Interim Consolidated Financial Statements

As of March 31, 2018 and December 31, 2017 and for the three-month periods ended March 31, 2018 and 2017

CONTENT

Deloitte
Auditores y Consultores Limitada
Rosario Norte 407
Rut: 80.276.200-3
Las Condes, Santiago
Chile
Fono: (56) 227 297 000
Fax: (56) 223 749 177
deloittechile@deloitte.com
www.deloitte.cl

INDEPENDENT AUDITORS' REVIEW REPORT

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

We have reviewed the accompanying interim consolidated statements of financial position of Banco de Crédito e Inversiones S.A. and subsidiaries (the "Bank"), as of March 31, 2018, and the related interim consolidated statements of income, other comprehensive income, changes in equity, and cash flows for the three-month periods ended March 31, 2018 and 2017, and the related notes to the interim consolidated financial statements.

Management's Responsibility for the Interim Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these interim 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 interim consolidated financial statements in accordance with the accounting standards and instructions issued by the Superintendency of Banks and Financial Institutions

Auditors' Responsibility

Our responsibility is to conduct a review based on our review standards generally accepted in Chile applicable to review of interim consolidated financial statements. A review of interim financial statements consists principally of applying analytical procedures and conducting inquiries of persons responsible for accounting and financial matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Chile, whose purpose is the expression of an opinion on the financial statements. Therefore, we do not express such an opinion.

Conclusion

Based on our review, we are not aware of any material modification that should be made to the interim consolidated financial statements referred to in the first paragraph for them to be in accordance with accounting standards and instructions issued by the Superintendency of Banks and Financial Institutions.

Other matters relating to the consolidated statement of financial position as of 31 December 2016

On January 30, 2018 we expressed an modified opinion on the Bank's consolidated financial statements as of December 31, 2017 and 2016, which include the consolidated statement of financial position as of December 31, 2017, which is presented in the accompanying interim consolidated financial statements, and included corresponding notes to the interim consolidated financial statements.

Deloitte® se refiere a Deloitte Touche Tohmatsu Limited una compañía privada limitada por garantía, de Reino Unido, y a su red de firmas miembro, cada una de las cuales es una entidad legal separada e independiente. Por favor, vea en www.deloitte.com/cl/acercade la descripción detallada de la estructura legal de Deloitte Touche Tohmatsu Limited y sus firmas miembro.

Deloitte Touche Tohmatsu Limited es una compañía privada limitada por garantía constituida en Inglaterra & Gales bajo el número 07271800, y su domicilio registrado: Hill House, 1 Little New Street, London, EC4A 3TR, Reino Unido.

Other matters

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

Deloitte.

June 12, 2018
Santiago, Chile

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Interim Consolidated Financial Statements
As of March 31, 2018 and December 31, 2017 and for the three-month periods ended March 31, 2018 and 2017

TABLE OF CONTENTS

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of March 31, 2018 (unaudited) and December 31, 2017
(In millions of Chilean pesos - MCh$)

		As of	
	Note	March 31, 2018 MCh$	December 31, 2017 MCh$
ASSETS			
Cash and deposits in banks	5	1,933,971	1,495,732
Items in course of collection	5	307,982	259,977
Trading portfolio financial assets	6	2,060,371	2,197,716
Investments under agreements to resell	7	196,879	252,599
Derivative financial assets	8	1,345,687	1,365,738
Loans and receivables to banks, net	9	273,718	179,065
Loans and receivables to customers, net	10	24,890,140	24,130,419
Financial investments available for sale	11	2,388,763	2,531,682
Financial investments held to maturity	11	786	800
Investments in other companies	12	150,958	207,718
Intangible assets	13	170,686	175,897
Property, plant and equipment, net	14	266,778	270,291
Current income tax	15	14,339	14,312
Deferred income taxes	15	58,913	48,160
Other assets	16	726,953	753,290
TOTAL ASSETS		**34,786,924**	**33,883,396**
LIABILITIES			
Current accounts and demand deposits	17	9,355,168	9,534,124
Items in course of collection	5	207,324	109,341
Liabilities under agreements to repurchase	7	761,339	869,438
Term deposits and savings accounts	17	11,346,424	10,692,346
Derivative financial liabilities	8	1,505,093	1,479,602
Borrowings from financial institutions	18	1,846,007	1,754,356
Debt issued	19	5,442,553	5,020,307
Other financial liabilities	19	756,730	679,379
Current income tax	15	17,511	7,480
Deferred income taxes	15	1,130	980
Provisions	20	178,887	274,673
Other liabilities	21	600,789	733,084
TOTAL LIABILITIES		**32,018,955**	**31,155,110**
SHAREHOLDERS' EQUITY			
Attributable to equity holders of the Bank:			
Capital		2,493,420	2,493,420
Reserves		109	109
Accumulated other comprehensive income		(42,792)	(25,667)
Retained earnings:			
Net income from prior periods	23	240,211	-
Net income for the period	23	109,400	371,403
Less: Accrual for minimum dividends	23	(32,820)	(111,421)
TOTAL EQUITY OF EQUITY HOLDERS OF THE BANK		**2,767,528**	**2,727,844**
Non-controlling interest		441	442
TOTAL SHAREHOLDERS' EQUITY		**2,767,969**	**2,728,286**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		**34,786,924**	**33,883,396**

Notes No. 1 to No. 38 are an integral part of these interim consolidated financial statements.

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF INCOME
For the three-month periods ended March 31, 2018 and 2017 (unaudited)
(In millions of Chilean pesos - MCh$)

	Note	For the three-month period ended March 31, 2018 MCh$	2017 MCh$
Interest income	24	406,658	365,639
Interest expense	24	(170,370)	(144,493)
Net interest income		**236,288**	**221,146**
Fee and commission income	25	89,689	81,700
Fee and commission expense	25	(21,158)	(19,444)
Net fee and commission income		**68,531**	**62,256**
Trading and investment income, net	26	4,721	27,748
Foreign exchange results, net	27	53,058	16,635
Other operating income	32	9,905	11,941
Operating income		**372,503**	**339,726**
Provision for loan losses	28	(57,759)	(62,903)
OPERATING INCOME, NET OF PROVISION FOR LOAN LOSSES		**314,744**	**276,823**
Staff costs	29	(115,125)	(99,157)
Administrative expenses	30	(59,674)	(56,338)
Depreciation and amortization	31	(15,210)	(14,364)
Impairment of property, plant and equipment and intangible assets	31	(91)	(26)
Other operating expenses	32	(10,140)	(7,374)
TOTAL OPERATING EXPENSES		**(200,240)**	**(177,259)**
TOTAL NET OPERATING INCOME		**114,504**	**99,564**
Share of profit of investments accounted for using the equity method	12	23,091	103,223
Income before income tax		**137,595**	**202,787**
Income tax expense	15	(28,183)	(61,931)
Net income from continuing operations		**109,412**	**140,856**
Net income from discontinued operations		-	-
CONSOLIDATED NET INCOME FOR THE PERIOD		**109,412**	**140,856**
Attributable to:			
Equity holders of the Bank		109,400	140,843
Non-controlling interest		12	13
Total		**109,412**	**140,856**
Earnings per share attributable to equity holders of the Bank: (stated in Ch$)			
Basic earnings per share		$876	$1,140
Diluted earnings per share		$876	$1,140

Notes No. 1 to No. 38 are an integral part of these interim consolidated financial statements.

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three-month periods ended March 31, 2018 and 2017 (unaudited)
(In millions of Chilean pesos - MCh$)

	Note	For the three-month period ended March 31, 2018 MCh$	2017 MCh$
CONSOLIDATED NET INCOME FOR THE PERIOD		**109,412**	**140,856**
OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO THE STATEMENT OF INCOME			
Net gain/(loss) resulting on revaluation of financial investments available for sale		(7,876)	9,571
Net gain/(loss) on cash flow hedge derivatives		(5,291)	(8,381)
Cumulative translation adjustment		(7,486)	(15,459)
Other comprehensive income before income tax		**(20,653)**	**(14,269)**
Income tax for other comprehensive income	15	3,528	3,037
Total other comprehensives (loss) income that may be reclassified to the statements of income in subsequent periods		**(17,125)**	**(11,232)**
OTHER COMPREHENSIVE INCOME (LOSS) THAT WILL NOT BE RECLASSIFIED TO THE STATEMENTS OF INCOME IN SUBSEQUENT PERIODS		-	-
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		**(17,125)**	**(11,232)**
CONSOLIDATED TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**92,287**	**129,624**
Attributable to:			
Equity holders of the Bank		92,275	129,611
Non-controlling interest		12	13
Earnings per share attributable to equity holders of the Bank:			
Basic comprehensive income per share		$739	$1,049
Diluted comprehensive income per share		$739	$1,049

Notes No. 1 to No. 38 are an integral part of these interim consolidated financial statements.

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the three-month periods ended March 31, 2018 and 2017 (unaudited)
(In millions of Chilean pesos - MCh$)

			Accumulated other comprehensive income					Retained earnings				Total Equity		
	Capital	Reserves	Available for sale investments	Cash flow hedges reserve	Cumulative translation adjustment	Income Tax	Total	Retained earnings	Net Income for the period	Minimum dividends provision	Total	Total attributable to equity holders of the Bank	Non-Controlling interest	Total equity
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
As of January 1, 2018	**2,493,420**	**109**	**6,795**	**(9,039)**	**(23,191)**	**(232)**	**(25,667)**	**-**	**371,403**	**(111,421)**	**259,982**	**2,727,844**	**420**	**2,728,286**
Transfer to retained earnings	-	-	-	-	-	-	-	371,403	(371,403)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	(131,192)	-	111,421	**(19,771)**	-	-	-
Capitalization of reserves	-	-	-	-	-	-	-	-	-	-	-	**(19,771)**	-	**(19,771)**
Other comprehensive income	-	-	(7,876)	(5,291)	(7,486)	3,528	**(17,125)**	-	-	-	-	**(17,125)**	(13)	**(17,138)**
Net income for the period	-	-	-	-	-	-	-	-	109,400	-	**109,400**	**109,400)**	12	**109,412)**
Provision for minimum dividends	-	-	-	-	-	-	-	-	-	(32,820)	**(32,820)**	**(32,820)**	-	**(32,820)**
As of March 31, 2018	**2,493,420**	**109**	**(1,081)**	**(14,330)**	**(30,677)**	**3,296**	**(42,792)**	**240,211**	**190,400**	**(32,820)**	**316,791**	**2,767,528**	**441**	**2,767,969**
As of January 1, 2017	**2,276,820**	**109**	**170**	**(16,678)**	**18,450**	**1,314**	**3,256**	**-**	**340,121**	**(102,049)**	**238,072**	**2,518,257**	**420**	**2,518,677**
Transfer to retained earnings	-	-	-	-	-	-	-	340,121	(340,121)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	(123,564)	-	102,049	**(21,515)**	**(21,515)**	-	**(21,515)**
Capitalization of reserves	216,600	-	-	-	-	-	-	(216,557)	-	-	**(216,557)**	**43**	(43)	-
Other comprehensive income	-	-	9,571	(8,381)	(15,459)	3,037	**(11,232)**	-	-	-	-	**(11,232)**	98	**(11,134)**
Net income for the period	-	-	-	-	-	-	-	-	140,843	-	**140,843**	**140,843**	13	**140,856**
Provision for minimum dividends	-	-	-	-	-	-	-	-	-	(42,257)	**(42,257)**	**(42,257)**	-	**(42,257)**
As of March 31, 2017	**2,493,420**	**109**	**9,741**	**(25,059)**	**2,991**	**4,351**	**(7,976)**	**-**	**140,843**	**(42,257)**	**98,586**	**2,584,139**	**488**	**2,584,627**

Notes No. 1 to No. 38 are an integral part of these interim consolidated financial statements.

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three-month periods ended March 31, 2018 and 2017 (unaudited)
(In millions of Chilean pesos - MCh$)

		For the three-month period ended March 31,	
		2018	2017
	Note	MCh$	MCh$
CASH FLOWS (USED IN) PROVIDED BY OPERATING ACTIVITIES:			
INCOME BEFORE INCOME TAX		**137,595**	**202,787**
Charges (credits) to income not representing cash flows:			
Depreciation and amortization	31	15,210	14,364
Impairment of property, plant and equipment and intangible assets	31	91	26
Provision for loan losses		69,618	72,782
Impairment of repossessed assets		-	15
Adjustment to fair value of financial instruments		(3,781)	(1,313)
Share (profit) loss of investments accounted using equity method	12	(23,091)	(103,223)
Net loss (gain) from sale of repossessed assets	32	(434)	(186)
Gain from sale of property, plant and equipment	32	(318)	(7,020)
Loss on sale of property, plant and equipment	32	-	6
Write-off of repossessed assets	32	937	630
Other credits (charges) to income that do not represent cash flows		69,306	(221,146)
Net interest and indexation income		(236,288)	(62,256)
Net fee and commission income		(68,531)	73,194
Changes in assets and liabilities affecting operating cash flows:			
Net (increase) decrease in loans and receivables to banks		(94,912)	10,504
Net increase in loans and receivables to customers		(793,408)	(140,430)
Net decrease (increase) in investments		258,673	(39,016)
Net (decrease) increase in current accounts and other demand deposits		(193,202)	286,909
Net increase in liabilities under agreements to repurchase		(123,578)	(156,252)
Net increase (decrease) in term deposits and savings accounts		653,093	(152,976)
Net increase (decrease) in borrowing from financial institutions		79,468	(113,077)
Net increase (decrease) in other financial liabilities		69,606	(129,845)
Proceeds from loans from Central Bank of Chile (long-term)		141,997	-
Repayment of loans from Central Bank of Chile (long-term)		(141,401)	(1,959)
Proceeds from foreign borrowings (long-term)		1,400,782	1,256,069
Repayment of foreign borrowings (long term)		(1,370,178)	(1,353,419)
Income tax paid	15	(28,183)	(61,931)
Interest and indexation received		380,460	362,816
Interest and indexation paid		(104,522)	(111,328)
Fees and commissions received	25	89,689	81,700
Fees and commissions paid	25	(21,158)	(19,444)
Total cash flows provided by (used in) operating activities		**163,540**	**(313,019)**
CASH FLOW (USED IN) PROVIDED BY INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	14	(6,392)	(12,817)
Proceeds from sale of property, plant and equipment		1	15,661
Increase of investments in other companies	12	-	(16,547)
Purchase of intangible assets	13	(10,099)	(11,123)
Sale of investments in other companies	12	74,083	31,825
Dividends received from investments in other companies	12	4,989	455
Sale of repossessed assets		1	400
Net changes in other assets and liabilities		(91,706)	37,940
Total cash flows (used in) provided by investing activities		**(29,123)**	**45,794**
CASH FLOW PROVIDED BY FINANCING ACTIVITIES:			
Redemption of letters of credit		(929)	(1,180)
Bond issuance		324,241	160,510
Bond redemption		(21,369)	-
Paid-in capital	23	-	-
Dividends paid	23	(131,192)	(123,564)
Total cash flows provided by financing activities		**170,751**	**35,766**
NET DECREASE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD		**(38,132)**	**(202,602)**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**343,300**	**(28,857)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**1,885,573**	**1,808,175**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	**2,190,741**	**1,576,716**

Notes No. 1 to No. 38 are an integral part of the interim consolidated financial statements.

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three-month periods ended March 31, 2018 and 2017 (unaudited)
(In millions of Chilean pesos - MCh$)

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

		For the three-month period ended March 31,	
		2018	**2017**
	Note	**MCh$**	**MCh$**
Provision for loan losses presented in the consolidated statements of cash Flows		69,618	72,782
Recovery of loans previously written off		(11,859)	(9,879)
Provision for loan losses	28	**57,759**	**62,903**

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL INFORMATION

a) The Bank

Banco de Credito e Inversiones or Banco BCI (hereinafter the "Bank") is a bank incorporated in Chile and regulated by the Superintendency of Banks and Financial Institutions (hereinafter the "SBIF"). The registered office of the Bank is located at 125 El Golf Avenue, Las Condes, Santiago. The interim consolidated financial statements as of March 31, 2018 and December 31, 2017 and for the three-month periods ended March 31, 2018 and 2017 include financial information of the Bank and its subsidiaries listed below, as well as its Miami Branch. The Bank's business consists of all of the businesses and transactions permitted by the General Banking Law, including retail, corporate and real estate banking, large and medium size companies' services, private banking and asset management services.

b) Basis of Preparation of the interim consolidated financial statements

The interim consolidated financial statements have been prepared in accordance with the Compendium of Accounting Standards and Instructions issued by the 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 Superintendency and, in all such matters not specifically covered by it, provided they do not contradict its instructions, banks must follow generally accepted accounting criteria established in International Financial Reporting Standards (hereinafter the "IFRS") issued by the International Accounting Standards Board (hereinafter the "IASB"). In case of any discrepancy between IFRS and SBIF, the latter should be followed.

Notes to the interim consolidated financial statements contain additional information to the presented in the interim consolidated statements of financial position, interim consolidated statements of income, interim consolidated statements of comprehensive income, interim consolidated statements of changes in equity and interim consolidated statements of cash flows.

Interim consolidated financial statements of the Bank and Subsidiaries as of March 31, 2018 and for the three-month periods ended March 31, 2018 and 2017 have been approved and authorized for issuance by the Board at a meeting held on May 22, 2018.

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

c) Controlled companies (subsidiaries)

The interim consolidated financial statements as of March 31, 2018 and December 31, 2017 include financial information of the Bank and controlled companies (subsidiaries) (hereinafter the "Group"). Control is achieved when the following conditions are met:

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

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

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

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

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

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

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

In addition, third party interest in the equity of the Bank is presented as "Non-controlling Interest" in the interim consolidated statements of financial position. Its share in profit or loss is presented as "Consolidated net income for the year attributable to non-controlling interest" in the interim consolidated statements of income. Its share in total comprehensive income for the year is presented as "Consolidated total comprehensive income for the year, attributable to non-controlling interest" in the interim consolidated statements of comprehensive income.

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

i. Entities controlled by the Bank through interest ownership:

	Ownership			
	Direct		Indirect	
Entity	**2018**	**2017**	**2018**	**2017**
	%	%	%	%
Analisis y Servicios S.A.	99.00	99.00	1.00	1.00
BCI Asset Management Administradora de Fondos S.A.	99.90	99.90	0.10	0.10
BCI Asesoría Financiera S.A.	99.00	99.00	1.00	1.00
BCI Corredor de Bolsa S.A.	99.95	99.95	0.05	0.05
BCI Corredores de Seguros S.A.	99.00	99.00	1.00	1.00
BCI Factoring S.A.	99.97	99.97	0.03	0.03
BCI Securitizadora S.A.	99.90	99.90	-	-
Banco de Credito e Inversiones Sucursal Miami	100.00	100.00	-	-
Servicio de Normalización y Cobranza, Normaliza S.A.	99.90	99.90	0.10	0.10
BCI Securities INC.	99.90	99.90	0.10	0.10
BCI Corredores de Bolsa de Productos S.A.	99.00	99.00	1.00	1.00
BCI Financial Group. INC. and Subsidiaries	100.00	100.00	-	-

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

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

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

BCI Asset Management Administradora de Fondos S.A. was incorporated by public deed dated January 7, 1988. Its corporate purpose is management of all types of mutual funds. investment funds and individual portfolios regulated by Law No. 20.712, including the development of voluntary pension savings plans "Voluntary Pension Savings" ("APV" for its acronym in Spanish) and "Collective Voluntary Pension Savings" ("APVC" for its acronym in Spanish), other complementary activities authorized by the SVS through Circular No. 1.566 of 2001, and the administration of third parties' funds and portfolios, authorized by Circular No. 1.897 of 2008.

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

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

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

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

BCI Securitizadora S.A. was established as a closely held corporation by public deed dated March 1, 2001. Its corporate purpose is the acquisition of the credits referred to in Article No. 135 of Law No. 18.045 (i.e. mortgage loan, finance leases, concession rights) or the rules that replace or complement it, and the issuance of debt securities, short or long term, causing for each issuance the formation of capital separate from its own, supervised by the SVS.

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

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

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

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

BCI Corredores de Bolsa de Productos S.A. was established by public deed dated April 16, 2015. Its sole corporate purpose is to act as intermediary in operations with agricultural products, as established in Articles Four and Five of the Law No. 19.920, as broker of agricultural products, including the purchase or sale of products in the Agricultural Products Stock Exchange for its own account with the aim of transferring rights thereto, and the complementary activities authorized by the SVS, for which it may execute all actions and enter into all contracts and act as intermediary in operations of the Agricultural Products Stock Exchange, according to the regulation in force.

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

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

ii. Entities controlled by the Bank through other considerations:

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

	Ownership interest			
	Direct		Indirect	
Entity	2018	2017	2018	2017
	%	%	%	%
BCI Activos Inmobiliarios Fondo de Inversión Privado	40.00	40.00	-	-
Incentivos y Promociones Limitada (1)	SE	SE	SE	SE

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

d) Associates

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

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

These investments are accounted for using the equity method. The investment in an associate is originally recognized at cost. Subsequently, the investment is recognized in the statements of financial position based on its cost plus its share of earnings since the acquisition date, less any depreciation or amortization of the fair value of assets acquired/liabilities assumed and less any impairment.

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

The following entities are considered associates:

Company	Ownership interest 2018 %	Ownership interest 2017 %
Artikos Chile S.A.	50.00	50.00
Servipag Ltda.	50.00	50.00
Centro de Compensación Automatizado S.A.	33.33	33.33
AFT S.A.	20.00	20.00
Nexus S.A.	12.90	12.90
Redbanc S.A.	12.71	12.71
Servicio de Infraestructura de Mercado OTC S.A.	13.61	13.61
Combanc S.A.	10.33	10.33
Transbank S.A.	8.72	8.72
Sociedad Interbancaria de Depósitos de Valores S.A.	7.03	7.03

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

e) Investments in other companies

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

As of March 31, 2018 the Bank has investments in the following companies: SWIFT, BLADEX, Credicorp Ltd., and others.

The Bank has a 1.27% stake in Credicorp Ltd.. As previously indicated in letter d) above, for this investment, the Bank discontinued using the equity method (see Note 3). Significant events, for additional information.

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

f) Basis of consolidation

The interim consolidated financial statements comprise financial information of the Bank and its subsidiaries as of March 31, 2018 and December 31, 2017 and for the three-month periods ended March 31, 2018 and 2017.

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

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

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

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

g) Non-controlling interest

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

h) Functional currency

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

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

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

i) Transactions in foreign currency

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

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

As of March 31, 2018 and December 31, 2017, the assets and liabilities of the Bank denominated in foreign currency are shown at their converted value in Chilean pesos.

j) Operating segments

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

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

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

k) Measurement of assets and liabilities

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

i. Assets and liabilities measured at amortized cost:

The amortized cost of a financial asset or financial liability is the amount at which the financial asset 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.

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.

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

ii. Assets and liabilities measured at fair value:

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

A financial instrument is considered quoted on an active market, if prices are regularly and freely available 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 that the market is inactive.

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

As of the dates of the interim consolidated financial statements, the Bank has no instruments whose fair value had been determined based on significant unobservable data. However, for this type of instruments, the Bank has models developed internally. When the data used in the models is unobservable, the Bank must develop assumptions in order to estimate the fair values. These valuations are known as Level 3 valuations. Instruments classified according to their valuation level are detailed in Note 34 to the interim consolidated financial statements.

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

iii. Assets and liabilities measured at historic cost:

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

The interim consolidated financial statements have been prepared based on a historic cost basis, except for:

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

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

iv. Derecognition of financial assets and liabilities:

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

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

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

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

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

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

a) If the Bank does not retain the control of the transferred financial asset: then it is derecognized from the interim consolidated statements of financial position and any withheld right or obligation is recognized or created as a consequence of the transfer.

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

Accordingly, financial assets are derecognized from the interim consolidated statements of financial position when, and only when, the contractual rights to the cash flows from the financial asset expire; or when the Bank transfers the financial assets and substantially all the risks and rewards of ownership of the assets to third parties.

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

Similarly, financial liabilities are derecognized from the interim consolidated statements of financial position when, and only when, the obligations are extinguished, cancelled or expired.

l) Investment instruments

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

Investment instruments are initially recognized at their fair value, including transaction costs directly attributable to aquisition. 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 or the recognition of any gain or loss on a level 3 instrument over time are recognized in other comprehensive income. When these investments are sold the available for sale investment instruments' reserve accumulated in other comprehensive income associated with these instruments is reclassified to the interim consolidated statements of income and recognized under "Trading and investment income, net" heading as well as any realized gain/loss on disposal. In the case of a significant or prolonged decline in the fair value of any of these instruments or other objective evidence of impairment, an impairment is recognized by a reclassification of the cumulative loss recognised in other comprehensive income to the line item "Impairment" in the statements of income.

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

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

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

m) Trading investments

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

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

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

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

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

n) Transactions with repurchase agreements and securities lending

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

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

o) Financial derivative instruments

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

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

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

The changes in the fair value of derivative instruments held for trading are included in "Trading and investment income, net" line of the interim consolidated statements of income.

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

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

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

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

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

When a derivative hedges exposure to changes in the cash flows of existing assets or liabilities, or forecast transactions, the effective portion of changes in fair value related to the hedged risk is recognized in other comprehensive income and accumulated in equity. Any ineffective portion is recognized directly in the interim consolidated statements of income for the period.

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

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

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

The adjustment for counterparty credit risk in derivatives (Credit Valuation Adjustment "CVA") represents the expected losses from counterparty risk in over the counter ("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 the derivative considering the possibility of counterparty default. In this way, a customer CVA can be obtained from the expected exposure (EE) to counterparty risk and the expected loss rate ("PE" for its acronym in Spanish) associated with the potential default of the counterparty.

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

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

i. Define market makers or BCI customer condition:

On an annual basis the Bank condition will be defined as to whether the Bank is the debtor or the creditor.

ii. Condition of Market Makers:

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

iii. Customer status:

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

p) Hedge of a net investment in a foreign operation

According to IAS 21 and IAS 39, the requirements to recognize hedge accounting are the following: IAS 21 requires that an entity should determine the functional currency of each of its foreign operations as the currency of the primary economic environment in which it operates. When the statement of financial position and results of a foreign operation are translated from a currency different from the reporting currency of the parent, the entity will recognize the exchange differences through other comprehensive income in equity, under cumulative translation adjustment reserve, until the sale or disposal by other means of the foreign operation. The accumulated difference is to be transferred to the interim consolidated statements of income at the date at which the sale or disposal occurs.

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

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

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

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

The hedged item is the investment made for the purchase of BCI Financial Group INC. and Subsidiaries.

q) Loans and receivables to customers

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

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

i. Financial lease contracts

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

ii. Factoring Operations

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

r) Allowances for loan losses and others

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

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

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

i. Individual assessment:

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

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

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

ii. Normal and substandard portfolios:

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

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

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

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

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

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

iii. Collective assessment of normal and substandard portfolios:

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

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

iv. Non-compliant portfolio:

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

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

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

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

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

v. Collective assessment:

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

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

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

a. Commercial Loans:

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

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

b. Consumer Loans:

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

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

c. Mortgage Loans:

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

As of December 31, 2015 the allowance determination was based on statistical models of expected loss, which estimated the probability of default for each customer (PD) and loss given default (LGD) for each operation. Both parameters were defined in terms of customer behaviour and characteristics of each loan.

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

Including delinquencies (internal and/or external), loan/collateral ratio (loan-to-value), overdue status, credit conditions, and customer behaviour in other products of the Bank, among others.

Beginning January 1, 2016 the Bank adopted the "Standard Method for Provisioning the Residential Mortgage Loan" established by SBIF in its Circular No. 3.573. This circular establishes provisioning factors, representing expected losses over the amount of the loan, applied based on the level of delinquency of each loan, and the loan/collateral ratio (Loan-to-Value or LtV) at the end of each month, as shown in the following table.

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

Where:

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

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

The application of this new rule resulted in a reclassification between the allowances for residential mortgage loans amounting to MCh$14,028 as of January 1, 2016, and the additional provisions recognized. Accordingly, the application of this new regulation had no effect on the consolidated statements of income for the year ended December 31, 2016.

d. Write-off of loans:

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

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

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

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

Write-offs of loans and receivables are be made in accordance with the following deadlines:

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

The above table presents the period of time that must elapse in order to write off by type of loan. The period is accounted for from the day the installment becomes overdue.

e. Recovery of written off loans:

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

s) Fee and commission income and expense

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

- Those corresponding to operations which happen at a moment of time are recognized when the operation which originates them has been completed.
- Those originated from transactions or services performed over time are recognized over the life of these transactions or services.

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

t) Impairment

I. Financial Assets:

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

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

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

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

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

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

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

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

i. Impaired Portfolio:

Impaired Portfolio includes loans individually assessed by the Bank which have a credit risk classified as substandard in categories B3 and B4 and loans in the non-compliant portfolio.
The collectively assessed loans are classified as impaired loans when they present at least one of the following conditions:

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

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

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

Exit Conditions

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

- Collective assessment:

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

- Receipt of at least nine consecutive instalments of principal and interest, paid on time in accordance with the schedule of payments or with a maximum delay of 30 days.
- All obligations up to date and no other loans in the impaired portfolio.
- In any case, there must be no instalments in default with other banks in the Chilean financial system in the last 90 days (last three periods informed to the SBIF at the date of inquiry).

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

- Receipt of at least nine consecutive instalments of principal and interest, paid on time in accordance with the schedule of payments or with a maximum delay of 30 days.
- All obligations up to date and no other loan operations of the borrower in the impaired portfolio.
- No other renegotiations of the borrower’s loans within the last nine months.

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

- In any case, there must not be any instalments in default with other banks in the Chilean financial system in the last 90 days (last three periods informed to the SBIF at the date of inquiry)

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

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

ii. Interest and indexation for inflation income and expenses:

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

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

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

• Amounts to suspend:

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

• Date of suspension:

Individually assessed loans:

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

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

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

Collectively assessed loans:

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

The 80% percent of collateral refers to the ratio, measured at the time the loan becomes impaired, including the value of the collateral and the estimated value of all assets covered by the same collateral, including credit commitments.

II. Non-financial assets:

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

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

u) Intangible assets

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

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

The subsequent expenditures associated with any software are capitalized only when the Bank may derive future economic benefits from them. The rest of the expenditures are recognized in the interim consolidated income statement of the period.

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

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

Intangibles acquired in a business combination

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

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

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

Intangible with indefinite useful livesare subject to annusal impairment review. In accordance with the SBIF rules, under the Compendium of Accounting Rules. Chapter A2 number 7, two independent appraisers different from the Bank’s auditors performed an impairment test over indefinite life intangible assets. This review was performed December 31, 2017.

Goodwill

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

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

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

v) Business Combinations

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

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

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

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

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

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

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

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

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

w) Property, Plant and Equipment

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

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

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

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

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

The estimated useful lives for the property, plant and equipment as of March 31, 2018 and December 31, 2017 are the following:

	As of March 31, 2018	As of December 31, 2017
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

x) Repossessed assets

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

y) Staff benefits

i. Unused Vacations:

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

ii. Short-term benefits:

The entity provides for its employees an annual incentive plan for meeting certain objectives. The incentive is defined as a determined number or portion of monthly remunerations. Corresponding provision is recognized on the basis of the estimated amount to be distributed.

iii. Indemnification for years of service:

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

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

z) Leases

i. Operating lease:

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

Any payment for penalties arising under operating leases are recognised as an expense in the period in which they are incurred.

ii. Financial lease:

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

Inter-company leased assets are treated as own-use assets in the interim consolidated financial statements.

aa) Cash flow statement

The indirect method was applied for presentation of the interim consolidated statements of cash flows. In accordance with this method non-cash transactions are excluded. Revenues and expenses associated with cash flows from investing or financing activities are presented in such categories.

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

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

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

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

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

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

ab) Provisions and contingent assets and liabilities

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

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

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

A contingent liability is:

a. an obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
b. a present obligation that arises from past events is not necessarily recognised under the following conditions:

    - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
    - the amount of the obligation cannot be measured with sufficient reliability.

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

Provisions are recognized for the following categories:

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

i. Additional provisions:

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

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

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

These provisions, in accordance with the established under No. 10 of Chapter B-1 of the Compendium of Accounting Standards issued by the SBIF, have to be recognized as liabilities.

ii. Minimum provisions required for the normal individual portfolio:

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

ac) Use of estimates and judgments

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

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

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

- Allowances for loan losses (Notes 9,10 y 28).
- Impairment of certain assets (Note 31).
- Valuation of financial instruments (Notes 6, 8 and 11).
- Useful life of property, plant and equipment and intangible assets (Notes 13 and 14).
- Use of tax loss carry-forward (Note 15).
- Contingencies and Commitments (Note 22).

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

ad) Income tax and deferred tax

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the interim consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The effects of changes in the tax regulations or in tax rates are recognized in deferred taxes as of the date of the law enactment or substantial law enactment.
As of March 31, 2018 and December 31, 2017, the Bank recognized deferred tax assets , for which Management has assessed that it is probable that taxable profits will be available against which tax loss carryforwards can be utilised.

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

In accordance with the Law 20,780 published in the *Diario Oficial* on September 29, 2014, as amended by Law 20,899 published in the *Diario Oficial* on February 8, 2016, the Bank as of the 2018 business year must apply a permanent rate of 27% for First Category tax. In addition, and temporarily, the Bank applied a rate of 24% for tax profits received or accrued in the 2016 business year and 25.5% was applied for tax profits received or accrued in the 2017 business year. In 2017, the tax reform law was published in the United States, which reduced the federal tax rate from 35% to 21%, as a result of which the subsidiaries domiciled in that country recalculated their deferred tax assets.

ae) Non-current assets held for sale

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

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

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

ag) Earnings per share

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

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

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

i. Collection Operations:

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

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

Accounting for debt to be issued by BCI Securitizadora S.A depends on the type of assets: debt secured by assets representing future cash flows has be recognized by both the Protected Assets Fund and the originator, while debt secured by existing assets has to be recognized only by the Protected Assets Fund.

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

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

ii. Protected Assets Fund No. 27:

The Bank through the direct subsidiary BCI Securitizadora S.A., as of March 31, 2018, maintains in its consolidated financial statements a balance of MCh$23,820, corresponding to loan receivables forming equity of the Protected Assets Fund No. 27.

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

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

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

a) New and revised IFRS effective in the current year

The following new and revised IFRS are mandataroty and effective as of January 1, 2018 when publishing full compliance IFRS financial statements:

Amendments and Improvements to IFRS	Effective date
Clarifications to IFRS 15 'Revenue from Contracts with Customers'	Annual periods beginning on or after January 1, 2018.
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)	Annual periods beginning on or after January 1, 2018.
Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4)	Annual periods beginning on or after January 1, 2018.
Transfers of Investment Property (Amendments to IAS 40)	Annual periods beginning on or after January 1, 2018.
Annual Improvements to IFRS Standards 2014–2016 Cycle (Amendments to IFRS 1 and IAS 28)	Annual periods beginning on or after January 1, 2018.
New Standards	**Effective date**
IFRS 9 "Financial instruments"	Annual periods beginning on or after January 1, 2018.
IFRS 15: Revenue from Contracts with Customers,	Annual periods beginning on or after January 1, 2018.
New Interpretation	
IFRIC 22 Foreign Currency Transactions and Advance Consideration	Annual periods beginning on or after January 1, 2018.

Clarifications to IFRS 15 'Revenue from Contracts with Customers'

The International Accounting Standards Board (IASB) published amends to IFRS 15 Revenue from Contracts with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.

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

The Bank's Management carried out an evaluation for the application of this regulation and concluded that it has no effect on the consolidated interim financial statements. Likewise, on December 27, 2017 a letter was sent to the SBIF with these conclusions.

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

Amendment to IFRS 2: Classification and Measurement of Share-based Payment Transactions

On June 20, 2016, the IASB has published amends IFRS 2 Share-based Payment to clarify the standard in relation to:

(i) the accounting for cash-settled share-based payment transactions that include a performance condition, (ii) the classification of share-based payment transactions with net settlement features, and; (iii) the accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

The amendments are effective for annual periods beginning on or after 1 January 2018. The amendments are to be applied prospectively. However, retrospective application is allowed if this is possible without the use of hindsight. If an entitity applies the amendments retrospectively, it must do so for all of the amendments described above.

The Bank's Management has determined that the application of this amendment has had no effect on the Bank's interim consolidated financial statements.

Application IFRS 9 "Financial instruments" with IFRS 4 "Insurance contracts" (amendments to IFRS 4)

On September 12, 2016, the IASB published the application of IFRS 9 "Financial Instruments" with IFRS 4 "Insurance Contracts". The amendments are intended to address concerns about the different effective dates between IFRS 9 and the new standard on insurance contracts.

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021 therefore can no longer be aligned with the effective date of IFRS 9 Financial Instruments. The following issue arises from the differences in alignment (i) The different effective dates would lead to accounting mismatches and volatility in profit or loss that users of financial statements might find difficult to understand.; (ii) Making decisions about applying the new classification and measurement requirements in IFRS 9 before the new insurance contracts standard is finalised would be difficult as the decisions might differ from those companies would have made had all details of the new standard been known and; (iii) Having to cope with two major accounting changes in a relatively short time would bear the potential of significantly increased costs and efforts.

The amendments in applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4) provide two options for entities that issue insurance contracts within the scope of IFRS 4:
Deferral approach. Under the amendments that make up the deferral approach, an entity is permitted to apply IAS 39 rather than IFRS 9 for annual reporting periods beginning before 1 January 2021 if it has not previously applied any version of IFRS 9 and if its predominant activity is issuing contracts within the scope of IFRS 4.
Overlay approach. The amendments that form the overlay approach permit an entity to exclude from profit or loss and recognise in other comprehensive income the difference between the amounts that would be recognised in profit or loss in accordance with IFRS 9 and the amounts recognised in profit or loss in accordance with IAS 39 Financial Instruments: Recognition and Measurement provided that the entity issues contracts accounted for under IFRS 4, applies IFRS 9 in conjunction with IFRS 4, and classifies financial assets as fair value through

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

profit or loss in accordance with IFRS 9 when those assets were previously classified at amortised cost or as available-for-sale in accordance with IAS 39.

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

The amendments are effective for annual periods beginning on or after January 1, 2018. The modifications will be applied prospectively. However, retrospective application if allowed, if this is possible without the use of hindsight. If an entity applies the amendments retrospectively, it must do so for all the modifications described above.

The Bank's Management carried out an evaluation for the application of this regulation and concluded that it has no effect on the consolidated interim financial statements. Likewise, on December 27, 2017, a letter was sent to the SBIF with these conclusions.

Transfers of Investment Property (Amendments to IAS 40)

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

The amendments to IAS 40 Investment Property are:

• Amendment to paragraph 57 to indicate that an entity will transfer property to, or from, investment property when, and only when, there is evidence of a change in use. A change in use occurs if the property complies, or fails to meet, the definition of investment property. A change in management's intentions for the use of a property alone does not constitute evidence of a change in use.

• The list of examples of evidence in paragraph 57 a) - d) is presented as a non-exhaustive list of examples instead of a detailed list.

The amendments are effective for periods beginning on or after January 1, 2018.

The Bank's Management has determined that the application of this amendment has had no effect on the Bank's interim consolidated financial statements.

Annual Improvements to IFRS (Cycles 2014-2016)

On December 8, 2016, the IASB issued "Annual Improvements to IFRS Standards, Cycle 2014-2016." The annual improvements include amendments to IFRS 1 and IAS 28. Annual improvements also include amendments to IFRS 12.

IFRS 1 First-time Adoption of International Financial Reporting Standards, Deleted the short-term exemptions in paragraphs E3–E7 of IFRS 1, because they have now served their intended purpose.

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

IFRS 12 Disclosure of Interests in Other Entities, clarified the scope of the standard by specifying the disclosure requirements in the standard.

IAS 28 Investments in Associates and Joint Ventures, clarified that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

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

The Bank's Management assessed that the application of these amendments has had no effect on the Bank's interim consolidated financial statements.

New Standards

IFRS 9, *Financial Instruments*

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a “fair value through other comprehensive income” (FVTOCI) measurement category for certain simple debt instruments.

The key requirements of IFRS 9 are as follows:

Classification and Measurement:

Financial assets - There are three classifications for financial assets in IFRS 9.

- Amortised cost - Financial assets with terms that give rise to interest and principal cash flows only and which are held in a business model whose objective is to hold financial assets to collect their cash flow are measured at amortised cost.
- Fair value through other comprehensive income - Financial assets with terms that give rise to interest and principal cash flows only and which are held in a business model whose objective is achieved by holding financial assets to collect their cash flow and selling them are measured at fair value through other comprehensive income.
- Fair value through profit and loss - Other financial assets are measured at fair value through profit and loss.

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

At initial recognition, any financial asset may be irrevocably designated as measured at fair value through profit or loss if such designation eliminates a measurement or recognition inconsistency.

Financial liabilities - IFRS 9's requirements on the classification and measurement of financial liabilities are largely unchanged from those in IAS 39. However, there is a change to the treatment of changes in the fair

value attributable to own credit risk of financial liabilities designated as at fair value through profit or loss which are recognised in other comprehensive income and not in profit or loss as required by IAS 39.

Impairment*:* In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to record expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk. In other words, it is no longer necessary for a objective evidence of an impairment event to have occurred before credit losses are recognized.

Hedge accounting*:* The new general requirements retains the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test have been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018..

The Bank's Administration, in accordance with the instructions of the Superintendency of Banks and Financial Institutions, has not applied this Standard as the Superintendency of Banks and Financial Institutions has not yet approved its incorporation into its regulations.

IFRS 15 *Revenue from Contracts with Customers*

On May 28, 2014, the IASB published IFRS 15 *Revenue from Contracts with Customers.* IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 superseded the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related Interpretations.

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

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

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

Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e., when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required.

In April 2016, the IASB issued *Clarifications to IFRS 15* in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

IFRS 15, together with the clarifications thereto issued in April 2016, is effective for annual periods beginning on or after January 1, 2018. Entities can choose to apply IFRS 15 retrospectively or to use a modified transition approach, which is to apply IFRS 15 retrospectively only to contracts that are not completed contracts at the date of initial application.

The Bank's Management carried out an evaluation for the application of this regulation and concluded that it has no effect on the consolidated interim financial statements. Likewise, on December 27, 2017, a letter was sent to the SBIF with these conclusions.The Bank chose to apply the above-mention Standard using the modified transition approach.

New Interpretation

IFRIC 22: Foreign Currency Transactions and Advance Consideration

On December 8, 2016, The International Accounting Standards Board (IASB) published IFRIC 22 'Foreign Currency Transactions and Advance Consideration' developed by the IFRS Interpretations Committee to clarify the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency.

The interpretation specifies that the date of the transaction is the date on which the entity initially recognizes the non-monetary asset or the non-monetary liability that originates from the payment or receipt in advance of the consideration. If there are multiple payments or receipts in advance, the interpretation requires an entity to determine the date of the transaction for each payment or receipt in advance of consideration.

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

IFRIC 22 is effective for annual periods beginning on or after January 1, 2018. Entities can apply the interpretation, either prospectively or retrospectively. Specific transitional considerations are established for prospective application.

The Bank's Management estimates that the application of this new interpretation has had no effect on the Bank's interim consolidated financial statements.

b) New and revised IFRS issued but not yet effective:

New Standards	Effective date
IFRS 16 *Leases*	Annual periods beginning on or after January 1, 2019.
IFRS 17 *Insurance contracts*	Annual periods beginning on or after January 1, 2021
Amendments to the Standards	**Effective date**
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date deferred indefinitely
Prepayment features with negative compensation (Amendments to IFRS 9)	Annual periods beginning on or after January 1, 2019.
Long-term interests in Associates and Joint Ventures (Amendments to IAS 28)	Annual periods beginning on or after January 1, 2019.
Annual Improvements to IFRS Standards 2015-2017 Cycle	Annual periods beginning on or after January 1, 2019.
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)	Annual periods beginning on or after January 1, 2019.
Amendments to References to the Conceptual Framework in IFRS Standards	Annual periods beginning on or after January 1, 2020.
New Interpretations	**Effective date**
IFRIC 23 Uncertainty over Income Tax Treatments	Annual periods beginning on or after January 1, 2019.

IFRS 16 Leases

On January 13, 2016, the IASB published IFRS 16 *Leases*. IFRS 16 introduces a comprehensive model for the identification of lease agreements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 *Leases* and the related interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether the identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases are removed for lessee accounting, and are replaced by a model where a right-of-use asset and a corresponding liability have to be recognized for all leases by lessees, except for short-term leases and leases of low value assets where such options are taken.

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

For leases originating after the effective date, the right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability not heretofore mentioned. The lease liability is initially measured at the present value of the lease payments. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows, respectively.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with earlier application permitted for entities that apply IFRS 15 at or before the date of initial application of IFRS 16. Entities can apply IFRS 16 either by a full retrospective approach or a modified retrospective approach. If the latter approach is selected, an entity is not required to restate the comparative information and the cumulative effect of initially applying IFRS 16 must be presented as an adjustment to opening retained earnings (or other component of equity as appropriate).

Management evaluated the impact of the application of IFRS 16 as at its mandatorily effective date and sent a report with its conclusions to the Superintendency of Banks and Financial Institutions (SBIF) on January 26, 2018. This report was prepared in accordance with the instructions of the SBIF to present the effects on the recognized right of use from certain lease contracts, the regulatory capital divided by risk-weighted assets ratio decreased from 13.57% to 13.44% and the basic capital divided by total assets ratio decreased from 7.78 to 7 73%.

IFRS 17 Insurance contracts

On May 18, 2017 the el IASB issued IFRS 17 “Insurance contracts”. This new standard establishes principles for recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 “Insurance Contracts.”

The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity.

IFRS 17 establishes a general model, which is modified for insurance contracts with discretionary participation described as the variable fee approach. An entity may apply a simplified measurement approach (the premium allocation approach) to some insurance contracts. The simplified measurement approach allows an entity to measure the amount relating to remaining service by allocating the premium over the coverage period.

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

The general model requires the use of assumptions to estimate the amount, timing and uncertainty of the future cash flows and will explicitly measure the cost of the uncertainty; taking into account market interest rates and the impact of policyholder's options and guarantees.

Policy sales income is deferred as a liability component segregated at day 1 and aggregated in groups of insurance contracts, which is subsequently systematically reported through profit & loss during the period for which the policyholders are insured after making adjustments arising from changes in the assumptions related to the future coverage.

IFRS 17 is effective for periods beginning on or after January 1, 2021. Earlier application is permitted. An entity shall apply IFRS 17 retrospectively unless impracticable, in which case the entity shall apply the modified retrospective approach or the fair value approach.

Management does not anticipate that this new standard will have an impact on the interim or annual consolidated financial statements, as neither the Bank nor any of the consolidated entities issue insurance contracts.

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

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

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

On December 17, 2015 IASB has published final amendments to "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture". The amendments postpone the effective date until the research project on the participation method has been completed.

The Bank's Administration is evaluating the impact of the application of these amendments, however, it is not possible to provide a reasonable estimate of the effects that this rule will have until the administration makes a detailed review.

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

Prepayment features with negative compensation (Amendments to IFRS 9)

On October 12, 2017, the IASB published 'Prepayment Features with Negative Compensation (Amendments to IFRS 9)' to address the concerns about how IFRS 9 'Financial Instruments' classifies particular prepayable financial assets. In addition, the IASB clarifies an aspect of the accounting for financial liabilities following a modification.

The amendments in Prepayment Features with Negative Compensation (Amendments to IFRS 9) are:

Changes regarding symmetric prepayment options, amend the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

Clarification regarding the modification of financial liabilities. The IASB clarifies that an entity recognises any adjustment to the amortised cost of the financial liability arising from a modification or exchange in profit or loss at the date of the modification or exchange. A retrospective change of the accounting treatment may therefore become necessary if in the past the effective interest rate was adjusted and not the amortised cost amount.

The amendments are to be applied retrospectively for fiscal years beginning on or after 1 January 2019. Early application is permitted so entities can apply the amendments together with IFRS 9.

The Bank's Administration, in accordance with the instructions of the Superintendency of Banks and Financial Institutions, has not applied this Standard.

Long-term interests in Associates and Joint Ventures (Amendments to IAS 28)

On October 12, 2017, the IASB published 'Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)' to clarify that an entity applies IFRS 9 'Financial Instruments' to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

The amendments in Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) are:

(i) Paragraph 14A has been added to clarify that an entity applies IFRS 9 including its impairment requirements, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied
(ii) Paragraph 41 has been deleted because the Board felt that it merely reiterated requirements in IFRS 9 and had created confusion about the accounting for long-term interests.

The Bank's management believes that future application of these amendments will have no effect on the Bank's interim consolidated financial statements.

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

Annual Improvements to IFRS Standards 2015-2017 Cycle

On December 12, 2017, the IASB issued “Annual Improvements to IFRS Standards 2015-2017 Cycle”. The annual improvements makes amendments to the following standards:

- **IFRS 3** and **IFRS 11 –** The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interest in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- **IAS 12** – The amendments clarify that all income tax consequences of dividends (i.e. distribution of profits) should be recognized in profit or loss, regardless of how the tax arises.
- **IAS 23 –** The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrow
- *generally* when calculating the capitalization rate on general borrowings.

The amendments to IFRS 3 and IFRS 11, IAS 12, and IAS 23 are all effective for annual periods beginning on or after January 1, 2019.

The Bank's management believes that the future application of these amendments will have no effect on the Bank's interim consolidated financial statements.

Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)

This amendment specifies that when a modification, reduction or liquidation of a plan occurs during the annual reporting period, the entity must: (i) determine the current cost of services for the remainder of the period subsequent to the modification, reduction or liquidation of the plan, by using the same actuarial assumptions to measure again the liability (asset) for defined benefits, net, reflecting the benefits offered under the plan and plan assets after that event; (ii) determine the net interest for the rest of the period after the modification, reduction or liquidation of the plan using the liability (asset), net for defined benefits that reflects the benefits offered under the plan and the assets of the plan after that event and the discount rate used to measure again the net liability (asset) for defined benefits.

This amendment to IAS 19 clarifies that an entity first determines any past service cost, or a gain or loss in the settlement, without considering the effect of the asset ceiling. This amount is recognized in results. Then, an entity determines the effect of the asset ceiling after the modification, reduction or liquidation of the plan. Any change in this effect, excluding the amounts included in the net interest, is recognized in other comprehensive income. This establishes that entities may have to recognize a past service cost or a result in the settlement that reduces a surplus that was not recognized before. Changes in the effect of the asset ceiling are not offset by these amounts.

The Bank's management believes that the future application of these amendments will have no effect on the Bank's interim or annual consolidated financial statements.

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

Amendments to References to the Conceptual Framework in IFRS Standards

On March 29, 2018 the IASB published its revised 'Conceptual Framework for Financial Reporting'. Included are revised definitions of an asset and a liability as well as new guidance on measurement and derecognition, presentation and disclosure. The new Conceptual Framework does not constitute a substantial revision of the document as was originally intended when the project was first taken up in 2004. Instead the IASB focused on topics that were not yet covered or that showed obvious shortcomings that needed to be dealt with. The 2018 Conceptual Framework is structured into an introductory explanation on the status and purpose of the Conceptual Framework, eight chapters,

Changes to the Conceptual Framework may affect the application of IFRS when no standard applies to a particular transaction or event. The revised Conceptual Framework is effective for periods beginning on or after January 1, 2020.

The Bank's management believes that the future application of these amendments will have no effect on the Bank's interim consolidated financial statements.

New Interpretations

IFRIC 23 Uncertainty over Income Tax Treatments

On June 7, 2017 the IASB issued IFRIC 23 “Uncertainty over Income Tax Treatments”. This Interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments.

IFRIC 23 requires an entity to:

(i) to use judgement to determine whether each tax treatment should be considered independently or whether some tax treatments should be considered together.
(ii) assume that a taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so.
(iii) consider whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it used or plans to use in its income tax filing:

    a. If the entity concludes that it is probable that a particular tax treatment is accepted, the entity has to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings.
    b. If the entity concludes that it is not probable that a particular tax treatment is accepted, the entity has to use the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The decision should be based on which method provides better predictions of the resolution of the uncertainty.

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

(iv) An entity has to reassess its judgements and estimates if facts and circumstances change.

An entity applies IFRIC 23 for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted.

The requirements are applied by recognising the cumulative effect of initially applying them in retained earnings, or in other appropriate components of equity, at the start of the reporting period in which an entity first applies them, without adjusting comparative information. Full retrospective application is permitted, if an entity can do so without using hindsight.

Management does not anticipate that future application of this Interpretation will have not have a significant effect on the interim or annual consolidated financial statements of the Bank.

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

i) Circular No. 3,621, the SBIF issued on March 15, 2017 a Circular related to Chapters B1 and C3 of the Compendium of Accounting Standards. It supplements instructions for the accounting and determination of provisions for credits guaranteed by the school infrastructure Guarantee Fund, established in Law No. 20,845.

ii) Circular No. 3,627, dated November 28, 2017, the SBIF updated Chapters 1-7 and 11-6 of the Updated Compilation of Standards in relation to electronic transfers of information and funds and with investments in companies in the country.

iii) Circular No. 3,628, dated November 28, 2017, the SBIF updated the regulations regarding the issuance of payment cards by implementing the new Chapter 8-41 of the Updated Compilation of Standards.

iv) Circular N ° 3,629, dated December 27, 2017, the SBIF supplemented instructions regarding the outsourcing of services and contracting of services in the cloud by updating Chapter 20-7 of the Updated Compilation of Standards.

v) Circular N ° 3,630, dated December 27, 2017, the SBIF reported the application of re-adjustments to credits acquired from the National Association of Savings and Loans by updating Chapter 7-1 of the Updated Compilation of Standards.

vi) Circular N° 3,634, dated March 9, 2018, the SBIF issues new regulations for the calculation of risk-weighted assets, credit equivalents and credit limits applicable to derivative instruments compensated and liquidated by a Central Counterparty Entity, updating Chapters 12-1 and 12-3 of the Updated Compilation of Standards. The application of these instructions must be made no later than June 30, 2018.

The Bank's Administration is in the process of implementing Circular N ° 3,634 and until now it has not evaluated the potential impact of this. The other circulars issued in the 2018 period have been implemented without effect on its Interim Consolidated Financial Statements as of March 31, 2018.

NOTE 2 - ACCOUNTING CHANGES

The Bank adopted, for the first time, IFRS 15 Revenue from Contracts with Customers (See note 1 to the Interim Consolidated Financial Statements), which application, has no effect on retained earnings as of the beginning of the period.

During the period ended March 31, 2018, no other accounting changes compared with the previous year affecting these consolidated financial statements have occurred.

NOTE 3 - SIGNIFICANT EVENTS

a) Acquisitions

- Merger agreement between City National Bank and TotalBank

On November 28, 2017, the Board of Directors of the Bank unanimously approved the authorization of the signing of the "Merger Agreement" between City National Bank ("CNB"), subsidiary of the Bank, incorporated and in force under the laws of the State of Florida in the United States of America and TotalBank, a state bank incorporated and in force under the laws of the State of Florida in the United States of America, which is a subsidiary of Banco Popular Español S.A. (a subsidiary of Banco Santander S.A. in Spain).

By virtue of the transaction, CNB will acquire, for a total of US$528,075,000, all of the shares issued by TotalBank, thus becoming the absorbing and continuing legal entity of said bank. As usual in this type of transaction, the price payable to the Banco Popular Español S.A. is subject to possible minor adjustments between the date of signing and the closing date of the transaction.

The merger agreement contemplates, among other usual terms and conditions in transactions of this nature, that the closing of the transaction is subject to obtaining the regulatory authorizations from the competent authorities in Chile, Spain and the US.

TotalBank is a leading integral retail and commercial bank in the State of Florida, which as of September 30, 2017 presents total assets of US$ 3,042 million, loans of US$ 2,170 million and deposits of US$ 2,181 million, as well as 18 branches conveniently located in all of Miami-Dade County. Headquartered in Miami, it has served the South Florida State for more than 40 years, offering a wide range of financial services both locally and internationally to corporations, small businesses and individuals.

This transaction will be financed in part with the Bank's own resources and those of its CNB subsidiary and in part through a capital increase in such a way as to maintain current capital ratios.

According to a first estimate, the closing of this transaction could take place within the second semester of 2018.

NOTE 3 - SIGNIFICANT EVENTS, CONTINUED

- Contract of sale between Walmart Chile S.A. and Banco de Crédito e Inversiones S.A.

In an extraordinary session of the Board of Directors held on December 12, 2017, the agreement between Walmart Chile S.A. and Inversiones y Rentas Presto Limitada, as sellers and Banco de Credito e Inversiones and BCI Corredor de Bolsa S.A., as buyers, was approved by unanimity of the directors referring to the sale and purchase of shares and partnership shares of one hundred percent of the shares and rights of the companies that are indicated below:

i) Lider Corredora de Seguros & Gestión Financiera Limitada.
ii) Operadora de Tarjetas Líder Servicios Financieros Limitada.
iii) Servicios y Administración de Créditos Comerciales Lider S.A.
iv) Sociedad de Servicios de Comercialización y Apoyo Financiero y de Gestión Presto Limitada.
v) Servicios y Cobranza Limitada.

This transaction involves a total price of MCh$ 92,014, based on the financial statements of June 2017 and that will be adjusted according to the accounting information at the close of the transaction, which is still in process.

As of September 30, 2017, the aforementioned companies recorded gross loans of MCh$ 516,013.

The sale and purchase of shares and the transfer of partnership share, as well as other contracts that were entered into or agreed between the same parties, including a commercial cooperation agreement for the development of financial retail, are subject to obtain the corresponding authorizations of the National Economic Prosecutor's Office and of the Superintendency of Banks and Financial Institutions.

It is estimated that the transaction could be closed during the second half of 2018.

b) Tax reform approved in the Congress of the United States of America

In an extraordinary session of the Board of Directors held on December 26, 2017, it was learned that, in accordance with the tax reform approved in the Congress of the United States of America, which became effective as of January 1, 2018, - among other aspects- a decrease from 35% to 21% in the income tax rate was approved.

This law would have a favorable long-term effect on our results, given the consolidated importance of our subsidiaries and branches in the United States of America. As of September 2017, City National Bank of Florida and BCI Miami Branch represented 23.2% of our assets, and we estimate that if the pertinent approvals are obtained for the perfection of the acquisition agreement of TotalBank, the assets abroad would be at levels of 27.4%.

In accordance with the accounting standards and regulations and instructions of the Superintendency of Banks and Financial Institutions, the aforementioned income tax rate change was immediately reflected in the financial statements of the subsidiaries and the branch with operations in the United States of America.

NOTE 3 - SIGNIFICANT EVENTS, CONTINUED

The aforementioned tax reform has the following effects:

a) A negative effect on results of US $ 40 million in the financial statements of 2017, originated by the recalculation of the deferred tax asset based on the new rate of 21%.
b) Higher net income from January 1, 2018 in the United States of America, as a result of estimated lower tax expense, estimating that -with the current scenario and maintaining the pre-tax profits of 2017- in approximately 3 years, the tax effect described previously for the year 2017 would reverse.

c) Issuance and bonds placements

During the three-month period, ended March 31, 2018 no subordinated bonds have been issued nor placed.

During the three-month period ended March 31, 2018, the following bonds denominated in UF were aproved by the Superintendency of Banks and Financial Institutions:

Bonds Series	Issuance Date	Notional amount UF	Nominal Interest rate	Maturity Date
SERIE_D1	01.11.2017	3,000,000	2.00%	01.11.2023
SERIE_D2	01.11.2017	3,000,000	2.00%	01.11.2025
SERIE_D3	01.11.2017	3,000,000	2.00%	01.11.2028
SERIE_D4	01.11.2017	3,000,000	2.00%	01.11.2029

During the three-month period, ended March 31, 2018, the following bonds denominated in pesos were aproved by the Superintendency of Banks and Financial Institutions:

Bonds Series	Issuance Date	Notional amount chilean pesos	Nominal Interest rate	Maturity Date
BBCIE-1117	01.11.2017	100,000,000,000	4.00%	01.11.2022

During the three-month period, ended March 31, 2018, the following bonds denominated in UF were placed and are outstanding:

Bonds Series	Placement date	Notional amount UF	Annual IRR	Maturity Date
SERIE_C3	03.01.2018	3,000,000	2.28%	01.07.2025
SERIE_B1	24.01.2018	300,000	1.79%	01.05.2022
SERIE_D2	13.02.2018	1,000,000	1.84%	01.11.2025
SERIE_D4	20.02.2018	3,000,000	2.45%	01.11.2029
SERIE_D3	21.02.2018	3,000,000	2.34%	01.11.2028
SERIE_D1	27.03.2018	3,000,000	1.84%	01.11.2023

NOTE 3 - SIGNIFICANT EVENTS, CONTINUED

d) Distribution of dividends and earnings capitalization

At the Annual Shareholder's Meeting held on March 27, 2018, the distribution of net income for the year ended December 31, 2017 was approved, for a total amount of MCh$371,403, according to the following detail:

- Distribution of a dividend of Ch$1,050 per share among the total 124,944,872 shares issued and registered in the Register of Shareholders, which amounts to MCh$131,192, that is, 35.32% of the Bank's net income.

- Allocation of the remaining balance of the income for the year MCh$ 240,211 to retained earnings.

At the Extraordinary Shareholders' Meeting held on March 27, 2018, the following agreements were reached:

- Capitalization of retained earnings $ 240,211,023,700 (MCh $ 240,211) in the following way:
  - MCh $54,510 through the issuance of 1,290,178 stock dividends.
  - MCh $185,701.

The subscribed and paid capital of the Bank would amount to MCh $2,733,631 divided into 126,235,050 registered shares, of a single series and without par value. This capitalization is subject to approval by the Superintendency of Banks and Financial Institutions, which has not yet been obtained.

e) Capital increase

At the Extraordinary Shareholders' Meeting held on March 27, 2018, it was agreed to increase the capital of the bank in the amount of MCh $340,000, through the issuance of 8,047,379 common shares, without par value.

f) Discontinuance of the equity method for the investment in associates, due to changes in the circumstances

As of December 31, 2016, the Bank held an investment equivalent to 1.93% ownership interest in Credicorp LTD., which was recogzined in accordance with the equity method. The recognition of this investment under the equity method is based on the fact that the Bank had a director at Credicorp LTD. at the end of 2016, therefore, exercised significant influence given its power to participate in the financial and operating policy decisions.

On January 25, 2017, the Bank no longer has a director in this company, thereby losing its significant influence. In accordance with paragraph 22 of IAS 28, the Bank must discontinue the use of the equity method, and measure the retained interest at fair value thus recognizing a gain of MCh$ 87,060 for the difference between the fair value of the retained interest and the carrying amount of the investment at the date the equity method was discontinued.

Additionally, in accordance with paragraph 23 of IAS 28, the Bank reclassified to profit and loss the gain generated from the cumulative translation adjustment relating to the foreign operation previously recorded in other comprehensive income for Ch$14,846 million.

NOTE 3 - SIGNIFICANT EVENTS, CONTINUED

Finally, a deferred tax liability for $38,612 million was recognized, determined as the difference between the new carrying amount of the investment (fair value at the date of the discontinuance of the equity method) and the taxable base.

In accordance with the Compendium of Accounting Standards issued by the SBIF (Chapter C-3), once the adjustments indicated in the previous paragraphs have been made, this investment should be classified as a "Investment in other companies" and measured at historical cost, corresponding to the fair value at the time of discontinuing the equity method. From that moment, the Bank should recognize income from this investment only for the dividends that are received. Additionally, this investment should be subject to impairment tests, in accordance with paragraph 38 of IAS 36, “the value of an asset deteriorates when its book value exceeds its recoverable amount", that is, impairment is understood to be when the recoverable value is less than the book value of the asset.

g) Shares exchange related to BCI Corredor de Bolsa S.A. (subsidiary)

On June 12, 2017, BCI Corredor de Bolsa S,A received 1,000,000 shares in exchange for the one share held by this entity which represents its investment in Bolsa de Comercio de Santiago S.A., Bolsa de Valores (Santiago Stock Exchange S.A., hereinafter referred to as “Stock Exchange”). This share exchange corresponds to the process of demutualization of the Stock Exchange, which was agreed through a modification to the bylaws of this company approved by the shareholders in a meeting held on March 17, 2016 and supplemented by public document dated January 30, 2017. The effects arising from this amendment to the bylaws took place as of April 21, 2017 and the exchange process was made through the issuance of shares with no payment. This amendment to the bylaws was effective as of April 21, 2017 and the exchange process was made with the issuance of stock dividends. Another of the amendments to the bylaws of the Stock Exchange considers that it will no longer be necessary to be a shareholder of the Exchange in order to operate in said stock market.

The company chose to value the shares it holds on the Santiago Stock Exchange and the Chilean Electronic Stock Exchange at their fair value, reflecting the changes in the fair value in "Other comprehensive income". These shares are valued according to their last transaction price at July 8, 2016 in the Santiago Stock Exchange and July 20, 2016 in the Chilean Electronic Stock Exchange.

h) Board member appointment

At the Board of Directors Committee, held on January 30, 2018, the resignation presented by Mr. Juan Ignacio Lagos Contardo to his position as Director of the Bank was accepted, and in his replacement, Mr. Juan Edgardo Goldenberg Peñafiel was appointed, who assumed his duties as of January 31, 2018.

NOTE 4 - INFORMATION BY SEGMENTS

Segment structure

In accordance with IFRS 8, the Bank has aggregated operating segments with similar economic characteristics based on the aggregation criteria specified in the standard. Thus, a reporting segment comprises clients to whom differentiated products are addressed, which are homogeneous in terms and whose performance is measured in a similar way, thus part of the same reporting segment.

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

To faithfully reflect the nature of the Bank's reporting segments, the presentation of the note considers the following:

1. The allocation of the results of balance sheet management of the reporting segments is performed according to the composition of assets of each business.

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

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

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

Retail Banking Segment: This segment includes individuals and entities with sales of less than UF80,000, with the following operating segments:

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

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

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

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

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

NOTE 4 – INFORMATION BY SEGMENTS, CONTINUED

Corporate & Investment Banking Finance Division Segment: This segment manages the Bank's own investment portfolio.

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

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

Income from subsidiaries allocation by client:

Certain subsidiaries' revenue and expenses are allocated to the segments to which the Bank customer is assigned.

Balance management results allocation:

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

Allocation of expenses to reporting segments:

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

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

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

These criteria have been applied for the three-month periods ended March 31, 2018 and 2017.

The management of the commercial areas indicated above is measured by the concepts presented in this note, which is based on the accounting principles applied to the interim consolidated statements of income of the Bank.

NOTE 4 – INFORMATION BY SEGMENTS, CONTINUED

a) Statements of operating income for the three-month period ended March 31, 2018:

	Retail Banking		Wholesale Banking					
	Retail	Small & Medium Enterprise	Commercial Banking	C&IB Commercial Division	C&IB Finance Division	BCI FG	Others	Consolidated
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Net interest income	101,896	38,264	38,558	24,367	(3,137)	43,922	(7,582)	**236,288**
Net fee and commission income	41,151	8,569	8,779	5,105	1,942	3,142	(163)	**68,531**
Other operating income	16,620	3,756	9,284	11,464	20,037	3,639	2,884	**67,684**
Operating income	**159,667**	**50,589**	**56,621**	**40,936**	**18,848**	**50,703**	**(4,861)**	**372,503**
Provision for loan losses	(33,956)	(9,213)	(1,633)	(182)	(289)	(4,056)	(8,430)	**(57,759)**
Operating income, net of provision for loan losses	**125,711**	**41,376**	**54,988**	**40,754**	**18,559**	**46,647**	**(13,291)**	**314,744**
Total operating expenses	(89,908)	(24,671)	(24,736)	(14,943)	(8,155)	(27,685)	(10,142)	**(200,240)**
TOTAL NET OPERATING INCOME BY SEGMENT	**35,803**	**16,705**	**30,252**	**25,811**	**10,404**	**18,962**	**(23,433)**	**114,504**
Share of profit of investments accounted for using the equity method								**23,091**
Income before income tax								**137,595**
Income tax expense								**(28,183)**
CONSOLIDATED NET INCOME FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018								**109,412**

b) Operating Segments Balances as of March 31, 2018:

	As of March 31, 2018						
	Retail Banking		Wholesale Banking				
	Retail	Small & Medium Enterprise	Commercial	C&IB Commercial Division	C&IB Finance Division	BCI FG	Total Segments
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
TOTAL ASSETS	9,648,279	2,689,245	5,416,016	5,117,494	5,417,733	6,498,111	**34,786,924**
TOTAL LIABILITIES	8,707,131	2,423,492	4,882,572	4,614,828	5,466,375	5,924,557	**32,018,955**
TOTAL SHAREHOLDERS´ EQUITY							**2,767,969**

NOTE 4 – INFORMATION BY SEGMENTS, CONTINUED

c) Statements of operating income for the three-month period ended March 31, 2017:

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

d) Operating Segments Balances as of March 31, 2017:

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

NOTE 5 - CASH AND CASH EQUIVALENTS

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

	As of March 31,		As of December 31,
	2018	**2017**	**2017**
	MCh$	**MCh$**	
Cash and deposits in banks			
Cash	446,683	403,335	505,056
Deposits in Central Bank of Chile (*)	362,861	291,377	314,516
Deposits in domestic banks	3,850	4,134	4,587
Deposits in foreign banks	1,120,477	649,827	671,573
Subtotal cash and deposits in banks	1,933,971	1,348,673	1,495,732
Items in course of collection, net	100,658	113,493	150,636
Highly liquid financial instruments	3,548	6,199	15,347
Investments under agreements to resell	152,564	108,351	223,858
Total cash and cash equivalents	**2,190,741**	**1,576,716**	**1,885,573**

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

b) Items in the course of collection:

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

	As of March 31,		As of December 31,
	2018	**2017**	**2017**
	MCh$	**MCh$**	
Assets			
Outstanding notes from other banks	114,980	112,924	159,852
Funds receivable	193,002	450,754	100,125
Subtotal assets	307,982	563,678	259,977
Liabilities			
Funds payable	207,324	450,185	109,341
Subtotal liabilities	207,324	450,185	109,341
Items in course of collection, net	**100,658**	**113,493**	**150,636**

NOTE 6 - TRADING PORTFOLIO FINANCIAL ASSETS

The following is the detail of trading portfolio financial assets as of March 31, 2018 and December 31, 2017:

	As of March 31, 2018	As of December 31, 2017
	MCh$	MCh$
Instruments of the State and Central Bank of Chile (*):		
Bonds of the Central Bank of Chile	367,039	694,020
Promissory notes of the Central Bank of Chile	72	78
Other instruments of the State and Central Bank of Chile	825,272	633,078
Instruments of other domestic institutions:		
Bonds	216,468	246,310
Term deposits	286,387	271,617
Letters of credit	857	900
Documents issued by other financial institutions	139,072	115,194
Other instruments	30,555	75,386
Instruments of other foreign institutions:		
Other instruments	135,089	95,961
Investments in mutual funds:		
Funds administered by related parties	43,342	50,646
Funds administered by third parties	16,218	14,526
Total	**2,060,371**	**2,197,716**

(*) As of March 31, 2018 and December 31, 2017, the Bank holds instruments issued by the Central Bank of Chile, classified under “Instruments of the State and Central Bank of Chile” for MCh$332,172 and MCh$421,100, respectively.

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

a) Securities purchased under agreements to resell:

Type of entity	Maturity of the agreement						
	Up to 3 months		Between 3 months and 1 year		Over 1 year		Balance as of March 31, 2018
	MCh$	Average Rate %	MCh$	Average Rate %	MCh$	Average Rate %	MCh$
Related party (individuals or entities)	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-
Securities brokers	60,662	0.32	4,533	0.31			**65,195**
Other domestic financial institutions	-	-	-	-	-	-	-
Foreign financial institutions	-	-	-	-	-	-	-
Other individuals or corporations	91,902	0.26	39,782	0.30			**131,684**
Total	**152,564**		**44,315**		**-**		**196,879**

Type of entity	Maturity of the agreement						
	Up to 3 months		Between 3 months and 1 year		Over 1 year		Balance as of December 31, 2017
	MCh$	Average Rate %	MCh$	Average Rate %	MCh$	Average Rate %	MCh$
Related party (individuals or entities)	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-
Securities brokers	95,424	0.28	11,304	0.32	-	-	**106,728**
Other domestic financial institutions	-	-	-	-	-	-	**-**
Foreign financial institutions	-	-	-	-	-	-	**-**
Other individuals or corporations	128,434	0.27	17,437	0.29	-	-	**145,871**
Total	**223,858**		**28,741**		**-**		**252,529**

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

b) Securities sold under repurchase agreements:

	Maturity of the agreement						
	Up to 3 months		Between 3 months to 1 year		Over 1 year		Balance as of March 31, 2018
Type of entity	**MCh$**	**Average Rate %**	**MCh$**	**Average Rate %**	**MCh$**	**Average Rate %**	**MCh$**
Related party (individuals or entities)	-	-	-	-	-	-	**-**
Domestic banks	160,703	0.22	-	-	-	-	**160,703**
Securities brokers	4,999	0.21	-	-	-	-	**4,999**
Other domestic financial institutions	24,993	0.21	-	-			**24,993**
Foreign financial institutions	-	-	-	-	-	-	**-**
Other individuals or corporations	567,102	0.53	3,542	0.24	-	-	**570,644**
Total	**757,797**		**3,542**		**-**		**761,339**

	Maturity of the agreement						
	Up to 3 months		Between 3 months to 1 year		Over 1 year		Balance as of December 31, 2017
Type of entity	**MCh$**	**Average Rate %**	**MCh$**	**Average Rate %**	**MCh$**	**Average Rate %**	**MCh$**
Related party (individuals or entities)	-	-	-	-	-	-	**-**
Domestic banks	183,642	0.22	-	-	-	-	**183,642**
Securities brokers	213,936	0.22	-	-	-	-	**213,936**
Other domestic financial institutions	240,269	2.75	-	-	-	-	**240,269**
Foreign financial institutions	-	-	-	-	-	-	**-**
Other individuals or corporations	231,591	0.41	-	-	-	-	**231,591**
Total	**869,438**		**-**		**-**		**869,438**

NOTE 8 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING

a) As of March 31, 2018 and December 31, 2017, the Bank and its subsidiaries held the following portfolio of derivative instruments:

As of March 31, 2018:

	Notional amount		Fair value	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Trading Derivatives:				
Forwards	27,887,103	27,547,836	166,754	142,380
Swaps	81,326,824	80,982,463	929,214	989,554
Call Options	393,757	400,786	2,314	1,761
Put Options	548,955	592,548	4,707	9,860
Futures	44,262	44,262	70	36
Others	-	-	-	-
Subtotal	**110,200,901**	**109,567,895**	**1,103,059**	**1,143,591**
Forwards	-	-	-	-
Swaps	1,871,232	1,299,811	80,301	63,376
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Others	-	-	-	-
Subtotal	**1,871,232**	**1,299,811**	**80,301**	**63,376**
Forwards	-	-	-	-
Swaps	860,252	2,045,476	162,327	298,126
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Others	-	-	-	-
Subtotal	**860,252**	**2,045,076**	**162,327**	**298,126**
Total	**112,932,385**	**112,913,182**	**1,345,687**	**1,505,093**

NOTE 8 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING, CONTINUED

As of December 31, 2017

	Notional amount		Fair value	
	Assets	Liabilities	Assets	Liabilities
	MCh$	MCh$	MCh$	MCh$
Trading Derivatives:				
Forwards	24,270,902	23,715,845	227,110	205,843
Swaps	75,816,958	75,470,708	884,267	924,659
Call Options	526,295	580,199	1,915	1,074
Put Options	464,377	478,567	7,514	13,226
Futures	2	2	-	23
Others	-	-	-	-
Subtotal	**101,078,534**	**100,245,321**	**1,120,806**	**1,144,825**
Fair Value Hedge Derivatives:				
Forwards	-	-	-	-
Swaps	1,739,195	1,504,164	64,867	53,484
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Others	-	-	-	-
Subtotal	**1,739,195**	**1,504,164**	**64,867**	**53,484**
Cash Flow Hedge Derivatives:				
Forwards	-	109,986	6,711	4,757
Swaps	482,331	2,099,161	173,354	276,536
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Others	-	-	-	-
Subtotal	**482,331**	**2,209,147**	**180,065**	**281,293**
Total	**103,300,060**	**103,958,632**	**1,365,738**	**1,479,602**

NOTE 8 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING, CONTINUED

b) Types of derivatives

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

Fair value hedges:

For hedged items in both foreign currency and local currency, the fair value of the hedged item is hedged against changes in the base interest rate. The implicit credit spread is not considered in this type of strategy, These hedges reduce the market exposure of the hedged items and reduce the risk related to fair value changes due to changes in the interest rate.

The following tables provide a summary of the hedged items and hedging instruments for fair value hedge accounting as of March 31, 2018 and December 31, 2017:

	As of March 31, 2018		As of December 31, 2017	
Hedged item	**Assets**	**Liabilities**	**Assets**	**Liabilities**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Bonds issued MX/MN	-	879,875	-	891,258
Loans MX, UF	289	-	288	-
Term deposits MN	-	991,357	-	847,937
Investment MX	229,027	-	253,607	-
Macro hedge MN, MX	1,070,495	-	1,250,269	-
Total	**1,299,811**	**1,871,232**	**1,504,164**	**1,739,195**

	As of March 31, 2018		As of December 31, 2017	
Hedging instrument	**Assets**	**Liabilities**	**Assets**	**Liabilities**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Cross Currency Swaps	316,010	1,299,522	341,327	1,478,047
Interest Rate Swap MN	991,358	-	847,937	-
Interest Rate Swap MX	563,864	289	549,931	26,117
Total	**1,871,232**	**1,299,811**	**1,739,195**	**1,504,164**

Note: MX: Foreign currency; MN: Local currency.

Cash flow hedges:

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

NOTE 8 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING, CONTINUED

The following tables provide a summary of the hedged items and hedging instruments for cash flow hedge accounting as of March 31, 2018 and December 31, 2017:

	As of March 31, 2018		As of December 31, 2017	
	Assets	Liabilities	Assets	Liabilities
Hedged item	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Assets UF > 1Y	1,373,855	-	1,504,886	-
Future obligations USD	-	56,901	-	56,836
Term deposits CLP	-	462,368	-	93,488
Assets UF	158,057	-	157,878	-
Bond MN/MX	-	340,983	-	332,007
Asset USD	513,564	-	546,383	-
Total	**2,045,476**	**860,252**	**2,209,147**	**482,331**

	As of March 31, 2018		As of December 31, 2017	
	Assets	Liabilities	Assets	Liabilities
	MCh$	**MCh$**	**MCh$**	**MCh$**
Hedging instrument				
Cross Currency Swaps	397,883	1,489,292	388,843	1,511,627
Forward UF	-	-	-	109,986
Forward USD	-	-	-	-
Swap rate	462,369	556,184	93,488	587,534
Total	**860,252**	**2,045,476**	**482,331**	**2,209,147**

Hedge of a net investment in a foreign operation:

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

The following tables provide a summary of the hedged items and hedging instruments for hedge of a net investment in a foreign operation accounting as of March 31, 2018 and December 31, 2017:

	As of March 31, 2018		As of December 31, 2017	
	Assets	Liabilities	Assets	Liabilities
Hedged item	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Net investment in a foreign operation	605,890	-	216,595	-
Total	**605,890**	**-**	**216,595**	**-**

NOTE 8 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING, CONTINUED

As of March 31, 2018			As of December 31, 2017	
	Assets	Liabilities	Assets	Liabilities
Hedge instrument	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Bonds in foreign currency	-	605,890	-	216,595
Total	**-**	**605,890**	**-**	**216,595**

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

	Periods of expected future cash flows				
	As of March 31, 2018				
	Within 1 year	**Between 1 and 5 years**	**Between 5 and 10 years**	**More than 10 years**	**Total**
Hedged item					
Cash outflows	110,141	1,775,899	629,667	503,260	3,018,967
Cash inflows	(135,696)	(1,413,149)	(606,818)	(494,973)	(2,650,636)
Net cash flows	**(25,555)**	**362,750**	**22,849**	**8,287**	**368,331**
Hedging instrument					
Cash outflows	135,696	1,413,149	606,818	494,973	2,650,636
Cash inflows	(110,141)	(1,775,899)	(629,667)	(503,260)	(3,018,967)
Net cash flows	**25,555**	**(362,750)**	**(22,849)**	**(8,287)**	**(368,311)**

	As of December 31, 2017				
	Within 1 year	**Between 1 and 5 years**	**Between 5 and 10 years**	**More than 10 years**	**Total**
Hedged item					
Cash outflows	269,296	1,295,007	714,628	138,210	2,417,141
Cash inflows	(296,364)	(1,330,603)	(709,687)	(139,910)	(2,476,564)
Net cash flows	**(27,068)**	**(35,596)**	**4,941**	**(1,700)**	**(59,423)**
Hedging instrument					
Cash outflows	296,364	1,330,603	709,687	139,910	2,476,564
Cash inflows	(269,296)	(1,295,007)	(714,628)	(138,210)	(2,417,141)
Net cash flows	**27,068**	**35,596**	**(4,941)**	**1,700**	**59,423**

NOTE 9 - LOANS AND RECEIVABLES TO BANKS, NET

a) As of March 31, 2018 and December 31, 2017, balances for this concept are the following:

	As of March 31, 2018 MCh$	As of December 31, 2017 MCh$
Domestic banks		
Highly liquid interbank loans	-	-
Allowance for loan losses of domestic banks	-	-
Foreign banks		
Highly liquid interbank loans	274,216	179,373
Allowance for loan losses of domestic banks	(498)	(308)
Total	**273,718**	**179,065**

b) The amount for the three-month periods ended March 31, 2018 and December 31, 2017 of provisions and impairment is as follows:

	As of March 31, 2018			As of December 31, 2017		
	Domestic Banks	Foreign Banks	Total	Domestic Banks	Foreign Banks	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balance as of January 1,	**-**	**308**	**308**	**-**	**432**	**432**
Write-offs	-	-	**-**	-	-	**-**
Provisions	-	238	**238**	-	177	**177**
Reversal of provisions	-	(48)	**(48)**	-	(301)	**(301)**
Impairment	-	-	**-**	-	-	**-**
Reversal of impairment	-	-	**-**	-	-	**-**
Total	**-**	**498**	**498**	**-**	**308**	**308**

NOTE 10 – LOANS TO AND RECEIVABLES FROM CUSTOMERS, NET

a) Loans to and receivables from customers

As of March 31, 2018 and December 31, 2017, the composition of the loan portfolio was as follows:

	Assets before allowances				Allowances established			
As of March 31, 2018	**Normal Portfolio**	**Sub-standard Portfolio**	**Non-compliant Portfolio**	**Total**	**Individual Allowance**	**Collective Allowance**	**Total**	**Net Assets**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Commercial loans:								
Commercial loans (*)	12,095,956	445,885	573,010	13,114,848	(124,036)	(50,950)	(174,986)	12,939,862
Foreign trade loans	687,548	25,344	3,904	716,796	(7,444)	(15)	(7,459)	709,337
Checking accounts	164,358	3,206	11,571	179,135	(1,625)	(4,703)	(6,328)	172,807
Factoring operations	793,707	15,537	7,064	816,308	(5,247)	(672)	(5,919)	810,389
Loans to college students	154,609	-	21,954	176,563	-	(5,291)	(5,291)	171,272
Leasing transactions	1,110,507	56,452	68,808	1,235,767	(18,473)	(2,663)	(21,136)	1,214,631
Other loans and receivables	46,111	384	17,064	63,559	(9,820)	(2,879)	(12,699)	50,860
Subtotal	**15,052,796**	**546,805**	**703,375**	**16,302,976**	**(166,645)**	**(67,173)**	**(233,818)**	**16,069,158**
Mortgage loans:								
Letters of credit	13,576	-	920	14,496	-	(10)	(10)	14,486
Negotiable mortgage loans	635,149	-	12,546	647,695	-	(4,627)	(4,627)	643,068
Other mortgage loans	5,240,233	-	163,162	5,403,395	-	(26,390)	(26,390)	5,377,005
Leasing transactions	-	-	-	-	-	-		-
Other loans	-	-	-	-	-	-		-
Subtotal	**5,888,958**	**-**	**176,628**	**6,065,586**	**-**	**(31,027)**	**(31,027)**	**6,034,559**
Consumer loans:								
Consumer loans in instalments	1,966,743	-	277,815	2,244,558	-	(127,398)	(127,398)	2,117,160
Checking accounts	105,667	-	8,266	113,933	-	(6,724)	(6,724)	107,209
Credit card borrowers	527,741	-	9,182	536,923	-	(12,589)	(12,589)	524,334
Consumer leasing transactions	2,717	-	91	2,808	-	(39)	(39)	2,769
Other loans and receivables	35,610	-	15	35,625	-	(674)	(674)	34,951
Subtotal	**2,638,478**	**-**	**295,369**	**2,933,847**	**-**	**(147,424)**	**(147,424)**	**2,786,423**
TOTAL	**23,580,232**	**546,806**	**1,175,372**	**25,302,409**	**(166,645)**	**(245,624)**	**(412,269)**	**24,890,140**

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

NOTE 10 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, NET, CONTINUED

	Assets before allowances				Allowances established			
As of December 31, 2017	Normal Portfolio	Sub-standard Portfolio	Non-compliant Portfolio	Total	Individual Allowance	Collective Allowance	Total	Net Assets
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Commercial loans:								
Commercial loans (*)	11,719,816	427,746	549,991	12,697,553	(119,980)	(51,548)	(171,528)	12,526,025
Foreign trade loans	581,045	29,786	1,077	611,908	(7,492)	(16)	(7,508)	604,400
Checking accounts	149,160	3,745	10,576	163,481	(1,518)	(4,560)	(6,078)	157,403
Factoring operations	857,256	13,845	6,104	877,205	(4,179)	(2,159)	(6,338)	870,867
Loans to college students	157,375	-	21,417	178,792	-	(5,095)	(5,095)	173,697
Leasing transactions	1,059,998	61,746	75,718	1,197,462	(19,803)	(2,074)	(21,877)	1,175,585
Other loans and receivables	41,194	350	15,754	57,298	(9,256)	(2,789)	(12,045)	45,253
Subtotal	**14,565,844**	**537,218**	**680,637**	**15,783,699**	**(162,228)**	**(68,241)**	**(230,469)**	**15,553,230**
Mortgage loans:								
Letters of credit	14,415	-	1,098	15,513	-	(31)	(31)	15,482
Negotiable mortgage loans	581,552	-	11,258	592,810	-	(4,949)	(4,949)	587,861
Other mortgage loans	5,087,013	-	160,055	5,247,068	-	(26,214)	(26,214)	5,220,854
Leasing transactions	-	-	-	-	-	-	-	-
Other loans	-	-	-	-	-	-	-	-
Subtotal	**5,682,980**	**-**	**172,411**	**5,855,391**	**-**	**(31,194)**	**(31,194)**	**5,824,197**
Consumer loans:								
Consumer loans in instalments	1,942,065	-	270,138	2,212,203	-	(121,316)	(121,316)	2,090,887
Checking accounts	104,994	-	7,480	112,474	-	(6,084)	(6,084)	106,390
Credit card borrowers	517,492	-	8,113	525,605	-	(11,246)	(11,246)	514,359
Consumer leasing transactions	2,916	-	35	2,951	-	(27)	(27)	2,924
Other loans and receivables	39,118	-	19	39,137	-	(705)	(705)	38,432
Subtotal	**2,606,585**	**-**	**285,785**	**2,892,370**	**-**	**(139,378)**	**(139,378)**	**2,752,992**
TOTAL	**22,855,409**	**537,218**	**1,138,833**	**24,531,460**	**(162,228)**	**(238,813)**	**(401,041)**	**24,130,419**

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

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

The Bank uses financial lease agreements for terms from 1 to 10 years, depending on the contract, to finance acquisition of property, both movable and immovable for its clients, As of March 31, 2018 and December 31, 2017, the Bank held approximately MCh$747,487 and MCh$724,983, respectively, of financial leases on movable assets, and MCh$491,088 and MCh$475,430, respectively, of financial leases on property.

NOTE 10 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, NET, CONTINUED

The following table provides a reconciliation between gross investment in lease and present value of minimum lease payments as of March 31, 2018 and December 31, 2017:

	As of March 31, 2018 MCh$	As of December 31, 2017 MCh$
Gross investments in lease	1,420,080	1,376,112
Unearned income from financial lease	(181,505)	(175,699)
Net financial leases	**1,238,575**	**1,200,413**

The following table sets forth the amounts to be received by maturity period for the net financial leases, as of March 31, 2018 and December 31, 2017:

	As of March 31, 2018 MCh$	As of December 31, 2017 MCh$
Less than 1 year	287,837	276,481
Between 1 and 5 years	479,474	461,141
Over 5 years	471,264	462,791
Total	**1,238,575**	**1,200,413**

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

The Bank has obtained repossessed assets for an amount of MCh$2,031 as of March 31, 2018 and MCh$18,715 for December 31, 2017 through the execution of collateral held on assets.

NOTE 10 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, NET, CONTINUED

b) Portfolio characteristics:

As of March 31, 2018 and December 31, 2017, the loan portfolio, before allowances for loan losses, by type of customer economic activity is as follows:

	Domestic Loans		Foreign Loans		Total		Percentages of total	
	As of March 31, 2018	As of December 31, 2017	As of March 31, 2018	As of December 31, 2017	As of March 31, 2018	As of December 31, 2017	As of March 31, 2018	As of December 31, 2017
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Commercial loans:								
Agriculture and livestock except fruits	310,925	299,866	160,666	128,059	471,591	427,925	1.86%	1.74%
Fruits	62,314	59,345	93,015	64,193	155,329	123,538	0.61%	0.50%
Forestry and wood extraction	144,119	145,294	18,860	19,088	162,979	164,382	0.64%	0.67%
Fishing	34,176	34,499	46,358	44,292	80,534	78,791	0.32%	0.32%
Mining	48,259	48,697	104,309	107,073	152,568	155,770	0.60%	0.63%
Crude oil and natural gas production	1,663	3,001	129,988	134,121	131,651	137,122	0.52%	0.56%
Food, beverage and tobacco industry	239,368	207,203	186,874	157,476	426,242	364,679	1.68%	1.49%
Textile and leather industry	40,533	33,224	31,340	37,701	71,873	70,925	0.28%	0.29%
Timber and furniture industry	29,917	31,006	11,833	9,201	41,750	40,207	0.17%	0.16%
Print and editorial industry	40,635	38,371	40,089	11,052	80,724	49,423	0.32%	0.20%
Chemical product, derived from oil , coal, rubber and plastic	129,092	134,167	147,510	88,341	276,602	222,508	1.09%	0.91%
Production of metal and non-metal production, machinery and equipment	324,836	316,346	78,528	62,134	403,364	378,480	1.59%	1.54%
Other manufacturing industries	22,375	23,582	122,841	147,900	145,216	171,482	0.57%	0.70%
Electricity, gas and water	469,695	415,141	250,574	218,906	720,269	634,047	2.85%	2.58%
Home construction	147,430	145,383	20,137	13,072	167,567	158,455	0.66%	0.65%
Other construction	1,044,234	989,766	213,559	197,452	1,257,793	1,187,218	4.97%	4.84%
Wholesale business	708,372	706,452	607,514	634,480	1,315,886	1,340,932	5.20%	5.47%
Retail, restaurants and hotels	518,385	518,329	416,281	390,200	934,666	908,529	3.69%	3.70%
Transporting and storage	355,402	352,807	294,267	329,937	649,669	682,744	2.57%	2.78%
Communications	122,773	119,104	103,191	99,032	225,964	218,136	0.89%	0.89%
Financial and insurance companies	2,061,298	2,029,920	304,814	300,210	2,366,112	2,330,130	9.35%	9.50%
Real estate and service providers	1,587,411	1,559,611	1,568,525	1,552,994	3,155,936	3,112,605	12.47%	12.69%
Services	1,392,497	1,374,553	1,516,194	1,451,118	2,908,691	2,825,671	11.53%	11.53%
Subtotal	**9,835,709**	**9,585,667**	**6,467,267**	**6,198,032**	**16,302,976**	**15,783,699**	**64.43%**	**64.34%**
Mortgage loans	5,427,112	5,272,527	638,474	582,864	6,065,586	5,855,391	23.97%	23.87%
Consumer loans	2,788,282	2,746,350	145,565	146,020	2,933,847	2,892,370	11.60%	11.79%
Total	**18,051,103**	**17,604,544**	**7,251,306**	**6,926,916**	**25,302,409**	**24,531,460**	**100.00%**	**100.00%**

NOTE 10 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, NET, CONTINUED

c) Allowances

The changes in allowances for loan losses during the periods ended March 31, 2018 and December 31, 2017 are summarized as follows:

	As of March 31, 2018			As of December 31, 2017		
	Individual Allowance	Collective Allowance	Total	Individual Allowance	Collective Allowance	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balances as of January 1,	**162,228**	**238,813**	**401,041**	**150,396**	**219,270**	**369,666**
Portfolio write-offs:						
Commercial loans	(1,371)	(16,683)	**(18,054)**	(28,212)	(60,063)	**(88,275)**
Mortgage loans	-	(1,812)	**(1,812)**	-	(7,326)	**(7,326)**
Consumer loans	-	(29,984)	**(29,984)**	-	(134,148)	**(134,148)**
Total Write-offs	**(1,371)**	**(48,479)**	**(49,850)**	**(28,212)**	**(201,537)**	**(229,749)**
Provisions	8,230	56,970	**65,200**	59,876	227,369	**287,245**
Reversal of provisions	(2,442)	(1,680)	**(4,122)**	(19,832)	(6,289)	**(26,121)**
Ending balances	**166,645**	**245,624**	**412,269**	**162,228**	**238,813**	**401,041**

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

	As of March 31, 2018	As of December 31, 2017
	MCh$	MCh$
Individual and collective allowance	412,269	401,041
Provisions for contingent credit risk (Note 20)	19,788	19,179
Additional provisions	71,695	67,296
Minimum provision 0.50% (Note 20)	7,460	6,353
Provisions for country risk (Note 20)	2,120	2,368
Allowances on loans and receivables to banks (Note 9)	498	308
Total	**513,830**	**496,545**

During the three-month period ended March 31, 2018 and the calendar year 2017, the Bank has not participated in the purchase, sale, substitution or swap of credits of the loan portfolio, except for operations disclosed in the present interim consolidated financial statements.

NOTE 10 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, NET, CONTINUED

d) Collateral

Impaired loan portfolio, secured and unsecured, before allowances for loan losses, as of March 31, 2018 and December 31, 2017 was as follows:

	As of March 31, 2018				As of December 31, 2017			
	Commercial	Mortgage	Consumer	Total	Commercial	Mortgage	Consumer	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Secured debt	439,088	41,140	21,597	501,825	622,173	161,601	83,334	867,108
Unsecured debt	358,305	135,488	273,772	767,565	150,017	10,810	202,451	363,278
Total	**797,393**	**176,628**	**295,369**	**1,269,390**	**772,190**	**172,411**	**285,785**	**1,230,386**

e) Past due portfolio

The past due portfolio (overdue for 90 days or more) as of March 31, 2018 and December 31, 2017 was as follows:

	As of March 31, 2018				As of December 31, 2017			
	Commercial	Mortgage	Consumer	Total	Commercial	Mortgage	Consumer	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Secured debt	134,540	16,069	1,510	152,119	155,963	65,812	4,510	226,285
Unsecured debt	102,781	57,690	30,727	191,198	79,799	2,491	37,770	120,060
Total (*)	**237,321**	**73,759**	**32,237**	**343,317**	**235,762**	**68,303**	**42,280**	**346,345**

(*) Including all principal and interest of associated loans.

NOTE 10 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, NET, CONTINUED

f) Normal, substandard and non-compliant portfolio:

As of March 31, 2018

	Normal				Substandard				Non-compliant				Total portfolio			
	Commercial	Mortgage	Consumer	Total normal	Commercial	Mortgage	Consumer	Total substandard	Commercial	Mortgage	Consumer	Total Non-compliant	Commercial	Mortgage	Consumer	Total portfolio
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Current and overdue, but not past due	15,027,022	5,887,103	2,634,333	23,548,458	540,968	-	-	540,968	504,044	165,785	257,104	926,933	16,072,034	6,052,888	2,891,437	25,016,359
Overdue for 1 to 29 days	18,125	1,314	2,810	22,249	5,655	-	-	5,655	12,541	1,076	3,178	16,795	36,321	2,390	5,988	44,699
Overdue for 30 to 89 days	7,644	541	1,335	9,520	182	-	-	182	28,140	1,665	9,858	39,663	35,966	2,206	11,193	49,365
Overdue for 90 days or more (“past due”)	5	-	-	5	-	-	-	-	158,650	8,102	25,229	191,981	158,655	8,102	25,229	191,986
Total portfolio before allowances	**15,052,796**	**5,888,958**	**2,638,478**	**23,580,232,**	**546,805**	**-**	**-**	**546,805**	**703,375**	**176,628**	**295,369**	**1,175,372**	**16,302,976**	**6,065,586**	**2,933,847**	**25,302,409**
Overdue, but not past due loans (less than 90 days in default) as a percentage of the total portfolio	0.17%	0.03%	0.16%	0.13%	1.07%	0.000%	0.000%	1.07%	5.78%	1.55	4.41%	4.80%	0.44%	0.08%	0.59%	0.37%
Past due loans (more than 90 days in default) as a percentage of the total portfolio	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	22.56%	4.59%	8.54%	16.33%	0.97%	0.13%	0.86%	0.76%

As of December 31, 2017

	Normal				Substandard				Non-compliant				Total portfolio			
	Commercial	Mortgage	Consumer	Total normal	Commercia l	Mortgage	Consumer	Total subestándar	Commercial	Mortgage	Consumer	Total Non-compliant	Commercial	Mortgage	Consumer	Total portfolio
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Current and overdue, but not past due	14,542,277	5,681,017	2,602,951	22,826,245	533,907	-	-	533,907	487,965	160,592	249,968	898,525	15,564,149	5,841,609	2,852,919	24,258,677
Overdue for 1 to 29 days	15,264	1,421	2,583	19,268	3,143	-	-	3,143	4,175	1,068	2,407	7,650	22,582	2,489	4,990	30,061
Overdue for 30 to 89 days	8,303	542	1,051	9,896	168	-	-	168	30,359	1,800	11,433	43,592	38,830	2,342	12,484	53,656
Overdue for 90 days or more (“past due”)	-	-	-	-	-	-	-	-	158,138	8,951	21,977	189,066	158,138	8,951	21,977	189,066
Total portfolio before allowances	**14,565,844**	**5,682,980**	**2,606,585**	**22,855,409**	**537,218**	**-**	**-**	**537,218**	**680,637**	**172,411**	**285,785**	**1,138,833**	**15,783,699**	**5,855,391**	**2,892,370**	**24,531,460**
Overdue, but not past due loans (less than 90 days in default) as a percentage of the total portfolio	0.16%	0.03%	0.14%	0.13%	0.62%	0.00%	0.00%	0.62%	5.07%	1.66%	4.84%	4.50%	0.39%	0.08%	0.60%	0.34%
Past due loans (more than 90 days in default) as a percentage of the total portfolio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	23.23%	5.19%	7.69%	16.60%	1.00%	0.15%	0.76%	0.77%

NOTE 11 – FINANCIAL INVESTMENTS

As of March 31, 2018 and December 31, 2017, financial investments available for sale and held to maturity are as follows:

	As of March 31, 2018			As of December 31, 2017		
	Available for sale	Held to maturity	Total	Available for sale	Held to maturity	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Financial investments quoted in active markets:						
Of the State and the Central Bank of Chile (a):						
Instruments of the Central Bank of Chile (b)	78,423	-	**78,423**	91,781	-	**91,781**
Bonds or promissory notes of the Treasury	662,852	-	**662,852**	680,164	-	**680,164**
Other fiscal instruments	7,944	-	**7,944**	8,315	-	**8,315**
Other domestic instruments						
Financial instruments in instruments issued by other domestic banks	97,125	-	**97,125**	119,753	-	**119,753**
Bonds and corporate commercial papers	22,295	-	**22,295**	22,172	-	**22,172**
Other domestic instruments (c)	1,901	-	**1,901**	1,901	-	**1,901**
Foreign instruments:						
Instruments issued by foreign states and central banks (d)	73,188	786	**73,974**	76,487	800	**77,287**
Other foreign instruments	1,445,035	-	**1,445,305**	1,531,109	-	**1,531,109**
Total	**2,388,763**	**786**	**2,389,549**	**2,531,682**	**800**	**2,532,482**

(a) As of March 31, 2018 and December 31, 2017, the Bank does not maintain zero coupon instruments classified in portfolio available for sale.

(b) As of March 31, 2018, the Bank does not maintain instruments of the Central Bank of Chile, sold with repurchase agreements classified in the caption "State Instruments and Central Bank of Chile". As of December 31, 2017 the Bank has instruments for MCh$41,244.

(c) Other domestic instruments include shares that the BCI Corredor de Bolsa S.A., Bank subsidiary, has in Santiago Stock Exchange, in Chilean Electronic Stock Exchange, in Valparaiso Stock Exchange and Bolsa de Productos Agropecuario S.A.. These shares are measured at fair value.

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

NOTE 12 - INVESTMENTS IN OTHER COMPANIES

a) As of March 31, 2018 and December 31, 2017, principal investments in associates, joint ventures and other entities are detailed below:

	As of and for the period ended March 31, 2018				As of and for the year ended December 31, 2017			
Company	**Equity**	**Participation**	**Investment value**	**Income / (Loss)**	**Equity**	**Participation**	**Investment value**	**Income / (Loss)**
	MCh$	**%**	**MCh$**	**MCh$**	**MCh$**	**%**	**MCh$**	**MCh$**
Investment accounted for using equity method:								
Redbanc S.A.	7,831	12.71	996	49	7,484	12.71	951	134
Combanc S.A.	5,880	10.33	607	8	5,838	10.33	603	45
Transbank S.A.	58,278	8.72	5,081	143	56,804	8.72	4,953	706
Nexus S.A.	14,391	12.90	1,857	112	13,781	12.90	1,778	442
Servicios de Infraestructura de mercado OTC S.A.	11,641	13.61	1,582	19	11,490	13.61	1,564	73
AFT S.A.	15,729	20.00	3,146	48	15,490	20.00	3,098	316
Centro de Compensacion Automatizado S.A.	4,864	33.33	1,621	62	4,696	33.33	1,565	399
Sociedad Interbancaria de Depositos de Valores S.A.	3,759	7.03	265	7	3,667	7.03	258	56
Credicorp Ltd.	-	-	-	-				
Investment measured at cost:								
SWIFT Shares			34	-			34	-
FED and FHLB shares (*)			-	-			-	2,720
Bladex Shares			219	64			219	125
Credicorp Ltd.(**)			129,529	21,750			186,851	106,232
Other Shares			17	651			18	87
Total			**144,954**	**22,913**			**201,892**	**111,335**
Investments in joint ventures								
Servipag Ltda	10,195	50.00	5,097	99	9,997	50.00	4,998	700
Artikos Chile S.A.	1,813	50.00	907	79	1,654	50.00	828	507
Total			**6,004**	**178**			**5,826**	**1,207**
Total investments associates, joint ventures and other entities			**150,958**	**23,091**			**207,718**	**112,542**

(*) These are shares that BCI Financial Group, Inc. and Subsidiaries holds on its balance sheet, related to equity securities of the Federal Reserve (FED) and Federal Home Bank Loans (FHBL) acquired by CNB in order to participate in the funding program, provided by these governmental agencies to the banks established in the State of Florida. CNB is required to maintain a specific level of holdings based on a formula provided by the respective agency. As of June 30, 2017, these shares were reclassified to other assets as required by the Superintendency of Banks and Financial Institutions.

(**) See Note 3 Significant events.

NOTE 12 - INVESTMENTS IN OTHER COMPANIES, CONTINUED

b) The reconciliation of investments in other companies as of March 31, 2018 and December 31, 2017, is as follows:

	As of March 31, 2018 MCh$	As of December 31, 2017 MCh$
Balance at the beginning of the period	**207,718**	**187,958**
Acquisition of investments in other companies	-	40,410
Translation differences (*)	-	(601)
Share of profit of investments accounted for using the equity method	23,091	112,542
Sale of investments in other companies	(74,083)	(61,673)
Dividends received	(4,989)	(5,367)
Adjustment for minimum dividend provision	(716)	(16,939)
Minimum dividends provision	(63)	(418)
FEI and FMLB shares (**)	-	(48,194)
Ending balance	**150,958**	**207,718**

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

(**) Corresponds to shares of the Federal Reserve and Federal Home Bank Loans, which have been reclassified to "other assets" as of June 30, 2017.

As of March 31, 2018 and December 31, 2017, no impairment was recognized on the investments.

NOTE 13 - INTANGIBLE ASSETS

a) The composition of intangible assets as of March 31, 2018 and December 31, 2017 was the following:

Concept	Total useful life	Remaining average useful life	As of March 31, 2018 Gross balance	Accumulated amortization and impairment	Net balance
	Years	Years	MCh$	MCh$	MCh$
Intangible assets acquired separately (a)	6	5	47,908	(28,632)	**19,276**
Intangible generated internally (b)	6	5	174,272	(71,768)	**102,504**
Intangible assets acquired in business combination – amortizable (c):					
Core deposits	9	6	37,796	(11,439)	**26,357**
Leasehold interest	30	27	2,425	(483)	**1,942**
Others					
Intangible assets acquired in business combination - indefinite life (c):					
Trademark	-	-	10,885	-	**10,885**
Goodwill	-	-	9,722	-	**9,722**
Total			**283,008**	**(112,322)**	**170,686**

NOTE 13 - INTANGIBLE ASSETS, CONTINUED

Concept	Total useful life	Remaining average useful life	As of December 31, 2017 Gross balance	Accumulated amortization and impairment	Net balance
	Years	Years	MCh$	MCh$	MCh$
Intangible assets acquired separately (a)	6	5	56,171	(37,004)	**19,167**
Intangible generated internally (b)	6	5	241,999	(136,277)	**105,722**
Intangible assets acquired in business combination – amortizable (c):					
Core deposits	9	7	38,468	(10,459)	**28,009**
Leasehold interest	30	28	2,468	(442)	**2,026**
Others	-	-			
Intangible assets acquired in business combination - indefinite life (c):					
Trademark	-	-	11,078	-	**11,078**
Goodwill	-	-	9,895	-	**9,895**
Total			**360,079**	**(184,182)**	**175,897**

(a) Correspond to software purchased from parties other than the Bank or its subsidiaries held for use in the production or supply of goods or services, for rental to others, or for administrative purposes.
(b) Represent an identifiable non-monetary assets without physical substance, internally developed by the Bank or its subsidiaries held for use in the production or supply of goods or services, for rental to others, or for administrative purposes.
(c) Correspond to intangible assets acquired in 2015 for the business combinations of BCI Financial Group, INC. and Subsidiaries.

The intangible assets indicated above, are measured according to Note 1, u of the interim consolidated financial statements.

NOTE 13 - INTANGIBLE ASSETS, CONTINUED

b) The movements of the intangible assets for the periods ended March 31, 2018 and December 31, 2017 are the following:

	Intangible assets acquired separately	Intangibles generated internally	Amortizable intangible assets acquired in business combination: Core Deposit	Amortizable intangible assets acquired in business combination: Leasehold Interest	Not amortizable intangible assets acquired in business combination: Trade Name	Not amortizable intangible assets acquired in business combination: Goodwill	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balance as of January 1, 2018	**56,171**	**241,999**	**38,468**	**2,468**	**11,078**	**9,895**	**360,079**
Additions	1,863	8,236	-	-	-	-	**10,099**
Disposals / transfers	(10,064)	(75,963)	-	-	-	-	**(86,027)**
Increase (decrease) from net foreign exchange differences	-	-	(672)	(43)	(193)	(173)	**(1,081)**
Other changes	(62)	-	-	-	-	-	**(62)**
Impairment	-	-	-	-	-	-	-
Gross balance as of March 31, 2018	**47,908**	**174,272**	**37,796**	**2,425**	**10,885**	**9,722**	**283,008**
Amortization for the period	(1,797)	(5,063)	(1,158)	(49)	-	-	**(8,067)**
Accumulated amortization from previous periods	(37,004)	(136,277)	(10,459)	(442)	-	-	**(184,182)**
Others	10,169	69,572	178	8	-	-	**79,927**
Impairment	-	-	-	-	-	-	-
Total accumulated amortization and impairment	(28,632)	(71,768)	(11,439)	(483)	-	-	(112,322)
Balance as of March 31, 2018	**19,276**	**102,504**	**26,357**	**1,942**	**10,885**	**9,722**	**170,686**

	Intangible assets acquired separately	Intangibles generated internally	Not amortizable intangible assets in business combination: Core Deposit	Not amortizable intangible assets in business combination: Leasehold Interest	Not amortizable intangible assets acquired in business combination: Trade Name	Not amortizable intangible assets acquired in business combination: Goodwill	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balance as of January 1, 2017	**51,650**	**213,724**	**41,917**	**2,689**	**12,072**	**10,782**	**332,834**
Additions	7,058	59,577	-	-	-	-	**66,635**
Disposals / transfers	(2,537)	(31,302)	-	-	-	-	**(33,839)**
Increase (decrease) from net foreign exchange differences	-	-	(3,449)	(221)	(994)	(887)	**(5,551)**
Other changes	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Gross balance as of December 31, 2017	**56,171**	**241,999**	**38,468**	**2,468**	**11,078**	**9,895**	**360,079**
Amortization for the period	(5,887)	(21,035)	(4,992)	(211)	-	-	**(32,125)**
Accumulated amortization from previous periods	(33,577)	(115,242)	(6,236)	(263)	-	-	**(155,318)**
Others	2,460	-	769	32	-	-	**3,261**
Impairment	-	-	-	-	-	-	-
Total accumulated amortization and impairment	(37,004)	(136,277)	(10,459)	(442)	-	-	**(184,182)**
Balance as of December 31, 2017	**19,167**	**105,722**	**28,009**	**2,026**	**11,078**	**9,895**	**175,897**

As of December 31, 2017 the Bank performed impairment tests for the goodwill and the trade name that is the only intangible assets with an indefinite useful life accounted for by the bank, both generated from the acquisition of CNB. In accordance with the instructions of Chapter A-2 of the Compendium of Accounting Rules of the SBIF, two reports were issued each by an independent consultants and both concluded that there was no impairment for goodwill as well as for the intangibles with an indefinite useful life recorded.

NOTE 14 - PROPERTY, PLANT AND EQUIPMENT, NET

a) The composition of property, plant and equipment as of March 31, 2018 and December 31, 2017 is the following:

	As of March 31, 2018				
Concept	**Total useful life**	**Remaining average useful life**	**Gross balance**	**Accumulated depreciation**	**Net balance**
	Years	**Years**	**MCh$**	**MCh$**	**MCh$**
Land and buildings	34	29	292,817	(73,857)	**218,960**
Equipment	4	3	132,795	(103,628)	**29,167**
Others	8	6	51,742	(33,091)	**18,651**
Total			**477,354**	**(210,576)**	**266,778**

	As of December 31, 2017				
Concept	**Total useful life**	**Remaining average useful life**	**Gross balance**	**Accumulated depreciation**	**Net balance**
	Years	**Years**	**MCh$**	**MCh$**	**MCh$**
Land and buildings	34	30	292,434	(71,631)	**220,803**
Equipment	4	4	142,881	(112,885)	**29,996**
Others	8	6	51,728	(32,236)	**19,492**
Total			**487,043**	**(216,752)**	**270,291**

b) The movements of property, plant and equipment for the periods ended March 31, 2018 and December 31, 2017, respectively, are the following:

	Land and buildings	**Equipment**	**Others**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Balance as of January 1, 2018	**292,434**	**142,881**	**51,728**	**487,043**
Additions	1,151	3,229	2,012	**6,392**
Disposals	-	(12,966)	-	**(12,966)**
Transfers	-	(237)	(1,898)	**(2,135)**
Others	(768)	(112)	(9)	**(889)**
Impairment	-	-	(91)	**(91)**
Gross Balance as of March 31, 2018	**292,817**	**132,795**	**51,742**	**477,354**
Depreciation for the period	(2,226)	(4,062)	(855)	**(7,143)**
Disposals	-	13,319	-	**13,319**
Accumulated depreciation from previous years	(71,631)	(112,885)	(32,236)	**(216,752)**
Impairment	-	-	-	-
Total Accumulated Depreciation	**(73,857)**	**(103,628)**	**(33,091)**	**(210,576)**
Net Balance as of March 31, 2018	**218,960**	**29,167**	**18,651**	**266,778**

NOTE 14 - PROPERTY, PLANT AND EQUIPMENT, NET, CONTINUED

	Land and buildings	Equipment	Others	Total
	MCh$	MCh$	MCh$	MCh$
Balance as of January 1, 2017	**290,898**	**131,519**	**52,768**	**475,185**
Additions	13,904	17,391	10,405	**41,700**
Disposals	(9,134)	(5,581)	(386)	**(15,101)**
Transfers	571	-	(9,444)	**(8,873)**
Others	(3,805)	(448)	(52)	**(4,305)**
Impairment	-	-	(1,563)	**(1,563)**
Gross Balance as of December 31, 2017	**292,434**	**142,881**	**51,728**	**487,043**
Depreciation for the period	(8,646)	(15,748)	(3,757)	**(28,151)**
Other Adjustments	259	6,065	764	**7,088**
Accumulated depreciation for previous periods	(63,244)	(103,202)	(29,243)	**(195,689)**
Impairment	-	-	-	**-**
Total Accumulated Depreciation	**(71,631)**	**(112,885)**	**(32,236)**	**(216,752)**
Net Property, plant and equipment Balance as of December 31, 2017	**220,803**	**29,996**	**19,492**	**270,291**

c) As of March 31, 2018 and December 31, 2017, the net impairment of MCh$91 and MCh$1,563, respectively, affected gross value of property, plant and equipment.

NOTE 15 - CURRENT AND DEFERRED INCOME TAX

a) Current Income Tax

As of March 31, 2018 and December 31, 2017, the Bank has recognized a first-category income tax and Unique Tax under Article No. 21 of the Income Tax Law, which was determined based on the current tax legislation, and recognized a net current tax liability amounting to MCh$ 3,172 as of March 31, 2018 (net current tax asset amounting to MCh$6,832 as of December 31, 2017). The detail of current tax assets net of current tax liabilities is as follows:

	As of March 31, 2018	As of December 31, 2017
	MCh$	MCh$
Income Tax (tax rate of 27% for 2018 and 25.5% by 2017)	(29,355)	(87,722)
Prior year provision	(86,465)	880
35% Provision for Income Tax	(496)	(343)
Less:		
Monthly tax provisional payments	91,942	83,265
Credit for training expenses	1,760	1,800
Credit for acquisition of property, plant and equipment	4	3
Credit for donations	2,155	1,505
Income tax to be recovered	15,044	5,625
Other taxes and withholdings to be recovered	2,239	1,819
Total	**(3,172)**	**6,832**

NOTE 15 - CURRENT AND DEFERRED INCOME TAX, CONTINUED

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

	As of March 31, 2018		
	Chile	**Florida, USA**	**Total**
	MCh$	**MCh$**	**MCh$**
Current tax asset	2,687	11,652	14,339
Current tax liabilities	(17,511)	-	(17,511)
Total net	**(14,824)**	**11,652**	**(3,172)**

	As of December 31, 2017		
	Chile	**Florida, USA**	**Total**
	MCh$	**MCh$**	**MCh$**
Current tax asset	2,061	12,251	14,312
Current tax liabilities	(7,480)	-	(7,480)
Total net	**(5,419)**	**12,251**	**6,832**

b) Income Tax Expense

The detail of income tax expense for the three-month period ended March 31, 2018 2017, is as follows:

	For the three-months ended March 31,	
	2018	**2017**
	MCh$	**MCh$**
Income tax expense:		
Current tax for the year	(29,355)	(13,534)
Surplus/ Deficit of prior year provisions	-	-
Credit (charge) for deferred taxes:		
Origination and reversal of temporary differences	1,186	(48,393)
Subtotal	(28,169)	(61,927)
Tax for non-deductible expenses in accordance with Article No. 21	(14)	(9)
Other	-	5
Income tax expense	**(28,183)**	**(61,931)**

NOTE 15 - CURRENT AND DEFERRED INCOME TAX, CONTINUED

c) Reconciliation of the effective income tax rate

The following is the reconciliation of the nominal income tax rate with the effective income tax rate for the periods ended March 31, 2018 and 2017:

	For the three-months ended March 31,			
	2018		2017	
	Tax rate	Amount	Tax rate	Amount
	%	MCh$	%	MCh$
Income before income tax		137,595		202,787
Nominal tax rate	27.000		25.500	
Difference in statutory tax rate of Florida subsidiaries and branch		37,151		51,711
Tax effect of non-deductible expenses in calculation of taxable income:				
Permanent differences	(6.528)	(8,982)	(11.861)	(24,054)
Effect on deferred tax due to the change in income tax rate of Florida subsidiaries and branch	-	-	19.041	38,612
Unique tax (rejected expenses)	0.010	14	0.004	9
Others	-	-	(2.144)	(4,347)
Effective income tax rate and income tax expense	**20.482**	**28,183**	**30.540**	**61,931**

The effective income tax rate for periods 2018 and 2017 was 20.482% and 30.540%, respectively.

At the end of 2017, a tax reform law was published in the United States, which reduced the federal tax rate from 35% to 21% starting in 2018.

d) Effect of deferred taxes recognized in equity

The deferred tax recognized in shareholder's equity as of March 31, 2018 and December 31, 2017 is composed of the following:

	Accumulated		Effect for the period ended	
	As of March 31,	As of December 31,	March 31,	December 31,
	2018	2017	2018	2017
	MCh$	MCh$	MCh$	MCh$
Financial investments available for sale	(1,955)	(2,673)	718	525
Cash flow hedges	5,251	2,441	2,810	(2,071)
Effect of deferred tax in shareholder's equity	**3,296**	**(232)**	**3,528**	**(1,546)**

NOTE 15 - CURRENT AND DEFERRED INCOME TAX, CONTINUED

e) Effect of deferred taxes recognized in the interim consolidated statements of income

As of March 31, 2018 and December 31, 2017, the Bank recognized in its consolidated financial statements deferred taxes according to IAS 12 as follows:

	As of March 31, 2018			As of December 31, 2017		
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Concepts:						
Allowance for loan losses	72,730	-	72,730	69,187	-	69,187
Provision for staff vacation & bonuses	23,162	-	23,162	29,139	-	29,139
Leasing operations (net)	28,798	-	28,798	17,776	-	17,776
Others	189	(4,906)	(4,717)	168	(2,107)	(1,939)
Property, plant and equipment	-	(17,913)	(17,913)	-	(17,906)	(17,906)
Suspended interest and indexation	-	(36,130)	(36,130)	-	(35,825)	(35,825)
Trading securities						
Credicorp Ltd.(*)	-	(41,593)	(41,593)	-	(41,593)	(41,593)
Derivative contract operations	-	(2,441)	(2,441)	-	(2,441)	(2,441)
Temporary differences related to Florida	57,949	(25,358)	32,591	54,267	(23,253)	31,014
Deferred tax assets (liabilities) net	**182,828**	**(128,341)**	**54,487**	**170,537**	**(123,125)**	**47,412**
Effect of deferred tax recognized in equity	3,296	-	3,296	-	(232)	(232)
Total deferred tax assets and liabilities	**186,124**	**(128,341)**	**57,783**	**170,537**	**(123,357)**	**47,180**

(*) This deferred tax liability has been calculated based on the difference in tax and accounting basis of the investment in shares that BCI maintains in Credicorp Ltd.

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

	As of March 31, 2018		
	Chile	**Florida, USA**	**Total**
	MCh$	**MCh$**	**MCh$**
Deferred tax asset	23,026	32,591	55,617
Deferred tax liabilities	(1,130)	-	(1,130)
Total net	**21,896**	**32,591**	**54,487**
Deferred tax recognized in equity	3,296	-	3,296
Deferred tax, net	**25,192**	**32,591**	**57,783**

	As of December 31, 2017		
	Chile	**Florida,USA**	**Total**
	MCh$	**MCh$**	**MCh$**
Deferred tax asset	17,146	31,014	48,160
Deferred tax liabilities	(748)	-	(748)
Total net	**16,398**	**31,014**	**47,412**
Deferred tax recognized in equity	(232)	-	(232)
Deferred tax, net	**16,166**	**31,014**	**47,180**

NOTE 16 - OTHER ASSETS

a) As of March 31, 2018 and December 31, 2017, the composition of the other assets is as follows:

	As of March 31, 2018 MCh$	As of December 31, 2017 MCh$
Assets acquired to transfer to leasing (a)	45,131	109,899
Repossessed or awarded assets:		
Repossessed assets	2,204	1,844
Assets awarded from judicial auctions	15,224	14,376
Impairment of repossessed or awarded assets (b)	(1,124)	(1,145)
Other assets:		
Cash deposits held as guarantee	231,227	225,716
Investment in gold	3,627	3,636
VAT	6,368	7,394
Prepaid expenses	63,213	56,783
Assets recovered from lease agreements held for sale (c)	22,968	21,035
Account receivables	39,467	49,297
Amounts to be recovered	36,789	28,516
Macro hedge valuation adjustment	-	-
Prepayments of insurance rights on City National Bank of Florida (CNB) (d)	171,896	173,744
Other assets	38,209	14,246
FED and FHLB shares (e)	51,754	47,949
Total	**726,953**	**753,290**

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

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

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

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

NOTE 16 - OTHER ASSETS, CONTINUED

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

b) The changes in the impairment of repossessed or awarded assets, for the periods ended March 31, 2018 and December 31, 2017, are as follows:

	Impairment MCh$
Balance as of January 1, 2018	**1,145**
Impairment	1,132
Reversal of impairment	(1,153)
Balance as of March 31, 2018	**1,124**
Balance as of January 1, 2017	**76**
Impairment	1,198
Reversal of impairment	(129)
Balance as of December 31, 2017	**1,145**

NOTE 17 – BORROWINGS FROM CUSTOMERS

As of March 31, 2018 and December 31, 2017, the composition of borrowings from customers is the following:

	As of March 31, 2018 MCh$	As of December 31, 2017 MCh$
Current accounts and demand deposits		
Current accounts	8,401,474	8,451,948
Other deposits and accounts payable on demand	584,309	664,243
Other liabilities payable on demand	369,385	417,933
Total current accounts and demand deposits	**9,355,168**	**9,534,124**
Term deposits and savings accounts		
Term deposits	11,298,353	10,643,337
Saving accounts	47,223	47,921
Guarantees	848	1,088
Total term deposits and savings accounts	**11,346,424**	**10,692,346**

NOTE 18 - BORROWINGS FROM FINANCIAL INSTITUTIONS

As of March 31, 2018 and December 31, 2017, the composition of borrowings from financial institutions is as follows:

	As of March 31, 2018	As of December 31, 2017
Loans received from financial institutions and Central Bank of Chile:	**MCh$**	**MCh$**
Other liabilities to Central Bank of Chile	596	-
Subtotal	596	-
Loans received from domestic financial institutions:		
Interbank loans	737,463	655,833
Other liabilities to domestic financial institutions	238,658	240,803
Subtotal	976,121	896,636
Loans received from foreign financial institutions:		
Foreign trade financing	363,764	387,908
Loans and other liabilities to foreign financial institutions	505,5261	469,812
Subtotal	869,290	857,720
Total	**1,846,007**	**1,754,356**

NOTE 19 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES

a) As of March 31, 2018 and December 31, 2017, details of the debt issued and other financial liabilities are as follows:

	As of March 31, 2018	As of December 31, 2017
	MCh$	**MCh$**
Other financial liabilities:		
Public bonds	31,850	31,836
Other domestic bonds	32,803	31,052
Foreign bonds	692,077	616,491
Total	**756,730**	**679,379**
Debt issued:		
Mortgage finance bonds	16,330	17,785
Ordinary bonds	4,511,351	4,097,719
Subordinated bonds	914,872	904,803
Total	**5,442,553**	**5,020,307**

NOTE 19 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

b) As of March 31, 2018 and December 31, 2017, the maturities of the ordinary and subordinated bonds are as follows:

	As of March 31, 2018		
	Long term	**Short term**	**Total**
	MCh$	**MCh$**	**MCh$**
By long and short term:			
Ordinary bonds	4,149,028	362,323	4,511,351
Subordinated bonds	910,892	3,980	914,872
Total	**5,059,920**	**366,303**	**5,426,223**

	As of December 31, 2017		
	Long term	**Short term**	**Total**
	MCh$	**MCh$**	**MCh$**
By long and short term:			
Ordinary bonds	3,739,894	357,825	4,097,719
Subordinated bonds	900,917	3,886	904,803
Total	**4,640,811**	**361,711**	**5,002,522**

c) Details of placements of ordinary and subordinated bonds as of March 31, 2018 are as follows:

ORDINARY BONDS DENOMINATED IN CHILEAN PESOS

Series	Issued amount Ch$	Placed amount Ch$	Issuance date	Maturity date	Average rate	Carrying amount Ch$	Balance in MCh$
SERIE_AK	500,000,000,000	53,750,000,000	01/11/2014	01/11/2019	5.31%	53,552,059,170	53,552
SERIE_AM	50,000,000,000	50,000,000,000	01/06/2016	01/06/2023	4.90%	48,745,335,576	48,745
SERIE E	100,000,000,000	-	01/11/2017	01/11/2023	4.00%	-	-
Fair Value Adjustment						841,750,857	842
Subtotal	**650,000,000,000**	**103,750,000,000**				**103,139,145,603**	**103,139**

NOTE 19 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

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

Series	Issued amount UF	Placed amount UF	Issuance date	Maturity date	Average rate	Carrying amount UF	Balance in MCh$
SERIE_AB	10,000,000	10,000,000	01/07/2008	01/07/2018	3.67%	9,912,990	267,323
SERIE_AE2	10,000,000	10,000,000	01/08/2011	01/08/2021	3.73%	9,698,516	261,539
SERIE_AF2	10,000,000	10,000,000	01/08/2012	01/08/2022	3.43%	9,718,287	262,072
SERIE_AI1	15,000,000	-	01/03/2014	01/03/2019	-	-	-
SERIE_AI2	5,000,000	-	01/03/2014	01/03/2024	-	-	-
SERIE_AJ1	20,000,000	13,310,000	01/10/2014	01/10/2019	2.04%	13,434,723	358,152
SERIE_AJ2	20,000,000	20,000,000	01/10/2014	01/10/2024	2.23%	19,913,317	537,000
SERIE_AL1	3,000,000	3,000,000	01/06/2016	01/06/2022	1.89%	3,098,696	83,562
SERIE_AL2	3,000,000	3,000,000	01/06/2016	01/06/2023	2.15%	3,077,223	82,983
SERIE_AL3	3,000,000	3,000,000	01/06/2016	01/06/2024	2.40%	3,043,946	82,086
SERIE_AL4	3,000,000	3,000,000	01/06/2016	01/06/2028	2.36%	3,065,723	82,673
SERIE_AL5	3,000,000	3,000,000	01/06/2016	01/06/2031	2.50%	3,029,431	81,694
SERIE_AN1	3,000,000	3,000,000	01/12/2016	01/12/2021	1.50%	3,071,318	82,824
SERIE_AN2	3,000,000	3,000,000	01/12/2016	01/12/2024	1.95%	3,030,551	81,725
SERIE_AN3	3,000,000	3,000,000	01/12/2016	01/12/2026	2.00%	3,021,795	81,488
SERIE_A1	3,000,000	3,000,000	01/04/2017	01/04/2022	1.72%	3,059,427	82,503
SERIE_A2	3,000,000	3,000,000	01/04/2017	01/04/2027	2.18%	2,988,532	80,591
SERIE_B1	3,000,000	1,330,000	01/05/2017	01/05/2022	1.53%	1,670,919	45,059
SERIE_B2	3,000,000	1,880,000	01/05/2017	01/05/2023	1.76%	2,020,239	54,480
SERIE_C1	3,000,000	3,000,000	01/07/2017	01/01/2022	2.24%	2,988,947	80,603
SERIE_C2	3,000,000	3,000,000	01/07/2017	01/07/2023	2.32%	2,969,367	80,075
SERIE_C3	3,000,000	3,000,000	01/07/2017	01/07/2025	2.28%	2,961,224	79,855
SERIE_C4	3,000,000	3,000,000	01/07/2017	01/07/2026	2.42%	2,923,845	78,847
SERIE_D1	3,000,000	3,000,000	01/11/2017	01/11/2023	1.84%	3,051,241	82,282
SERIE_D2	3,000,000	3,000,000	01/11/2017	01/11/2025	2.04%	3,017,966	81,385
SERIE_D3	3,000,000	3,000,000	01/11/2017	01/11/2028	2.34%	2,932,670	79,085
SERIE_D4	3,000,000	3,000,000	01/11/2017	01/11/2029	2.13%	2,893,049	78,017
Fair Value Adjustment							11,208
Subtotal	**150,000,000**	**120,520,000**				**120,593,942**	**3,259,111**

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY - AMERICAN DOLLAR

Series	Issued amount USD	Placed amount USD	Issuance date	Maturity date	Average rate	Carrying amount USD	Balance in MCh$
USP32133CG63	500,000,000	500,000,000	11/02/2013	11/02/2023	4.35%	498,978,131	301,747
XS1655597034	50,000,000	50,000,000	01/08/2017	01/08/2022	2.96%	49,615,495	30,004
XS1692845396	50,000,000	50,000,000	06/10/2017	06/10/2022	3.00%	50,192,176	30,353
US05890MAA18	500,000,000	500,000,000	12/10/2017	12/10/2027	3.65%	496,060,612	299,983
XS1703060829	50,000,000	50,000,000	19/10/2017	19/10/2022	2.41%	49,680,866	30,044
XS1702405702	40,000,000	40,000,000	20/10/2017	20/10/2022	2.36%	39,724,242	24,022
Fair Value Adjustment						(24,471,063)	(14,798)
Subtotal	**1,190,000,000**	**1,190,000,000(*)**				**1,159,780,459**	**701,355**

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

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY - EURO

Series	Issued amount EUR	Placed amount EUR	Issuance date	Maturity date	Average rate	Carrying amount EUR	Balance in MCh$
XS1493734971	20,000,000	20,000,000	23/09/2016	23/09/2024	0.888%	19,835,918	14,747
Fair Value Adjustment						-	-
Subtotal	**20,000,000**	**20,000,000**				**19,835,918**	**14,747**

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY - AUD

Series	Issued amount AUD	Placed amount AUD	Issuance date	Maturity date	Average rate	Carrying amount AUD	Balance in MCh$
XS1717587007	80,000,000	80,000,000	15/11/2017	15/11/2027	4.150%	80,092,866	37,188
Fair Value Adjustment						(645,034)	(299)
Subtotal	**80,000,000**	**80,000,000**				**79,447,832**	**36,889**

NOTE 19 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

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

Series	Issued amount CHF	Placed amount CHF	Issuance date	Maturity date	Average rate	Carrying amount CHF	Balance MCh$
CH0246788183	150,000,000	150,000,000	26/06/2014	26/06/2019	1,125%	150,950,774	95,436
CH0260296618	150,000,000	150,000,000	25/11/2014	23/11/2018	0,875%	150,261,657	95,000
CH0278875965	150,000,000	150,000,000	17/06/2015	17/06/2020	0,250%	149,972,227	94,817
XS1520623627	90,000,000	90,000,000	17/11/2016	17/11/2021	0,000%	89,174,483	56,379
Fair Value adjustment						(3,066,429)	(2,962)
Subtotal	**540,000,000**	**540,000,000**				**537,292,712**	**338,670**

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY - YEN

Series	Issued amount YEN	Placed amount YEN	Issuance date	Maturity date	Average data	Carrying amount YEN	Balance MCh$
XS1144348841	10,100,000,000	10,100,000,000	04/12/2014	04/12/2019	0,810%	10,097,742,108	57,440
Subtotal	**10,100,000,000**	**10,100,000,000**				**10,097,742,108**	**57,440**
Total ordinary bonds							**4,511,351**

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

Serie	Issued amount UF	Placed amount UF	Issuance date	Maturity date	Average date	Carrying amount UF	Balance in MCh$
SERIE_E	1,500,000	1,500,000	01/11/1997	01/11/2018	7.37%	147,589	3,980
SERIE_F	1,200,000	1,200,000	01/05/1999	01/05/2024	7.73%	545,987	14,724
SERIE_G	400,000	400,000	01/05/1999	01/05/2025	7.92%	201,746	5,440
SERIE_L	1,200,000	1,200,000	01/10/2001	01/10/2026	6.39%	704,052	18,986
SERIE_M	1,800,000	1,800,000	01/10/2001	01/10/2027	6.43%	1,112,954	30,013
SERIE_N	1,500,000	1,500,000	01/06/2004	01/06/2029	5.25%	1,022,769	27,042
SERIE_O	1,500,000	1,500,000	01/06/2004	01/06/2030	3.93%	988,176	26,648
SERIE_R	1,500,000	1,500,000	01/06/2005	01/06/2038	4.72%	709,339	19,129
SERIE_S	2,000,000	2,000,000	01/12/2005	01/12/2030	4.86%	1,361,795	36,723
SERIE_T	2,000,000	2,000,000	01/12/2005	01/12/2031	4.52%	1,429,114	38,539
SERIE_U	2,000,000	2,000,000	01/06/2007	01/06/2032	4.19%	1,914,863	51,638
SERIE_Y	4,000,000	4,000,000	01/12/2007	01/12/2030	4.25%	2,359,600	63,631
SERIE_W	4,000,000	4,000,000	01/06/2008	01/06/2036	4.05%	1,943,200	52,402
SERIE_AC	6,000,000	6,000,000	01/03/2010	01/03/2040	3.96%	5,426,922	146,347
SERIE_AD 1	4,000,000	4,000,000	01/06/2010	01/06/2040	4.17%	3,623,761	97,722
SERIE_AD 2	3,000,000	3,000,000	01/06/2010	01/06/2042	4.14%	2,702,912	72,889
SERIE_AH	15,000,000	9,000,000	01/09/2013	01/09/2043	3.63%	7,750,987	209,019
Total subordinated bonds	**52,600,000**	**46,600,000**				**33,925,766**	**914,872**
TOTAL BONDS							**5,426,223**

d) Details of placements of ordinary and subordinated bonds as of December 31, 2017 are as follows:

ORDINARY BONDS DENOMINATED IN CHILEAN PESOS

Series	Issued amount Ch$	Placed amount Ch$	Issuance date	Maturity date	Average rate	Carrying amount Ch$	Balance in MCh$
SERIE_AK	500,000,000,000	53,750,000,000	01/11/2014	01/11/2019	5.31%	51,690,558,554	51,691
SERIE_AM	50,000,000,000	50,000,000,000	01/06/2016	01/06/2023	4.90%	48,176,505,967	48,177
Fair Value Adjustment						1,026,226,891	1,026
Subtotal	**550,000,000,000**	**103,750,000,000**				**100,893,291,412**	**100,894**

NOTE 19 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

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

Series	Issued amount UF	Placed amount UF	Issuance date	Maturity date	Average rate	Carrying amount UF	Balance in MCh$
SERIE_AB	10,000,000	10,000,000	01/07/2008	01/07/2018	3.67%	9,873,378	263,193
SERIE_AE2	10,000,000	10,000,000	01/08/2011	01/08/2021	3.73%	9,792,675	261,041
SERIE_AF2	10,000,000	10,000,000	01/08/2012	01/08/2022	3.43%	9,818,885	261,740
SERIE_AI1	15,000,000	-	01/03/2014	01/03/2019	-	-	-
SERIE_AI2	5,000,000	-	01/03/2014	01/03/2024	-	-	-
SERIE_AJ1	20,000,000	13,310,000	01/10/2014	01/10/2019	2.04%	13,438,389	356,865
SERIE_AJ2	20,000,000	20,000,000	01/10/2014	01/10/2024	2.23%	19,909,693	530,729
SERIE_AL1	3,000,000	3,000,000	01/06/2016	01/06/2022	1.89%	3,100,644	82,653
SERIE_AL2	3,000,000	3,000,000	01/06/2016	01/06/2023	2.15%	3,077,374	82,033
SERIE_AL3	3,000,000	3,000,000	01/06/2016	01/06/2024	2.40%	3,042,316	81,098
SERIE_AL4	3,000,000	3,000,000	01/06/2016	01/06/2028	2.36%	3,064,377	81,686
SERIE_AL5	3,000,000	3,000,000	01/06/2016	01/06/2031	2.50%	3,026,905	80,688
SERIE_AN1	3,000,000	3,000,000	01/12/2016	01/12/2021	1.50%	3,076,124	82,000
SERIE_AN2	3,000,000	3,000,000	01/12/2016	01/12/2024	1.95%	3,032,019	80,824
SERIE_AN3	3,000,000	3,000,000	01/12/2016	01/12/2026	2.00%	3,022,957	80,582
SERIE_A1	3,000,000	3,000,000	01/04/2017	01/04/2022	1.72%	3,062,422	81,634
SERIE_A2	3,000,000	3,000,000	01/04/2017	01/04/2027	2.18%	2,988,468	79,663
SERIE_B1	3,000,000	1,330,000	01/05/2017	01/05/2022	1.54%	1,360,885	36,469
SERIE_B2	3,000,000	1,880,000	01/05/2017	01/05/2023	1.87%	2,011,539	53,906
SERIE_C1	3,000,000	3,000,000	01/07/2017	01/01/2022	2.24%	3,002,404	80,459
SERIE_C2	3,000,000	3,000,000	01/07/2017	01/07/2023	2.32%	2,982,591	79,928
SERIE_C3	3,000,000	-	01/07/2017	01/07/2025	-	-	-
SERIE_C4	3,000,000	3,000,000	01/07/2017	01/07/2026	2.42%	2,936,672	78,697
Fair Value Adjustment							10.555
Subtotal	**138,000,000**	**105,520,000**				**105,620,717**	**2,826,443**

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY – US DOLLAR

Series	Issued amount USD	Placed amount USD	Issuance date	Maturity date	Average rate	Carrying amount USD	Balance in MCh$
USP32133CG63	500,000,000	500,000,000	11/02/2013	11/02/2023	4.35%	503,476,322	309,875
XS1655597034	50,000,000	50,000,000	01/08/2017	01/08/2022	2.96%	50,024,683	30,789
XS1692845396	50,000,000	50,000,000	06/10/2017	06/10/2022	3.00%	49,798,425	30,649
US05890MAA18	500,000,000	500,000,000	12/10/2017	12/10/2027	3.65%	491,512,953	302,511
XS1703060829	50,000,000	50,000,000	19/10/2017	19/10/2022	2.41%	49,620,208	30,540
XS1702405702	40,000,000	40,000,000	20/10/2017	20/10/2022	2.36%	39,721,488	24,447
Fair Value Adjustment						(6,611,008)	(4,068)
Subtotal	**1,190,000,000**	**1,190,000,000(*)**				**1,177,543,071**	**724,743**

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

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY - EURO

Series	Issued amount EUR	Placed amount EUR	Issuance date	Maturity date	Average rate	Carrying amount EUR	Balance in MCh$
XS1493734971	20,000,000	20,000,000	23/09/2016	23/09/2024	0.888%	19,781,537	14,618
Fair Value adjustment						-	-
Subtotal	**20,000,000**	**20,000,000**				**19,781,537**	**14,618**

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY - AUD

Series	Issued amount AUD	Placed amount AUD	Issuance date	Maturity date	Average rate	Carrying amount AUD	Balance in MCh$
XS1717587007	80,000,000	80,000,000	15/11/2017	15/11/2027	4.150%	79,462,349	38,206
Fair Value adjustment						229,031	110
Subtotal	**80,000,000**	**80,000,000**				**79,691,380**	**38,316**

NOTE 19 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

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

Series	Issued amount CHF	Placed amount CHF	Issuance date	Maturity date	Average rate	Carrying amount CHF	Balance MCh$
CH0246788183	150,000,000	150,000,000	26/06/2014	26/06/2019	1.125%	150,455,833	95,014
CH0260296618	150,000,000	150,000,000	25/11/2014	23/11/2018	0.875%	149,850,950	94,632
CH0278875965	150,000,000	150,000,000	17/06/2015	17/06/2020	0.250%	149,870,707	94,645
XS1520623627	90,000,000	90,000,000	17/11/2016	17/11/2021	0.000%	89,145,048	56,296
Fair Value adjustment						(4,591,020)	(2,899)
Subtotal	**540,000,000**	**540,000,000**				**534,731,518**	**337,688**

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY – YEN

Series	Issued amount YEN	Placed amount YEN	Issuance date	Maturity date	Average rate	Carrying amount YEN	Balance in MCh$
XS1144348841	10,100,000,000	10,100,000,000	04/12/2014	04/12/2019	0.810%	10,069,849,653	55,017
Subtotal	**10,100,000,000**	**10,100,000,000**				**10,069,849,653**	**55,017**
Total ordinary bonds							**4,097,719**

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

Series	Issued amount UF	Placed amount UF	Issuance date	Maturity date	Average rate	Carrying amount UF	Balance in MCh$
SERIE_E	1,500,000	1,500,000	01/11/1997	01/11/2018	7.37%	145,793	3,886
SERIE_F	1,200,000	1,200,000	01/05/1999	01/05/2024	7.73%	538,919	14,366
SERIE_G	400,000	400,000	01/05/1999	01/05/2025	7.92%	199,043	5,306
SERIE_L	1,200,000	1,200,000	01/10/2001	01/10/2026	6.39%	697,059	18,581
SERIE_M	1,800,000	1,800,000	01/10/2001	01/10/2027	6.43%	1,101,807	29,371
SERIE_N	1,500,000	1,500,000	01/06/2004	01/06/2029	5.25%	995,414	26,535
SERIE_O	1,500,000	1,500,000	01/06/2004	01/06/2030	3.93%	984,023	26,231
SERIE_R	1,500,000	1,500,000	01/06/2005	01/06/2038	4.72%	704,932	18,791
SERIE_S	2,000,000	2,000,000	01/12/2005	01/12/2030	4.86%	1,353,113	36,070
SERIE_T	2,000,000	2,000,000	01/12/2005	01/12/2031	4.52%	1,421,129	37,883
SERIE_U	2,000,000	2,000,000	01/06/2007	01/06/2032	4.19%	1,905,658	50,799
SERIE_Y	4,000,000	4,000,000	01/12/2007	01/12/2030	4.25%	2,347,985	62,590
SERIE_W	4,000,000	4,000,000	01/06/2008	01/06/2036	4.05%	1,934,604	51,570
SERIE_AC	6,000,000	6,000,000	01/03/2010	01/03/2040	3.96%	5,595,193	149,150
SERIE_AD 1	4,000,000	4,000,000	01/06/2010	01/06/2040	4.17%	3,606,569	96,140
SERIE_AD 2	3,000,000	3,000,000	01/06/2010	01/06/2042	4.14%	2,690,195	71,712
SERIE_AH	15,000,000	9,000,000	01/09/2013	01/09/2043	3.63%	7,721,262	205,822
Total subordinated bonds	**52,600,000**	**46,600,000**				**33,942,698**	**904,803**
TOTAL BONDS							**5,002,522**

NOTE 20 -PROVISIONS

a) The provisions established as of March 31, 2018 and December 31, 2017 are as follows:

	As of March 31, 2018	As of December 31, 2017
	MCh$	MCh$
Provisions for staff benefits and remuneration	33,362	52,481
Provisions for minimum dividends	32,820	111,421
Provisions for credit commitments	19,788	19,179
Provisions for contingencies (*)	90,797	89,224
Provisions for country risk	2,120	2,368
Total	**178,887**	**274,673**

(*) Provisions for contingencies as of March 31, 2018 include additional provisions for MCh$71,695 (MCh$67,296 as of December 31, 2017), recognized according to SBIF instructions and approved by the Board of Directors of the Bank (see Note 1, ab, i and Note 10 c).

Additionally provisions for contingencies include a provision to comply with the minimum of 0.50% required by the SBIF for the normal portfolio of individuals for the amount of MCh$7,460 as of March 31, 2018 (MCh$6,353 as of December 31, 2017) (see Note 1, ab, ii and Note 11).

b) Provisions for staff benefits and remunerations

	As of March 31, 2018	As of December 31, 2017
	MCh$	MCh$
Provisions for staff benefits	25,324	41,426
Provisions for vacations	8,038	11,055
Total	**33,362**	**52,481**

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

NOTE 20 –PROVISIONS, CONTINUED

c) Provisions for credit commitments

The detail of provisions for credit commitments as of March 31, 2018 and December 31, 2017 is as follows:

	As of March 31, 2018	As of December 31, 2017
Provisions for credit commitments	**MCh$**	**MCh$**
Endorsements and performance bonds	492	499
Confirmed foreign letters of credit	1	4
Issued documentary letters of credit	237	255
Guarantees	5,779	5,655
Available credit lines	11,143	10,650
Other credit commitments	2,136	2,116
Total	**19,788**	**19,179**

d) Movements of provisions for the periods ended March 31, 2018 and December 31, 2017 are as follows:

	PROVISIONS FOR					
	Staff benefits and remuneration	Minimum dividends	Credit Commitments	Contingencies	Country risk	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balance as of January 1, 2018	**52,481**	**111,421**	**19,179**	**89,224**	**2,368**	**274,673**
Provisions established	12,127	32,820	1,580	5,541	23	**52,091**
Provisions released	(30,796)	(111,421)	(1,001)	(3,741)	(230)	**(147,189)**
Currency exchange fluctuation	(450)	-	30	(227)	(41)	**(688)**
Balance as of March 31, 2018	**33,362**	**32,820**	**19,788**	**90,797**	**2,120**	**178,887**
Balance as of January 1, 2017	**48,906**	**102,049**	**20,179**	**90,435**	**1,926**	**263,495**
Provisions established	32,068	111,391	4,111	6,899	632	**155,101**
Provisions released	(26,665)	(102,019)	(5,023)	(7,690)	(12)	**(141,409)**
Currency exchange fluctuation	(1,828)	-	(88)	(420)	(178)	**(2,514)**
Balance as of December 31, 2017	**52,481**	**111,421**	**19,179**	**89,224**	**2,368**	**274,673**

NOTE 21 - OTHER LIABILITIES

As of March 31, 2018 and December 31, 2017, the detail of other liabilities is as follows:

	As of March 31, 2018	As of December 31, 2017
	MCh$	**MCh$**
Account payables and notes payable	226,967	263,564
Unearned income	19,152	19,792
Valuation adjustments - macro-hedging	2,562	3,407
Sundry creditors	335,438	437,544
Other liabilities	16,670	8,777
Total	**600,789**	**733,084**

NOTE 22 - CONTINGENCIES AND COMMITMENTS

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

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

	As of March 31, 2018	As of December 31, 2017
CONTINGENT RECEIVABLES	**MCh$**	**MCh$**
Collateral and guarantees:		
Collateral and guarantees in foreign currency	126,035	86,585
Confirmed foreign letters of credit	6,935	8,459
Issued documentary letters of credit	137,996	140,514
Performance bonds and credit lines:		
Performance bonds in Chilean currency	1,047,854	1,036,913
Performance bonds in foreign currency	343,444	335,977
Immediately available credit lines	5,063,855	4,958,958
Other credit commitments:		
Higher education loans in accordance with Law No. 20,027	17,577	19,012
Others	433,900	455,542
THIRD PARTY OPERATIONS		
Collections:		
Foreign collections	32,061	32,626
Domestic collections	186,732	176,227
CUSTODY OF SECURITIES		
Securities in custody with the bank	53,112	57,039
Total	**7,449,501**	**7,307,852**

b) Lawsuits and legal proceedings.

BCI Bank

The Bank and its subsidiaries are involved in various pending legal lawsuits related to their line of businesses and based on facts related to the defences presented , is the opinion of Management and their internal legal advisers, that no additional liabilities or updated estimates for those already recognized by the Bank and its subsidiaries in its financial statements is required.

c) Operating guarantees granted:

- Direct commitments

NOTE 22 - CONTINGENCIES AND COMMITMENTS, CONTINUED

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

- Operating guarantees

BCI Corredor de Bolsa S.A.

As of March 31, 2018 BCI Corredor de Bolsa S.A., the subsidiary of the Bank has made a deposit to guarantee compliance with the commitments for simultaneous operations on the Santiago Stock Exchange for MCh$139,767 (MCh$150,571 as of December 31, 2017).

As of of March 31, 2018 BCI Corredor de Bolsa S.A., the subsidiary of the Bank, made a deposit to guarantee compliance with the proper performance of operations in the CCLV settlement system of the Santiago Stock Exchange for MCh$4,993 (MCh$3,997 as of December 31, 2017).

As of March 31, 2018 BCI Corredor de Bolsa S.A., the subsidiary of the Bank, made a deposit to guarantee compliance with the proper performance of operations in the CCLV settlement system in financial derivatives of the Santiago Stock Exchange for MCh$246 (MCh$246 as of December 31, 2017).

As of March 31, 2018 BCI Corredor de Bolsa S.A., the subsidiary of the Bank, made a foreign deposit to guarantee compliance with the international market operations for MCh$61 (MCh$62 as of December 31, 2017).

As of March 31, 2018 BCI Corredor de Bolsa S.A., the subsidiary of the Bank, made a deposit to guarantee compliance with the lending commitments and short selling of shares on the Electronic Stock Exchange of Chile for MCh$893 (MCh$5,831 as of December 31, 2017).

As of of March 31, 2018 BCI Corredor de Bolsa S.A., the direct subsidiary of the Bank, acquired performance bonds to ensure compliance with contract with SOMA for MCh$283 (MCh$281 as of December 31, 2017).

As of March 31, 2018 BCI Corredor de Bolsa S.A., the subsidiary of the Bank, acquired a UF 20,000 maximum guarantee to ensure compliance with the provisions of Article No. 30 of Law No. 18,045, in order to ensure proper and full compliance with all its obligations as securities intermediary, The beneficiaries of this guarantee are current or future creditors, which it has or will have as a result of stockbroker operations, This warranty applies to a policy taken on August 19, 2017 No. 330-14-00004975 and is valid until August 19, 2018, The insurer is the Company Mapfre Insurance, and Santiago Stock Exchange is the representative of potential beneficiaries.

- Insurance for employee loyalty

BCI Corredor de Bolsa S.A.

As of March 31, 2018, it had contracted insurance policy signed with Orion Seguros Generales, which covers Banco de Credito e Inversiones and its subsidiaries up to UF250,000, whose effective date is from November 30, 2017 to May 31, 2019.

NOTE 22 - CONTINGENCIES AND COMMITMENTS, CONTINUED

BCI Corredores de Seguros S.A.

As of March 31, 2018 BCI Corredora de Seguros S.A., the subsidiary of the Bank, has taken the following insurance policies in order to comply with the provisions of paragraph d of Article No. 58 of Decree-Law No. 251 of 1931, to ensure the correct and complete fulfilment of all obligations under its activity:

- Guarantee Policy for Insurance Brokers No. 10034685 for an insured amount of UF 500 contracted with Compañia de Seguros Generales Consorcio Nacional de Seguros S.A. valid from April 15, 2017 to April 14, 2018, establishing as a right of an insurance company to request reimbursement from brokers, of all sums paid or payable to third parties affected by poor trading brokerage.

- Professional Liability Policy for Insurance Brokers No. 10034688 for an insured amount of UF 60,000 with Deductible UF 500 contracted with Compañia de Seguros Generales Consorcio Nacional de Seguros S.A., valid from April 15, 2017 to April 14, 2018, in order to protect the broker against any claims of third parties establishing the rights of insurance companies to request reimbursement of brokerage paid for third party claims.

BCI Factoring S.A.

As of March 31, 2018 BCI Factoring S.A., the subsidiary of the Bank, has approved guarantee lines for operators with Factor Chain International for MCh$267 (MCh$154 as of December 31, 2017), equivalent to US$440,000.00 (US$250,000.00 as of December 31, 2017) of which MCh$29 (MCh$27 as of December 31, 2017) have been used, equivalent to US$65,226.26 (US$43,786.27 as of December 31, 2017).

BCI Corredora de Productos S.A.

As of March 31, 2018, it has a Bank guarantee Nº0397860 taken with Banco de Credito e Inversiones, for UF2,000, in favor of Bolsa de Productos Agropecuarios SA, to guarantee the fulfillment of all its obligations as a stock exchange broker. The possibility of payment of this bond is covered by a "contract to open a line of credit to cover possible guarantee payments issued in Chilean pesos or foreign currency", which is held by the financial institution with due date on October 30, 2020.

As of March 31, 2018, it has a Bank guarantee No. 0397861 taken with Banco de Crédito e Inversiones, for UF6,000, in favor of Bolsa de Productos Agropecuarios S.A., to guarantee compliance with the Company's obligations as an intermediary of products. The possibility of payment of this bond is covered by a "contract to open a line of credit to cover possible guarantee payments issued in Chilean pesos or foreign currency", which is held by the financial institution with due date on October 30, 2020.

d) Credit commitments

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

NOTE 22 - CONTINGENCIES AND COMMITMENTS, CONTINUED

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

	As of March 31, 2018	As of December 31, 2017
	MCh$	MCh$
Endorsements and deposits performance bonds	126,035	86,585
Documentary letters of credit	137,996	140,514
Guarantees	1,391,298	1,372,890
Amount available for credit cards users	5,063,855	4,958,958
Provisions (Note 20)	(19,788)	(19,179)
Total	**6,699,396**	**6,539,768**

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

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

	As of March 31, 2018	As of December 31, 2017
	MCh$	MCh$
Documents in collection	218,793	208,853
Custody of assets	53,112	57,039
Total	**271,905**	**265,892**

NOTE 23 – SHAREHOLDER´S EQUITY

a) Issued capital and preference shares

Movements of common shares during the periods ended March 31, 2018 and December 31, 2017 are the following:

	As of March 31,		As of December 31,
	2018	2017	2017
	N°	N°	N°
Issued as of January 1	**124,944,872**	**123,564,219**	**123,564,219**
Share dividends	-	-	1,380,653
Shares subscribed and paid for capital increase	-	-	-
Total issued	**124,944,872**	**123,564,219**	**124,944,872**

NOTE 23 – SHAREHOLDERS´ EQUITY, CONTINUED

At the Ordinary Shareholder's Meeting held on March 27, 2018, the distribution of net income for the year ended December 31, 2017 was approved, for a total amount of MCh$371,403, according to the following detail:

- Distribution of a dividend of Ch$1,050 per share among the total 124,944,872 shares issued and registered in the Register of Shareholders, which amounts to MCh$131,192, that is, 35.32% of the Bank's net income.

- Allocation of the remaining balance of the income for the year MCh$ 240,211 to retained earnings.

At the Extraordinary Shareholders' Meeting held on March 27, 2018, the following agreements were reached:

- Capitalization of retained earnings $ 240,211,023,700 (MCh $ 240,211) in the following way:

  - MCh $ 54,510 through the issuance of 1,290,178 stock dividends.
  - MCh $ 185,701.

The subscribed and paid capital of the Bank would amount to MCh $ 2,733,631 divided into 126,235,050 registered shares, of a single series and without par value. This capitalization is subject to approval by the Superintendency of Banks and Financial Institutions, which has not yet been obtained.

a) As of March 31, 2018 and December 2017, the distribution of shareholders is as follows:

As of March 31, 2018	**Shares**	
	No. of shares	**Ownership %**
Empresas Juan Yarur S.P.A.	68,889,392	55.14%
Jorge Yarur Bascuñán	4,813,775	3.85%
Banco Itaú Corpbanca por cuenta de Inversionistas Extranjeros	3,804,833	3.05%
Banco de Chile por cuenta de terceros no residentes	3,442,324	2.76%
Banco Santander por cuenta de Inversionistas Extranjeros	3,084,095	2.47%
AFP Habitat S.A.	3,043,766	2.44%
AFP Provida S.A.	2,896,649	2.32%
AFP Cuprum S.A.	2,361,118	1.89%
AFP Capital S.A.	2,335,137	1.87%
Inversiones Cerro Sombrero Financiero S.P.A.	2,231,658	1.79%
BCI Corredor de Bolsa S.A. por cuenta de terceros	2,090,203	1.67%
Imsa Financiera S.P.A.	1,931,286	1.55%
Inversiones Tarascona Corporation Agencia en Chile	1,678,219	1.34%
Inversiones VYR Ltda.	1,533,194	1.23%
Banchile Corredores de Bolsa S.A.	1,455,848	1.17%
Larraín Vial S.A. Corredora de Bolsa	1,432,106	1.15%
Luis Enrique Yarur Rey	1,330,304	1.06%
Inversiones Nueva Altamira S.P.A.	1,152,486	0.92%
Inversiones Meyar S.A.C.	868,240	0.69%
AFP Modelo S.A.	750,345	0.60%
Empresas JY S.A.	739,842	0.59%
Nueva Chosica S.A.	545,740	0.44%
Credicorp Capital S.A. Corredores de Bolsa	517,845	0.41%
Inversiones Colibrí Financiera Ltda.	517,081	0.41%
Compañía de Seguros de Vida Consorcio Nacional de Seguros S.A.	480,893	0.38%
Other shareholders	11,018,493	8.81%
Subscribed and paid shares	**124,944,872**	**100.00%**

NOTE 23 – SHAREHOLDERS EQUITY, CONTINUED

As of December 31, 2017	**Shares**	
	No. of shares	**Ownership, %**
Empresas Juan Yarur S.P.A.	68,889,392	55.14%
Jorge Yarur Bascuñán	4,813,775	3.85%
Banco de Chile por cuenta de terceros no residentes	4,387,844	3.51%
Banco Itaú Corpbanca por cuenta de Inversionistas Extranjeros	3,724,137	2.98%
AFP Habitat S.A.	3,077,766	2.46%
AFP Provida S.A.	2,960,283	2.37%
AFP Capital S.A.	2,620,477	2.10%
Inversiones Cerro Sombrero Financiero S.P.A.	2,231,658	1.79%
BCI Corredor de Bolsa S.A. por cuenta de terceros	2,225,323	1.78%
Banco Santander por cuenta de Inversionistas Extranjeros	2,218,420	1.78%
AFP Cuprum S.A.	2,180,589	1.75%
Imsa Financiera S.P.A.	1,931,286	1.55%
Inversiones Tarascona Corporation Agencia en Chile	1,678,219	1.34%
Inversiones VYR Ltda.	1,533,194	1.23%
Banchile Corredores de Bolsa S.A.	1,500,083	1.20%
Luis Enrique Yarur Rey	1,330,304	1.06%
Inversiones Nueva Altamira S.P.A.	1,152,486	0.92%
Larraín Vial S.A. Corredora de Bolsa	1,112,093	0.89%
Inversiones Meyar S.A.C.	868,240	0.69%
AFP Modelo S.A.	743,895	0.60%
Empresas JY S.A.	739,842	0.59%
Nueva Chosica S.A.	545,740	0.44%
Credicorp Capital S.A. Corredores de Bolsa	522,685	0.42%
Inversiones Colibrí Financiera Ltda.	517,081	0.41%
Compañía de Seguros de Vida Consorcio Nacional de Seguros S.A.	490,162	0.39%
Other shareholders	10,949,898	8.76%
Subscribed and paid shares	**124,944,872**	**100.00%**

b) Dividends

The following dividends were declared by the Bank as of March 31, 2018 and 2017:

	As of March 31,	
	2018	**2017**
	Ch$	**Ch$**
Ch$ per common share	1,050	1,000

The provision for mandatory dividend as of March 31, 2018 was MCh$32,820 (MCh$111,421 as of December 31, 2017).

NOTE 23 – SHAREHOLDERS´ EQUITY, CONTINUED

c) For the three-month periods ended March 31, 2018 and 2017, the composition of basic and diluted earnings per share is as follows:

	For the periods ended March 31,	
	2018	**2017**
Net income for the year attributable to the equity holders of the Bank, MCh$	109,400	140,843
Income available for Shareholders, MCh$	**109,400**	**140,843**
Weighted average number of shares	124,944,872	123,564,219
Basic and diluted earnings per share (Ch$/Share)	**876**	**1,140**

d) Cumulative translation adjustment reserve

As of March 31, 2018 and December 31, 2017, the reconciliation of the cumulative translation adjustment reserve as a separate component of shareholders' equity is as follows:

	MCh$
Balance as of January 1, 2017	**18,450**
Reclassification to results of the year due to discontinuation of the equity method in Credicorp Ltd.	(14,846)
Net exchange rate charges for subsidiaries in Florida	(26,795)
Balance as of December 31, 2017	**(23,191)**
Balance as of January 1, 2018	**(23,191)**
Net exchange rate charges for subsidiaries in Florida	(7,486)
Balance as of March 31, 2018	**(30,677)**

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

	Investment revaluation reserve MCh$	Cash flow hedge reserve MCh$
Accumulated comprehensive income 2016	**170**	**(16,678)**
Transferred to statements of income 2017	1,668	6,095
Market to market adjustment	4,957	1,544
Accumulated comprehensive income 2017	**6,795**	**(9,039)**
Transferred to statements of income 2018	110	1,148
Market to market adjustment	(7,986)	(6,439)
Accumulated comprehensive income 2018	**(1,081)**	**(14,330)**

NOTE 23 - SHAREHOLDERS´ EQUITY, CONTINUED

e) Nature of valuation reserves

- Cumulative translation adjustment reserve:

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

- Cash flow hedges reserve:

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

- Investments revaluation reserve:

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

f) Capital requirements

The regulatory capital as of March 31, 2018 is defined as equivalent to the net amount that should be shown in the interim consolidated financial statements as Shareholders' equity attributable to equity holders. As indicated in the Compendium of Accounting Regulations, according to General Banking Law, the Bank should maintain a minimum ratio of effective stockholders' equity to consolidated risk-weighted assets, net of required loan loss allowances and provisions and deductions, of 8%, and a minimum ratio of basic capital to consolidated total assets, net of required loan loss allowances and provisions and deductions, of 3%. Regulatory capital for these purposes is defined as basic capital (which represents paid-in capital and reserves) adjusted to: a) aggregate subordinated bonds issued by the Bank valued at their placement price for an amount up to 50% of its basic capital commencing nine years prior to their maturity, b) aggregate additional required allowances and provisions as stipulated, c) deduct all goodwill and share premium, and d) deduct assets that correspond to investments in non-consolidated subsidiaries.

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

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

NOTE 23 - SHAREHOLDERS´ EQUITY, CONTINUED

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

The regulatory and basic capital as of March 31, 2018 and December 31, 2017 are the following:

	Consolidated assets, off-balance sheet items and adjustments to derivatives		Risk-weighted assets	
	As of March 31, 2018	As of December 31, 2017	As of March 31, 2018	As of December 31, 2017
Consolidated Balance sheet assets	**MCh$**	**MCh$**	**MCh$**	**MCh$**
(net of allowances and provisions)				
Cash and deposits in banks	1,933,971	1,495,732	-	-
Items in course of collection	307,982	259,977	47,360	35,823
Trading portfolio financial assets	2,060,371	2,197,716	321,938	292,977
Investment under agreements to resell	196,879	252,599	196,878	252,599
Derivative financial agreements	1,345,687	1,365,738	378,599	497,895
Adjustment to derivatives to show their credit equivalent amount	(879,485)	(751,365)	-	(50,730)
Loans and receivables to banks, net	273,718	179,065	195,316	139,126
Loans and receivables to customers, net	24,890,140	24,130,419	22,381,332	21,705,871
Financial investments available for sale	2,388,763	2,531,682	661,333	697,476
Financial investments held to maturity	786	800	157	160
Investments in other companies	150,958	207,718	150,958	207,718
Intangible assets	170,686	175,897	160,965	166,002
Property, plant and equipment, net	266,778	270,291	266,778	270,291
Current income tax	14,339	14,312	1,434	1,431
Deferred income taxes	58,913	48,160	5,891	4,816
Other assets	726,953	753,290	573,734	597,140
Off-balance sheets items				
Credit commitments	3,039,767	2,977,675	1,823,860	1,786,605
Total assets	**36,947,206**	**36,109,706**	**27,166,533**	**26,605,200**

	As of December 31,	
	As of March 31, 2018	**As of December 31, 2017**
	MCh$	**MCh$**
Basic capital	2,767,528	2,727,844
Regulatory capital	3,618,483	3,511,567
Consolidated assets	36,947,206	36,109,706
Risk-weighted assets	27,166,533	26,605,200

NOTE 23 - SHAREHOLDERS´ EQUITY, CONTINUED

	As of March 31, 2018	As of December 31, 2017
	%	%
Basic capital /Consolidated assets	7.49	7.55
Basic capital / Risk-weighted assets	10.19	10.25
Regulatory capital / Risk-weighted assets	13.32	13.20

NOTE 24 - INTEREST INCOME AND EXPENSES AND INDEXATION FOR INFLATION

a) For the three-month periods ended March 31, 2018 and 2017, the composition of income from interest and indexation for inflation is the following:

	For the three-months periods ended March 31,					
	2018			2017		
Concept	**Interest**	**Indexation for inflation**	**Total**	**Interest**	**Indexation for inflation**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Repurchase agreements	572	58	630	460	118	578
Interbank loans	2,032	-	2,032	1,616	-	1,616
Commercial loans	200,660	23,931	224,591	185,867	16,966	202,833
Mortgage loans	49,530	33,178	82,708	43,279	20,961	64,240
Consumer loans	92,107	231	92,338	87,335	123	87,458
Investment instruments	15,533	1,738	17,271	16,316	680	16,996
Other income (*)	1,897	186	2,083	1,853	169	2,022
Hedge accounting offset effect	(14,995)	-	(14,995)	(10,104)	-	(10,104)
Total income from interest and indexation for inflation	**347,336**	**59,322**	**406,658**	**326,622**	**39,017**	**365,639**

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

For the three-month periods ended March 31, 2018 and 2017, the detail of the interest expenses and indexation for inflation is as follows:

	For the three-months periods ended March 31,	
Concept	**2018**	**2017**
	MCh$	**MCh$**
Demand deposits	(8,650)	(3,881)
Repurchase agreements	(3,758)	(4,850)
Term deposits and borrowings	(74,731)	(73,979)
Borrowings from financial institutions	(9,443)	(7,851)
Issued debt instruments	(62,846)	(50,491)
Other financial liabilities	(2,713)	(1,644)
Other interest expenses and indexation for inflation	(1,787)	(908)
Hedge accounting offset effect	(6,442)	(889)
Total interest expenses and –indexation for inflation	**(170,370)**	**(144,493)**

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

b) For the three-month periods ended March 31, 2018 and 2017, the detail of income and expenses related to hedge accounting is as follows:

	For the the three-months periods ended March 31,					
	2018			2017		
	Income	Expenses	Total	Income	Expenses	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Hedge of Assets						
Fair Value Hedge	9,421	5,824	**3,597**	14,689	11,336	**3,353**
Cash Flow Hedge	10,096	28,688	**(18,592)**	8,785	22,242	**(13,457)**
Subtotal	**19,517**	**34,512**	**(14,995)**	**23,474**	**33,578**	**(10,104)**
Hedge of Liabilities						
Fair Value Hedge	3,176	9,618	**(6,442)**	2,429	3,318	**(889)**
Subtotal	**3,176**	**9,618**	**(6,442)**	**2,429**	**3,318**	**(889)**
Total	**22,693**	**44,130**	**(21,437)**	**25,903**	**36,896**	**(10,993)**

NOTE 25 – FEE AND COMMISSION INCOME AND EXPENSES

For the three-month periods ended March 31, 2018 and 2017, the composition of fee and commission income and expenses is the following:

	For the three-month periods ended March 31,	
	2018	2017
	MCh$	MCh$
Fee and commission income:		
Commissions for credit lines and overdrafts	633	1,539
Commissions for guarantees and letters of credit	4,729	5,270
Commissions for credit card services	24,566	20,242
Commissions for administration of accounts	10,958	10,902
Commissions for collection services	12,942	13,073
Commissions for securities brokerage	1,663	1,422
Commissions for management of mutual and investment funds	12,906	12,518
Commissions for insurance brokerage	13,572	10,221
Commissions for other services provided	5,621	5,280
Other commissions	2,099	1,233
Total fee and commission income	**89,689**	**81,700**
Fee and commission expenses:		
Commissions on operations with credit cards	(10,529)	(10,306)
Commissions on securities trading	(3,930)	(2,943)
Other commissions	(6,699)	(6,195)
Total fee and commission expenses	**(21,158)**	**(19,444)**

NOTE 26 - TRADING AND INVESTMENT INCOME, NET

For the three-month periods ended March 31, 2018 and 2017, the detail of trading and investment income is the following:

	For the three-month periods ended March 31,	
	2018	**2017**
	MCh$	**MCh$**
Trading instruments	38,107	23,634
Derivative financial agreements (speculative)	(34,399)	1,343
Other instruments at fair value through profit or loss	-	-
Gains on financial investments available for sale	1,016	2,774
Others	(3)	(3)
Total	**4,721**	**27,748**

NOTE 27 - FOREIGN EXCHANGE RESULTS, NET

For the three-month periods ended March 31, 2018 and 2017, the detail of the foreign exchange results is the following:

	For the three-months periods ended March 31,	
	2018	**2017**
	MCh$	**MCh$**
Exchange difference		
Gains from exchange differences	4,253,737	4,706,573
Losses from exchange differences	(4,213,902)	(4,695,563)
Subtotal	39,835	11,010
Foreign currency fluctuation effect for assets and liabilities denominated in foreign currency		
Net results for assets and liabilities in foreign currency	(2,015)	(1,362)
Subtotal	(2,015)	(1,362)
Hedge Accounting Result		
Assets hedge results	45	15,709
Liabilities hedge results	15,193	(8,722)
Subtotal	**15,238**	6,987
Total	**53,058**	**16,635**

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

NOTE 28 - PROVISIONS FOR LOAN LOSSES

The detail of provisions for loan losses and impairment for the periods ended March 31, 2018 and 2017 is as follows:

For the period ended March 31, 2018	Interbank loans	Loans and receivables to customers: Commercial loans	Mortgage loans	Consumer Loans	Credit commitments	Additional provisions	Minimum provisions adjustment for the normal portfolio	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Provisions:								
Individual provisions	238	8,230	-	-	1,131	-	456	**10,055**
Collective provisions	-	17,444	229	39,297	449	8,000	-	**65,419**
Total provisions	**238**	**25,674**	**229**	**39,297**	**1,580**	**8,000**	**456**	**75,474**
Impairment:								
Individual impairment	-	-	-	-	-	-	-	**-**
Collective impairment	-	-	-	-	-	-	-	**-**
Total impairment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reversal of provisions:								
Individual provisions	(48)	(2,442)	-	-	(983)	-	(685)	**(4,158)**
Collective provisions	-	(1,550)	(72)	(58)	(18)	-	-	**(1,698)**
Total reversal of provisions	**(48)**	**(3,992)**	**(72)**	**(58)**	**(1,001)**	**-**	**(685)**	**(5,856)**
Recovery of assets previously written off	-	(4,759)	(1,156)	(5,944)	-	-	-	**(11,859)**
Reversal of impairment	-	-	-	-	-	-	-	**-**
Net provisions for loan losses	**190**	**16,923**	**(999)**	**33,295**	**579**	**8,000 -**	**(229)**	**57,759**

NOTE 28 - PROVISIONS FOR LOAN LOSSES, CONTINUED

For the period ended March 31, 2017	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	8	25,575	-	-	2,973	-	-	**28,556**
Collective provisions	-	15,207	493	39,767	388	5,000	-	**60,855**
Total provisions	**8**	**40,782**	**493**	**39,767**	**3,361**	**5,000**	**-**	**89,411**
Impairment:								
Individual impairment								
Collective impairment	-	-	-	-	-	-	-	**-**
Total impairment	-	-	-	-	-	-	-	**-**
Reversal of provisions:	-	-	-	-	-	-	-	-
Individual provisions	(68)	(12,173)	-	-	(249)	-	(3,659)	**(16,149)**
Collective provisions	-	(21)	(336)	(116)	(7)	-	-	**(480)**
Total reversal of provisions	**(68)**	**(12,194)**	**(336)**	**(116)**	**(256)**	**-**	**(3,659)**	**(16,629)**
Recovery of assets previously written off	-	(4,026)	(889)	(4,964)	-	-	-	**(9,879)**
Reversal of impairment	-	-	-	-	-	-	-	**-**
Net provisions for loan losses	**(60)**	**24,562**	**(732)**	**34,687**	**3,105**	**5,000**	**(3,659)**	**62,903**

In Management's opinion, the provisions for loan losses required to cover the expected losses of certain financial assets have been recognized in accordance with the accounting policies describes in note 1.r.

NOTE 29 - STAFF COSTS

The composition of staff costs for the three-month periods ended March 31, 2018 and 2017 is as follows:

	For the three-month periods ended March 31,	
	2018	2017
	MCh$	MCh$
Staff remuneration	54,519	53,674
Bonuses or awards	42,677	38,089
Severance payments	9,159	2,115
Training expenses	345	625
Other staff expenses	8,425	4,654
Total	**115,125**	**99,157**

NOTE 30 - ADMINISTRATIVE EXPENSES

For the three-month periods ended March 31, 2018 and 2017, the composition of administrative expenses is as follows:

	For the three-month periods ended March 31,	
	2018	2017
	MCh$	MCh$
General administrative expenses		
Maintenance and repairs of the bank's property, plant and equipment	3,519	3,080
Office rent	6,943	6,693
Equipment rent	71	63
Insurance premiums	1,764	1,204
Office materials	1,225	1,520
Computer and communications expenses	15,341	11,552
Lighting, heating and other services	2,119	2,066
Security and custody transportation services	4,275	3,539
Travel expenses	958	1,195
Judicial and notarial expenses	793	673
Fees for technical reports	781	627
Audit fees	806	748
Cleaning services	1,123	1,156
Consulting	2,536	1,709
Postal-related expenses	222	443
Other general administrative expenses	3,052	6,775
Sub-contracted services		
Data processing	1,786	1,365
Sale of products	-	-
Credit evaluation	37	177
Other	2,418	2,045
Board of Directors expenses		
Board of Directors remuneration	1,011	1,070
Other Board of Directors expenses	51	42
Publicity and advertising	3,879	4,117
Taxes, property taxes and contributions		
Real estate contributions	407	405
Licenses	427	402
Other taxes	1,720	1,532
Contribution to SBIF	2,410	2,140
Total	**59,674**	**56,338**

NOTE 31 - DEPRECIATION, AMORTIZATION AND IMPAIRMENT

a) For the three-month periods ended March 31, 2018 and 2017, depreciation and amortization expenses are detailed bellow:

	For the three-month periods ended March 31,	
	2018	**2017**
	MCh$	**MCh$**
Depreciation and amortization		
Depreciation of property, plant and equipment	(7,143)	(6,789)
Amortization of intangible assets	(8,067)	(7,575)
Total	**(15,210)**	**(14,364)**

b) For the three-month periods ended March 31, 2018 and 2017, the impairment of property, plant and equipment and intangible assets is detailed as follows:

	For the three-month periods ended March 31,	
	2018	**2017**
	MCh$	**MCh$**
Impairment		
Property, plant and equipment	91	26
Intangible asset	-	-
Total	**91**	**26**

c) The reconciliation of accumulated depreciation, amortization and impairment for the three-month periods ended March 31, 2018 and 2017 is as follows:

	Depreciation, amortization and impairment					
	For the the three-month periods ended March 31, 2018			For the three-month periods ended March 31, 2017		
	Accumulated depreciation of property Plant and Equipment	Accumulated amortization of intangible assets	Total	Accumulated depreciation of property Plant and Equipment	Accumulated amortization of intangible assets	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balance as of January 1	**216,752**	**184,182**	**400,934**	**195,689**	**155,318**	**351,007**
Charges for depreciation and amortization for the period	7,143	8,067	15,210	6,789	7,575	14,364
Disposals	(13,319)	(79,927)	(93,246)	-	-	-
Others	-	-	-	(326)	(62)	(388)
Balance as of March 31	**210,576**	**112,322**	**322,898**	**202,152**	**162,831**	**364,983**

NOTE 32 - OTHER OPERATING INCOME AND EXPENSES

a) Other operating income

For the three-month periods ended March 31, 2018 and 2017, the composition of other operating income is as follows:

Concept	**For the three-months periods ended March 31,**	
	2018	**2017**
Income from repossessed assets	**MCh$**	**MCh$**
Gain on sale of repossessed assets	434	186
Other income	334	218
Subtotal	768	404
Reversal of provisions for credit commitments		
Reversal of provisions for country risk	230	158
Reversal of other provisions for credit commitments	2,024	-
Subtotal	2,254	158
Other income		
Gains on sale of property, plant and equipment	318	7,020
Insurance claims	50	65
Leasing income	301	975
Other income	6,214	3,319
Subtotal	6,883	11,379
Total	**9,905**	**11,941**

b) Other operating expenses

For the three-month periods ended March 31, 2018 and 2017, the composition of other operating expenses is as follows:

Concept	**For the three-months periods ended March 31,**	
	2018	**2017**
	MCh$	**MCh$**
Impairment and expenses for repossessed assets		
Impairment of repossessed assets	-	15
Write-offs of repossessed assets	937	630
Maintenance expenses for repossessed assets	84	80
Subtotal	1,021	725
Establishment of provisions for credit commitments		
Provisions for country risk	23	17
Other provisions for credit commitments	556	23
Subtotal	579	40
Other expenses		
Loss on sale of property, plant and equipment	-	6
Contributions and donations	1,217	1,035
Penalties for judicial and notary expenses	653	763
Leasing expenses	4,932	2,114
Non-operating expenses	1,385	1,490
Agreement expenses	-	195
Other expenses	353	1,006
Subtotal	8,540	6,609
Total	**10,140**	**7,374**

NOTE 33 - TRANSACTIONS WITH RELATED PARTIES

a) Loans granted to related parties

Loans granted to related parties are detailed as follows:

	As of March 31, 2018			As of December 31, 2017		
	Operating Companies	Investment Companies	Individuals	Operating Companies	Investment companies	Individuals
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Loans and receivables to customers						
Commercial loans	92,507	112,630	14,247	84,970	96,944	13,612
Mortgage loans	-	-	32,249	-	-	29,026
Consumer loans	-	-	5,183	-	-	4,932
Loans and receivables to customers, gross	**92,507**	**112,630**	**51,679**	**84,970**	**96,944**	**47,570**
Allowances for loan losses	(346)	(134)	(76)	(193)	(112)	(80)
Loans and receivables to customers, net	**92,161**	**112,496**	**51,603**	**84,777**	**96,832**	**47,490**
Credit commitments	69,856	16,752	14,924	72,750	17,302	14,733
Provisions for credit commitments	(76)	(37)	(12)	(78)	(37)	(16)
Credit commitments, net	**69,780**	**16,715**	**14,912**	**72,672**	**17,265**	**14,717**

NOTE 33 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

b) Other transactions with related parties

For the three-month periods ended March 31, 2018 and 2017, the Bank has undertaken the following transactions with related parties:

March 2018	Relationship with the Group	Description	Balance assets	Effect on statements of income	
				Expense	Income
			MCh$	MCh$	MCh$
Accenture Chile Asesorías y Servicios Ltda.	Other	Software development	613	613	-
Artikos Chile S.A.	Joint Venture	Acquisitions services	282	282	-
Bolsa de Comercio de Santiago	Other	Rent of terminals	38	38	-
BCI Seguros de Vida S.A.	Control	Service revenue and channel usage	1,231	-	1,231
		Brokerage Fees BCI CCSS	6,046	-	6,046
BCI Seguros Generales S.A.	Control	Commission for collection and PAC	128	-	128
		Brokerage Awards BCI CCSS	5,566	-	5,566
Centro de Compensación Automatizado S.A.	Other	Electronic banking transactions	354	330	-
Combanc S.A.	Associate	Compensation and high value payment	95	95	-
Comder Contraparte Central S.A.	Associate	Bank processing	206	206	-
Conexxion Spa	Other	Service	70	70	-
Depósitos Central de Valores S.A.	Other	Financial instruments custody	72	68	-
Digitech Solutions S.A.	Other	Digital documentation	82	82	-
Everis Chile S.A.	Other	Development of technological projects	1,527	441	-
GTD Teleductos S.A.	Other	Rental of data links	148	148	-
IBM Chile S.A.	Other	Computer equipment and solutions	388	345	-
Inmobiliaria Anya S.A.	Other	Real estate projects	29	29	-
Inmobiliaria JY S.P.A	Other	Real estate projects	70	52	-
Jordan (Chile) S.A.	Common Control	Forms printing	671	671	-
Let´s Talk Spa	Other	Messaging services	51	24	-
Mario Gómez D.	Other	Advice and consultancy	50	50	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Associate	Card Processing	1,982	1,982	-
Redbanc S.A.	Associate	ATMs Operation	1,967	1,610	-
Salcobrand S.A.	Common Control	Rent of places for ATMs	74	62	-
Servicios de Información avanzada S.A.	Other	Trade information service	134	131	-
Servipag Ltda.	Join Ventures	Collection and payment services	2,486	1,713	-
Sistema Nacional de Com. Financieras S.A. (Sinacofi)	Other	Financial information service	127	113	-
Transbank S.A.	Other	Credit card management	14,563	3,241	11,322

NOTE 33 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

March, 2017	Relationship with the Group	Description	Balance assets	Effect on statements of income: Expense	Effect on statements of income: Income
			MCh$	MCh$	MCh$
Artikos Chile S.A.	Joint Venture	Acquisitions services	349	349	-
Bolsa de Comercio de Santiago S.A.	Other	Rent of terminals	35	35	-
Bci Seguros de Vida S.A.	Control	Service revenue and channel usage	1,431	-	1,431
		Intermediation commission BCI CCSS	3,820	-	3,820
Bci Seguros Generales S.A.	Control	Commission for collection and PAC	122	-	122
		Intermediation commission BCI CCSS	4,658	-	4,658
		Brokerage Awards BCI CCSS	396	-	396
Centro de Compensación Automatizado S.A.	Other	Electronic banking transactions	347	318	-
Combanc S.A.	Associate	Compensation and high value payment	88	64	-
Comder Contraparte Central S.A.	Associate	Bank processing	192	192	-
Conexxion Spa	Other	Service	97	90	-
Depósitos Central de Valores S.A.	Other	Financial instruments custody	63	63	-
Digitech Solutions S.A.	Other	Digital documentation	84	84	-
Diseño y Desarrollo Computacional Ltda.	Other	Development and maintenance of applications	170	97	-
EMC Chile S.A.	Other	Computational solutions	105	43	-
GTD Teleductos S.A.	Other	Rental of data links	84	84	-
IBM Chile S.A.	Other	Computer equipment and solutions	338	122	-
Imagemaker S.A.	Other	Development of application and solution	102	102	-
Inmobiliaria Anya S.A.	Other	Real estate projects	28	28	-
Jordan (Chile) S.A.	Common Control	Forms printing	673	640	-
Mario Gómez D.	Other	Advice and consultancy	57	57	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Associate	Card processing	1,884	1,873	-
PB Soluciones Ltda.		ATMs installation and cleaning service	43	36	-
Redbanc S.A.	Associate	ATMs operation	1,660	1,437	-
Salcobrand S.A.	Common Control	Rent of places for ATMs	75	63	-
Servicios de Información avanzada S.A.	Other	Trade information service	166	156	-
Servipag Ltda.	Joint Venture	Collection and payment services	2,094	1,761	-
Sistema Nacional de Com, Financieras S.A. (Sinacofi)	Other	Financial information service	132	119	-
Transbank S.A.	Other	Credit card management	13,106	3,071	10,034

Note: Only transactions over UF1,000 are disclosed.

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

c) Other assets and liabilities with related parties

	As of March 31, 2018	As of December 31, 2017
	MCh$	MCh$
ASSETS		
Derivative financial agreements	-	-
Other assets	-	-
LIABILITIES		
Derivative financial agreements	-	-
Demand deposits	95,158	72,590
Term deposits and saving accounts	88,933	101,273
Other liabilities	-	-

NOTE 33 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

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

Type of income or (expense) recognized	Entity	For the three-month periods ended March 31, 2018		2017	
		Income	Expense	Income	Expense
		MCh$	MCh$	MCh$	MCh$
Income and (expenses)	Sundry	3,445	(715)	2,573	(323)
Operational support income (expenses)	Companies supporting the line of business	24,293	(12,396)	20,461	(10,884)
Total		**27,738**	**(13,111)**	**23,034**	**(11,207)**

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

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

	For the three-months periods ended March 31, 2018	2017
	MCh$	MCh$
Short-term remunerations of key management personnel (*)	6,312	6,094
Severance indemnities for termination of contract	163	-
Total	**6,475**	**6,094**

(*) For the three-month period ended March 31, 2018, total expenses for the corresponding remuneration of the Board of Directors of the Bank and subsidiaries amounted to MCh$1,062 (MCh$1,112 for the period ended March 31, 2017).

f) Composition of key management personnel

As of March 31, 2018, the composition of the key management personnel of the Bank and its subsidiaries is as follows:

Position	**N° of executives**
Director	20
General manager	13
Division and Area Manager	23
Total	**56**

NOTE 33 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

g) Transactions with key management personnel

For the three-month periods ended March 31, 2018 and 2017, the Bank has undertaken the following transactions with key management personnel, as specified below:

	For the three-month periods ended March 31,					
	2018			2017		
	Balance Owed MCh$	Total remuneration MCh$	Income of key executives MCh$	Balance owed MCh$	Total remuneration MCh$	Income of key executives MCh$
Credit cards and other services	2,024	323,950	2	1,757	301,399	2
Mortgage loans	1,625	82,708	23	1,359	64,240	17
Guarantees provided	1,906	-	-	2,346	-	-
Total	**5,555**	**406,658**	**25**	**5,462**	**365,639**	**19**

NOTE 33 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

As of March 31, 2018, the Bank has the following contracts:

N°	Related company	The service involved	Concept	Description of the Contract	Term
1	Bolsa de Comercio de Santiago	Processing the stock exchange management system, through which BCI Corredor de Bolsa S.A.	Lease of terminals	Contract to use the stock exchange management software	Indefinite
2	Centro de Automatizado S.A.(CCA)	Electronic transactions adjustment centre	Centre adjustment Services	Participation in and incorporation into the electronic transfer centre to expedite the completion of fund transfer operations, The Bank operates in the CET as an IFO (Originating Banking Institution) and as an IFR (Receiving Banking Institution)	Indefinite
3	Compañía de Formularios Continuos Jordan (Chile) S.A.	Printing and making checkbooks,	Printing of forms	Printing services are contracted for basic lists, special forms, and revenue stamped forms, such as checks and at sight promissory notes	Indefinite
4	Operadoras de Tarjetas de Crédito Nexus S.A.	Processing credit card operations (issuer list)	Card processing	Operations of Mastercard, Visa credit cards and debit card with regard to processing the issuer list	Indefinite
5	Redbanc S.A.	Administration of the operations of ATMs, Redcompra and RBI	Operation of ATMs	In fulfilling its corporate purpose, the company will offer the participant, for the use of its customers or users, the electronic data transfer service via automatic tellers or other actual or virtual electronic means	Indefinite
6	Servipag Ltda	Collection and payment of services, payment of checks and receipt of deposits and administration of our teller service	Collection and payment of services	The service is contracted for resolution of collection transactions captured by BCI tellers for processing and rendition to customers	Indefinite
7	Transbank S.A.	Processing credit card operations (user list)	Administration of credit cards	Provision of Visa, Mastercard credit card services with regard to the user list	Indefinite
8	Artikos Chile S.A.	Purchases and logistics services portal	Purchase of supplies	Electronic purchase service for assets and/or logistics services	Indefinite
9	BCI Seguros de Vida S.A.	Insurance	Insurance premiums	Individual life insurance policy for executives and guards	Annual
10	BCI Seguros Generales S.A.	Insurance	Insurance premiums	Individual policies for the Bank’s physical assets, leased assets and comprehensive banking policy	Annual
11	Archivos Credenciales e Impresos Archivert Ltda	Production of Credit and Debit Card Plastics	Credit and Debit Card Production	Production of credit and debit plastic cards	Indefinite

NOTE 33 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

12	Combanc S.A.	Clearing and settlement of High Amount payments, SWIFT Messaging (Order and / or receive balance information from Central Bank of Chile, for daily transfer client funds	Settlement of High Amounts payments	Clearing and settlement of High Amount payments SWIFT Messaging (Order and / or receive balance information from Central Bank of Chile, for daily transfer client funds	Indefinite
13	Conexxion Spa	Postal mail service (normal and registered letter), Messaging (internal courier service and motorbikes)	Mail and Messaging	Postal mail service (normal and registered letter) messaging (internal courier service and motorbikes)	Indefinite
14	Depósitos Central de Valores S.A.	Service Deposit and Securities Custody	Securities Custody	Service Deposit and Securities Custody	Indefinite
15	Diseño y Desarrollo Computacional Ltda	Software development and maintenance of Lotus Notes platform and Aprocred system (credit approval)	Technological Developments	Software development and maintenance of Lotus Notes platform and Aprocred system (credit approval)	Indefinite
16	GTD Teleductos S.A.	Telephone Services & Data Communications, Rent of links, continuity links, Fixed and mobile, mainly in Metropolitana Region	Telephone Service	Telephone Services & Data Communications, Rent of links, continuity links, fixed and mobile, mainly in Metropolitana Region	Indefinite
17	Imagemaker IT S.A.	Sale of Computational Security Devices (Multipass)	Technological Developments	Sale of Computational Security Devices (Multipass)	Indefinite
18	Imagemaker S.A.	Software Development, Maintenance and Support Internet and Mobile Applications	Technological Developments	Software Development, Maintenance and Support Internet and Mobile Applications	Indefinite
19	Salcobrand S.A.	Lease of ATM’s site (affordable)	Lease of ATM’s site	Lease of ATM’s site (affordable)	Indefinite
20	Santo Producciones Ltda	Events Production	Events	Events Production	Indefinite
21	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
22	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

NOTE 33 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

23	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
24	Cia, Nacional de Telefonos Telefónica del Sur S.A.	Fixed telephony service continuity and Internet service Broadband	Telephone service	Fixed telephony service continuity and Internet service Broadband	Indefinite
25	Comunicaciones Capitulo Ltda	Private telephone service	Telephone service	Private telephone service	2 Years from July 2016
26	DCV Registros S.A.	Administration of shareholders register	Administration of shareholders register	Comprehensive and personalized attention of the shareholders of BCI and brokers	Indefinite
27	Digitech Solutions S.A.	Document digitalization	Document Scanning Service	Digitizing documents Back Office, Comex, document management Mortgage and Corporate Banking	Indefinite
28	EMC Chile S.A.	Government and Migration	Data	Government of Migration and Data Centre Moving	Indefinite
29	Galeria de Arte Patricia Ready Ltda	Exhibition Hall Art Gallery	Auspice	Ensure BCI brand presence in all invitations printed for each exhibition and in the invitation in digital format, Include the BCI logo in all catalogues	Indefinite
30	IBM Chile S.A.	Computer Equipment and Solutions	Technology support service	Computer Equipment and Solutions and support staff (specialists)	Indefinite
31	Irarrazabal Ruiz-Tagle Goldenberg Lagos & Silva Abogados Ltda	Intangible Services Lawyers Presidency	Advisory	Professional Advice in General to the Bank and Subsidiaries	Indefinite
32	Inmobiliaria Anya S.A.	Rent for BCI branch	Lease	Lo Echevers branch lease	8 years
33	Let’s Talk Spa	Electronic messaging	Messaging services	Instant Messaging	3 months
34	Mario Gómez D.	Advisory and consultancy	Advisory	Development of Banking Plan, Integral Consulting to the Bank Management	Indefinite
35	Oliver Wyman	Advisory	Advisory	Strategic Consulting Services - Project “Transaction Banking”	Indefinite
36	Telesat Compañia de Telefonos S.A.	Lease of data links	Telephone service	Local Service Measured traffic	Indefinite
37	Tu Ves S.A.	Advertising Exhibition	Basic services	Rendering satellite TV services and lease of equipment	Definite
38	Mabel Ilabaca Albornoz	Advice and consultancy	Advice and consultancy	Advisory sevices to review the business continuity model	Definite
39	Openprevia	Event production	Event production	Opencinema event	Definite
40	Automotora Aventura Motors S.A.	Maintenance of vehicles	Maintenance of vehicles	Maintenance of vehicles	Definite

NOTE 33 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

41	Casa de la Paz	Advice on issues of Social Responsibility and Environmental Strategy	Advice on issues of Social Responsibility and Environmental Strategy	Advice on issues of Social Responsibility and Environmental Strategy	Definite
42	Inversiones Tripan S.A.	Rent of warehouses	Rent of warehouses	Rent of warehouse located in Metropolis Building	Definite
43	Mas Consultores S.A.	Consulting for organizational development	Consulting for organizational development	Development of training programs for Bci leaders in the development of people management skills	Definite
44	Sumo Arquitectura Diseño Ltda.	Graphic design services,	Graphic design services	Graphic design service for contract of current accounts for Bci	Definite
45	Viña Morandé S.A.	Wines for gifts to customers and consumption,	Wines for gifts to customers and consumption	Wines for gifts to customers and consumption	Indefinite
46	Corporación Cultural Arte +	Advertising space	Advertising space	Advertising in La Panera magazine	Definite
47	Vigamil S.A.C.I.	Making envelopes	Making envelopes	Making envelopes service	Definite
48	Universidad Adolfo Ibáñez	Advice and consultancy	Advice and consultancy	Advice and consultancy	Definite
49	Cia. de Teléfonos de Coyhaique S.A.	Fixed telephony - continuity	Fixed telephony – continuity	Telephone line services	Indefinite
50	Manquehue Net S.A.	Fixed telephony - continuity	Fixed telephony – continuity	ADSL services and analog lines, frames	Indefinite
51	Accenture Chile Asesoría y Servicios Ltda,	Consulting, development and operation of Software for the Transformation towards digital operative models	Software development	Consulting, development and operation of software for the transformation towards digital operative models	Indefinite
52	Everis Chile S.A.	Software factory for digital transformation for program channels,	Software development	Software factory for digital transformation for program channels	Defined for 3 years
53	Bolsa Electrónica de Chile Bolsa de Valores	Software maintenance	Basic software	Maintenance of financial information software	Undefined
54	Reparaciones Express Ltda.	Maintenance of vehicles.	Maintenance of vehicles.	Maintenance of vehicles	Undefined
55	Comercializadora AO Ltda.	Furniture.	Furniture	Furniture	Seasonal purchase
56	Asesorías, Servicios e inversiones Alamabrands S.A.	Advice and consultancy	Advice and consultancy	Advice and consultancy	Undefined
57	Alta Voz S.A.	Marketing	Digital marketing	Digital marketing strategy	Seasonal purchase
58	Fernando Vallejos V.	Consulting companies, management, finance, accounting and tax	Advisory	Advisory	Defined
59	Inmobiliaria JY S.P.A.	Real estate projects	Real estate projects	Real estate projects	Undefined

NOTE 34 - ASSETS AND LIABILITIES AT FAIR VALUE

a) Financial instruments measured at fair value and that are not measured at fair value in the interim consolidated financial statements

The following table summarizes the carrying amounts and fair values of the principal financial assets and liabilities in the Bank´s interim consolidated financial statements:

	As of March 31, 2018		As of December 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
	MCh$	MCh$	MCh$	MCh$
Assets				
Cash and deposits in banks	1,933,971	1,933,971	1,495,732	1,495,732
Items in course of collection	307,982	307,982	259,977	259,977
Trading portfolio financial assets	2,060,371	2,060,371	2,197,716	2,197,716
Investments under agreements to resell	196,879	196,879	252,599	252,599
Derivative financial agreements	1,345,687	1,345,687	1,365,738	1,365,738
Loans and receivables to banks, net	273,718	273,465	179,065	179,065
Loans and receivables to customers, net	24,890,140	27,565,939	24,130,419	25,174,011
Commercial loans	16,069,158	16,318,463	15,553,230	14,702,780
Mortgage loans	6,034,559	7,316,985	5,824,197	6,967,332
Consumer loans	2,786,423	3,930,491	2,752,992	3,503,899
Financial investments available for sale	2,388,763	2,388,763	2,531,682	2,531,682
Financial investments held to maturity	786	786	800	800
TOTAL ASSETS	**33,398,297**	**36,073,843**	**32,413,728**	**33,457,320**
Liabilities				
Current accounts and demand deposits	9,355,168	9,355,168	9,534,124	9,534,124
Items in course of collection	207,324	207,324	109,341	109,341
Liabilities under agreements to repurchase	761,339	761,339	869,438	869,438
Term deposits and savings accounts	11,346,424	11,380,296	10,692,346	10,749,605
Derivative financial agreements	1,505,093	1,505,093	1,479,602	1,479,602
Borrowings from financial institutions	1,846,007	1,846,007	1,754,356	1,754,356
Debt issued	5,442,553	6,112,386	5,020,307	5,656,595
Other financial liabilities	756,730	756,730	679,379	679,379
TOTAL LIABILITIES	**31,220,638**	**31,924,343**	**30,138,893**	**30,832,440**

The fair value estimates presented above, do not attempt to estimate the value of the bank's profits generated by their business or future activities and therefore, do not represent the value of the Bank as a going concern.

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

Loans and receivable to customers

Loans and receivables to customers are presented net of their allowance for loan losses and impairment. The estimated fair value represents the discounted future cash flows expected to be received. Cash flows are discounted at market interest rate, using an interbank rate that considers the relevant term and currency.

NOTE 34 - ASSETS AND LIABILITIES AT FAIR VALUE, CONTINUED

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

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

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

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

Deposits and other borrowings

The estimated fair value of demand accounts and deposits, for which maturity is not established, including non-interest bearing accounts, is the amount payable when the customer demands it. The redeemed cost of these deposits is a reasonable approximation of their fair value.

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

Borrowings from financial institutions

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

Issued debt instruments

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

Fixed Income Securities and Derivatives

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

Other balance sheet accounts

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

NOTE 34 - ASSETS AND LIABILITIES AT FAIR VALUE, CONTINUED

b) Financial instruments measured at fair value

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

c) Hierarchy used for determining the fair value

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

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i,e, as prices) or indirectly (i,e, derived from prices). Prices may require interpolation within a price structure (e,g,, derivative instruments belong to this level). The same occurs with bonds assessed using a valuation technique like interpolation or matrix pricing, based on observable inputs.

Level 3 - Inputs for assets or liabilities that are not based on observable market data (significant unobservable input). This level includes equity and debt instruments whose valuation uses significant unobservable input.

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

NOTE 34 - ASSETS AND LIABILITIES AT FAIR VALUE, CONTINUED

Financial assets and liabilities classified by valuation levels

The following chart shows the assets and liabilities that are presented at fair value in the interim consolidated financial statements, classified in their respective levels of hierarchy previously described.

	Level 1		Level 2		Level 3		Total	
	March 31, 2018 MCh$	December 31, 2017 MCh$	March 31, 2018 MCh$	December 31, 2017 MCh$	March 31, 2018 MCh$	December 31, 2017 MCh$	March 31, 2018 MCh$	December 31, 2017 MCh$
Financial Assets								
Trading portfolio financial assets								
State and Central Bank of Chile	1,334,958	1,581,308	-	-	-	-	1,334,958	1,581,308
Other domestic institutions	531,346	455,575	-	-	-	-	531,346	455,575
Foreign institutions	134,507	95,661	-	-	-	-	134,507	95,661
Investments in mutual funds	59,560	65,172	-	-	-	-	59,560	65,172
Subtotal	**2,060,371**	**2,197,716**	**-**	**-**	**-**	**-**	**2,060,371**	**2,197,716**
Trading derivative contracts								
Forwards	-	-	166,754	227,110	-	-	166,754	227,110
Swaps	-	-	928,169	884,944	18,028	19,553	946,197	904,497
Call option	-	-	2,314	1,915	-	-	2,314	1,915
Put options	-	-	4,707	7,514	-	-	4,707	7,514
Futures	-	-	70	-	-	-	70	-
Subtotal	**-**	**-**	**1,102,014**	**1,121,483**	**18,028**	**19,553**	**1,120,042**	**1,141,036**
Hedging derivatives								
Forwards	-		-	6,711	-	-	-	6,711
Fair value hedges (Swap)	-	-	80,301	64,867	-	-	80,301	64,867
Cash flow hedges (Swap)	-	-	162,327	173,354	-	-	162,327	173,354
Subtotal	**-**	**-**	**242,628**	**244,932**	**-**	**-**	**242,628**	**244,932**
Financial investment available for sale		**-**						
State and Central Bank of Chile	749,219	780,260	-	-	-	-	749,219	780,260
Other domestic institutions	121,321	143,826	-	-	-	-	121,321	143,826
Foreign institutions	1,518,223	1,607,596	-	-	-	-	1,518,223	1,607,596
Subtotal	**2,388,763**	**2,531,682**		**-**	**-**	**-**	**2,388,763**	**2,531,682**
Total financial assets	**4,449,134**	**4,729,398**	**1,344,642**	**1,366,415**	**18,028**	**19,553**	**5,811,804**	**6,115,366**

	Level 1		Level 2		Level 3		Total	
	March 31, 2018 MCh$	December 31, 2017 MCh$	March 31, 2018 MCh$	December 31, 2017 MCh$	March 31, 2018 MCh$	December 31, 2017 MCh$	March 31, 2018 MCh$	December 31, 2017 MCh$
Financial Liabilities								
Trading derivative contracts								
Forwards	-	-	142,380	205,843	-	-	142,380	205,843
Swaps	-	-	989,554	924,659	-	-	989,554	924,659
Call options	-	-	1,761	1,074	-	-	1,761	1,074
Put options	-	-	9,860	13,226	-	-	9,860	13,226
Futures	-	-	36	23	-	-	36	23
Subtotal	**-**	**-**	**1,143,591**	**1,144,825**	**-**	**-**	**1,143,591**	**1,144,825**
Hedging derivatives								
Forwards	-	-	-	4,757	-	-		4,757
Fair value hedges (Swap)	-	-	63,376	53,484	-	-	63,376	53,484
Cash flow hedges (Swap)	-	-	298,126	276,536	-	-	298,126	276,536
Subtotal	**-**	**-**	**361,502**	**334,777**	**-**	**-**	**361,502**	**334,777**
Total financial liabilities	**-**	**-**	**1,505,093**	**1,479,602**	**-**	**-**	**1,505,093**	**1,479,602**

NOTE 34 - ASSETS AND LIABILITIES AT FAIR VALUE, CONTINUED

The above values do not include adjustments for CVA and Bid Offer, which amount to MCh$16,983 as of March 31, 2018 (MCh$20,230 as of December 31, 2017).

Transfers between Levels 1 and 2

The Bank and its subsidiaries have not made any transfers of financial assets or liabilities between Levels 1 and 2 during the period 2018.

Level 3 valuation reconciliation

As of March 31, 2018, the interim consolidated statements of financial position has assets classified as Level 3 which relate to Swap TAB contracts for which there are no market observable inputs.

d) Valuation of La Polar Bonds

As of March 31, 2018, the Bank has applied valuation techniques to determine the fair value of the financial instruments "BLAPO-F" and "BLAPO-G", This enhancement builds on the Internal Rate of Return (IRR) of the last transaction of the existing market between the closing date of the interim consolidated financial statements and the date of redemption of the financial instrument.

NOTE 35 - RISK MANAGEMENT

1. Introduction

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

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

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

NOTE 35 - RISK MANAGEMENT, CONTINUED

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

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

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

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

Financial Risk Management has the role of evaluating and controlling the Bank's exposure to market risk, both on or off the interim consolidated statements of financial position; pricing risks associated with interest rates, exchange rates, volatility, maximum loss, etc,, are measured and monitored. This is complemented by the analysis of scenarios and simulations to obtain a better measure of the risk. The Financial Risk Management is also responsible for defining the valuation methodologies for the financial assets and liabilities measured at fair value held by the corporation on or off the interim consolidated statements of financial position.

In accordance with best practices, the Bank defines the segregation of 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.

NOTE 35 - RISK MANAGEMENT, CONTINUED

2. Liquidity and financing

When banks face confidence crises and bank runs, even if they are solvent they may find it difficult to comply with their short-term obligations and even face bankruptcy. These situations are uncommon but have large potential losses associated with them. For this reason, the Bank has improved the management of liquidity, defining adequate policies along with procedures and models that accordingly satisfy the regulations in force, The model has four core elements:

1. Presence of a minimum reserve of liquid assets to face stress situations.
2. Regulatory and internal liquidity indicators.
3. Accounting mismatches (relating to maturity).
4. Alert and contingency plans.

The policy and liquidity management models seek to guarantee, even in front of unexpected events, the Bank's capacity to respond adequately to its short-term obligations. In this regard, the Bank has continuously monitored the impact of recent events on financial markets, introducing more conservative assumptions when justified.

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

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

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

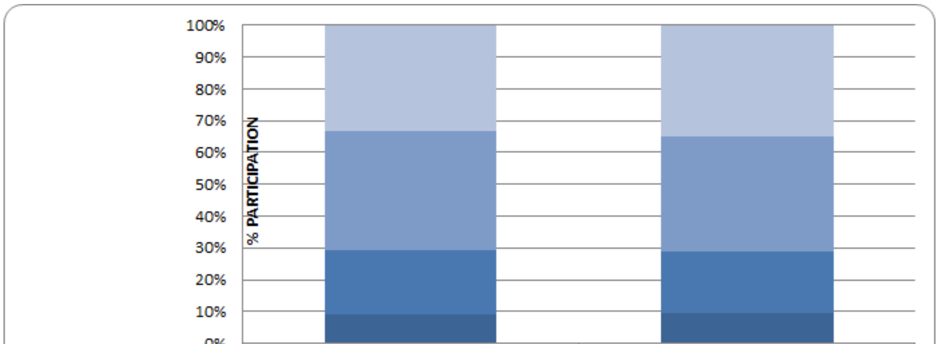
At the regulatory level, liquidity is measured and reported to the SBIF through standardized reports. According to bank regulations, the Bank has been authorized to use an adjusted liquidity model, generating procedures and models that allow an evaluation of future income and liabilities that affect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

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

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

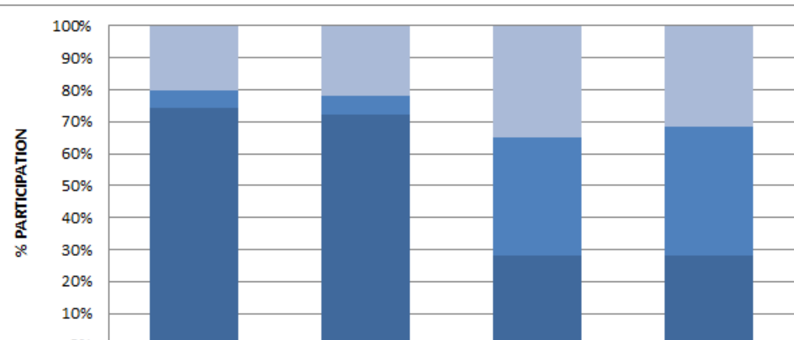
NOTE 35 - RISK MANAGEMENT, CONTINUED

Fig, 1, Evolution of principal funding sources
As of March 31, 2018 and December 31, 2017,
Banco de Crédito e Inversiones and City National Bank (CNB)



	31-03-2018	31-12-2017
VIEWING DEPOSITS	33%	35%
DEPOSIT AND CAPTURES	37%	36%
EMISSIONS OF BONDS	20%	19%
OTHER LIABILITIES	9%	10%

Fig, 2, Diversification of liquidity sources by segment,
As of March 31, 2018 and December 31, 2017 (%),
Banco de Crédito e Inversiones and City National Bank of Florida (CNB)



	VIEWING DEPOSITS		DEPOSIT AND CAPTURES	
	mar-18	dec-17	mar-18	dec-17
OTHER WHOLESALE	20%	22%	35%	31%
FINANCIAL	5%	6%	37%	40%
RETAIL	74%	72%	28%	28%

a. Three-month Period 2018 Variations (domestic consolidation)

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

NOTE 35 - RISK MANAGEMENT, CONTINUED

Fig, 3, Liquidity Ratios
As of March 31, 2018 and December 31, 2017 (maximum = 1)

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

	March 31, 2018				December 31, 2017			
	Average	Maximum	Minimum	Close	Average	Maximum	Minimum	Close
Mismatch 30 days	55.06%	73.55%	34.18%	34.18%	47.25%	76.88%	4.05%	50.81%
Mismatch 90 days (*)	55.82%	72.77%	47.24%	50.02%	48.68%	66.46%	29.43%	66.46%

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

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

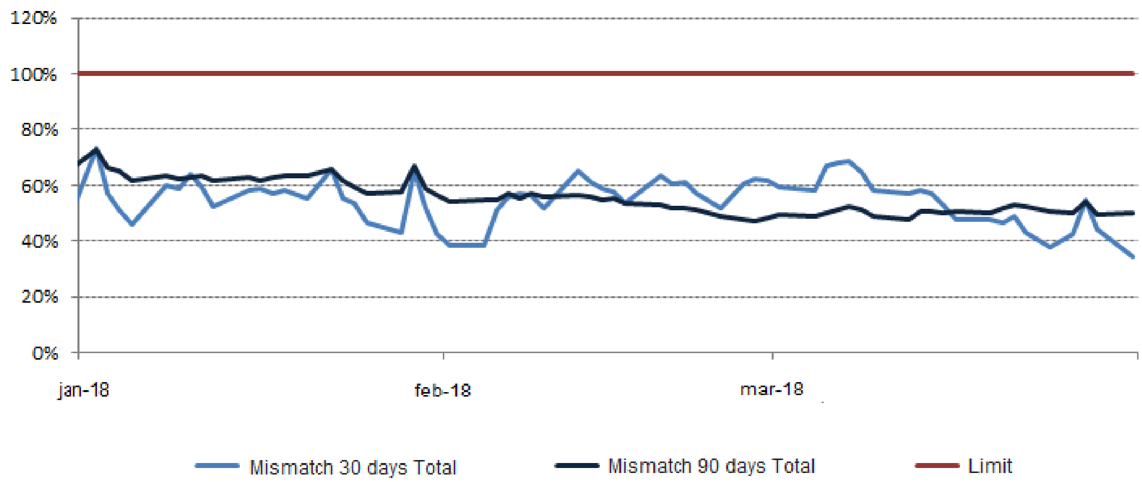
	March 31, 2018				December 31, 2017			
	Average	Maximum	Minimum	Close	Average	Maximum	Minimum	Close
Mismatch 30 days	39.52%	55.40%	24.70%	28.29%	29.17%	58.00%	(6.30%)	38.77%

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

	March 31, 2018				December 31, 2017			
	Average	Maximum	Minimum	Close	Average	Maximum	Minimum	Close
Mismatch 30 days	15.54%	37.25%	4.26%	5.89%	18.08%	30.11%	(0.64%)	12.04%

NOTE 35 - RISK MANAGEMENT, CONTINUED

Fig, 4, Liquidity Evolution (domestic consolidation) during 2018 (maximum = 1)
Liquidity 30 days = Mismatch/Basic Capital
Liquidity 90 days = Mismatch /2x 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.

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

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

NOTE 35 - RISK MANAGEMENT, CONTINUED

a. Top holdings

The principal positions of the interim Consolidation Statements of Financial Position as of March 31, 2018 are listed by maturity band or repricing and their comparison to the year 2017.

Fig, 5, Carrying amount to maturity range or re-pricing by currency
Positions as of March 31, 2018 (MCh$)

2018:

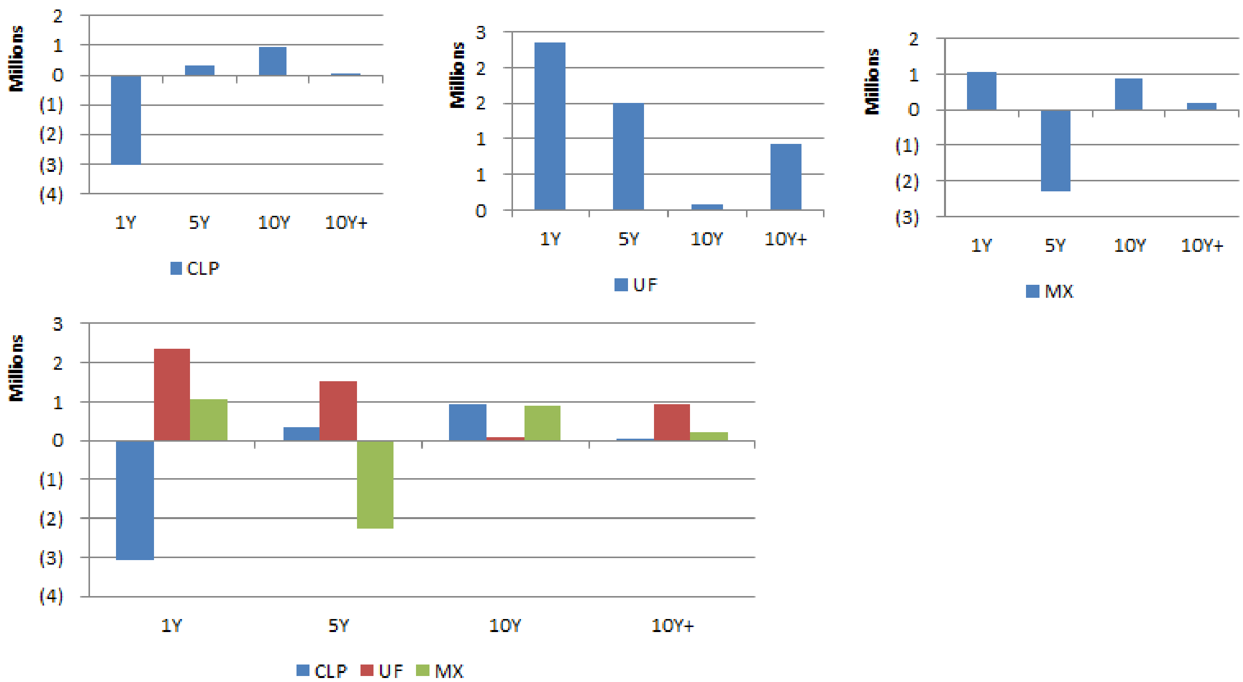
ASSETS	**1Y**	**5Y**	**10Y**	**10Y+**	**Total**
Ch$	8,499,131	3,963,849	1,002,808	21,945	13,487,733
UF	3,745,626	4,973,847	3,035,060	2,359,653	14,114,186
MX	6,640,698	2,836,439	1,489,893	214,661	11,181,691
TOTAL	**18,885,455**	**11,774,135**	**5,527,761**	**2,596,259**	**38,783,610**

LIABILITIES	**1Y**	**5Y**	**10Y**	**10Y+**	**Total**
Ch$	11,548,622	3,631,163	51,000	-	15,230,785
UF	1,389,744	3,466,055	2,952,731	1,436,997	9,245,527
MX	5,572,664	5,112,268	616,451	-	11,301,383
TOTAL	**18,511,030**	**12,209,486**	**3,620,182**	**1,436,997**	**35,777,695**

MISMATCH	**1Y**	**5Y**	**10Y**	**10Y+**	**Total**
Ch$	(3,049,491)	332,686	951,808	21,945	(1,743,052)
UF	2,355,882	1,507,792	82,329	922,656	4,868,659
MX	1,068,034	(2,275,829)	873,442	214,661	(119,692)
TOTAL	**374,425**	**(435,351)**	**1,907,579**	**1,159,262**	**3,005,915**

NOTE 35 - RISK MANAGEMENT, CONTINUED

Fig, 6, Carrying amount to maturity range or re-pricing by currency positions
As of March 31, 2018 (MCh$)



Fig, 7, Carrying amount to maturity range or re-pricing by currency positions
As of December 31, 2017 (MCh$)

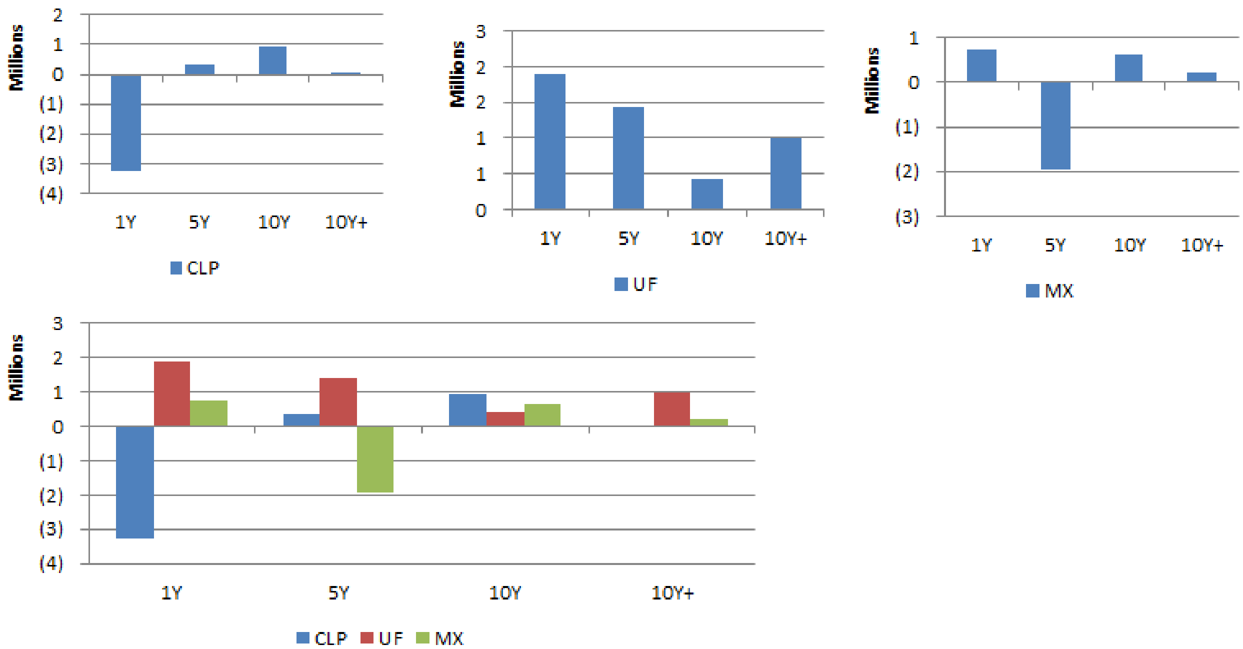
ASSETS	**1Y**	**5Y**	**10Y**	**10Y+**	**Total**
Ch$	8,035,664	4,035,943	1,000,207	23,376	13,095,190
UF	3,605,456	4,804,022	2,954,221	2,277,548	13,641,247
MX	5,969,915	2,755,257	1,537,329	251,408	10,513,909
TOTAL	**17,611,035**	**11,595,222**	**5,491,757**	**2,552,332**	**37,250,346**

LIABILITIES	**1Y**	**5Y**	**10Y**	**10Y+**	**Total**
Ch$	11,289,824	3,696,484	51,000	-	15,037,308
UF	1,698,478	3,372,526	2,530,101	1,274,310	8,875,415
MX	5,244,404	4,709,347	901,542	39,263	10,894,556
TOTAL	**18,232,706**	**11,778,357**	**3,482,643**	**1,313,573**	**34,807,279**

MISMATCH	**1Y**	**5Y**	**10Y**	**10Y+**	**Total**
Ch$	(3,254,160)	339,459	949,207	23,376	(1,942,118)
UF	1,906,978	1,431,496	424,120	1,003,238	4,765,832
MX	725,511	(1,954,090)	635,787	212,145	(380,647)
TOTAL	**(621,671)**	**(183,135)**	**2,009,114**	**1,238,759**	**2,443,067**

NOTE 35 - RISK MANAGEMENT, CONTINUED

Fig, 8, Carrying amount to maturity range or re-pricing by currency positions
As of December 31, 2017 (MCh$)



NOTE 35 - RISK MANAGEMENT, CONTINUED

Fig, 9, Carrying amount to maturity range or re-pricing by Account positions
As of March 31, 2018 (MCh$)

ASSETS	**1Y**	**5Y**	**10Y**	**10Y+**	**TOTAL**
Central Bank of Chile	51,701	30,302	-	-	82,003
Domestic banks and financial institutions	291,780	662,370	395,020	99,464	1,448,634
Investments under agreements to resell	56,692	-	-	-	56,692
Commercial loans	8,495,145	3,376,130	1,399,014	702,217	13,972,506
Consumer loans	1,170,136	1,669,780	121,160	64,921	3,025,997
Negotiable residential mortgage loans	858,853	2,575,238	1,733,590	1,610,250	6,777,931
Residential mortgage loans with funding notes	13,782	13,513	1,466	-	28,761
Cash	1,247,609	-	-	-	1,247,609
Forwards	-	-	-	-	-
Chilean State	61,667	468,134	290,582	1,186	821,569
Consumer leasing	26	-	-	-	26
Commercial leasing operation	456,253	587,266	186,285	34,236	1,264,040
Other domestic entities	-	-	-	-	-
Other foreign entities	23,463	110,883	46,089	1,642	182,077
Other assets	2,304,298	38,369	38,686	345	2,381,698
Other residential mortgage loans	379,634	371,198	131,506	81,998	964,336
Others	-	-	-	-	-
Swaps	3,474,416	1,870,952	1,184,363	-	6,529,731
Total Assets	**18,885,455**	**11,774,135**	**5,527,761**	**2,596,259**	**38,783,610**

LIABILITIES	**1Y**	**5Y**	**10Y**	**10Y+**	**TOTAL**
Ordinary bonds	516,907	2,322,004	1,964,528	336,547	5,139,986
Subordinated bonds	47,152	172,927	220,717	1,100,450	1,541,246
Deferred-drawing savings accounts	39,123	-	-	-	39,123
Unconditional-drawing savings accounts	80,018	-	-	-	80,018
Demand deposits (*)	2,282,155	6,915,077	-	-	9,197,232
Term deposits	10,384,140	230,504	13	-	10,614,657
Forwards	-	-	-	-	-
Letters of credit	4,486	12,349	1,687	-	18,522
Other liabilities	654,309	3,174	-	-	657,483
Others, except options	-	-	-	-	-
Foreign loans and other obligations	1,326,348	263,056	-	-	1,589,404
Domestic loans and other obligations	290,252	12,621	855	-	303,728
Swaps	2,731,883	2,277,774	1,432,382	-	6,442,039
Liabilities under agreements to repurchase	154,257	-	-	-	154,257
Total Liabilities	**18,511,030**	**12,209,486**	**3,620,182**	**1,436,997**	**35,777,695**

(*) Determined in accordance with internal models.

NOTE 35 - RISK MANAGEMENT, CONTINUED

Fig, 10, Carrying amount to maturity or re-pricing by account positions
As of December 31, 2017 (MCh$)

ASSETS	1Y	5Y	10Y	10Y+	TOTAL
Central Bank of Chile	89,474	26,314	-	-	115,788
Domestic banks and financial institutions	304,263	704,672	348,896	100,122	1,457,953
Investments under agreements to resell	99,569	-	-	-	99,569
Commercial loans	7,662,988	3,259,542	1,393,281	672,605	12,988,416
Consumer loans	1,150,343	1,656,212	114,128	65,870	2,986,553
Negotiable residential mortgage loans	842,280	2,495,965	1,685,758	1,558,796	6,582,799
Residential mortgage loans with funding notes	15,056	14,399	1,796	-	31,251
Cash	1,366,803	-	-	-	1,366,803
Forwards	109,320	-	-	-	109,320
Chilean State	35,268	510,650	295,402	1,402	842,722
Consumer leasing	23	-	-	-	23
Commercial leasing operation	424,675	572,559	181,694	31,455	1,210,383
Other domestic entities	-	-	-	-	-
Other foreign entities	23,010	112,692	47,115	1,763	184,580
Other assets	1,850,876	82,947	38,091	387	1,972,301
Other residential mortgage loans	365,435	348,237	117,540	80,681	911,893
Others	-	-	-	-	-
Swaps	3,271,652	1,811,033	1,268,056	39,251	6,389,992
Total Assets	**17,611,035**	**11,595,222**	**5,491,757**	**2,552,332**	**37,250,346**

LIABILITIES	1Y	5Y	10Y	10Y+	TOTAL
Ordinary bonds	507,938	1,978,261	1,969,477	210,101	4,665,777
Subordinated bonds	46,857	171,845	214,572	1,103,472	1,536,746
Deferred-drawing savings accounts	39,772	-	-	-	39,772
Unconditional-drawing savings accounts	82,134	-	-	-	82,134
Demand deposits (*)	2,461,735	6,963,908	-	-	9,425,643
Term deposits	9,787,715	260,493	14	-	10,048,222
Forwards	107,186	-	-	-	107,186
Letters of credit	4,842	12,973	2,325	-	20,140
Other liabilities	680,963	3,231	-	-	684,194
Others, except options	-	-	-	-	-
Foreign loans and other obligations	1,308,777	150,106	-	-	1,458,883
Domestic loans and other obligations	329,161	12,247	1,305	-	342,713
Swaps	2,740,297	2,225,293	1,294,950	-	6,260,540
Liabilities under agreements to repurchase	135,329	-	-	-	135,329
Total Liabilities	**18,232,706**	**11,778,357**	**3,482,643**	**1,313,572**	**34,807,279**

(*) Determined in accordance with internal models.

NOTE 35 - RISK MANAGEMENT, CONTINUED

The principal positions of financial investments available for sale by type of issuer and currency and risk classification as of March 31, 2018 and December 31, 2017 are stated below.

Fig, 11,a Fair Value of Financial Investments Available for Sale
As of March 31, 2018 (MCh$)

Banco de Credito e Inversiones and City National Bank of Florida (CNB)

	Ch$	**UF**	**USD**	**EUR**	**OTHERS**
Sovereign bonds	227,413	269,443	72,414	-	-
Corporate bonds	15,304	6,890	168,764	111,324	-
Financial institutions bonds	34,513	417	1,204,405	-	-
Mortgage-funding notes	-	50,063	-	-	-
Term deposits	19,977	-	-	-	-
Investment funds (*)	-	-	56,659	-	-
Shares (*)	-	-	13,003	-	-
Total	**297,207**	**326,813**	**1,512,245**	**111,324**	-

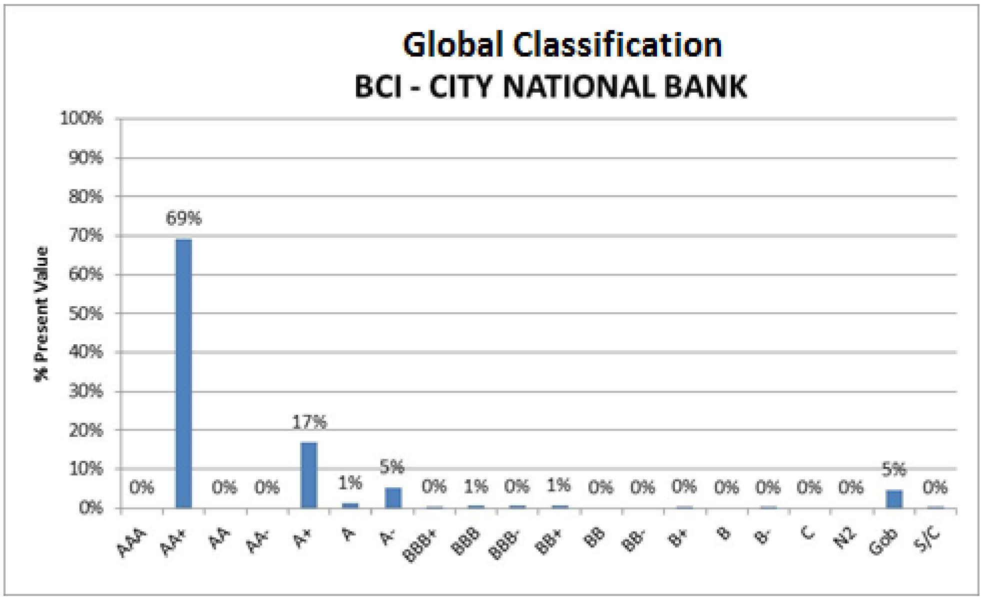
Fig, 11,b Fair Value of Financial Investments Available for Sale
As of December 31, 2017 (MCh$)
Banco de Credito e Inversiones and City National Bank of Florida (CNB)

	Ch$	**UF**	**USD**	**EUR**	**OTHERS**
Sovereign bonds	304,846	214,409	203,488	108,821	-
Corporate bonds	15,911	6,942	45,405	-	-
Financial institutions bonds	39,668	418	1,190,317	-	-
Mortgage-funding notes	-	52,982	-	-	-
Term deposits	27,652	-	-	-	-
Investment funds (*)	-	-	16,576	-	-
Shares (*)	-	-	47,949	-	-
Total	**388,077**	**274,751**	**1,503,735**	**108,821**	**-**

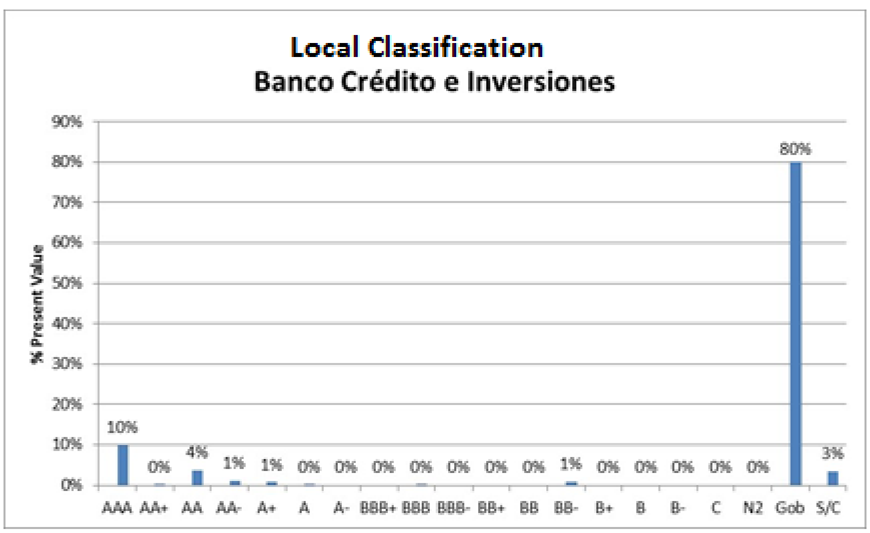
(*) Investment funds and shares correspond to the CNB's available for sale portfolio.

NOTE 35 - RISK MANAGEMENT, CONTINUED

Fig, 12, Financial Investments Available for Sale
Internationally-Issued Bond Portfolio Credit Rating as of March 31, 2018 (%)
Banco de Crédito de Inversiones and City National Bank of Florida (CNB)



Fig, 13, Financial Investments Available for Sale
Portfolio Risk Classification Bonds and LCH National Emission as of March 31, 2018 *(%)*
Banco de Crédito de Inversiones y City National Bank (CNB)



NOTE 35 - RISK MANAGEMENT, CONTINUED

b. Sensitivity analysis

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

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

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

Among the models used is Market Value Sensitivity or MVS, which measures the change in economic value of equity in the event of a parallel movement of 100 basis points in interest rates.

For a short-term horizon, the Spreads at Risk or SAR model is used, which measures the impact on results in 12 months' time of a parallel movement in rates, For both models, there are explicit internal limits measured as a ratio of capital (for MVS) and of financial margin (for SAR).

The Bank structurally generates risk rate exposure, which is mainly explained by maintaining long-term fixed rate assets and obtaining short-term financing, such as deposits. In this regard, the Bank is an active market participant in managing their interest rate risk strategy using hedge accounting.

In the scenario of 100 basis points increase, holding constant other variables, the effects compared at the end as of December 31, 2017 and March 31, 2018, respectively, for the Bank are the following:

- In the short-term, exposure to interest rates as of December 31, 2017 and March 31, 2018, amounted to MCh$31,904 and MCh$29,732 respectively, equivalent to expect an adverse effect on the financial margin over a 12 months horizon.

- The sensitivity rate risk applied to all items in the banking book and all deadlines, measured by MVS, as of December 2017 and March 2018, are MCh$182,216 and MCh$157,155 respectively. The risk 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 35 - RISK MANAGEMENT, CONTINUED

The VaR methodology used is a historic simulation that records the *fat-tails* property of the financial income; it uses a window of 4 years of daily data, and it is measured at the first percentile of the P&L distribution or VaR at 99% of confidence, which is the same. The *volatility updating* technique is used, which records the existence of volatility *clusters*.

The *forecast* horizon is of 1 day. The square root rule is used to project this value to the regulatory horizon of ten days.

The value-at-risk model is validated by *back-testing* the daily results, both observed and theoretical, Statistically, excess losses of VaR are expected to be observed on average 1% daily. As of March 31, 2018, *back-test* places the model in the green area of Basel with 5 fails in the last 250 business days.

Objectives and limitations of the VaR methodology

The objective of the VaR is to measure the risk of a portfolio of assets by determining how much you can lose of the portfolio over a period of time and with a given confidence level under normal market conditions.

This method is very easy to apply in portfolios that include information on relevant market variables. Furthermore, calculation does not depend on correlations and volatilities, as these are implicitly calculated using historical information. However, this means obtaining the history of associated variables for performing this calculation, which implies an effort to have such data. In addition, to have a certain degree of confidence in the measurement, in this case with VaR at 99%, this leads to the loss of 1 in every 100 days, which will be the least as predicted by the VaR, without a possible limit for this value.

- **Stress Testing VaR**

There are limitations of the VaR models, particularly in the presence of extreme events that have not been observed in recent historic information or for not capturing the intra-day movements of the portfolio, therefore, stress situations are modelled to evaluate potential impacts on the value of portfolios in the most extreme, although possible, events. The scenarios used are the following:

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

- **VaR limits**

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

NOTE 35 - RISK MANAGEMENT, CONTINUED

d. Position Limit

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

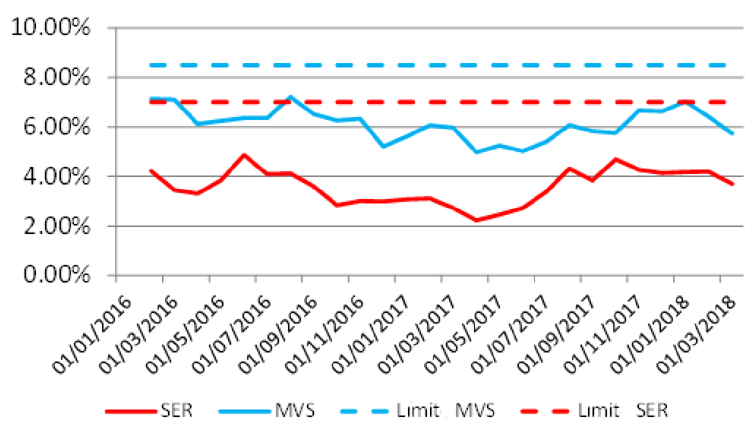
e. Variations

- Sensitivity analysis of the banking book.

Asset and liability management team constantly monitors the use of hedge accounting and the potential advantages of bond, issuances, , helping to keep the risk of interest rate limited in the banking book.

Long-term risk MVS averaged during 2018 6.40% (5.77% during 2017) over the capital limit of 8.5%. Aditionally the short term risk (SeR), presented a mean of 4.02% during 2018 versus a mean of 3.41% for December 2017.

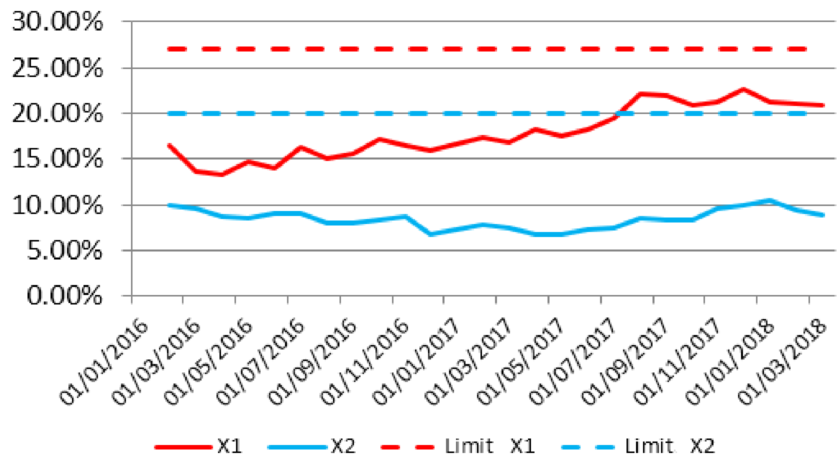
Fig, 14,MVS – SER
As of MArch 31, 2018



The evolution of regulatory ratios X1 (short term exposure to market risk) and X2 (long term exposure to market risk) were below the limits in 2018, mainly due to the management of the balance sheet through hedge accounting.

NOTE 35 - RISK MANAGEMENT, CONTINUED

Fig, 15, Regulatory Market Risk X1 - X2
Banco de Credito e Inversiones and City National Bank of Florida (CNB)
As of March 31, 2018

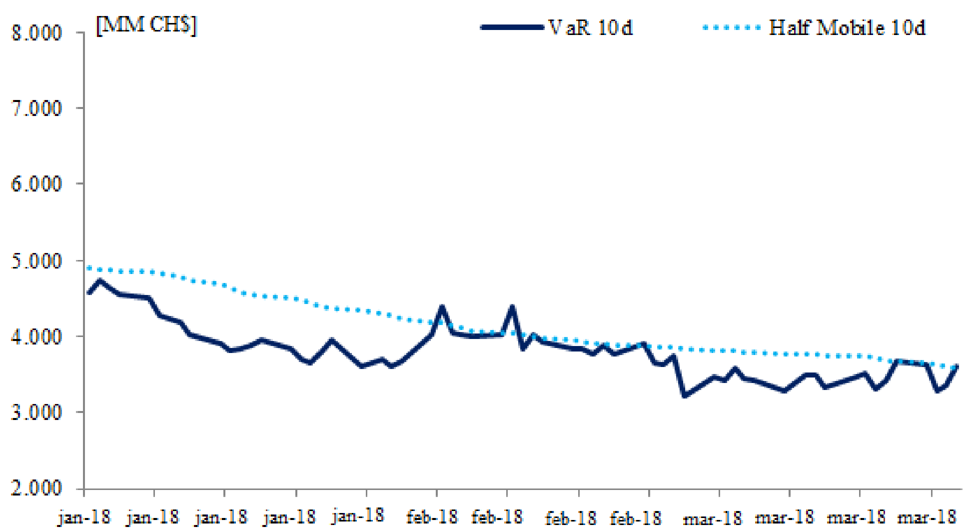


X1: Limit on financial margin
X2: Limit on effective equity

Value at risk

The evolution of the 10-day VaR for the last quarter; data as of March 31, 2018.

Fig, 16, Consolidated Value at Risk
As of March 31, 2018 (MCh$)



NOTE 35 - RISK MANAGEMENT, CONTINUED

During 2018, the average consolidated total risk MCh$4,447 measured over the regulatory horizon of 10 days experienced a decrease of 21% over the December 31, 2017 average.

On a consolidated basis, the risk of interest rate averages MCh$3,689 while the foreign currency risk averages MCh$1,737. In trading the aggregate average was MCh$2,826, MCh$2,767 for interest rate risk and MCh$552 for foreign currency risk. Finally, for non-trading portfolios (investments available for sale) the total VaR averaged MCh$989, MCh$365 for interest rate risk and MCh$887 for foreign currency risk.

Fig, 17, Value at risk by portfolio and type of risk
As of March 31, 2018 (MCh$)

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

	Three months ended March 31, 2018			
	Average	**Maximum**	**Minimum**	**Close**
FX Risk	1,737	3,044	980	1,416
Interest rate risk	3,689	4,410	3,154	3,536
Diversification (*)	978	2,052	340	835
VaR Total	4,448	5,402	3,794	4,117

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

	Three months ended March 31, 2018			
	Average	**Maximum**	**Minimum**	**Close**
FX Risk	552	1,506	97	583
Interest rate risk	2,767	3,429	2,348	2,528
Diversification	492	1,509	99	337
VaR Total	2,827	3,426	2,346	2,774

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

	Three months ended March 31, 2018			
	Average	**Maximum**	**Minimum**	**Close**
FX Risk	887	1,368	580	596
Interest rate risk	385	581	75	537
Diversification	263	474	29	291
VaR Total	1,009	1,475	626	842

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

NOTE 35 - RISK MANAGEMENT, CONTINUED

Fig, 18, Value at Risk by portfolio and type of risk
As of December 31, 2017 (MCh$)

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

	Twelve months ended December 31, 2017			
	Average	**Maximum**	**Minimum**	**Close**
FX Risk	2,115	6,467	442	2,455
Interest rate risk	4,962	7,310	3,924	4,066
Diversification (*)	1,452	4,318	42	1,115
VaR Total	5,625	9,459	4,324	5,406

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

	Twelve months ended December 31, 2017			
	Average	**Maximum**	**Minimum**	**Close**
FX Risk	650	3,593	18	690
Interest rate risk	3,591	4,846	2,575	3,073
Diversification (*)	588	2,971	35	500
VaR Total	3,653	5,468	2,628	3,263

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

	Twelve months ended December 31, 2017			
	Average	**Maximum**	**Minimum**	**Close**
FX Risk	905	2,573	92	1,425
Interest rate risk	829	1,944	338	445
Diversification	540	1,872	78	376
VaR Total	1,194	2,645	508	1,494

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

While VaR captures the Bank's daily exposure to the risks of currency and interest rate sensitivity analysis, it also evaluates the impact of a reasonably possible change in interest rates and exchange rates over one year. The longer time frame of sensitivity analysis complements VaR and helps the Bank to assess their exposure to market risk. The details of the sensitivity analysis for the risk of exchange rate and interest rate risk are set out below.

NOTE 35 - RISK MANAGEMENT, CONTINUED

Sensitivity of interest rate

The following table shows the sensitivity of the fair values of assets to a 100 basis point change in the interest rate:

	Recognition in statements of income		Recognition in statements of other comprehensive income	
	Favourable change	Not favourable change	Favourable change	Not favourable change
As of March 31, 2018	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Securities backed by assets held for trading	(157)	157	-	-
Other non-derivative assets held for trading	(7)	7	-	-
Securities backed by available for sales assets	-	-	(90)	90
As of December 31, 2017				
Securities backed by assets held for trading	(58)	58	-	-
Other non-derivative assets held for trading	(26)	26	-	-
Securities backed by available for sales assets	-	-	(80)	80

Currency Risk

The currency risk is defined as the risk that the value of a financial instrument will fluctuate due to changes in exchange rates. The Bank is exposed to the effects of fluctuations in prevailing exchange rates regarding its financial position and cash flows.

NOTE 35 - RISK MANAGEMENT, CONTINUED

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

As of March 31, 2018 (MCh$)

Assets	USD	EUR	Others
Cash	194,018	41,379	3,739
Commercial loans	2,018,723	30,299	1,416
Investments under agreement to resell	-	-	-
Commercial leasing operations	65,661	-	-
Mortgage loans LC	-	-	-
Mortgage loans MHE	-	-	-
Other mortgage loans	-	-	-
Residential leasing	-	-	-
Consumer loans	19,518	-	-
Consumer leasing	-	-	-
Commercial loans LCS	-	-	-
Consumer loans LCS	-	-	-
Central Bank of Chile	-	-	-
State of Chile	135,842	111,655	-
Domestic banks and financial institutions	-	-	-
Other domestic entities	1,458	-	-
State and governments bodies MX	-	-	-
Foreign banks	-	-	-
Other foreign entities	21,971	-	3,627
Forward	5,979,553	182,679	79,107
Futures	3,583	-	-
Swaps	9,913,978	129,803	461,440
Other, excluding options	-	-	-
Other assets	1,389,328	5,877	2,920
Delta options	202,586	6,141	800
Total Assets	**19,946,219**	**507,833**	**553,049**

Liabilities	USD	EUR	Others
Demand deposits	557,400	43,594	57
Term deposits	1,001,027	5,081	-
Saving accounts with deferred withdrawal	-	-	-
Savings accounts with unconditional withdrawal	-	-	-
Liabilities under agreements to repurchase	-	-	-
Loans and other liabilities contracted MN	7,664	-	-
Loans and other liabilities contracted MX	838,163	648	17
Letters of credit	-	-	-
Ordinary bonds	722,404	14,898	438,239
Subordinated bonds	-	-	-
Forward	6,110,346	227,180	82,174
Futures	3,640	-	-
Swaps	9,878,638	232,964	11,219
Other, excluding options	-	-	-
Other liabilities	430,103	3,519	373
Delta Options	119,648	-	1,819
Total Liabilities	**19,669,033**	**527,884**	**533,898**
Net	**277,186**	**(20,051)**	**19,151**

NOTE 35 - RISK MANAGEMENT, CONTINUED

As of December 31, 2017 (MCh$)

Assets	USD	EUR	Others
Cash	543,409	29,000	6,470
Commercial loans	1,810,182	30,877	1,099
Investments under agreement to resell	-	-	-
Commercial leasing operations	60,639	-	-
Mortgage loans LC	-	-	-
Mortgage loans MHE	-	-	-
Other mortgage loans	-	-	-
Residential leasing	-	-	-
Consumer loans	18,305	-	-
Consumer leasing	-	-	-
Commercial loans LCS	-	-	-
Consumer loans LCS	-	-	-
Central Bank of Chile	-	-	-
State of Chile	138,971	112,412	-
Domestic banks and financial institutions	-	-	-
Other domestic entities	1,482	14	-
State and governments bodies MX	-	-	-
Foreign banks	-	-	-
Other foreign entities	22,971	-	3,636
Forward	4,787,175	96,716	169,975
Futures	3,188	-	-
Swaps	9,843,901	133,771	460,614
Other, excluding options	-	-	-
Other assets	897,469	15,040	3,225
Delta options	236,064	7,666	-
Total Assets	**18,363,756**	**425,496**	**645,019**

Liabilities	USD	EUR	Others
Demand deposits	569,036	37,239	280
Term deposits	933,255	5,168	-
Saving accounts with deferred withdrawal	-	-	-
Savings accounts with unconditional withdrawal	-	-	-
Liabilities under agreements to repurchase	-	-	-
Loans and other liabilities contracted MN	5,077	-	-
Loans and other liabilities contracted MX	815,961	1,756	250
Letters of credit	-	-	-
Ordinary bonds	735,303	14,776	435,869
Subordinated bonds	-	-	-
Forward	4,759,571	130,857	176,165
Futures	3,197	-	-
Swaps	9,746,092	236,606	11,659
Other, excluding options	-	-	-
Other liabilities	395,570	10,230	676
Delta Options	136,722	-	-
Total Liabilities	**18,099,784**	**436,632**	**624,899**
Net	**263,972**	**(11,136)**	**20,120**

NOTE 35 - RISK MANAGEMENT, CONTINUED

Sensitivity of currency risk

The following tables detail the Bank's sensitivity against an increase and decrease of 10% in the Chilean peso against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents Management's assessment of reasonable possible changes in exchange rates.

The sensitivity analysis includes only outstanding monetary items denominated in foreign currencies and it adjusts its conversion at the end of the period, where it reports a 10% change in the exchange rates. The sensitivity analysis includes external loans as well as loans to foreign operations with the Bank where the loan is denominated in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in earnings and other net equity when the Chilean peso goes up by 10%, compared to the corresponding currency.

In the case of a decrease of 10% of the Chilean peso against the relevant currency, a comparable impact on the earnings and other equity would be produced, and the amounts would be negative, as shown below.

	As of March 31, 2018			
MCh$	**Decrease 10%**		**Increase 10%**	
Assets	**USD**	**EUR**	**USD**	**EUR**
Cash	174,616	37,241	213,420	45,517
Commercial loans	1,816,850	27,269	2,220,595	33,329
Investments under agreement to resell	-	-	-	-
Commercial leasing operations	59,095	-	72,227	-
Mortgage loans LC	-	-	-	-
Mortgage loans MHE	-	-	-	-
Other mortgage loans	-	-	-	-
Residential leasing	-	-	-	-
Consumer loans	17,566	-	21,470	-
Consumer leasing	-	-	-	-
Commercial loans LCS	-	-	-	-
Consumer loans LCS	-	-	-	-
Central Bank of Chile	-	-	-	-
State of Chile	122,257	100,490	149,426	122,821
Domestic banks and financial institutions	-	-	-	-
Other domestic entities	1,312	-	1,603	-
State and governments bodies MX	-	-	-	-
Foreign banks	-	-	-	-
Other foreing enties	19,774	-	24,168	-
Forward	5,381,598	164,411	6,577,509	200,947
Futures	3,224	-	3,941	-
Swaps	8,922,580	116,823	10,905,376	142,783
Other, excluding options	-	-	-	-
Other assets	1,250,396	5,289	1,528,261	6,464
Delta options	182,327	5,527	222,844	6,755
Total Assets	**17,951,595**	**457,050**	**21,940,840**	**588,616**

NOTE 35 - RISK MANAGEMENT, CONTINUED

Liabilities	**USD**	**EUR**	**USD**	**EUR**
Demand deposits	501,660	39,234	613,140	47,953
Term deposits	900,924	4,573	1,101,130	5,589
Saving accounts with deferred withdrawal	-	-	-	-
Savings accounts with unconditional withdrawal	-	-	-	-
Liabilities under agreements to repurchase	-	-	-	-
Loans and other liabilities contracted MN	6,898	-	8,430	-
Loans and other liabilities contracted MX	754,347	583	921,980	712
Letters of credit	-	-	-	-
Ordinary bonds	650,164	13,408	794,645	16,388
Subordinated bonds	-	-	-	-
Forward	5,499,312	204,462	6,721,381	249,898
Futures	3,276	-	4,004	-
Swaps	8,890,774	209,667	10,866,502	256,260
Other, excluding options	-	-	-	-
Other liabilities	387,093	3,167	473,113	3,871
Delta options	107,683	-	131,613	-
Total Liabilities	**17,702,131**	**475,094**	**21,635,938**	**580,671**
Net	**249,464**	**(18,044)**	**304,902**	**(22,055)**

	As of December 31, 2017			
MCh$	**Decrease 10%**		**Increase 10%**	
Assets	**USD**	**EUR**	**USD**	**EUR**
Cash	489,068	26,100	597,750	31,900
Commercial loans	1,629,164	27,789	1,991,200	33,965
Investments under agreement to resell	-	-	-	-
Commercial leasing operations	54,575	-	66,703	-
Mortgage loans LC	-	-	-	-
Mortgage loans MHE	-	-	-	-
Other mortgage loans	-	-	-	-
Residential leasing	-	-	-	-
Consumer loans	16,474	-	20,135	-
Consumer leasing	-	-	-	-
Commercial loans LCS	-	-	-	-
Consumer loans LCS	-	-	-	-
Central Bank of Chile	-	-	-	-
State of Chile	125,074	101,171	152,868	123,653
Domestic banks and financial institutions	-	-	-	-
Other domestic entities	1,334	13	1,630	16
State and governments bodies MX	-	-	-	-
Foreign banks	-	-	-	-
Other foreing enties	20,674	-	25,269	
Forward	4,308,458	87,044	5,265,893	106,388
Futures	2,869	-	3,507	-
Swaps	8,859,511	120,394	10,828,291	147,149
Other, excluding options	-	-	-	-
Other assets	807,722	13,536	987,216	16,544
Delta options	212,458	6,899	259,671	8,432
Total Assets	**16,527,381**	**382,946**	**20,200,133**	**468,047**

NOTE 35 - RISK MANAGEMENT, CONTINUED

Liabilities	**USD**	**EUR**	**USD**	**EUR**
Demand deposits	512,132	33,515	625,939	40,963
Term deposits	839,929	4,652	1,026,580	5,685
Saving accounts with deferred withdrawal	-	-	-	-
Savings accounts with unconditional withdrawal	-	-	-	-
Liabilities under agreements to repurchase	-	-	-	-
Loans and other liabilities contracted MN	4,569	-	5,585	-
Loans and other liabilities contracted MX	734,365	1,581	897,558	1,932
Letters of credit	-	-	-	-
Ordinary bonds	661,773	13,298	808,833	16,253
Subordinated bonds	-	-	-	-
Forward	4,283,614	117,771	5,235,528	143,943
Futures	2,878	-	3,517	-
Swaps	8,771,483	212,945	10,720,702	260,267
Other, excluding options	-	-	-	-
Other liabilities	356,013	9,207	435,127	11,253
Delta options	123,050	-	150,395	-
Total Liabilities	**16,289,806**	**392,969**	**19,909,764**	**480,296**
Net	**237,575**	**(10,023)**	**290,369**	**(12,249)**

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 when an actual market movement occurs. For example, the strategy of financial risk management of the Bank seeks to manage the exposure to market fluctuations. As investment markets go through different trigger levels, management actions could include selling investments, changing the allocation of the investment portfolio and taking other protective measures.

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 mitigating actions in the corporation in order to face scenarios that expose the corporation to significant loss.

NOTE 35 - RISK MANAGEMENT, CONTINUED

Other Price Risks

The price risk on equity instruments is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to individual value and its issuer or factors affecting all actual market values.

The following sensitivity analyzsis described below have been determined based on a hypothetical scenario and the exposure of equity prices at the end of the reporting period to reflect its possible effect on the net income of the period as an outcome of the given scenario .

On a scenario where the equity prices had been 1% higher / lower:

The net income of the period as of March 31, 2018, would not have been affected given that all bank´s equity instruments are classified as available for sale. Thus only the bank equity would have been affected , however, no investment was impaired; however, the possible negative effect on equity would have amounted to MCh$ 157,155 for the period ended on March 31, 2018 while the impact for the year ended December 31, 2017 would have been MCh$ 182,216.

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.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.

The following international accounting rules, are used - provided they are available- quotations or observable prices of identical assets or liabilities that are measurable. These are known as Level 1 Inputs . Absent identical assets or liabilities, measurement is made based on observable prices, Interpolations are typically performed in this group in the case of derivatives and other instruments or matrix pricing models for fixed income instruments - this class is known as Level 2 inputs.

Finally, when it is not possible to rely on the above inputs, the measurement is performed based on inputs that are not directly observable on the market. These are the Level 3 Inputs. Note 34 presents the classification of financial instruments according to the valuation hierarchy. Below is a brief explanation of that system.

Positions in foreign currency bonds Central Bank 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.

NOTE 35 - RISK MANAGEMENT, CONTINUED

Even for liquid instruments, some markets require the existence of brokers to equate supply with demand and allow transactions to be carried out under those circumstances. Normally deposits and derivatives traded over-the-counter are in this segment. These have quotes from different broker, which guarantees the existence of market prices or inputs needed for valuation. Among derivatives instruments are currency forwards and interest rate forwards, interest rate swaps, cross-currency swap and foreign currency options, As usual for those instruments other than those listed, valuation techniques and interpolation curves are used. Debt instruments are less liquid as some sovereign bonds, corporate bonds and mortgage securities of domestic issue, and are valued - unless there is available pricing - based on fair value models based on directly observable prices or market factors. All these instruments are classified in Level 2 valuation.

The base model for the valuation of fixed income securities without much liquidity in the local market is a dynamic model of interest rates using panels of incomplete data and incorporates all the recent price history of the instruments in question and instruments with similar characteristics as to issuer risk rating, duration, etc. The fair value models used (both internal and external) are tested periodically and back tested by independent parties.

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

g. Derivative instruments

As of March 31, 2018 the Bank had a net liability position of MCh$159,408 in derivative instruments measured at fair value. Derivatives are classified into two groups according to their accounting treatment: (1) instruments for trading and (2) instruments with hedge accounting treatment, The trading instruments come from activities of Sales & Trading (S&T), whether from sales to third parties or hedging the risks involved in such sales. The areas responsible for Asset & Liability Management (ALM) also use derivatives to hedge their risks, They can follow the standard treatment for negotiation (trading) or have hedge accounting treatment under the applicable accounting standards The recording, according to current accounting standards, may reduce fluctuations in the value of assets and liabilities or cash flows.

The market risk associated with derivative instruments is measured by VaR and stress tests.

h. Counterparty risk

The Bank manages its counterparty risk by establishing a limit for transactions (credit line) to enter into with each customer in derivatives and recognizes the Credit Value Adjustment (CVA).

Use of line to operate with derivative intruments

The level of usage of the credit line approved by the Bank for each customer due to an over-the-counter (OTC) derivative transaction must match the credit exposure that this transaction generates to the Bank. The credit risks on these contracts exist when the recovery or mark-to-market (MTM) is positive in favour of the Bank. As these contracts are valued daily, in this there is uncertainty regarding the mark to market adjustment over the life of the operation.

NOTE 35 - RISK MANAGEMENT, CONTINUED

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 level of usage of the credit line approved for use with derivative instruments by segment as of March 31, 2018 and December 31, 2017.

Segment	March 31, 2018 MCh$	December 31, 2017 MCh$
Retail Banking	**2,764**	**3,918**
Retail banking	-	-
Small and Medium Enterprises	2,764	3,918
Wholesale Banking	**644,377**	**881,987**
Commercial banking	156,419	**212,207**
Corporate & Investment Banking Commercial Division	-	-
C&IB	487,958	669,780
Corporate & Investment Banking Finance Division	**706,914**	**833,424**
Total	**1,354,055**	**1,719,329**

Credit Valuation Adjustmentin derivatives (CVA)

The objective of the credit valuation adjustments is to determine the counterparty risk associated with the credit exposure in OTC derivative contracts. The CVA of a derivative is defined as the difference between its market-to-market value determined without the risk of default from the counterparty and its market-to-market value with the probability of default of the counterparty. Thus the CVA of a client can be determined from the expected exposure (EE) tocounterparty risk (how much loss is expected) and the probability of default (PD) associated with the risk of default of the counterparty. The table below details the recording of CVA by segment at the ended March 31, 2018 and December 31, 2017.

Credit Value Adjustment			
Segment	**March 31, 2018**	**December 31, 2017**	**Variation**
	MCh$	**MCh$**	**MCh$**
Retail Banking	**214**	**224**	**(10)**
Retail banking	-	-	-
Small and Medium Enterprises	214	224	(10)
Wholesale Banking	**16,018**	**19,191**	**(3,173)**
Commercial	3,517	3,906	(389)
Corporate & Investment Banking Commercial Division	12,501	15,285	(2,784)
Corporate & Investment Banking Finance Division	**153**	**221**	**(68)**
City National Bank	**187**	**-**	**187**
Total	**16,572**	**19,636**	**(3,064)**

i. Hedge accounting

The Bank uses hedge accounting to manage the risk of fair value and cash flow to which it is exposed.

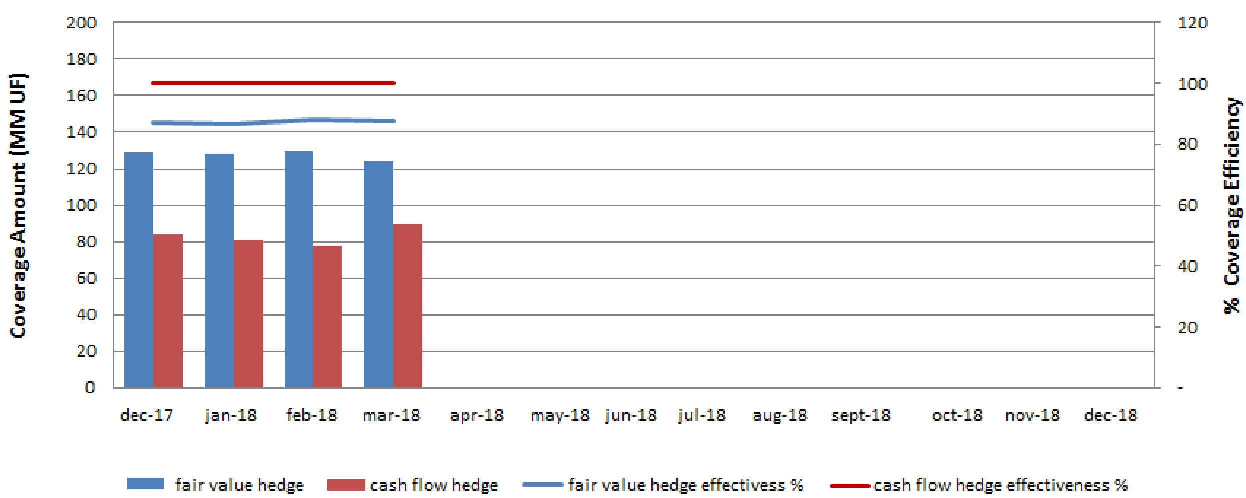
Fair value hedges use derivative instruments to hedge the change in fair value of an asset or liability in the interim consolidated financial statements.

NOTE 35 - RISK MANAGEMENT, CONTINUED

Cash flow hedges effects meanwhile are recognized in equity. Treatment of this type of instrument strictly follows International Accounting Standard ("IAS") 39. Financial Risk Management is responsible for designing and validating the effectiveness of the hedges, generating effectiveness indicators that are monitored and reported to ALCO.

As of March 31, 2018 the total notional amount of cash flow hedges amounted to UF 89,674,035 whereas fair value hedges reach UF 123,687,914 (including macro hedge).

Fig, 19, Amount, Type and effectiveness of Hedge Accounting
As of March 31, 2018 (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.

NOTE 35 - RISK MANAGEMENT, CONTINUED

Provisions for credit risk

According to the Superintendency of Banks and Financial Institutions (SBIF), the Banks should permanently maintain evaluations of their loans and contingent credit portfolios, in order to establish provisions timely and sufficiently, so as to cover possible losses, in accordance with the regulation of said Superintendency, contained in the Compendium of Accounting Standards, chapter B1 referring to provisions for credit risk.

The Bank has a series of models both for the individual and the group portfolios, which are applied depending on the type of portfolio and operations. These models are approved by the Board of Directors, which is informed annually about the adequacy of the provisions.

Models based on the individual analysis of borrowers

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

These models consider the analysis of issues such as the financial situation of the borrower, payment behaviour, knowledge and experience of the partners and managers in the business, the degree of commitment of the same with the company and the industry in which it operates and its relative position.

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 Superintendency of Banks and Financial Institutions (SBIF):

	As of March 31, 2018					
	Balance			Allowance		
Category	Loans and Receivables from banks	Loans and receivables from customers	Total	Loans and receivables from banks	Loans and receivables from customers	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
A1	41	165,109	165,150	-	59	59
A2	57,257	1,021,729	1,078,986	47	724	771
A3	117,424	2,119,990	2,237,414	257	2,638	2,895
A4	1,438	1,750,003	1,751,441	25	13,022	13,047
A5	48	1,663,425	1,663,473	2	8,642	8,644
A6	-	791,653	791,653	-	5,140	5,140
B1	-	182,843	182,843	-	5,565	5,565
B2	-	131,504	131,504	-	468	468
B3	-	59,941	59,941	-	9,838	9,838
B4	-	32,818	32,818	-	4,276	4,276
C1	-	92,776	92,776	-	1,856	1,856
C2	-	63,543	63,543	-	6,354	6,354
C3	-	115,908	115,908	-	28,977	28,977
C4	-	22,113	22,113	-	8,845	8,845
C5	-	10,748	10,748	-	6,987	6,987
C6	-	35,485	35,485	-	31,936	31,936
Collective assessment	-	11,030,004	11,030,004	-	236,481	236,481
Subsidiaries	98,008	6,012,817	6,110,825	167	40,461	40,628
Total	**274,216**	**25,302,409**	**25,576,625**	**498**	**412,269**	**412,767**

NOTE 35 - RISK MANAGEMENT, CONTINUED

	As of December 31, 2017					
	Balance			Allowance		
Category	Loans and receivables from banks	Loans and receivables from customers	Total	Loans and receivables from banks	Loans and receivables from customers	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
A1	-	158,733	158,733	-	56	56
A2	37,309	895,625	932,934	31	633	664
A3	91,968	2,086,727	2,178,695	201	2,447	2,648
A4	170	1,669,209	1,669,379	3	12,206	12,209
A5	-	1,533,827	1,533,827	-	7,867	7,867
A6	-	795,898	795,898	-	4,813	4,813
B1	-	201,757	201,757	-	5,616	5,616
B2	-	140,793	140,793	-	1,584	1,584
B3	-	65,796	65,796	-	9,935	9,935
B4	-	24,339	24,339	-	4,070	4,070
C1	-	96,570	96,570	-	1,931	1,931
C2	-	38,610	38,610	-	3,861	3,861
C3	-	121,219	121,219	-	30,305	30,305
C4	-	20,946	20,946	-	8,379	8,379
C5	-	11,133	11,133	-	7,236	7,236
C6	-	35,507	35,507	-	31,956	31,956
Collective assessment	-	10,744,269	10,744,269	-	228,927	228,927
Subsidiaries	49,926	5,890,502	5,940,428	73	39,219	39,292
Total	**179,373**	**24,531,460**	**24,710,833**	**308**	**401,041**	**401,349**

The analysis of the age of over due installments and their accrued insterest by type of financial assets is the following:

	Less than 30 days		Between 31 and 89 days		90 days or more		Total	
	March 31, 2018 MCh$	December 31, 2017 MCh$	March 31, 2018 MCh$	December 31, 2017 MCh$	March 31, 2018 MCh$	December 31, 2017 MCh$	March 31, 2018 MCh$	December 31, 2017 MCh$
Loans and receivables from banks	-	-	-	-	-	-	-	-
Loans and receivables from customers	41,550	30,061	50,392	53,656	191,273	189,066	283,215	**272,783**
Total	**41,550**	**30, 061**	**50,392**	**53,656**	**191,273**	**189,066**	**283,215**	**272,783**

NOTE 35 - RISK MANAGEMENT, CONTINUED

Maximum exposure to credit risk

The exposure to credit risk varies significantly and depends on both individual risks and general market economy risks.

As of March 31, 2018

	Maximum exposure MCh$	Allowance MCh$	Net exposure after allowances MCh$	Associated collateral MCh$	Net exposure MCh$
Trading portfolio financial assets	2,060,371	-	**2,060,371**	-	**2,060,371**
Loans and receivables to banks	274,216	(498)	**273,718**	-	**273,718**
Loans and receivables to customers, and credit commitments (1)	32,480,005	(432,057)	**32,047,948**	(10,829,295)	**21,218,653**
Financial investments available for sale	2,388,763	-	**2,388,763**	-	**2,388,763**
Financial investments held to maturity	786	-	**786**	-	**786**
Derivative financial agreements (2)	1,362,671	(16,984)	**1,345,687**	-	**1,345,687**

(1) In this line loans and receivables are included for an amount of MCh$25,302,409 (see Note 10) and credit commitments of MCh$7,177,596 (see Note 22), Reported collateral is legally pledged to the Bank and there is no uncertainty regarding its possible execution or settlement.
(2) As of March 31, 2018, no collateral was provided in favour of the Bank.

As of December 31, 2017

	Maximum exposure MCh$	Allowance MCh$	Net exposure after allowances MCh$	Associated collateral MCh$	Net exposure MCh$
Trading portfolio financial assets	2,197,716	-	**2,197,716**	-	**2,197,716**
Loans and receivables to banks	179,373	(308)	**179,065**	-	**179,065**
Loans and receivables to customers, and credit commitments (3)	31,573,420	(420,220)	**31,153,200**	(10,555,918)	**20,597,282**
Financial investments available for sale	2,531,682	-	**2,531,682**	-	**2,531,682**
Financial investments held to maturity	800	-	**800**	-	**800**
Derivative financial agreements (4)	1,385,971	(20,233)	**1,365,738**	-	**1,365,738**

(3) In this line loans and receivables are included for an amount of MCh$24,531,460 (see Note 10) and credit commitments of MCh$7,041,960 (see Note 22), Reported collateral is legally pledged to the Bank and there is no uncertainty regarding its possible execution or settlement.
(4) As of December 31, 2017, no collateral was provided in favour of the Bank.

Operational Risk

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

NOTE 35 - RISK MANAGEMENT, CONTINUED

Information Security

The Bank has a security strategy based on the best practices of the industry which is sustained in the regulatory frame and whose main component is the General Policy for Information Security, approved by the Board of Directors Committee; an organization consisting of specialized areas, where the recent creation of a dedicated unit to manage cybersecurity risks is highlighted; adding to the existing units oriented to the administration and operation of security and focused on the administration and operation of security and the management of technological risks; and an Information 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 was implemented during 2017 in order to strengthen technological infrastructure and specific procedures of operation and monitoring of cybersecurity, oriented towards preventing, identifying and stoping attacks on the information security of the clients and the Bank.

Business continuity

The continuity strategies developed during the last several years have been consolidated, adding new risk scenarios and increasing the coverage plan to the different units that need to continue operating in situations of contingency.

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

During 2017, significant investments have been made in order to strengthen information and communication technologies and improve the Bank's capacity to maintain the continuity of its services to clients and the community, in the face of contingency scenarios that may occur. At the same time, activities has been carried out for maintaining and improving business continuity including updating, testing and training of employees. The tests were carried out during working hours, with customer service in order to validate the effectiveness of the procedures and continuity strategies that were established, giving a constant and satisfactory customer service. Tests carried out involve the implementation of operational procedures, technological tests and drills.

NOTE 35 - RISK MANAGEMENT, CONTINUED

Prevention of fraud

This function is responsible for implementing a corporate fraud prevention strategy, both internal and external, that safeguards the patrimony of our clients, the Bank and protects the reputation of BCI. To this end, new processes, technologies, methodologies and models have been implemented to prevent and anticipate fraud risks, as well as activities to strengthen the culture and adherence to the ethical framework for the good work of the Bank's employees.

In this area, the dissemination of the Code of Ethics, Internal Regulation of Order, Hygiene and Safety, Manual for the Prevention of Criminal Risk, and Behavior of Confidence Break has been reinforced.

Management of operational risk in suppliers

The Operational Risk Management has a risk management program in outsourced services for the Bank, which aims to identify and timely manage the risks that may exist in a process contracted to a third party during the life cycle of the outsourced service, that is, from the inception of the service until the contractual relationship is extinguished. Depending on the risks identified, decisions are made to keep risks within acceptable levels for BCI.

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.

NOTE 36 - MATURITIES OF ASSETS AND LIABILITIES

As of March 31, 2018 and December 31, 2017, the breakdown of maturities of assets and liabilities is as follows:

As of March 31, 2018	**Current**	**Up to 1 Month**	**Between 1 and 3 months**	**Between 3 and 12 months**	**Subtotal up to 1 year**	**Between 1 and 5 years**	**More than 5 years**	**Subtotal over 1 year**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Assets									
Cash and deposits in banks	1,933,971	-	-	-	1,933,971	-	-	-	**1,933,971**
Items in course of collection	307,982	-	-	-	307,982	-	-	-	**307,982**
Trading portfolio financial assets	-	2,060,371	-	-	2,060,371	-	-	-	**2,060,371**
Investments under agreement to resell	-	92,373	60,192	44,314	196,879	-	-	-	**196,879**
Derivative financial agreements	-	197,495	94,041	177,804	469,340	454,093	422,254	876,347	**1,345,687**
Loans and receivables to banks (*)	-	30,024	29,277	211,891	271,192	3,024	-	3,024	**274,216**
Loans and receivables to customers (**)	-	1,737,812	2,058,623	4,015,395	7,811,830	8,400,690	8,689,523	17,090,213	**24,902,043**
Financial investments available for sale	-	35,912	59,635	64,862	160,409	569,641	1,658,713	2,228,354	**2,388,763**
Investment investments held to maturity	-	-	-	-	-	-	786	786	**786**
Total assets	**2,241,953**	**4,153,987**	**2,301,768**	**4,514,266**	**13,211,974**	**9,427,448**	**10,771,276**	**20,198,724**	**33,410,698**
Liabilities									
Current accounts and demand deposits	9,355,168	-	-	-	9,355,168	-	-	-	**9,355,168**
Items in course of collection	207,324	-	-	-	207,324	-	-	-	**207,324**
Liabilities under agreements to repurchase	-	500,991	11,173	201,952	714,116	46,959	264	47,223	**761,339**
Term deposits and saving accounts	-	4,694,728	3,298,430	3,072,303	11,065,461	280,949	14	280,963	**11,346,424**
Derivative financial agreements	-	203,761	106,104	213,518	523,383	537,764	443,946	981,710	**1,505,093**
Borrowings from financial institutions	-	988,779	414,598	282,377	1,685,754	160,253	-	160,253	**1,846,007**
Debt issued	-	18,966	7,493	373,657	400,116	2,082,212	2,960,225	5,042,437	**5,442,553**
Other financial liabilities	-	631,570	88,035	24,144	743,749	12,225	756	12,981	**756,730**
Total liabilities	**9,562,492**	**7,038,795**	**3,925,833**	**4,167,951**	**24,695,071**	**3,120,362**	**3,405,205**	**6,525,567**	**31,220,638**

(*) Gross values.
(**) Excludes provisions and amounts whose maturity date has already passed.

NOTE 36 - MATURITIES OF ASSETS AND LIABILITIES, CONTINUED

As of December 31, 2017	Current	Up to 1 Month	Between 1 and 3 months	Between 3 and 12 months	Subtotal up to 1 year	Between 1 and 5 years	More than 5 years	Subtotal over 1 year	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Assets									
Cash and deposits in banks	1,495,732	-	-	-	1,495,732	-	-	-	**1,495,732**
Items in course of collection	259,977	-	-	-	259,977	-	-	-	**259,977**
Trading portfolio financial assets	-	2,197,716	-	-	2,197,716	-	-	-	**2,197,716**
Investments under agreement to resell	-	152,587	69,244	28,742	250,573	2,026	-	2,026	**252,599**
Derivative financial agreements	-	225,699	80,994	195,236	501,929	434,474	429,335	863,809	**1,365,738**
Loans and receivables to banks (*)	-	10,640	26,332	137,016	173,988	5,385	-	5,385	**179,373**
Loans and receivables to customers (**)	-	2,446,925	1,416,462	3,930,624	7,794,011	10,074,416	6,463,808	16,538,224	**24,332,235**
Financial investments available for sale	-	115,281	60,461	31,570	207,312	668,892	1,655,478	2,324,370	**2,531,682**
Investment investments held to maturity	-	-	-	-	-	-	800	800	**800**
Total assets	**1,755,709**	**5,148,848**	**1,653,493**	**4,323,188**	**12,881,238**	**11,185,193**	**8,549,421**	**19,734,614**	**32,615,852**
Liabilities									
Current accounts and demand deposits	9,534,124	-	-	-	9,534,124	-	-	-	**9,534,124**
Items in course of collection	109,341	-	-	-	109,341	-	-	-	**109,341**
Liabilities under agreements to repurchase	-	500,486	106,120	156,802	763,408	106,003	27	106,030	**869,438**
Term deposits and saving accounts	-	4,712,600	3,254,235	2,414,673	10,381,508	310,795	43	310,838	**10,692,346**
Derivative financial agreements	-	239,755	65,274	270,119	575,148	495,657	408,797	904,454	**1,479,602**
Borrowings from financial institutions	-	943,166	406,204	334,207	1,683,577	70,779	-	70,779	**1,754,356**
Debt issued	-	53,226	106	379,037	432,369	1,762,920	2,825,018	4,587,938	**5,020,307**
Other financial liabilities	-	643,954	408	21,969	666,331	11,894	1,154	13,048	**679,379**
Total liabilities	**9,643,465**	**7,093,187**	**3,832,347**	**3,576,807**	**24,145,806**	**2,758,048**	**3,235,039**	**5,993,087**	**30,138,893**

(*) Gross values.
(**) Excludes provisions and amounts whose maturity date has already passed.

NOTE 37 - FOREIGN CURRENCY

The interim consolidated statement of financial position as of March 31, 2018 and the audited consolidated statement of financial position as of December 31, 2017 include assets and liabilities in foreign currencies or indexed to the variation in the exchange rate disclosed in column "in Chilean Pesos") according to the following detail:

	In foreign currency		In Chilean Pesos		Total	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
ASSETS	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Cash and deposits in banks	1,209,048	809,472	724,923	686,260	**1,933,971**	**1,495,732**
Items in course of collection	81,246	74,627	226,736	185,350	**307,982**	**259,977**
Trading portfolio financial assets	158,651	117,393	1,901,720	2,080,323	**2,060,371**	**2,197,716**
Investments under agreement to resell	-	-	196,879	252,599	**196,879**	**252,599**
Derivative financial agreements	22,322	15,262	1,323,365	1,350,476	**1,345,687**	**1,365,738**
Loans and receivables to banks, net	273,718	179,065	-	-	**273,718**	**179,065**
Loans and receivables to customers, net	7,249,774	6,921,596	17,640,366	17,208,823	**24,890,140**	**24,130,419**
Financial investments available for sale	1,766,734	1,866,409	622,029	665,273	**2,388,763**	**2,531,682**
Financial investments held to the maturity	786	800	-	-	**786**	**800**
Investments in other companies	-	-	150,958	207,718	**150,958**	**207,718**
Intangible assets	2,221	2,367	168,465	173,530	**170,686**	**175,897**
Property, plant and equipment	45,938	46,494	220,840	223,797	**266,778**	**270,291**
Current income tax	11,652	12,251	2,687	2,061	**14,339**	**14,312**
Deferred income taxes	32,591	31,014	26,322	17,146	**58,913**	**48,160**
Other assets	435,892	422,957	291,061	330,333	**726,953**	**753,290**
TOTAL ASSETS	**11,290,573**	**10,499,707**	**23,496,351**	**23,383,689**	**34,786,924**	**33,883,396**
LIABILITIES						
Current accounts and demand deposits	4,587,291	4,607,427	4,767,877	4,926,697	**9,355,168**	**9,534,124**
Items in course of collection	148,584	85,689	58,740	23,652	**207,324**	**109,341**
Liabilities under agreements to repurchase	168,491	142,795	592,848	726,643	**761,339**	**869,438**
Term deposits and saving accounts	2,989,642	2,637,417	8,356,782	8,054,929	**11,346,424**	**10,692,346**
Derivative financial agreements	21,750	10,357	1,483,343	1,469,245	**1,505,093**	**1,479,602**
Borrowings from financial institutions	1,366,720	1,296,523	479,287	457,833	**1,846,007**	**1,754,356**
Debt issued	1,154,327	1,175,869	4,288,226	3,844,438	**5,442,553**	**5,020,307**
Other financial liabilities	701,088	623,006	55,642	56,373	**756,730**	**679,379**
Current income tax	-	-	17,511	7,480	**17,511**	**7,480**
Deferred income taxes	-	-	1,130	980	**1,130**	**980**
Provisions	23,587	33,489	155,300	241,184	**178,887**	**274,673**
Other liabilities	83,841	124,824	516,948	608,260	**600,789**	**733,084**
TOTAL LIABILITIES	**11,245,321**	**10,737,396**	**20,773,634**	**20,417,714**	**32,018,955**	**31,155,110**

NOTE 38 - SUBSEQUENT EVENTS

On April 2, 2018, approval was received for the acquisition of TotalBank by the Office of the Comptroller of the Currency (OCC), one of the United States agencies that oversees the Banking Institutions in that country. Regulatory authorizations from the competent authorities in Chile and Spain are still pending.

On June 4, 2018, an essential event was reported to the Superintendency of Banks and Financial Institutions, communicating that all regulatory authorizations were received for the acquisition of TotalBank, a bank constituted and currently under the laws of the State of Florida, USA ("TotalBank"), through a merge incorporating TotalBank into City National Bank of Florida ("CNB"), a subsidiary of Banco de Credits y Inversiones ("Bci") constituted under the laws of the State of Florida, EE .US. (the "Transaction"), was initially informed to the Superintendency on November 30, 2017.

In the same essential event, it comunicated that the authorization by the Office of The Comptroller of the Currency was granted on April 2, 2018, the authorization by the Central Bank of Chile was granted on May 31, 2018, and authorization by that Superintendency was granted on June 1, 2018.

Having obtained the necessary regulatory authorizations, and in accordance with the agreement in the Transaction documents, the Bank is making all the steps to proceed with the closing of the same, which will be timely informed to that Superintendence and the Market.

On April 27, 2018, the National Economic Prosecutor's Office communicated its approval of the acquisition transaction of the subsidiaries of Walmart Chile S.A. e Inversiones and Rentas Presto Limitada that are indicated below:

- Lider Corredor de Seguros y Gestión Financiera Limitada
- Operadora de Tarjetas Lider Servicios Financieros Limitada
- Servicios y Administración de Créditos Comerciales Lider S.A.
- Sociedad de Servicios de Comercialización y Apoyo Financiero y de Gestión Presto Limitada
- Servicios y Cobranza Limitada.

Regarding this transaction, work continues on the integration and authorization process by the SBIF.

Between January 1, 2018 and the date of issuance of these interim consolidated financial tatements, there have been no other subsequent events which may have impact on the presentation of these interim consolidated financial statements.

Juan Gerter Calderón	Eugenio Von Chrismar Carvajal
Corporate Accounting Manager	Chief Executive Officer