BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

Consolidated financial statements for the years ended December 31, 2015 and 2014 and independent auditors' report

Deloitte
Auditores y Consultores Limitada
Rosario Norte 407
Las Condes, Santiago
Chile
Fono: (56) 227 297 000
Fax: (56) 223 749 177
deloittechile@deloitte.com
www.deloitte.cl

INDEPENDENT AUDITORS' REPORT

To the Board of Shareholders and Directors of
Banco de Crédito e Inversiones

We have audited the accompanying consolidated financial statements of Banco de Crédito e Inversiones and Subsidiaries (the "Bank"), which comprise the consolidated statements of financial position as of December 31, 2015 and 2014, and the related consolidated statements of income, statements of other comprehensive income, statements of changes in equity, and statements of cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the accounting standards and instructions issued by the Superintendency of Banks and Financial Institutions. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Banco de Crédito e Inversiones and Subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for the years then ended in accordance with accounting standards and instructions issued by the Superintendency of Banks and Financial Institutions.

Emphasis of Matter

As discussed in Note 4 to the consolidated financial statements, during 2015 the Bank acquired 100 % of CM Florida Holding INC. for an amount of US$ 946.9 million. CM Florida Holding INC has been consolidated in these financial statements as from October 31, 2015. The fair value of the adquiree's identifiable assets and liabilities assumed have been determined on provisional basis as stated in notes to the consolidated financial statements, and in accordance with the regulatory framework of IFRS 3 are subject to possible variations for a measurement period of one year. Our opinion is not modified with respect to this matter.

Other matters

The accompanying financial statements have been translated into English for the convenience of readers outside Chile.

Deloitte

February 26, 2016
Santiago, Chile

Mauricio Farias N.
Socio

Consolidated Financial Statements

For the years ended December 31, 2015 and 2014

CONTENT

TABLE OF CONTENTS **Page Nº**

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2015 and 2014
(In millions of Chilean pesos - MCh$)

	Notes	As of December, 31 2015 MCh$	2014 MCh$
ASSETS			
Cash and deposits in banks	6	1,272,552	1,547,758
Items in course of collection	6	434,550	940,888
Trading portfolio financial assets	7	1,298,131	1,227,807
Investments under agreements to resell	8	206,105	143,451
Derivative financial agreements	9	1,499,423	2,400,505
Loans and receivables to banks, net	10	169,416	328,960
Loans and receivables to customers, net	11	19,770,529	15,430,932
Financial investments available for sale	12	2,407,882	859,185
Financial investments held to maturity	12	708	-
Investments in other companies	13	170,103	101,086
Intangible assets	14	175,551	91,030
Property, plant and equipment, net	15	282,556	230,785
Current income tax	16	5,093	-
Deferred income taxes	16	203,686	74,076
Other assets	17	788,116	426,705
TOTAL ASSETS		**28,684,401**	**23,803,168**
LIABILITIES			
Current accounts and demand deposits	18	8,047,288	4,592,440
Items in course of collection	6	255,800	725,573
Obligations under agreements to repurchase	8	449,128	407,531
Time deposits and savings accounts	18	9,301,896	8,228,609
Derivative financial agreements	9	1,535,191	2,448,134
Borrowings from financial institutions	19	1,790,090	1,673,565
Debt issued	20	3,822,650	3,298,967
Other financial obligations	20	746,946	70,741
Current income tax	16	-	23,832
Deferred income taxes	16	42,611	45,309
Provisions	21	255,132	239,195
Other liabilities	22	437,144	248,308
TOTAL LIABILITIES		**26,683,876**	**22,002,204**
SHAREHOLDERS’ EQUITY			
Attributable to equity holders of the Bank:			
Capital	24	1,781,396	1,547,126
Reserves	24	109	-
Accumulated other comprehensive income	24	(12,790)	13,756
Retained earnings:			
Net income for the prior period	24	-	-
Net income for the year	24	330,819	342,972
Less: Accrual for minimum dividends	24	(99,247)	(102,891)
TOTAL EQUITY OF EQUITY HOLDERS OF THE BANK		2,000,287	1,800,963
Non-controlling interest		238	1
TOTAL SHAREHOLDERS’ EQUITY		**2,000,525**	**1,800,964**
TOTAL LIABILITIES AND SHAREHOLDER’S EQUITY		**28,684,401**	**23,803,168**

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

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

For the years ended December 31, 2015 and 2014
(In millions of Chilean pesos - MCh$)

		For the years ended December 31,	
	Note	**2015**	**2014**
		MCh$	**MCh$**
Interest income	25	1,344,842	1,324,982
Interest expense	25	(544,336)	(557,003)
Net interest income		**800,506**	**767,979**
Fee and commission income	26	304,289	270,492
Fee and commission expense	26	(70,019)	(58,279)
Net fee and commission income		**234,270**	**212,213**
Trading and investment income, net	27	111,278	139,934
Foreign exchange results, net	28	(19,378)	(38,726)
Other operating income	33	31,370	30,887
Operating income		**1,158,046**	**1,112,287**
Provisions for loan losses	29	(189,206)	(195,310)
NET OPERATING INCOME		**968,840**	**916,977**
Personnel salaries and expenses	30	(304,611)	(276,646)
Administrative expenses	31	(189,442)	(163,748)
Depreciation and amortization	32	(43,450)	(40,860)
Impairment of property, plant and equipment	32	(6,896)	(84)
Other operating expenses	33	(37,224)	(31,769)
TOTAL OPERATING EXPENSES		**(581,623)**	**(513,107)**
TOTAL NET OPERATING INCOME		**387,217**	**403,870**
Income attributable to investments in other companies	13	13,495	10,102
Income before income tax		**400,712**	**413,972**
Income tax	16	(69,889)	(71,000)
Net income from continuing operations		**330,823**	**342,972**
Net income discontinued operations		-	-
CONSOLIDATED NET INCOME FOR THE YEAR		**330,823**	**342,972**
Attributable to:			
Equity holders of the Bank		330,819	342,972
Non-controlling interest		4	-
Earnings per share attributable to equity holders of the Bank:			
(stated in Ch$)			
Basic earnings per share		2,986	3,155
Diluted earnings per share		2,986	3,155

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

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

For the years ended December 31, 2015 and 2014
(In millions of Chilean pesos - MCh$)

	For the years ended December 31,	
	2015	**2014**
	MCh$	**MCh$**
CONSOLIDATED NET INCOME FOR THE YEAR	330,823	342,972
OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO THE STATEMENT OF INCOME		
Net gain/(loss) resulting on revaluation of financial investments available for sale	(36,656)	6,857
Net gain/(loss) on cash flow hedge derivatives	(6,407)	12,564
Accumulated gain/(loss) adjustment for translation differences	6,990	9,169
Other comprehensive income before income tax	**(36,073)**	**28,590**
Income tax for other comprehensive income	9,527	(4,856)
Total other comprehensives income that may be reclassified to the statement of income in subsequent periods	**(26,546)**	**23,734**
OTHER COMPREHENSIVE INCOME (LOSS) THAT WILL NOT BE RECLASSIFIED TO THE STATEMENT OF INCOME IN SUBSEQUENT PERIODS	-	-
TOTAL OTHER COMPREHENSIVE INCOME	(26,546)	23,734
CONSOLIDATED COMPREHENSIVE INCOME FOR THE YEAR	**304,277**	**366,706**
Attributable to:		
Equity holders of the Bank	304,273	366,706
Non-controlling interest	4	-
Comprehensive income per share attributable to equity holders of the Bank: (stated in Ch$)		
Basic comprehensive income per share	$2,746	$3,374
Diluted comprehensive income per share	$2,746	$3,374

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

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2015 and 2014
(In millions of Chilean pesos - MCh$)

			Accumulated other comprehensive income					Retained earnings				Total Equity		
	Capital	Reserves	Financial instruments available for sale reserve	Cash flow hedges reserve	Cumulative translation adjustment reserve	Income Tax	Total	Retained earnings	Net Income for the period	Accrual for minimum dividends	Total	Total attributable to equity holders of the Bank	Non-controlling interest	Total equity
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
As of January 1, 2015	**1,547,126**	**-**	**9,275**	**(9,460)**	**14,876**	**(935)**	**13,756**	**-**	**342,972**	**(102,891)**	**240,081**	**1,800,963**	**1**	**1,800,964**
Transfer to retained earnings	-	-	-	-	-	-	-	342,972	(342,972)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	(108,702)	-	102,891	**(5,811)**	**(5,811)**	-	**(5,811)**
First adoption adjustment	234,270	-	-	-	-	-	-	(234,270)	-	-	**(234,270)**	-	-	-
Capitalization of reserves	-	109	-	-	-	-	-	-	-	-	-	**109**	-	**109**
Other comprehensive income	-	-	(36,656)	(6,407)	6,990	9,527	**(26,546)**	-	-	-	-	**(26,546)**	-	**(26,546)**
BCI Financial Group, Inc. and Subsidiaries Purchase	-	-	-	-	-	-	-	-	-	-	-	-	233	**233**
Net income for 2015 period	-	-	-	-	-	-	-	-	330,819	-	**330,819**	**330,819**	4	**330,823**
Accrual for minimum dividends 2015	-	-	-	-	-	-	-	-	-	(99,247)	**(99,247)**	**(99,247)**	-	**(99,247)**
Shareholders' equity as of December 31, 2015	**1,781,396**	**109**	**(27,381)**	**(15,867)**	**21,866**	**8,592**	**(12,790)**	**-**	**330,819**	**(99,247)**	**231,572**	**2,000,287**	**238**	**2,000,525**
As of January 1, 2014	**1,381,871**	**-**	**2,418**	**(22,024)**	**5,707**	**3,921**	**(9,978)**	**-**	**300,294**	**(90,088)**	**210,206**	**1,582,099**	**1**	**1,582,100**
Transfer to retained earnings	-	-	-	-	-	-	-	300,294	(300,294)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	(135,039)	-	90,088	**(44,951)**	**(44,951)**	-	**(44,951)**
Capitalization of reserves	165,255	-	-	-	-	-	-	(165,255)	-	-	**(165,255)**	-	-	-
Other comprehensive income	-	-	6,857	12,564	9,169	(4,856)	**23,734**	-	-	-	-	**23,734**	-	**23,734**
Net income for 2014 period	-	-	-	-	-	-	-	-	342,972	-	**342,972**	**342,972**	-	**342,972**
Accrual for minimum dividends 2014	-	-	-	-	-	-	-	-	-	(102,891)	**(102,891)**	**(102,891)**	-	**(102,891)**
Shareholders' equity as of December 31, 2014	**1,547,126**	**-**	**9,275**	**(9,460)**	**14,876**	**(935)**	**13,756**	**-**	**342,972**	**(102,891)**	**240,081**	**1,800,963**	**1**	**1,800,964**

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

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASHFLOWS

For the years ended December 31, 2015 and 2014
(In millions of Chilean pesos – MCh$)

	Notes	For the years ended December 31 2015 MCh$	2014 MCh$
CASH FLOW (USED IN) PROVIDED BY OPERATING ACTIVITIES:			
CONSOLIDATED NET INCOME FOR THE PERIOD		**400,712**	**413,972**
Charges (credits) to income not representing cash flow:			
Depreciation and amortization	32	43,450	40,860
Impairment of fixed assets	32	6,896	84
Provision for loan losses		239,829	235,154
Provision for assets received in lieu of payment	33	219	-
Adjustment to fair value of financial instruments		(4,151)	2,840
Net income from investment in companies	13	(13,495)	(10,102)
Net loss (gain) from sale of assets received in lieu of payment	33	(4,224)	(5,354)
Gain from sale of property, plant and equipment	33	(600)	(241)
Loss from sale of property, plant and equipment	33	340	1,103
Write-off of assets received in lieu of payment	33	2,398	2,847
Other changes (credits) to income not representing cash flows		(295,339)	163,179
Net income from interest and adjustments		(800,506)	(767,979)
Net income from fees		(234,270)	(212,213)
Changes in assets and liabilities affecting operating cash flows:			
Net increase in loans and receivables from banks		159,838	(222,291)
Net increase in loans and receivables from customers		(4,457,744)	(1,405,922)
Net (increase) decrease in investments		(1,221,168)	(220,309)
Increase in other demand deposits		3,454,599	74,783
Increase in obligations under agreements to repurchase		(20,561)	71,827
Increase in time deposits and savings accounts		813,894	503,643
(Decrease) increase in borrowing from financial institutions		161,300	(38,266)
Decrease in other financial obligations		3,594	(1,161)
Loans from Chile Central Bank (long-term)		1,661	7
Foreign borrowings (long-term)		4,622,092	8,266,658
Repayment of foreign borrowings long term		(4,687,341)	(8,059,297)
Income tax	16	(69,889)	(71,000)
Interest and indexation earned		1,203,587	1,161,754
Interest and indexation paid		510,870	(465,729)
Fees earned	26	304,289	270,492
Fees paid	26	(70,019)	(58,279)
Total cash flows provided by (used in) operating activities		**50,261**	**267,473**
CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	15	(18,858)	(27,098)
Proceeds from sale of property, plant and equipment		141	328
BCI Financial Group, Inc and Subsidiaries Purchase	4	(393,544)	-
Investment in other companies	13	(2,607)	(4,066)
Sale of Investments	13	28	-
Purchase of intangible assets	14	(46,708)	(28,311)
Investment dividends		2,946	1,936
Sale of assets received in lieu of payment or in foreclosure		8,625	8,773
Net (increase) in other assets and liabilities		(169,399)	(41,631)
Total cash flows (used in) investing activities		**(619,376)**	**(90,069)**
CASH FLOW FROM FINANCING ACTIVITIES:			
Redemption of letters of credit		(7,498)	(9,852)
Bond issuance		766,065	463,915
Bond redemption		(319,598)	(292,864)
Dividends paid	24	(108,702)	(135,039)
Total cash flows provided by financing activities		**330,267**	**26,160**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE YEAR		**(86,044)**	**296,100**
EFFECT OF CHANGES IN FOREIGN EXCHANGE		**(152,804)**	**(92,536)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**1,913,758**	**1,710,194**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	6	**1,674,910**	**1,913,758**

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

(In millions of Chilean pesos - MCh$)

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

		For the years ended December 31,	
		2015	**2014**
	Notes	**MCh$**	**MCh$**
Loan losses provision in the Consolidated Statements of Cash Flows		239,829	235,154
Recovery of previously written off loans		(50,623)	(39,844)
Loan losses provision	**29**	**189,206**	**195,310**

Net cash and cash equivalents paid for acquisition of BCI Financial Group, Inc. and Subsidiaries acquisition, dated on October 16, 2015

		As of October 16, 2015
		MCh$
BCI Financial Group, Inc. and Subsidiaries acquisition		
Cash and cash equivalents paid		(639,150)
Cash and cash equivalents received		245,606
Net cash and cash equivalents paid	4	**(393,544)**

NOTE 1 – GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

GENERAL INFORMATION

a) The Bank

Banco de Crédito e Inversiones or Banco BCI (hereinafter "the Bank") is a bank incorporated in Chile and regulated by the Superintendence of Banks and Financial Institutions (SBIF). The registered office of the Bank is located at El Golf Avenue, 125, Las Condes. The Consolidated Financial Statements as of and for the years ended December 31, 2015 and 2014 include the financial information of the Bank and its subsidiaries listed below, as well as its Miami Branch. The Bank's business consists of all of the businesses and transactions permitted by the General Banking Law, including retail, corporate and real estate banking, large and medium size companies' services, private banking and asset management services.

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

Consolidated Financial Statements of the Bank and Subsidiaries as of December 31, 2015 have been approved and authorized for issuance by the Board in meeting held on February 25, 2016.

b) Basis of Preparation of the Consolidated Financial Statements

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

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

The Consolidated Financial Statements as of December 31, 2015 and December 31, 2014 incorporate the financial statements of the Bank and entities controlled by the Bank (subsidiaries). Control is achieved when the Bank has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect the returns. Specifically, the Bank controls an investee if and only if:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

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

When Bank has less than majority of voting rights of an investee, it has power over investee when these voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Bank considers all relevant facts and circumstances in assessing whether or not the Bank's voting rights in the investee are sufficient to give it power, including:

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

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

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

When necessary, adjustments and reclassifications are made to the financial statements of subsidiaries to bring their accounting policies into line with the Bank's accounting policies. All intragroup balances are eliminated in full on the consolidation.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

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

i. Entities controlled by the Bank through interest ownership:

	Ownership			
	Direct		**Indirect**	
Entity	**2015**	**2014**	**2015**	**2014**
	%	%	%	%
Análisis y Servicios S.A. (1)	99,00	99,00	1,00	1,00
BCI Asset Management Administradora de Fondos S.A. (2)	99,90	99,90	0,10	0,10
BCI Asesoría Financiera S.A.	99,00	99,00	1,00	1,00
BCI Corredor de Bolsa S.A.	99,95	99,95	0,05	0,05
BCI Corredores de Seguros S.A.	99,00	99,00	1,00	1,00
BCI Factoring S.A.	99,97	99,97	0,03	0,03
BCI Securitizadora S.A.	99,90	99,90	-	-
Banco de Crédito e Inversiones Sucursal Miami	100,00	100,00	-	-
Servicio de Normalización y Cobranza, Normaliza S.A.	99,90	99,90	0,10	0,10
BCI Securities INC (3)	99,90	99,90	0,10	0,10
BCI Corredores de Bolsa de Productos (4)	99,00	-	1,00	-
BCI Financial Group, INC. and Subsidiaries (5)	100,00	-	-	-

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

ii. Entities controlled by the Bank through other considerations:

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

	Ownership interest			
	Direct		Indirect	
Entity	**2015**	**2014**	**2015**	**2014**
	%	%	%	%
BCI Activos Inmobiliarios Fondo de Inversión Privado (1)	40,00	40,00	-	-
Incentivos y Promociones Limitada (2)	SE	SE	SE	SE

(1) For consolidation purposes, this subsidiary is consolidated into BCI Asset Management.
(2) This structured Entity ("EN" for its acronyms in Spanish) is responsible for the promotion of credit and debit cards products. The Bank does not hold any ownership interest in that company.

iii. Associates:

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

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

These investments are recognized using the equity method.

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

	Ownership interest	
Company	**2015**	**2014**
	%	%
Artikos Chile S.A.	50,00	50,00
Servipag Ltda.	50,00	50,00
Centro de Compensación Automatizado ACH Chile	33,33	33,33
AFT S.A.	20,00	20,00
Nexus S.A.	12,90	12,90
Redbanc S.A.	12,71	12,71
Servicio de Infraestructura de Mercado OTC S.A.	11,48	11,48
Combanc S.A.	10,33	10,93
Transbank S.A.	8,72	8,72
Sociedad Interbancaria de Depósitos de Valores S.A.	7,03	7,03
Credicorp Ltda.	1,93	1,90

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

iv. Investments in other Companies:

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

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

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

c) Basis of consolidation

The Consolidated Financial Statements comprise the Consolidated Financial Statements of the Bank and subsidiaries as of December 31, 2015 and 2014, and for the years then ended.

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

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

d) Non-controlling interest

Non-controlling interest represents the portion of profit or loss and net assets of subsidiaries not owned, directly or indirectly, by the Bank. Non-controlling interest are presented separately in the Consolidated Statements of Income, the Consolidated Statement of Other Comprehensive Income and Consolidated Statement of Financial Position.

e) Functional currency

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

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

i. Assets and liabilities, using the exchange rates prevailing as of December 31, 2015 and 2014.
ii. Income and expenses and cash flows, using of the monthly average exchange rates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

The cumulative translation adjustments resulted from translating into Chilean peso the balances of entities whose functional currency is other than the Chilean peso, are presented in the Consolidated Statement of Changes in Equity under the line item “Cumulative translation adjustments reserve”. When an entity whose functional currency is other than the Chilean peso is disposed, the accumulated translation adjustments are reclassified to the income statement.

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

f) Transactions in foreign currency

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

As of December 31, 2015, the assets and liabilities of the Bank nominated in foreign currency are shown at their equivalent value in pesos, calculated using the exchange rate of Ch$707.75 per US$1 (Ch$606.75 per US$1 as of December 31, 2014).

g) Business segments

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

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

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

h) Measurement of assets and liabilities

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

i. Assets and liabilities measured at amortized cost:

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

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

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

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

ii. Assets measured at fair value:

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

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

For all other financial instruments, fair value is determined using valuation techniques. The valuation techniques used should maximize the use of relevant observable inputs with respect to similar financing instruments. The fair value is estimated using models to estimate the present value of the expected cash flows or other valuation techniques, using inputs (e.g. deposits, swaps, exchange rates, volatilities, etc.) observable at the date of the Consolidated Financial Statements.

As of the dates of the Consolidated Financial Statements, the Bank has no instruments whose fair value had been determined based on unobservable data. However, for this type of instrument, the Bank has models developed internally, which are based on techniques and methods generally recognized in the industry. When the data used in the models is unobservable, the Bank must develop assumptions in order to estimate the fair values. These valuations are known as Level 3 valuations. Instruments classified according to their valuation level are detailed in Note 35 to the Consolidated Financial Statements.

The results of the models are always an estimate or approximation of the value and cannot be determined with certainty. Valuations are adjusted, when applicable, in order to reflect additional factors, such as liquidity or credit risks of the counterparty. Based on the model and the credit risk policies of the Bank, Management estimates that these adjustments to the valuations are necessary and appropriate in order to reasonably present the values of the financial instruments in the Consolidated Financial Statements. The data, prices and parameters used in the valuations are carefully and regularly checked, and adjusted if necessary.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

iii. Assets measured at acquisition cost:

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

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

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

iv. Derecognition of financial assets and liabilities:

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

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

2. If retained substantially all the risks and rewards of the transferred financial asset, such as the financial assets sale with a resale agreement at a fixed price or at sale price plus interest, the contracts for securities in which the borrower has the obligation to return the same or similar assets, among other similar cases, the transferred financial asset is not derecognized from the Consolidated Financial Statements 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 subsequently measured at amortized cost.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

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

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

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

Accordingly, financial assets are derecognized from the Consolidated Statement of Financial Position when, and only when, the contractual rights to the cash flows from the financial asset expire; or when the Bank transfers the financial assets and substantially all the risks and rewards of ownership of the assets to third parties.

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

i) Investment instruments

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

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

j) Trading investments

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

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

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

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

k) Transactions with repurchased agreements and securities lending

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

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

l) Financial derivative instruments

The financial derivative instruments, which include forwards in foreign currency and Unidades de Fomento (UF), interest rate futures, currency and interest rate swaps, currency and interest rate options and other financial derivative instruments are initially recognized on the Consolidated Statement of Financial Position at fair value, which is usually their acquisition cost (including transaction costs) and subsequently measured at their fair value. The fair value is obtained from corresponding market pricings, discounted cash flow models and pricing valuation models. The derivative instruments are recognized as an asset when their fair value is positive and as a liability when they are negative in "Derivative financial agreements".

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

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

The changes in the fair value of derivative instruments held for trading are included in “Trading and investment income, net” of the Consolidated Statement of Income.

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

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

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

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

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

In case of fair value hedge of interest rate risk of a portfolio with the hedged item representing currency value instead of individual assets or liabilities, gains or losses from the fair value measurement for both the hedged item and the hedging instrument, are recognized in income, but the fair value adjustment of the hedged instrument is presented in the Consolidated Statement of Financial Position under “Other assets” or “Other liabilities” accounts, depending on the hedged item position in a moment of time.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

The adjustment for counterparty credit risk in derivatives (Credit Valuation Adjustment, “CVA”) determines the expected losses from counterparty risk in OTC derivatives contracts. The CVA of a derivative is defined as the difference between the value of free derivative counterparty risk (equivalent to the original derivative but without the risk of default of either party) and the value of risky derivative (corresponding to the original derivative, which has an inherent risk) that considers the possibility of counterparty default. In this way, a customer CVA can be obtained from the expected exposure (EE) for counterparty risk (how much is expected to lose) and the expected loss rate (PE in Spanish) associated with the default of the counterparty.

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

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

i. Define market makers or BCI customer condition:

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

ii. Condition of Market Makers:

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

iii. Customer status:

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

m) Loans and receivables to customers

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

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

i. Financial leas contracts

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

ii. Factoring Operations

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

n) Allowances for Credit Risk

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

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

i. Individual assessment:

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

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

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

ii. Portfolios in normal and substandard compliance:

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

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

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

iii. Allowances on portfolios in normal and substandard compliance:

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

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

iv. Overdue portfolio:

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

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

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

v. Collective assessment:

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

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

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

a. Commercial Loans:

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

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

b. Consumer Loans:

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

c. Mortgages Loans:

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

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

d. Write-off of loans:

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

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

e. Recovery of written-off loans:

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

o) Fee and commission income and expense

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

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

p) Impairment

i. Financial Assets:

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

For assets of "Loans and receivables to customers", the impaired portfolio is defined according to Chapter B-2 of the Accounting Standards Compendium of the SBIF as "debtor loans on which there is evidence they will not meet any of their obligations under the agreed-upon payment conditions, without the possibility of recovering the debt by the way of guarantees, by means of exercise of judicial collection actions or by renegotiation."

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

ii. Impaired Portfolio:

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

The remaining impaired loans are classified in the following groups:

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

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

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

<u>Exit Conditions</u>

- <u>Individual case:</u> improvement in risk rating.

- <u>Collectively evaluated case:</u>

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

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

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

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

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

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

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

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

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

- Amounts to suspend:

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

- Date of suspension:

Individually evaluated loans:

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

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

Collectively evaluated loans:

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

The 80% percent of collateral refers to the ratio, measured at the time the loan becomes impaired, including the value of the collateral and the estimated value of all covered transactions using the same collateral, including contingent claims.

iv. Non-financial assets:

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

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

q) Intangible assets

Software

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

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

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

Intangibles arising from business combination

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

According to IFRS 3, values that are exposed as of December 31, 2015 were preliminarily determined and may be adjusted up to one year period from the date of acquisition.

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

Goodwill

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

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

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

r) Business Combination

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

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

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

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

- Assets (or group of assets for disposal) that are classified as held for sale in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” are measured in accordance with that Standard.

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

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

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

s) Property, Plant and Equipment

The items of property, plant and equipment are measured at cost less accumulated depreciation and impairment.

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

When part of an item of the property, plant and equipment has a different useful life, it is recorded as a separate component (Real Estate Remodeling).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

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

The estimated useful lives for the property, plant and equipment as of December 31, 2015 and 2014 are the following:

	As of December 31,	
	2015	**2014**
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

t) Assets received in lieu of payment

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

u) Employee benefits

i. Staff Vacations:

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

ii. Short-term benefits:

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

iii. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

v) Leases

i. Operating lease:

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

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

ii. Financial lease:

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

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

w) Cash flow statement

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

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

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

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

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

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

x) Contingent provisions and liabilities

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

- It is a present obligation resulting from a past event and, at the date of the Consolidated Financial Statements it is probable that an outflow of economic benefits will be required by the Bank or its subsidiaries to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

A contingent asset or liability is any asset or obligation arising from past events and whose existence will be confirmed only if one or more uncertain future events happen and these events are not under the Bank's control.

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

Provisions are recorded in the following categories:

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

i. Additional provisions:

The SBIF has defined that the additional provisions are those not deriving from the application of valuation models to the portfolio or to compensate deficiencies in them and that their establishment must be justified by assumed risk as defined in unpredictable economic fluctuations.

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

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

ii. Minimum provisions required for the normal individual portfolio:

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

y) Use of estimates and judgments

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

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

- Impairment of certain assets (Note 32).
- Valuation of financial instruments (Note 7, 9 and 12).
- Useful life of property, plant and equipment and intangible assets (Notes 14 and 15).
- Use of tax loss carry-forward (Note 16).
- Commitments and contingencies (Note 23).

z) Income tax and deferred tax

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

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

As of December 31, 2015 and 2014, the Bank recognized net deferred tax assets, which Management has assessed are expected to be recoverable from future taxable earnings and profits, which will allow the recoverability of temporary differences existing at the end of each year.

Law 20,780 as published in the Official Gazette dated September 29, 2014, introduces among others, the following amendments to the law on income tax those impacts on the calculation of income tax of the Bank as of the month September 2014:

• Law 20,780 No. 4 of Article 1, provides two alternative tax systems for taxpayers obliged to declare their actual income as complete accounting: Board with full attributed tax credit for first category called “Attributed System” and Regimen partial tax credit for first category called Semi-Integrated System” (SIP).

• Law 20,780 No. 10 of Article 1, establishes a permanent increase in the tax rate of First Category, which speak and gradualness is defined in fourth transitory article, as follows: 21% in 2014, 22.5% in 2015, 24% in 2016, 25% or 25.5%, 25% or 27% in 2018, in the last two years depending on the tax regime adopted.

To choose one of the aforementioned schemes, between June and December 2016, the Bank shall submit an affidavit before the SII, which must be based on prior approval by an Extraordinary Shareholders with a quorum of at least two thirds of the issued voting.

The law states that corporations failed to exercise the option described above shall be subject to arrangements with partial attributed tax credit for first category called Semi-Integrated System (SIP) with rates of 25.5% in 2017 and 27% in 2018 and thereafter.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

aa) Non-current assets held for sale

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

ab) Dividends on common shares

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

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

ac) Earnings per share

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

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

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

i. Collection Operations:

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

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

ii. Separated Heritage Operations N°27:

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

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

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

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

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

Fees: accrue equivalent to those that corresponded to 4% interest per year between July 1, 2012 and until fulfillment of the condition precedent, which are capitalized and then, thereafter accrue interest fees BCP 10 (in pesos to 10 years) in force the previous day to compliance with the indicated condition plus 1% per annum, which throughout the course of the operation, which will be paid semiannually from 31 July 2013. Fees paid to December 31, 2015 totaled MCh$680 (MCh$680 to December 31, 2014).

On October 25, 2012, the report of agreed procedures implementation was issued, to La Polar companies administration by its external auditors, which confirms that the October 16, 2012 increased capital funds exceed MCh$120,000 so that effect is given to the laid down condition in the Convention of Creditors, generated from October, 16 new conditions for debts payment and other agreement structures. Thus the balance as of December 31, 2015, amounted to MCh$25,755 by Inversiones S.C.G. S.A.

As of December 31, 2015 the Bank recognizes and presents this receivable accounts to Separated Heritage Nº27 in the category “Loans and receivables to customers”.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

ae) Consolidated Statements of Changes in Equity

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

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

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

  i) Profit or Loss of the year.

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

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

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

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

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

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

  i) Adjustments for changes in accounting policies and corrections of errors including changes in equity arising as a result of the retrospective restatement of balances of 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 Consolidated Statement of Income, in the aggregate.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

af) Reclassifications Items

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

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

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

	New Regulations	Mandatory Application
IFRS 9	Financial Instruments	January 1, 2018.
IFRS 14	Deferred Regulatory Accounts	January 1, 2016.
IFRS 15	Revenues from Customer's Contracts	January 1, 2018.
IFRS 16	Leases	January 1, 2019.

IFRS 9 "Financial Instruments"

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

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

IFRS 14 "Deferred Regulatory Accounts"

IFRS 14 Deferred Regulatory Accounts, issued on January 2014, is an interim standard that aims to improve the comparability of entities financial information that is involved in activities with regulated prices. Many countries have industries subject to price regulation (for example gas, water and electricity), which can have a significant impact on revenue recognition (timing and amount) of the entity. This standard allows entities adopting IFRS for the first time continue to recognize amounts related to price regulation under previous GAAP requirements; however displaying them separately. An entity that already presents financial statements under IFRS should not apply this rule. The standard is mandatory for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

The Bank is issues financial statements in accordance with IFRS since 2009, therefore does not apply this standard in their Consolidated Financial Statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 Revenue from Customers' Contracts issued on May 2014 is a new standard that is applicable to all customers' contracts except leases, financial instruments and insurance contracts. It is a joint project with the FASB to eliminate differences in revenue recognition between IFRS and US GAAP. This new standard aims to improve the inconsistencies and weaknesses of IAS 18 and provide a model that will facilitate the comparability of companies from different industries and regions. It provides a new model for the recognition of income and more detailed requirements for multiple elements contracts. It also requires more detailed disclosures. The standard is mandatory for annual periods beginning on or after January 1, 2017. Earlier application is permitted.

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

IFRS 16 "Leases"

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

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

	Improvements and Amendments	Mandatory Application
IAS 19	Employee Benefit	January 1, 2016.
IAS 16	Property, Plant and Equipment	January 1, 2016.
IAS 38	Intangible Assets	January 1, 2016.
IFRS 11	Joint Ventures	January 1, 2016.
IAS 27	Separate Financial Statements	January 1, 2016.
IAS 28	Investment in Associates and Joint Ventures	January 1, 2016
IFRS 10	Consolidated Financial Statements	January 1, 2016.
IFRS 5	Non-current Assets held for Sale and Discontinued Operations	January 1, 2016.
IFRS 7	Financial Instruments: Disclosures	January 1, 2016.
IFRS 12	Disclosure of Interests in Other Entities	January 1, 2016.
IAS 12	Income Taxes	January 1, 2017.
IAS 7	Disclosure initiative	January 1, 2017.

IAS 19 "Employee Benefit"

"Annual Improvements 2012-2014 cycle" issued in September 2014, clarifies that depth of the market for high credit quality corporate bonds. It is evaluated based on the currency in which the obligation is denominated, rather than the country of the obligation. Where there is no active market for such bonds in that currency, bonds issued by government in the same currency and with the same deadlines will be used. The amendments will become mandatory for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

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

IAS 16 "Property, Plant and Equipment", IAS 38 "Intangible Assets"

IAS 16 and IAS 38 establish the principle of depreciation and amortization basis to be the expected pattern of consumption of the future economic benefits of an asset. In its amendments to IAS 16 and IAS 38 issued in May 2014, the IASB clarified that the use of income-based method to calculate the asset depreciation is not suitable because the income generated by an activity that involves the use of an asset generally reflect different factors than the consumption of the economic benefits added to the asset. The IASB also clarified that income generally has an inadequate basis to measure the consumption of economic benefits added of an intangible asset. However, this presumption may be rebutted in certain limited circumstances. The amendments will become mandatory for annual periods beginning on or after January 1, 2016. Earlier application is permitted.
The Bank evaluated the impacts that could generate this amendment and concluded that it does not significantly affect the Consolidated Financial Statements.

IFRS 11 "Joint Ventures"

Amendments to IFRS 11, issued in May 2014, apply to the acquisition of a stake in a joint venture that constitutes a business. The amendments clarify that buyers of these parts must apply all the principles of accounting for business combinations IFRS 3 *Business Combinations* and other regulations that do not conflict with the IFRS 11 Joint Arrangements guidelines. The amendments will become mandatory for annual periods beginning on or after January 1, 2016. Earlier application is permitted.
The Bank evaluated the impacts that could generate this amendment and concluded that it does not significantly affect the Consolidated Financial Statements.

IAS 27 "Separate Financial Statements"

Amendments to IAS 27, issued in August 2014, reset the option of using the equity method for investments accounting in subsidiaries, joint ventures and associates in the separate financial statements. Amendments will become mandatory for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

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

IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"

"Annual Improvements 2012-2014 cycle" issued in September 2014, clarifies that if an entity reclassifies an asset (or group of assets for disposal) from held for sale directly to held for distribution to the owners, or from held for distribution to owners directly to held for sale, then the change in classification is considered a continuation of the original plan of sale. The IASB clarifies that in such cases the requirements for accounting changes will not be applied to a sale plan. The amendments will become mandatory for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

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

IAS 12 "Income Taxes"

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

Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.

The carrying amount of an asset does not limit the estimation of probable future taxable profits.

Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.

An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilization of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

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

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

IAS 7 "Disclosure Initiative".

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

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

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

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

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

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

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

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

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

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

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

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

With reference to the agreement that the Board should give on the adequacy of provisions, it states that it must refer to the consolidated financial statements, as well as the bank individually considered, with its subsidiaries in the country and overseas subsidiaries, when appropriate.

Management has estimated that the implementation of this regulatory amendment will impact on the Consolidated Financial Statements of the Bank for the amount of MCh $ 14,028, which they were recognized in additional provisions.

ii) On May 25, 2015 No. 3583 Circular issued, modifies and complements the Compendium of Accounting Standards, Chapter C-3. Student loans, establishing a new opening for the classification of loans for higher studies within Commercial Loans. This new classification include:

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, continuation

These amendments apply as of the information referred to January 1, 2016.

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

iii) No. 3,588 Circular, issued on September 25, 2015, changed minor aspects of drafting of the Compendium of Accounting Standards chapters. Chapters A-1, B-1, B-3 and C-3. Modifies specific instructions, while chapter C-3 establishes the creation of a new settlement account for payment card funding (2100.2.07) and delete lines and items in the supplementary information consolidated and individual. The related Amendments to Chapters A-1, B-1 and B3 take effect immediately, while Amendments to Chapter C-3 govern starting on October 31, 2015.

Management has estimated that the implementation of this regulatory amendment will have no significant impact on the Consolidated Financial Statements of the Bank.

iv) On December 24, 2015 the SBIF issued No. 3,598 Circular, where new provisions to Chapter B-1 "Provisions for Credit Risk" of the Compendium of Accounting Standards related to the requirements by the regulator to use internal methodologies are incorporate. The following arrangements are incorporated: Requirements for the use of internal methodologies for purposes of determining credit risk provisions. Information requirements for the application for assessment of internal methodologies for credit risk.

NOTE 2 - ACCOUNTING CHANGES

As indicated in Note 5 to the Consolidated Financial Statements, during 2015 the Bank has changed the presentation of its operating segments to better reflect the nature of the Bank's business.

During the year ended December 31, 2015, no other accounting changes to previous year have occurredwhich affected these Consolidated Financial Statements.

NOTE 3 - SIGNIFICANT EVENTS

a) Issuance and Bonds placement

– **During the year 2015, the following bond issuances in UF were issued:**

Bonds series	Issuance date	Notional amount, UF	Nominal interest rate	Maturity date
AJ1	03.03.2015	3,000,000	2.06%	01.10.2019
AJ2	10.03.2015	500,000	2.61%	01.10.2024
AJ1	11.03.2015	100,000	1.89%	01.10.2019
AJ2	11.03.2015	3,000,000	2.61%	01.10.2024
AJ1	12.03.2015	615,000	1.89%	01.10.2019
AJ1	13.03.2015	100,000	1.86%	01.10.2019
AJ1	17.03.2015	45,000	1.86%	01.10.2019
AJ1	18.03.2015	140,000	1.86%	01.10.2019
AJ1	15.04.2015	100,000	2.05%	01.10.2019
AJ1	21.04.2015	100,000	2.35%	01.10.2019
AJ1	22.04.2015	25,000	2.35%	01.10.2019
AJ2	22.04.2015	300,000	2.90%	01.10.2024
AJ1	28.04.2015	300,000	2.37%	01.10.2019
AJ2	28.04.2015	200,000	2.87%	01.10.2024
AJ2	29.04.2015	400,000	2.87%	01.10.2024
AJ1	30.04.2015	115,000	2.40%	01.10.2019
AJ2	30.04.2015	200,000	2.87%	01.10.2024
AJ2	05.05.2015	1,090,000	2.91%	01.10.2024
AJ1	06.05.2015	5,000	2.40%	01.10.2019
AJ1	15.05.2015	70,000	2.74%	01.10.2019
AJ2	15.05.2015	100,000	2.74%	01.10.2024
AJ1	20.07.2015	3,770,000	2.14%	01.10.2019
AJ1	21.07.2015	400,000	2.11%	01.10.2019
AJ1	22.07.2015	830,000	2.12%	01.10.2019
AJ1	28.07.2015	1,000,000	1.97%	01.10.2019
AJ1	07.08.2015	350,000	1.88%	01.10.2019
AJ1	14.08.2015	50,000	1.84%	01.10.2019
AJ2	18.08.2015	2,000,000	2.68%	01.10.2024
AJ2	24.08.2015	100,000	2.68%	01.10.2024
AJ1	26.08.2015	2,000,000	1.81%	01.10.2019
AJ1	04.09.2015	55,000	2.06%	01.10.2019
AJ1	02.10.2015	50,000	2.12%	01.10.2019
AJ1	05.10.2015	20,000	2.13%	01.10.2019
AJ1	07.10.2015	50,000	2.14%	01.10.2019
AJ1	08.10.2015	20,000	2.14%	01.10.2019

NOTE 3 - SIGNIFICANT EVENTS, continuation

– **During the year 2015, the following bond were issued in Chilean Pesos:**

Bonds series	Issuance date	Notional amount, pesos	Nominal interest rate	Maturity date
AK	19.03.2015	20,000,000,000	5.20%	01.11.2019
AK	20.05.2015	5,000,000,000	5.35%	01.11.2019
AK	26.05.2015	10,000,000,000	5.37%	01.11.2019
AK	27.05.2015	10,000,000,000	5.38%	01.11.2019
AG	15.06.2015	5,027,000,000	5.03%	01.05.2018
AG	01.09.2015	228,500,000	4.92%	01.05.2018
AK	27.10.2015	2,000,000,000	5.38%	01.11.2019
AK	28.10.2015	2,000,000,000	5.35%	01.11.2019
AK	28.10.2015	2,000,000,000	5.34%	01.11.2019
AK	30.10.2015	1,000,000,000	5.30%	01.11.2019
AK	19.11.2015	400,000,000	5.50%	01.11.2019
AK	20.11.2015	1,000,000,000	5.50%	01.11.2019
AK	23.11.2015	100,000,000	5.50%	01.11.2019
AK	30.11.2015	250,000,000	5.55%	01.11.2019
AG	05.10.2015	3,541,750,000	5.20%	01.05.2018
AG	08.10.2015	5,484,000,000	5.17%	01.05.2018
AG	15.10.2015	7,083,500,000	5.15%	01.05.2018
AG	19.10.2015	3,199,000,000	5.17%	01.05.2018
AG	20.10.2015	457,000,000	5.18%	01.05.2018
AG	21.10.2015	525,550,000	5.18%	01.05.2018

– **During the year 2015, the following bond were issued in Swiss Franc:**

Bonds series	Issuance date	Notional amount, CHF	Nominal interest rate	Maturity date
CH0278875965	17.06.2015	150,000,000	0.25%	17.06.2020

– **During the year 2015, the following subordinated bonds in UF were issued:**

Bonds series	Issuance date	Notional amount, UF	Nominal interest rate	Maturity date
AH	20.10.2015	2,500,000	3.28%	01.09.2043
AH	23.10.2015	1,500,000	3.26%	01.09.2043

b) Distribution of dividends and capitalization of earnings

At the Annual Shareholders' Meeting held on March 24, 2015, the distribution of net income for the period 2014 was approved, amounting to MCh$342,972, as follows:

- Distribute a dividend of Ch$1,000 per share among the total 108,701,164 shares issued and registered in the Register of Shareholders, which amounts to the sum of MCh$108,702.
- Allocate the remaining balance of MCh$234,270 to future capitalization reserve fund.

NOTE 3 - SIGNIFICANT EVENTS, continuation

c) Increase in capital stock

- On March 24, 2015, at the Extraordinary Shareholders' Meeting, it was approved inter alia, to increase the share capital for the amount of MCh$234,270, through the capitalization of reserves from accumulated profits.

1. Capitalization without issuance of shares, for the amount of MCh$171,472; and

2. Capitalization through the issuance of 2,105,835 bonus shares, for the amount of MCh$62,798.

The capital of the Bank in accordance with applicable by-laws amounted to MCh$1,547,126 divided into 108,701,164 shares of the same series and no par value. As a result of the approved capital increase, the share capital of Banco de Crédito e Inversiones, amounts to MCh$1,781,396 divided into 110,806,999 shares of a single series without par value.

The aforementioned capital increase was approved by the Superintendence of Banks and Financial Institutions through Resolution No. 297 of June 18, 2015, which was registered on page 45,208, number 26,603 of Trade Register of Real Estate of Santiago, and published in the Official Gazette dated June 30, 2015.

At Extraordinary Shareholders' Meeting held on October 27, 2015, it was approved the annulment of capital increase of MCh$198,876, which was approved by the Extraordinary Shareholders' Meeting held on September 26, 2013, and which was neither subscribed nor paid.

Additionally, it was agreed to increase the share capital by the amount of MCh$309,128 through the issuance of 10,737,300 shares for payment, which shall be subscribed and paid within three years from the date of the aforesaid meeting.

On December 15, 2015, the Superintendence of Banks and Financial Institutions Resolution No. 526 approved the amendment introduced to the Banco de Credito e Inversiones by-laws agreed at the Extraordinary Shareholders' Meeting on October 27, 2015, in which the capital increase of MCh$2,090,524 represented by 123,544,299 registered shares of one series and with no par value was approved, to be signed and paid as follows:

- With the amount of MCh$1,781,396 corresponding to the authorized capital of the Bank, divided into 110,806,999 registered shares of one series and with no par value are fully subscribed and paid, and

- With the amount of MCh$309,128 through the issue of 10,737,300 paid shares to be subscribed and paid in accordance with what is stated in the transitional article of the by-laws within a maximum period of three years from the date of the Meeting.

d) BCI Securities INC Capital Increase

On July 15, 2015, a capital increase of subsidiary BCI Securities Inc., of US$1,500,000 was made. Banco de Credito e Inversiones contribution was the amount of US$1,498,500 equivalent to 99.9% of ownership and BCI Asesoría Financiera SA, for US$1,500 equivalent to 0.01% share. This transaction was materialized with a $642.3 exchange rate.

NOTE 3 - SIGNIFICANT EVENTS, continuation

e) BCI Financial Group, INC. and Subsidiaries purchase

At the Extraordinary Board Meeting held on October 6, 2015 it was noted that although, throughout the CNB acquisition process, the respective regulators were informed about a capital increase of US$360 million to maintain adequate capital ratios after the consolidation, it seem appropriate to propose to shareholders waive the capital increase approved at the Extraordinary Shareholders' Meeting on September 26, 2013, which has not been neither subscribed nor paid, and carry out a capital increase in the amount of US$450 million or its equivalent in pesos, to finance the purchase of CNB and adjust equity ratios after consolidation to the target range.

On October 16, 2015 the acquisition of City National Bank of Florida, subsidiary of BCI Financial Group, Inc. and Subsidiaries by Banco de Crédito e Inversiones took place. City National Bank of Florida is an America Bank owned by Bankia Inversiones Financieras S.A.U., part of the Bankia group.

Consideration paid by Banco de Crédito e Inversiones for the acquisition of City National Bank of Florida totaled US$946.9 million.

NOTE 4 - BUSINESS COMBINATION

i. General Operation

On October 16, 2015, Banco de Crédito e Inversiones (BCI) acquired City National Bank of Florida (CNB) through the acquisition of 100% of BCI Financial Group, Inc. and Subsidiaries, which owned and controlled 99.96% of City National Bank of Florida (CNB) shareholding, the remaining 0.04% percentage, is in equal portions held by the six directors of the CNB Bank, who according to Federal Standard of the United States of America (hereinafter "United States"), should hold shares in order to exercise their roles as directors.
With this transaction, BCI strengthens its growth and internationalization strategy, becoming the first Chilean financial institution that has a banking subsidiary in the United States. The acquisition payment totaled US$946.9 million, or its equivalent in Chilean peso of MCh$639,150.

ii. Description of the Acquired Subsidiaries

BCI Financial Group, Inc. is an investment company whose sole business purpose is to hold the investment in CNB and other instruments to a lesser extent.
CNB is a banking financial institution, which is recognized as one of the oldest banks in the State of Florida. It was established in 1946 and headquartered in Miami. CNB is a commercial full service bank offering a range of financial products, including real estate, commercial and consumer banking, to more than 22,000 customers, with 26 branches and 478 employees in four counties in Florida. Also, historically it was focused on a small and medium enterprises as a segment of target market.
At the acquisition date, CNB hold loans of MCh$2,694,027, deposits of MCh$2,949,446 and equity of MCh$629,500, equivalent to 11%, 12% and 3% of consolidated total assets of the Bank as of October 31, 2015, respectively.

NOTE 4 - BUSINESS COMTINATION, continuation

iii. Primary reasons for the acquisition

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

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

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

NOTE 4 - BUSINESS COMTINATION, continuation

iv. Details of assets acquired and liabilities assumed

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

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

NOTE 4 - BUSINESS COMTINATION, continuation

Fair value adjustments for the acquisition correspond to:

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

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

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

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

Accounting of a business combinations, according to IFRS 3, is the following:

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

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

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

NOTE 4 - BUSINESS COMTINATION, continuation

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

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

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

ii) Default

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

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

NOTE 4 - BUSINESS COMTINATION, continuation

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

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

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

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

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

Breakdown of intangible assets identified in the business combination

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

Core deposits

Corresponds to permanent-term deposits at rates below the actual placement market, rates held by CNB.

Leasehold interest

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

Trade name

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

NOTE 4 - BUSINESS COMTINATION, continuation

Goodwill

Corresponds to the goodwill generated in the acquisition of CNB and is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after a reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in income statement as a bargain purchase gain. Generated goodwill is not deductible for tax purposes.

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

As of December 31, 2015, there are no signs of impairment of intangible assets acquired in a business combination and goodwill.

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

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

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

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

NOTE 4 - BUSINESS COMTINATION, continuation

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

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

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

NOTE 4 - BUSINESS COMTINATION, continuation

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

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

NOTE 4 - BUSINESS COMTINATION, continuation

v. Other considerations

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

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

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

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

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

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

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

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

NOTE 5 - BUSINESS SEGMENTS

Segments Structure

In accordance with IFRS 8, the Bank has aggregated operating segments with similar economic characteristics based on the aggregation criteria specified in the standard. Thus, a business segment comprises clients to whom differentiated products are addressed, which are homogeneous in terms and those performance is measured in a similar way, as a part of the same business segment. Overall, this aggregation has no significant impact on understanding the nature and effects of the business activities of the Bank and the economic environment in which it operates.

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

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

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

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

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

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

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

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

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

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

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

NOTE 5 - BUSINESS SEGMENTS, continuation

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

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

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

Assignment of income from subsidiaries by client:

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

Assigning result of balance management:

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

Allocation of expenses to business segments:

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

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

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

These criteria have been applied for the years ended December 31, 2015 and 2014.

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

NOTE 5 - BUSINESS SEGMENTS, continuation

a) Income Statement 2015:

	For the year ended December 31, 2015								
	Commercial Banking MCh$	**Retail Banking MCh$**	**SME MCh$**	**C&IB Commercial Division MCh$**	**C&IB Finance Division MCh$**	**Total Segments less BCI Financial Group, Inc. and Subsidiaries MCh$**	**BCIFG MCh$**	**Others MCh$**	**Consolidated Total MCh$**
Net interest income	146,830	359,770	118,066	76,142	62,563	763,371	25,872	11,263	800,506
Net fee and commission income	31,654	140,738	34,352	19,733	4,842	231,319	2,120	831	234,270
Other operating income	38,908	49,096	19,851	52,013	(13,472)	146,396	1,927	(25,053)	123,270
Total operating income	**217,392**	**549,604**	**172,269**	**147,888**	**53,933**	**1,141,086**	**29,919**	**(12,959)**	**1,158,046**
Provisions for loan losses	(11,264)	(119,456)	(32,929)	(16,310)	(3,692)	(183,651)	(697)	(4,858)	(189,206)
Net operating income	**206,128**	**430,148**	**139,340**	**131,578**	**50,241**	**957,435**	**29,222**	**(17,817)**	**968,840**
Total operating expenses	**(92,865)**	**(297,296)**	**(70,770)**	**(57,966)**	**(21,520)**	**(540,417)**	**(18,623)**	**(22,583)**	**(581,623)**
Operating income by segment	**113,263**	**132,852**	**68,570**	**73,612**	**28,721**	**417,018**	**10,599**	**(40,400)**	**387,217**
Investment in companies results									13,495
Income before taxes									**400,712**
Income tax									(69,889)
CONSOLIDATED FINANCIAL INCOME									**330,823**

b) Business Volumes 2015:

	As of December 31, 2015						
	Commercial Banking MCh$	**Retail Banking MCh$**	**Business Bank MCh$**	**Commercial Division C&IB MCh$**	**Finance Division C&IB MCh$**	**BCIFG MCh$**	**Total Segments MCh$**
ASSETS	4,929,180	7,580,395	2,184,316	4,978,679	4,508,604	4,503,227	28,684,401
LIABILITIES	4,506,056	6,952,111	1,986,843	4,573,434	4,740,449	3,924,983	26,683,876
EQUITY							2,000,525

NOTE 5 - BUSINESS SEGMENTS, continuation

c) Income Statement 2014:

	For the year ended December 31, 2014								
	Commercial Banking	**Retail Banking**	**Business Bank**	**Commercial Division C&IB**	**Finance Division C&IB**	**Total Segments**	**BCIFG**	**Others**	**Consolidated Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Net interest income	158,769	336,289	125,944	81,831	72,719	775,552	-	(7,573)	767,979
Net fee and commission income	28,630	123,705	33,576	19,384	8,223	213,518	-	(1,305)	212,213
Other operating income	37,179	44,305	11,902	57,110	(18,377)	132,119	-	(24)	132,095
Total operating income	**224,578**	**504,299**	**171,422**	**158,325**	**62,565**	**1,121,189**	**-**	**(8,902)**	**1,112,287**
Provisions for loan losses	(32,300)	(90,733)	(34,727)	(31,653)	(3,617)	(193,030)	-	(2,280)	(195,310)
Net operating income	**192,278**	**413,566**	**136,695**	**126,672**	**58,948**	**928,159**	**-**	**(11,182)**	**916,977**
Total operating expenses	**(89,862)**	**(264,281)**	**(68,552)**	**(56,357)**	**(24,004)**	**(503,056)**		**(10,051)**	**(513,107)**
Operating income by segment	**102,416**	**149,285**	**68,143**	**70,315**	**34,944**	**425,103**	**-**	**(21,233)**	**403,870**
Investment in companies results									10,102
Income before taxes									**413,972**
Income tax									(71,000)
CONSOLIDATED FINANCIAL INCOME									**342,972**

d) Business Volumes 2014:

	As of December 31, 2014						
	Commercial Banking	**Retail Banking**	**Business Bank**	**Commercial Division C&IB**	**Finance Division C&IB**	**BCIFG**	**Total Segments**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
ASSETS	4,801,158	6,443,651	1,956,805	4,673,033	5,928,521	-	23,803,168
LIABILITIES	4,331,624	5,802,261	1,744,504	4,235,121	5,888,694	-	22,002,204
EQUITY							1,800,964

NOTE 6 - CASH AND CASH EQUIVALENTS

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

	As of December 31,	
	2015	2014
	MCh$	MCh$
Cash and deposits in banks		
Cash	421,190	351,082
Deposits in Central Bank of Chile (*)	350,767	522,978
Deposits in local Banks	5,657	5,041
Foreign deposits	494,938	668,657
Subtotal cash and deposits in banks	1,272,552	1,547,758
Operations pending settlement, net	178,750	215,315
Highly liquid financial instruments	17,503	7,234
Investments under agreements to resell	206,105	143,451
Total cash and cash equivalents	**1,674,910**	**1,913,758**

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

b) Items in course of collection:

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

	As of December 31,	
	2015	2014
	MCh$	MCh$
Assets		
Outstanding notes from other banks (swap)	189,426	191,428
Funds receivable	245,124	749,460
Subtotal assets	434,550	940,888
Liabilities		
Funds payable	255,800	725,573
Subtotal liabilities	255,800	725,573
Items in course of collection, net	**178,750**	**215,315**

NOTE 7 - TRADING INVESTMENTS

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

	As of December 31	
	2015	**2014**
	MCh$	**MCh$**
Instruments of the Government and Central Bank of Chile (*):		
Bonds of the Central Bank of Chile	888,726	781,129
Promissory notes of the Central Bank of Chile	245	2,300
Other instruments of the Government and Central Bank of Chile	14,918	4,601
Instruments of other domestic institutions:		
Bonds (**)	18,080	40,121
Time deposits	183,781	205,858
Letters of credit	21,343	8
Documents issued by other financial institutions	84,406	70,244
Other instruments	45,449	61,179
Instruments of other foreign institutions:		
Other instruments	156	12
Investments in mutual funds:		
Funds administered by related entities	16,768	60,921
Funds administered by third parties	24,259	1,434
Total	**1,298,131**	**1,227,807**

(*) As of December 31, 2015 and 2014, the Bank has instruments with the Central Bank of Chile, classified in the “Instruments of the State and Central Bank of Chile” of MCh$112,455 and MCh$238,743, respectively.

(**) In this classification, the following operation is recorded on February 5, 2015: La Polar S.A. companies conducted BLAPO BLAPO-F-G swap bonds for a new convertible BLAPO-H shares series bond, changing the conditions of the above bonds to a new contract emission.

As of December 31, 2015 the Bank held in its trading portfolio the following La Polar companies bonds classified as “Instruments of other domestic institutions” category: BLAPO-F MCh$4 and BLAPO-G MCh$7.

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

a) Securities purchased under agreements to resell:

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

Type of entity	Maturity of the agreement						
	Up to 3 months		Between 3 months – 1 year		Over 1 year		Balance as of December 31, 2014
		Average Rate		Average Rate		Average Rate	
	MCh$	%	MCh$	%	MCh$	%	MCh$
Individual or related party	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-
Securities broker	23,601	0.32	200	0.32	-	-	23,801
Other domestic financial institutions	-	-	-	-	-	-	-
Foreign financial institution	-	-	-	-	-	-	-
Other individual or corporation	107,446	0.32	12,204	0.32	-	-	119,650
Total	**131,047**		**12,404**		-		**143,451**

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

b) Securities sold under repurchase agreements:

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

Type of entity	Maturity of the agreement: Up to 3 months		Between 3 months – 1 year		Over 1 year		Balance as of December 31, 2014
		Average Rate		Average Rate		Average Rate	
	MCh$	%	MCh$	%	MCh$	%	MCh$
Individual or related party	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-
Securities broker	2,600	0.20	-	-	-	-	2,600
Other domestic financial institutions	95,752	0.27	-	-	-	-	95,752
Foreign financial institution	-	-	-	-	-	-	-
Other individual or corporation	308,942	0.19	237	0.34	-	-	309,179
Total	**407,294**		**237**		**-**		**407,531**

NOTE 9 - FINANCIAL DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

a) As of December 31, 2015 and 2014, the Bank and its subsidiaries held the following portfolio of derivative instruments:

As December 31, 2015

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

NOTE 9 - FINANCIAL DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING, continuation

As December 31, 2014

	Notional amount		Fair Value	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Trading Derivatives:				
Forwards	22,588,423	22,444,787	183,565	197,565
Swaps	39,494,003	39,478,791	824,177	780,652
Call Options	280,561	271,687	5,757	1,419
Put Options	245,467	246,242	1,945	1,287
Futures	12,137	12,137	50	99
Others	-	-	-	-
Subtotal	**62,620,591**	**62,453,644**	**1,015,494**	**981,022**
Fair Value Hedge Derivatives:				
Forwards	-	-	1	-
Swaps	2,921,749	179,990	31,607	79,763
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Others	-	-	-	-
Subtotal	**2,921,749**	**179,990**	**31,608**	**79,763**
Cash Flow Hedge Derivatives:				
Forwards	351,915	435,900	24,707	17,217
Swaps	1,604,361	935,041	1,328,696	1,370,132
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Others	-	-	-	-
Subtotal	**1,956,276**	**1,370,941**	**1,353,403**	**1,387,349**
Total	**67,498,616**	**64,004,575**	**2,400,505**	**2,448,134**

NOTE 9 - FINANCIAL DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING, continuation

b) Types of derivatives

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

Fair value hedges:

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

Below is a summary table detailing the items and instruments used in hedge accounting (fair value) as of December 31, 2015 and 2014:

	As December 31, 2015		As December 31, 2014	
	Asset	Liabilities	Asset	Liabilities
Hedged item	MCh$	MCh$	MCh$	MCh$
Bonds issued MX	-	501,825	-	860,219
Loans MX, UF	218,196	-	134,393	11,079
Time deposits MN	-	1,959,468	-	1,920,000
Investment MX	44,970	-	45,597	-
Liabilities MX	-	318,487	-	130,451
Total	**263,166**	**2,779,780**	**179,990**	**2,921,749**

	As December 31, 2015		As December 31, 2014	
	Asset	Liabilities	Asset	Liabilities
Hedging instrument	MCh$	MCh$	MCh$	MCh$
Cross Currency Swaps	461,505	215,547	95,177	-
Swap Rate MN	1,959,468	-	1,920,000	-
Swap Rate MX	358,807	47,619	906,572	179,990
Total	**2,779,780**	**263,166**	**2,921,749**	**179,990**

NOTE 9 - FINANCIAL DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING, continuation

Cash flow hedges:

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

	As December 31, 2015		As December 31, 2014	
	Asset	**Liabilities**	**Asset**	**Liabilities**
Hedged item	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Assets UF > 1Y	1,940,122	-	1,223,967	-
Future obligations USD	-	155,705	-	388,320
Time deposits CLP	-	1,247,368	-	1,198,602
Assets UF	106,163	-	91,013	-
Bond MN/MX	-	422,304	-	369,354
Asset USD	,55,961	-	55,961	-
Total	**2,102,246**	**1,825,377**	**1,370,941**	**1,956,276**

	As December 31, 2015		As December 31, 2014	
	Asset	**Liabilities**	**Asset**	**Liabilities**
Hedging instrument	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Cross Currency Swaps	464,769	1,054,439	405,760	879,080
Forward UF	-	991,846	-	435,900
Forward USD	113,240	-	351,915	-
Swap rate	1,247,368	55,961	1,198,601	55,961
Total	**1,825,377**	**2,102,246**	**1,956,276**	**1,370,941**

NOTE 9 - FINANCIAL DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING, continuation

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

	Periods of expected cash flows in MCh$				
	As of December 31, 2015				
	Within 1Y	**Between 1Y and 5Y**	**Between 5Y and 10Y**	**More than 10 Y**	**Total**
Hedged item					
Cash outflows	(929,815)	(2,355,919)	(913,777)	(54,319)	(4,253,830)
Cash inflows	917,705	2,232,080	875,107	54,258	4,079,150
Net cash flows	**(12,110)**	**(123,839)**	**(38,670)**	**(61)**	**(174,680)**
Hedging instrument					
Cash outflows	929,815	2,355,919	913,777	54,319	4,253,830
Cash inflows	(917,705)	(2,232,080)	(875,107)	(54,258)	(4,079,150)
Net cash flows	**12,110**	**123,839**	**38,670**	**61**	**174,680**
	As of December 31, 2014				
	Within 1Y	**Between 1Y and 5Y**	**Between 5Y and 10Y**	**More than 10 Y**	**Total**
Hedged item					
Cash outflows	(1,249,391)	(1,558,424)	(758,419)	(57,386)	(3,623,620)
Cash inflows	1,256,929	1,521,548	713,559	56,722	3,548,758
Net cash flows	**7,538**	**(36,876)**	**(44,860)**	**(664)**	**(74,862)**
Hedging instrument					
Cash outflows	1,249,391	1,558,424	758,419	57,386	3,623,620
Cash inflows	(1,256,929)	(1,521,548)	(713,559)	(56,722)	(3,548,758)
Net cash flows	**(7,538)**	**36,876**	**44,860**	**664**	**74,862**

NOTE 10 - INTERBANK LOANS

a) As of December 31, 2015 and 2014, balances for this concept are the following:

	As of December 31, 2015	As of December 31, 2014
	MCh$	MCh$
Domestic banks		
Highly liquid interbank loans	1,032	1,237
Allowance for loan losses of domestic banks	(1)	(1)
Foreign banks		
Highly liquid interbank loans	168,679	328,518
Allowance for loan losses of foreign banks	(294)	(794)
Total	**169,416**	**328,960**

b) The amount for the year 2015 and 2014 of provisions and impairment is as follows:

	For the year ended December 31, 2015			For the year ended December 31, 2014		
	Domestic Banks	Foreign Banks	Total	Domestic Banks	Foreign Banks	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balance as of January 1	**1**	**794**	**795**	**-**	**244**	**244**
Write-offs	-	-	**-**	-	-	**-**
Provisions	41	265	**306**	33	689	**722**
Recovery of provisions	(41)	(765)	**(806)**	(32)	(139)	**(171)**
Impairment	-	-	**-**	-	-	**-**
Reversal of impairment	-	-	**-**	-	-	**-**
Total	**1**	**294**	**295**	**1**	**794**	**795**

NOTE 11 - LOANS AND RECEIVABLES TO CUSTOMERS, NET

a) Loans and receivables to customers

As of December 31, 2015 and 2014, the composition of the loan portfolio was as follows:

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

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

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

As of December 31, 2014	Assets before allowances			Allowances Established			
	Normal Portfolio	Impaired Portfolio	Total	Individual Allowance	Collective allowance	Total	Net Assets
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Commercial loans:							
Commercial loans (*)	7,375,089	400,804	7,775,893	(118,900)	(62,703)	(181,603)	7,594,290
Foreign trade loans	970,243	10,761	981,004	(21,667)	(198)	(21,865)	959,139
Checking accounts	121,778	31,602	153,380	(3,180)	(4,970)	(8,150)	145,230
Factoring operations	560,046	10,048	570,094	(5,909)	(812)	(6,721)	563,373
Leasing transactions	760,384	36,626	797,010	(11,295)	(1,704)	(12,999)	784,011
Other loans and receivables	176,193	16,848	193,041	(131)	(6,695)	(6,826)	186,215
Subtotal	**9,963,733**	**506,689**	**10,470,422**	**(161,082)**	**(77,082)**	**(238,164)**	**10,232,258**
Mortgage loans:							
Letters of credit	32,606	2,475	35,081	-	(191)	(191)	34,890
Endorsable mortgage loans	16,279	2,622	18,901	-	(215)	(215)	18,686
Other mortgage loans	3,101,724	161,638	3,263,362	-	(14,658)	(14,658)	3,248,704
Leasing transactions	-	-	-	-	-	-	-
Other loans	-	-	-	-	-	-	-
Subtotal	**3,150,609**	**166,735**	**3,317,344**	**-**	**(15,064)**	**(15,064)**	**3,302,280**
Consumer loans:							
Consumer loans in installments	1,396,353	162,680	1,559,033	-	(77,334)	(77,334)	1,481,699
Checking accounts	90,439	6,218	96,657	-	(4,756)	(4,756)	91,901
Credit card debtors	312,841	7,845	320,686	-	(6,647)	(6,647)	314,039
Consumer leasing transactions	588	85	673	-	(73)	(73)	600
Other loans and receivables	8,424	289	8,713	-	(558)	(558)	8,155
Subtotal	**1,808,645**	**177,117**	**1,985,762**	**-**	**(89,368)**	**(89,368)**	**1,896,394**
TOTAL	**14,922,987**	**850,541**	**15,773,528**	**(161,082)**	**(181,514)**	**(342,596)**	**15,430,932**

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

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

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

The Bank uses the financial lease agreements from 1 to 10 years depending on the contract, to finance to its clients the acquisition of property, both movable and immovable. As of December 31, 2015 and 2014, the Bank held approximately MCh$380,850 and MCh$395,924, respectively, of financial leases on movable assets, and MCh$484,107 and MCh$401,759, respectively, of financial leases on property.

The following is reconciliation between gross investment and the present value of minimum payments as of December 31, 2015 and 2014:

	As of December 31,	
	2015	**2014**
	MCh$	**MCh$**
Gross financial leases	1,020,723	941,949
Not accrued income from financial leases	(147,766)	(144,266)
Net financial leases	**872,957**	**797,683**

	As of December 31,	
	2015	**2014**
	MCh$	**MCh$**
Less than 1 year	237,444	226,721
Between 1 and 5 years	289,796	271,078
Over 5 years	345,717	299,884
Total	**872,957**	**797,683**

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

The Bank has obtained assets in lieu of payment for an amount of MCh$10,845 as of December 31, 2015 and MCh$2,881 for December 31, 2014 through the execution of collaterals or pledge of collateral assets.

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

b) Portfolio characteristics:

As of December 31, 2015 and 2014, 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 December 31, 2015	As of December 31, 2014	As of December 31, 2015	As of December 31, 2014	As of December 31, 2015	As of December 31, 2014	As of December 31, 2015	As of December 31, 2014
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	%	%
Commercial loans:								
Agriculture and livestock except fruit	187,281	194,587	89,374	80,446	276,655	275,033	1.37%	1.74%
Fruit	42,660	41,179	62,043	39,139	104,703	80,318	0.52%	0.51%
Forestry and Wood extraction	147,689	114,569	28,735	7,047	176,424	121,616	0.88%	0.77%
Fishing	21,756	27,506	107,349	137,441	129,105	164,947	0.64%	1.05%
Mining	46,178	45,110	172,930	148,262	219,108	193,372	1.09%	1.23%
Crude oil and natural gas production	3,144	2,373	113,421	57,795	116,565	60,168	0.58%	0.38%
Food, beverage and tobacco industry	171,778	177,013	110,609	105,710	282,387	282,723	1.40%	1.79%
Textile and leather industry	24,227	24,131	43,112	24,985	67,339	49,116	0.33%	0.31%
Timber and furniture industry	29,460	25,751	16,556	11,546	46,016	37,297	0.23%	0.24%
Print and editorial industry	27,769	26,512	7,266	6,440	35,035	32,952	0.17%	0.21%
Chemical product, derived from oil, coal, rubber and plastic	98,173	111,638	88,568	86,313	186,741	197,951	0.93%	1.25%
Production of metal and non-metal production, machinery and equipment	301,871	292,147	154,612	169,064	456,483	461,211	2.27%	2.92%
Other manufacturing industries	6,205	5,266	95,789	93,549	101,994	98,815	0.51%	0.63%
Electricity, gas and water	183,505	192,446	225,939	219,259	409,444	411,705	2.03%	2.61%
Home construction	973,365	884,586	199	7,500	973,564	892,086	4.84%	5.66%
Other construction	389,552	375,121	69,305	20,761	458,857	395,882	2.28%	2.51%
Wholesale business	428,408	405,916	367,643	326,666	796,051	732,582	3.95%	4.64%
Retail, restaurants and hotels	535,489	548,896	320,581	202,233	856,070	751,129	4.25%	4.76%
Transporting and storage	318,244	289,195	283,930	280,980	602,174	570,175	2.99%	3.61%
Communications	83,205	85,129	34,387	46,446	117,592	131,575	0.58%	0.83%
Financial and insurance companies	1,808,866	1,559,081	213,904	279,155	2,022,770	1,838,236	10.05%	11.65%
Real estate and service providers	1,018,897	920,961	938,966	124,582	1,957,863	1,045,543	9.72%	6.63%
Services	1,681,994	1,575,549	1,161,749	70,441	2,843,743	1,645,990	14.13%	10.45%
Subtotal	**8,529,716**	**7,924,662**	**4,706,967**	**2,545,760**	**13,236,683**	**10,470,422**	**65.74%**	**66.38%**
Mortgage loans	**3,918,129**	**3,317,344**	**567,356**	**-**	**4,485,485**	**3,317,344**	**22.28%**	**21.03%**
Consumer loans	**2,277,101**	**1,974,295**	**135,712**	**11,467**	**2,412,813**	**1,985,762**	**11.98%**	**12.59%**
Total	**14,724,946**	**13,216,301**	**5,410,035**	**2,557,227**	**20,134,981**	**15,773,528**	**100.00%**	**100.00%**

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

c) Provisions

The changes in allowances for loan losses during the years ended December 31, 2015 and 2014 are summarized as follows:

	For the year ended December 31, 2015			For the year ended December 31, 2014		
	Individual Allowance	Collective Allowance	Total	Individual Allowance	Collective Allowance	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balances as of January 1	**161,082**	**181,514**	**342,596**	**159,898**	**174,349**	**334,247**
Portfolio write-offs:						
Commercial loans	(63,796)	(58,091)	(121,887)	(41,069)	(45,040)	(86,109)
Mortgage loans	-	(4,719)	(4,719)	-	(5,585)	(5,585)
Consumer loans	-	(107,716)	(107,716)	-	(104,181)	(104,181)
Total Write-offs	**(63,796)**	**(170,526)**	**(234,322)**	**(41,069)**	**(154,806)**	**(195,875)**
Provisions	84,086	181,705	265,791	59,071	178,712	237,783
Reversal of provisions	(26,695)	(10,618)	(37,313)	(16,818)	(16,741)	(33,559)
Effect of provision in BCI Financial Group	-	27,700	27,700	-	-	-
Total Provisions	**154,677**	**209,775**	**364,452**	**161,082**	**181,514**	**342,596**

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

	As of December 31,	
	2015	2014
	MCh$	MCh$
Individual and group provisions	364,452	342,596
Provisions for contingent credit risk (Note 21)	18,525	17,017
Additional provisions (Note 21)	76,754	57,754
Minimum Allowance 0.50% (Note 21)	-	1,193
Provisions for country risk (Note 21)	2,669	2,555
Provisions on loans and accounts to banks (Note 10)	295	795
Total	**462,695**	**421,910**

During the years 2015 and 2014, the Bank has not participated in the purchase, sale, substitution or swap of credits of the loan portfolio with other than those financial institutions reported in the present Consolidate Financial Statement.

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

d) Collateral

The impaired loan portfolio secured and unsecured as of December 31, 2015 and 2014 was as follows:

	As of December 31, 2015				As of December 31, 2014			
	Commercial	Mortgage	Consumer	Total	Commercial	Mortgage	Consumer	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Secured debt	344,832	167,796	52,452	565,080	394,438	155,456	44,576	594,470
Unsecured debt	177,921	12,976	142,940	333,837	112,251	11,279	132,541	177,921
Total	**522,753**	**180,772**	**195,392**	**898,917**	**506,689**	**166,735**	**177,117**	**850,541**

e) Overdue

The overdue portfolio (with payment default equal to or more than 90 days) as of December 31, 2015 and 2014 was as follows:

	As of December 31, 2015				As of December 31, 2014			
	Commerci al	Mortgag e	Consume r	Total	Commercia l	Mortgag e	Consume r	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Secured debt	16,612	-	-	16,612	26,839	-	-	26,839
Unsecured debt	177,874	74,681	32,330	284,885	233,553	66,052	33,302	332,907
Total	**194,486**	**74,681**	**32,330**	**301,497**	**260,392**	**66,052**	**33,302**	**359,746**

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

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

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

	As of December 31, 2014									
	Non-Impaired				**Impaired**					
	Commercial	**Mortgage**	**Consumer**	**Total non-Impaired**	**Commercial**	**Mortgage**	**Consumer**	**Total Impaired**	**Commercial**	**Mortg**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh**
Normal portfolio	9,941,802	3,150,175	1,806,165	14,898,142	287,012	121,602	153,716	562,330	10,228,814	3,
Past due for 1 to 29 days	14,160	-	1,729	15,889	5,265	-	1,482	6,747	19,425	
Past due for 30 to 89 days	7,440	434	751	8,625	6,769	557	1,347	8,673	14,209	
Past due for 90 days or more	331	-	-	331	207,643	44,576	20,572	272,791	207,974	
Total portfolio before allowances	**9,963,733**	**3,150,609**	**1,808,645**	**14,922,987**	**506,689**	**166,735**	**177,117**	**850,541**	**10,470,422**	**3**
Overdue loans (less than 90 days) as a percentage of the total portfolio	0.22%	0.01%	0.14%	0.16%	2.38%	0.33%	1.60%	1.81%	0.32%	
Overdue loans (more than 90 days) as a percentage of the total portfolio	0.00%	0.00%	0.00%	0.00%	40.98%	26.73%	11.61%	32.07%	1.99%	

NOTE 12 - INVESTMENT INSTRUMENTS

As of December 31, 2015 and 2014, instruments designated as financial instruments available for sale and held to maturity included the following:

	As of December 31, 2015			As of December 31, 2014		
	Available for sale	Held to maturity	Total	Available for sale	Held to maturity	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Investments priced in active markets:						
Of the government and the Central Bank of Chile (a):						
Instruments of the Central Bank	292,132	-	292,132	236,264	-	236,264
Bonds or promissory notes of the Treasury	321,142	-	321,142	132,944	-	132,944
Other fiscal instruments	14,145	-	14,145	16,312	-	16,312
Other instruments issued in the country:				-	-	-
Instruments from other domestic Banks	121,308	-	121,308	177,545	-	177,545
Bonds and instruments from companies	24,783	-	24,783	34,157	-	34,157
Other domestic instruments (b)	2,477	-	2,477	25	-	25
Instruments issued abroad:				-	-	-
Instruments from foreign governments and Banks				-	-	-
Foreign bonds	565,433	-	565,433	261,938	-	261,938
Other foreign instruments (c)	1,066,462	708	1,067,170	-	-	-
Total	**2,407,882**	**708**	**2,408,590**	**859,185**	**-**	**859,185**

As of December 31, 2015, the portfolio of available for sale instruments includes an unrealized loss net of deferred taxes of MCh$22,795 (unrealized profit net of deferred taxes of MCh$5,877 as of December 31, 2014) recognized as valuation adjustments in equity.

(a) As of December 31, 2015 and 2014, the Bank has no intermediary instruments classified as available for sale.

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

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

NOTE 13 - INVESTMENT IN COMPANIES

a) As of December 31, 2015 and 2014, the main investments in companies and joint ventures are detailed below:

Company	As of December 31, 2015				As of December 31, 2014			
	Equity	Participation	Investment value	Income / Loss	Equity	Participation	Investment value	Income / Loss
	MCh$	%	MCh$	MCh$	MCh$	%	MCh$	MCh$
Investment accounted by using equity method:								
Redbanc S.A	5,419	12.71	689	82	4,969	12.71	632	80
Combanc S.A.	4,956	10.33	512	92	4,643	10.93	507	81
Transbank S.A.	40,302	8.72	3,514	438	34,177	8.72	2,980	357
Nexus S.A.	9,472	12.90	1,222	225	8,252	12.90	1,065	195
Servicios de Infraestructura de mercado OTC S.A.	9,831	11.48	1,128	(119)	10,907	11.48	1,252	(178)
AFT S.A	12,758	20.00	2,552	323	11,145	20.00	2,229	281
Centro de Compensación Automatico ACH Chile	3,252	33.33	1,084	353	2,614	33.33	871	400
Sociedas Interbancaria de Depósitos de Valores S.A.	2,656	7.03	178	39	2,137	7.03	150	36
Credicorp Ltda	3,304,601	1.93	101,278	10,942	2,833,892	1.90	84,463	8,529
Investment recognized at cost:								
SWIFT Shares			34	-			34	-
FED and FHLB Shares (*)			53,102	414			-	-
Other Shares			13	2			2,297	1
Bladex Shares			219	146			219	116
Total			**165,525**	**12,937**			**96,699**	**9,898**
Joint ventures investments:								
Servipag Ltda	7,778	50.00	3,889	248	7,281	50.00	3,641	51
Artikos Chile S.A.	1,378	50.00	689	310	1,491	50.00	746	153
Total			**4,578**	**558**			**4,387**	**204**
Total investments in other companies, associates and joint ventures			**170,103**	**13,495**			**101,086**	**10,102**

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

NOTE 13 - INVESTMENT IN COMPANIES, continuation

b) The reconciliation of investment in companies for the years ended December 31, 2015 and 2014, is the following:

	As of December 31, 2015	2014
	MCh$	**MCh$**
Balance at the beginning of the year	**101,086**	**80,093**
Acquisition of investments	2,607	4,066
Translation differences	3,338	9,228
Share of income	13,495	10,102
Incorporation of BCI Financial Group, Inc. and Subsidiaries Purchase	53,102	-
Sale of company participation	(28)	-
Dividends received	(2,946)	(1,936)
Adjustment for minimum dividend	(249)	(212)
Minimum dividends provision	(302)	(255)
Total	**170,103**	**101,086**

As of December 31, 2015 and 2014, there was no impairment recognized on the investments.

c) Summary of relevant information about associates and joint ventures.

1) Information in respect of investments in associates and joint ventures at December 31, 2015 is as follows:

Investment in Associates or Joint Ventures	Share	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilitie s	Interests Income	Operational Expenses	Net Profit (Loss)
	%	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Redbanc S.A.	12.71	5,222	15,074	12,360	2,518	32,242	(25,025)	642
Combanc S.A.	10.33	5,328	401	775	-	3,062	(1,870)	889
Servicio de Infraestructura de Mercado OTC S.A.	11.48	6,653	10,978	4,815	2,985	2,569	(1,716)	(1,038)
Transbank S.A.	8.72	549,891	51,736	561,184	141	130,454	(120,364)	5,024
Nexus S.A.	12.90	9,388	13,766	10,230	3,452	44,632	(42,630)	1,741
AFT S.A.	20.00	41,203	1,315	29,325	435	3,168	-	1,612
Centro de Compensación Automatizado S.A.	33.33	1,273	3,875	1,371	526	6,465	(4,661)	635
Servipag Ltda.	50.00	50,449	17,193	55,128	4,737	38,863	(25,820)	497
Artikos Chile S.A.	50.00	1,224	755	602	-	3,147	(735)	620
Sociedad Interbancaria de Depósitos de Valores S.A.	7.03	100	2,614	58	-	4	(26)	563

NOTE 13 - INVESTMENT IN COMPANIES, continuation

2) Information in respect of the investments in associates and joint ventures at December 31, 2014 is as follows:

Investment in Associates or Joint Ventures	Share	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Interests Income	Operational Expenses	Net Profit (Loss)
	%	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Redbanc S.A.	12.71	4,471	14,444	9,355	4,891	29,329	(21,538)	633
Combanc S.A.	10.93	4,759	520	637	-	2,934	(1,800)	740
Servicio de Infraestructura de Mercado OTC S.A.	11.48	6,057	5,944	1,094	-	-	-	(1,557)
Transbank S.A.	8.72	492,914	42,593	501,330	-	110,542	(102,277)	4,089
Nexus S.A.	12.90	10,005	4,433	6,185	-	39,903	(34,723)	1,508
AFT S.A.	20.00	65,473	4,814	58,804	337	3,055	-	1,408
Centro de Compensación Automatizado S.A.	33.33	981	2,751	1,117	-	4,744	(3,147)	661
Servipag Ltda.	50.00	53,078	16,227	59,501	2,522	37,096	(25,410)	101
Artikos Chile S.A.	50.00	1,288	689	486	-	2,660	(662)	306
Sociedad Interbancaria de Depósitos de Valores S.A.	7.03	122	2,136	120	-	4	(25)	514

NOTE 14 - INTANGIBLE ASSETS

a) The composition of this account as of December 31, 2015 and 2014 was the following:

Concept	Years of useful life	Average useful life remaining	As of December 31, 2015 Gross balance	Accumulated amortization & impairment	Net balance
			MCh$	MCh$	MCh$
Intangible assets acquired separately (a)	6	4	45,722	(28,034)	17,688
Intangible assets generated internally (b)	6	4	194,265	(97,229)	97,036
Intangible assets acquired in business combination (c)	10	-	101,061	(40,234)	60,827
Total			**341,048**	**(165,497)**	**175,551**

Concept	Years of useful life	Average useful life remaining	As of December 31, 2014 Gross balance	Accumulated amortization & impairment	Net balance
			MCh$	MCh$	MCh$
Intangible assets acquired separately (a)	6	4	32,517	(24,452)	8,065
Intangible assets generated internally (b)	6	4	163,905	(80,940)	82,965
Intangible assets acquired in business combination	-	-	39,051	(39,051)	-
Total			**235,473**	**(144,443)**	**91,030**

(a) Corresponds to software purchased from parties other than the Bank or its subsidiaries with the purpose to generate future benefits.
(b) An identifiable asset, non-monetary without physical substance, internally developed by the Bank or its subsidiaries to generate profits or savings to the Bank or its subsidiaries.
(c) Corresponds to gain on Banco Conosur acquisition and intangible assets generated in 2015 by the business combination of BCI Financial Group, Inc. and Subsidiaries reported in Note 4.

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

NOTE 14 - INTANGIBLE ASSETS, continuation

b) The movement of the intangible assets account as of December 31, 2015 and 2014 is the following:

	Intangible assets acquired separately	**Intangible assets acquired in business combination**	**Intangibles generated internally**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Balance as of January 1, 2015	**32,517**	**39,051**	**163,905**	**235,473**
Additions	9,172	-	37,536	**46,708**
Disposals / transfers	(12)	-	(3,860)	**(3,872)**
Acquisition of BCI Financial Group, Inc. and Subsidiaries	-	62,010	-	**62,010**
Others	4,045	-	1,684	**5,729**
Impairment	-	-	(5,000)	**(5,000)**
Gross balance as of December 31, 2015	**45,722**	**101,061**	**194,265**	**341,048**
Amortization for the year	(3,582)	(1,183)	(16,173)	(20,938)
Accumulated amortization	(24,452)	(39,051)	(80,940)	(144,443)
Others	-	-	(116)	(116)
Impairment	-	-	-	-
Total accumulated amortization and impairment	**(28,034)**	**(40,234)**	**(97,229)**	**(165,497)**
Balance as of December 31, 2015	**17,688**	**60,827**	**97,036**	**175,551**

	Intangible assets acquired separately	**Intangible assets acquired in business combination**	**Intangible assets generated internally**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Balance as of January 1, 2014	**29,294**	**39,051**	**140,031**	**208,376**
Additions	124	-	28,187	**28,311**
Disposals / transfers	1,365	-	(3,000)	**(1,635)**
Reclassification	-	-	-	-
Others	1,734	-	(1,313)	**421**
Impairment	-	-	-	-
Gross balance as of December 31, 2014	**32,517**	**39,051**	**163,905**	**235,473**
Amortization for the year	(2,886)	-	(15,476)	**(18,362)**
Accumulated amortization	(20,515)	(39,051)	(65,464)	**(125,030)**
Others	(1,051)	-	-	**(1,051)**
Impairment	-	-	-	-
Total accumulated amortization and impairment	**(24,452)**	**(39,051)**	**(80,940)**	**(144,443)**
Balance as of December 31, 2014	**8,065**	**-**	**82,965**	**91,030**

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

a) The composition of property, plant and equipment as of December 31, 2015 and 2014 is the following:

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

	As of December 31, 2014				
	Years of useful life	Average useful life remaining	Gross balance	Accumulated depreciation	Net balance
Concept			**MCh$**	**MCh$**	**MCh$**
Land and buildings	27	23	231,070	(46,820)	**184,250**
Equipment	4	3	109,017	(88,208)	**20,809**
Others	8	6	49,961	(24,235)	**25,726**
Total			**390,048**	**(159,263)**	**230,785**

b) The movement of property, plant and equipment as of December 31, 2015 and 2014 is the following:

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

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT, continuation

	Land and buildings	Equipment	Others	Total
	MCh$	**MCh$**	**MCh$**	**MCh$**
Balance as of January 1, 2014	**196,896**	**106,561**	**78,225**	**381,682**
Additions	14,035	3,693	9,370	**27,098**
Disposals	(2,073)	(3,030)	(4,863)	**(9,966)**
Transfers	21,868	3,126	(32,891)	**(7,897)**
Others	344	755	120	**1,219**
Impairment	-	(2,088)	-	**(2,088)**
Gross Balance as of December 31, 2014	**231,070**	**109,017**	**49,961**	**390,048**
Depreciation for the period	**(8,430)**	**(9,909)**	**(4,159)**	**(22,498)**
Other Adjustments	**(1,365)**	**(5,868)**	**(4,581)**	**(11,814)**
Accumulated depreciation	(37,025)	(74,435)	(15,495)	**(126,955)**
Impairment	-	2,004	-	**2,004**
Total Accumulated Depreciation	**(46,820)**	**(88,208)**	**(24,235)**	**(159,263)**
Net Property, plant and equipment balance as of December 31, 2014	**184,250**	**20,809**	**25,726**	**230,785**

c) As of December 31, 2015 and 2014, the net impairment of MCh$1,896 and MCh$84, respectively, corresponds to the gross balance of property, plant and equipment less accumulated depreciation.

d) As of December 31, 2015 and 2014, the Bank had no operating lease agreements.

e) As of December 31, 2015 and 2014, the Bank had finance lease agreements that cannot be terminated unilaterally. The information of future payments is detailed as follows:

	Future payments of finance lease agreements			
	Up to 1 year	**1 to 5 years**	**Over 5 years**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**
As of December 31, 2015	107	12	-	119
As of December 31, 2014	199	89	-	288

Furthermore, the balances of property, plant and equipment under finance leases as of December 31, 2015 amounted to MCh$1,606 (MCh$1,612 as of December 31, 2014) and are presented as part of "Other property, plant and equipment".

NOTE 16 - CURRENT AND DEFERRED TAX

a) Current Tax

As of December 31, 2015 and 2014, the Bank implemented the provision of first-category income tax and the provision of Unique Tax of Article N°21 of the Income Law, which was determined based on the tributary legal dispositions in force and have reflected assets amounting to MCh$5,093 as of December 31, 2015 (and liabilities amounting MCh$23,832 as of December 31, 2014). This provision is presented net of collectible taxes and detailed as follows:

	As of December 31,	
	2015	**2014**
	MCh$	**MCh$**
Income Tax (Tax rate of 22.5% for 2015 and 21% by 2014)	(83,128)	(86,344)
Excess provision previous year	(3,814)	(1,862)
35% Provision for Income Tax	(299)	(285)
Less:		
Monthly tax provisional payments	79,869	51,438
Credit for training expenses	1,694	1,477
Credit for acquisition of property, plant and equipment	12	4
Credit for donations	911	2,285
Collectible income tax	9,260	7,899
Other collectible taxes and withholdings	588	1,556
Total	**5,093**	**(23,832)**

b) Income Tax

The effect of income taxes during the periods between January 1 and December 31, 2015 and 2014, is the following:

	For the year ended December 31,	
	2015	**2014**
	MCh$	**MCh$**
Income tax charges:		
Current year tax	(83,128)	(86,344)
Surplus/ Deficit previous year provision	-	-
	(83,128)	(86,344)
Credit (charge) for deferred taxes:		
Origination and reversal of temporary differences	11,628	15,861
Initial effect of rate change	(292)	(292)
Subsequent effect of rate change	2,100	-
	13,436	15,569
Subtotal	(69,692)	(70,775)
Tax for rejected expenses Article N°21	(197)	(230)
Others	-	5
Charge to income statement	**(69,889)**	**(71,000)**

NOTE 16 - CURRENT AND DEFERRED TAX, continuation

c) Reconciliation of the effective tax rate

The following is the reconciliation of the income tax rate with the effective rate applied in determining the tax charge as of December 31, 2015 and 2014:

	As of December 31,			
	2015		2014	
	Tax rate	Amount	Tax rate	Amount
	%	MCh$	%	MCh$
Income before tax		400,712		413,972
Applicable tax rate	22.500		21.000	
Statutory income tax		90,160		86,934
Tax effect of non-deductible expenses in calculation of taxable income:				
Permanent differences	(4.657)	(18,660)	(3.864)	(15,996)
Unic tax (rejected expenses)	0.049	197	(0.056)	(230)
Initial effect of rate change	0.073	292	0.071	292
Subsequent effect of rate change	(0.524)	(2,100)	-	-
Effective rate and income tax charge	**17.441**	**69,889**	**17.151**	**71,000**

The effective income tax rate for year 2015 and 2014 was 17.441% and 17.151%, respectively.

According to Note 1 letter z) and considering that there is still no statement of the Extraordinary Shareholders' for the calculation of deferred tax as of December 31, 2015, the Semi-Integrated System (SIP) has been applied, determining an expense of MCh$1,808 on account of exchange rate adjustment for deferred tax.

d) Effect of deferred taxes on equity

The deferred tax recorded with charges to shareholders' equity as of December 31, 2015 and 2014 is composed of the following:

	Accumulated as of		Effect for the year	
	As of December 31,		For the year ended December 31,	
	2015	2014	2015	2014
	MCh$	MCh$	MCh$	MCh$
Financial investment available for sale	4,588	(3,398)	7,986	(2,914)
Cash flow hedges	4,004	2,463	1,541	(1,942)
Effect of deferred tax on shareholder's equity	**8,592**	**(935)**	**9,527**	**(4,856)**

NOTE 16 - CURRENT AND DEFERRED TAX, continuation

e) Effect of deferred taxes on the income statement

During December 31, 2015 and 2014, the Bank recognized in its Consolidated Financial Statements the effects of deferred taxes according to IAS 12.

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

	As of December 31, 2015			As of December 31, 2014		
	Assets	Liabilities	Net	Assets	Liabilities	Net
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Concepts:						
Allowance for loan losses	62,757	-	62,757	45,893	-	45,893
Provision for staff vacation & bonuses	23,446	-	23,446	10,335	-	10,335
Derivative contracts operations	-	-	-	-	-	-
Leasing operations (net)	4,775	-	4,775	5,727	-	5,727
Others	886	(507)	379	11,132	-	11,132
Property, plant and equipment	-	(14,461)	(14,461)	-	(15,680)	(15,680)
Transitory assets	-	(32,232)	(32,232)	-	(25,734)	(25,734)
Securities trading	-	-	-	989	-	989
Derivative contract operations	-	(4,003)	(4,003)	-	(2,463)	(2,463)
Others	-	-	-	-	(497)	(497)
Temporary differences related to BCI Financial Group, Inc. and Subsidiaries (*)	111,822	-	111,822	-	-	-
Total assets (liabilities) net	**203,686**	**(51,203)**	**152,483**	**74,076**	**(44,374)**	**29,702**
Effect of deferred tax on equity	-	8,592	8,592	-	(935)	(935)
Net effect for deferred tax assets	**203,686**	**(42,611)**	**161,075**	**74,076**	**(45,309)**	**28,767**

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

NOTE 16 - CURRENT AND DEFERRED TAX, continuation

f) Current and Deferred tax complementary information

As of December 31, 2015 and 2014, the Bank has the following tax information related to provisions, penalties, loan renegotiations and loans referrals. Such information includes the Bank's operations, subsidiaries have been excluded therefore.

a. Loans and receivables to customers

		Tax value assets		
Loans and receivables to customers	**Financial Statements**			
As of December 31, 2015	**Value Assets**	**Total**	**Secured past-due portfolio**	**Unsecured Past-due portfolio**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Commercial Loans	8,895,022	8,898,245	143,112	110,096
Consumer Loans	2,289,305	2,299,017	6,495	30,805
Mortgage Loans	3,918,128	3,918,514	201,099	3,275

		Tax value assets		
Loans and receivables to customers	**Financial Statements**			
As of December 31, 2014	**Value Assets**	**Total**	**Secured Past-due portfolio**	**Unsecured Past-due portfolio**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Commercial Loans	8,662,146	8,666,298	148,365	163,000
Consumer Loans	1,985,089	1,991,108	5,945	32,320
Mortgage Loans	3,317,344	3,317,576	185,167	3,850

NOTE 16 - CURRENT AND DEFERRED TAX, continuation

b. Allowances

Allowances for past due portfolio	**Balance as of 1.01.2015**	**Write-off against Allowance**	**Provisions**	**Reversal of Provisions**	**Balance as of 31.12.2015**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Commercial Loans	163,000	(96,179)	159,591	(116,316)	110,096
Consumer Loans	32,320	(101,807)	128,158	(27,866)	30,805
Mortgage Loans	3,850	-	3,507	(4,082)	3,275

Allowances for past due portfolio	**Balance as of 1.01.2014**	**Write-off against Allowance**	**Provisions**	**Released Provisions**	**Balance as of 31.12.2014**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Commercial Loans	139,925	(55,415)	145,003	(66,513)	163,000
Consumer Loans	27,613	(101,032)	128,052	(22,313)	32,320
Mortgage Loans	4,293	-	3,140	(3,583)	3,850

c. Write-offs and recoveries

Write-offs and recoveries for the year ended December 31,2015	**MCh$**	Application of Art.31 No.4 First and third clause	**MCh$**
Direct Write-offs Art.31 No.4 Second clause	20,890	Write-offs according to First Clause	-
Remissions that originated reversal of provisions	-	Recoveries according to Third Clause	-
Recoveries or renegotiations of Loans Write-off	54,603		

Write-offs and recoveries for the year ended December 31,2014	**MCh$**	Application of Art.31 No.4 First and third clause	**MCh$**
Direct Write-offs Art.31 No.4 Second clause	15,019	Write-offs according to First Clause	-
Remissions that originated reversal of provisions	-	Recoveries according to Third Clause	-
Recoveries or renegotiations of Loans Write-off	41,890		

NOTE 17 - OTHER ASSETS

a) As of December 31, 2015 and 2014 the composition of the Other Assets account is the following:

	As of December 31,	
	2015	**2014**
	MCh$	**MCh$**
Assets for leasing (a)	29,055	33,619
Assets received in lieu of payment or awarded:		
Assets received in lieu of payment	4,986	447
Assets awarded from judicial auctions	1,586	2,057
Provisions for asset received in lieu of payment or awarded (b)	(240)	(21)
Other assets:		
Guarantee deposits	145,001	74,629
Investment in gold	3,404	3,308
VAT fiscal credit	5,799	6,052
Expenses paid in advance	40,752	38,570
Assets from property, plant and equipment for sale	400	400
Assets recovered from lease agreements available for sale (c)	17,774	18,530
Accounts receivable	39,904	43,688
Assets to be recovered	36,676	10,618
Guarantees given for threshold effect	310,586	161,235
Prepayments of insurance rights on City National Bank (d)	70,949	-
Other assets	81,474	33,573
Total	**788,116**	**426,705**

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

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

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

(d) Prepayments recognized in the Consolidated Financial Statement of Position of BCI Financial Group, Inc. and Subsidiaries related to insurance taken out by City National Bank (CNB). CNB is a beneficiary of these contracts.

NOTE 17 - OTHER ASSETS, continuation

b) The changes in the impairment of assets received in lieu of payment or awarded, during the years 2015 and 2014, is the following:

	Impairment
	MCh$
Balance as of January 1, 2015	21
Impairment	240
Reversal of impairment	(21)
Balance as of December 31, 2015	**240**
Balance as of January 1, 2014	734
Impairment	621
Reversal of impairment	(1,334)
Balance as of December 31, 2014	**21**

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

As of December 31, 2015 and 2014, the composition of this account is the following:

	As of December 31,	
	2015	2014
	MCh$	MCh$
Deposits and other obligations payable on demand		
Current accounts	7,196,875	3,850,449
Other deposits and accounts payable on demand	549,787	399,387
Other obligations payable on demand	300,626	342,604
Total	**8,047,288**	**4,592,440**
Savings accounts and time deposits		
Time deposits	9,250,938	8,177,472
Saving accounts	49,844	48,765
Guarantees	1,114	2,372
Total	**9,301,896**	**8,228,609**

NOTE 19 - INTERBANK BORROWINGS

As of December 31, 2015 and 2014 the composition of this account is the following:

	As of December 31,	
	2015	**2014**
	MCh$	**MCh$**
Loans received from financial institutions and Central Bank of Chile:		
Central Bank of Chile:		
Other obligations with Central Bank of Chile	1,732	71
Subtotal	1,732	71
Loans received from domestic financial institutions:		
Interbank loans	395,951	327,976
Other obligations	183,788	90,353
Subtotal	579,739	418,329
Loans received from financial institutions abroad:		
Foreign trade financing	615,286	728,181
Loans and other obligations	593,333	526,984
Subtotal	1,208,619	1,255,165
Total	**1,790,090**	**1,673,565**

NOTE 20 - ISSUED DEBT INSTRUMENTS AND OTHER FINANCIAL OBLIGATIONS

a) As of December 31, 2015 and 2014, details are as follows:

	As of December 31,	
	2015	**2014**
	MCh$	**MCh$**
Other debentures:		
Public bonds	40,178	41,492
Other local bonds	33,942	29,155
Foreign bonds	672,826	94
Total	**746,946**	**70,741**
Issued debt instruments:		
Letters of credit	33,552	44,049
Current bonds	2,903,143	2,481,030
Subordinated bonds	885,955	773,888
Total	**3,822,650**	**3,298,967**

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

b) As of December 31, 2015 and 2014, the maturities of the current and subordinated bonds are as follows:

	As of December 31, 2015		
	Long term MCh$	Short term MCh$	Total MCh$
By long and short term maturities			
Ordinary bonds	2,759,907	143,236	2,903,143
Subordinated bonds	885,955	-	885,955
Total	**3,645,862**	**143,236**	**3,789,098**

	As of December 31, 2014		
	Long term MCh$	Short term MCh$	Total MCh$
By long and short term maturities			
Ordinary bonds	2,407,668	73,362	2,481,030
Subordinated bonds	773,888	-	773,888
Total	**3,181,556**	**73,362**	**3,254,918**

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

ORDINARY BONDS IN CHILEAN PESOS

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

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

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

ORDINARY BONDS IN FOREIGN CURRENCY – US DÓLAR

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

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

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

ORDINARY BONDS IN FOREING CURRENCY – SWISS FRANCS

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

ORDINARY BONDS IN FOREING CURRENCY – YEN

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

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

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

TOTAL BONDS	**3,789.098**

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

Details of placements of ordinary and subordinated bonds as of December 31, 2014 are as follows:

ORDINARY BONDS IN CHILEAN PESOS

Series	Amount issued Ch$	Amount placed Ch$	Date of issue	Maturity date	Average rate	Balance owed due MCh$	Balance MCh$
SERIE_AG	228,500,000,000	202,953,700,000	01/05/2013	01/05/2018	4.94%	193,072,790,181	193,073
Fair Value Adjustment (Fair value hedge)							627
Subtotal	**228,500,000,000**	**202,953,700,000**				**193,072,790,181**	**193,700**

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

Series	Amount issued UF	Amount placed UF	Date of issue	Maturity date	Average rate	Balance owed due UF	Balance MCh$
SERIE_X	5,000,000	5,000,000	01/06/2007	01/06/2017	3.85%	4,916,780	121,086
SERIE_AB	10,000,000	10,000,000	01/07/2008	01/07/2018	3.67%	8,810,709	216,982
SERIE_AE1	10,000,000	10,000,000	01/08/2011	01/08/2016	3.59%	9,960,783	215,876
SERIE_AE2	10,000,000	10,000,000	01/08/2011	01/08/2021	3.73%	9,468,938	233,192
SERIE_AF1	10,000,000	5,740,000	01/08/2012	01/08/2017	3.51%	5,677,596	133,794
SERIE_AF2	10,000,000	10,000,000	01/08/2012	01/08/2022	3.43%	9,571,503	235,718
SERIE_AI1	15,000,000	-	01/03/2014	01/03/2019	1.50%	-	-
SERIE_AI2	5,000,000	-	01/03/2014	01/03/2024	1.50%	-	-
Fair Value Adjustment (Fair value hedge)	-	-				-	4,485
Subtotal	**75,000,000**	**50,740,000**				**48,406,309**	**1,161,133**

ORDINARY BONDS IN FOREIGN CURRENCY – US DÓLAR

Series	Amount issued USD	Amount placed USD	Date of issue	Maturity date	Average rate	Balance owed due USD	Balance MCh$
USP32133CE16	600,000,000	600,000,000	13/09/2012	13/09/2017	3.54%	600,247,304	364,200
USP32133CG63	500,000,000	500,000,000	11/02/2013	11/02/2023	4.35%	501,622,084	304,359
Fair Value Adjustment (Fair value hedge)	-	-				(8,012,357)	(4,861)
Total	**1,100,000,000**	**1,100,000,000**				**1,093,857,031**	**663,698**

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

ORDINARY BONDS IN FOREING CURRENCY – SWISS FRANCS

Series	Amount issued CHF	Amount placed CHF	Date of issue	Maturity date	Average rate	Balance owed due CHF	Balance MCh$
CH0222435429	200,000,000	200,000,000	26/09/2013	26/09/2016	1.250%	199,644,809	122,591
CH0230446665	120,000,000	120,000,000	23/12/2013	23/12/2015	0.750%	119,472,819	73,362
CH0246788183	150,000,000	150,000,000	26/06/2014	26/06/2019	1.125%	149,466,483	91,779
CH0260296618	150,000,000	150,000,000	25/11/2014	23/11/2018	0.875%	148,739,727	91,333
Fair Value Adjustment (Fair value hedge)						748,692	460
Subtotal	**620,000,000**	**620,000,000**				**618,072,530**	**379,525**

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

ORDINARY BONDS IN FOREING CURRENCY – YEN

Series	Amount issued YEN	Amount placed YEN	Date of issue	Maturity date	Average rate	Balance owed due YEN	Balance MCh$
XS1144348411	4,900,000,000	4,900,000,000	04/12/2014	04/12/2017	0.700%	4,853,122,496	24,655
XS1144348841	10,100,000,000	10,100,000,000	04/12/2014	04/12/2019	0.810%	9,993,873,108	50,771
XS1144350821	1,500,000,000	1,500,000,000	04/12/2014	04/12/2017	0.685%	1,485,669,151	7,548
Subtotal	**16,500,000,000**	**16,500,000,000**				**16,332,664,755**	**82,974**
Total Current Bonds							**2,481,030**

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

Series	Amount issued UF	Amount placed UF	Date of issue	Maturity date	Average rate	Balance owed due UF	Balance MCh$
SERIE_C and D	2,000,000	2,000,000	01/12/1995	01/12/2016	6.92%	366,702	9,031
SERIE_E	1,500,000	1,500,000	01/11/1997	01/11/2018	7.37%	523,021	12,880
SERIE_F	1,200,000	1,200,000	01/05/1999	01/05/2024	7.73%	708,433	17,447
SERIE_G	400,000	400,000	01/05/1999	01/05/2025	7.92%	250,431	6,167
SERIE_L	1,200,000	1,200,000	01/10/2001	01/10/2026	6.39%	850,893	20,955
SERIE_M	1,800,000	1,800,000	01/10/2001	01/10/2027	6.43%	1,311,972	32,310
SERIE_N	1,500,000	1,500,000	01/06/2004	01/06/2029	5.25%	1,165,905	28,713
SERIE_O	1,500,000	1,500,000	01/06/2004	01/06/2030	3.93%	1,151,495	28,358
SERIE_R	1,500,000	1,500,000	01/06/2005	01/06/2038	4.72%	631,225	15,545
SERIE_S	2,000,000	2,000,000	01/12/2005	01/12/2030	4.86%	1,555,379	38,304
SERIE_T	2,000,000	2,000,000	01/12/2005	01/12/2031	4.52%	1,618,513	39,859
SERIE_U	2,000,000	2,000,000	01/06/2007	01/06/2032	4.19%	1,870,483	46,065
SERIE_Y	4,000,000	4,000,000	01/12/2007	01/12/2030	4.25%	2,061,200	50,761
SERIE_W	4,000,000	4,000,000	01/06/2008	01/06/2036	4.05%	1,708,000	42,063
SERIE_AC	6,000,000	6,000,000	01/03/2010	01/03/2040	3.96%	5,503,465	135,536
SERIE_AD 1	4,000,000	4,000,000	01/06/2010	01/06/2040	4.17%	3,535,753	87,075
SERIE_AD 2	3,000,000	3,000,000	01/06/2010	01/06/2042	4.14%	2,641,172	65,044
SERIE_AH	15,000,000	5,000,000	01/09/2013	01/09/2043	4.00%	3,970,218	97,775
Total subordinated bonds	**54,600,000**	**44,600,000**				**31,424,260**	**773,888**
TOTAL BONDS							**3,254,918**

NOTE 21 - PROVISIONS

The provisions established as of December 31, 2015 and 2014 are as follows:

	As of December 31, 2015 MCh$	As of December 31, 2014 MCh$
Provisions for staff benefits and remuneration	39,151	33,851
Provisions for minimum dividends	99,247	102,891
Provisions for contingent credit risk	18,525	17,017
Provisions for contingencies (*)	95,540	82,881
Provisions for country risk	2,669	2,555
Total	**255,132**	**239,195**

(*) Includes additional provisions for MCh$76,754 (MCh$57,754 in 2014) which were constituted according to what is instructed by the SBIF and approved by the Board of Directors of the Bank (see Note 1.x.i and Note 11).

NOTE 21 - PROVISIONS, continuation

Additionally it includes a provision to comply with the minimum of 0.50% required by the SBIF for the normal individual portfolio (see Note 1.x.ii and Note 11). On December 31, 2015, no provision has been established (MCh$1,193 on December 31, 2014).

a) Provisions for staff benefits and remunerations

	As of December 31,	
	2015	**2014**
	MCh$	**MCh$**
Provisions for staff benefits	29,045	25,077
Provisions for vacations	10,106	8,774
Total	**39,151**	**33,851**

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

b) Provisions for contingent loans

The provisions established for contingent loans as of December 31, 2015 and 2014 is as follows:

	As of December 31,	
	2015	**2014**
	MCh$	**MCh$**
Provisions for contingent loans		
Guarantee and deposits	989	761
Confirmed foreign letters of credit	-	1
Documents issued letters of credit	191	136
Guarantees	6,223	5,896
Available credit lines	8,896	9,136
Other credit commitments	2,226	1,087
Total	**18,525**	**17,017**

NOTE 21 - PROVISIONS, continuation

c) Movements of provisions for the years 2015 and 2014 is as follows:

	PROVISIONS FOR					
	Staff benefits and remuneration	**Minimum dividends**	**Contingent credit risk**	**Contingencies**	**Country risk**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Balance as of January 1, 2015	**33,851**	**102,891**	**17,017**	**82,881**	**2,555**	**239,195**
Allocated provisions	22,754	99,247	3,852	22,618	-	148,471
Applied provisions	(17,454)	(102,891)	(2,344)	(9,959)	-	(132,648)
Reversal of provisions	-	-	-	-	114	114
Balance as of December 31, 2015	**39,151**	**99,247**	**18,525**	**95,540**	**2,669**	**255,132**
Balance as of January 1, 2014	**21,633**	**90,088**	**16,408**	**51,842**	**1,388**	**181,359**
Allocated provisions	22,974	102,891	4,274	31,202	1,167	162,508
Applied provisions	(10,756)	(90,088)	(3,665)	(163)	-	(104,672)
Reversal of provisions	-	-	-	-	-	-
Balance as of December 31, 2014	**33,851**	**102,891**	**17,017**	**82,881**	**2,555**	**239,195**

NOTE 22 - OTHER LIABILITIES

As of December 31, 2015 and 2014, the composition of this account is the following:

	As of December 31,	
	2015	**2014**
	MCh$	**MCh$**
Accounts and notes payable	164,933	144,756
Unearned income	24,044	24,940
Sundry creditors	229,208	55,745
Other liabilities	18,959	22,867
Total	**437,144**	**248,308**

NOTE 23 - 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 commitments and business liabilities on off-balance sheet memorandum accounts:

	As of December 31,	
	2015	**2014**
	MCh$	**MCh$**
CONTINGENT RECEIVABLES		
Collateral and guarantees:		
Collateral and guarantees in foreign currency	168,577	174,344
Confirmed foreign letters of credit	458	732
Document issued letters of credit	142,941	136,300
Performance bonds:		
Performance bonds in Chilean currency	779,549	652,126
Performance bonds in foreign currency	218,493	171,744
Immediately available Credit Lines	3,841,174	3,259,567
Other credit commitments:		
Higher education loans Law 20,027	47,398	71,345
Others	197,474	206,525
THIRD PARTY OPERATIONS		
Collections:		
Foreign collections	236,488	213,590
Domestic collections	157,304	143,133
CUSTODY OF SECURITIES		
Securities in custody with the bank	118,065	130,291
Total	**5,907,921**	**5,159,697**

b) Lawsuits and legal proceedings

BCI Bank

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

BCI Corredor de Bolsa S.A.

As of December 31, 2015 BCI Corredora de Bolsa S.A. direct subsidiary, has a bankruptcy revocation demand dated August 8, 2011 in summary proceedings before the Twenty-Third Civil Court of Santiago, N° of ROL-C 10251-2008 between Inversiones Acson Ltda., BCI Corredor de Bolsa S.A. and others. Action seeks to declare the unenforceability of certain operations liquidation performed by Alfa Corredores de Bolsa S.A. before being declared bankrupt for MCh$8,330. On May 26, 2015, the Twenty-Third Civil Court of Santiago delivered a judgment rejecting the action imposed by Acson Investments Limited. That ruling was appealed on June 9, 2015 by Acson Investments Limited, after a review of the case, was entirety rejected by the court on December 2, 2015, in respect for which Inversiones Acson Ltda. filed on December 18 of the same year, an appeal, which favorably passed the first instance procedure by the Court of Appeals of Santiago. There is a low probability of losing the trial. No provisions have been made.

NOTE 23 - CONTINGENCIES AND COMMITMENTS, continuation

c) Operating guarantees:

- Direct commitments

The Bank as of December 31, 2015 has no guarantees for this item.

- Operating guarantees

As of December 31, 2015, the subsidiary BCI Corredor de Bolsa S.A. has contracted guarantees of commitments for simultaneous operations on the Santiago Stock Exchange and Stock Exchange whose valuation amounted to MCh$120,252 (to December 31, 2014 MCh$98,795).

As of December 31, 2015, the subsidiary BCI Corredor de Bolsa S.A. maintains collateral provided for the proper performance of operations in the CCLV settlement system, the Santiago Stock Exchange, and Stock Exchange of MCh$3,594 (to December 31, 2014 MCh$2,497).

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

As of December 31, 2015, the subsidiary BCI Corredor de Bolsa S.A. maintains collateral provided abroad to international market operations of MCh$71 (as of December 31, 2014 MCh$61).

As of December 31, 2015, the subsidiary BCI Corredor de Bolsa SA holds any collateral by lending commitments, short selling shares on the stock whose valuation Electronics Chile amounted to MCh$6,163 (to December 31, 2014 MCh$11,663).

As of December 31, 2015, the direct subsidiary BCI Corredor de Bolsa maintains a performance bond to ensure contract SOMA for MCh$266 (to December 31, 2014 MCh$259).

As of December 31, 2015 the subsidiary BCI Corredor de Bolsa SA maintains constituted an upward UF20,000 guarantee to comply with the provisions of Article No, 30 of Law 18,045, which is to ensure proper and full compliance with all its obligations as securities intermediary and its beneficiaries are creditors, present or future need or come to take account of their operations stockbroker. This warranty applies to a policy taken on August 19, 2015 Nº330-14-00004975 and which is valid until August 19, 2016 the Company Mapfre Insurance and Credit Guarantee, with Santiago Stock Exchange, Stock Exchange the representative of potential beneficiaries creditors.

- Officer fidelity or employee fidelity insurance

As of December 31, 2015, the subsidiary BCI Corredor de Bolsa SA contracted insurance taken with BCI Corredora de Seguros SA, which protects to the Banco de Credito e Inversiones and its subsidiaries under Policy Banking Integral Nº3106568-2 which is valid starting on November 30, 2015 until November 30, 2016, with a UF100,000 of coverage.

NOTE 23 - CONTINGENCIES AND COMMITMENTS, continuation

BCI Corredores de Seguros S.A.

As of December 31, 2015, the subsidiary BCI Corredora de Seguros SA has taken out the following insurance policies to comply with the provisions of paragraph d) of Article No. 58 of Decree-Law No. 251 of 1931, to answer for the correct and complete fulfillment of all obligations under its activity:

Guarantee Policy for Insurance Brokers No, 10027958 for an insured amount of UF500 contracted with Compañía de Seguros Generales Consorcio Nacional de Seguros S.A. which is valid from April 15, 2015 until April 14, 2016, establishing himself as right insurance company against repeating the brokerage itself, all sums paid first had to pay to third parties affected by poor trading brokerage.

- Professional Liability Policy for Insurance Brokers Nº10027960 by an insured amount of UF60,000 with Deductible UF500 contracted with Compañía de Seguros Generales Consorcio Nacional de Seguros S.A., which is valid from April 15, 2015 until April 14, 2016, to protect the broker against any claims by third parties having the right insurance company to request reimbursement of brokerage paid to the third party claimant.

BCI Factoring S.A.

As of December 31, 2015, the subsidiary BCI Factoring SA has approved lines of coverage for operators Factor Chain International for MCh$10,115 (MCh$1,743 in 2014), equivalent to US$14,300,000.00 (US$2,870,000.00 in December of 2014) of which MCh$2,545 (MCh$143 in December of 2014) has been used, equivalent to US$3,598,377.54 (US$235,405.01 in December of 2014).

d) Contingent loans and liabilities

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

The table below shows the contractual amounts of the transactions that require the Bank to grant loans and the amount of the provisions made for the risk of loan losses assumed:

	As of December 31,	
	2015	**2014**
	MCh$	**MCh$**
Sureties and finances	168,577	174,344
Documentary letters of credit	142,941	136,300
Performance bonds	998,042	823,870
Amount available for credit cards users	3,841,174	3,259,567
Provisions	(18,525)	(17,017)
Total	**5,132,209**	**4,377,064**

NOTE 23 - CONTINGENCIES AND COMMITMENTS, continuation

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 December 31,	
	2015	2014
	MCh$	MCh$
Documents in collection	393,792	356,723
Custody of assets	118,065	130,291
Total	**511,857**	**487,014**

f) Lawsuits and legal proceedings and guarantees of main support companies

The business support companies: Sociedad Interbancaria de Depósito de Valroes S.A., Centro de compensación automatizado S.A., Sociedad operadora de la Cámara de Compensación de Pagos de Alto Valor S.A., and Artikos Chile S.A., as of December 31, 2015 and 2014 do not have commitments or contingencies that commit existing assets.

TRANSBANK S.A.

a) Lawsuits

There is no current lawsuits that may significantly affect the financial statements of the Company.

b) Bank guarantees

(i) Bank guarantees provided

The Company has provided guarantees by the customers' requests in the business operation amounting to MCh$164 as of December 31, 2015 (MCh$161 in 2014).

(ii) Bank guarantees received

The Company has received guarantees, totaling MCh$46,542 as of December 31, 2015 (MCh$25,049 in 2014). These documents have been issued by issuers, commercial establishments and suppliers to bail contractual obligations.

c) Other commitments and contingencies

The Company has no other commitments or contingencies that may affect the financial statements.
Nexus S.A.

NOTE 23 - CONTINGENCIES AND COMMITMENTS, continuation

The Company as of December 31, 2015 has the following contingencies and restrictions:

(a) Lawsuits and legal proceedings

As of December 31, 2015, the Company did not register any labor lawsuits; there is one case related to civil matters that had no significant financial impact.

(b) Liability Insurance

As of December 31, 2015 the Company has current liability insurance for Directors and managers approved by the Superintendence of Securities and Insurance (SVS) under POL 1 01 021, covering US$10,000,000. In addition, Professional Liability insurance remains in force (official Fidelity) for Financial Institutions, covering US$10 million.

(c) Operational Assurance

	As of December 31,	
	2015	**2014**
	MCh$	**MCh$**
Bank guarantees received:		
Received in favor of Nexus	370	601
Bank guarantees delivered:		
Promissory note of Nexus taken to ensure contractual services	101	113

Servicios de Infraestructura de Mercado OTC S.A.

As part of the development of Comder project, dated October 13, 2014, the subsidiary signed a contract with Calypso Inc., for the development of new products that will be added to the basic software called Phase II. The total cost that comes from this contract is USD$816,853, including additional tax.

Of the total amount of the contract, there has been the following additional tax payments included:

December 2014	USD 163,371.00
May 2015	USD 163,371.00
November 2015	USD 122,527.94

The balance of this contract will be paid during 2016.

Servipag LTDA.

a) Bank guarantees

Bank guarantees provided

The Company provided guarantee for the lease of branches amounting to MCh$217 to December 31, 2015 (MCh$218 in 2014).

NOTE 23 - CONTINGENCIES AND COMMITMENTS, continuation

Bank guarantees received

The Company has not received guarantees for any concept.

b) Legal contingencies

According to what was defined by legal advisers of the Company, there are no materials legal contingencies to be disclosed in the financial statements at the date on which these were approved.

c) Other commitments and contingencies

There are no other commitments or contingencies that should be presented in the financial statements.

d) Due to Banks

The Company has commitments to its partner banks in custody managed securities and reset values.

NOTE 24 - EQUITY

a) Capital stock and preference shares

Movement of common shares during the years 2015 and 2014 is the following:

	As of December 31	
	2015	**2014**
	N°	**N°**
Issued as of January 1	108,701,164	107,174,450
Issued bonus shares	2,105,835	1,526,714
Total issued	**110,806,999**	**108,701,164**

The Ordinary Shareholders' Meeting as of March 24, 2015 approved distributing the 2014 net profits of MCh$342,972 as follows:

- Distribute a dividend of Ch$1,000 per share for 108,701,164 shares issued and registered in the Register of Shareholders, which amounts to MCh$108,702.

- Allocate the remaining balance of MCh$234,270 to the reserve fund for capitalization.

On March 24, 2015, the Extraordinary Shareholders' Meeting approved, among other things, increasing the capital stock by MCh$234,270 by capitalizing retained earnings.

- Capitalizing the amount of MCh$171,472, without issuing any shares and

- Capitalizing the amount of MCh$62,798 by issuing 2,105,835 paid-in shares.

NOTE 24 - EQUITY, continuation

In accordance with its by-laws, the Bank's capital stock was MCh$1,547,126 divided into 108,701,164 no-par-value shares of the same series. As a result of the capital increase, the capital stock of Banco de Crédito e Inversiones is MCh$1,781,396, and it was divided into 110,806,999 no-par-value shares of the same series.

The aforementioned capital increase was approved by the Superintendence of Banks and Financial Institutions by Resolution No. 297 on June 18, 2015, which was registered on page 45,208, number 26,603 of Trade Register of Real Estate of Santiago, and published in the Official Gazette dated June 30, 2015.

In Extraordinary Shareholders' Meeting held on October 27, 2015, it was approved to revoke the capital increase of MCh$198,876 which had been approved in the Shareholders Extraordinary Meeting on September 26, 2013, that has not been subscribed nor paid.

It was also agreed to increase the share capital by the amount of MCh$309,128 through the issuance of 10,737,300 paid-in shares; that increase shall be subscribed and paid within three years from the date of the aforesaid meeting.

On December 15, 2015, the Superintendence of Banks and Financial Institutions (SBIF), by No. 526 Resolution, approved the amendment introduced to the Banco de Credito e Inversiones by-laws agreed at the Extraordinary Shareholders' Meeting on October 27, 2015, in which the share capital increased to MCh$2,090,524 represented by 123,544,299 registered shares of a series, no par value, to be signed and pay as follows:

- MCh$1,781,396 is the authorized capital of the bank, divided into 110,806,999 registered shares of one series and with no par value, which are fully subscribed and paid, and

- MCh$309,128 with the issue of 10,737,300 cash shares to be subscribed and paid in accordance with what is stated in the transitional article of the statutes within a maximum period of three years from the aforesaid meeting.

NOTE 24 - EQUITY, continuation

b) As of December 31, 2015 and 2014, the shareholders distribution is the following:

As of December, 2015	**Shares**	
	Nº of Shares	**% of Participation**
Empresas Juan Yarur S.P.A.	61,030,794	55.08%
Jorge Yarur Bascuñán	4,682,760	4.23%
Credicorp LTD	4,497,906	4.06%
Sociedad Financiera del Rimac S.A.	3,849,983	3.47%
Banco de Chile por cuenta de terceros no residentes	3,473,278	3.13%
Banco Itaú por cuenta de Inversionistas	3,112,436	2.81%
Bci Corredor de Bolsa S.A. por cuenta de terceros	2,067,074	1.87%
AFP Habitat S.A.	1,977,723	1.78%
AFP Provida S.A.	1,738,324	1.57%
Banco Santander por cuenta de Inversionistas Extranjeros	1,669,093	1.51%
Inversiones Tarascona Corporation Agencia en Chile	1,632,543	1.47%
AFP Capital S.A.	1,474,579	1.33%
AFP Cuprum S.A.	1,410,741	1.27%
Imsa Financiera SPA	1,348,093	1.22%
Inmobiliaria e Inversiones Cerro Sombrero S.A.	1,215,770	1.10%
Yarur Rey Luis Enrique	1,082,348	0.98%
Banchile Corredores de Bolsa S.A.	970,601	0.88%
Larraín Vial S.A. Corredores de Bolsa	831,330	0.75%
Empresas JY S.A.	719,706	0.65%
Inversiones VYR Ltda.	589,702	0.53%
Inmobiliaria e Inversiones Chosica S.A.	483,987	0.44%
Penta Corredores de Bolsa S.A.	472,782	0.43%
Corpbanca Corredores de Bolsa S.A.	400,128	0.36%
Bolsa de Comercio de Santiago Bolsa de Valores	369,893	0.33%
Inversiones Lo Recabarren Ltda.	353,127	0.32%
Otros Accionistas	9,352,298	8.43%
Total subscribed and paid shares	**110.806.999**	**100.00%**

NOTE 24 - EQUITY, continuation

As of December, 2014	**Shares**	
	Nº of Shares	**% of Participation**
Empresas Juan Yarur S.A.C.	59,870,932	55.08
Jorge Yarur Bascuñan	4,593,766	4.23
Inversiones BCP S.A.	4,082,731	3.76
Banco de Chile por cuenta de terceros C.A.	3,964,090	3.65
Sociedad Financiera del Rimac S.A.	3,776,816	3.47
Banco Itau por cuenta de Inversionistas	3,395,662	3.12
AFP Habitat S.A.	2,143,026	1.97
Bci Corredor de Bolsa S.A. por cuenta de terceros	2,059,013	1.89
AFP Provida S.A.	1,920,669	1.77
Banco Santander por cuenta de Inversionistas Extranjeros	1,699,701	1.56
Inversiones Tarascona Corporation Agencia en Chile	1,601,517	1.47
AFP Capital S.A.	1,482,826	1.36
Inversiones Millaray S.A.	1,322,473	1.22
AFP Cuprum S.A.	1,217,065	1.12
Inmobiliaria e Inversiones Cerro Sombrero S.A.	1,192,665	1.10
Yarur Rey Luis Enrique	1,061,778	0.98
Banchile Corredores de Bolsa S.A.	794,900	0.73
Empresas JY S.A.	706,028	0.65
Inversiones VYR Ltda.	578,495	0.53
BainesOehlmann Nelly	503,965	0.46
Inmobiliaria e Inversiones Chosica S.A.	474,789	0.44
Corpbanca Corredores de Bolsa	406,677	0.37
Larrain Vial S.A. Corredores de Bolsa	398,909	0.37
Inversiones Lo Recabarren Limitada	346,416	0.32
BtgPactual Chile S.A. Corredores de Bolsa	336,213	0.31
Other Shareholders	8,770,042	8.07
Total subscribed and paid shares	**108,701,164**	**100.00**

c) Dividends

The following dividends were declared by the Bank during the year ended December 31, 2015 and 2014:

	For the year ended December 31,	
	2015	**2014**
	Ch$	**Ch$**
Ch$ per common share	1,000	1,260

The mandatory dividend provision as of December 31, 2015 was MCh$99.247 (MCh$102,891 in December 31, 2014).

NOTE 24 - EQUITY, continuation

d) For the year ended December 31, 2015 and 2014, the composition of diluted earnings and basic earnings is as follows:

	For the year ended December 31,	
	2015	**2014**
Earnings attributable to the equity holders of the Bank	330,819	342,972
Income available for Shareholders, MCh$	**330,819**	**342,972**
Weighted average number of shares	110,806,999	108,701,164
Basic and diluted earnings per share (Ch$/Share)(*)	**2,986**	**3,155**

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

e) Cumulative translation adjustment

As of December 31, 2015 and 2014, the reconciliation of conversion net differences cumulative as a separate component of shareholders' equity is as follows:

	MCh$
Balance as of January 1, 2014	5,707
Charges of net Exchange differences	9,169
Balance as of December 31, 2014	**14,876**
Balance as of January 1, 2015	14,876
Charges of net Exchange differences	6,990
Balance as of December 31, 2015	**21,866**

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

	Available for share	**Cash flow hedges**
	MCh$	**MCh$**
Accumulated comprehensive income 2013	2,418	(22,024)
Movement transferred to P&L	1,921	126
Market to market of portfolio	4,936	12,438
Accumulated comprehensive income 2014	**9,275**	**(9,460)**
Movement transferred to P&L	2,733	(41)
Market to market of portfolio	(39,389)	(6,366)
Accumulated comprehensive income 2015	**(27,381)**	**(15,867)**

NOTE 24 - EQUITY, continuation

f) Nature and purpose of valuation accounts

- Conversion reserves:

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

- Hedging reserves:

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

- Reserves for fair value:

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

g) Capital requirements

The basic capital as of December 31, 2015 is equivalent to the net amount that should be shown in the Consolidated Financial Statements as Shareholders' equity attributable to equity holders, as indicated in the Compendium of Accounting Regulations. According to General Banking Law, the Bank should maintain a minimum ratio of effective stockholders' equity to consolidated risk-weighted assets of 8%, net of required allowances, and a minimum ratio of net basic capital to consolidated total assets of 3%, net of required allowances. Effective stockholders' equity for these purposes is Capital and reserves or Net capital with the following adjustments: a) the addition of subordinated bonds up to 50% of Net capital base, b) additional provisions as added, c) all goodwill and paid premium are deducted, and d) assets that correspond to investments in non-consolidated subsidiaries.

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

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 24 - EQUITY, continuation

The levels of basic capital and effective shareholders' equity at the closing of the year 2015 and 2014 are the following:

	Consolidated assets		Risk-weighted assets	
	As of December 31,			
	2015	2014	2015	2014
	MCh$	MCh$	MCh$	MCh$
Balance sheets assets (net of provisions)				
Cash and deposits in banks	1,272,552	1,547,758	-	-
Items in course of collection	434,550	940,888	64,343	192,371
Trading portfolio financial assets	1,298,131	1,227,807	164,032	217,554
Investment under agreements to resell	206,105	143,451	206,105	143,451
Derivative financial instruments	1,499,423	2,400,505	1,065,534	755,499
Loans and receivables to banks, net	169,416	328,960	154,412	322,610
Loans and receivables to customers, net	19,770,529	15,430,932	17,983,213	14,110,021
Financial investments available for sale	2,407,882	859,185	1,208,055	346,555
Financial investments held to maturity	708	-	708	-
Investments in other companies	170,103	101,086	170,103	101,086
Intangible assets	175,551	91,030	173,354	91,030
Property, plant and equipment, net	282,556	230,785	282,556	230,785
Current income tax	93,458	65,326	9,346	6,533
Deferred income tax	203,686	74,076	20,369	7,408
Other assets	788,116	426,705	460,849	251,925
Off-balance sheets assets				
Contingent loans	2,802,922	2,443,680	1,681,753	1,466,208
Additions and deductions	58,800	(1,268,328)	(1,516)	-
Total assets	**31,634,488**	**25,043,846**	**23,643,216**	**18,243,036**

	Amount	
	As of December 31,	
	2015	2014
	MCh$	MCh$
Basic capital	2,000,287	1,800,963
Effective shareholder's equity	2,832,980	2,513,953
Consolidated assets	31,634,488	25,043,846
Risk-weighted assets	23,643,216	18,243,036
	Ratio	
	As of December 31,	
Concepts:	**2015**	**2014**
	%	%
Basic capital /Consolidated assets	6.32	7.19
Basic capital / Risk-weighted assets	8.46	9.87
Effective shareholder's equity / Risk-weighted assets	11.98	13.78

NOTE 25 - INCOME AND EXPENSES FROM INTEREST AND INFLATION INDEXATION

a) For the years 2015 and 2014, the composition of income from interest and inflation indexation is the following:

Concept	For the year ended December 31, 2015			For the year ended December 31, 2014		
	Interest	Inflation - Indexation	Total	Interest	Inflation - Indexation	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Repurchase agreements	1,279	2	1,281	1,925	42	1,967
Interbank loans	3,399	-	3,399	2,949	-	2,949
Commercial loans	566,712	137,819	704,531	548,297	177,350	725,647
Mortgage loans	149,371	144,033	293,404	134,494	162,712	297,206
Consumer loans	319,296	1,202	320,498	306,273	2,151	308,424
Investment instruments	43,685	6,623	50,308	33,655	11,836	45,491
Other income (*)	11,732	2,354	14,086	13,124	2,588	15,712
Hedge accounting gain/loss	(42,665)	-	(42,665)	(72,414)	-	(72,414)
Total income from interest and inflation-indexation	**1,052,809**	**292,033**	**1,344,842**	**968,303**	**356,679**	**1,324,982**

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

For the years 2015 and 2014, the detail of the interest charges and adjustments is as follows:

	For the year ended December 31,	
	2015	2014
Concept	MCh$	MCh$
Demand deposits	(7,849)	(5,310)
Repurchase agreements	(12,878)	(15,338)
Time deposits and borrowings	(274,047)	(313,876)
Borrowings from financial institutions	(18,930)	(14,303)
Issued debt instrument	(221,070)	(229,223)
Other financial obligation	(2,196)	(2,162)
Gain /(loss) from accounting hedges	(3,110)	(917)
Other interest and inflation - indexation expenses	(4,256)	24,126
Total expenses from interest and inflation - indexation	**(544,336)**	**(557,003)**

b) For the years ended December 31, 2015 and 2014 the detail of income and expenses related to hedge accounting is as follows:

	For the year ended December 31, 2015			For the year ended December 31, 2014		
	Fee	Inflation - Indexation	Total	Fee	Inflation - Indexation	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Hedge of Assets						
Fair Value Hedge	24,170	2,002	22,168	13,211	-	13,211
Cash Flow Hedge	125,491	190,324	(64,833)	170,775	256,400	(85,625)
Subtotal	**149,661**	**192,326**	**(42,665)**	**183,986**	**256,400**	**(72,414)**
Hedge of Liabilities						
Fair Value Hedge	39,520	43,776	(4,256)	103,248	79,122	24,126
Subtotal	**39,520**	**43,776**	**(4,256)**	**103,248**	**79,122**	**24,126**
Total	**189,181**	**236,102**	**(46,921)**	**287,234**	**335,522**	**(48,288)**

NOTE 26 - INCOME AND EXPENSES FROM FEES

For the years ended December 31, 2015 and 2014, the composition of income and expenses from fees is the following:

	For the year ended December 31,	
	2015	**2014**
	MCh$	**MCh$**
Fee and commission income:		
Commissions for Credit lines and overdrafts	4,107	19,464
Commissions for guarantees and letters of credit	20,311	19,371
Commissions for credit card services	68,210	49,723
Commissions for administration of accounts	36,236	33,714
Commissions for collection service	50,521	44,237
Commissions for securities brokerage	9,197	3,510
Commissions for management of mutual and investment funds	47,544	40,359
Commissions for insurance brokerage	35,504	32,212
Commissions for services provided	23,149	19,561
Other commissions	9,510	8,341
Total fee and commission income	**304,289**	**270,492**
Fee and commission expense:		
Commissions for operations with credit cards	(35,539)	(29,299)
Commissions on securities trading	(16,526)	(13,740)
Other commissions	(17,954)	(15,240)
Total fee and commission expense	**(70,019)**	**(58,279)**

NOTE 27 - TRADING AND INVESTMENT INCOME

For the years ended December 31, 2015 and 2014, the detail of trading and investment income is the following:

	For the year ended December 31,	
	2015	**2014**
	MCh$	**MCh$**
Trading instruments	83,154	107,793
Derivative financial agreements (Note 8)	27,867	16,533
Other instruments at fair value through profit or loss	66	3,527
Sale of investments available for sale (realized gain)	80	12,148
Others	111	(67)
Total	**111,278**	**139,934**

NOTE 28 - FOREIGN EXCHANGE GAINS (LOSSES)

For the years ended December 31, 2015 and 2014 the detail of the foreign exchange gains (losses) is the following:

	For the years ended December 31,	
	2015	**2014**
	MCh$	**MCh$**
Exchange difference		
Gains from Exchange differences	22,448,544	15,960,762
Losses from Exchange differences	(22,609,894)	(16,033,665)
Subtotal	**(161,350)**	**(72,903)**
Foreign currency fluctuation effect for assets and liabilities denominated in foreign currency		
Net results for assets and liabilities in foreign currency	30,874	13,696
Subtotal	**30,874**	**13,696**
Hedge Accounting Result		
Asset Hedge Result	73,522	10,554
Liabilities Hedge Result	37,576	9,927
Subtotal	**111,098**	**20,481**
Total	**(19,378)**	**(38,726)**

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

NOTE 29 - PROVISIONS FOR CREDIT RISK AND IMPAIRMENT

The movement recorded for the years ended December 31, 2015 and 2014, for provisions and impairment is the following:

Year ended December 31, 2015	Interbank loans	Loans and receivables to customers: 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	305	84,086	-	-	2,719	-	-	87,110
Collective provisions	-	60,787	2,872	118,046	184	19,000	-	200,889
Total provisions	**305**	**144,873**	**2,872**	**118,046**	**2,903**	**19,000**	**-**	**287,999**
Charge of impairment								
Individual impairment	-	-	-	-	-	-	-	-
Collective impairment	-	-	-	-	-	-	-	-
Net Income for impairment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reversal of provisions:								
Individual provisions	(825)	(26,695)	-	-	(927)	-	(7,688)	(36,135)
Collective provisions	-	(10,283)	-	(335)	(1,417)	-	-	(12,035)
Total reversal of provisions	**(825)**	**(36,978)**	**-**	**(335)**	**(2,344)**	**-**	**(7,688)**	**(48,170)**
Recovery of written-off assets	-	(24,076)	(2,475)	(24,072)	-	-	-	(50,623)
Reversal for impairment	-	-	-	-	-	-	-	-
Net provisions for credit risk	**(520)**	**83,819**	**397**	**93,639**	**559**	**19,000**	**(7,688)**	**189,206**

NOTE 29 - PROVISIONS FOR CREDIT RISK AND IMPAIRMENT, continuation

Year ended December 31, 2014	Interbank loans	Loans and receivables to customers: 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	723	59,071	-	-	2,087	-	7,323	69,204
Collective provisions	-	51,503	2,465	124,744	2,187	22,500	-	203,399
Total provisions	**723**	**110,574**	**2,465**	**124,744**	**4,274**	**22,500**	**7,323**	**272,603**
Charge of impairment								
Individual impairment	-	-	-	-	-	-	-	-
Collective impairment	-	-	-	-	-	-	-	-
Net Income for impairment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reversal of provisions:								
Individual provisions	(197)	(16,818)	-	-	(816)	-	-	(17,831)
Collective provisions	-	(1,472)	-	(15,269)	(2,877)	-	-	(19,618)
Total reversal of provisions	**(197)**	**(18,290)**	**-**	**(15,269)**	**(3,693)**	**-**	**-**	**(37,449)**
Recovery of written-off assets	-	(11,771)	(2,327)	(25,746)	-	-	-	(39,844)
Reversal for impairment	-	-	-	-	-	-	-	-
Net provisions for credit risk	**526**	**80,513**	**138**	**83,729**	**581**	**22,500**	**7,323**	**195,310**

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

NOTE 30 - PERSONNEL SALARIES AND EXPENSES

The composition of personnel salaries and expenses for the years ended December 31, 2015 and 2014 is the following:

	For the year ended December 31,	
	2015	2014
	MCh$	MCh$
Staff remunerations	146,554	128,542
Bonuses or awards	127,022	119,388
Severance payments	8,172	9,857
Training expenses	3,708	3,244
Other staff expenses	19,155	15,615
Total	**304,611**	**276,646**

NOTE 31 - ADMINISTRATIVE EXPENSES

For the years ended December 31, 2015 and 2014, the composition of this account is the following:

	For the year ended December 31,	
	2015	2014
	MCh$	MCh$
General administrative expenses		
Maintenance and repairs of the bank's property, plant and equipment	9,339	8,514
Office rental	23,707	22,811
Equipment rental	386	523
Insurance premiums	5,032	3,928
Office materials	5,197	4,872
Computer and communications expenses	28,205	24,590
Lighting, heating and other services	6,231	5,655
Security and custody transportation services	11,641	10,480
Travel expenses	4,527	3,964
Judicial and notarial expenses	2,784	2,695
Fees for technical reports	4,591	3,701
Cleaning services	4,298	4,303
Consulting	17,699	9,173
Postal-related expenses	1,646	1,662
Other general administrative expenses	18,939	15,964
Sub-contracted services		
Data processing	5,481	5,090
Sale of products	-	1
Credit evaluation	10	-
Other	6,521	6,085
Board of Directors expenses		
Board of Directors remuneration	2,928	2,912
Other Board of Directors expenses	132	83
Publicity and advertising	20,500	18,378
Taxes, property taxes and contributions		
Real estate contributions	1,317	1,123
Licenses	1,491	1,379
Other taxes	804	379
Contribution to SBIF	6,036	5,483
Total	**189,442**	**163,748**

NOTE 32 - DEPRECIATION, AMORTIZATION AND IMPAIRMENT

a) For the years ended December 31, 2015 and 2014, the values corresponding to position in income for income depreciation and amortization at each year are detailed bellow:

	For the year ended December 31,	
	2015	**2014**
	MCh$	**MCh$**
Depreciation and amortization		
Depreciation of property, plant and equipment	(22,512)	(22,498)
Amortization of intangible assets	(20,938)	(18,362)
Total	**(43,450)**	**(40,860)**

b) For the years ended December 31, 2015 and 2014, the Bank recognized impairment as follows:

	For the year ended December 31,	
	2015	**2014**
	MCh$	**MCh$**
Impairment		
Property, plant and equipment (1)	(1,896)	(84)
Intangible asset	(5,000)	-
Total	**(6,896)**	**(84)**

(1) As of December 31, 2015 and 2014 the Property, plant and equipment impairment of MCh$1,896 and MCh$84, corresponds to the balance of gross property, plant and equipment less accumulated depreciation.

c) The reconciliation between the balances as of January 1, 2015 and 2014 and the balances as of December 31, 2015 and 2014 for accumulated depreciation, amortization and impairment are as follows:

	Depreciation, amortization and impairment					
	For the year ended December 31, 2015			For the year ended December 31, 2014		
	Property, plant and equipment	Intangible assets	Total	Property, plant and equipment	Intangible assets	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balance as of January 1	**159,263**	**144,443**	**303,706**	**126,955**	**125,030**	**251,985**
Charges for depreciation and amortization	22,512	20,938	43,450	22,498	18,362	40,860
Others	(7,354)	116	(7,238)	9,810	1,051	10,861
Balance as of December 31	**174,421**	**165,497**	**339,918**	**159,263**	**144,443**	**303,706**

NOTE 33 - OTHER OPERATING INCOME AND EXPENSES

a) Other operating income

For the years ended December 31, 2015 and 2014 the composition of operating income is the following:

	For the year ended December 31,	
	2015	**2014**
Concept	**MCh$**	**MCh$**
Income from assets received in lieu of payment		
Gain on sale of assets received in **lieu of** payment	4,224	5,354
Other income	479	-
Subtotal	4,703	5,354
Release of provisions for contingencies		
Provisions for country risk	274	-
Other provisions for contingencies	2,851	-
Subtotal	3,125	-
Other income		
Gains on sale of property, plant and equipment	600	241
Insurance claims	1,330	870
Leasing income	3,446	5,090
Other income	18,166	19,332
Subtotal	23,542	25,533
Total	**31,370**	**30,887**

b) Other operating expenses

During the years 2015 and 2014, the composition of operating expenses is the following:

	For the year ended December 31,	
	2015	**2014**
Concept	**MCh$**	**MCh$**
Provisions and expenses for assets received in lieu of payment		
Provisions for assets received in lieu of payment	219	-
Write-offs of assets received in lieu of payment	2,398	2,847
Maintenance expenses for assets received in lieu of payment	1,051	226
Subtotal	3,668	3,073
Establishment of provisions for contingencies		
Provisions for country risk	-	893
Other provisions for contingencies	11,257	5,207
Subtotal	11,257	6,100
Other expenses		
Loss on sale of property, plant and equipment	340	1,103
Contributions and donations	2,202	3,694
Write-offs of judicial and notary expenses	3,455	2,515
Leasing expenses	4,934	7,478
Non-operating write-offs	7,209	4,070
Agreement expenses	780	960
Other expenses	3,379	2,776
Subtotal	22,299	22,596
Total	**37,224**	**31,769**

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES

a) Loans granted to related parties

Loans granted to related parties are as follows:

	As of December 31, 2015			As of December 31, 2014		
	Operating companies	Holding companies	Individuals	Operating companies	Holding companies	Individuals
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Loans and receivables to customers						
Commercial loans	110,050	43,093	10,951	151,745	70,185	8,636
Mortgage loans	-	-	26,937	-	-	24,639
Customer loans	-	-	4,198	-	-	3,673
Loans and receivables to customers-gross	**110,050**	**43,093**	**42,086**	**151,745**	**70,185**	**36,948**
Provisions for loan losses	(275)	(68)	(33)	(340)	(112)	(24)
Loans and receivables to customers, net	**109,775**	**43,025**	**42,053**	**151,405**	**70,073**	**36,924**
Contingent loans	131,244	16,994	10,650	66,307	14,507	9,313
Provisions for contingent loans	(147)	(55)	(5)	(86)	(15)	(9)
Contingent loans, net	**131,097**	**16,939**	**10,645**	**66,221**	**14,492**	**9,304**

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, continuation

b) Other transactions with related parties

During the years ended December 31, 2015 and 2014, the Bank has undertaken the following transactions with related parties:

Year ended December 31, 2015 Company	Relationship with the Group	Description	Balance assets	Effect on statement of income Expense	Income
			MCh$	MCh$	MCh$
Archivos Credenciales e Impresos Archivert Ltda.	Other	Cards manufacturing	207	207	-
Artikos Chile S.A.	Joint Venture	Acquisitions services	837	800	-
Bolsa de Comercio de Santiago	Other	Rental terminals	162	162	-
BCI Seguros de Vida S.A.	Common Control	Service revenue and channel usage	5,370	-	5,370
		Marketing	1,194	-	1,194
		Premiums Payment	182	158	-
		Time Deposit Financial Instrument	6,874	2	-
		Brokerage Fees BCI CCSS(*)	16,392	-	16,392
		Brokerage Awards BCI CCSS(*)	-	-	-
BCI Seguros Generales S.A.	Common Control	Commission for collection and PAC	785	-	660
		Channel Usage	533	-	448
		Casualties	1,627	-	1,627
		Time Deposits Financial Instruments	153	-	-
		Brokerage Fees BCI CCSS(*)	15,984	-	15,984
		Brokerage Awards BCI CCSS(*)	2,172	-	2,172
Centro de Compensación Automatizado S.A.	Other	Electronic Banking Transactions	996	862	-
Combanc S.A.	Associate	Compensation and high value payment	362	362	-
Comder Contraparte Central S.A.	Associate	Clearing House of Derivatives	431	431	-
Conexxion Spa	Other	Service mail	402	393	-
Depósitos Central de Valores S.A.	Associate	Financial Instruments Custody	294	294	-
Diseño y Desarrollo Computacional Ltda.	Other	Development and maintenance applications (Notes)	689	508	-
GTD Teleductos S.A.	Other	Communications Service	468	468	-
Imagemaker IT S.A.	Other	Multipass Devices Purchase	572	535	-
Imagemaker S.A.	Other	Development and application solution	881	656	-
Jordan (Chile) S.A.	Common Control	Printing Forms	2,816	2,315	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Associate	Card Processing	6,609	6,030	-
PB Soluciones Ltda.	Other	ATMs Installation and Cleaning Service	267	202	-
Redbanc S.A.	Associate	ATMs Operation	5,999	5,098	-
Salcobrand S.A.	Common Control	Rent of places for ATMs	313	248	-
Santo Producciones Ltda.	Other	Events Production	200	183	-
Servicios de Información avanzada S.A.	Other	Trade Information Service	831	802	-
Servipag Ltda.	Joint Venture	Collection and Payment Services	8,804	7,437	-
Sistema Nacional de Com. Financieras S.A. (Sinacofi)	Other	Financial Information Service	449	401	-
Transbank S.A.	Associate	Credit Card Management	41,568	9,508	32,060

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, continuation

Year ended December 31, 2015 Company	Relationship with the Group	Description	Balance assets	Effect on statement of income Expense	Income
			MCh$	MCh$	MCh$
Archivos Credenciales e Impresos Archivert Ltda.	Other	Cards manufacturing	282	282	-
Artikos Chile S.A.	Joint Venture	Acquisitions services	691	691	-
Bolsa de Comercio de Santiago	Other	Rental terminals	144	144	-
BCI Seguros de Vida S.A.	Common Control	Service revenue and channel usage	5,464	-	5,464
		Time Deposits Financial Instruments	1,428	28	-
		Premiums Payment	229	175	-
		Brokerage Fees BCI CCSS(*)	17,754	-	17,754
		Brokerage Awards BCI CCSS(*)	2,803	-	2,803
BCI Seguros Generales S.A.	Common Control	Commission for collection and PAC	795	-	668
		Casualties	895	-	895
		Time Deposits Financial Instruments	1,725	34	-
		Brokerage Fees BCI CCSS(*)	13,574	-	13,574
		Brokerage Awards BCI CCSS(*)	1,368	-	1,368
Centro de Compensación Automatizado S.A.	Other	Electronic Banking Transactions	655	655	-
Combanc S.A.	Associate	Compensation and high value payment	315	315	-
Comder Contraparte Central S.A.	Associate	Clearing House of Derivatives	-	-	
Conexxion Spa	Other	Service mail	343	343	-
Depósitos Central de Valores S.A.	Associate	Financial Instruments Custody	202	202	-
Diseño y Desarrollo Computacional Ltda.	Other	Development and maintenance applications (Notes)	838	643	-
GTD Teleductos S.A.	Other	Communications Service	469	469	-
Imagemaker IT S.A.	Other	Multipass Devices Purchase	1,144	417	-
Imagemaker S.A.	Other	Development and application solution	1,016	350	-
Jordan (Chile) S.A.	Common Control	Printing Forms	1,963	1,963	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Associate	Card Processing	6,126	6,126	-
PB Soluciones Ltda.	Other	ATMs Installation and Cleaning Service	300	300	-
Redbanc S.A.	Associate	ATMs Operation	4,758	4,758	-
Salcobrand S.A.	Common Control	Rent of places for ATMs	224	224	-
Santo Producciones Ltda.	Other	Events Production	304	304	-
Servicios de Información avanzada S.A.	Other	Trade Information Service	952	952	-
Servipag Ltda.	Joint Venture	Collection and Payment Services	7,757	7,757	-
Sistema Nacional de Com. Financieras S.A. (Sinacofi)	Other	Financial Information Service	381	381	-
Transbank S.A.	Associate	Credit Card Management	36,320	8,291	28,029

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

(*) Subsidiary of BCI Corredores de Seguros S.A.

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, continuation

c) Other assets and liabilities with related parties

	As of December 31,	
	2015	**2014**
	MCh$	**MCh$**
ASSETS		
Financial derivative agreements	-	-
Other assets	-	-
LIABILITIES		
Derivatives contract	-	-
Demand deposits	82,471	63,469
Time deposits and other saving accounts	95,397	107,513
Other liabilities	-	-

d) Related parties income/expense recognized:

		For the year ended December 31,			
		2015		**2014**	
Type of income or expense recognized	**Entity**	**Income**	**Expense**	**Income**	**Expense**
		MCh$	**MCh$**	**MCh$**	**MCh$**
Income and expenses (net)	Sundry	10,689	(1,094)	14,028	(1,955)
Operational support expenses	Companies supporting the line of business	75,907	(38,062)	70,555	(35,804)
Total		**86,596**	**(39,156)**	**84,583**	**(37,759)**

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

Compensation earned by key personnel corresponds to the following categories:

	For the year ended December 31,	
	2015	**2014**
	MCh$	**MCh$**
Short-term remunerations for employees (*)	10,100	8,022
Severance indemnities for termination of contract	587	337
Total	**10,687**	**8,359**

(*) For the years ended December 31, 2015, total expenses corresponding to the Board of Directors and their counterparts at subsidiaries amounted to MCh$3,060 (MCh$2,995 for 2014).

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, continuation

f) Composition of key personnel

As of December 31, 2015 and 2014, the composition of the key personnel of the Bank and its subsidiaries is as follows:

Position	N° of executives
Director	13
General manager	14
Division and Area Manager	24
Total	**51**

g) Transactions with key management personnel

For the years ended December 31, 2015 and 2014, the Bank has undertaken the following transactions with key personnel, as specified in detail below:

	For the year ended December 31,					
	2015			2014		
	Balance owed	Total remuneration	Income of key executives	Balance owed	Total remuneration	Income of key executives
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Credit Card and other services	1,572	1,051,438	13	1,352	1,027,776	18
Mortgage loans	1,650	293,404	86	912	297,206	88
Guarantees	1,982	-	-	924	-	-
Total	**5,204**	**1,344,842**	**99**	**3,188**	**1,324,982**	**106**

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, continuation

As of December 31, 2015, the Bank has the following contracts:

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

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, continuation

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

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, continuation

No.	Related company	The service involved	Concept	Description of the Contract	Term	Condition
18	Imagemaker S.A.	Software Development, Maintenance and Support Internet and Mobile Applications.	Technological Developments.	Software Development, Maintenance and Support Internet and Mobile Applications.	Indefinite	Automatic renewal every year.
19	PB Soluciones Ltda.	Cleaning and electrical maintenance of ATM enclosure in public places.	Cleaning and maintenance of ATM	Cleaning and electrical maintenance of ATM enclosure in public places.	Indefinite	Automatic renewal every 3 years.
20	Salcobrand S.A.	Lease of ATM’s site (affordable).	Lease of ATM’s site.	Lease of ATM’s site (affordable).	Indefinite	Automatic renewal every year.
21	Santo Producciones Ltda.	Events Production.	Events.	Events Production.	Indefinite	Automatic renewal.
22	Servicios de Información avanzada S.A.	Bureau Service: financial and business people information.	Financial and business information.	Bureau Service: financial and business people information.	Indefinite	Automatic renewal every year.
23	Sistema Nacional de Compensación Financieras S.A. (Sinacofi)	Electronic Messaging Service: secure information exchange. Clearing Service: Corresponds to the electronic exchange.	Financial and business information.	Electronic Messaging Service: secure information exchange. Clearing Service: Corresponds to the electronic exchange.	Indefinite	Automatic renewal.
24	ComDer Contraparte Central S.A.	Operating systems clearing and settlement of Financial Instruments.	Clearing house of Derivatives	Clearing and Settlement as Central counterparty mode of Financial Instruments	Indefinite	Automatic renewal.

NOTE 35 - ASSETS AND LIABILITIES AT FAIR VALUE

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

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

	As of December 31, 2015		As of December 31, 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
	MCh$	MCh$	MCh$	MCh$
Assets				
Cash and deposits in banks	1,272,552	1,272,552	1,547,758	1,547,758
Items in course of collection	434,550	434,550	940,888	940,888
Trading portfolio financial assets	1,298,131	1,298,131	1,227,807	1,227,807
Investments under agreements to resell	206,105	206,105	143,451	143,451
Derivative financial agreements	1,499,423	1,499,423	2,400,505	2,400,505
Loans and receivables to banks, net	169,416	169,416	328,960	328,960
Loans and receivables to customers, net	19,770,529	23,310,617	15,430,932	16,352,005
Commercial loans	12,994,394	14,325,693	10,232,258	10,232,258
Mortgage loans	4,462,499	5,779,691	3,302,280	3,908,314
Consumer loans	2,313,636	3,205,233	1,896,394	2,357,473
Financial investments available for sale	2,407,882	2,407,882	859,185	859,185
Financial investments held to maturity	708	708	-	-
TOTAL ASSETS	**27,059,296**	**30,599,384**	**22,879,486**	**23,946,599**
Liabilities				
Current accounts and demand deposits	8,047,288	8,096,390	4,592,440	4,566,539
Items in course of collection	255,800	255,800	725,573	725,573
Obligations under agreements to repurchase	449,128	449,128	407,531	407,531
Time deposits and savings accounts	9,301,896	9,479,252	8,228,609	8,412,438
Derivative financial agreements	1,535,191	1,535,191	2,448,134	2,448,134
Borrowings from financial institutions	1,790,090	1,790,179	1,673,565	1,673,565
Debt issued	3,822,650	4,343,151	3,298,967	3,786,752
Other financial obligations	746,946	746,946	70,741	70,741
TOTAL LIABILITIES	**25,948,989**	**26,696,037**	**21,445,560**	**22,091,273**

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 receivables to customers

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

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

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

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

NOTE 35 - ASSETS AND LIABILITIES AT FAIR VALUE, continuation

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

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

Deposits and other borrowings

The estimated fair value of demand accounts and deposits without an established term, including non-interest bearing accounts, is the amount payable when the customer demands it. The redeemed cost of these deposits is a reasonable approximation of their fair value.

The fair value of time deposits has been estimated on the basis of discounted future cash flows based on interest-rate structures adjusted from transactions observed at the valuation date.

Interbank borrowings

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

Issued debt instruments

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

Fixed Income Securities and Derivatives

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

Other balance sheet accounts

For other balance sheet accounts the carrying amount was used, because they are items with very short-term flows and therefore their discounted value have no material differences with carrying amount.

b) Financial instruments measured at fair value

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

NOTE 35 - ASSETS AND LIABILITIES AT FAIR VALUE, continuation

c) Hierarchy used for determining the fair value

The regulation distinguishes among different hierarchies of inputs used for the valuation techniques, discriminating between "observable" or "unobservable" inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the assumptions of the Bank and subsidiaries in relation to market behavior. The following hierarchy has been created based on these types of input:

Level 1 – Quoted values on active markets for assets and liabilities identical to those being valued. This level includes the debt instruments (whether fixed or variable income), equity instruments, and financial derivative instruments traded on domestic or international stock markets.

Level 2 – Other Inputs observable directly (like prices) or indirectly (price derivative) for assets and liabilities, which are not quoted values included in Level 1. Prices may require interpolation among a price structure (Ex. derivative instruments belong to this level). The same occurs with bonds assessed using a valuation technique like interpolation or matrix pricing, based on observable inputs.

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

This hierarchy requires that when observable market data exists, it should be used. The Bank and its subsidiaries consider the relevant observable market data in their valuations whenever it is possible.

Financial assets and liabilities classified by valuation levels

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

NOTE 35 - ASSETS AND LIABILITIES AT FAIR VALUE, continuation

	Level 1		Level 2		Level 3		Total	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Financial Assets								
Trading investments								
Of the Government and Central Bank of Chile	903,976	790,025	-	-	-	-	903,976	790,025
Other National Institutions	352,971	375,414	-	-	-	-	352,971	375,414
Foreign Institutions	158	13	-	-	-	-	158	13
Investments in mutual funds	41,026	62,355	-	-	-	-	41,026	62,355
Subtotal	1,298,131	1,227,807	-	-	-	-	1,298,131	1,227,807
Trading derivative contracts								
Forwards	-	-	240,951	183,565	-	-	240,951	183,565
Swaps	-	-	1,002,210	802,994	31,043	31,925	1,033,253	834,919
Call options	-	-	4,889	5,757	-	-	4,889	5,757
Put options	-	-	2,519	1,945	-	-	2,519	1,945
Futures	-	-	50	50	-	-	50	50
Subtotal	-	-	1,250,619	994,311	31,043	31,925	1,281,662	1,026,236
Derivative Contracts Hedging								
Forwards	-	-	16,541	24,708	-	-	16,541	24,708
Fair value hedges (Swap)	-	-	87,160	31,607	-	-	87,160	31,607
Cash flow hedges (Swap)	-	-	125,002	1,328,696	-	-	125,002	1,328,696
Subtotal	-	-	228,703	1,385,011	-	-	228,703	1,385,011
Investment securities available for sale							-	-
Of the Government and Central Bank of Chile	627,419	385,522	-	-	-	-	627,419	385,522
Other National Institutions	148,568	211,728	-	-	-	-	148,568	211,728
Foreign Institutions	1,631,895	261,935	-	-	-	-	1,631,895	261,935
Subtotal	2,407,882	859,185	-	-	-	-	2,407,882	859,185
Total Financial Assets	**3,706,013**	**2,086,992**	**1,479,322**	**2,379,322**	**31,043**	**31,925**	**5,216,378**	**4,498,239**
Financial liabilities								
Trading derivative contracts								
Forwards	-	-	239,325	197,565	-	-	239,325	197,565
Swaps	-	-	1,057,366	780,652	-	-	1,057,366	780,652
Call options	-	-	6,089	1,419	-	-	6,089	1,419
Put options	-	-	2,341	1,287	-	-	2,341	1,287
Futures	-	-	-	99	-	-	-	99
Subtotal	-	-	1,305,121	981,022	-	-	1,305,121	981,022
Derivative Contracts Hedging								
Forwards	-	-	22,001	17,217	-	-	22,001	17,217
Fair value hedges (Swap)	-	-	76,167	79,763	-	-	76,167	79,763
Cash flow hedges (Swap)	-	-	131,902	1,370,132	-	-	131,902	1,370,132
Subtotal	-	-	230,070	1,467,112	-	-	230,070	1,467,112
Total Financial Liabilities	**-**	**-**	**1,535,191**	**2,448,134**	**-**	**-**	**1,535,191**	**2,448,134**

The above values do not include adjustments for CVA and Bid Offer, both entries at the end of December 31, 2015 amounted MCh$10,942 (MCh$10,742 for 2014).

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 2015 period.

Reconciliation of movements of valuation in level 3

As of December 31, 2015 the Consolidated Statement of Financial Position has assets valued as level 3 which relate to Swap TAB contracts for which there are no market observable inputs.

d) Valuation of La Polar Bonds

As of December 31, 2015, the Bank has applied valuation techniques to determine the fair value of the financial instruments "BLAPO-F" and "BLAPO-G," This enhancement builds on the IRR of the last transaction of the existing market between the closing date of the Consolidated Financial Statements and the date of redemption of the financial instrument.

NOTE 36 - RISK MANAGEMENT

1. Introduction

The Bank business activities involve identifying, evaluating, accepting and managing different kinds of risk or combinations of them. The main categories of risk to which the corporation is exposed are credit, liquidity, market, operations, legal and reputation risks.

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

In relation to financial risks, the organizational structure is designed to manage these risks efficiently, transparently and timely. It is formed by strategic units composed by the Board of Directors, the Executive Committee, the Finances and Risk Committee, and the Asset and Liabilities Committee (“ALCO”). These are divided into operative units such as the Corporate Risk Management, Trading and Institutional, and Distribution and Corporate areas, parts of the Investment and Finance Banking division. The flow of this information is processed and analyzed by various support units such as Accounting, Middle and Back Office, Management and Process Control and Computers and Systems.

The senior strategic unit is the Board of Director., Its main responsibilities regarding financial risk management are establishing adequate policies and levels of risk, establishing exposure limits, the monitoring of risks, and ensuring best practices through the permanent evaluation of the actions of the Finances and Investment Banking and the Corporate Risk Management areas. The Board of Directors delegates, to the Executive Committee and the Finances and Risk Committee, the supervision and support to carry out the Bank’s strategic objectives in their interactions with corporate Management.

The Finances and Risk Committee also analyzes in detail the strategies and models associated with the treasury function, both in the trading portfolio and the Bank’s books, and the performance and risks associated with such strategies.

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

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

NOTE 36 - RISK MANAGEMENT, continuation

Financial Risk Management has the role of evaluating and controlling the Bank's exposure to market risk, both on or off the 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 corporation’s policy and liquidity management models seek to guarantee, even in the case of unexpected events, the Bank’s adequate capacity to meet its short-term obligations satisfactorily. Additionally, the Bank has continuously monitored the impact of recent events on the financial markets, introducing more conservative assumptions when they are justified.

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

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

NOTE 36 - RISK MANAGEMENT, continuation

The Corporation has internally set explicit minimum limits for the liquidity level, parallel to the limits of Technical Reserve, which are periodically subject to simulations of stress financing for balances of current accounts and deposits, which are the Bank’s main sources of liquidity. This is performed using a periodic evaluation framework of the additional needs of financing due to events of tight liquidity, together with the monitoring of the market. In this way, the periodic generation, projection, evaluation, and analysis of liquidity stress scenarios facilitate the anticipation of future difficulties and the agile and reliable execution of preventive actions before unfavorable scenarios.

At the regulatory level, liquidity is measured and reported to the SBIF through the standardized liquidity position report. According to bank regulations, the Bank has been authorized to use an adjusted liquidity model, generating procedures and models that allow an evaluation of future income and liabilities that affect the Bank's liquidity position, keeping in control the internal and external limits that the regulatory purposes, especially for mismatches between assets and liabilities at 30 and 90 days.

The Bank has set strict limits, forcing itself to maintain a large amount of liquid assets on its Consolidated Statements of Financial Position which, in the event of any unexpected requirement, can maintain liquidity through repurchase agreements with the Central Bank of Chile. The counter-cyclical nature of this liquidity reserve is adjusted to the spirit of the latest recommendations proposed by Basel.

In the measurement of liquidity, both internal and regulatory, a reasonable level of liquidity was observed in line with the Bank’s policies. Even in the moments of highest uncertainty due to the global financial crisis, there were no events indicative of a loss of confidence of the people, nor mass removal of accounts or deposits by customers, confirming the confidence of the people towards the Chilean banking system in general.

NOTE 36 - RISK MANAGEMENT, continuation

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

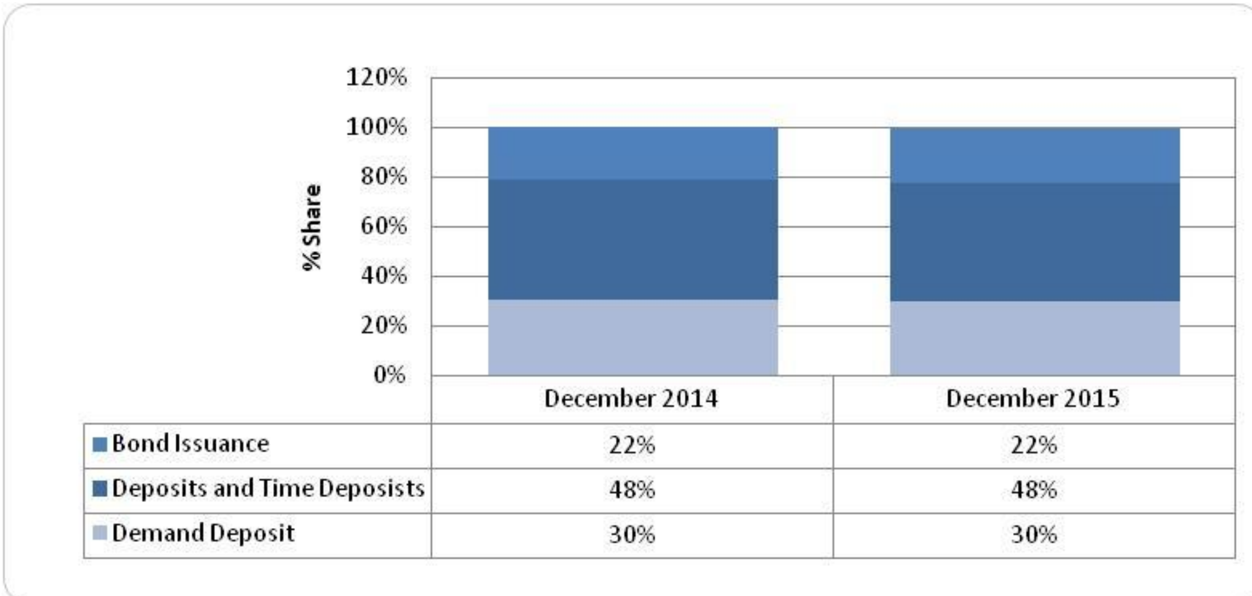
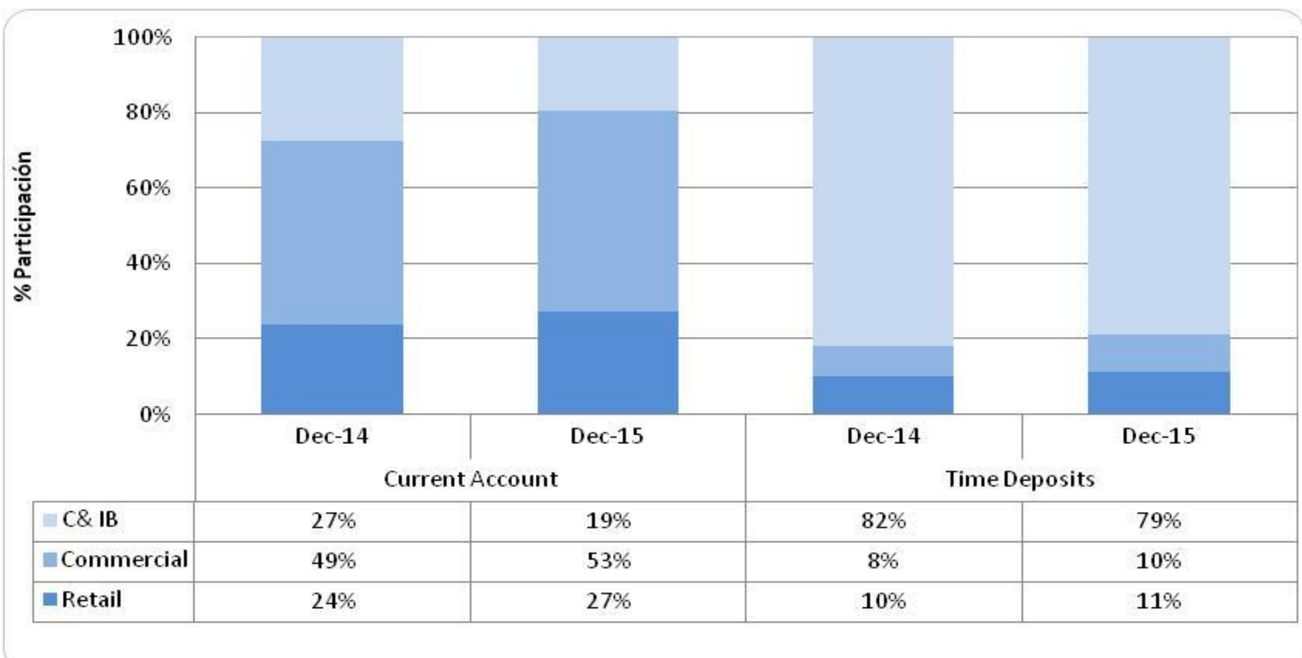


Fig. 2. Diversification; liquidity sources by segment,
2014 and 2015 year end (%)



NOTE 36 - RISK MANAGEMENT, continuation

a. Year 2015 Variations

The rates of short-term mismatch remained bounded, keeping a certain amount of slack with respect to regulatory limits given the capital base measured at 30 days and two times capital (for measurement at 90 days).

Fig. 3. Liquidity Ratios
Years 2015 and 2014 (maximum = 1)

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

	Year 2015				Year 2014			
	Average	Maximum	Minimum	Closure	Average	Maximum	Minimum	Closure
Mismatch 30 days	18.6%	85.9%	(24.5%)	85.9%	20.6%	52.5%	(34.7%)	26.7%
Mismatch 90 days (*)	44.6%	68.6%	28.3%	68.6%	47.7%	64.8%	29.9%	44.2%

(*) measurement in relation to 2 times basic capita

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

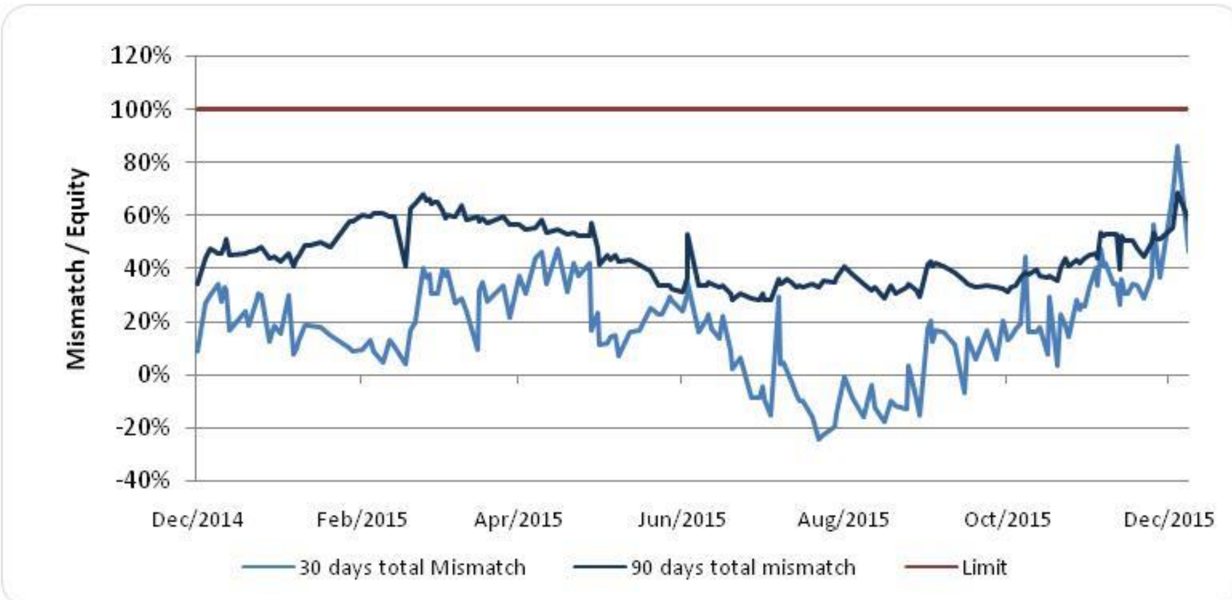
	Year 2015				Year 2014			
	Average	Maximum	Minimum	Closure	Average	Maximum	Minimum	Closure
Mismatch 30 days	15.3%	66.2%	(23.6%)	66.2%	19.6%	64.5%	(19.4%)	23.2%

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

	Year 2015				Year 2014			
	Average	Maximum	Minimum	Closure	Average	Maximum	Minimum	Closure
Mismatch 30 days	3.3%	27.9%	(35.5%)	19.8%	1.0%	29.5%	(27.4%)	3.5%

NOTE 36 - RISK MANAGEMENT, continuation

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



3. Market risk

Market risk is the risk inherent in the price variations of financial assets.

Variations in interest rates, the exchange rate, commodities and shares prices, credit spreads, volatility, etc., constitute a risk known as market risk. This is expressed in the possibility of incurring losses that will be translated to the statements of income or the balance sheet depending on the type of financial instrument and its respective accounting treatment.

BCI manages its exposure to market risk between trading portfolios and portfolios available for sale or held-to-maturity. Trading portfolios include positions coming from sales to corporate and institutional clients, positions coming from market making business, and hedge or trading positions. The available for sale and held to maturity portfolios hold positions mainly related to interest rate management associated with personal and commercial banking loans, in addition to a portfolio of financial investments. These portfolios have less rotation and their change in fair value does not affect the Consolidated Income Statement of the year until maturity. At present, the Bank has no instruments classified as held-to-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 counterpart.

NOTE 36 - RISK MANAGEMENT, continuation

a) Top holdings

The main Consolidation Statements of Financial Position as of December 31, 2015 are listed by time maturity band or repricing and their comparison to the year 2014.

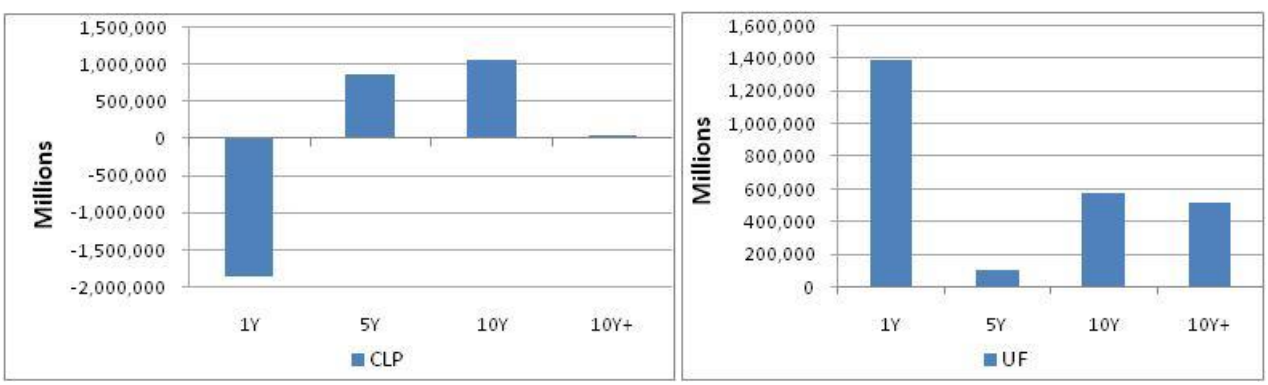
Fig. 5. Carrying amount to maturity range or re-pricing by currency
Positions 31/12/15(MCh$)

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

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

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

Fig. 6. Carrying amount to maturity range or re-pricing by currency
Positions 31/12/15 (MCh$)



NOTE 36 – RISK MANAGEMENT, continuation

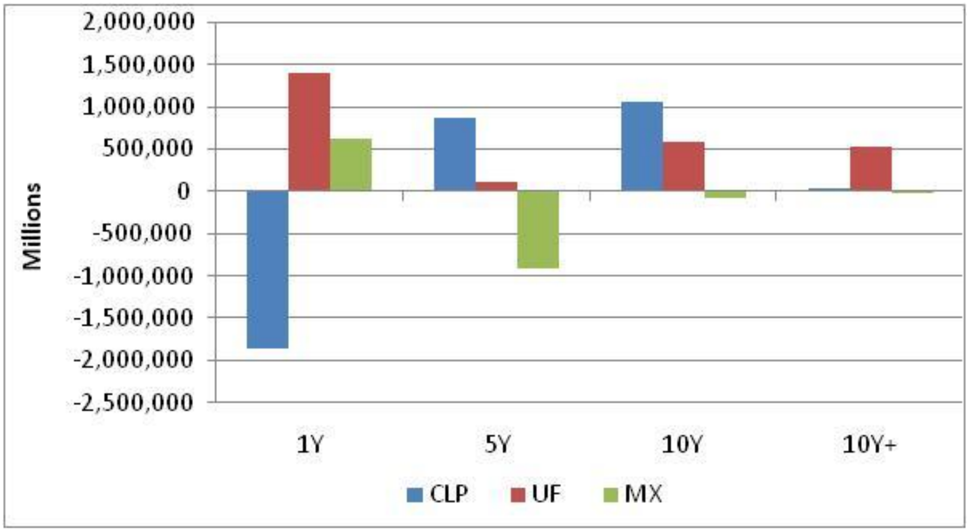


Fig. 7. Carrying amount to maturity range or re-pricing by currency Positions 31/12/14 (MCh$)

ASSETS	1Y	5Y	10Y	10Y+	Total
Ch$	8,665,606	2,786,359	1,028,257	96,117	12,576,339
UF	3,405,894	2,997,362	2,114,153	1,444,240	9,961,649
MX	4,439,460	836,389	359,815	2,717	5,638,381
TOTAL	**16,510,960**	**6,620,110**	**3,502,225**	**1,543,074**	**28,176,369**

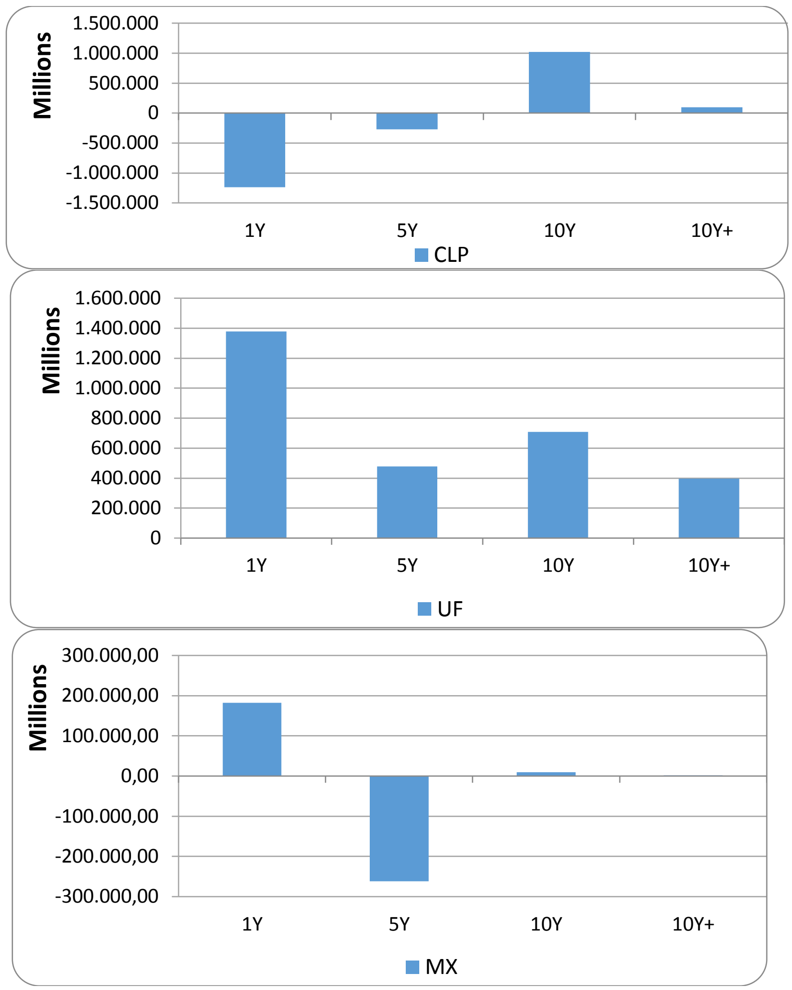
LIABILITIES	1Y	5Y	10Y	10Y+	Total
Ch$	9,904,314	3,057,713	9,206	-	12,971,233
UF	2,028,058	2,519,637	1,404,483	1,048,154	7,000,332
MX	4,257,552	1,098,475	350,487	1,233	5,707,747
TOTAL	**16,189,924**	**6,675,825**	**1,764,176**	**1,049,387**	**25,679,312**

MISMATCH	1Y	5Y	10Y	10Y+	Total
Ch$	(1,238,708)	(271,354)	1,019,051	96,117	(394,894)
UF	1,377,836	477,725	709,670	396,086	2,961,317
MX	181,908	(262,086)	9,328	1,484	(69,366)
TOTAL	**321,036**	**(55,715)**	**1,738,049**	**493,687**	**2,497,057**

NOTE 36 - RISK MANAGEMENT, continuation

Fig. 8. Carrying amount to maturity range or re-pricing by currency

Positions 31/12/14 (MCh$)



NOTE 36 - RISK MANAGEMENT, continuation

Fig. 9. Carrying amount to maturity range or re-pricing by Account Positions 31/12/15(MCh$)

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

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

NOTE 36 - RISK MANAGEMENT, continuation

Fig. 10. Carrying amount to maturity or re-pricing by account
Positions 31/12/14 (MCh$)

ASSETS	1Y	5Y	10Y	10Y+	TOTAL
Central Bank of Chile	13,044	228,034	21,364	-	**262,442**
Banks and financial institutions of the country	72,767	109,656	39,002	18,565	**239,990**
Purchases under resale agreements	44,455	-	-	-	**44,455**
Commercial loans	5,948,027	1,876,642	838,964	444,407	**9,108,040**
Consumer loans	817,710	1,191,830	44,964	45,245	**2,099,749**
Endorsable housing mortgage loans	664,633	1,510,444	1,017,632	926,277	**4,118,986**
Housing mortgage loans with funding notes	59,268	32,357	9,515	290	**101,430**
Cash	1,172,167	-	-	-	**1,172,167**
Forwards	756,085	30,174	-	-	**786,259**
Chilean Government	7,280	86,228	72,354	2,138	**168,000**
Consumer Leasing	389	480	-	-	**869**
Commercial leasing operation	335,320	493,422	169,736	47,532	**1,046,010**
Other entities of the country	-	-	-	-	**-**
Other foreign entities	5,321	26,337	22,072	1,232	**54,962**
Other assets	2,887,637	15,305	37,310	1	**2,940,253**
Other housing mortgage loans	5,849	-	-	-	**5,849**
Others	-	-	-	-	**-**
Swaps	3,721,007	1,019,203	1,229,312	57,386	**6,026,908**
Total Assets	**16,510,959**	**6,620,112**	**3,502,225**	**1,543,073**	**28,176,369**

LIABILITIES	1Y	5Y	10Y	10Y+	TOTAL
Straight bonds	138,018	1,892,670	870,405	-	**2,901,093**
Subordinated bonds	45,378	163,724	183,474	997,380	**1,389,956**
Deferred-drawing savings accounts	41,975	-	-	-	**41,975**
Unconditional-drawing savings accounts	6,790	-	-	-	**6,790**
Sight deposits	1,788,638	2,784,243	-	-	**4,572,881**
Time deposits	7,624,460	26,426	8	-	**7,650,894**
Forwards	751,764	29,553	-	-	**781,317**
Letters of credit	11,113	27,223	12,277	404	**51,017**
Other liabilities	1,212,446	9,346	-	-	**1,221,792**
Others, Except options	-	-	-	-	**-**
Loans and other obligations contracted abroad	979,017	218,432	-	-	**1,197,449**
Loans and other obligations contracted in Chile	33,023	27,683	13,647	-	**74,353**
Swaps	3,557,301	1,496,524	684,366	51,604	**5,789,795**
Sales under repurchase agreements	-	-	-	-	**-**
Total Liabilities	**16,189,923**	**6,675,824**	**1,764,177**	**1,049,388**	**25,679,312**

NOTE 36 - RISK MANAGEMENT, continuation

The main positions are listed on investments available for sale by type of issuer and currency, Risk classification of these positions at the end of last year and in September 2014 is also reported,

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

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

Fig. 11.b Available for sale Investments
Fair value 31/12/14 (MCh$)

	Ch$	UF	USD	EUR	OTHERS
Sovereign bonds	147,081	7,304	-	-	-
Corporate bonds	17,600	15,382	189,377	-	-
Financial institutions bonds	554	40,664	-	-	-
Mortgage-funding notes	-	76,048	-	-	-
Time deposits	272,138	6,432	-	-	-
Total	**437,373**	**145,830**	**189,377**	**-**	**-**

NOTE 36 - RISK MANAGEMENT, continuation

Fig. 12. Available for sale Investments International-Issued Bond Portfolio Credit Rating 31/12/15 (%)

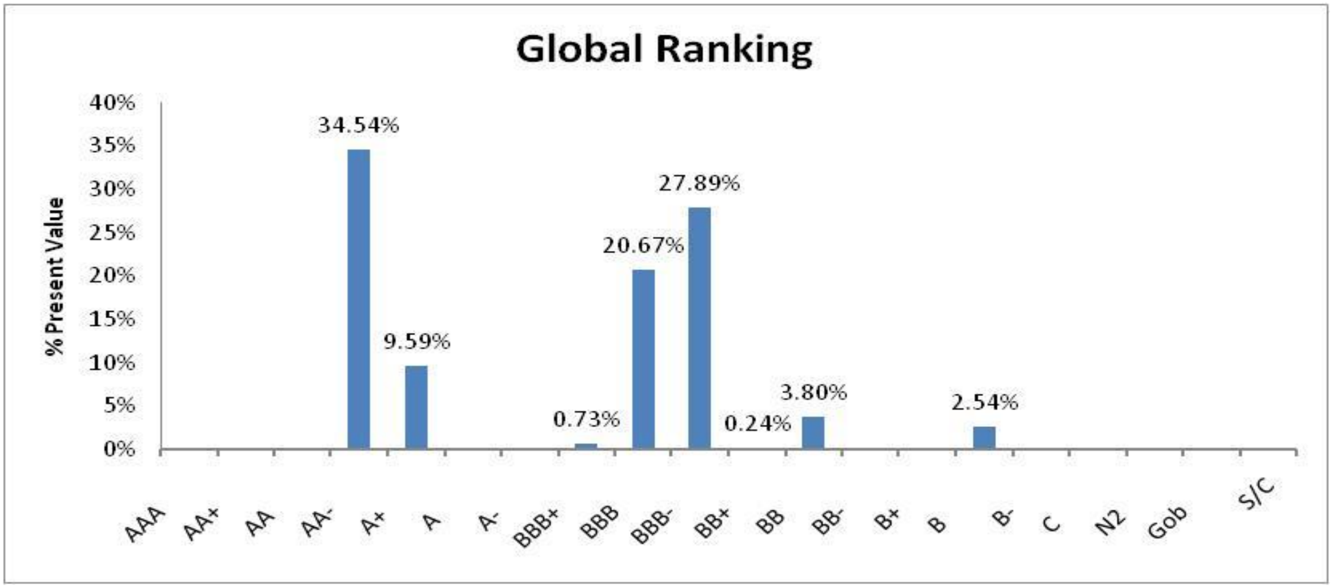
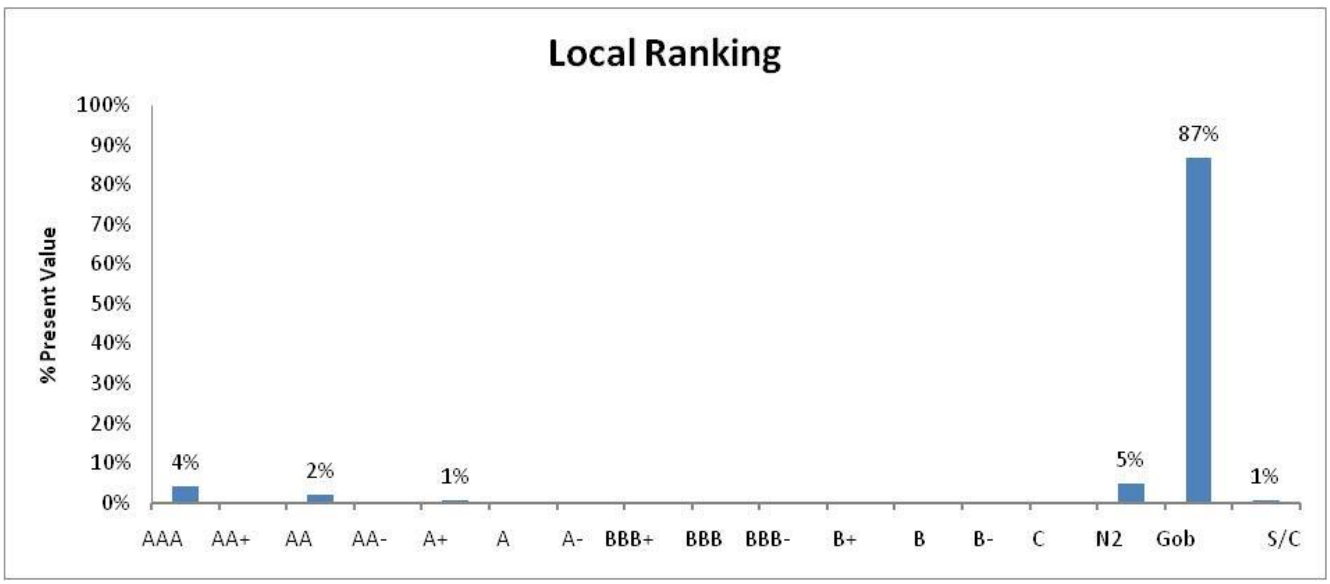


Fig. 13. Available for sale Investments Portfolio Risk Classification Bonds and LCH National Emission 31/12/15 (%)



NOTE 36 - RISK MANAGEMENT, continuation

b) Sensitivity analysis

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

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

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

Among the models used is Market Value Sensitivity or MVS, which measures the change in economic value of equity in the event of a parallel movement of 100 basis points in interest rates.

For a short-term horizon, the Spreads at Risk or SAR model is used, which measures the impact on results in 12 months' time of a parallel movement in rates. For both models, there are explicit internal limits measured as a ratio of capital (for MVS) and of financial margin (for SAR).

The Bank structurally generates risk rate exposure, which is mainly explained by maintaining long-term fixed rate assets and obtaining short-term financing, such as deposits. In this regard, the Bank is an active market participant in managing their interest rate risk strategy using hedge accounting.

Some of the hedging strategies are: a) transforming short-term risk to long-term (taking liabilities from short to long term through interest rate swaps) and b) floating long-term placements using interest rate swap.

In the scenario of 100 basis points increase, holding constant other variables, the effects compared at the end of 2015 and 2014 are the following:

In the short-term, exposure to interest rates as of December 31, 2015 and 2014, amounted to MCh$31,567 and MCh$7,666 respectively, equivalent to expect an adverse effect on the financial margin over a 12 months horizon, he significant increase corresponds to a methodological change in the measurement of short-term risk, which took place on June 1, 2015.

The sensitivity rate risk applied to all items in the banking book and all deadlines, measured by MVS, as of December 31, 2015 and 2014, are MCh$139,289 and MCh$102,596 respectively. This maintained its upward trend as in previous periods.

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.

NOTE 36 – RISK MANAGEMENT, continuation

The VaR methodology used is a historic simulation that records the *fat-tails* property of the financial income. It uses a window of 4 years of daily data. It is measured at the first percentile of the P&L distribution or VaR at 99% of confidence, which is the same. The *volatility up dating* technique is used, which records the existence of volatility *clusters*.

The *forecast* horizon is of 1 day. The square root rule is used to escalate this value to the regulatory horizon of 10 days.

The value-at-risk model is validated by *back-testing* the daily results, both observed and theoretical, statistically, excess losses of VaR are expected to be observed on average 1% daily. As of December 31, 2015, *back-test* places the model in the green area of Basel with four fails during 2015.

Objectives and limitations of the VaR methodology

The objective of the VaR is to measure the risk of a portfolio of assets by determining how much you can lose of the portfolio over a period of time and with a given confidence level under normal market conditions.

This method is very easy to apply in portfolios that include information on relevant market variables, Furthermore, calculation does not depend on correlations and volatilities, as these are implicitly calculated using historical information. However, this means obtaining the history of associated variables for performing this calculation, which implies an effort to have such data. In addition, to have a certain degree of confidence in the measurement, in this case with VaR at 99%, this leads to the loss of 1 in every 100 days, which will be the least as predicted by the VaR, without a possible limit for this value.

Stress Testing VaR

There are limitations of the VaR models, particularly in the presence of extreme events that have not been observed in recent historic information or for not capturing the intra-day movements of the portfolio, therefore, stress situations are modeled to evaluate potential impacts on the value of portfolios in the most extreme, although possible, events. The scenarios used are the following:

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

VaR limits

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

d) Position Limits

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

NOTE 36 – RISK MANAGEMENT, continuation

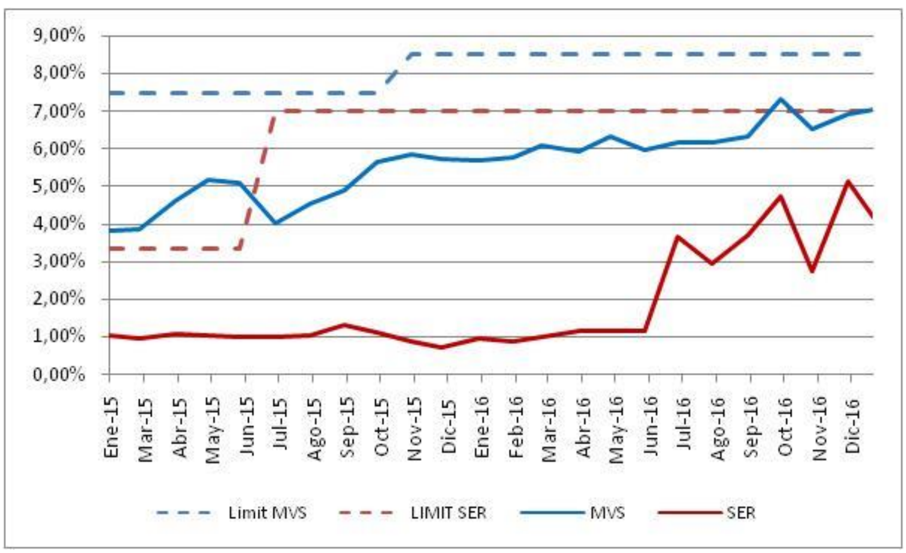
e) Variations

- 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 2015 reached as of December 6.4% (4.95% in 2014) of capital over a limit of 7.5% over 2014 and 8.5% in the last quarter of 2015. However, the SeR was half up to May 2015 of 1.21% (1.00% in 2014) and 3.76% in the third quarter of 2015, this jump in the month of June is due to change in methodology. From the 1^{ST} of June the SeR limit, which step of 3.35% to 6.50%, was also amended. Finally, the average for the year 2015 was 2.71%. Both indexes increased rate risk of banking book which are well below the limits.

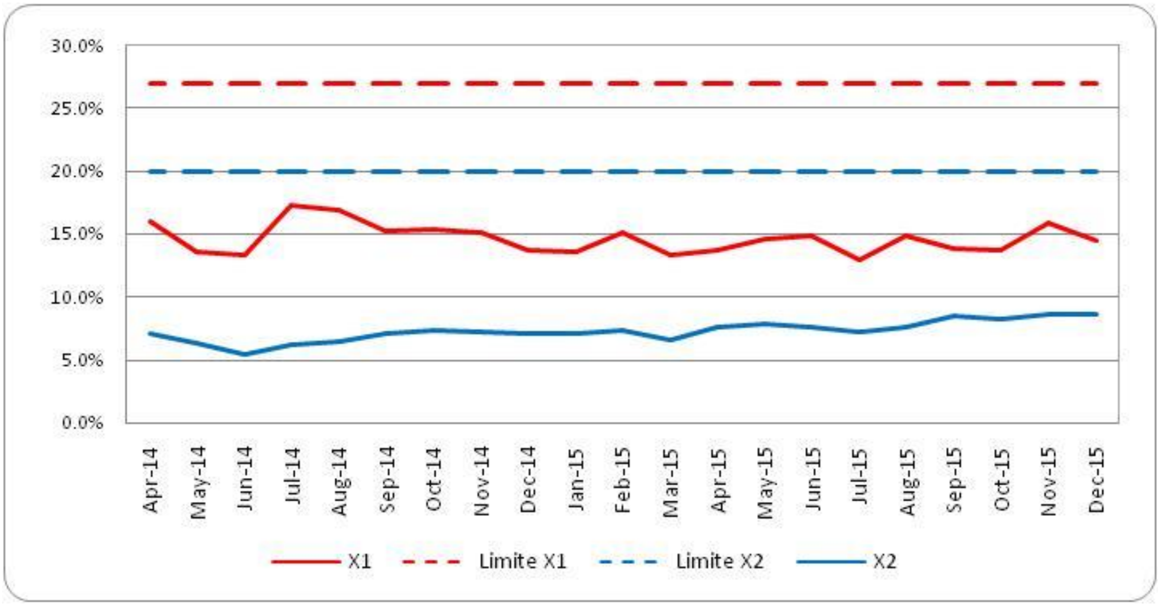
Fig. 14. MVS - SeR
Year 2015



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 2015, mainly due to the management of the balance sheet hedge accounting.

NOTE 36 - RISK MANAGEMENT, continuation

Fig. 15. Regulatory Market Risk X1 – X2
Year 2015

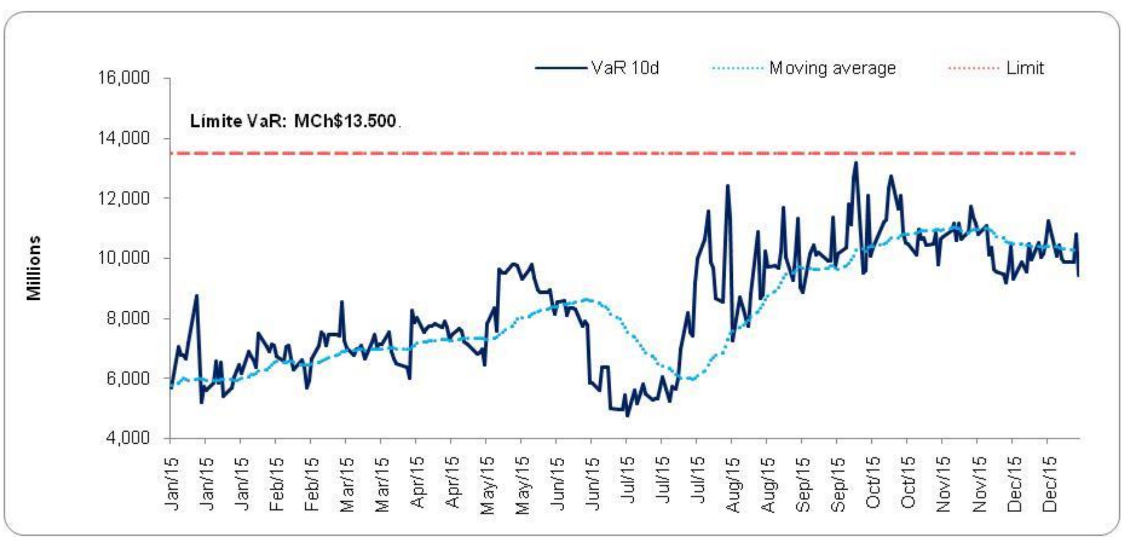


X1: Limit on Financial Margin
X2: Limit on Effective Shareholders Equity

- Value at risk

The evolution of the 10-day VaR for the rolling year shown; data at the end of December 31, 2015.

Fig. 16. Consolidated Value at Risk
Year 2015 (MCh$)



NOTE 36 - RISK MANAGEMENT, continuation

So far in 2015, the average consolidated total risk MCh$8,467 measured over the regulatory horizon of 10 days experienced an increase of 47% over the 2014 average.

On a consolidated basis, the risk of interest rate averages MCh$7,057 while MCh$4,214 FX risk. In trading the aggregate average was MCh$5,465, MCh$4,911 for interest rate and MCh$2,037 for foreign currency. Finally, for non-trading portfolios (investments available for sale) the total VaR averaged MCh$2,776, MCh$2,076 for rate risk and MCh$1,645 for currency risk.

Fig. 17. Value at risk by portfolio and type of risk
Year 2015 (MCh$)

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

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

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

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

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

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

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

NOTE 36 - RISK MANAGEMENT, continuation

Fig. 18. Value at Risk by portfolio and type of risk
Year 2014 (MCh$)

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

	12 Months ended December 31, 2014			
	Average	Maximum	Minimum	Final
FX Risk	2,737	6,918	11	2,875
Interest rate risk	2,953	8,567	73	2,024
Diversification (*)	70	(4,113)	3,372	(9)
VaR Total	5,760	11,372	3,456	4,890

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

	12 Months ended December 31, 2014			
	Average	Maximum	Minimum	Final
FX Risk	2,347	5,676	-	4,069
Interest rate risk	2,814	6,563	31	1,573
Diversification (*)	(161)	(4,277)	3,036	12
VaR Total	5,000	7,962	3,067	5,654

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

	12 Months ended December 31, 2014			
	Average	Maximum	Minimum	Final
FX Risk	1,091	8,569	1	1,792
Interest rate risk	812	5,012	9	9
Diversification (*)	(477)	(5,022)	278	(19)
VaR Total	1,426	8,559	288	1,782

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

While VaR captures the Bank's daily exposure to the risks of currency and interest rate sensitivity analysis, it also evaluates the impact of a reasonably possible change in interest rates and exchange rates over one year. The longer time frame of sensitivity analysis complements VaR and helps the Bank to assess their exposure to market risk. The details of the sensitivity analysis for the risk of exchange rate and interest rate risk are set out below.

NOTE 36 - RISK MANAGEMENT, continuation

Sensitivity of interest rate

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

	Recognition in statement of income		Recognition in statement of other comprehensive income	
	Favorable change	Non favorable change	Favorable change	Non favorable change
	MCh$	MCh$	MCh$	MCh$
December 31, 2015				
Securities backed by assets held for trading	(107)	107	-	-
Other non-derivative assets held for trading	6	(6)	-	-
Securities backed by available for sales assets	-	-	(156)	156
December 31, 2014				
Securities backed by assets held for trading	(74)	74	-	-
Other non-derivative assets held for trading	(33)	33	-	-
Securities backed by available for sales assets	-	-	(222)	222

Currency Risk

The currency risk is defined as the risk that the value of a financial instrument will fluctuate true to changes in exchange rates. The Bank is exposed to the effects of fluctuations in prevailing exchange rates regarding its financial position and cash flows.

NOTE 36 - RISK MANAGEMENT, continuation

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

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

MCh$

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

NOTE 36 - RISK MANAGEMENT, continuation

Date:	31-12-2014		
Exchange rate Ch$/USD:	606.75	Ch$	
Exchange rate Ch$/EUR:	738.54	Ch$	

MCh$

Assets	**USD**	**EUR**	**Others**
Cash	123,885	10,929	2,462
Commercial loans	2,084,550	24,827	369
Investments under agreement to resell	-	-	-
Commercial leasing operations	52,872	-	-
Mortgage loans LC	-	-	-
Mortgage loans MHE	-	-	-
Other mortgage loans	-	-	-
Housing leasing	-	-	-
Consumer loans	11,465	-	-
Consumer leasing	-	-	-
Commercial loans LCS	-	-	-
Consumer loans LCS	-	-	-
Central Bank of Chile	-	-	-
Gobierno de Chile	-	-	-
Banks and financial institutions of the country	-	-	-
Other entities of the country	1,471	-	-
Governments and governments bodies MX	-	-	-
Foreign banks	-	-	-
Other foreign entities	40,054	-	-
Forward	5,705,840	100,376	72,379
Futures	18,409	-	-
Swaps	7,864,956	13,976	-
Other, excluding options	-	-	-
Other assets	1,090,580	463,238	6,405
Delta options	142,350	-	6,645
Total Assets	**17,136,432**	**613,346**	**88,260**
Liabilities	**USD**	**EUR**	**Others**
Demand deposits	549,452	28,370	83
Time deposits	1,031,977	16,749	-
Saving accounts with deferred withdrawal	-	-	-
Savings accounts with unconditional withdrawal	-	-	-
Obligations under agreements to repurchase	1,392	-	-
Loans and other obligations contracted MN	11,695	-	-
Loans and other obligations contracted MX	1,164,563	18,941	101
Letters of credit	-	-	-
Current bonds	667,425	-	-
Subordinated bonds	-	-	-
Forward	5,324,951	62,080	76,568
Futures	18,195	-	-
Swaps	8,220,290	2,873	-
Other, excluding options	-	-	-
Other liabilities	538,385	450,682	7,547
Delta Options	37,298	31,345	7,796
Total Liabilities	**17,565,623**	**611,040**	**92,095**
Net	**(429,191)**	**2,306**	**(3,835)**

NOTE 36 - RISK MANAGEMENT, continuation

Sensitivity of currency risk

The following tables detail the Bank's sensitivity against an increase and decrease of 10% in the Chilean peso against the relevant foreign currencies, 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents Management's assessment of reasonable possible changes in exchange rates.

The sensitivity analysis includes only outstanding monetary items denominated in foreign currencies and it adjusts its conversion at the end of the period, of which it reports a 10% change in the exchange rates. The sensitivity analysis includes external loans as well as loans to foreign operations with the Bank where the loan is denominated in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in earnings and other net equity when the Chilean peso goes up by 10%, compared to the corresponding currency.

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

	As of December 31, 2015			
MCh$	**Decrease 10%**		**Increase 10%**	
Assets	**USD**	**EUR**	**USD**	**EUR**
Cash	324,512	39,342	396,626	48,084
Commercial loans	1,765,611	18,857	2,157,968	23,047
Investments under agreement to resell	-	-	-	-
Commercial leasing operations	52,896	-	64,651	-
Mortgage loans LC	-	-	-	-
Mortgage loans MHE	-	-	-	-
Other mortgage loans	-	-	-	-
Housing leasing	-	-	-	-
Consumer loans	13,307	-	16,264	-
Consumer leasing	-	-	-	-
Commercial loans LCS	-	-	-	-
Consumer loans LCS	-	-	-	-
Central Bank of Chile	-	-	-	-
Government of Chile	-	-	-	-
Banks and financial institutions of the country	-	-	-	-
Other entities of the country	1,544	-	1,887	-
Governments and governments bodies MX	-	-	-	-
Foreign banks	-	-	-	-
Other foreign entities	1,169	31,716	1,429	38,764
Forward	6,636,118	276,935	8,110,811	338,476
Futures	2,746	-	3,356	-
Swaps	8,785,836	18,477	10,738,244	22,583
Other, excluding options	-	-	-	-
Other assets	1,127,575	5,215	1,378,147	6,374
Delta options	120,173	5,033	146,878	6,151
Total Assets	**18,831,487**	**395,575**	**23,016,261**	**483,479**

NOTE 36 - RISK MANAGEMENT, continuation

Liabilities	**USD**	**EUR**	**USD**	**EUR**
Demand deposits	602,032	41,034	735,816	50,153
Time deposits	850,349	10,228	1,039,315	12,501
Saving accounts with deferred withdrawal	-	-	-	-
Savings accounts with unconditional withdrawal	-	-	-	-
Obligations under agreements to repurchase	64	-	78	-
Loans and other obligations contracted MN	42,169	-	51,539	-
Loans and other obligations contracted MX	1,054,497	1,327	1,288,829	1,622
Letters of credit	-	-	-	-
Current bonds	700,673	-	856,378	-
Subordinated bonds	-	-	-	-
Forward	6,132,313	267,622	7,495,049	327,094
Futures	2,721	-	3,326	-
Swaps	9,198,003	52,489	11,242,004	64,153
Other, excluding options	-	-	-	-
Other liabilities	474,577	16,982	580,039	20,756
Delta Options	88,912	14,922	108,670	18,238
Total Liabilities	**19,146,310**	**404,604**	**23,401,043**	**494,517**
Net	**(314,823)**	**(9,029)**	**(384,782)**	**(11,038)**

	As of December 31, 2014			
MCh$	**Decrease 10%**		**Increase 100% 10%**	
Assets	**USD**	**EUR**	**USD**	**EUR**
Cash	111,497	9,836	136,274	12,022
Commercial loans	1,876,095	22,344	2,293,005	27,310
Investments under agreement to resell	-	-	-	-
Commercial leasing operations	47,585	-	58,160	-
Mortgage loans LC	-	-	-	-
Mortgage loans MHE	-	-	-	-
Other mortgage loans	-	-	-	-
Housing leasing	-	-	-	-
Consumer loans	10,318	-	12,611	-
Consumer leasing	-	-	-	-
Commercial loans LCS	-	-	-	-
Consumer loans LCS	-	-	-	-
Central Bank of Chile	-	-	-	-
Government of Chile	-	-	-	-
Banks and financial institutions of the country	-	-	-	-
Other entities of the country	1,324	-	1,618	-
Governments and governments bodies MX	-	-	-	-
Foreign banks	-	-	-	-
Other foreign entities	36,048	-	44,059	-
Forward	5,135,256	90,339	6,276,424	110,414
Futures	16,568	-	20,250	-
Swaps	7,078,460	12,579	8,651,452	15,374
Other, excluding options	-	-	-	-
Other assets	981,522	416,914	1,199,638	509,562
Delta options	128,115	-	156,585	-
Total Assets	**15,422,788**	**552,012**	**18,850,076**	**674,682**

NOTE 36 - RISK MANAGEMENT, continuation

Liabilities	**USD**	**EUR**	**USD**	**EUR**
Demand deposits	494,506	25,533	604,397	31,207
Time deposits	928,779	15,074	1,135,174	18,424
Saving accounts with deferred withdrawal	-	-	-	-
Savings accounts with unconditional withdrawal	-	-	-	-
Obligations under agreements to repurchase	1,253	-	1,532	-
Loans and other obligations contracted MN	10,526	-	12,865	-
Loans and other obligations contracted MX	1,048,107	17,047	1,281,020	20,835
Letters of credit	-	-	-	-
Current bonds	600,683	-	734,168	-
Subordinated bonds	-	-	-	-
Forward	4,792,456	55,872	5,857,446	68,288
Futures	16,376	-	20,015	-
Swaps	7,398,261	2,586	9,042,319	3,161
Other, excluding options	-	-	-	-
Other liabilities	484,546	405,614	592,223	495,751
Delta Options	33,568	28,210	41,028	34,479
Total Liabilities	**15,809,061**	**549,936**	**19,322,187**	**672,145**
Net	**(386,273)**	**2,076**	**(472,111)**	**2,537**

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

Limitations of sensitivity analysis

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

The sensitivity analyses do not take into account that the Bank's assets and liabilities are actively managed, moreover, the financial position of the Bank may vary at the time that an actual market movement occurs. For example, the strategy of financial risk management of the Bank seeks to manage the exposure to market fluctuations. As investment markets go through different trigger levels, management actions could include selling investments, changing the allocation of the investment portfolio and taking other protective measures.

Consequently, the actual impact of a change in the assumptions may not have any impact on the liabilities, whereas assets are held at market value on the statement of financial position. In these circumstances, the different measurement bases of assets and liabilities could result in volatility of equity.

Price risk - own products

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

The Bank manages price risk through the estimation of periodic stress tests, which establish various scenarios of adverse market conditions; on the other hand it has contingency plans that address transverse actions in the corporation in order to face scenarios that expose the corporation to significant loss.

NOTE 36 - RISK MANAGEMENT, continuation

Other Price Risks

The price risk of equity is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to individual value and its issuer or factors affecting all actual market values.

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

If equity prices had been 1% higher / lower:

Net income for the year 2015 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$24,103, less than the effect December 31, 2014 which amounted MCh$21,612.

f) Fair Value

The area of Market Risk is responsible for defining the methodologies of valuation of assets and liabilities measured at fair value, while operations are responsible for the implementation thereof. The fundamental principle of the task of fair value measurement is to determine the starting price of an asset or liability in an ordinary transaction in a representative market. But not only the accounting information depends on this assessment; risk indicators such as value-at-risk are also based on these prices, so that the implied volatility on any valuation model is also very relevant.

Following international accounting rules, are used - provided they are available - quotations or observable prices of identical assets or liabilities that are measured. These are known as Level 1 Inputs Absent identical assets or liabilities measurement is made based on observable prices, Interpolations typically classified in this group for the case of derivatives and other instruments or matrix pricing models for fixed income instruments, this class is known as Level 2 inputs.

Finally, when it is not possible to rely on the above inputs, the measurement is performed based on inputs that are not directly observable on the market. These are the Level 3 Inputs Note 35 present the classification of financial instruments according to their valuation. Below is a brief explanation of that system.

Positions in foreign currency bonds Central Bank and futures contracts and other instruments traded on exchanges have very liquid markets where prices or prices for identical instruments are usually observable. These instruments are included in Level 1.

Even for liquid instruments, some markets require the existence of brokers to raise supply with demand and allow transactions to be carried out under those circumstances. Normally deposits and derivatives traded over-the-counter are in this segment. These have quotes from different brokers, which guarantees the existence of market prices or inputs needed for valuation. Among derivatives instruments are currency forwards and interest rate forwards, interest rate swaps, cross-currency swaps and foreign currency options. As usual for those instruments other than those listed, valuation techniques and interpolation curves that are standard in the market are used. Debt instruments are less liquid as some sovereign bonds, corporate bonds and mortgage securities of domestic issue, and are valued - unless there is available pricing - based on fair value models based on directly observable prices or market factors. All these instruments are classified in Level 2 valuation.

NOTE 36 - RISK MANAGEMENT, continuation

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.

g) Derivative instruments

As of December 31, 2015 the Bank had MCh$(24,814) related to fair value of derivative instruments. Derivatives are classified into two groups according to their accounting treatment: (1) instruments for trading and (2) instruments with special hedge accounting treatment. The trading instruments come from 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 favor of the Bank. As these contracts are valued daily, in this there is uncertainty regarding the potential value that can reach the MTM over the life of the operation.

Monte Carlo simulation techniques are used to estimate future peak exposures by counterparty. Specific counterparty limits ensure that the accepted risk levels are not exceeded and proper diversification is achieved. The table below details the use of line segment at the end of December 2015.

NOTE 36 - RISK MANAGEMENT, continuation

Segment	**Consumer line MCh$**
Commercial Banking	158,184
Entrepreneurs and Enterprising Entities	4,803
Retail Banking	-
Finance Division C&IB	711,283
Commercial Division C&IB	703,133
Total	**1,577,403**

Adjustment for credit risk in derivatives (CVA)

The objective is to determine the expected loss for counterparty risk in OTC derivative contracts. The CVA of a derivative is defined as the difference between the value of open derivative counterparty risk (equivalent to the original derivative without risk of default of either party) and the value of a derivative (which corresponds to the original derivative, which has an inherent risk) considering the possibility of counterparty default. Thus the CVA of a client can be obtained from the expected exposure (EE) for counterparty risk (how much is expected to lose) and the rate of expected loss (EL) associated with the default of the counterparty. The table below details the provision of CVA segment at the end of December 2015.

Credit Value Adjustment			
Segment MCh$	**Dec-31. 2015**	**Dec-31. 2014**	**Variation**
Commercial Banking	5,107	5,788	(681)
Entrepreneurs and Enterprising Entities	443	224	219
Retail Banking	-	-	-
Finance Division C&IB	636	441	195
Commercial Division C&IB	3,072	3,016	56
Total	**9,258**	**9,469**	**(211)**

During the last quarter of 2015, the Bank begins to recognize the amount of general guarantees in the contracts associated with credit transactions (related derivatives) for the estimation of Credit Value Adjustment. This meant as of December 31, 2015 a reversal MCh$2,617.

i) Hedge accounting

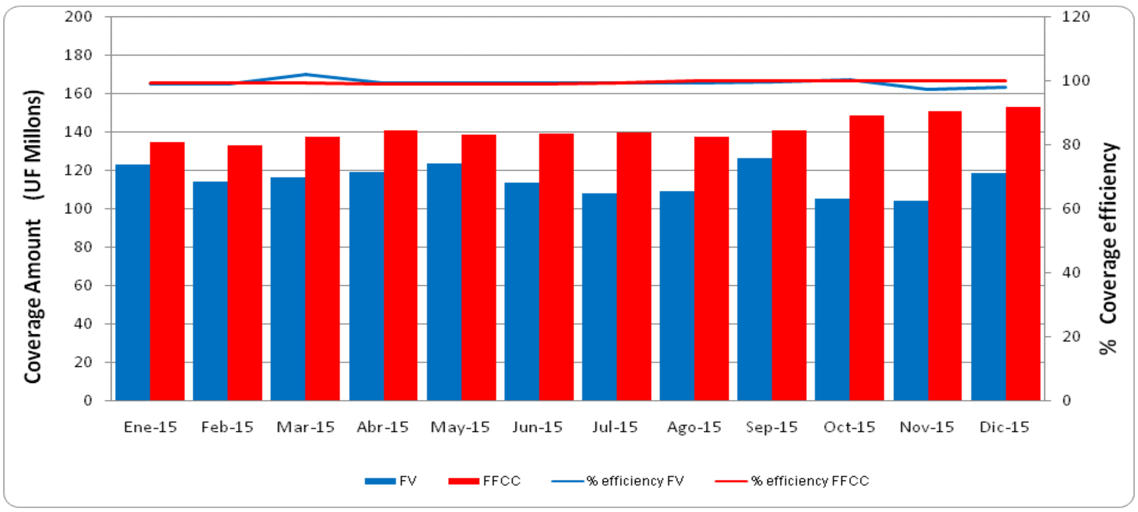
The Bank uses hedge accounting to manage the risk of fair value and cash flow to which it is exposed. The fair value hedges using derivative instruments to hedge the change in fair value of an asset or liability in the Consolidate Financial Statements.

The cash flow hedges meanwhile, recorded in equity changes in fair value of derivatives that are part of the coverage. Treatment of this type of instrument strictly follows international accounting standards IAS 39. Financial Risk Management is responsible for designing and validating the effectiveness of the hedges, generating effectiveness indicators that are monitored and reported to ALCO.

NOTE 36 - RISK MANAGEMENT, continuation

As of December 31, 2015 the total notional amount of cash flow hedges amounted to UF153,248,617 whereas fair value hedges reach UF114,738,326.

Fig. 19. Amount, Type and effectiveness of Hedge Accounting
Year 2015 (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.

NOTE 36 - RISK MANAGEMENT, continuation

The Bank has a series of models both for the individual and the group portfolios, which are applied depending on the type of portfolio and operations. These models are approved by the Board of Directors, which is informed annually about the adequacy of the provisions.

Models based on the individual analysis of debtors

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

These models consider the analysis of issues such as the financial situation of the debtor, payment behavior, knowledge and experience of the partners and managers in the business, the degree of commitment of the same with the company and the industry in which it operates the company and the relative position of the company on this.

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 December 31, 2015					
	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	2,765	163,394	166,159	1	58	59
A2	48,239	921,016	969,255	40	598	638
A3	79,298	2,109,779	2,189,077	173	2,498	2,671
A4	140	1,596,690	1,596,830	2	9,068	9,070
A5	46	1,417,247	1,417,293	2	9,232	9,234
A6	-	537,496	537,496	-	12,172	12,172
B1	-	284,310	284,310	-	8,092	8,092
B2	-	153,634	153,634	-	21,315	21,315
B3	-	17,072	17,072	-	646	646
B4	-	23,288	23,288	-	6,538	6,538
C1	-	35,987	35,987	-	720	720
C2	-	22,723	22,723	-	2,272	2,272
C3	-	10,856	10,856	-	2,714	2,714
C4	-	11,499	11,499	-	4,600	4,600
C5	-	48,509	48,509	-	31,531	31,531
C6	-	32,099	32,099	-	28,889	28,889
GR	-	8,460,360	8,460,360	-	180,182	180,182
Subsidiaries	39,223	4,289,022	4,328,245	77	43,327	43,404
Total	**169,711**	**20,134,981**	**20,304,692**	**295**	**364,452**	**364,747**

NOTE 36 - RISK MANAGEMENT, continuation

	As of December 31, 2014					
	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	7,353	150,009	157,362	3	53	56
A2	130,436	1,014,206	1,144,642	107	714	821
A3	141,503	2,225,484	2,366,987	309	2,699	3,008
A4	13,021	1,659,706	1,672,727	228	8,806	9,034
A5	1,796	1,211,322	1,213,118	77	9,889	9,966
A6	-	313,071	313,071	-	4,090	4,090
B1	-	173,606	173,606	-	7,660	7,660
B2	-	130,837	130,837	-	22,111	22,111
B3	-	2,551	2,551	-	114	114
B4	-	18,991	18,991	-	4,809	4,809
C1	-	30,177	30,177	-	604	604
C2	-	16,108	16,108	-	1,611	1,611
C3	-	13,726	13,726	-	3,432	3,432
C4	-	10,086	10,086	-	4,034	4,034
C5	-	69,139	69,139	-	44,940	44,940
C6	-	39,160	39,160	-	35,244	35,244
GR	-	7,391,210	7,391,210	-	180,700	180,700
Subsidiaries	35,646	1,304,139	1,339,785	71	11,086	11,157
Total	**329,755**	**15,773,528**	**16,103,283**	**795**	**342,596**	**343,391**

The analysis of the age of delinquent loans by type of financial assets is the following,

	Less than 30 days		Between 31 and 89 days		90 days or more		Total	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Loans and receivables form banks	-	-	-	-	-	-	-	-
Loans and receivables to customers	19,765	23,309	16,248	17,895	189,468	278,212	225,481	319,416
Total	**19,765**	**23,309**	**16,248**	**17,895**	**189,468**	**278,212**	**225,481**	**319,416**

NOTE 36 - RISK MANAGEMENT, continuation

Maximum exposure to credit risk

The maximum exposure to credit risk varies significantly and depends on both individual risks and general market economy risks.

As of December 31, 2015

MCh$	Maximum exposure	Provision	Net exposure after provision	Associated guarantees	Net exposure
	MCh$	MCh$	MCh$	MCh$	MCh$
Trading instruments	1,298,131	-	**1,298,131**	-	**1,298,131**
Loans and receivables to banks	169,711	(295)	**169,416**	-	**169,416**
Loans and receivables to customers, and Contingents loans (1)	25,531,045	(382,977)	**25,148,068**	(7,709,572)	**17,438,496**
Financial investments available for sale	2,407,882	-	**2,407,882**	-	**2,407,882**
Financial investments held to maturity	708	-	**708**	-	**708**
Derivative financial agreements (2)	1,510,376	(9,259)	**1,501,117**	-	**1,501,117**

(1) In this line included loans and receivables of MCh$20,134,981 (see Note 11) and contingent receivables of MCh$5,396,064 (see Note 23). Reported warranties are legally pledged to the Bank and there is uncertainty about their eventual execution or settlement.

(2) For the year 2015 no guarantees were established in favor of the Bank.

As of December 31, 2014

MCh$	Maximum exposure	Provision	Net exposure after provision	Associated guarantees	Net exposure
	MCh$	MCh$	MCh$	MCh$	MCh$
Trading instruments	1,227,807	-	**1,227,807**	-	**1,227,807**
Loans and receivables to banks	329,755	(795)	**328,960**	-	**328,960**
Loans and receivables to customers, and Contingents loans (3)	20,446.211	(359,613)	**20,086,598**	(6,646,526)	13,**440,072**
Financial investments available for sale	859,185	-	**859,185**	-	**859,185**
Financial investments held to maturity	-	-	-	-	-
Derivative financial agreements (4)	2,411,245	(9,469)	**2,401,776**	-	**2,401,776**

(3) In this line are included loans and receivables of MCh$15,773,528 (see Note 11) and contingent receivables of MCh$4,672,683 (see Note 23), Reported warranties are legally pledged to the bank and there is uncertainty about their eventual execution or settlement.

(4) For the year 2014 no guarantees were established in favor of the Bank.

NOTE 36 – RISK MANAGEMENT, continuation

Operational Risk

Due to the importance of a proper administration and control of operational risks, the Bank introduced a specialized management whose organization is aligned with the principles defined in Basel Committee.

The Bank has operational risk specialists in process areas, information security, continuity of business, and regulatory compliance, with the objective of avoiding errors in the processes, unexpected losses, and optimizing the use of required capital.

Over the last several years, the Bank has grown in terms of identification, quantification, mitigation and report of its operational risks, which allows the Bank to manage and monetarily quantify its risks.

Operational risk management

The Bank manages its operational risks with the active participation of those responsible for the areas and processes (Owners of Processes) through four management committees on different areas: a) committee for operational risks b) security of information, c) continuity of business and d) externalized services. These committees meet periodically and their objective is reviewing losses that have occurred, carrying out plans for correcting their causes, and managing the mitigation plans for operational risks identified in the process revisions.

Capital calculation according to Basel

The Bank has participated in the capital calculation exercises according to the standards of Basel II (QIS), a calculation integrating the operating risk with credit and market risks, as a global indicator of risk exposure, however, the bank during the exercise 2015 and 2014 made the calculating Operational Risk Capital under the Advanced Model.

Security of information

The Bank has a security strategy based on the best practices of the industry which is sustained in the regulatory frame and whose main component is the General Policy for Information Security, approved by the Board of Directors Committee, an organization consisting of specialized areas and focused on the administration and operation of security and the management of security risks, and a Security Committee consisting of representatives of several areas of the Bank that monitor compliance with the annual plan of security and the approval of specific policies for security.

This strategy is implemented by a technological infrastructure and specific procedures of operation and monitoring of activity, oriented towards preventing potential attacks on the information security of the clients and the Bank.

NOTE 36-– RISK MANAGEMENT, continuation

Continuity of business

The continuity strategies developed during the last several years have been consolidated, adding new risk scenarios and increasing the coverage plan to the different units that need to continue operating in situations of contingency.

Bci Corporation is constantly working on strengthening of its business continuity plan. Plan coverage has increase as Bank requirement, including the processes by criticality requires.

During 2015 the Bank has carried out activities for maintaining and improving business continuity including updating, testing and training of employees. The tests were carried out during working hours, with customer service in order to validate the effectiveness of the procedures and continuity strategies that were established, giving a constant and satisfactory customer service. Tests carried out involve the implementation of operational procedures, technological tests and drills.

NOTE 37 - MATURITIES OF ASSETS AND LIABILITIES

As of December 31, 2015 and 2014, the breakdown of maturities of assets and liabilities is as follows:

December 31, 2015	NIB	Up to 1 month	Between 1 and 3 months	Between 3 and 12 months	Subtotal up to 1 year	Between 1 and 5 years	More than 5 years	Subtotal over 1 year	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Assets									
Cash and deposits in banks	1,272,552	-	-	-	1,272,552	-	-	-	1,272,552
Incomes in course of collection	434,550	-	-	-	434,550	-	-	-	434,550
Trading portfolio financial assets	-	1,142,227	15,006	83,417	1,240,650	36,191	21,290	57,481	1,298,131
Investment under agreement to resell	-	177,279	6,454	22,372	206,105	-	-	-	206,105
Securities purchased under resale agreements	-	147,043	89,694	227,810	464,547	534,812	500,064	1,034,876	1,499,423
Loans and receivables to banks (*)	-	17,204	30,483	97,960	145,647	24,064	-	24,064	169,711
Loans and receivables to customers (**)	-	1,886,691	1,485,141	3,349,680	6,721,512	7,049,347	6,174,427	13,223,774	19,945,286
Financial instruments available for sale	-	109,482	461,554	225,937	796,973	424,951	1,185,958	1,610,909	2,407,882
Investment instrument held to maturity	-	-	-	-	-	-	708	708	708
Total assets	**1,707,102**	**3,479,926**	**2,088,332**	**4,007,176**	**11,282,536**	**8,069,365**	**7,882,447**	**15,951,812**	**27,234,348**
Liabilities									
Current accounts and demand deposits	8,047,288	-	-	-	8,047,288	-	-	-	8,047,288
Incomes in course of collection	255,800	-	-	-	255,800	-	-	-	255,800
Obligations under agreements to repurchase	-	441,835	7,252	41	449,128	-	-	-	449,128
Time deposits and saving accounts (***)	-	3,795,015	2,142,822	2,851,079	8,788,916	509,633	3,347	512,980	9,301,896
Derivative financial instruments	-	184,340	129,880	240,426	554,646	582,445	398,100	980,545	1,535,191
Borrowing from financial institutions	-	638,116	214,388	410,312	1,262,816	527,274	-	527,274	1,790,090
Debt issued	-	3,705	434	173,975	178,114	1,796,690	1,847,846	3,644,536	3,822,650
Other financial obligations	-	705,129	553	1,925	707,607	36,243	3,096	39,339	746,946
Total liabilities	**8,303,088**	**5,768,140**	**2,495,329**	**3,677,758**	**20,244,315**	**3,452,285**	**2,252,389**	**5,704,674**	**25,948,989**

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

NOTE 37 - MATURITIES OF ASSETS AND LIABILITIES, continuation

December 31, 2014	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	1,547,758	-	-	-	1,547,758	-	-	-	1,547,758
Incomes in course of collection	940,888	-	-	-	940,888	-	-	-	940,888
Trading portfolio financial assets	-	937,561	23,593	109,799	1,070,953	156,801	53	156,854	1,227,807
Investment under agreement to resell	-	120,920	10,127	12,404	143,451	-	-	-	143,451
Securities purchased under resale agreements	-	147,649	153,112	294,565	595,326	765,366	1,039,813	1,805,179	2,400,505
Loans and receivables to banks (*)	-	6,357	43,063	262,739	312,159	17,596	-	17,596	329,755
Loans and receivables to customers (**)	-	1,912,547	1,438,000	2,719,234	6,069,781	4,961,113	4,466,189	9,427,302	15,497,083
Financial instruments available for sale	-	753,754	17,528	7,758	779,040	43,876	36,269	80,145	859,185
Investment instrument held to maturity	-	-	-	-	-	-	-	-	-
Total assets	**2,488,646**	**3,878,788**	**1,685,423**	**3,406,499**	**11,459,356**	**5,944,752**	**5,542,324**	**11,487,076**	**22,946,432**
Liabilities									
Current accounts and demand deposits	4,592,440	-	-	-	4,592,440	-	-	-	4,592,440
Incomes in course of collection	725,573	-	-	-	725,573	-	-	-	725,573
Obligations under agreements to repurchase	-	406,249	1,045	237	407,531	-	-	-	407,531
Time deposits and saving accounts (***)	-	3,417,174	2,186,133	2,546,306	8,149,613	78,988	8	78,996	8,228,609
Derivative financial instruments	-	147,003	155,760	329,612	632,375	852,566	963,193	1,815,759	2,448,134
Borrowing from financial institutions	-	592,098	232,123	621,789	1,446,010	227,555	-	227,555	1,673,565
Debt issued	-	2,509	10,235	94,645	107,389	1,713,433	1,478,145	3,191,578	3,298,967
Other financial obligations	-	33,805	530	1,761	36,096	21,705	12,940	34,645	70,741
Total liabilities	**5,318,013**	**4,598,838**	**2,585,826**	**3,594,350**	**16,097,027**	**2,894,247**	**2,454,286**	**5,348,533**	**21,445,560**

(*) Gross values.
(**) Excludes the provision and amounts whose maturity date has already passed.
(***) Excludes fixed term savings accounts.

NOTE 38 - FOREIGN CURRENCY

The Consolidated Statements of Financial Position as of December 31, 2015 and 2014 include assets and liabilities in foreign currencies or that are adjusted by the variation in the exchange rate as follows:

	In foreign currency		In Chilean Pesos		Total	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
ASSETS	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Cash and deposits in banks	607,777	740,263	664,775	807,495	1,272,552	1,547,758
Items in course of collection	129,558	625,031	304,992	315,857	434,550	940,888
Trading portfolio financial assets	9,946	6,090	1,288,185	1,221,717	1,298,131	1,227,807
Investment under agreement to resell	35,388	-	170,717	143,451	206,105	143,451
Derivative financial agreements	6,920	3,512	1,492,503	2,396,993	1,499,423	2,400,505
Loans and receivables to banks	168,385	327,724	1,031	1,236	169,416	328,960
Loans and receivables to customers	5,604,206	2,640,622	14,166,323	12,790,310	19,770,529	15,430,932
Financial investments available for sale	1,631,895	261,938	775,987	597,247	2,407,882	859,185
Financial investments held to the maturity	708	-	-	-	708	-
Investments in other companies	53,102	-	117,001	101,086	170,103	101,086
Intangible assets	2,740	35	172,811	90,995	175,551	91,030
Property, plant and equipment	55,911	1,288	226,645	229,497	282,556	230,785
Current income tax	298	-	4,795	-	5,093	-
Deferred income taxes	111,822	-	91,864	74,076	203,686	74,076
Other assets	511,196	231,117	276,920	195,588	788,116	426,705
TOTAL ASSETS	**8,929,852**	**4,837,620**	**19,754,549**	**18,965,548**	**28,684,401**	**23,803,168**
LIABILITIES						
Current accounts and demand deposits	3,740,597	647,070	4,306,691	3,945,370	8,047,288	4,592,440
Items in course of collection	175,503	615,268	80,297	110,305	255,800	725,573
Obligation under agreements to repurchase	73,969	15,816	375,159	391,715	449,128	407,531
Time deposits and saving accounts	2,011,828	1,820,930	7,290,068	6,407,679	9,301,896	8,228,609
Derivative financial agreements	2,687	6,457	1,532,504	2,441,677	1,535,191	2,448,134
Borrowing from financial institutions	1,604,598	1,583,190	185,492	90,375	1,790,090	1,673,565
Debt issued	1,342,395	1,126,196	2,480,255	2,172,771	3,822,650	3,298,967
Other financial obligations	685,502	12,842	61,444	57,899	746,946	70,741
Current income tax	-	-	-	23,832	-	23,832
Deferred income taxes	-	-	42,611	45,309	42,611	45,309
Provisions	12,006	2,608	243,126	236,587	255,132	239,195
Other liabilities	63,227	29,170	373,917	219,138	437,144	248,308
TOTAL LIABILITIES	**9,712,312**	**5,859,547**	**16,971,564**	**16,142,657**	**26,683,876**	**22,002,204**

NOTE 39 - SUBSEQUENT EVENTS

a) On January 28, 2016 the certificate from the Superintendence of Banks and Financial Institutions (SBIF) was received, which confirms registration in the public record No. 1/2016 of the capital increase approved at the Extraordinary Shareholders' Meeting held on October 27, 2015, limited public deed on October 29, 2015 in the Mr. Patricio Zaldívar Mackenna Notary of Santiago.

   The emission corresponds to 10,737,300 paid-in shares of a single series and with no par value. These shares must be issued, subscribed and paid within a maximum period of three years from the aforementioned Extraordinary Shareholders' Meeting.

b) In the Official Gazette dated February 8, 2016 Law No. 20,899 was published, that simplifies and clarifies the tax reform of 2014 (Law No.20,780), focusing on four specific objectives: to simplify and clarify the tax reform; to ensure the tax collection; to maintain the progressivity of the system; and to create tools allowing eliminate tax evasion and avoidance.

   Among the most important points this Law includes changes regarding the adoption of incorporated tax systems by Law No. 20,780 (attributed system and semi-integrated system), since the latter standard allowed us to choose any of them, while Law No. 20,899 forced us to adopt the semi-integrated system.

   It should be mentioned that the main impact of selection of the system is its effect on the deferred taxes calculation, which are calculated based on the tax rate that, according to the tax regulations in force, must be applied in the year in which the deferred tax asset or liability is reversed. Considering that deferred taxes of BCI and its subsidiaries have been determined based on the tax rates stipulated by the semi-integrated system, this legal change does not impact the presentation of these financial statements.

Between January 1, 2016 and the date of issuance of these Consolidated Financial Statements (February 25, 2016), there have been no subsequent events other than those mentioned above which may have impact on the presentation of these Consolidated Financial Statements.

Fernando Vallejos Vásquez Corporate Accounting Manager	Eugenio Von Chrismar Carvajal Chief Executive Officer