although possible, events. The scenarios used are the following:

I. Historic simulation scenarios that incorporate fluctuations observed during historic extreme events.
II. Monte-Carlo simulation scenarios, which generate multiplicity of possible scenarios from the historic data.
III. Scenarios of sensitivity that consider movements in risk factors that are not captured by the recent history.

- **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.

NOTE 35 - RISK MANAGEMENT, Continued

d. Position Limit

In addition to the limits of risk models predictive character as VaR and sensitivity analysis, there are accounting limits by maximum positions.

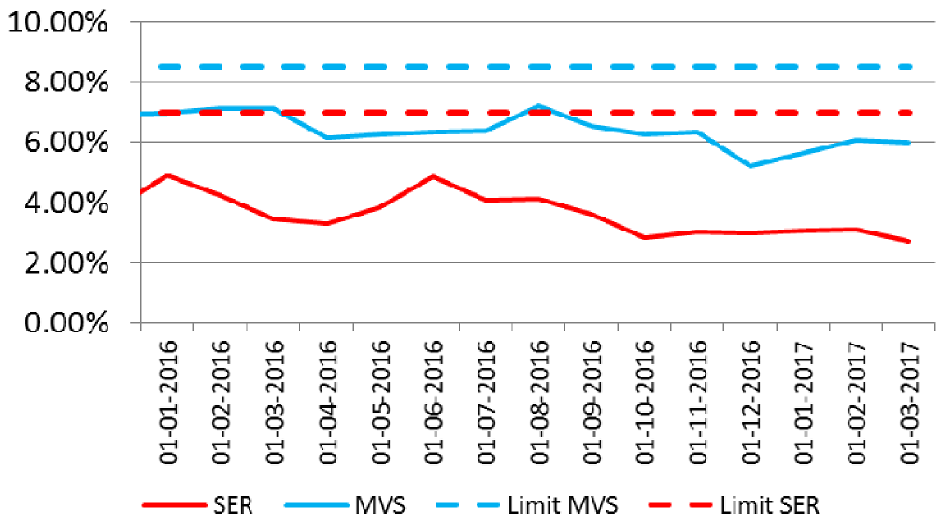
e. Variations

- Sensitivity analysis of the banking book.

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

Measuring long-term MVS averaged over 2017 have reachedas of March 31, 20175.83% (7.09% as of December 31, 2016) of capital over a limit of 8.5%. The SeR, meanwhile, averaged during as of March 31, 20174.10% versus an average of 2.89% in March 31, 2015. From the September 1, 2015 the SeR limit, which step of 3.35% to 6.50%, was also amended. Both indexes increased rate risk of banking book which are well below the limits.

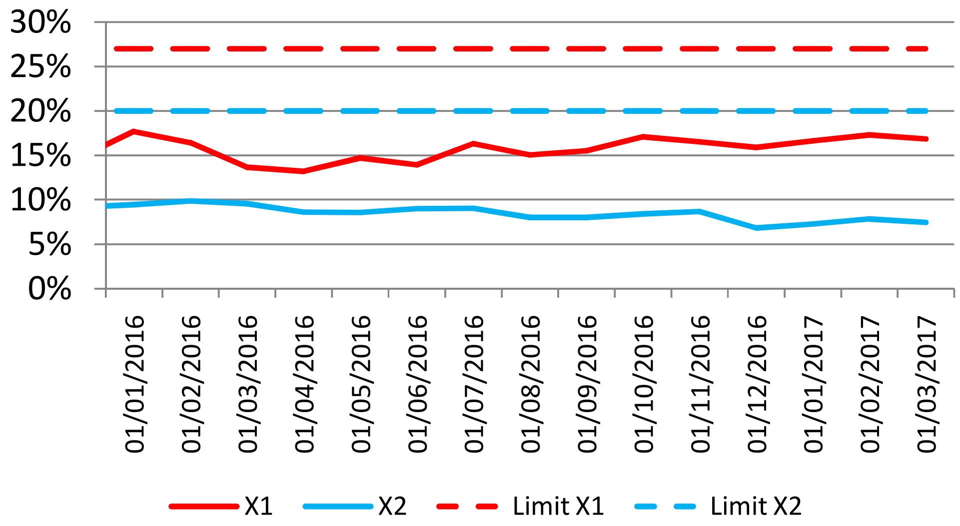
Fig. 14. MVS - SeR
As of March 31, 2017



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 2017, mainly due to the management of the balance sheet hedge accounting.

NOTE 35 - RISK MANAGEMENT, Continued

Fig. 15. Regulatory Market RiskX1 - X2
Banco de Crédito e Inversiones and City national Bank of Florida (CNB)
As of March 31, 2017



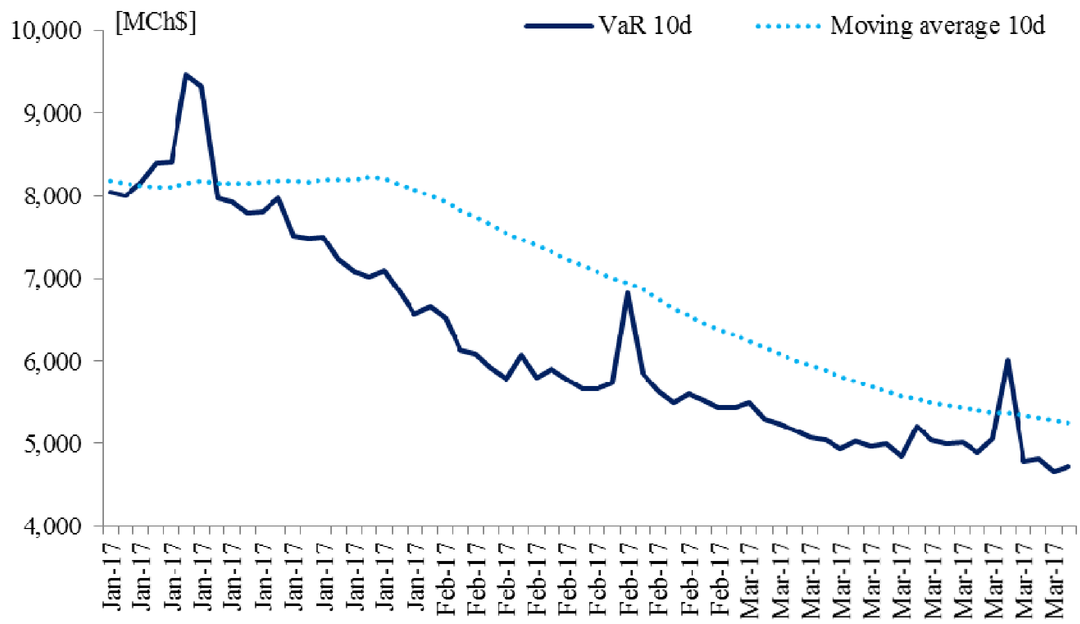
X1: Limit on Financial Margin
X2: Limit on Effective Shareholders Equity

NOTE 35 - RISK MANAGEMENT, Continued

Value at risk

The evolution of the 10-day VaR for the last quarter; data as of March 31, 2017.

Fig. 16. Consolidated Value at Risk
As of March 31, 2017 (MCh$)



NOTE 35 - RISK MANAGEMENT, Continued

During 2017, the average consolidated total risk MCh$6,225 measured over the regulatory horizon of 10 days experienced an increase of 35% over the December 31, 2016 average.

On a consolidated basis, the risk of interest rate averages MCh$5,220 while the foreign currency risk averages MCh$2,999. In trading the aggregate average was MCh$3,447, MCh$3,334 for interest rate risk and MCh$949 for foreign currency risk. Finally, for non-trading portfolios (investments available for sale) the total VaR averaged MCh$1,473, MCh$1,091 for interest rate risk and MCh$990 for foreign currency risk.

Fig. 17. Value at risk by portfolio and type of risk
As of March 31, 2017 (MCh$)

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

	3 Months ended March 31, 2017			
	Average	**Maximum**	**Minimum**	**Closure**
FX Risk	2,999	6,467	1,493	1,501
Interest rate risk	5,220	7,310	4,059	4,702
Diversification (*)	1,994	4,318	891	1,482
VaR Total	6,225	9,459	4,661	4,721

b) VaR trading portfolio by type of risk (MCh$)

	3 Months ended March 31, 2017			
	Average	**Maximum**	**Minimum**	**Closure**
FX Risk	949	3,593	18	25
Interest rate risk	3,334	4,653	2,575	3,218
Diversification (*)	836	2,778	35	496
VaR Total	3,447	5,468	2,628	2,747

c) VaR non-trading portfolio by type of risk (MCh$)

	3 Months ended March 31, 2017			
	Average	**Maximum**	**Minimum**	**Closure**
FX Risk	990	1,456	689	865
Interest rate risk	1,091	1,944	840	933
Diversification (*)	608	1,135	364	604
VaR Total	1,473	2,265	1,165	1,194

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

NOTE 35 - RISK MANAGEMENT, Continued

Fig. 18. Value at Risk by portfolio and type of risk
As of December 31, 2016 (MCh$)

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

	12 Months ended December 31, 2016			
	Average	**Maximum**	**Minimum**	**Closure**
FX Risk	5,524	13,167	1,636	2,839
Interest rate risk	7,441	11,214	4,405	7,424
Diversification (*)	3,411	7,892	416	1,750
VaR Total	**9,554**	**16,489**	**6,457**	**8,513**

b) VaR trading portfolio by type of risk (MCh$)

	12 Months ended December 31, 2016			
	Average	**Maximum**	**Minimum**	**Closure**
FX Risk	1,551	5,339	73	129
Interest rate risk	4,720	7,983	2,780	4,904
Diversification (*)	1,308	4,658	487	104
VaR Total	**4,963**	**8,664**	**3,340**	**4,929**

c) VaR non-trading portfolio by type of risk (MCh$)

	12 Months ended December 31, 2016			
	Average	**Maximum**	**Minimum**	**Closure**
FX Risk	1,952	7,080	379	1,066
Interest rate risk	1,688	3,685	594	1,510
Diversification	1,271	3,891	365	903
VaR Total	**2,369**	**6,874**	**1,338**	**1,673**

(*) 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 35 - RISK MANAGEMENT, Continued

Sensitivity of interest rate

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

	Recognition in statements of income		Recognition in statements of other comprehensive income	
	Favourable change	Not favourable change	Favourable change	Not favourable change
As of March 31, 2017	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Securities backed by assets held for trading	6	(6)		
Other non-derivative assets held for trading	(13)	13		
Securities backed by available for sales assets			(97)	97
As of December 31, 2016				
Securities backed by assets held for trading	9	(9)	-	-
Other non-derivative assets held for trading	(25)	25	-	-
Securities backed by available for sales assets	-	-	(128)	128

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 35 - RISK MANAGEMENT, Continued

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

As of March 31, 2017

MCh$

Assets	USD	EUR	Others
Cash	242,351	18,833	4,057
Commercial loans	2,020,835	32,961	1,785
Investments under agreement to resell	-	-	-
Commercial leasing operations	60,205	-	-
Mortgage loans LC	-	-	-
Mortgage loans MHE	-	-	-
Other mortgage loans	-	-	-
Residential leasing	-	-	-
Consumer loans	18,692	-	-
Consumer leasing	-	-	-
Commercial loans LCS	-	-	-
Consumer loans LCS	-	-	-
Central Bank of Chile	-	-	-
State of Chile	-	-	-
Domestic banks and financial institutions	-	-	-
Other domestic entities	1,620	-	-
State and governments bodies MX	-	-	-
Foreign banks	-	-	-
Other foreign entities	128,544	106,035	-
Forward	5,090,653	94,302	274,860
Futures	15,687	-	-
Swaps	9,750,156	121,548	100,491
Other, excluding options	-	-	-
Other assets	1,279,555	32,933	13,835
Delta options	131,025	-	-
Total Assets	**18,739,323**	**406,612**	**395,028**

Liabilities	USD	EUR	Others
Demand deposits	691,174	44,940	234
Term deposits	1,157,765	6,493	-
Saving accounts with deferred withdrawal	-	-	-
Savings accounts with unconditional withdrawal	-	-	-
Liabilities under agreements to repurchase	-	-	-
Loans and other liabilities contracted MN	7,213	-	-
Loans and other liabilities contracted MX	930,172	994	107
Letters of credit	-	-	-
Ordinary bonds	728,431	15,187	99,974
Subordinated bonds	-	-	-
Forward	4,949,295	95,916	293,272
Futures	15,663	-	-
Swaps	9,875,354	221,943	-
Other, excluding options	-	-	-
Other liabilities	439,268	32,905	39
Delta Options	89,759	-	-
Total Liabilities	**18,884,094**	**418,378**	**393,626**
Net	**(144,771)**	**(11,766)**	**1,402**

NOTE 35 - RISK MANAGEMENT, Continued

As of December 31, 2016

MCh$

Assets	USD	EUR	Others
Cash	441,302	32,809	2,578
Commercial loans	2,025,710	27,943	651
Investments under agreement to resell	-	-	-
Commercial leasing operations	58,628	-	-
Mortgage loans LC	-	-	-
Mortgage loans MHE	-	-	-
Other mortgage loans	-	-	-
Residential leasing	-	-	-
Consumer loans	16,366	-	-
Consumer leasing	-	-	-
Commercial loans LCS	-	-	-
Consumer loans LCS	-	-	-
Central Bank of Chile	-	-	-
State of Chile	-	-	-
Domestic banks and financial institutions	-	-	-
Other domestic entities	1,618	-	-
State and governments bodies MX	-	-	-
Foreign banks	-	-	-
Other foreign entities	150,562	107,659	-
Forward	5,933,173	128,593	57,902
Futures	19,869	-	-
Swaps	10,133,742	112,798	98,348
Other, excluding options	-	-	-
Other assets	977,551	3,719	371
Delta options	81,860	-	473
Total Assets	**19,840,381**	**413,521**	**160,323**

Liabilities			
Demand deposits	679,829	44,752	581
Term deposits	937,044	6,519	-
Saving accounts with deferred withdrawal	-	-	-
Savings accounts with unconditional withdrawal	-	-	-
Liabilities under agreements to repurchase	7,377	-	-
Loans and other liabilities contracted MN	8,407	-	-
Loans and other liabilities contracted MX	1,019,354	944	-
Letters of credit	-	-	-
Ordinary bonds	737,748	14,924	96,173
Subordinated bonds	-	-	-
Forward	5,919,009	137,385	59,511
Futures	19,732	-	-
Swaps	10,227,777	216,304	-
Other, excluding options	-	-	-
Other liabilities	413,814	2,334	87
Delta options	12,221	-	473
Total Liabilities	**19,982,312**	**423,162**	**156,825**
Net	**(141,931)**	**(9,641)**	**3,498**

NOTE 35 - RISK MANAGEMENT, Continued

Sensitivity of currency risk

The following tables detail the Bank's sensitivity against an increase and decrease of 10% in the Chilean peso against the relevant foreign currencies, 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 35 - RISK MANAGEMENT, Continued

MCh$	As of March 31, 2017			
	Decrease 10%		Increase 10%	
Assets	**USD**	**EUR**	**USD**	**EUR**
Cash	218,116	16,949	266,586	20,716
Commercial loans	1,818,751	29,665	2,222,918	36,258
Investments under agreement to resell	-	-	-	-
Commercial leasing operations	54,185	-	66,226	-
Mortgage loans LC	-	-	-	-
Mortgage loans MHE	-	-	-	-
Other mortgage loans	-	-	-	-
Residential leasing	-	-	-	-
Consumer loans	16,822	-	20,561	-
Consumer leasing	-	-	-	-
Commercial loans LCS	-	-	-	-
Consumer loans LCS	-	-	-	-
Central Bank of Chile	-	-	-	-
State of Chile	-	-	-	-
Domestic banks and financial institutions	-	-	-	-
Other domestic entities	1,458	-	1,782	-
State and governments bodies MX	-	-	-	-
Foreign banks	-	-	-	-
Other foreign entities	115,690	95,431	141,399	116,638
Forward	4,581,588	84,872	5,599,718	103,732
Futures	14,118	-	17,256	-
Swaps	8,775,140	109,393	10,725,171	133,703
Other, excluding options	-	-	-	-
Other assets	1,151,599	29,640	1,407,510	36,226
Delta options	117,922	-	144,127	-
Total Assets	**16,865,389**	**365,950**	**20,613,254**	**447,273**

Liabilities	**USD**	**EUR**	**USD**	**EUR**
Demand deposits	622,056	40,446	760,291	49,434
Term deposits	1,041,988	5,844	1,273,541	7,143
Saving accounts with deferred withdrawal	-	-	-	-
Savings accounts with unconditional withdrawal	-	-	-	-
Liabilities under agreements to repurchase	-	-	-	-
Loans and other liabilities contracted MN	6,492	-	7,934	-
Loans and other liabilities contracted MX	837,154	894	1,023,189	1,093
Letters of credit	-	-	-	-
Ordinary bonds	655,588	13,668	801,274	16,705
Subordinated bonds	-	-	-	-
Forward	4,454,365	86,324	5,444,224	105,508
Futures	14,097	-	17,229	-
Swaps	8,887,818	199,749	10,862,889	244,138
Other, excluding options	-	-	-	-
Other liabilities	395,341	29,615	483,195	36,196
Delta options	80,783	-	98,735	-
Total Liabilities	**16,995,682**	**376,540**	**20,772,501**	**460,217**
Net	**(130,293)**	**(10,590)**	**(159,247)**	**(12,944)**

NOTE 35 - RISK MANAGEMENT, Continued

	As of December 31, 2016			
MCh$	**Decrease 10%**		**Increase 10%**	
Assets	**USD**	**EUR**	**USD**	**EUR**
Cash	397,172	29,528	485,432	36,090
Commercial loans	1,823,139	25,149	2,228,281	30,738
Investments under agreement to resell	-	-	-	-
Commercial leasing operations	52,765	-	64,490	-
Mortgage loans LC	-	-	-	-
Mortgage loans MHE	-	-	-	-
Other mortgage loans	-	-	-	-
Residential leasing	-	-	-	-
Consumer loans	14,729	-	18,002	-
Consumer leasing	-	-	-	-
Commercial loans LCS	-	-	-	-
Consumer loans LCS	-	-	-	-
Central Bank of Chile	-	-	-	-
State of Chile	-	-	-	-
Domestic banks and financial institutions	-	-	-	-
Other domestic entities	1,456	-	1,780	-
State and governments bodies MX	-	-	-	-
Foreign banks	-	-	-	-
Other foreign entities	135,506	96,893	165,619	118,424
Forward	5,339,855	115,734	6,526,490	141,453
Futures	17,882	-	21,856	-
Swaps	9,120,368	101,519	11,147,116	124,078
Other, excluding options	-	-	-	-
Other assets	879,796	3,347	1,075,306	4,091
Delta options	73,674	-	90,046	-
Total Assets	**17,856,342**	**372,170**	**21,824,418**	**454,874**

Liabilities	**USD**	**EUR**	**USD**	**EUR**
Demand deposits	611,846	40,277	747,812	49,228
Term deposits	843,340	5,867	1,030,748	7,171
Saving accounts with deferred withdrawal	-	-	-	-
Savings accounts with unconditional withdrawal	-	-	-	-
Liabilities under agreements to repurchase	6,640	-	8,115	-
Loans and other liabilities contracted MN	7,566	-	9,248	-
Loans and other liabilities contracted MX	917,419	850	1,121,289	1,039
Letters of credit	-	-	-	-
Ordinary bonds	663,973	13,432	811,523	16,417
Subordinated bonds	-	-	-	-
Forward	5,327,108	123,647	6,510,910	151,124
Futures	17,759	-	21,705	-
Swaps	9,204,999	194,673	11,250,555	237,934
Other, excluding options	-	-	-	-
Other liabilities	372,432	2,101	455,195	2,567
Delta options	10,999	-	13,443	-
Total Liabilities	**17,984,081**	**380,847**	**21,980,543**	**465,480**
Net	**(127,739)**	**(8,677)**	**(156,125)**	**(10,606)**

NOTE 35 - RISK MANAGEMENT, Continued

Limitations of sensitivity analysis

The above tables demonstrate the effect of a change in a key assumption while other assumptions remain the same, In fact, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear, and larger and smaller impacts should not be interpolated or extrapolated from these results.

The sensitivity analyses do not 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 interim consolidated statements of financial position. In these circumstances, the different measurement bases of assets and liabilities could result in volatility of equity.

Price risk - own products

The Bank is exposed to price risks of its products that are subject to general and specific fluctuations in the market.

The Bank manages price risk through 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 analyses 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 as of March 31, 2017 would not have been affected as the equity investments are classified as available for sale and no investment was expropriated or damaged; notwithstanding, the negative effect on equity would have been MCh$31,005,while in March 31, 2017 when the negative effect would have been MCh$24,553.

NOTE 35 - RISK MANAGEMENT, Continued

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 broker, 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 swap 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 back testing audited by independent parties.

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

NOTE 35 - RISK MANAGEMENT, Continued

g. Derivative instruments

Asof March 31, 2017 the Bank had MCh$88,671 derivative instruments at fair value, 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 activities of Sales & Trading (S&T), whether from sales to third parties or hedging the risks involved in such sales. The areas responsible for Asset & Liability Management (ALM) also use derivatives to hedge their risks. They can follow the standard treatment for 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 favour 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 endedMarch 31, 2017 and December 31, 2016.

Segment	**March 31, 2017 MCh$**	**December 31, 2016 MCh$**
Retail Banking	**3,024**	**3,782**
Retail banking	-	360
Small and Medium Enterprises	3,024	3,422
Wholesale Banking	**728,156**	**822,079**
Commercial banking	128,941	136,905
Corporate & Investment Banking Commercial Division	599,215	685,174
Corporate & Investment Banking Finance Division	**394,685**	**679,873**
Total	**1,125,865**	**1,505,734**

NOTE 35 - RISK MANAGEMENT, Continued

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 ended March 31, 2017 and December 31, 2016.

Credit Value Adjustment			
Segment	**March 31, 2017 MCh$**	**December 31, 2016 MCh$**	**Variation**
	MCh$	**MCh$**	**MCh$**
Retail Banking	**285**	**300**	**(15)**
Retail banking	-	-	-
Small and Medium Enterprises	285	300	(15)
Wholesale Banking	**12,028**	**13,895**	**(1,867)**
Commercial	3,583	3,704	(121)
Corporate & Investment Banking Commercial Division	8,445	10,191	(1,746)
Corporate & Investment Banking Finance Division	**244**	**569**	**(325)**
Total	**12,557**	**14,764**	**(2,207)**

i. Hedge accounting

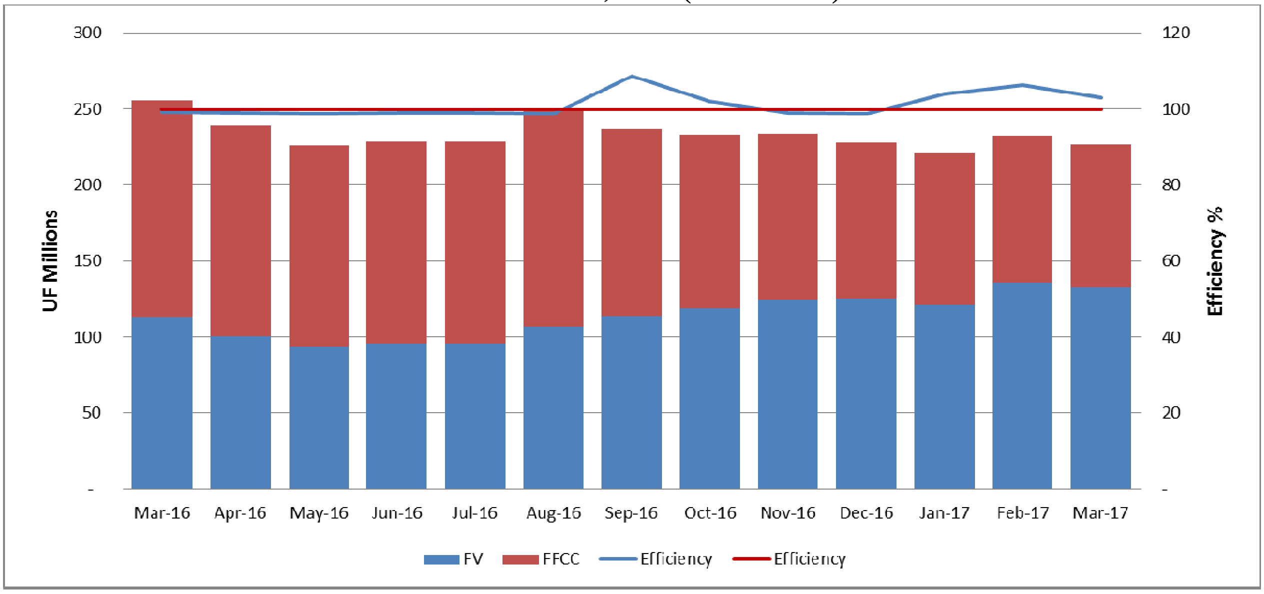
The Bank uses hedge accounting to manage the risk of fair value and cash flow to which it is exposed. The fair value hedges using derivative instruments to hedge the change in fair value of an asset or liability in the Interim Consolidated Financial Statements.

The cash flow hedges effects meanwhile, recognized 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 IAS39. Financial Risk Management is responsible for designing and validating the effectiveness of the hedges, generating effectiveness indicators that are monitored and reported to ALCO.

Asof March 31, 2017 the total notional amount of cash flow hedges amounted to UF132,956,158 whereas fair value hedges reach UF93,777,983 (including macro hedge).

NOTE 35 - RISK MANAGEMENT, Continued

Fig. 19. Amount, Type and effectiveness of Hedge Accounting
As of March 31, 2017 (UF Millions)



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.

NOTE 35 - RISK MANAGEMENT, Continued

Models based on the individual analysis of borrowers

These models are applied when the companies involved, given their size, complexity or level of exposure with the entity, are required to be identified and analysed in detail, one by one.

These models consider the analysis of issues such as the financial situation of the borrower, payment behaviour, 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.

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 March 31, 2017					
	BALANCE			ALLOWANCE		
Debt	Loans and receivables to banks	Loans and receivables to customers	Total	Loans and receivables to banks	Loans and receivables to customers	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
A1	-	176,615	176,615	-	62	62
A2	46,792	804,429	851,221	39	539	578
A3	147,031	2,031,817	2,178,848	322	2,319	2,641
A4	171	1,719,156	1,719,327	3	11,756	11,759
A5	-	1,485,640	1,485,640	-	10,084	10,084
A6	222	711,401	711,623	20	7,097	7,117
B1	-	320,076	320,076	-	13,609	13,609
B2	-	179,986	179,986	-	10,080	10,080
B3	-	16,541	16,541	-	872	872
B4	-	19,726	19,726	-	3,215	3,215
C1	-	109,867	109,867	-	2,197	2,197
C2	-	59,118	59,118	-	5,912	5,912
C3	-	49,512	49,512	-	12,378	12,378
C4	-	24,154	24,154	-	9,662	9,662
C5	-	12,526	12,526	-	8,142	8,142
C6	-	31,552	31,552	-	28,397	28,397
Collective assessment	-	9,631,658	9,631,658	-	217,728	217,728
Subsidiaries	18,910	5,028,103	5,047,013	38	43,039	43,077
Total	**213,126**	**22,411,877**	**22,625,003**	**422**	**387,088**	**387,510**

NOTE 35 - RISK MANAGEMENT, Continued

	As of December 31, 2016					
	BALANCE			ALLOWANCE		
Debt	Loans and receivables to banks	Loans and receivables to customers	Total	Loans and receivables to banks	Loans and receivables to customers	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
A1	46	176,892	176,938	-	62	62
A2	60,689	880,874	941,563	50	626	676
A3	133,129	2,175,226	2,308,355	291	2,542	2,833
A4	382	1,742,152	1,742,534	7	11,640	11,647
A5	-	1,509,259	1,509,259	-	7,890	7,890
A6	225	681,805	682,030	20	6,212	6,232
B1	-	399,275	399,275	-	22,855	22,855
B2	-	173,152	173,152	-	9,414	9,414
B3	-	16,494	16,494	-	3,042	3,042
B4	-	19,932	19,932	-	3,217	3,217
C1	-	48,528	48,528	-	971	971
C2	-	67,317	67,317	-	6,732	6,732
C3	-	40,298	40,298	-	10,074	10,074
C4	-	10,984	10,984	-	4,393	4,393
C5	-	11,448	11,448	-	7,441	7,441
C6	-	26,065	26,065	-	23,459	23,459
Collective assessments	-	9,319,860	9,319,860	-	207,573	207,573
Subsidiaries	**29,189**	**5,024,451**	**5,053,640**	**64**	**41,523**	**41,587**
Total	**223,660**	**22,324,012**	**22,547,672**	**432**	**369,666**	**370,098**

The analysis of the age of past due loans by type of financial assets is the following.

	Less than 30 days		Between 31 and 89 days		90 days or more		Total	
	31,03,2017 MCh$	31,12,2016 MCh$	31,03,2017 MCh$	31,12,2016 MCh$	31,03,2017 MCh$	31,12,2016 MCh$	31,03,2017 MCh$	31,12,2016 MCh$
Loans and receivables to banks	-	-	-	-	-	-	-	-
Loans and receivables to customers	37,924	30,589	64,822	32,869	171,735	158,677	274,481	222,135
Total	**37,924**	**30,589**		**32,869**	**171,735**	**158,677**	**274,481**	**222,135**

NOTE 35 - RISK MANAGEMENT, Continued

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 March 31, 2017

	Maximum exposure	Allowance	Net exposure after allowances	Associated collateral	Net exposure
	MCh$	MCh$	MCh$	MCh$	MCh$
Trading portfolio financial assets	1,358,667	-	**1,358,667**	-	**1,358,667**
Loans and receivables to banks	213,126	(422)	**212,704**	-	**212,704**
Loans and receivables to customers, and credit commitments (1)	28,787,589	(410,347)	**28,377,242**	(9,609,721)	**18,767,521**
Financial investments available for sale	2,506,420	-	**2,506,420**	-	**2,506,420**
Financial investments held to maturity	859	-	**859**	-	**859**
Derivative financial agreements (2)	1,351,022	(13,384)	**1,337,638**	-	**1,337,638**

(1) In this line included loans and receivables of MCh$22,411,877 (see Note 10) and credit commitments of MCh$6,375,712 (see Note 22). Reported collateral is legally pledged to the Bank and there is no uncertainty regarding its possible execution or settlement.
(2) For the year 2017no collateral was providedin favour of the Bank.

As of December 31, 2016

	Maximum exposure	Provision	Net exposure after provision	Associated guarantees	Net exposure
	MCh$	MCh$	MCh$	MCh$	MCh$
Trading portfolio financial assets	1,267,979	-	**1,267,979**	-	**1,267,979**
Loans and receivables to banks	223,660	(432)	**223,228**	-	**223,228**
Loans and receivables to customers, and credit commitments (3)	28,720,587	(389,845)	**28,330,742**	(9,605,164)	**18,725,578**
Financial investments available for sale	2,524,500	-	**2,524,500**	-	**2,524,500**
Financial investments held to maturity	872	-	**872**	-	**872**
Derivative financial agreements (4)	1,375,681	(15,434)	**1,360,247**	-	**1,360,247**

(3) In this line included loans and receivables of MCh$22,324,012 (see Note 10) and credit commitments of MCh$6,396,575 (see Note 22). Reported collateral is legally pledged to the Bank and there is no uncertainty regarding its possible execution or settlement.
(4) For the year 2016no collateral was provided in favour of the Bank.

Operational Risk

The Bank manages its operational risks through specific committees with the active participation of those responsible for the areas and processes. These committees are: a) committee for operational risks b) security of information and technological risk, c) continuity of business and d) externalized services. These committees meet periodically and their objective is overseeing the proper execution of programs for the identification and evaluation of risks, as well as managing the identification of causes in order to mitigate such risks.

NOTE 35 - RISK MANAGEMENT, Continued

Information Security

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, where the recent creation of a dedicated unit to manage cybersecurity risks is highlighted, adding to the existing units oriented to the administration and operation of security and focused on the administration and operation of security and the management of technological risks, and anInformation 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 various investments during 2016 in order to strengthen technological infrastructure and specific procedures of operation and monitoring of cybersecurity, oriented towards preventing, identifying and stop attacks on the information security of the clients and the Bank.

Business continuity

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.

The Bank is constantly working on strengthening of its business continuity plan. Plan coverage has increase according to the requirements of the Bank, including the processes that according to it are critical.

During 2016, significant investments have been made in order to strengthen information and communication technologies and improve the Bank's capacity to maintain the continuity of its services to clients and the community, in the face of contingency scenarios that may occur. At the same time, activities has been carried out 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.

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 2016 and 2015 made the calculation of Operational Risk Capital under the Advanced Model and the Standard Model.

NOTE 36 - MATURITIES OF ASSETS AND LIABILITIES

As of March 31, 2017 and December 31, 2016, the breakdown of maturities of assets and liabilities is as follows:

March 31, 2017	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	1,348,673	-	-	-	1,348,673	-	-	-	**1,348,673**
Items in course of collection	563,678	-	-	-	563,678	-	-	-	**563,678**
Trading portfolio financial assets	-	1,358,667	-	-	1,358,667	-	-	-	**1,358,667**
Investments under agreement to resell	-	103,461	20,617	10,544	134,622	-	-	-	**134,622**
Derivative financial agreements	-	206,774	40,280	159,570	406,624	444,143	492,489	936,632	**1,343,256**
Loans and receivables to banks (*)	-	18,456	42,627	143,714	204,797	8,329	-	8,329	**213,126**
Loans and receivables to customers (**)	-	1,854,198	1,974,364	3,383,736	7,212,298	7,612,894	7,394,899	15,007,793	**22,220,091**
Financial investments available for sale	-	288,613	165,418	183,950	637,981	495,932	1,372,507	1,868,439	**2,506,420**
Investment investments held to maturity	-	-	-	-	-	-	859	859	**859**
Total assets	**1,912,351**	**3,830,169**	**2,243,306**	**3,881,514**	**11,867,340**	**8,561,298**	**9,260,754**	**17,822,052**	**29,689,392**
Liabilities									
Current accounts and demand deposits	8,485,689	-	-	-	8,485,689	-	-	-	**8,485,689**
Items in course of collection	450,185	-	-	-	450,185	-	-	-	**450,185**
Liabilities under agreements to repurchase	-	649,696	413	45	650,154	-	-	-	**650,154**
Term deposits and saving accounts (***)	-	3,796,787	2,131,486	3,700,766	9,629,039	160,953	6,105	167,058	**9,796,097**
Derivative financial agreements	-	221,407	88,777	133,839	444,023	507,453	480,691	988,144	**1,432,167**
Borrowings from financial institutions	-	621,672	177,266	335,244	1,134,182	335,521	-	335,521	**1,469,703**
Debt issued	-	4,047	14,135	595,223	613,405	1,674,904	2,296,011	3,970,915	**4,584,320**
Other financial liabilities	-	710,320	30,557	38,418	779,295	28,614	1,640	30,254	**809,549**
Total liabilities	**8,935,874**	**6,003,929**	**2,442,634**	**4,803,535**	**22,185,972**	**2,707,445**	**2,784,447**	**5,491,892**	**27,677,864**

(*) Gross values.
(**) Excludes provisionsand amounts whose maturity date has already passed.
(***) Excludes term savings accounts.

NOTE 36 - MATURITIES OF ASSETS AND LIABILITIES, Continued

December 31, 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	1,577,565	-	-	-	1,577,565	-	-	-	1,577,565
Items in course of collection	264,265	-	-	-	264,265	-	-	-	264,265
Trading portfolio financial assets	-	1,267,979	-	-	1,267,979	-	-	-	1,267,979
Investments under agreement to resell	-	72,562	25,246	18,653	116,461	-	-	-	116,461
Derivative financial agreements	-	223,339	75,906	130,371	429,616	449,473	481,158	930,631	1,360,247
Loans and receivables to banks (*)	-	36,668	61,748	125,244	223,660	-	-	-	223,660
Loans and receivables to customers (**)	-	1,959,620	1,656,793	3,758,937	7,375,350	7,656,293	7,126,616	14,782,909	22,158,259
Financial investments available for sale	-	119,188	11,441	104,887	235,516	741,299	1,547,685	2,288,984	2,524,500
Investment investments held to maturity	-	-	-	-	-	-	872	872	872
Total assets	**1,841,830**	**3,679,356**	**1,831,134**	**4,138,092**	**11,490,412**	**8,847,065**	**9,156,331**	**18,003,396**	**29,493,808**
Liabilities									
Current accounts and demand deposits	8,194,263	-	-	-	8,194,263	-	-	-	8,194,263
Items in course of collection	132,507	-	-	-	132,507	-	-	-	132,507
Liabilities under agreements to repurchase	-	790,518	8,918	408	799,844	-	-	-	799,844
Term deposits and saving accounts (***)	-	3,948,454	2,741,741	2,926,696	9,616,891	338,755	2,042	340,797	9,957,688
Derivative financial agreements	-	256,188	47,362	175,735	479,285	489,225	451,576	940,801	1,420,086
Borrowings from financial institutions	-	364,380	357,058	668,922	1,390,360	258,404	-	258,404	1,648,764
Debt issued	-	2,128	368	617,406	619,902	1,576,034	2,202,494	3,778,528	4,398,430
Other financial liabilities	-	914,963	1,129	1,722	917,814	33,336	2,096	35,432	953,246
Total liabilities	**8,326,770**	**6,276,631**	**3,156,576**	**4,390,889**	**22,150,866**	**2,695,754**	**2,658,208**	**5,353,962**	**27,504,828**

(*) Gross values.
(**) Excludes provisionsand amounts whose maturity date has already passed.
(***) Excludes term savings accounts.

NOTE 37- FOREIGN CURRENCY

The Interim Consolidated Statements of Financial Position as of March 31, 2017 and December 31, 2016 include assets and liabilities in foreign currencies or re-adjustable by the variation in the exchange rate as follows:

	In foreign currency		In Chilean Pesos		Total	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
ASSETS	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Cash and deposits in banks	826,305	792,953	522,368	784,612	1,348,673	1,577,565
Items in course of collection	237,271	73,369	326,407	190,896	563,678	264,265
Trading portfolio financial assets	124,343	25,075	1,234,324	1,242,904	1,358,667	1,267,979
Investments under agreement to resell	-	-	134,622	116,461	134,622	116,461
Derivative financial agreements	8,637	8,918	1,334,619	1,351,329	1,343,256	1,360,247
Loans and receivables to banks, net	212,704	223,228	-	-	212,704	223,228
Loans and receivables to customers, net	6,332,102	6,260,834	15,692,687	15,693,512	22,024,789	21,954,346
Financial investments available for sale	1,911,207	1,714,524	595,213	809,976	2,506,420	2,524,500
Financial investments held to the maturity	859	872	-	-	859	872
Investments in other companies	54,694	60,032	205,533	127,926	260,227	187,958
Intangible assets	2,319	2,284	168,882	175,232	171,201	177,516
Property, plant and equipment	43,550	53,165	228,637	226,331	272,187	279,496
Current income tax	-	-	45,590	33,625	45,590	33,625
Deferred income taxes	93,014	103,794	98,172	94,300	191,186	198,094
Other assets	439,405	400,487	254,327	285,643	693,732	686,130
TOTAL ASSETS	**10,286,410**	**9,719,535**	**20,841,381**	**21,132,747**	**31,127,791**	**30,852,282**
LIABILITIES						
Current accounts and demand deposits	4,156,202	3,868,836	4,329,487	4,325,427	8,485,689	8,194,263
Items in course of collection	314,744	85,312	135,441	47,195	450,185	132,507
Liabilities under agreements to repurchase	196,766	211,893	453,388	587,951	650,154	799,844
Term deposits and saving accounts	2,775,870	2,458,090	7,020,227	7,499,598	9,796,097	9,957,688
Derivative financial agreements	6,045	6,418	1,426,122	1,413,668	1,432,167	1,420,086
Borrowings from financial institutions	1,254,982	1,281,362	214,721	367,402	1,469,703	1,648,764
Debt issued	1,191,537	1,205,655	3,392,783	3,192,775	4,584,320	4,398,430
Other financial liabilities	746,479	889,919	63,070	63,327	809,549	953,246
Current income tax	3,999	2,378	-	-	3,999	2,378
Deferred income taxes	-	-	92,034	55,655	92,034	55,655
Provisions	19,233	24,018	166,812	239,477	186,045	263,495
Other liabilities	140,609	89,762	442,613	417,487	583,222	507,249
TOTAL LIABILITIES	**10,806,466**	**10,123,643**	**17,736,698**	**18,209,962**	**28,543,164**	**28,333,605**

NOTE 38 - SUBSEQUENT EVENTS

Between April 1, 2017 and the date of issuance of these Interim Consolidated Financial Statements, there have been no subsequent events which may have impact on the presentation of these Interim Consolidated Financial Statements.

Fernando Vallejos Vásquez	Ignacio Yarur Arrasate
Corporate Accounting Manager	Chief Executive Officer Subrogant