

BANK OF CHILE
Form 6-K
April 29, 2015
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FORM 6-K
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

**Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934**

For the month of April, 2015

Commission File Number 001-15266

BANK OF CHILE

(Translation of registrant's name into English)

**Paseo Ahumada 251
Santiago, Chile**
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

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Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

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BANCO DE CHILE
REPORT ON FORM 6-K

Attached Banco de Chile's Consolidated Financial Statements with notes as of March 31, 2015.

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| | | |
|-------------|---|--|
| MCh\$ | = | Millions of Chilean pesos |
| ThUS\$ | = | Thousands of U.S. dollars |
| UF or CLF | = | Unidad de Fomento (The Unidad de Fomento is an inflation-indexed, Chilean peso denominated monetary unit set daily in advance on the basis of the previous month's inflation rate). |
| Ch\$ or CLP | = | Chilean pesos |
| US\$ or USD | = | U.S. dollars |
| JPY | = | Japanese yen |
| EUR | = | Euro |
| MXN | = | Mexican pesos |
| HKD | = | Hong Kong dollars |
| PEN | = | Peruvian nuevo sol |
| CHF | = | Swiss franc |
| IFRS | = | International Financial Reporting Standards |
| IAS | = | International Accounting Standards |
| RAN | = | Compilation of Norms of the Chilean Superintendency of Banks |
| IFRIC | = | International Financial Reporting Interpretations Committee |
| SIC | = | Standards Interpretation Committee |

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For the periods ended March 31, 2015 and December 31, 2014

(Translation of financial statements originally issued in Spanish)

(Expressed in million of Chilean pesos)

| | Notes | March 2015 MCh\$ | December 2014 MCh\$ |
|--|-------|------------------------|---------------------------|
| ASSETS | | | |
| Cash and due from banks | 7 | 836,428 | 915,133 |
| Transactions in the course of collection | 7 | 558,183 | 400,081 |
| Financial assets held-for-trading | 8 | 513,743 | 548,471 |
| Cash collateral on securities borrowed and reverse repurchase agreements | 9 | 30,992 | 27,661 |
| Derivative instruments | 10 | 959,203 | 832,193 |
| Loans and advances to banks | 11 | 1,471,506 | 1,155,365 |
| Loans to customers, net | 12 | 21,343,909 | 21,348,033 |
| Financial assets available-for-sale | 13 | 1,566,813 | 1,600,189 |
| Financial assets held-to-maturity | 13 | | |
| Investments in other companies | 14 | 25,917 | 25,312 |
| Intangible assets | 15 | 26,815 | 26,593 |
| Property and equipment | 16 | 204,941 | 205,403 |
| Current tax assets | 17 | 3,931 | 3,468 |
| Deferred tax assets | 17 | 199,808 | 202,869 |
| Other assets | 18 | 414,363 | 355,057 |
| TOTAL ASSETS | | 28,156,552 | 27,645,828 |
| LIABILITIES | | | |
| Current accounts and other demand deposits | 19 | 7,048,174 | 6,934,373 |
| Transactions in the course of payment | 7 | 308,261 | 96,945 |
| Cash collateral on securities lent and repurchase agreements | 9 | 249,784 | 249,482 |
| Savings accounts and time deposits | 20 | 9,736,875 | 9,721,246 |
| Derivative instruments | 10 | 980,639 | 859,752 |
| Borrowings from financial institutions | 21 | 1,193,195 | 1,098,716 |
| Debt issued | 22 | 5,305,301 | 5,057,956 |
| Other financial obligations | 23 | 165,620 | 186,573 |
| Current tax liabilities | 17 | 18,728 | 22,498 |
| Deferred tax liabilities | 17 | 37,686 | 35,029 |
| Provisions | 24 | 329,229 | 601,714 |
| Other liabilities | 25 | 254,497 | 246,388 |
| TOTAL LIABILITIES | | 25,627,989 | 25,110,672 |
| EQUITY | | | |
| | 27 | | |
| Attributable to Bank's Owners: | | | |
| Capital | | 2,041,173 | 1,944,920 |
| Reserves | | 390,640 | 263,258 |
| Other comprehensive income | | 45,675 | 44,105 |
| Retained earnings: | | | |
| Retained earnings from previous periods | | 16,060 | 16,379 |
| Income for the period | | 116,715 | 591,080 |

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| | | |
|-------------------------------------|-------------------|-------------------|
| Less: | | |
| Provision for minimum dividends | (81,701) | (324,588) |
| Subtotal | 2,528,562 | 2,535,154 |
| Non-controlling interests | 1 | 2 |
| TOTAL EQUITY | 2,528,563 | 2,535,156 |
| TOTAL LIABILITIES AND EQUITY | 28,156,552 | 27,645,828 |

The accompanying notes 1 to 41 are an integral part of these interim condensed consolidated financial statements

Table of Contents**BANCO DE CHILE AND SUBSIDIARIES****INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD**

For the three-month ended March 31, 2015 and 2014

(Translation of financial statements originally issued in Spanish)

(Expressed in million of Chilean pesos)

A, CONSOLIDATED STATEMENT OF INCOME

| | Notes | March 2015 MCh\$ | March 2014 MCh\$ |
|--|-------|------------------------|------------------------|
| Interest revenue | 28 | 365,618 | 507,366 |
| Interest expense | 28 | (101,895) | (205,893) |
| Net interest income | | 263,723 | 301,473 |
| Income from fees and commissions | 29 | 102,372 | 95,403 |
| Expenses from fees and commissions | 29 | (30,271) | (29,119) |
| Net fees and commission income | | 72,101 | 66,284 |
| Net financial operating income | 30 | 22,005 | 11,895 |
| Foreign exchange transactions, net | 31 | 15,503 | 22,578 |
| Other operating income | 36 | 8,147 | 5,723 |
| Total operating revenues | | 381,479 | 407,953 |
| Provisions for loan losses | 32 | (65,432) | (76,354) |
| OPERATING REVENUES, NET OF PROVISIONS FOR LOAN LOSSES | | 316,047 | 331,599 |
| Personnel expenses | 33 | (93,557) | (82,276) |
| Administrative expenses | 34 | (68,389) | (66,231) |
| Depreciation and amortization | 35 | (7,386) | (6,505) |
| Impairment | 35 | (203) | (203) |
| Other operating expenses | 37 | (9,686) | (4,765) |
| TOTAL OPERATING EXPENSES | | (179,018) | (159,980) |
| NET OPERATING INCOME | | 137,029 | 171,619 |
| Income attributable to associates | 14 | 691 | 207 |
| Income before income tax | | 137,720 | 171,826 |
| Income tax | 17 | (21,005) | (21,075) |
| NET INCOME FOR THE PERIOD | | 116,715 | 150,751 |
| Attributable to: | | | |

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| | | | |
|---|----|---------|---------|
| Bank s Owners | | 116,715 | 150,750 |
| Non-controlling interests | | | 1 |
| | | \$ | \$ |
| Net income per share attributable to Bank s Owners: | | | |
| Basic net income per share | 27 | 1.23 | 1.59 |
| Diluted net income per share | 27 | 1.23 | 1.59 |

The accompanying notes 1 to 41 are an integral part of these interim condensed consolidated financial statements

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For the three-month ended March 31, 2015 and 2014

(Translation of financial statements originally issued in Spanish)

(Expressed in million of Chilean pesos)

| | Notes | March 2015 MCh\$ | March 2014 MCh\$ |
|---|-------|------------------------|------------------------|
| NET INCOME FOR THE YEAR | | 116,715 | 150,751 |
| Other comprehensive income that will be reclassified subsequently to profit or loss | | | |
| Net unrealized gains (losses): | | | |
| Net change in unrealized gains (losses) on available for sale instruments | 13 | 7,317 | 2,339 |
| Gains and losses on derivatives held as cash flow hedges | 10 | (5,374) | (20,383) |
| Cumulative translation adjustment | | | 39 |
| Subtotal Other comprehensive income before income taxes | | 1,943 | (18,005) |
| Income tax | | (373) | 3,609 |
| Total other comprehensive income items that will be reclassified subsequently to profit or loss | | 1,570 | (14,396) |
| Other comprehensive income that will not be reclassified subsequently to profit or loss | | | |
| Loss in defined benefit plans | | | |
| Subtotal other comprehensive income before income taxes | | | |
| Income taxes | | | |
| Total other comprehensive income items that will not be reclassified subsequently to profit or loss | | | |
| TOTAL CONSOLIDATED COMPREHENSIVE INCOME | | 118,285 | 136,355 |
| Attributable to: | | | |
| Equity holders of the parent | | 118,285 | 136,354 |
| Non-controlling interest | | | 1 |
| Comprehensive net income per share from continued operations attributable to equity holders of the parent: | | | |
| Basic net income per share | | 1.25 | 1.44 |

| | | |
|------------------------------|------|------|
| Diluted net income per share | 1.25 | 1.44 |
|------------------------------|------|------|

The accompanying notes 1 to 41 are an integral part of these interim condensed consolidated financial statements

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For the three-month ended March 31, 2015 and 2014

(Translation of financial statements originally issued in Spanish)

(Expressed in millions of Chilean pesos)

| | Notes | Reserves | | | Other comprehensive income | | | Retained earnings | | | Attributable to equity holders of the parent MCh\$ |
|--|-------|-----------------------|----------------------|------------------------------|---|-----------------------------------|---|---|---------------------------|---------------------------------------|--|
| | | Paid-in Capital MCh\$ | Other reserves MCh\$ | Reserves from earnings MCh\$ | Unrealized gains (losses) on available-for-sale MCh\$ | Derivatives cash flow hedge MCh\$ | Cumulative translation adjustment MCh\$ | Retained earnings from previous periods MCh\$ | Income for the year MCh\$ | Provision for minimum dividends MCh\$ | |
| Balances as of December 31, 2013 | | 1,849,351 | 32,125 | 181,511 | 29,372 | (13,421) | (23) | 16,379 | 513,602 | (324,582) | 2,284,314 |
| Capitalization of retained earnings | 27 | 95,569 | | | | | | | (95,569) | | |
| Income retention (released) according to law | | | | 49,913 | | | | | (49,913) | | |
| Dividends distributions and paid | 27 | | | | | | | | (368,120) | 324,582 | (43,538) |
| Other comprehensive income: | 27 | | | | | | | | | | |
| Cumulative translation adjustment | | | | | | | 39 | | | | 39 |
| Derivatives cash flow hedge, net | | | | | | (16,306) | | | | | (16,306) |
| Valuation adjustment on available-for-sale instruments (net) | | | | | 1,871 | | | | | | 1,871 |
| Income for the period 2014 | | | | | | | | | 150,750 | | 150,750 |
| Provision for minimum dividends | 27 | | | | | | | | | (84,883) | (84,883) |
| Balances as of March 31, 2014 | | 1,944,920 | 32,125 | 231,424 | 31,243 | (29,727) | 16 | 16,379 | 150,750 | (84,883) | 2,292,247 |
| Defined benefit plans adjustment | | | (296) | | | | | | | | (296) |
| Equity adjustment associates | | | 5 | | | | | | | | 5 |
| Other comprehensive | | | | | | | | | | | |

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| | | | | | | | | | | | |
|--|----|------------------|---------------|----------------|---------------|---------------|-----------|---------------|----------------|------------------|------------------|
| income: | | | | | | | | | | | |
| Cumulative translation adjustment | | | | | | 41 | | | | 41 | |
| Cash flow hedge adjustment, net | | | | | 39,813 | | | | | 39,813 | |
| Valuation adjustment on available-for-sale instruments, net | | | 2,719 | | | | | | | 2,719 | |
| Income for the period 2014 | | | | | | | | 440,330 | | 440,330 | |
| Provision for minimum dividends | | | | | | | | | (239,705) | (239,705) | |
| Balances as of December 31, 2014 | | 1,944,920 | 31,834 | 231,424 | 33,962 | 10,086 | 57 | 16,379 | 591,080 | (324,588) | 2,535,154 |
| Capitalization of retained earnings | 27 | 96,253 | | | | | | | (96,253) | | |
| Retention (released) earnings | | | 127,383 | | | | | | (127,383) | | |
| Dividends distributions and paid | 27 | | | | | | | | (367,444) | 324,588 | (42,856) |
| Other comprehensive income: | 27 | | | | | | | | | | |
| Cumulative translation adjustment | | | | | | | | | | | |
| Cash flow hedge adjustment, net | | | | | | (4,165) | | | | | (4,165) |
| Valuation adjustment on available-for-sale instruments (net) | | | | 5,735 | | | | | | | 5,735 |
| Income for the period 2015 | | | | | | | | | 116,715 | | 116,715 |
| Equity adjustment investment in other companies | | | (1) | | | | | | (319) | | (320) |
| Provision for minimum dividends | 27 | | | | | | | | | (81,701) | (81,701) |
| Balances As of March 31, 2015 | | 2,041,173 | 31,833 | 358,807 | 39,697 | 5,921 | 57 | 16,060 | 116,715 | (81,701) | 2,528,562 |

The accompanying notes 1 to 41 are an integral part of these interim condensed consolidated financial statements

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BANCO DE CHILE AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three-month ended March 31, 2015 and 2014

(Translation of financial statements originally issued in Spanish)

(Expressed in million of Chilean pesos)

| | Notes | March 2015 MCh\$ | March 2014 MCh\$ |
|--|-------|------------------------|------------------------|
| OPERATING ACTIVITIES: | | | |
| Net income for the period | | 116,715 | 150,751 |
| Items that do not represent cash flows: | | | |
| Depreciation and amortization | 35 | 7,386 | 6,505 |
| Impairment of intangible assets and property and equipment | 35 | | 203 |
| Provision for loan losses | 32 | 76,781 | 84,446 |
| Provision of contingent loans | 32 | 1,120 | 1,831 |
| Fair value adjustment of financial assets held-for-trading | | 156 | 84 |
| Income attributable to investments in other companies | 14 | (677) | (207) |
| Income from sales of assets received in lieu of payment | 36 | (764) | (856) |
| Net gain on sales of property and equipment | 36-37 | (28) | (37) |
| (Increase) decrease in other assets and liabilities | | (95,057) | (88,796) |
| Charge-offs of assets received in lieu of payment | 37 | 437 | 333 |
| Other charges (credits) to income that do not represent cash flows | | 1,226 | 381 |
| (Gain) loss from foreign exchange transactions of other assets and other liabilities | | (211,654) | (154,459) |
| Net changes in interest and fee accruals | | 116,786 | 19,441 |
| Changes in assets and liabilities that affect operating cash flows: | | | |
| (Increase) decrease in loans and advances to banks, net | | (316,477) | (494,939) |
| (Increase) decrease in loans to customers | | (135,222) | (73,988) |
| (Increase) decrease in financial assets held-for-trading, net | | 26,137 | (122,348) |
| (Increase) decrease in deferred taxes, net | 17 | 4,237 | (2,393) |
| (Increase) decrease in current account and other demand deposits | | 114,755 | 611,675 |
| (Increase) decrease in payables from repurchase agreements and security lending | | 5,094 | 124,615 |
| (Increase) decrease in savings accounts and time deposits | | 35,566 | (428,102) |
| Proceeds from sale of assets received in lieu of payment | | 1,311 | 1,450 |
| Total cash flows from operating activities | | (252,172) | (364,410) |
| INVESTING ACTIVITIES: | | | |
| (Increase) decrease in financial assets available-for-sale, net | | 198,129 | 415,789 |
| Purchases of property and equipment | 16 | (4,658) | (4,587) |
| Proceeds from sales of property and equipment | | 40 | 40 |
| Purchases of intangible assets | 15 | (2,405) | (821) |
| Investments in other companies | 14 | | |
| Dividends received from investments in other companies | 14 | (72) | |
| Total cash flows from investing activities | | 191,034 | 410,421 |
| FINANCING ACTIVITIES: | | | |
| Proceeds of mortgage finance bonds | | | |
| Repayment of mortgage finance bonds | | (4,451) | (4,219) |

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| | | | |
|--|----|------------------|------------------|
| Proceeds from bond issuances | 22 | 480,406 | 555,108 |
| Redemption of bond issuances | | (97,292) | (124,865) |
| Proceeds from subscription and payment of shares | | | |
| Dividends paid | 27 | (367,444) | (368,120) |
| (Increase) decrease in borrowings from financial institutions | | (3,856) | (97,911) |
| (Increase) decrease in other financial obligations | | (20,296) | (11,170) |
| (Increase) decrease in borrowings from Central Bank of Chile | | | |
| Borrowings from Central Bank of Chile (long-term) | | 20 | 7 |
| Payment of borrowings from Central Bank of Chile (long-term) | | (21) | (8) |
| Long-term foreign borrowings | | 899,293 | 110,627 |
| Payment of long-term foreign borrowings | | (801,065) | (408,355) |
| Proceeds from other long-term borrowings | | 13,705 | 6,373 |
| Payment of other long-term borrowings | | (14,470) | (8,491) |
| Total cash flows from financing activities | | 84,529 | (351,024) |
| TOTAL NET POSITIVE CASH FLOWS FOR THE PERIOD | | 23,391 | (305,013) |
| Net effect of exchange rate changes on cash and cash equivalents | | 11,816 | 15,375 |
| Cash and cash equivalents at beginning of year | | 1,825,578 | 1,538,618 |
| Cash and cash equivalents at end of period | 7 | 1,860,785 | 1,248,980 |

Supplemental disclosure of cash flow information:

Cash paid during the year for:

| | | | |
|-------------------|--|----------|-----------|
| Interest received | | 434,556 | 434,806 |
| Interest paid | | (54,047) | (113,892) |

The accompanying notes 1 to 41 are an integral part of these interim condensed consolidated financial statements

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

1. Corporate information:

Banco de Chile is authorized to operate like a commercial bank since March 17, 1996, in conformity with the Article 25 of Law No, 19,396. Banco de Chile, resulting from the merger of Banco Nacional de Chile, Banco Agrícola and Banco de Valparaíso, was formed on October 28, 1893 in the city of Santiago, in the presence of the Notary Eduardo Reyes Lavalle.

Banco de Chile (Banco de Chile or the Bank) is a Corporation organized under the laws of the Republic of Chile, regulated by the Superintendency of Banks and Financial Institutions (SBIF or Superintendency). Since 2001, - when the bank was first listed on the New York Stock Exchange (NYSE), in the course of its American Depository Receipt (ADR) program, which is also registered at the London Stock Exchange Banco de Chile additionally follows the regulations published by the United States Securities and Exchange Commission (SEC).

Banco de Chile offers a broad range of banking services to its customers, ranging from individuals to large corporations. The services are managed in large corporate banking, middle and small corporate banking, personal banking services and retail. Additionally, the Bank offers international as well as treasury banking services. The Bank's subsidiaries provide other services including securities brokerage, mutual fund and investment management, insurance brokerage, financial advisory and securitization.

Banco de Chile's legal address is Paseo Ahumada 251, Santiago, Chile and its website is www.bancochile.cl.

The Interim Condensed Consolidated Financial Statements of Banco de Chile, for the period ended March 31, 2015 were approved for issuance in accordance with the directors on April 23, 2015.

2. Legal provisions, basis of preparation and other information:

(a) Legal provisions:

The General Banking Law in its Article No.15 authorizes the Chilean Superintendency of Banks (SBIF) to issue generally applicable accounting standards for entities it supervises. The Corporations Law, in turn, requires generally accepted accounting principles to be followed.

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Based on the aforementioned laws, banks should use the criteria provided by the Superintendency in accordance with the Compendium of Accounting Standards (Compendium), and any matter not addressed therein, as long as it does not contradict its instructions, should adhere to generally accepted accounting principles in technical standards issued by the Chilean Association of Accountants, that coincide with international accounting standards and international financial reporting standards agreed upon by the International Accounting Standards Board (IASB). Should there be discrepancies between these generally accepted accounting principles and the accounting criteria issued by the SBIF, the latter shall prevail.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

2. Legal provisions, basis of preparation and other information, continued:

(b) Basis of preparation:

(b.1) These Interim Condensed Consolidated Financial Statements are presented according to Chapter C-2 of the Compendium of Accounting Standards, issued by the Superintendency of Banks and Financial Institutions (SBIF).

(b.2) The following table details the entities in which the Bank has controlling interest and that are therefore consolidated in these financial statements:

| RUT | Subsidiaries | Country | Functional Currency | Direct | | Interest Owned Indirect | | Total | |
|--------------|--|-----------|------------------------|-----------|-----------|----------------------------|-----------|-----------|-----------|
| | | | | 2015 % | 2014 % | 2015 % | 2014 % | 2015 % | 2014 % |
| 44,000,213-7 | Banchile Trade Services Limited | Hong Kong | US\$ | 100.00 | 100.00 | | | 100.00 | 100.00 |
| 96,767,630-6 | Banchile Administradora General de Fondos S.A. | Chile | Ch\$ | 99.98 | 99.98 | 0.02 | 0.02 | 100.00 | 100.00 |
| 96,543,250-7 | Banchile Asesoría Financiera S.A. | Chile | Ch\$ | 99.96 | 99.96 | | | 99.96 | 99.96 |
| 77,191,070-K | Banchile Corredores de Seguros Ltda, | Chile | Ch\$ | 99.83 | 99.83 | 0.17 | 0.17 | 100.00 | 100.00 |
| 96,571,220-8 | Banchile Corredores de Bolsa S.A. | Chile | Ch\$ | 99.70 | 99.70 | 0.30 | 0.30 | 100.00 | 100.00 |
| 96,932,010-K | Banchile Securitizadora S.A. | Chile | Ch\$ | 99.01 | 99.00 | 0.99 | 1.00 | 100.00 | 100.00 |
| 96,645,790-2 | Socofin S.A. | Chile | Ch\$ | 99.00 | 99.00 | 1.00 | 1.00 | 100.00 | 100.00 |
| 96,510,950-1 | Promarket S.A. | Chile | Ch\$ | 99.00 | 99.00 | 1.00 | 1.00 | 100.00 | 100.00 |

(c) Use of estimates and judgment:

Preparing financial statements requires management to make judgments, estimations and assumptions that affect the application of accounting policies and the valuation of assets, liabilities, income and expenses presented. Real results could differ from these estimated amounts. Details on the use of estimates and judgment and their effect on the amounts recognized in the Interim Condensed Consolidated Financial Statement are included in the following notes:

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1. Goodwill valuation (Note No. 15);
2. Useful lives of property and equipment and intangible assets (Notes No.15 and No.16);
3. Income taxes and deferred taxes (Note No. 17);
4. Provisions (Note No. 24);
5. Contingencies and Commitments (Note No. 26);
6. Provision for loan losses (Note No. 11, No. 12 and No. 32);
7. Impairment of other financial assets (Note No. 35);
8. Fair value of financial assets and liabilities (Note No. 39).

Estimates and relevant assumptions are regularly reviewed by the management of the Bank, according to quantify certain assets, liabilities, gains, loss and commitments. Estimates reviewed are registered in income in the period that the estimate is reviewed.

During the period of March 31, 2015, there have not been significant changes in the estimates.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

2. Legal provisions, basis of preparation and other information, continued:

(d) Seasonality or Cyclical Character of the Transactions of the Intermediate Period:

Due to the nature of its business, the Bank and its subsidiaries' activities do not have a cyclical or seasonal character. Accordingly, no specific details have been included on the notes to this Interim Condensed Consolidated Financial Statements with the information regarding the period of three-month ended March 31, 2015.

(e) Relative Importance:

When determining the information to present on the different items from the financial statements or other subjects, the Bank has considered the relative importance in relation to the Interim Condensed Consolidated financial statements of the period.

(f) Reclassifications:

There have not been significant reclassifications at the end of this period 2015.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

3. New Accounting Pronouncements:

The following is a summary of new standards, interpretations and improvements to the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that it is not effective as of March 31, 2015:

IFRS 9 Financial Instruments.

The July 24, 2014, IASB completed its upgrade project about accounting for financial instruments with the publication of IFRS 9 Financial Instruments.

This standard includes new requirements based on new principles for the classification and measurement; it introduces a prospective model of expected credit losses on impairment accounting and changes in hedge accounting.

Classification and measurement

The classification determines how financial assets and liabilities are accounted in financial statements and, in particular, how they are measured. IFRS 9 introduces a new approach for classification of financial assets, based in the business model of the entity for the management of financial assets and the characteristic of its contractual flows. The new model also results in a single impairment model being applied to all financial instruments, removing a source of complexity associated with previous accounting requirements.

Impairment

The IASB has introduced a new impairment model that will require a timely recognition of expected credit losses.

Hedge Accounting

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IFRS 9 introduces a new model for hedge accounting with enhanced disclosures about risk management activity. The new model represents a substantial overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

Entity's Own Credit Risk

IFRS 9 removes the volatility in profit or loss originated by changes in the credit risk of designated liabilities at fair value. This change means that the change in the fair value that corresponds to credit risk will be registered in other comprehensive income. IFRS 9 permits early application of this improvement, before any other requirement of IFRS 9.

Adoption date mandatory January 1, 2018. Early application is permitted.

Banco de Chile and its subsidiaries are assessing the possible impact of adoption of these changes on the consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

3. New Accounting Pronouncements, continued:

IFRS 11 Joint Arrangements

In May of 2014 the IASB modified IFRS 11, providing guides about the accounting of acquisitions of participations in joint operations, whose activity constitute a business. This standard requires the acquirer of a participation in a joint operation, whose activities constitute a business, to apply all the principles on accounting for business combinations of the IFRS 3.

The effective date is beginning on January 1, 2016 and its early application is permitted.

Banco de Chile and its subsidiaries are assessing the impact of this rule in its consolidated financial statements.

IAS 16 Property, plant and equipment and IAS 38 Intangible assets

In May of 2014 the IASB modified IAS 16 and 38 with purpose of clarifying accepted methods of depreciation and amortization.

The amendment of IAS 16 prohibits property, plant and equipment, depreciation based on ordinary income.

The amendment of IAS 38 introduces the presumption that ordinary income is not an appropriate base for the amortization of intangible assets. This presumption only is refuted in two circumstances: (a) intangible asset is expressed like a unit of ordinary income; and (b) ordinary income and consumption of intangible assets are highly correlated.

The effective date is beginning on January 1, 2016 and its early application is permitted.

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This modification does not impact the consolidated financial statements of Banco de Chile and its subsidiaries, because it is not used as a basis of depreciation and amortization.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014. The objective is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

IFRS 15 replaces the following standards and interpretations: IAS 18 Revenue, IAS 11 Construction contracts, IFRIC 13 Customer loyalty programmes, IFRIC 15 Agreements for the construction of real estate, IFRIC 18 Transfers of assets from customers and SIC 31 Revenue Barter transactions involving advertising services.

The new model will be applied to all contracts with customers except those contracts are within the scope of another standard.

Application of the standard is mandatory for annual reporting periods starting from January 1, 2017 onward, early application is permitted.

Banco de Chile and its subsidiaries are assessing the impact of this rule on its consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

3. New Accounting Pronouncements, continued:

IAS 27 Consolidated and Separated Financial Statements

In August 2014, the IASB published the amendment that will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

The effective date is beginning on January 1, 2016 and its early application is permitted.

This amendment does not impact the consolidated financial statements of Banco de Chile and its subsidiaries.

IAS 28 Investments in Associates and Joint Venture and IFRS 10 - Consolidated Financial Statements

In September 2014, the IASB issued this amendment, which clarifies the scope of recognized gains and losses in a transaction involving an associate or joint venture, and this depends on whether the asset sold or contribution is a business. Therefore, IASB concluded that all of the profit or loss should be recognized against loss of control of a business. Likewise, gains or losses resulting from the sale or contribution of a subsidiary that is not a business (definition of IFRS 3) to an associate or joint venture should be recognized only to the extent of unrelated interests in the associate or joint venture.

The effective date is beginning on January 1, 2016 and its early application is permitted.

This amendment does not impact the consolidated financial statements of Banco de Chile and its subsidiaries.

Annual improvements IFRS

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In September 2014, the IASB issued Annual improvements to IFRS: 2012 - 2014 Cycle, which include changes to the following standards.

- **IFRS 5 Non-current assets held for sale and discontinued operations.**

Add specific guidelines in cases in which an entity reclassifies an asset from held for sale to held for distribution, or viceversa and cases in which assets held for distribution are accounting like discontinued operations. The effective date is beginning on January 1, 2016 and its early application is permitted.

Banco de Chile and its subsidiaries do not register non-current assets held for sale and discontinued operations. Therefore, this modification does not impact the consolidated financial statements of Banco de Chile and its subsidiaries.

- **IFRS 7 Financial Instruments: Disclosures.**

Add guidelines to clarify if a service contract corresponds to a continuing involvement in an asset transfer with the purpose to determine the required disclosures. The effective date is beginning on January 1, 2016 and its early application is permitted.

This amendment does not impact the consolidated financial statements of Banco de Chile and its subsidiaries.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

3. New Accounting Pronouncements, continued:

Annual improvements IFRS, continued:

- **IAS 19 Employee Benefits. Discount rate: topic of the regional market.**

Clarifies that corporate bonds with high quality credit used in the estimation of the discount rate for post-employment benefits must be denominated in the same currency as the benefit paid. The effective date is beginning on January 1, 2016 and its early application is permitted.

This amendment does not impact the consolidated financial statements of Banco de Chile and its subsidiaries.

- **IAS 34 Interim Financial Reporting**

Clarifies the meaning of disclose information in some other part of interim financial information and the need for a cross-reference. The effective date is beginning on January 1, 2016 and its early application is permitted.

This amendment does not impact the consolidated financial statements of Banco de Chile and its subsidiaries.

- **IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interest in Other Entities and IAS 28 Investments in Associates and Joint Ventures.**

In December 2014, the IASB has modified IFRS 10, IFRS 12 and IAS 28 related with the application of the exceptions in the consolidation in investment entities.

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The amendments clarify the requirement for the accounting of investment entities. In addition, these amendments in certain circumstances reduce the cost in the application of these standards.

The effective date is mandatory on January 1, 2016 and its early application is permitted.

Banco de Chile and its subsidiaries are assessing the impact of this rule in its consolidated financial statements.

- **IAS 1 Presentation of Financial Statements.**

In December, 2014, the IASB published Disclosure Initiative (Amendments to IAS 1) . The amendments aim at clarifying IAS 1 to improve the presentation and disclosure of information in the financial reports.

These amendments answer requests about presentation and disclosure and have been designed with the finality to allow the entities to apply their professional opinion to determine what information must be disclosed in the financial statements.

They are effective for annual periods beginning on or after 1 January 2016, with earlier application being permitted.

Banco de Chile and its subsidiaries are assessing the impact of this rule in its consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

4. Changes in Accounting policies and Disclosures:

During the period ended March 31, 2015, there have been no accounting changes that may significantly affect these interim consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

5. Relevant Events:

a) On January 9, 2015 through Resolución Exenta No. 7 the Superintendency of Securities and Insurance approved the reform to the by-laws of Banchile Securitizadora S.A. related to a capital increase of Ch\$240,000,000 by means of the issuance of 1,550 shares, as agreed in the fourth Extraordinary Shareholders Meeting of the company held on December 1, 2014. The capital increase was carried out on January 20, 2015.

b) On January 26, 2015 the board of Banchile Administradora General de Fondos SA accepted the resignation of the director of the company Mr. Jorge Tagle Ovalle.

It was also agreed to appoint new director of the company, from the day January 26, 2015 until the next Annual Meeting, Don Eduardo Ebensperger Orrego.

c) On January 29, 2015 and Ordinary Meeting No. BCH 2,811 the Board of Banco de Chile agreed to call an Ordinary Shareholders for the day March 26, 2015 for the purpose of proposing, among other things, the distribution Dividend No. 203 on \$ 3.42915880220, to each of the 94,655,367,544 shares Banco de Chile, payable out of distributable net income for the year ended December 31, 2014, corresponding to 70% of such profits.

The Board also agreed to call an Extraordinary Shareholders for the same date in order to propose among other matters the capitalization of 30% of the distributable net profit of the Bank for the year 2014, by issuing bonus shares without nominal value, determined at a value of \$ 65.31 per share Banco de Chile, distributed among the shareholders at the rate of 0.02250251855 shares for each share Banco de Chile and adopt the necessary arrangements subject to the exercise of the options provided Article 31 of Law No. 19,396.

d) On March 23, 2015 the subsidiary Banchile Securitizadora S.A. informed that in ordinary meeting held on March 23, 2015 the Board of Directors accepted the resignation of the Director José Vial Cruz.

e) On March 24, 2015 the subsidiary Banchile Securitizadora S.A. informed as an Essential Information that in the Tenth Ordinary Shareholders meeting proceeded to the total renovation of the Board of Directors of the society.

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According to established in seventh and eighth articles of the bylaws, were elected as Directors for a period of three years, the following persons: Pablo Granifo Lavín, Arturo Tagle Quiroz, Eduardo Ebensperger Orrego, Alain Rochette García y José Miguel Quintana Malfanti.

f) On March 30, 2015 it was reported that the Central Bank of Chile has informed the Bank of Chile that the Council of the Institution, Special Session No. 1894E on the same day, considering the resolutions adopted by the Shareholders Banco de Chile, held dated March 26, 2015, regarding the distribution of dividends and capital increase by issuing bonus shares by the share of 30% of profits for the year ended December 31 2014, decided to opt for the entire surplus that apply, including the part proportional to the agreed cap utility, will be paid in cash, in accordance with the provisions of subparagraph b) of Article 31 of Law 19,396, on modification of the payment of the subordinated obligation, and other applicable standards.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

6. Segment Reporting:

For management purposes, the Bank has organized its operations and commercial strategies into four business segments, which are defined in accordance with the type of products and services offered to target customers. These business segments are currently defined as follows:

Retail: This segment focuses on individuals and small and medium-sized companies with annual sales up to 70,000UF, where the product offering focuses primarily on consumer loans, commercial loans, checking accounts, credit cards, credit lines and mortgage loans.

Wholesale: This segment focused on corporate clients and large companies, whose annual revenue exceed 70,000UF, where the product offering focuses primarily on commercial loans, checking accounts and liquidity management services, debt instruments, foreign trade, derivative contracts and leases.

Treasury and money market operations:

This segment includes revenue associated with managing the Bank's balance sheet (currencies, maturities and interest rates) and liquidity, including financial instrument and currency trading on behalf of the Bank itself.

Transactions on behalf of customers carried out by the Treasury are reflected in the respective aforementioned segments. These products are highly transaction-focused and include foreign exchange transactions, derivatives and financial instruments in general.

Subsidiaries: Corresponds to companies and corporations controlled by the Bank, where income is obtained individually by the respective subsidiary. The companies that comprise this segment are:

Entity

- Banchile Administradora General de Fondos S.A.
- Banchile Asesoría Financiera S.A.
- Banchile Corredores de Seguros Ltda.

- Banchile Corredores de Bolsa S.A.
- Banchile Securitizadora S.A.
- Banchile Trade Services Limited
- Socofin S.A.
- Promarket S.A.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

6. Segment Reporting, continued:

The financial information used to measure the performance of the Bank's business segments is not necessarily comparable with similar information from other financial institutions because it is based on internal reporting policies. The accounting policies used to prepare the Bank's operating segment information are similar as those described in Summary of Significant Accounting Principles. The Bank obtains the majority of its income from: interest, revaluations and fees, discounted the credit cost and expenses. Management is mainly based on these concepts in its evaluation of segment performance and decision-making regarding goals, allocation of resources for each unit individually. Although the results of the segments reconcile with those of the Bank at total level, it is not thus necessarily concerning the different concepts, since the management is measured and controls in individual form and applying the following criteria:

- The net interest margin of loans and deposits is obtained aggregating the net financial margins of each individual operation of credit and uptake made by the bank. For these purposes is considered the volume of each operation and its contribution margin, stemming from the difference between the effective customer rate and the related Bank's fund transfer price in terms of maturity and currency.
- The internal performance profitability system considers capital allocation in each segment in accordance to the Basel guidelines.
- Operating expenses are distributed at each area level. The Bank allocates all of its indirect operating costs to each business segment by utilizing a different cost driver in order to allocate such costs to the specific segment.

The Bank did not enter into transactions with a particular customer or third parties that exceed 10% or more of its total income during the three-month period ended March 31, 2015 and 2014.

Taxes are managed at a corporate level and are not allocated to business segments.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

6. Segment Reporting, continued:

The following table presents the income by segment for the periods ended March 2015 and 2014 for each of the segments defined above:

| | Retail | | Wholesale | | Treasury | | Subsidiaries | | Subtotal | | Consolidation adjustment | | Total | |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-----------------------------|------------------------|------------------------|------------------------|
| | March 2015 MCh\$ | March 2014 MCh\$ | March 2015 MCh\$ | March 2014 MCh\$ | March 2015 MCh\$ | March 2014 MCh\$ | March 2015 MCh\$ | March 2014 MCh\$ | March 2015 MCh\$ | March 2014 MCh\$ | March 2015 MCh\$ | March 2014 MCh\$ | March 2015 MCh\$ | March 2014 MCh\$ |
| Net interest income | 190,270 | 204,863 | 70,521 | 93,418 | 3,857 | 5,071 | (1,395) | (2,660) | 263,253 | 300,692 | 470 | 781 | 263,723 | 301,473 |
| Net fees and commissions income (loss) | 34,954 | 32,905 | 11,341 | 9,324 | (451) | (548) | 30,421 | 28,038 | 76,265 | 69,719 | (4,164) | (3,435) | 72,101 | 66,284 |
| Other operating income | 6,835 | 6,752 | 13,989 | 16,427 | 19,366 | 8,911 | 6,615 | 9,523 | 46,805 | 41,613 | (1,150) | (1,417) | 45,655 | 40,196 |
| Total operating revenue | 232,059 | 244,520 | 95,851 | 119,169 | 22,772 | 13,434 | 35,641 | 34,901 | 386,323 | 412,024 | (4,844) | (4,071) | 381,479 | 407,953 |
| Provisions for loan losses | (60,526) | (60,797) | (5,006) | (15,683) | | | 100 | 126 | (65,432) | (76,354) | | | (65,432) | (76,354) |
| Depreciation and amortization | (5,275) | (4,708) | (1,311) | (1,184) | (160) | (125) | (640) | (488) | (7,386) | (6,505) | | | (7,386) | (6,505) |
| Other operating expenses | (112,553) | (102,221) | (37,080) | (30,735) | (1,778) | (1,158) | (25,065) | (23,432) | (176,476) | (157,546) | 4,844 | 4,071 | (171,632) | (153,475) |
| Income attributable to associates | 635 | 176 | 50 | 16 | | 5 | 6 | 10 | 691 | 207 | | | 691 | 207 |
| Income before income taxes | 54,340 | 76,970 | 52,504 | 71,583 | 20,834 | 12,156 | 10,042 | 11,117 | 137,720 | 171,826 | | | 137,720 | 171,826 |
| Income taxes | | | | | | | | | | | | | (21,005) | (21,075) |
| Income after income taxes | | | | | | | | | | | | | 116,715 | 150,751 |

The following table presents assets and liabilities of the period ended March 31, 2015 and December 31, 2014 by each segment defined above:

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| | Retail | | Wholesale | | Treasury | | Subsidiaries | | Subtotal | | Consolidation adjustment | | M |
|----------------------------|------------|------------|------------|------------|-----------|-----------|--------------|----------|------------|------------|--------------------------|------------|------|
| | March | December | March | December | March | December | March | December | March | December | March | December | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | |
| Assets | 12,863,858 | 11,789,339 | 10,974,823 | 10,307,291 | 3,780,198 | 4,981,302 | 559,704 | 538,445 | 28,178,583 | 27,616,377 | (255,770) | (1176,886) | 27,9 |
| Current and deferred taxes | | | | | | | | | | | | | 2 |
| Total assets | | | | | | | | | | | | | 28,1 |
| Liabilities | 8,436,917 | 8,419,469 | 9,694,720 | 9,664,423 | 7,209,819 | 6,754,592 | 455,889 | 391,547 | 25,797,345 | 25,230,031 | (255,770) | (176,886) | 25,5 |
| Current and deferred taxes | | | | | | | | | | | | | . |
| Total liabilities | | | | | | | | | | | | | 25,6 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

7. Cash and Cash Equivalents:

(a) Cash and cash equivalents and their reconciliation to the statement of cash flows at each period-end are detailed as follows:

| | March | December |
|--|--------------|-----------------|
| | 2015 | 2014 |
| | MCh\$ | MCh\$ |
| Cash and due from banks: | | |
| Cash | 454,523 | 476,429 |
| Current account with the Chilean Central Bank(*) | 215,066 | 147,215 |
| Deposits in other domestic banks | 10,960 | 12,778 |
| Deposits abroad | 155,879 | 278,711 |
| Subtotal - Cash and due from banks | 836,428 | 915,133 |
| Net transactions in the course of collection | 249,922 | 303,136 |
| Highly liquid financial instruments | 749,419 | 590,417 |
| Repurchase agreements | 25,016 | 16,892 |
| Total cash and cash equivalents | 1,860,785 | 1,825,578 |

(*) Amounts in cash and Central Bank deposits are regulatory reserve deposits for which the Bank must maintain a certain monthly average.

(b) Transactions in the course of collection:

Transactions in the course of settlement are transactions for which the only remaining step is settlement, which will increase or decrease the funds in the Central Bank or in foreign banks, normally occurring within 24 to 48 business hours, and are detailed as follows:

| | March | December |
|---|--------------|-----------------|
| | 2015 | 2014 |
| | MCh\$ | MCh\$ |
| Assets | | |
| Documents drawn on other banks (clearing) | 164,090 | 290,866 |
| Funds receivable | 394,093 | 109,215 |
| Subtotal transactions in the course of collection | 558,183 | 400,081 |
| Liabilities | | |

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| | | |
|--|-----------|----------|
| Funds payable | (308,261) | (96,945) |
| Subtotal transactions in the course of payment | (308,261) | (96,945) |
| Net transactions in the course of collection | 249,922 | 303,136 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

8. Financial Assets Held-for-trading:

The detail of financial instruments classified as held-for-trading is as follows:

| | March 2015 MCh\$ | December 2014 MCh\$ |
|--|---------------------------------|------------------------------------|
| Instruments issued by the Chilean Government and Central Bank of Chile: | | |
| Central Bank bonds | 220 | 13,906 |
| Central Bank promissory notes | 2,998 | 2,996 |
| Other instruments issued by the Chilean Government and Central Bank | 5,159 | 71,968 |
| Other instruments issued in Chile | | |
| Promissory notes from deposits in domestic banks | | |
| Mortgage bonds from domestic banks | 7 | 9 |
| Bonds from domestic banks | 3,236 | 3,197 |
| Deposits in domestic banks | 222,294 | 199,665 |
| Bonds issued in Chile | 1,148 | 1,351 |
| Other instruments issued in Chile | 1,566 | 366 |
| Instruments issued by foreign institutions | | |
| Instruments from foreign governments or central banks | | |
| Other instruments issued abroad | | |
| Mutual fund investments: | | |
| Funds managed by related companies | 277,115 | 255,013 |
| Funds managed by thirds | | |
| Total | 513,743 | 548,471 |

Other instruments issued in Chile include instruments sold under agreements to repurchase to customers and financial instruments, amounting to MCh\$211,718 As of March 31, 2015 (MCh\$194,074 as of December 31, 2014).

Agreements to repurchase have an average expiration of 12 days as of period-end (13 days in December 2014).

Additionally, the Bank holds financial investments in mortgage finance bonds issued by itself in the amount of MCh\$30,191 As of March 31, 2015 (MCh\$32,956 as of December 31, 2014), which are presented as a reduction of the liability line item Debt issued .

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

9. Cash collateral on securities borrowed and reverse repurchase agreements:

(a) The Bank provides financing to its customers through Receivables from Repurchase Agreements and Security Borrowing, in which the financial instrument serves as collateral. As of March 31, 2015 and December 31, 2014, the Bank has the following receivables resulting from such transactions:

| | Up to 1 month | | Over 1 month and up to 3 months | | Over 3 months and up to 12 months | | Over 1 year and up to 3 years | | Over 3 years and up to 5 years | | Over 5 years | | Total | |
|--|---------------|---------------|---------------------------------|---------------|-----------------------------------|---------------|-------------------------------|---------------|--------------------------------|---------------|--------------|---------------|------------|---------------|
| | March 2015 | December 2014 | March 2015 | December 2014 | March 2015 | December 2014 | March 2015 | December 2014 | March 2015 | December 2014 | March 2015 | December 2014 | March 2015 | December 2014 |
| | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ |
| Instruments issued by the Chilean Governments and Central Bank of Chile | | | | | | | | | | | | | | |
| Central Bank bonds | | 820 | | | | | | | | | | | | 820 |
| Central Bank promissory notes | | | | | | | | | | | | | | |
| Other instruments issued by the Chilean Government and Central Bank | | | | | | | | | | | | | | |
| Other Instruments issued in Chile | | | | | | | | | | | | | | |
| Deposit promissory notes from domestic banks | | | | | | | | | | | | | | |
| Mortgage bonds from domestic banks | | | | | | | | | | | | | | |
| Bonds from domestic | | | | | | | | | | | | | | |

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| | | | | | | | | | |
|--|---------------|---------------|---------------|--------------|------------|--------------|--|---------------|---------------|
| banks | | | | | | | | | |
| Deposits in domestic banks | | | | | | | | | |
| Bonds from other Chilean companies | | | | | | | | | |
| Other instruments issued in Chile | 18,021 | 11,043 | 12,181 | 6,291 | 790 | 9,507 | | 30,992 | 26,841 |
| Instruments issued by foreign institutions | | | | | | | | | |
| Instruments from foreign governments or central bank | | | | | | | | | |
| Other instruments | | | | | | | | | |
| Total | 18,021 | 11,863 | 12,181 | 6,291 | 790 | 9,507 | | 30,992 | 27,661 |

Securities received:

The Bank has received securities that it is allowed to sell or repledge in the absence of default by the owner. As of March 31, 2015 the Bank and its subsidiaries held securities on resell agreements with a fair value of Ch\$29,741 million (Ch\$27,549 million as of December, 2014).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

9. Cash collateral on securities lent and repurchase agreements, continued:

(b) The Bank obtains financing by selling financial instruments and committing to purchase them at future dates, plus interest at a prefixed rate. As of March 31, 2015 and December 31, 2014, the Bank has the following payables resulting from such transactions:

| | Up to 1 month | | Over 1 month and up to 3 months | | Over 3 months and up to 12 months | | Over 1 year and up to 3 years | | Over 3 years and up to 5 years | | Over 5 years | | Total | |
|--|---------------|---------------|---------------------------------|---------------|-----------------------------------|---------------|-------------------------------|---------------|--------------------------------|---------------|--------------|---------------|------------|---------------|
| | March 2015 | December 2014 | March 2015 | December 2014 | March 2015 | December 2014 | March 2015 | December 2014 | March 2015 | December 2014 | March 2015 | December 2014 | March 2015 | December 2014 |
| | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ |
| Instruments issued by the Chilean Governments and Central Bank of Chile | | | | | | | | | | | | | | |
| Central Bank bonds | | | | | | | | | | | | | | |
| Central Bank promissory notes | 16,363 | 25,643 | | | | | | | | | | | 16,363 | 25,643 |
| Other instruments issued by the Chilean Government and Central Bank | | | | | | | | | | | | | | |
| Other Instruments Issued in Chile | | | | | | | | | | | | | | |
| Deposit promissory notes from domestic banks | | | | | | | | | | | | | | |
| Mortgage bonds from domestic banks | | | | | | | | | | | | | | |
| Bonds from domestic banks | | 3,152 | | | | | | | | | | | | 3,152 |

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| | | | | | | | | |
|--|----------------|----------------|------------|------------|---------------|--|----------------|----------------|
| Deposits in domestic banks | 194,176 | 220,528 | 131 | 159 | 39,114 | | 233,421 | 220,687 |
| Bonds from other Chilean companies | | | | | | | | |
| Other instruments issued in Chile | | | | | | | | |
| Instruments issued by foreign institutions | | | | | | | | |
| Instruments from foreign governments or central bank | | | | | | | | |
| Other instruments | | | | | | | | |
| Total | 210,539 | 249,323 | 131 | 159 | 39,114 | | 249,784 | 249,482 |

Securities given:

The carrying amount of securities lent and of Payables from Repurchase Agreements and Security Lending at March 31, 2015 is Ch\$247,851 million (Ch\$252,465 million in 2014). The counterparty is allowed to sell or repledge those securities in the absence of default by the Bank.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

10. Derivative Instruments and Accounting Hedges:

(a) As of March 31, 2015 and 2014, the Bank's portfolio of derivative instruments is detailed as follows:

| | Notional amount of contract with final expiration date in | | | | | | | | | | | |
|--|---|---------------------------|---------------------------------|---------------------------|-----------------------------------|---------------------------|-------------------------------|---------------------------|-------------------------------|---------------------------|------------------------|---------------------------|
| | Up to 1 month | | Over 1 month and up to 3 months | | Over 3 months and up to 12 months | | Over 1 year and up to 3 years | | Over 3 year and up to 5 years | | Over 5 years | |
| | March 2015 MCh\$ | December 2014 MCh\$ | March 2015 MCh\$ | December 2014 MCh\$ | March 2015 MCh\$ | December 2014 MCh\$ | March 2015 MCh\$ | December 2014 MCh\$ | March 2015 MCh\$ | December 2014 MCh\$ | March 2015 MCh\$ | December 2014 MCh\$ |
| Derivatives held for hedging purposes | | | | | | | | | | | | |
| Cross currency swap | | | | | | | 15,562 | 15,565 | | 11,734 | 21,308 | 21,308 |
| Interest rate swap | 6,253 | | | | 10,755 | 16,486 | 23,201 | 22,488 | 63,717 | 59,942 | 47,303 | 47,600 |
| Total derivatives held for hedging purposes | 6,253 | | | | 10,755 | 16,486 | 38,763 | 38,053 | 63,717 | 71,676 | 68,611 | 68,908 |
| Derivatives held as cash flow hedges | | | | | | | | | | | | |
| Interest rate swap and cross currency swap | | | | | 236,679 | 137,134 | 337,929 | 437,575 | 440,072 | 411,283 | 208,136 | 237,000 |
| Total Derivatives held as cash flow hedges | | | | | 236,679 | 137,134 | 337,929 | 437,575 | 440,072 | 411,283 | 208,136 | 237,000 |
| Derivatives held-for-trading purposes | | | | | | | | | | | | |
| Currency forward | 4,574,287 | 4,813,454 | 3,233,764 | 4,114,955 | 7,735,875 | 6,702,632 | 517,058 | 589,179 | 38,654 | 38,389 | 7 | 1,800 |
| Interest rate swap | 1,203,241 | 1,330,696 | 1,847,190 | 1,395,103 | 7,396,995 | 6,728,804 | 7,796,456 | 7,376,807 | 4,238,745 | 4,249,358 | 4,095,029 | 3,809,900 |
| Cross currency swap | 90,898 | 109,701 | 238,116 | 260,261 | 1,614,418 | 1,229,651 | 1,942,560 | 2,003,936 | 1,314,220 | 1,174,052 | 2,058,239 | 2,039,300 |
| Call currency options | 30,828 | 41,715 | 57,672 | 47,586 | 77,744 | 69,218 | 610 | 182 | | | | |
| Put currency options | 17,884 | 34,116 | 32,127 | 42,051 | 43,397 | 40,897 | 610 | 182 | | | | |
| Total derivatives of negotiation | 5,917,138 | 6,329,682 | 5,408,869 | 5,859,956 | 16,868,429 | 14,771,202 | 10,257,294 | 9,970,286 | 5,591,619 | 5,461,799 | 6,153,275 | 5,851,100 |
| Total | 5,923,391 | 6,329,682 | 5,408,869 | 5,859,956 | 17,115,863 | 14,924,822 | 10,633,986 | 10,445,914 | 6,095,408 | 5,944,758 | 6,430,022 | 6,157,100 |

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued****10. Derivative Instruments and Accounting Hedges, continued:****(b) Fair value Hedges:**

The Bank uses cross-currency swaps and interest rate swaps to hedge its exposure to changes in the fair value of the hedged elements attributable to interest rates in financial instruments. The aforementioned hedge instruments change the effective cost of long-term issuances from a fixed interest rate to a floating rate, decreasing the duration and modifying the sensitivity to the shortest segments of the curve.

Below is a detail of the hedged elements and hedge instruments under fair value hedges as of March 31, 2015 and December 31, 2014:

| | March 2015 MCh\$ | December 2014 MCh\$ |
|-------------------------|---------------------------------|------------------------------------|
| Hedged element | | |
| Commercial loans | 36,870 | 48,611 |
| Corporate bonds | 151,229 | 146,585 |
| Hedge instrument | | |
| Cross currency swap | 36,870 | 48,611 |
| Interest rate swap | 151,229 | 146,585 |

(c) Cash flow Hedges:

(c.1) The Bank uses cross currency swaps to hedge the risk from variability of cash flows attributable to changes in the interest rates and foreign exchange of obligations with foreign banks, bonds issued abroad, Hong Kong dollars, Peruvian nuevo sol, Swiss franc and Japanese yens. The cash flows of the cross currency swaps equal the cash flows of the hedged items, which modify uncertain cash flows to known cash flows derived from a fixed interest rate.

Additionally, these cross currency swap contracts used to hedge the risk from variability of the Unidad de Fomento (CLF) in assets flows denominated in CLF until a nominal amount equal to the portion notional of the hedging instrument CLF, whose readjustment daily impact the item interest revenue of the financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

10. Derivative Instruments and Accounting Hedges, continued:

(c.2) Below are the cash flows from bonds issued abroad objects of this hedge and the cash flows of the asset part of the derivative instrument:

| | As of March 31, 2015 | | | | | | Total MCh\$ |
|--------------------------|---------------------------|--|--|--|---|--------------------------|----------------|
| | Up to 1 month MCh\$ | Over 1 month and up to 3 months MCh\$ | Over 3 months and up to 12 months MCh\$ | Over 1 year and up to 3 years MCh\$ | Over 3 years and up to 5 years MCh\$ | Over 5 years MCh\$ | |
| Hedge item | | | | | | | |
| <u>Outflows</u> | | | | | | | |
| Corporate bonds HKD | (1,824) | (1,490) | (6,502) | (19,686) | (68,770) | (277,457) | (375,729) |
| Corporate bonds PEN | (309) | | (311) | (16,385) | | | (17,005) |
| Corporate bonds CHF | (224) | (2,019) | (101,298) | (236,379) | (359,848) | | (699,768) |
| Obligation USD | (514) | (98) | (160,869) | (63,511) | | | (224,992) |
| Corporate bonds JPY | | (357) | (914) | (59,954) | (67,970) | (26,770) | (155,965) |
| Hedge instruments | | | | | | | |
| <u>Inflows</u> | | | | | | | |
| Cross currency swap HKD | 1,824 | 1,490 | 6,502 | 19,686 | 68,770 | 277,457 | 375,729 |
| Cross currency swap PEN | 309 | | 311 | 16,385 | | | 17,005 |
| Cross currency swap CHF | 224 | 2,019 | 101,298 | 236,379 | 359,848 | | 699,768 |
| Cross currency swap USD | 514 | 98 | 160,869 | 63,511 | | | 224,992 |
| Cross currency swap JPY | | 357 | 914 | 59,954 | 67,970 | 26,770 | 155,965 |
| Net cash flows | | | | | | | |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

10. Derivative Instruments and Accounting Hedges, continued:

| | As of December 31, 2014 | | | | | | Total MCh\$ |
|--------------------------|---------------------------|--|--|--|---|-----------------------|----------------|
| | Up to 1 month MCh\$ | Over 1 month and up to 3 months MCh\$ | Over 3 months and up to 12 months MCh\$ | Over 1 year and up to 3 years MCh\$ | Over 3 years and up to 5 years MCh\$ | Over 5 years MCh\$ | |
| Hedge item | | | | | | | |
| <u>Outflows:</u> | | | | | | | |
| Corporate Bond HKD | | | (9,508) | (19,070) | (66,617) | (268,771) | (363,966) |
| Corporate Bond PEN | | | (622) | (16,442) | | | (17,064) |
| Corporate Bond CHF | (219) | (1,135) | (5,413) | (317,811) | (344,146) | | (668,724) |
| Obligation USD | (498) | (95) | (156,333) | (61,751) | | | (218,677) |
| Corporate Bond JPY | | (271) | (968) | (58,445) | (41,062) | (51,563) | (152,309) |
| Hedge instruments | | | | | | | |
| <u>Inflows:</u> | | | | | | | |
| Cross Currency Swap HKD | | | 9,508 | 19,070 | 66,617 | 268,771 | 363,966 |
| Cross Currency Swap PEN | | | 622 | 16,442 | | | 17,064 |
| Cross Currency Swap CHF | 219 | 1,135 | 5,413 | 317,811 | 344,146 | | 668,724 |
| Cross Currency Swap USD | 498 | 95 | 156,333 | 61,751 | | | 218,677 |
| Cross Currency Swap JPY | | 271 | 968 | 58,445 | 41,062 | 51,563 | 152,309 |
| Net cash flow | | | | | | | |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

10. Derivative Instruments and Accounting Hedges, continued:

(c.2) Below are the cash flows from underlying assets and the cash flows of the liability part of the derivative instrument:

| Hedge item | As of March 31, 2015 | | | | | | Total MCh\$ |
|--------------------------|---------------------------|---|---|--|---|--------------------------|----------------|
| | Up to 1 month MCh\$ | Over 1 month and up to 3 months MCh\$ | Over 3 months and up to 12 months MCh\$ | Over 1 year and up to 3 years MCh\$ | Over 3 years and up to 5 years MCh\$ | Over 5 years MCh\$ | |
| Inflows | | | | | | | |
| Cash flows CLF | 3,707 | 6,007 | 261,613 | 387,367 | 469,774 | 254,468 | 1,382,936 |
| Hedge instruments | | | | | | | |
| Outflows | | | | | | | |
| Cross currency swap HKD | (1,543) | (572) | (5,157) | (14,576) | (59,178) | (224,193) | (305,219) |
| Cross currency swap PEN | (237) | | (238) | (15,975) | | | (16,450) |
| Cross currency swap JPY | | (1,234) | (3,220) | (69,038) | (76,917) | (30,275) | (180,684) |
| Cross currency swap USD | (1,927) | (397) | (139,446) | (58,935) | | | (200,705) |
| Cross currency swap CHF | | (3,804) | (113,552) | (228,843) | (333,679) | | (679,878) |
| Net cash flows | | | | | | | |

| Hedge item | As of December 31, 2014 | | | | | | Total MCh\$ |
|--------------------------|---------------------------|---|---|--|---|-----------------------|----------------|
| | Up to 1 month MCh\$ | Over 1 month and up to 3 months MCh\$ | Over 3 months and up to 12 months MCh\$ | Over 1 year and up to 3 years MCh\$ | Over 3 years and up to 5 years MCh\$ | Over 5 years MCh\$ | |
| Inflows: | | | | | | | |
| Cash flow in CLF | 2,892 | 490,949 | 3,230 | 165,707 | 442,808 | 283,714 | 1,389,300 |
| Hedge instruments | | | | | | | |
| Outflows: | | | | | | | |
| Cross Currency Swap HKD | | (14,578) | | (7,273) | (59,188) | (224,232) | (305,271) |
| Cross Currency Swap PEN | | (15,978) | | (475) | | | (16,453) |
| Cross Currency Swap JPY | | (69,059) | (976) | (3,471) | (48,703) | (59,482) | (181,691) |
| Cross Currency Swap USD | | (58,945) | | (141,795) | | | (200,740) |
| Cross Currency Swap CHF | (2,892) | (332,389) | (2,254) | (12,693) | (334,917) | | (685,145) |
| Net cash flow | | | | | | | |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

10. Derivative Instruments and Accounting Hedges, continued:

(c) Cash flow Hedges, continued:

Respect to CLF assets hedged, these are revalued monthly according to the variation of the UF, which is equivalent to realize monthly reinvestment of the assets until maturity of the relationship hedging.

(c.3) Unrealized gain of fair value adjustment for the period 2015 was Ch\$5,374 million (Ch\$20,383 charge to equity as of March 31, 2014) generated from hedging instruments, which has been recorded in equity. The accumulated net effect for deferred taxes as of March 31, 2015 was a charge to equity of Ch\$4,165 million (Ch\$16,306 charge to equity as of March 31, 2014).

The accumulated amount for this concept (net of deferred taxes) as of March 31, 2015 correspond to a credit to equity amounted Ch\$5,921 million (credit to equity of Ch\$10,086 million as of December 31, 2014).

(c.4) The net effect in income of derivatives cash flow hedges amount to Ch\$46,838 millions in 2015 (Ch\$26,496 credit to equity as of March 31, 2014).

(c.5) As of March 31, 2015 and 2014, it not exist inefficiency in cash flow hedge, because both, hedge item and hedge instruments are mirror one of other, it means that all variation of value attributable to rate and revaluation components are netted totally.

(c.6) As of March 31, 2015 and 2014, the Bank has not hedges of net investments in foreign business.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

11. Loans and advances to Banks:

(a) Amounts are detailed as follows:

| | March 2015 MCh\$ | December 2014 MCh\$ |
|--|------------------------|---------------------------|
| Domestic Banks | | |
| Interbank loans | 140,000 | 170,014 |
| Provisions for loans to domestic banks | (60) | (61) |
| Subtotal | 139,940 | 169,953 |
| Foreign Banks | | |
| Loans to foreign banks | 283,644 | 216,632 |
| Chilean exports trade loans | 77,346 | 93,366 |
| Credits with third countries | 120,881 | 125,061 |
| Provisions for loans to foreign banks | (868) | (755) |
| Subtotal | 481,003 | 434,304 |
| Central Bank of Chile | | |
| Non-available Central Bank deposits | 850,000 | 550,000 |
| Other Central Bank credits | 563 | 1,108 |
| Subtotal | 850,563 | 551,108 |
| Total | 1,471,506 | 1,155,365 |

(b) Provisions for loans to banks are detailed below:

| Detail | Bank's Location | | Total MCh\$ |
|---------------------------------|-----------------|-----------------|----------------|
| | Chile MCh\$ | Abroad MCh\$ | |
| Balance as of January 1, 2014 | 36 | 1,256 | 1,292 |
| Charge-offs | | | |
| Provisions established | | | |
| Provisions released | (19) | (569) | (588) |
| Balance as of March 31, 2014 | 17 | 687 | 704 |
| Charge-offs | | | |
| Provisions established | 44 | 68 | 112 |
| Provisions released | | | |
| Balance as of December 31, 2014 | 61 | 755 | 816 |
| Charge-offs | | | |
| Provisions established | | 113 | 113 |
| Provisions released | (1) | | (1) |

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| | | | |
|------------------------------|----|-----|-----|
| Balance As of March 31, 2015 | 60 | 868 | 928 |
|------------------------------|----|-----|-----|

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

12. Loans to Customers, net:

(a.i) Loans to Customers:

As of March 31, 2015 and December 31, 2014, the composition of the portfolio of loans is the following:

| | As of March 31, 2015 | | | | | | | Net assets MCh\$ |
|--|------------------------------|-----------------------------------|---|------------------------|-----------------------------------|------------------------------|----------------|---------------------|
| | Assets before allowances | | | Allowances established | | | | |
| | Normal Portfolio MCh\$ | Substandard Portfolio MCh\$ | Non- Complying Portfolio MCh\$ | Total MCh\$ | Individual Provisions MCh\$ | Group Provisions MCh\$ | Total MCh\$ | |
| Commercial loans | | | | | | | | |
| Commercial loans | 9,158,442 | 76,315 | 312,870 | 9,547,627 | (110,737) | (88,539) | (199,276) | 9,348,351 |
| Foreign trade loans | 1,165,885 | 67,615 | 64,525 | 1,298,025 | (79,549) | (1,952) | (81,501) | 1,216,524 |
| Current account debtors | 259,008 | 2,833 | 3,521 | 265,362 | (3,441) | (4,183) | (7,624) | 257,738 |
| Factoring transactions | 446,511 | 1,179 | 892 | 448,582 | (8,515) | (1,377) | (9,892) | 438,690 |
| Commercial lease transactions (1) | 1,322,459 | 18,743 | 32,745 | 1,373,947 | (6,823) | (11,814) | (18,637) | 1,355,310 |
| Other loans and accounts receivable | 44,079 | 335 | 7,496 | 51,910 | (2,304) | (3,417) | (5,721) | 46,189 |
| Subtotal | 12,396,384 | 167,020 | 422,049 | 12,985,453 | (211,369) | (111,282) | (322,651) | 12,662,802 |
| Mortgage loans | | | | | | | | |
| Mortgage bonds | 60,399 | | 4,661 | 65,060 | | (46) | (46) | 65,014 |
| Transferable mortgage loans | 96,182 | | 2,275 | 98,457 | | (63) | (63) | 98,394 |
| Other residential real estate mortgage loans | 5,258,293 | | 95,469 | 5,353,762 | | (26,015) | (26,015) | 5,327,747 |
| Credits from ANAP | 20 | | | 20 | | | | 20 |
| Residential lease transactions | | | | | | | | |
| Other loans and accounts receivable | 6,750 | | 282 | 7,032 | | (109) | (109) | 6,923 |
| Subtotal | 5,421,644 | | 102,687 | 5,524,331 | | (26,233) | (26,233) | 5,498,098 |
| Consumer loans | | | | | | | | |
| Consumer loans in installments | 1,999,148 | | 196,690 | 2,195,838 | | (147,520) | (147,520) | 2,048,318 |
| Current account debtors | 266,472 | | 7,271 | 273,743 | | (7,847) | (7,847) | 265,896 |

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| | | | | | | | | |
|-------------------------------------|------------|---------|---------|------------|-----------|-----------|-----------|------------|
| Credit card debtors | 874,852 | | 27,934 | 902,786 | | (34,437) | (34,437) | 868,349 |
| Consumer lease transactions | | | | | | | | |
| Other loans and accounts receivable | 142 | | 610 | 752 | | (306) | (306) | 446 |
| Subtotal | 3,140,614 | | 232,505 | 3,373,119 | | (190,110) | (190,110) | 3,183,009 |
| Total | 20,958,642 | 167,020 | 757,241 | 21,882,903 | (211,369) | (327,625) | (538,994) | 21,343,909 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

12. Loans to Customers net, continued:

(a.i) Loans to Customers, continued:

| | As of December 31, 2014 | | | | | | | |
|--|---------------------------|--|----------------------------------|-------------------|-------------------------------|--------------------------|--|---------------------|
| | Normal Portfolio MCh\$ | Assets before Allowances Substandard Portfolio MCh\$ | Non-Complying Portfolio MCh\$ | Total MCh\$ | Individual Provision MCh\$ | Group Provision MCh\$ | Allowances established Total MCh\$ | Net assets MCh\$ |
| Commercial loans | | | | | | | | |
| Commercial loans | 9,239,021 | 76,365 | 308,808 | 9,624,194 | (106,518) | (89,392) | (195,910) | 9,428,284 |
| Foreign trade loans | 1,131,926 | 72,208 | 62,665 | 1,266,799 | (78,619) | (1,480) | (80,099) | 1,186,700 |
| Current account debtors | 303,906 | 2,697 | 3,532 | 310,135 | (3,141) | (4,189) | (7,330) | 302,805 |
| Factoring transactions | 474,046 | 3,164 | 1,525 | 478,735 | (9,283) | (1,361) | (10,644) | 468,091 |
| Commercial lease transactions (1) | 1,330,752 | 22,191 | 28,579 | 1,381,522 | (6,163) | (11,898) | (18,061) | 1,363,461 |
| Other loans and accounts receivable | 39,274 | 257 | 7,320 | 46,851 | (2,298) | (3,426) | (5,724) | 41,127 |
| Subtotal | 12,518,925 | 176,882 | 412,429 | 13,108,236 | (206,022) | (111,746) | (317,768) | 12,790,468 |
| Mortgage loans | | | | | | | | |
| Mortgage bonds (2) | 65,211 | | 4,893 | 70,104 | | (58) | (58) | 70,046 |
| Transferable mortgage loans | 101,957 | | 2,218 | 104,175 | | (72) | (72) | 104,103 |
| Other residential real estate mortgage loans | 5,151,358 | | 86,273 | 5,237,631 | | (23,857) | (23,857) | 5,213,774 |
| Credits from ANAP | 21 | | | 21 | | | | 21 |
| Other loans and accounts receivable | 6,482 | | 210 | 6,692 | | (34) | (34) | 6,658 |
| Subtotal | 5,325,029 | | 93,594 | 5,418,623 | | (24,021) | (24,021) | 5,394,602 |
| Consumer loans | | | | | | | | |
| Consumer loans in installments | 2,003,452 | | 190,697 | 2,194,149 | | (145,439) | (145,439) | 2,048,710 |
| Current account debtors | 264,473 | | 7,347 | 271,820 | | (7,331) | (7,331) | 264,489 |
| Credit card debtors | 856,555 | | 26,455 | 883,010 | | (33,713) | (33,713) | 849,297 |
| Other loans and accounts receivable | 106 | | 704 | 810 | | (343) | (343) | 467 |
| Subtotal | 3,124,586 | | 225,203 | 3,349,789 | | (186,826) | (186,826) | 3,162,963 |
| Total | 20,968,540 | 176,882 | 731,226 | 21,876,648 | (206,022) | (322,593) | (528,615) | 21,348,033 |

(1) In this item, the Bank finances its customers purchases of assets, including real estate and other personal property, through finance lease agreements. As of March 31, 2015 MCh\$617,226 (MCh\$615,723 as of December 31, 2014) correspond to finance leases for real estate and

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MCh\$756,721 (MCh\$765,799 as of December 31, 2014), correspond to finance leases for other assets.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

12. Loans to Customers, net:

(a.ii) Impaired Portfolio

As of March 31, 2015 and December 31, 2014, the Bank presents the following details of normal and impaired portfolio:

| | Normal Portfolio | | Impaired Portfolio | | Total | | Individual Provisions | | Allowances established | | Total | | March 2015 MCh\$ |
|--------------|-------------------|-------------------|--------------------|----------------|-------------------|-------------------|-----------------------|------------------|------------------------|------------------|------------------|------------------|------------------------|
| | March | December | March | December | March | December | March | December | March | December | March | December | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | |
| | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ |
| Commercial | | | | | | | | | | | | | |
| loans | 12,488,133 | 12,612,620 | 497,320 | 495,616 | 12,985,453 | 13,108,236 | (211,369) | (206,022) | (111,282) | (111,746) | (322,651) | (317,768) | 12,662,300 |
| Mortgage | | | | | | | | | | | | | |
| loans | 5,421,644 | 5,325,029 | 102,687 | 93,594 | 5,524,331 | 5,418,623 | | | (26,233) | (24,021) | (26,233) | (24,021) | 5,498,397 |
| Consumer | | | | | | | | | | | | | |
| loans | 3,140,614 | 3,124,586 | 232,505 | 225,203 | 3,373,119 | 3,349,789 | | | (190,110) | (186,826) | (190,110) | (186,826) | 3,183,553 |
| Total | 21,050,391 | 21,062,235 | 832,512 | 814,413 | 21,882,903 | 21,876,648 | (211,369) | (206,022) | (327,625) | (322,593) | (538,994) | (528,615) | 21,343,750 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

12. Loans to Customers, continued:

(b) Allowances for loan losses:

Movements in allowances for loan losses during periods 2015 and 2014 are as follows:

| | Individual MCh\$ | Allowances Group MCh\$ | Total MCh\$ |
|---------------------------------|---------------------|------------------------------|----------------|
| Balance as of January 1, 2014 | 182,862 | 297,616 | 480,478 |
| Charge-offs: | | | |
| Commercial loans | (4,084) | (8,471) | (12,555) |
| Mortgage loans | | (804) | (804) |
| Consumer loans | | (42,968) | (42,968) |
| Total charge-offs | (4,084) | (52,243) | (56,327) |
| Allowances established | 18,396 | 66,638 | 85,034 |
| Balance as of March 31, 2014 | 197,174 | 312,011 | 509,185 |
| Charge-offs: | | | |
| Commercial loans | (23,489) | (30,680) | (54,169) |
| Mortgage loans | | (2,174) | (2,174) |
| Consumer loans | | (141,679) | (141,679) |
| Total charge-offs | (23,489) | (174,533) | (198,022) |
| Allowances established | 33,330 | 185,115 | 218,445 |
| Sales or transfers of credit | (993) | | (993) |
| Balance as of December 31, 2014 | 206,022 | 322,593 | 528,615 |
| Charge-offs: | | | |
| Commercial loans | (2,464) | (10,820) | (13,284) |
| Mortgage loans | | (482) | (482) |
| Consumer loans | | (52,253) | (52,253) |
| Total charge-offs | (2,464) | (63,555) | (66,019) |
| Allowances established | 8,082 | 68,587 | 76,669 |
| Sales or transfers of credit | (271) | | (271) |
| Balance As of March 31, 2015 | 211,369 | 327,625 | 538,994 |

In addition to these allowances for loan losses, the Bank also establishes a country risk provisions to hedge foreign transactions and additional provisions agreed upon by the Board of Directors, which are presented within liabilities in Provisions (Note 24).

Other Disclosures:

1. As of March 31, 2015 and December 31, 2014, the Bank and its subsidiaries have made purchases and sales of loan portfolios. The effect in income is no more than 5% of net income before taxes, as described in Note 12 (d) and (e).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

12. Loans to Customers, continued:

(b) Allowances for loan losses, continued:

2. As of March 31, 2015 and December 31, 2014 the Bank and its subsidiaries have derecognized 100% of its sold loan portfolio and it has been transferred all or substantially all risks and benefits related to these financial assets. (See Note No. 12 letter (e)).

(c) Finance lease contracts:

The Bank's scheduled cash flows to be received from finance leasing contracts have the following maturities:

| | Total receivable | | Unearned income | | Net lease receivable(*) | |
|--------------------------------------|------------------|------------------|------------------|------------------|-------------------------|------------------|
| | March | December | March | December | March | December |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ |
| Due within one year | 457,496 | 465,397 | (53,487) | (55,663) | 404,009 | 409,734 |
| Due after 1 year but within 2 years | 326,643 | 328,815 | (39,747) | (40,553) | 286,896 | 288,262 |
| Due after 2 years but within 3 years | 220,866 | 220,128 | (26,861) | (27,233) | 194,005 | 192,895 |
| Due after 3 years but within 4 years | 143,858 | 144,099 | (19,446) | (19,753) | 124,412 | 124,346 |
| Due after 4 years but within 5 years | 109,530 | 107,651 | (14,051) | (14,375) | 95,479 | 93,276 |
| Due after 5 years | 290,987 | 296,482 | (31,005) | (32,370) | 259,982 | 264,112 |
| Total | 1,549,380 | 1,562,572 | (184,597) | (189,947) | 1,364,783 | 1,372,625 |

(*) The net balance receivable does not include past-due portfolio totaling MCh\$9,164 as of March 31, 2015 (MCh\$8,897 as of December 31, 2014).

The leasing contracts are related to industrial machinery, vehicles and computer equipment. The leasing contracts have an average life of between 3 and 8 years.

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(d) Purchase of credits:

In the present period the Bank has not acquired portfolio loans.

(e) Sale or transfer of credits from the loans to customers:

During the period 2015 and 2014 Banco de Chile has carried out transactions of sale or transfer of the loan portfolio, according the following:

| Carrying amount MCh\$ | As of March 31, 2015 | | Effect on income (loss) gain MCh\$ |
|--------------------------|----------------------|---------------------|---------------------------------------|
| | Allowances MCh\$ | Sale price MCh\$ | |
| 310 | (271) | 310 | 271 |

| Carrying amount MCh\$ | As of March 31, 2014 | | Effect on income (loss) gain MCh\$ |
|--------------------------|----------------------|---------------------|---------------------------------------|
| | Allowances MCh\$ | Sale price MCh\$ | |
| 263,402 | (14) | 263,402 | 14 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

12. Loans to Customers, continued:

(f) Securitization of own assets

During the period 2014 and March 2015, there is no transactions of securitization of own assets.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

13. Investment Securities:

As of March 31, 2015 and December 31, 2014, investment securities classified as available-for-sale and held-to-maturity are detailed as follows:

| | Available- for-sale MCh\$ | March 2015 Held to maturity MCh\$ | Total MCh\$ | Available- for-sale MCh\$ | December 2014 Held to maturity MCh\$ | Total MCh\$ |
|---|---------------------------------|--|------------------|---------------------------------|---|------------------|
| Instruments issued by the Chilean Government and Central Bank of Chile | | | | | | |
| Bonds issued by the Chilean Government and Central Bank | 15,376 | | 15,376 | 28,795 | | 28,795 |
| Promissory notes issued by the Chilean Government and Central Bank | 324,508 | | 324,508 | 149,755 | | 149,755 |
| Other instruments | 61,736 | | 61,736 | 160,774 | | 160,774 |
| Other instruments issued in Chile | | | | | | |
| Deposit promissory notes from domestic banks | | | | | | |
| Mortgage bonds from domestic banks | 93,757 | | 93,757 | 96,294 | | 96,294 |
| Bonds from domestic banks | 139,556 | | 139,556 | 251,231 | | 251,231 |
| Deposits from domestic banks | 668,520 | | 668,520 | 657,467 | | 657,467 |
| Bonds from other Chilean companies | 30,276 | | 30,276 | 29,519 | | 29,519 |
| Promissory notes issued by other Chilean companies | | | | | | |
| Other instruments | 168,089 | | 168,089 | 162,829 | | 162,829 |
| Instruments issued abroad | | | | | | |
| Instruments from foreign governments or Central Banks | | | | | | |
| Other instruments | 64,995 | | 64,995 | 63,525 | | 63,525 |
| Total | 1,566,813 | | 1,566,813 | 1,600,189 | | 1,600,189 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

13. Investment Securities, continued:

Instruments issued by the Chilean Government and Central Bank include instruments with agreements to repurchase sold to clients and financial institutions; totaling MCh\$16,374, as of March 31, 2015 (MCh\$25,673 as of December 31, 2014). The agreements to repurchase have an average maturity of 4 days as of March 31, 2015 (average maturity of 4 days as of December 31, 2014).

In instruments issued by other Chilean institutions are included instruments sold by repurchase agreements to clients and financial institutions, totaling MCh\$90 million as of March 31, 2015 (Ch\$14 million as of December 31, 2014), The agreements to repurchase have an average maturity of 4 days as of March 31, 2015 (average maturity of 5 days as of December 31, 2014).

In instruments issued abroad are included mainly bank bonds and shares and equity investments instruments.

As of March 31, 2015, the portfolio of financial assets available-for-sale includes a net unrealized gain of MCh\$39,697, net of tax (net unrealized gain of MCh\$33,962 as of December 31, 2014), recorded in other comprehensive income within equity.

During 2015 and 2014, there is no evidence of impairment of financial assets available-for-sale.

Realized gains and losses are calculated as the proceeds from sales less the cost (specific identification method) of the investments identified as available-for-sale. In addition, any unrealized gain or loss previously recognized in equity for these investments is reversed and recorded in the Consolidated Statements of Comprehensive Income.

Gross profits and losses realized on the sale of available-for-sale investments as of March 31, 2015 and 2014 are shown in Note 30 Net Financial Operating Income .

Gross profits and losses realized and unrealized on the sale of available-for-sale investments for the three-month period ended as of March 31, 2015 and 2014 are as follows:

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| | March 2015 MCh\$ | March 2014 MCh\$ |
|---|---------------------------------|---------------------------------|
| Unrealized (losses)/profits during the period | 14,224 | 10,056 |
| Realized losses/(profits) (reclassified) | (6,907) | (7,717) |
| Subtotal unrealized during the period | 7,317 | 2,339 |
| Income tax | (1,582) | (468) |
| Total unrealized during the period | 5,735 | 1,871 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

14. Investments in Other Companies:

(a) This item includes investments in other companies for an amount of MCh\$25,917 as of March 31, 2015 (MCh\$25,312 of December 31, 2014), which is detailed as follows:

| Company | Shareholder | Ownership Interest | | Equity | | Book Value | | Investment Income (Loss) | |
|--|----------------|--------------------|-----------------|------------------|---------------------|------------------|---------------------|--------------------------|------------------|
| | | March 2015 % | December 2014 % | March 2015 MCh\$ | December 2014 MCh\$ | March 2015 MCh\$ | December 2014 MCh\$ | March 2015 MCh\$ | March 2014 MCh\$ |
| Associates | | | | | | | | | |
| Transbank S.A. | Banco de Chile | 26.16 | 26.16 | 35,726 | 34,177 | 9,345 | 8,939 | 406 | 26 |
| Administrador Financiero del Transantiago S.A. | Banco de Chile | 20.00 | 20.00 | 11,447 | 11,145 | 2,289 | 2,229 | 61 | 42 |
| Soc.Operadora de Tarjetas de Crédito Nexus S.A. | Banco de Chile | 25.81 | 25.81 | 8,573 | 8,253 | 2,212 | 2,130 | 118 | 55 |
| Redbanc S.A. | Banco de Chile | 38.13 | 38.13 | 5,150 | 4,969 | 1,964 | 1,895 | 99 | 144 |
| Sociedad Imerc OTC S.A. | Banco de Chile | 11.48 | 11.48 | 10,484 | 10,899 | 1,204 | 1,252 | (48) | (21) |
| Centro de Compensación Automatizado S.A. | Banco de Chile | 33.33 | 33.33 | 2,696 | 2,615 | 899 | 871 | 30 | 33 |
| Soc.Operadora de la Cámara de Compensación de Pagos de Alto Valor S.A. | Banco de Chile | 15.00 | 15.00 | 4,742 | 4,643 | 711 | 696 | 22 | 17 |
| Sociedad Interbancaria de Depósitos de Valores S.A. | Banco de Chile | 26.81 | 26.81 | 2,250 | 2,401 | 603 | 644 | (43) | 28 |
| Subtotal Associates | | | | 81,068 | 79,102 | 19,227 | 18,656 | 645 | 324 |
| Joint Ventures | | | | | | | | | |
| Servipag Ltda. | Banco de Chile | 50.00 | 50.00 | 7,267 | 7,281 | 3,634 | 3,641 | (7) | (144) |
| Artikos Chile S.A. | Banco de Chile | 50.00 | 50.00 | 1,570 | 1,491 | 785 | 746 | 39 | 27 |
| Subtotal Joint Ventures | | | | 8,837 | 8,772 | 4,419 | 4,387 | 32 | (117) |
| Subtotales | | | | 89,905 | 87,874 | 23,646 | 23,043 | 677 | 207 |
| Investments valued at cost(1) | | | | | | | | | |
| Bolsa de Comercio de Santiago S.A. | | | | | | 1,646 | 1,646 | | |
| Banco Latinoamericano de Comercio Exterior S.A. (Bladex) | | | | | | 309 | 309 | 14 | |
| Bolsa Electrónica de Chile S.A. | | | | | | 257 | 257 | | |

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| | | | | |
|--------------------------------|---------------|---------------|------------|------------|
| Sociedad de Telecomunicaciones | | | | |
| Financieras Interbancarias | | | | |
| Mundiales (Swift) | 51 | 49 | | |
| CCLV Contraparte Central S.A. | 8 | 8 | | |
| Subtotal | 2,271 | 2,269 | 14 | 207 |
| Total | 25,917 | 25,312 | 691 | 207 |

(1) Income from investments valorized at cost, corresponds to income recognized on cash basis (dividends).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

14. Investments in Other Companies, continued:

(b) The reconciliation between opening and ending balance of investments in other companies that are not consolidated in 2015 and 2014 are detailed as follows:

| | March 2015 MCh\$ | March 2014 MCh\$ |
|-----------------------------|---------------------------------|---------------------------------|
| Balance as of January 1, | 25,312 | 16,670 |
| Sale of investments | | |
| Acquisition of investments | | |
| Participation in net income | 677 | 207 |
| Dividends receivable | (75) | (70) |
| Dividends received | 72 | |
| Payment of dividends | (69) | 4 |
| Balance as of March 30, | 25,917 | 16,811 |

(c) During the three-month period ended as of March 31, 2015 and December 31, 2014 no impairment has incurred in these investments.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

15. Intangible Assets:

(a) As of March 31, 2015 and December 31, 2014 intangible assets are detailed as follows:

| | Years | | | | Gross balance | | | | Accumulated Amortization and Impairment | | Net balance | |
|--|-------------|------|------------------------|------|---------------|---------------|-----------------|-----------------|---|---------------|-------------|----------|
| | Useful Life | | Remaining amortization | | March | December | March | December | March | December | March | December |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Type of intangible asset: | | | | | | | | | | | | |
| Goodwill: | | | | | | | | | | | | |
| Investments in other companies | | | | | 4,138 | 4,138 | (4,138) | (4,138) | | | | |
| Other Intangible Assets: | | | | | | | | | | | | |
| Software or computer programs | 6 | 6 | 4 | 4 | 93,949 | 92,225 | (67,134) | (65,632) | 26,815 | 26,593 | | |
| Intangible assets arising from business combinations | | | | | 1,740 | 1,740 | (1,740) | (1,740) | | | | |
| Other intangible assets | | | | | | | | | | | | |
| Total | | | | | 99,827 | 98,103 | (73,012) | (71,510) | 26,815 | 26,593 | | |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

15. Intangible Assets, continued:

(b) Movements in intangible assets during the nine-month period ended as of March 31, 2015 and December 31, 2014 are as follows:

| | Goodwill: Investments in other companies MM\$ | Software or computer programs MM\$ | March 2015 Intangible assets arising from business combinations MM\$ | Other intangible MM\$ | Total MM\$ |
|--|--|---|---|-----------------------------|---------------|
| <u>Gross Balance</u> | | | | | |
| Balance as of January 1, 2015 | 4,138 | 92,225 | 1,740 | | 98,103 |
| Acquisition | | 2,405 | | | 2,405 |
| Disposals/ write-downs | | (681) | | | (681) |
| Reclassifications | | | | | |
| Impairment loss(*) | | | | | |
| Total | 4,138 | 93,949 | 1,740 | | 99,827 |
| <u>Accumulated Amortization</u> | | | | | |
| Balance as of January 1, 2015 | (4,138) | (65,632) | (1,740) | | (71,510) |
| Amortization for the period(*) | | (2,184) | | | (2,184) |
| Disposals/ write-downs | | 682 | | | 682 |
| Reclassifications | | | | | |
| Total | (4,138) | (67,134) | (1,740) | | (73,012) |
| Balance as of March 31, 2015 | | 26,815 | | | 26,815 |
| | Goodwill: Investments in other companies MM\$ | Software or computer programs MM\$ | December 2014 Intangible assets arising from business combinations MM\$ | Other intangible MM\$ | Total MM\$ |
| <u>Gross Balance</u> | | | | | |
| Balance as of January 1, 2014 | 4,138 | 86,986 | 1,740 | 501 | 93,365 |
| Acquisition | | 5,382 | | | 5,382 |
| Disposals/ write-downs | | (504) | | | (504) |
| Reclassifications | | 481 | | (501) | (20) |

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| | | | | |
|--------------------|-------|--------|-------|--------|
| Impairment loss(*) | | (120) | | (120) |
| Total | 4,138 | 92,225 | 1,740 | 98,103 |

**Accumulated
Amortization**

| | | | | | |
|------------------------------------|---------|----------|---------|------|----------|
| Balance as of January 1, 2014 | (4,138) | (57,767) | (1,740) | (49) | (63,694) |
| Amortization for the period(*) | | (8,352) | | | (8,352) |
| Disposals/ write-downs | | 498 | | | 498 |
| Reclassifications | | (11) | | 49 | 38 |
| Total | (4,138) | (65,632) | (1,740) | | (71,510) |
| Balance as of December 31, 2014 | | 26,593 | | | 26,593 |

(*) See Note No. 35 Depreciation, amortization and impairment.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

15. Intangible Assets, continued:

(c) As of March 31, 2015 and December 31, 2014, the Bank has the following technological developments:

| Detail | Amount of Commitment | |
|-----------------------|------------------------|---------------------------|
| | March 2015 MCh\$ | December 2014 MCh\$ |
| Software and licenses | 4,436 | 3,508 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

16. Property and equipment:

(a) The detail of this item as of March 31, 2015 and December 31, 2014, is as follow:

| | Gross balance | | Accumulated depreciation | | Saldo Neto | |
|-------------------------------------|-----------------------|--------------------------|--------------------------|--------------------------|-----------------------|--------------------------|
| | March 2015 MM\$ | December 2014 MM\$ | March 2015 MM\$ | December 2014 MM\$ | March 2015 MM\$ | December 2014 MM\$ |
| Type Property and equipment: | | | | | | |
| Land and Buildings | 175,107 | 175,333 | (40,720) | (40,395) | 134,387 | 134,938 |
| Equipment | 154,398 | 151,911 | (122,308) | (119,842) | 32,090 | 32,069 |
| Others | 156,217 | 154,195 | (117,753) | (115,799) | 38,464 | 38,396 |
| Total | 485,722 | 481,439 | (280,781) | (276,036) | 204,941 | 205,403 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

16. Property and equipment, continued:

(b) As of March 31, 2015 and December 31, 2014, this account and its movements are detailed as follows:

| | March 2015 | | | |
|---|-------------------------------|-------------------|----------------|----------------|
| | Land and Buildings MM\$ | Equipment MM\$ | Others MM\$ | Total MM\$ |
| Gross Balance | | | | |
| Balance as of January 1, 2015 | 175,333 | 151,911 | 154,195 | 481,439 |
| Additions | | 2,545 | 2,113 | 4,658 |
| Disposals/write-downs | (226) | (58) | (91) | (375) |
| Impairment loss (*) | | | | |
| Total | 175,107 | 154,398 | 156,217 | 485,722 |
| Accumulated Depreciation | | | | |
| Balance as of January 1, 2015 | (40,395) | (119,842) | (115,799) | (276,036) |
| Depreciation charges in the period (*) (**) | (550) | (2,524) | (2,033) | (5,107) |
| Sales and disposals in the period | 225 | 58 | 79 | 362 |
| Total | (40,720) | (122,308) | (117,753) | (280,781) |
| Balance as of March 31, 2015 | 134,387 | 32,090 | 38,464 | 204,941 |

| | 2014 | | | |
|--|-----------------------------|--------------------|----------------|----------------|
| | Land and Buildings MCh\$ | Equipment MCh\$ | Other MCh\$ | Total MCh\$ |
| Gross Balance | | | | |
| Balance as of January 1, 2014 | 175,849 | 137,827 | 147,397 | 461,073 |
| Reclasification | | | (200) | (200) |
| Acquisitions | | 22,776 | 8,737 | 31,513 |
| Disposals | (516) | (7,807) | (971) | (9,294) |
| Transfers | | 485 | (485) | |
| Impairment loss (*) (***) | | (1,370) | (283) | (1,653) |
| Total | 175,333 | 151,911 | 154,195 | 481,439 |
| Accumulated Depreciation | | | | |
| Balance as of January 1, 2014 | (38,717) | (116,081) | (108,697) | (263,495) |
| Transfers | | (286) | 286 | |
| Depreciation of period (*) (**) | (2,195) | (11,283) | (8,290) | (21,768) |
| Disposals and sales of period | 517 | 7,808 | 902 | 9,227 |
| Total | (40,395) | (119,842) | (115,799) | (276,036) |
| Balance as of December 31, 2014 | 134,938 | 32,069 | 38,396 | 205,403 |

(*) See Note No. 35 Depreciation, Amortization and Impairment.

(**) This amount does not include depreciation charges of the period for investments properties. This amount is included in item Other Assets for MCh\$95 (MCh\$381 as of December 31, 2014).

(***) It includes charge-offs provision of Property and Equipment of MCh\$312 million as of December 31, 2014.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

16. Property and equipment, continued:

(c) As of March 31, 2015 and 2014, the Bank has operating lease agreements in which it acts as lessee that cannot be terminated unilaterally; information on future payments is detailed as follows:

| | Expense for the period MCh\$ | Up to 1 month MCh\$ | Over 1 month and up to 3 months MCh\$ | Over 3 months and up to 12 months MCh\$ | March 2015 Over 1 year and up to 3 years MCh\$ | Over 3 years and up to 5 years MCh\$ | Over 5 years MCh\$ | Total MCh\$ |
|------------------|---------------------------------------|---------------------------|---|---|--|--|--------------------------|----------------|
| Lease Agreements | 7,539 | 2,505 | 4,920 | 20,308 | 38,521 | 28,127 | 43,225 | 137,606 |

| | Expense for the period MCh\$ | Up to 1 month MCh\$ | Over 1 month and up to 3 months MCh\$ | Over 3 months and up to 12 months MCh\$ | March 2014 Over 1 year and up to 3 years MCh\$ | Over 3 years and up to 5 years MCh\$ | Over 5 years MCh\$ | Total MCh\$ |
|------------------|---------------------------------------|---------------------------|---|---|--|--|--------------------------|----------------|
| Lease Agreements | 7,437 | 2,370 | 4,728 | 18,837 | 37,800 | 27,294 | 47,159 | 138,188 |

As these lease agreements are operating leases under IAS 17 the leased assets are not presented in the Bank's Interim Condensed Consolidated Statement of Financial Position.

The Bank has entered into commercial leases of real estate. These leases have an average life of 10 years. There are no restrictions placed upon the lessee by entering into the lease.

(d) As of March 31, 2015 and 2014, the Bank does not have any finance lease agreements as lessee and, therefore, there are no property and equipment balances to be reported from such transactions As of March 31, 2015 and as of December 31, 2014.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

17. Current Taxes and Deferred Taxes:

(a) Current Taxes:

As of each period end, the Bank and its subsidiaries have established a First Category Income Tax Provision determined in accordance with current tax laws. This provision is presented net of recoverable taxes, detailed as follows:

| | March 2015 MCh\$ | December 2014 MCh\$ |
|--------------------------------------|---------------------------------|------------------------------------|
| Income taxes | 15,988 | 106,550 |
| Tax Previous year | 108,232 | |
| Tax on non-deductible expenses (35%) | 511 | 1,802 |
| Less: | | |
| Monthly prepaid taxes (PPM) | (103,105) | (83,050) |
| Credit for training expenses | (1,818) | (1,818) |
| Contributions Real Estate | (1,597) | (1,597) |
| Others | (3,414) | (2,857) |
| Total | 14,797 | 19,030 |
| Tax rate | 22.50% | 21.00% |

| | March 2015 MCh\$ | December 2014 MCh\$ |
|--------------------------------|---------------------------------|------------------------------------|
| Current tax assets | 3,931 | 3,468 |
| Current tax liabilities | (18,728) | (22,498) |
| Total tax receivable (payable) | (14,797) | (19,030) |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

17. Current Taxes and Deferred Taxes, continued:

(b) Income Tax:

The Bank's tax expense recorded for the three-month period ended as of March 31, 2015 and 2014 as follows:

| | March 2015 MCh\$ | March 2014 MCh\$ |
|--|------------------------|------------------------|
| Income tax expense: | | |
| Current year taxes | 17,198 | 23,242 |
| Subtotal | 17,198 | 23,242 |
| Credit (charge) for deferred taxes: | | |
| Origin and reversal of temporary differences | 5,397 | (2,393) |
| Effect of exchange rates on deferred tax | (1,160) | |
| Subtotal | 4,237 | (2,393) |
| Non deductible expenses (Art, 21 Income Tax Law) | 511 | 370 |
| Others | (941) | (144) |
| Net charge to income for income taxes | 21,005 | 21,075 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

17. Current and Deferred Taxes, continued:

(c) Reconciliation of effective tax rate:

The following is a reconciliation of the income tax rate to the effective rate applied to determine the Bank's income tax expense as of March 31, 2015 and 2014:

| | Tax rate % | March 2015 MCh\$ | Tax rate % | March 2014 MCh\$ |
|--|---------------|------------------------|---------------|------------------------|
| Income tax calculated on net income before tax | 22.50 | 30,987 | 20.00 | 34,365 |
| Additions or deductions | (6.18) | (8,507) | (4.12) | (7,073) |
| Price-level restatement | 0.02 | 25 | (4.12) | (7,091) |
| Non-deductible expenses tax | 0.37 | 511 | 0.22 | 370 |
| Effect of changes in tax rate | (0.84) | (1,160) | | |
| Other | (0.62) | (851) | 0.29 | 504 |
| Effective rate and income tax expense | 15.25 | 21,005 | 12.27 | 21,075 |

The effective rate for income tax for the period ended as of March 31, 2015 is 15.25% (12.27% in March 2014).

On September 29, 2014, Law 20,780 was issued and published in the Diario Oficial amending the Taxation System of Income and introducing various adjustments in the tax system, The third paragraph of Article 14 of the new law indicates that companies that do not exercise the option of regime change that by default corresponds to the semi-integrated, must modify transiently the first category tax rate according to the following intervals:

| Year | Rate |
|------|-------|
| 2014 | 21.0% |
| 2015 | 22.5% |
| 2016 | 24.0% |
| 2017 | 25.5% |
| 2018 | 27.0% |

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The effect on income by deferred taxes produced by the tax rate change was a credit in income for an amount of Ch\$1,160 million.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

17. Current and Deferred Taxes, continued:

(d) Effect of deferred taxes on income and equity:

The Bank and its subsidiaries have recorded the effects of deferred taxes in their financial statements.

The effects of deferred taxes on assets, liabilities and income accounts are detailed as follows:

| | Balances as of December 31, 2014 MCh\$ | Income MCh\$ | Effect | Equity MCh\$ | Balances as of March 31, 2015 MCh\$ |
|---|--|-----------------|--------|-----------------|---|
| Debit Differences: | | | | | |
| Allowances for loan losses | 146,562 | 3,204 | | | 149,766 |
| Personnel provisions | 9,314 | (6,250) | | | 3,064 |
| Staff vacation | 5,489 | 107 | | | 5,596 |
| Accrued interests and indexation adjustments from past due loans | 3,738 | (136) | | | 3,602 |
| Staff severance indemnities provisions | 1,460 | (84) | | | 1,376 |
| Provision of credit cards expenses | 10,637 | 248 | | | 10,885 |
| Provision of accrued expenses | 11,466 | 848 | | 101 | 12,415 |
| Other adjustments | 14,203 | (1,099) | | | 13,104 |
| Total debit differences | 202,869 | (3,162) | | 101 | 199,808 |
| Credit Differences: | | | | | |
| Depreciation and price-level restatement of property and equipment | 14,304 | (324) | | | 13,980 |
| Adjustment for valuation of financial assets available-for-sale | 9,860 | | | 1,582 | 11,442 |
| Leasing equipment | 2,992 | (109) | | | 2,883 |
| Transitory assets | 2,478 | 1,172 | | | 3,650 |
| Adjustment for derivative instruments | 13 | (9) | | | 4 |
| Colocaciones devengadas tasa efectiva | 2,308 | (242) | | | 2,066 |
| Other adjustments | 3,074 | 587 | | | 3,661 |
| Total credit differences | 35,029 | 1,075 | | 1,582 | 37,686 |
| Deferred tax assets (liabilities), net | 167,840 | (4,237) | | (1,481) | 162,122 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

17. Current Taxes and Deferred Taxes, continued:

(d) Effect of deferred taxes on income and equity:

The effects of deferred taxes on assets, liabilities and income accounts are detailed as follows:

| | Balance as of December 31, 2013 MCh\$ | Income MCh\$ | Effect | Equity MCh\$ | Balance as of March 31, 2014 MCh\$ | Income MCh\$ | Effect | Equity MCh\$ | Balance as of December 31, 2014 MCh\$ |
|--|---|-----------------|--------|-----------------|--|-----------------|--------|-----------------|---|
| Debit differences: | | | | | | | | | |
| Allowances for loan losses | 108,102 | 4,769 | | | 112,871 | 33,691 | | | 146,562 |
| Obligations with agreements to repurchase | 205 | (204) | | | 1 | (1) | | | |
| Personnel provisions | 5,747 | (2,809) | | | 2,938 | 6,376 | | | 9,314 |
| Staff vacations | 4,379 | (5) | | | 4,374 | 1,115 | | | 5,489 |
| Accrued interest and indexation adjustments from past due loans | 2,413 | 263 | | | 2,676 | 1,062 | | | 3,738 |
| Staff severance indemnities provision | 971 | (13) | | | 958 | 399 | 103 | | 1,460 |
| Provisions of credit card expenses | 6,493 | 941 | | | 7,434 | 3,203 | | | 10,637 |
| Provisions of accrued expenses | 7,731 | 676 | | | 8,407 | 3,059 | | | 11,466 |
| Other adjustments | 9,863 | 439 | | | 10,302 | 3,901 | | | 14,203 |
| Total debit differences | 145,904 | 4,057 | | | 149,961 | 52,805 | | 103 | 202,869 |
| Credit differences: | | | | | | | | | |
| Depreciation of property and equipment and investment properties | 14,436 | (2,782) | | | 11,654 | 2,650 | | | 14,304 |
| Adjustment for valuation financial assets available-for-sale | 7,343 | | | 468 | 7,811 | | | 2,049 | 9,860 |
| Leasing equipment | 8,500 | 1,348 | | | 9,848 | (6,856) | | | 2,992 |
| Transitory assets | 2,739 | 763 | | | 3,502 | (1,024) | | | 2,478 |
| Assets received in lieu of payments | 138 | (138) | | | | 13 | | | 13 |

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| | | | | | | | |
|---------------------------------------|----------------|--------------|--------------|----------------|----------------|----------------|----------------|
| Accrued interest to effective rate | 1,046 | 287 | | 1,333 | 975 | | 2,308 |
| Other adjustments | 2,367 | 2,186 | | 4,553 | (1,479) | | 3,074 |
| Total credit differences | 36,569 | 1,664 | 468 | 38,701 | (5,721) | 2,049 | 35,029 |
| Total Assets (Liabilities) net | 109,335 | 2,393 | (468) | 111,260 | 58,526 | (1,946) | 167,840 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

18. Other Assets:

(a) Item detail:

At the end of each period, other assets are detailed as follows:

| | March 2015 MCh\$ | December 2014 MCh\$ |
|--|---------------------------------|------------------------------------|
| Assets held for leasing(*) | 89,351 | 87,100 |
| Assets received or awarded as payment(**) | | |
| Assets awarded in judicial sale | 2,523 | 3,014 |
| Assets received in lieu of payment | 934 | 934 |
| Provision for assets received in lieu of payment | (225) | (207) |
| Subtotal | 3,232 | 3,741 |
| Other Assets | | |
| Deposits by derivatives margin | 157,315 | 143,379 |
| Transaction in progress | 27,377 | 2,733 |
| Investment properties | 15,842 | 15,937 |
| Documents intermediated(***) | 15,588 | 23,049 |
| Servipag available funds | 15,035 | 14,621 |
| Other accounts and notes receivable | 13,022 | 13,715 |
| Prepaid expenses | 12,149 | 6,240 |
| VAT receivable | 8,781 | 9,731 |
| Recoverable income taxes | 8,599 | 8,356 |
| Commissions receivable | 6,477 | 4,931 |
| Rental guarantees | 1,625 | 1,617 |
| Materials and supplies | 638 | 607 |
| Accounts receivable for sale of assets received in lieu of payment | 408 | 769 |
| Recovered leased assets for sale | 294 | 692 |
| Others | 38,630 | 17,839 |
| Subtotal | 321,780 | 264,216 |
| Total | 414,363 | 355,057 |

(*) These correspond to property and equipment to be given under a finance lease.

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(**) Assets received in lieu of payment are assets received as payment of customers' past-due debts. The assets acquired must at no time exceed, in the aggregate, 20% of the Bank's effective equity. These assets represent 0.0290% (0.0287% as of December 31, 2014) of the Bank's effective equity.

The assets awarded at judicial sale are assets that have been acquired as payment of debts previously owed towards the Bank. The assets awarded at judicial sales are not subject to the aforementioned requirement. These properties are non-current assets available-for-sale. For most assets, the sale is expected to be completed within one year from the date on which the asset was received or acquired. If the asset in question is not sold within the year, it must be written off.

The provision for assets received in lieu of payment is recorded as indicated in the Compendium of Accounting Standards, which indicate to recognize a provision for the difference between the initial value plus any additions and its realizable value when the former is greater.

(***) This item mainly includes simultaneous operations carried out by the subsidiary Banchile Corredores de Bolsa S.A.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

18. Other Assets, continued:

(b) Movements in the provision for assets received in lieu of payment during the nine-month period ended as of March 31, 2015 and 2014 are detailed as follows:

| | MCh\$ |
|---------------------------------|-------|
| Balance as of January 1, 2014 | 46 |
| Provisions used | (13) |
| Provisions established | 3 |
| Provisions released | |
| Balance as of March 31, 2014 | 36 |
| Provisions used | (86) |
| Provisions established | 257 |
| Provisions released | |
| Balance as of December 31, 2014 | 207 |
| Provisions used | (50) |
| Provisions established | 68 |
| Provisions released | |
| Balance As of March 31, 2015 | 225 |

19. Current accounts and Other Demand Deposits:

At the end of each period, current accounts and other demand deposits are detailed as follows:

| | March 2015 MCh\$ | December 2014 MCh\$ |
|------------------------------------|------------------------|---------------------------|
| Current accounts | 5,848,504 | 5,786,805 |
| Other demand deposits | 789,835 | 680,791 |
| Other demand deposits and accounts | 409,835 | 466,777 |
| Total | 7,048,174 | 6,934,373 |

20. Savings accounts and Time Deposits:

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At the end of each period, savings accounts and time deposits are detailed as follows:

| | March 2015 MCh\$ | December 2014 MCh\$ |
|-----------------------------|---------------------------------|------------------------------------|
| Time deposits | 9,414,129 | 9,450,224 |
| Term savings accounts | 190,481 | 188,311 |
| Other term balances payable | 132,265 | 82,711 |
| Total | 9,736,875 | 9,721,246 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

21. Borrowings from Financial Institutions:

(a) At the end of each period, borrowings from financial institutions are detailed as follows:

| | March 2015 MCh\$ | December 2014 MCh\$ |
|---|---------------------------------|------------------------------------|
| Domestic banks | | |
| Foreign banks | | |
| Foreign trade financing | | |
| Citibank N.A. | 212,273 | 141,633 |
| Wells Fargo Bank | 167,626 | 83,015 |
| HSBC Bank | 159,803 | 155,135 |
| Bank of Montreal | 143,967 | 139,548 |
| Bank of America | 127,728 | 126,004 |
| The Bank of New York Mellon | 75,692 | 57,581 |
| Canadian Imperial Bank Of Commerce | 72,029 | 69,750 |
| Standard Chartered Bank | 69,090 | 106,659 |
| Toronto Dominion Bank | 46,931 | 45,489 |
| Bank of Nova Scotia | 40,032 | 38,804 |
| ING Bank | 31,313 | 30,309 |
| Royal Bank of Scotland | 11,271 | 10,924 |
| Mercantil Commercebank | 6,286 | 6,070 |
| Zuercher Kantonalbank | 6,255 | 6,088 |
| Deutsche Bank Trust Company | 1,492 | 48,037 |
| Commerzbank A,G, | 896 | 1,631 |
| Others | 1,125 | 1,526 |
| Borrowings and other obligations | | |
| China Development Bank | 15,722 | 15,165 |
| Citibank N,A, | 2,869 | 12,389 |
| Wells Fargo Bank | 787 | |
| Others | | 2,950 |
| Subtotal | 1,193,187 | 1,098,707 |
| Chilean Central Bank | 8 | 9 |
| Total | 1,193,195 | 1,098,716 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

21. Borrowings from Financial Institutions, continued:

(b) Chilean Central Bank Obligations

Debts to the Central Bank of Chile include credit lines for the renegotiation of loans and other Central Bank borrowings.

The outstanding amounts owed to the Central Bank of Chile under these credit lines are as follows:

| | March 2015 MCh\$ | December 2014 MCh\$ |
|---|------------------------|---------------------------|
| Borrowings and other obligations | | |
| Total credit lines for the renegotiation of loans | 8 | 9 |
| Total | 8 | 9 |

22. Debt Issued:

At the end of each period, debt issued is detailed as follows:

| | March 2015 MCh\$ | December 2014 MCh\$ |
|--------------------|------------------------|---------------------------|
| Mortgage bonds | 57,790 | 64,314 |
| Bonds | 4,474,486 | 4,223,047 |
| Subordinated bonds | 773,025 | 770,595 |
| Total | 5,305,301 | 5,057,956 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

22. Debt Issued, continued:

During the period ended as of March 31, 2015, Banco de Chile issued bonds by an amount of MCh\$480,406, of which corresponds to Unsubordinated bonds and commercial papers by an amount of MCh\$148,692 and MCh\$331,714 respectively, according to the following details:

Bonds

| Serie | Amount MCh\$ | Terms Years | Rate % | Currency | Issue date | Maturity date |
|-----------------------------------|-----------------|----------------|-----------|----------|------------|---------------|
| BCHIAI0213 | 17,132 | 6 | 3.40 | UF | 02/17/2015 | 02/17/2021 |
| BCHIAM0413 | 40,425 | 8 | 3.60 | UF | 02/20/2015 | 02/20/2023 |
| BCHIAB1211 | 80,282 | 15 | 3.50 | UF | 02/27/2015 | 02/27/2030 |
| BCHIAM0413 | 4,881 | 8 | 3.60 | UF | 03/13/2015 | 03/13/2023 |
| BCHIAM0413 | 5,972 | 8 | 3.60 | UF | 03/19/2015 | 03/19/2023 |
| Total as of March 31, 2015 | 148,692 | | | | | |

Commercial Papers

| Series | MCh\$ | Interest rate | Currency | Issued date | Maturity date |
|------------------|--------|---------------|----------|-------------|---------------|
| Merrill Lynch | 15,425 | 0.32 | USD | 01/05/2015 | 04/06/2015 |
| Goldman Sachs | 15,380 | 0.33 | USD | 01/06/2015 | 04/09/2015 |
| Goldman Sachs | 30,638 | 0.33 | USD | 01/08/2015 | 04/08/2015 |
| Wells Fargo Bank | 12,255 | 0.32 | USD | 01/08/2015 | 04/08/2015 |
| Wells Fargo Bank | 3,077 | 0.43 | USD | 01/12/2015 | 07/13/2015 |
| Merrill Lynch | 9,421 | 0.46 | USD | 01/21/2015 | 07/21/2015 |
| Merrill Lynch | 9,421 | 0.60 | USD | 01/21/2015 | 10/16/2015 |
| JP Morgan Chase | 49,944 | 0.37 | USD | 01/22/2015 | 04/22/2015 |
| Wells Fargo Bank | 16,262 | 0.32 | USD | 02/10/2015 | 05/11/2015 |
| Wells Fargo Bank | 2,502 | 0.47 | USD | 02/10/2015 | 08/10/2015 |
| JP Morgan Chase | 48,215 | 0.35 | USD | 03/03/2015 | 06/02/2015 |
| Wells Fargo Bank | 4,393 | 0.82 | USD | 03/06/2015 | 03/04/2015 |
| Merrill Lynch | 15,690 | 0.42 | USD | 03/06/2015 | 08/06/2015 |
| JP Morgan Chase | 31,395 | 0.35 | USD | 03/09/2015 | 06/08/2015 |
| Wells Fargo Bank | 2,569 | 0.48 | USD | 03/17/2015 | 09/14/2015 |
| Merrill Lynch | 4,975 | 0.42 | USD | 03/20/2015 | 08/06/2015 |

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| | | | | | |
|-----------------------------------|----------------|------|-----|------------|------------|
| Merrill Lynch | 3,122 | 0.48 | USD | 03/23/2015 | 09/17/2015 |
| JP Morgan Chase | 31,951 | 0.38 | USD | 03/23/2015 | 06/22/2015 |
| Wells Fargo Bank | 25,079 | 0.35 | USD | 03/30/2015 | 06/30/2015 |
| Total as of March 31, 2015 | 331,714 | | | | |

As of March 31, 2015 the Bank has no issued subordinated bonds.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

22. Debt Issued, continued:

During the period ended as of December 31, 2014, Banco de Chile issued bonds by an amount of MCh\$1,826,552, of which corresponds to Unsubordinated bonds and commercial papers by an amount of MCh\$736,212 and MCh\$1,090,340 respectively, according to the following details:

Bonds

| Series | MCh\$ | Term (years) | Interest rate | Currency | Issued date | Maturity date |
|--------------------------------------|----------------|-----------------|---------------|----------|-------------|---------------|
| BCHIAJ0413 | 72,444 | 7 | 3.40 | UF | 01/27/2014 | 01/27/2021 |
| BCHIAH0513 | 47,861 | 5 | 3.40 | UF | 01/27/2014 | 01/27/2019 |
| BCHIAL0213 | 96,796 | 8 | 3.60 | UF | 02/10/2014 | 02/10/2022 |
| | | | 3M Libor + | | | |
| BONO CHF | 95,198 | 2 | 0.75 | CHF | 02/28/2014 | 02/28/2016 |
| BONO CHF | 79,332 | 5 | 1.25 | CHF | 02/28/2014 | 02/28/2019 |
| BONO JPY | 11,226 | 5 | 0.98 | JPY | 03/18/2014 | 03/18/2019 |
| BCHIUN1011 | 7,314 | 7 | 3.20 | UF | 04/16/2014 | 04/16/2021 |
| BONO HKD | 43,044 | 6 | 3.08 | HKD | 04/16/2014 | 04/16/2020 |
| BCHIUN1011 | 12,224 | 7 | 3.20 | UF | 04/22/2014 | 04/22/2021 |
| BCHIAA0212 | 49,986 | 14 | 3.50 | UF | 04/29/2014 | 04/29/2028 |
| BONO JPY | 27,383 | 8 | 1.01 | JPY | 04/29/2014 | 04/29/2022 |
| BCHIAA0212 | 26,110 | 14 | 3.50 | UF | 07/22/2014 | 07/22/2028 |
| BCHIAY0213 | 79,979 | 14 | 3.60 | UF | 07/31/2014 | 07/31/2028 |
| BONO JPY | 28,133 | 6 | 0.55 | JPY | 08/06/2014 | 08/06/2020 |
| BCHIAI0213 | 50,481 | 6 | 3.40 | UF | 08/12/2014 | 08/12/2020 |
| BCHIAI0213 | 2,813 | 6 | 3.40 | UF | 09/15/2014 | 09/15/2020 |
| BCHIAI0213 | 1,022 | 6 | 3.40 | UF | 09/16/2014 | 09/16/2020 |
| BCHIAI0213 | 1,664 | 6 | 3.40 | UF | 09/24/2014 | 09/24/2020 |
| BCHIAI0213 | 3,202 | 6 | 3.40 | UF | 10/02/2014 | 10/02/2020 |
| Total as of December 31, 2014 | 736,212 | | | | | |

As of December 31, 2014 the Bank has no issued subordinated bonds.

The Bank has not had breaches of capital and interest with respect to its debts instruments and has complied with its debt covenants and other compromises related to debt issued during periods 2015 and 2014.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

22. Debt Issued, continued:

Commercial Papers

| Counterparty | MCh\$ | Interest rate % | Currency | Issued date | Maturity date |
|------------------|--------|-----------------|----------|-------------|---------------|
| Citibank N,A, | 10,888 | 0.30 | USD | 01/21/2014 | 04/22/2014 |
| Goldman Sachs | 27,220 | 0.30 | USD | 01/21/2014 | 04/22/2014 |
| Merrill Lynch | 10,888 | 0.30 | USD | 01/21/2014 | 04/22/2014 |
| Citibank N,A, | 2,712 | 0.30 | USD | 01/22/2014 | 05/14/2014 |
| Wells Fargo Bank | 13,558 | 0.30 | USD | 01/22/2014 | 05/14/2014 |
| Wells Fargo Bank | 27,117 | 0.30 | USD | 01/22/2014 | 05/14/2014 |
| JP Morgan Chase | 22,384 | 0.30 | USD | 02/05/2014 | 05/06/2014 |
| Citibank N,A, | 11,192 | 0.30 | USD | 02/05/2014 | 05/06/2014 |
| Merrill Lynch | 11,192 | 0.30 | USD | 02/05/2014 | 05/06/2014 |
| Goldman Sachs | 11,192 | 0.30 | USD | 02/05/2014 | 05/06/2014 |
| Wells Fargo Bank | 3,910 | 0.50 | USD | 03/06/2014 | 03/06/2015 |
| Wells Fargo Bank | 55,121 | 0.25 | USD | 05/14/2014 | 08/12/2014 |
| Goldman Sachs | 11,024 | 0.23 | USD | 05/28/2014 | 09/02/2014 |
| Merrill Lynch | 11,024 | 0.23 | USD | 05/28/2014 | 09/02/2014 |
| Wells Fargo Bank | 27,453 | 0.27 | USD | 05/29/2014 | 09/03/2014 |
| JP Morgan Chase | 54,984 | 0.30 | USD | 05/30/2014 | 09/03/2014 |
| Wells Fargo Bank | 21,994 | 0.38 | USD | 05/30/2014 | 09/26/2014 |
| JP Morgan Chase | 27,658 | 0.29 | USD | 06/04/2014 | 09/10/2014 |
| Merrill Lynch | 13,829 | 0.50 | USD | 06/04/2014 | 03/06/2015 |
| JP Morgan Chase | 27,710 | 0.31 | USD | 06/10/2014 | 09/15/2014 |
| JP Morgan Chase | 3,329 | 0.65 | USD | 06/11/2014 | 06/10/2015 |
| Merrill Lynch | 5,526 | 0.50 | USD | 06/23/2014 | 03/20/2015 |
| Wells Fargo Bank | 11,067 | 0.30 | USD | 07/08/2014 | 10/08/2014 |
| Goldman Sachs | 27,669 | 0.30 | USD | 07/08/2014 | 10/08/2014 |
| JP Morgan Chase | 55,337 | 0.30 | USD | 07/08/2014 | 09/26/2014 |
| JP Morgan Chase | 33,263 | 0.52 | USD | 07/11/2014 | 04/06/2015 |
| Wells Fargo Bank | 17,284 | 0.28 | USD | 08/12/2014 | 11/12/2014 |
| Wells Fargo Bank | 15,556 | 0.64 | USD | 08/12/2014 | 08/06/2015 |
| Wells Fargo Bank | 20,155 | 0.30 | USD | 08/13/2014 | 12/11/2014 |
| JP Morgan Chase | 58,860 | 0.31 | USD | 09/03/2014 | 12/03/2014 |
| Wells Fargo Bank | 52,974 | 0.35 | USD | 09/03/2014 | 01/12/2015 |
| JP Morgan Chase | 29,529 | 0.31 | USD | 09/10/2014 | 12/09/2014 |
| JP Morgan Chase | 29,812 | 0.31 | USD | 09/15/2014 | 12/15/2014 |
| JP Morgan Chase | 59,860 | 0.31 | USD | 09/26/2014 | 12/23/2014 |
| Wells Fargo Bank | 23,944 | 0.31 | USD | 09/26/2014 | 12/29/2014 |
| Goldman Sachs | 29,650 | 0.31 | USD | 10/08/2014 | 01/09/2015 |
| Wells Fargo Bank | 11,860 | 0.31 | USD | 10/08/2014 | 01/09/2015 |
| Wells Fargo Bank | 17,815 | 0.32 | USD | 11/12/2014 | 02/10/2015 |
| JP Morgan Chase | 47,664 | 0.35 | USD | 12/03/2014 | 03/03/2015 |

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| | | | | | |
|--------------------------------------|------------------|------|-----|------------|------------|
| JP Morgan Chase | 13,366 | 0.58 | USD | 12/03/2014 | 08/28/2015 |
| JP Morgan Chase | 30,690 | 0.35 | USD | 12/09/2014 | 03/09/2015 |
| JP Morgan Chase | 35,928 | 0.35 | USD | 12/15/2014 | 03/16/2015 |
| Wells Fargo Bank | 16,693 | 0.40 | USD | 12/15/2014 | 04/13/2015 |
| Wells Fargo Bank | 15,177 | 0.58 | USD | 12/29/2014 | 08/26/2016 |
| Wells Fargo Bank | 24,282 | 0.33 | USD | 12/29/2014 | 03/30/2015 |
| Total as of December 31, 2014 | 1,090,340 | | | | |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

23. Other Financial Obligations:

At the end of each period, other financial obligations are detailed as follows:

| | March 2015 MCh\$ | December 2014 MCh\$ |
|---------------------------|---------------------------------|------------------------------------|
| Other Chilean obligations | 121,434 | 141,729 |
| Public sector obligations | 44,186 | 44,844 |
| Other abroad obligations | | |
| Total | 165,620 | 186,573 |

24. Provisions:

(a) At the end of each period, provisions and accrued expenses are detailed as follows:

| | March 2015 MCh\$ | December 2014 MCh\$ |
|--|---------------------------------|------------------------------------|
| Provision for minimum dividends | 81,701 | 324,588 |
| Provisions for Personnel benefits and payroll expenses | 49,859 | 81,515 |
| Provisions for contingent loan risks | 55,197 | 54,077 |
| Provisions for contingencies: | | |
| Additional loan provisions(*) | 130,256 | 130,256 |
| Country risk provisions | 3,941 | 2,959 |
| Other provisions for contingencies | 8,275 | 8,319 |
| Total | 329,229 | 601,714 |

(*) As of March 31, 2015 there have been no additional provisions (Ch\$22,499 during period 2014). See Note No. 24 (b).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

24. Provisions, continued:

(b) The following table details the movements in provisions and accrued expenses during the nine-month period ended as of March 31, 2015 and December 31, 2014:

| | Minimum dividends MCh\$ | Personnel benefits and payroll MCh\$ | Contingent loan Risks MCh\$ | Additional loan provisions MCh\$ | Country risk provisions and other contingencies MCh\$ | Total MCh\$ |
|----------------------------------|-------------------------------|---|-----------------------------------|---|---|----------------|
| Balances as of January 1, 2014 | 324,582 | 67,943 | 49,277 | 107,757 | 2,339 | 551,898 |
| Provisions established | 84,883 | 11,081 | 1,831 | | 1,040 | 98,835 |
| Provisions used | (324,582) | (29,343) | | | | (353,925) |
| Provisions released | | | | | | |
| Balances as of March 31, 2014 | 84,883 | 49,681 | 51,108 | 107,757 | 3,379 | 296,808 |
| Provisions established | 239,705 | 49,302 | 2,969 | 22,499 | 8,129 | 322,604 |
| Provisions used | | (17,468) | | | (230) | (17,698) |
| Provisions released | | | | | | |
| Balances as of December 31, 2014 | 324,588 | 81,515 | 54,077 | 130,256 | 11,278 | 601,714 |
| Provisions established | 81,701 | 14,805 | 1,120 | | 1,184 | 98,810 |
| Provisions used | (324,588) | (46,461) | | | (246) | (371,295) |
| Provisions released | | | | | | |
| Balances As of March 31, 2015 | 81,701 | 49,859 | 55,197 | 130,256 | 12,216 | 329,229 |

(c) Provisions for personnel benefits and payroll:

| | March 2015 MCh\$ | December 2014 MCh\$ |
|------------------------------------|------------------------|---------------------------|
| Vacation accrual | 23,773 | 23,727 |
| Short-term personnel benefits | 8,039 | 29,678 |
| Pension plan- defined benefit plan | 11,246 | 11,471 |
| Other benefits | 6,801 | 16,639 |
| Total | 49,859 | 81,515 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

24. Provisions, continued:

(d) Pension plan Defined benefit plan:

(i) Movement in the defined benefit obligations are as follow:

| | March 2015 MCh\$ | March 2014 MCh\$ |
|------------------------------------|---------------------------------|---------------------------------|
| Opening defined benefit obligation | 11,471 | 10,696 |
| Increase in provisions | 112 | 35 |
| Benefit paid | (337) | (94) |
| Actuarial gains | | |
| Closing defined benefit obligation | 11,246 | 10,637 |

(ii) Net benefits expenses:

| | March 2015 MCh\$ | March 2014 MCh\$ |
|---------------------------------------|---------------------------------|---------------------------------|
| Current service cost | (376) | (516) |
| Interest cost of benefits obligations | 488 | 551 |
| Effect of change in actuarial factors | | |
| Net benefit expenses | 112 | 35 |

(iii) Assumptions used to determine pension obligations:

The principal assumptions used in determining pension obligations for the Bank's plan are shown below:

| March | December |
|-------|----------|
|-------|----------|

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| | 2015 % | 2014 % |
|------------------------|-----------|-----------|
| Discount rate | 4.38 | 4.38 |
| Annual salary increase | 5.12 | 5.12 |
| Payment probability | 99.99 | 99.99 |

The most recent actuarial valuation of the present value of the benefit plan obligation was carried out as of December 31, 2014.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

24. Provisions, continued:

(e) Movements in provisions for incentive plans:

| | March 2015 MCh\$ | March 2014 MCh\$ |
|---------------------------|---------------------------------|---------------------------------|
| Balances as of January 1, | 29,678 | 32,000 |
| Provisions established | 6,379 | 6,279 |
| Provisions used | (28,018) | (25,347) |
| Provisions release | | |
| Total | 8,039 | 12,932 |

(f) Movements in vacations accruals:

| | March 2015 MCh\$ | March 2014 MCh\$ |
|---------------------------|---------------------------------|---------------------------------|
| Balances as of January 1, | 23,727 | 21,895 |
| Provisions established | 1,408 | 1,254 |
| Provisions used | (1,362) | (1,278) |
| Provisions release | | |
| Total | 23,773 | 21,871 |

(g) Employee share-based benefits provision:

As of March 31, 2015 and December 31, 2014, the Bank and its subsidiaries do not have a stock-based compensation plan.

(h) Contingent loan provisions:

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As of March 31, 2015 and December 31, 2014, the Bank and its subsidiaries maintain contingent loan provisions by an amount of Ch\$55,197 million (Ch\$54,077 million as of December 31, 2014). See Note No. 26 (d).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

25. Other Liabilities:

At the end of each period, other liabilities are detailed as follows:

| | March 2015 MCh\$ | December 2014 MCh\$ |
|-------------------------------|---------------------------------|------------------------------------|
| Accounts and notes payable(*) | 108,282 | 120,694 |
| Unearned income | 6,386 | 5,946 |
| Dividends payable | 952 | 1,011 |
| Other liabilities | | |
| Cobranding | 45,706 | 43,291 |
| Documents intermediated(**) | 41,012 | 45,580 |
| Transactions in progress | 24,047 | 1,391 |
| VAT debit | 14,046 | 13,605 |
| Leasing deferred gains | 4,882 | 6,003 |
| Insurance payments | 244 | 284 |
| Others | 8,940 | 8,583 |
| Total | 254,497 | 246,388 |

(*) Comprises obligations that do not correspond to transactions in the line of business, such as withholding tax, pension and healthcare contributions, insurance payable, balances of prices for the purchase of materials and provisions for expenses pending payment.

(**) This item mainly includes financing of simultaneous operations performed by subsidiary Banchile Corredores de Bolsa S.A.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

26. Contingencies and Commitments:

(a) Commitments and responsibilities accounted for in off-balance-sheet accounts:

In order to satisfy its customers' needs, the Bank entered into several irrevocable commitments and contingent obligations. Although these obligations are not recognized in the Interim Condensed Consolidated Statement of Financial Position, they contain credit risks and, therefore, form part of the Bank's overall risk.

The Bank and its subsidiaries record the following balances related to such commitments and responsibilities, which fall within its line of business, in off-balance-sheet accounts:

| | March 2015 MCh\$ | December 2014 MCh\$ |
|---|---------------------------------|------------------------------------|
| Contingent loans | | |
| Guarantees and surety bonds | 460,617 | 412,474 |
| Confirmed foreign letters of credit | 70,145 | 136,846 |
| Issued letters of credit | 133,995 | 152,582 |
| Bank guarantees | 1,609,590 | 1,576,763 |
| Immediately available credit lines | 6,393,772 | 6,084,098 |
| Other commitments | 14,410 | 14,434 |
| Transactions on behalf of third parties | | |
| Collections | 285,193 | 305,384 |
| Third-party resources managed by the Bank: | | |
| Financial assets managed on behalf of third parties | 8,968 | 13,153 |
| Other Financial assets managed on behalf of third parties | | |
| Financial assets acquired on its own behalf | 76,041 | 67,834 |
| Other Financial assets acquired on its own behalf | | |
| Fiduciary activities | | |
| Securities held in safe custody in the Bank | 8,424,718 | 7,488,897 |
| Securities held in safe custody in other entities | 4,980,287 | 4,865,570 |
| Total | 22,457,736 | 21,118,035 |

The prior information only includes the most significant balances.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

26. Contingencies and Commitments, continued:

(b) Lawsuits and legal proceedings:

(b.1) Legal contingencies within the ordinary course of business:

At the date of issuance of these consolidated financial statements, there are actions filed against the Bank and its subsidiaries related with the ordinary course operations.

Among these actions, there is the following:

- Collective action filed by the National Consumer Service (Servicio Nacional del Consumidor) in accordance with Law No. 19,496. This action seeks to challenge some clauses of the Person Products Unified Agreement (Contrato Unificado de Productos de Personas) regarding fees on credit lines for overdraft and validity of the tacit consent to changes in fees, charges and other conditions in consumer contracts.
- Collective action filed by the National Corporation of Consumers and Users of Chile (Corporación Nacional de Consumidores y Usuarios de Chile) that challenge some clauses of the Person Products Unified Agreement (Contrato Unificado de Productos de Personas) regarding fees on credit lines for overdraft and validity of the tacit consent to changes in fees, charges and other conditions in consumer contracts, along with the outsourcing of certain services related to our clients' current account data.
- Collective action filed by the National Organization of Consumers and Users of Chile (Organización de Consumidores y Usuarios de Chile) that requests the Court to declare abusive and void certain provisions of the Person Products Unified Agreement regarding the use of self-service channels (internet, ATMs, telephone banking) and Credit Cards. Such provisions refer to the user's duty to act with diligence and care with respect to passwords as well as the responsibility they have in case of disclosure to third parties, and the use by such third parties of them.

As of March 31, 2015, the Bank has established provisions for this concept in the amount of MCh\$8,029 (MCh\$8,073 as of December 31, 2014), recorded within Provisions in the Interim Condensed Consolidated Statement of Financial Position. The following table presents estimated date of completion of the respective litigation:

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| | 2015 | 2016 | March 31, 2015 | | 2019 | Total |
|---------------------|-------|-------|----------------|-------|-------|-------|
| | MCh\$ | MCh\$ | 2017 | 2018 | MCh\$ | MCh\$ |
| | | | MCh\$ | MCh\$ | | |
| Legal contingencies | 3,673 | 4,022 | 184 | 150 | | 8,029 |

(b.2) Contingencies for significant lawsuits:

As of March 31, 2015 and December 31, 2014 the Bank is not part to any significant lawsuits that affect or may affect these consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

26. Contingencies and Commitments, continued:

(c) Guarantees granted:

i. In subsidiary Banchile Administradora General de Fondos S.A.:

In compliance with Article No. 12 of Law No. 20,712, Banchile Administradora General de Fondos S.A., has designated Banco de Chile as the representative of the beneficiaries of the guarantees it has established and in that character the Bank has issued bank guarantees totaling UF 2,673,000, maturing January 8, 2016 (UF 2,458,000, maturing on January 9, 2015 as of December 31, 2014).

In addition to these guarantees for creating mutual funds, there are other guarantees for a guaranteed return on certain mutual funds, totaling Ch\$30,811 million as of March 31, 2015 (Ch\$35,861 million as of December 31, 2014).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

26. Contingencies and Commitments, continued:

(c) Guarantees granted, continued:

The details of guarantees are as follow:

| Fund | March | Guarantees Number | December | Guarantees Number |
|---|---------------|----------------------|---------------|----------------------|
| | 2015 MCh\$ | | 2014 MCh\$ | |
| Mutual Fund Depósito Plus V Guaranteed | 9,976 | 001107-7 | 9,976 | 001107-7 |
| Mutual Fund Depósito Plus VI Guaranteed | 5,429 | 002506-8 | 5,429 | 002506-8 |
| Mutual Fund Small Cap USA Guaranteed | 5,197 | 008212-5 | 5,197 | 008212-5 |
| Mutual Fund Twin Win Europa 103 Guaranteed | 3,537 | 006035-1 | 3,537 | 006035-1 |
| Mutual Fund Global Stocks Guaranteed | 2,964 | 007385-9 | 2,964 | 007385-9 |
| Mutual Fund Europa Accionario Guaranteed | 2,059 | 006036-9 | 2,059 | 006036-9 |
| Mutual Fund Second Best Europa China Guaranteed | 1,649 | 007082-7 | 1,649 | 007082-7 |
| Mutual Fund Chile Bursátil Guaranteed | | | 5,050 | 006034-3 |
| Total | 30,811 | | 35,861 | |

In compliance to established by the Superintendence of Securities and Insurance in letter f) of Circular 1,894 of September 24, 2008, the entity has constituted guarantees, by management portfolio, in benefit of investor. Such guarantee corresponds to a bank guarantee for UF175,000, with maturity on January 8, 2016.

ii. In subsidiary Banchile Corredores de Bolsa S.A.:

For the purposes of ensuring correct and complete compliance with all of its obligations as Stock Brokerage entity, in conformity with the provisions of Article 30 and subsequent Articles of Law 18,045 on Securities Markets, the subsidiary established a guarantee in an insurance policy for UF 20,000, insured by Mapfre Seguros Generales S.A., that matures April 22, 2016, whereby the Securities Exchange of the Santiago Stock Exchange was appointed as the subsidiary's creditor representative.

| | March | December |
|--------------------|-------|----------|
| | 2015 | 2014 |
| | MCh\$ | MCh\$ |
| Guarantees: | | |

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Shares to secure short-sale transactions in:

| | | |
|---|--------|--------|
| Securities Exchange of the Santiago, Stock Exchange | 17,084 | 17,158 |
| Securities Exchange of the Electronic, Stock Exchange of Chile | 12,654 | 8,748 |
| Fixed income securities to ensure system CCLV, Securities Exchange of the Santiago, Stock Exchange | 2,998 | 2,996 |
| Shares to secure loans of shares Chilean Electronic Stock Exchange, Stock Exchange | 332 | |
| Total | 33,068 | 28,902 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

26. Contingencies and Commitments, continued:

(c) Guarantees granted, continued:

ii. In subsidiary Banchile Corredores de Bolsa S.A., continued:

In conformity with the provisions of internal stock market regulations, and for the purpose of securing the broker's correct performance, the company established a pledge on its share of the Santiago Stock Exchange in favor of that institution, as recorded in Public Deed on September 13, 1990, signed before Santiago public notary Mr. Raul Perry Pefaur, and on its share in the Electronic Stock Exchange of Chile in favor of that institution, as recorded in a contract entered into by both parties on May 16, 1990.

Banchile Corredores de Bolsa S.A. keeps an insurance policy current with AIG Chile - Compañía de Seguros Generales S.A. that expires January 2, 2016, and that covers employee fidelity, physical losses, falsification or adulteration, and currency fraud with a coverage amount equivalent to US\$10,000,000.

According to disposition of Chilean Central Bank, it was constituted a bank guarantee corresponding to UF10,500, with purposes to comply with the contract SOMA (Contract for Service System Open Market Operations) of Chilean Central Bank. This bank guarantee is revaluated in UF to fixed term, not endorsable with maturity of July 17, 2015.

It was constituted a bank guarantee No. 356782-3 corresponds to UF210,000, in benefits of investors with contracts of portfolio management. This bank guarantee is revaluated in UF to fixed term, not endorsable with maturity of January 8, 2016.

It was constituted a cash guarantee for an amount of US\$122,494.32, whose purpose is to comply obligations with Pershing, by operations made through this broker.

iii. In subsidiary Banchile Corredores de Seguros Ltda,

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According to established in article No. 58, letter D of D.F.L. 251, as of March 31, 2015, the entity maintains two insurance policies that protect it in the face of possible damages that it could affect it, due to infractions of the law, regulations and complementary rules that regulate insurance brokers, and specially when the non-compliance is from acts, mistakes or omissions of the brokers, its represents, agent or dependent that participate in the intermediation for Banchile Corredores de Bolsa S.A.

The policies contracted are the following:

| Matter insured | Amount Insured (UF) |
|--|----------------------------|
| Responsibility for errors and omissions policy | 60,000 |
| Civil responsibility policy | 500 |

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued****26. Contingencies and Commitments, continued:**

(d) Provisions for contingencies loans:

Established provisions for credit risk from contingencies operations are the followings:

| | March 2015 MCh\$ | December 2014 MCh\$ |
|-----------------------------|---------------------------------|------------------------------------|
| Credit lines | 35,788 | 34,715 |
| Bank guarantees | 15,337 | 15,372 |
| Guarantees and surety bonds | 3,239 | 3,009 |
| Letters of credit | 491 | 639 |
| Other commitments | 342 | 342 |
| Total | 55,197 | 54,077 |

(e) In the Eleventh Civil Court of Santiago, Banchile Corredores de Bolsa S.A. filed a reclamation against the Resolución Exenta No. 270 of October 30, 2014 of the Superintendency of Securities and Insurance (SVS), whereby that Superintendency imposed a fine to Banchile Corredores de Bolsa S.A. (Banchile Corredores) for an amount of UF50,000 for the alleged infringement of Article 53 second paragraph of Law 18,045 (Ley de Mercado de Valores), for certain specific transactions related to Sociedad Química y Minera de Chile S.A. s shares (SQM-A). Through the claim Banchile Corredores seeks to void the fine. As a requirement to file the claim, Banchile credited (consignó) 25% of the amount of the fine.

According to the current policies, the company has not established provisions because this judicial process has not been ruled yet and also because our legal advisors have estimated that there are grounds to get a favorable judgement for Banchile Corredores.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

27. Equity:

(a) Capital

(i) Authorized, subscribed and paid shares:

As of March 31, 2015, the paid-in capital of Banco de Chile is represented by 94,655,367,544 registered shares (94,655,367,544 shares as of December 31, 2014), with no par value, fully paid and distributed.

(ii) Shares:

(ii.1) On March 26, 2015, the Extraordinary Shareholders Meeting approved the capitalization of 30 % of the distributable net income for the year 2014. At the date of issuance of these financial statements have not been issued pups in said Board agreed actions.

(ii.2) The following table shows the share movements from December 31, 2013 to March 31, 2015:

| | Total Ordinary shares |
|--------------------------------------|----------------------------------|
| As of December 31, 2013 | 93,175,043,991 |
| Total shares as of March 31, 2014 | 93,175,043,991 |
| Capitalization of earnings (*) | 1,480,323,553 |
| Total shares as of December 31, 2014 | 94,655,367,544 |
| Total shares as March 31, 2015 | 94,655,357,544 |

(*) Capitalization on June 26, 2014.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

27. Equity, continued:

(b) Distributable income:

For purposes of Law No. 19,396 (in particular Articles 24, 25 and 28 of such law) and the Central Bank Contract between Banco de Chile and Sociedad Matriz del Banco de Chile S.A.- Banco de Chile's distributable net income will be determined by subtracting or adding to net income the correction of the value of the paid-in capital and reserves according to the variation of the Consumer Price Index between November of the fiscal year prior to the one in which the calculation is made and November of the fiscal year in which the calculation is made. The difference between net income and distributable net income shall be registered in a reserve account since the first day of the fiscal year following the date when the calculation is made. This reserve account cannot be distributed or capitalized, Provisional Article four shall be in force until the obligation of Law No. 19,396 owed by Sociedad Matriz del Banco de Chile S.A., directly or through its subsidiary SAOS has been fully paid. The distributable income for the nine-month period ended as of March 31, 2015 ascend to Ch\$116,715 million (Ch\$463,698 million as of December 31, 2014).

The above described agreement was subject to the consideration of the Council of the Central Bank of Chile, and such entity approved, in ordinary meeting that took place on December 3, 2009.

As stated, the retention of earnings for the year ended as of December 31, 2014, made in March of 2015, ascend to Ch\$127,383 million (Ch\$49,913 million of income for the year ended as of December 31, 2013, retained in March of 2014).

(c) Approval and payment of dividends:

At the Ordinary Shareholders Meeting held on March 26, 2015, the Bank's shareholders agreed to distribute and pay dividend No. 203 amounting to Ch\$3.42915880220 per common share of Banco de Chile, with charge to distributable net income for the year ended as of December 31, 2014. The dividend of period 2015 amounted Ch\$367,444 million.

At the Ordinary Shareholders Meeting held on March 27, 2014, the Bank's shareholders agreed to distribute and pay dividend No. 202 amounting to Ch\$3.48356970828 per common share of Banco de Chile, with charge to distributable net income for the year ended as of December 31, 2013, The dividend of period 2014 amounted Ch\$368,120 million.

(d) Provision for minimum dividends:

The Board of Directors established a minimum dividend distribution policy, where the Bank has to record a provision of 70% of net income of the Annual Consolidated Financial Statements. Accordingly, the Bank recorded a liability under the line item Provisions for an amount of MCh\$81,701 (MCh\$324,588 as of December 31, 2014) against Retained earnings .

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued****27. Equity, continued:**

(e) Earnings per share:

(i) Basic earnings per share:

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

(ii) Diluted earnings per share:

Diluted earnings per share are determined in the same way as Basic Earnings, but the weighted average number of outstanding shares is adjusted to take into account the potential diluting effect of stock options, warrants, and convertible debt.

The following table shows the income and share data used in the calculation of EPS:

| | March 2015 | March 2014 |
|---|-----------------------|-----------------------|
| Basic earnings per share: | | |
| Net profits attributable to ordinary equity holders of the bank (in millions) | 116,715 | 150,750 |
| Weighted average number of ordinary shares | 94,655,367,544 | 94,655,367,544 |
| Earning per shares (in Chilean pesos)(*) | 1.23 | 1.59 |
| Diluted earnings per share: | | |
| Net profits attributable to ordinary equity holders of the bank (in millions) | 116,715 | 150,750 |
| Weighted average number of ordinary shares | 94,655,367,544 | 94,655,367,544 |
| Assumed conversion of convertible debt | | |
| Adjusted number of shares | 94,655,367,544 | 94,655,367,544 |
| Diluted earnings per share (in Chilean pesos)(*) | 1.23 | 1.59 |

(*)This calculation considers the effect of the share pups issue.

As of March 31, 2015 and 2014, the Bank did not have any instruments that could lead to a dilution of its ordinary shares.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

27. Equity, continued:

(f) Other comprehensive income:

The cumulative translation adjustment is generated from the Bank's translation of its investments in foreign companies, as it records the effects of foreign currency translation for these items in equity. During the period 2015 there were no cumulative translation adjustment (credit to equity for Ch\$39 million as of March 31, 2014).

The fair market value adjustment for available-for-sale instruments is generated by fluctuations in the fair value of that portfolio, with a charge or credit to equity, net of deferred taxes. During the period of 2015 it was made a net credit to equity for an amount of Ch\$5,735 million (net credit to equity for Ch\$1,871 million as of March 31, 2014).

Cash flow hedge adjustment it consists in the portion of income of hedge instruments registered in equity produced in a cash flow hedge. During the period of 2015 it was made a net charge to equity for an amount of Ch\$4,165 million (charge to equity for Ch\$16,306 million as of March 31, 2014).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

28. Interest Revenue and Expenses:

(a) On the Interim Condensed Consolidated Financial Statement closing date, the composition of income from interest and adjustments, not including the net loss from hedge accounting, is as follows:

| | March 2015 | | | March 2014 | | | | |
|--------------------------------|-------------------|---------------------|--------------------------|----------------|-------------------|---------------------|--------------------------|----------------|
| | Interest MCh\$ | Adjustment MCh\$ | Prepaid fees MCh\$ | Total MCh\$ | Interest MCh\$ | Adjustment MCh\$ | Prepaid fees MCh\$ | Total MCh\$ |
| Commercial loans | 160,618 | (1,130) | 879 | 160,367 | 181,554 | 59,740 | 389 | 241,683 |
| Consumer loans | 138,097 | (10) | 1,927 | 140,014 | 139,625 | 909 | 2,020 | 142,554 |
| Residential mortgage loans | 55,730 | (1,027) | 1,100 | 55,803 | 52,289 | 60,743 | 878 | 113,910 |
| Financial investment | 14,524 | (532) | | 13,992 | 14,882 | 8,257 | | 23,139 |
| Repurchase agreements | 258 | | | 258 | 539 | | | 539 |
| Loans and advances to banks | 4,783 | | | 4,783 | 5,762 | | | 5,762 |
| Other interest revenue | 178 | (137) | | 41 | 128 | 855 | | 983 |
| Total | 374,188 | (2,836) | 3,906 | 375,258 | 394,779 | 130,504 | 3,287 | 528,570 |

The amount of interest revenue recognized on a received basis for impaired portfolio as of March 31, 2015 was Ch\$2,055 million (Ch\$1,833 million in 2014).

(b) At the each period end, the detail of income from suspended interest is as follows:

| | March 2015 | | | March 2014 | | |
|-------------------------------|-------------------|---------------------|----------------|-------------------|---------------------|----------------|
| | Interest MCh\$ | Adjustment MCh\$ | Total MCh\$ | Interest MCh\$ | Adjustment MCh\$ | Total MCh\$ |
| Commercial loans | 9,771 | 1,973 | 11,744 | 9,986 | 912 | 10,898 |
| Residential mortgage loans | 1,717 | 1,315 | 3,032 | 1,345 | 897 | 2,242 |
| Consumer loans | 176 | | 176 | 247 | | 247 |
| Total | 11,664 | 3,288 | 14,952 | 11,578 | 1,809 | 13,387 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

28. Interest Revenue and Expenses, continued:

(c) At the each period end, interest and adjustment expenses (not including hedge gain) are detailed as follows:

| | Interest MCh\$ | March 2015 Adjustment MCh\$ | Total MCh\$ | Interest MCh\$ | March 2014 Adjustment MCh\$ | Total MCh\$ |
|--|-------------------|--------------------------------------|----------------|-------------------|--------------------------------------|----------------|
| Savings accounts and time deposits | 66,033 | (1,165) | 64,868 | 99,073 | 23,818 | 122,891 |
| Debt issued | 38,500 | (146) | 38,354 | 36,974 | 42,454 | 79,428 |
| Other financial obligations | 434 | 102 | 536 | 463 | 481 | 944 |
| Repurchase agreements | 1,645 | | 1,645 | 3,005 | 6 | 3,011 |
| Borrowings from financial institutions | 2,057 | | 2,057 | 1,786 | | 1,786 |
| Demand deposits | 162 | (577) | (415) | 136 | 2,316 | 2,452 |
| Other interest expenses | | 4 | 4 | | 214 | 214 |
| Total | 108,831 | (1,782) | 107,049 | 141,437 | 69,289 | 210,726 |

(d) As of March 31, 2015 and 2014, the Bank uses cross currency and interest rate swaps to hedge its position on the fair value of corporate bonds and commercial loans and cross currency swaps to hedge its obligations with foreign banks and bonds issued abroad.

| | Income (loss) MCh\$ | March 2015 Expense MCh\$ | Total MCh\$ | Income (loss) MCh\$ | March 2014 Expense MCh\$ | Total MCh\$ |
|--|---------------------------|-----------------------------------|----------------|---------------------------|-----------------------------------|----------------|
| Gain from fair value accounting hedges | | | | | | |
| Loss from fair value accounting hedges | (753) | | (753) | (592) | | (592) |
| Gain from cash flow accounting hedges | 6,385 | 6,205 | 12,590 | 1,730 | 5,015 | 6,745 |
| Loss from cash flow accounting hedges | (14,780) | (1,051) | (15,831) | (21,518) | (182) | (21,700) |
| Net gain on hedge items | (492) | | (492) | (824) | | (824) |
| Total | (9,640) | 5,154 | (4,486) | (21,204) | 4,833 | (16,371) |

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(e) At the each period end, the detail of income from suspended interest is as follows:

| | March 2015 MCh\$ | March 2014 MCh\$ |
|--|---------------------------------|---------------------------------|
| Interest revenue | 375.258 | 528.570 |
| Interest expense | (107.049) | (210.726) |
| Subtotal interest income | 268.209 | 317.844 |
| Net gain (loss) from accounting hedges | (4.486) | (16.371) |
| Total net interest income | 263.723 | 301.473 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

29. Income and Expenses from Fees and Commissions:

At the each period end, the income and expenses for fees and commissions shown in the Interim Consolidated Statements of Comprehensive Income refer to the following items:

| | March 2015 MCh\$ | March 2014 MCh\$ |
|---|---------------------------------|---------------------------------|
| Income from fees and commission | | |
| Card services | 28,968 | 29,663 |
| Investments in mutual funds and others | 18,091 | 14,322 |
| Collections and payments | 12,622 | 12,143 |
| Portfolio management | 9,680 | 9,105 |
| Use of distribution channel | 5,610 | 4,811 |
| Fees for insurance transactions | 5,167 | 4,547 |
| Guarantees and letters of credit | 5,001 | 4,647 |
| Lines of credit and overdrafts | 4,585 | 5,247 |
| Trading and securities management | 4,529 | 4,535 |
| Usage Banchile's brand | 3,354 | 3,204 |
| Financial advisory services | 1,833 | 2,781 |
| Other fees earned | 2,932 | 388 |
| Total income from fees and commissions | 102,372 | 95,403 |
| Expenses from fees and commissions | | |
| Fees for credit card transactions | (23,136) | (22,555) |
| Fees on interbank transactions | (3,355) | (2,924) |
| Fees for collections and payments | (1,661) | (1,605) |
| Sale of mutual fund units | (952) | (767) |
| Fees for securities transactions | (680) | (627) |
| Sales force fees | (317) | (492) |
| Other fees | (170) | (149) |
| Total expenses from fees and commissions | (30,271) | (29,119) |

30. Net Financial Operating Income:

The gains (losses) from trading and brokerage activities are detailed as follows:

March **March**

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| | 2015 MCh\$ | 2014 MCh\$ |
|--|---------------|---------------|
| Trading derivative | 8,182 | (4,869) |
| Sale of available-for-sale instruments | 7,508 | 8,662 |
| instrumentsFinancial assets held-for-trading | 5,242 | 8,023 |
| Net income on other transactions | 802 | 79 |
| Sale of loan portfolios | 271 | |
| Total | 22,005 | 11,895 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

31. Foreign Exchange Transactions, net:

Net foreign exchange transactions are detailed as follows:

| | March 2015 MCh\$ | March 2014 MCh\$ |
|-------------------------------|------------------------|------------------------|
| Gain from accounting hedges | 50,079 | 41,451 |
| Translation difference, net | 4,805 | 5,314 |
| Indexed foreign currency, net | (39,381) | (24,187) |
| Total | 15,503 | 22,578 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

32. Provisions for Loan Losses:

The movement during the nine-month period ended as of March 2015 and March 2014 is the following:

| | Loans and advances to banks | | Commercial loans | | Loans to customers Mortgage Loans | | Consumer loans | | Total | | Contingent loans | | Total | |
|--|--------------------------------|---------------|---------------------|-----------------|---|----------------|-------------------|-----------------|-----------------|-----------------|---------------------|----------------|-----------------|-----------------|
| | March 2015 | March 2014 | March 2015 | March 2014 | March 2015 | March 2013 | March 2015 | March 2013 | March 2015 | March 2013 | March 2015 | March 2013 | March 2015 | March 2014 |
| | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ |
| Provisions established: | | | | | | | | | | | | | | |
| Individual provisions | (113) | | (8,082) | (18,396) | | | | | (8,082) | (18,396) | | (1,110) | (8,195) | (19,506) |
| Group provisions | | | (10,358) | (13,149) | (2,693) | (1,931) | (55,536) | (51,558) | (68,587) | (66,638) | (1,264) | (721) | (69,851) | (67,359) |
| Provisions established, net | (113) | | (18,440) | (31,545) | (2,693) | (1,931) | (55,536) | (51,558) | (76,669) | (85,034) | (1,264) | (1,831) | (78,046) | (86,865) |
| Provisions released: | | | | | | | | | | | | | | |
| Individual provisions | | 1 | 588 | | | | | | | | | 144 | | 588 |
| Group provisions | | | | | | | | | | | | | | |
| Provisions released, net | | 1 | 588 | | | | | | | | | 144 | | 588 |
| Provision, net | (112) | 588 | (18,440) | (31,545) | (2,693) | (1,931) | (55,536) | (51,558) | (76,669) | (85,034) | (1,120) | (1,831) | (77,901) | (86,277) |
| Additional provision | | | | | | | | | | | | | | |
| Recovery of written-off assets | | | | 4,719 | 2,280 | 364 | 243 | 7,386 | 7,400 | 12,469 | 9,923 | | 12,469 | 9,923 |
| Provisions,for loan losses, net | (112) | 588 | (13,721) | (29,265) | (2,329) | (1,688) | (48,150) | (44,158) | (64,200) | (75,111) | (1,120) | (1,831) | (65,432) | (76,354) |

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According to the management, the provisions constituted by credit risk, cover all the possible losses that could arise from the non-recovery of assets.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

33. Personnel Expenses:

At the each period end personnel expenses are detailed as follows:

| | March 2015 MCh\$ | March 2014 MCh\$ |
|-----------------------------|------------------------|------------------------|
| Salaries | 53,055 | 48,771 |
| Bonuses and incentives | 9,198 | 8,214 |
| Variable Compensation | 8,374 | 7,723 |
| Gratifications | 5,852 | 5,298 |
| Lunch and health benefits | 6,278 | 5,926 |
| Staff severance indemnities | 5,023 | 1,804 |
| Training expenses | 560 | 616 |
| Other personnel expenses | 5,217 | 3,924 |
| Total | 93,557 | 82,276 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

34. Administrative Expenses:

At the each period end, administrative expenses are detailed as follows:

| | March 2015 MCh\$ | March 2014 MCh\$ |
|--|---------------------------------|---------------------------------|
| General administrative expenses | | |
| Information Technology and communications | 14,854 | 12,724 |
| Maintenance and repair of property and equipment | 7,919 | 7,375 |
| Office rental | 5,967 | 5,210 |
| Securities and valuables transport services | 2,583 | 2,438 |
| External advisory services | 1,851 | 1,555 |
| Office supplies | 1,702 | 1,887 |
| Rent ATM area | 1,572 | 1,940 |
| Lighting, heating and other utilities | 1,373 | 1,251 |
| Representation and transferring of personnel | 1,055 | 1,007 |
| Legal and notary | 997 | 960 |
| P.O. box mail and postage | 958 | 1,027 |
| Insurance premiums | 868 | 811 |
| External service of financial information | 694 | 473 |
| File custody external services | 619 | 601 |
| Donations | 413 | 473 |
| Expenses from alarm systems | 162 | 175 |
| Other general administrative expenses | 3,513 | 4,621 |
| Subtotal | 47,100 | 44,815 |
| Outsources services | | |
| Credit pre-evaluation services | 4,681 | 6,235 |
| Data processing | 2,094 | 1,891 |
| External technological developments expenses | 2,050 | 1,827 |
| Certification and testing technology | 1,171 | 1,117 |
| Other | 1,019 | 968 |
| Subtotal | 11,015 | 12,098 |
| Board expenses | | |
| Board remunerations | 530 | 529 |
| Other Board expenses | 111 | 78 |
| Subtotal | 641 | 607 |
| Marketing expenses | | |
| Advertising | 6,578 | 5,649 |
| Subtotal | 6,578 | 5,649 |

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Taxes, payroll taxes and contributions

| | | |
|--|--------|--------|
| Contribution to the Superintendency of Banks | 1,996 | 1,889 |
| Real estate contributions | 629 | 739 |
| Patents | 332 | 333 |
| Other taxes | 98 | 101 |
| Subtotal | 3,050 | 3,062 |
| Total | 68,389 | 66,231 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

35. Depreciation, Amortization and Impairment:

(a) At the each period end, the amounts charged to income for depreciation and amortization are detailed as follows:

| | March 2015 MCh\$ | March 2014 MCh\$ |
|---|---------------------------------|---------------------------------|
| Depreciation and amortization | | |
| Depreciation of property and equipment (Note No. 16(b)) | 5,202 | 4,530 |
| Amortization of intangibles assets (Note No. 15(b)) | 2,184 | 1,975 |
| Total | 7,386 | 6,505 |

(b) As of March 31, 2015 and 2014 the composition of impairment expenses is the following:

| | March 2015 MCh\$ | March 2014 MCh\$ |
|---|---------------------------------|---------------------------------|
| Impairment | | |
| Impairment of Financial Instruments | | |
| Impairment of Properties and Equipment (Note No. 16(b)) | | 203 |
| Impairment of Intangible Assets (Note No. 15(b)) | | |
| Total | | 203 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

36. Other Operating Income:

At the each period end, the Bank and its subsidiaries present the following under other operating income:

| | March 2015 MCh\$ | March 2014 MCh\$ |
|--|------------------------|------------------------|
| Income for assets received in lieu of payment | | |
| Income from sale of assets received in lieu of payment | 764 | 856 |
| Other income | | |
| Subtotal | 764 | 856 |
| Release of provisions for contingencies | | |
| Country risk provisions | | |
| Other provisions for contingencies | 44 | |
| Subtotal | 44 | |
| Other income | | |
| Expense recovery | 2,183 | 581 |
| Rental income | 2,058 | 1,924 |
| Credit card income | 1,064 | |
| Recovery from external branches | 676 | 667 |
| Income from differences sale leased assets | 127 | 120 |
| Income from sale of leased assets | 112 | 3 |
| Fiduciary and trustee commissions | 62 | 61 |
| Gain on sale of property and equipment | 28 | 37 |
| Revaluation of prepaid monthly payments | 24 | 43 |
| Others | 1,005 | 1,431 |
| Subtotal | 7,339 | 4,867 |
| Total | 8,147 | 5,723 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

37. Other Operating Expenses:

At the each period end, the Bank and its subsidiaries incurred the following other operating expenses:

| | March 2015 MCh\$ | March 2014 MCh\$ |
|---|------------------------|------------------------|
| Provisions and expenses for assets received in lieu of payment | | |
| Charge-off assets received in lieu of payment | 437 | 333 |
| Expenses to maintain assets received in lieu of payment | 72 | 58 |
| Provisions for assets received in lieu of payment | 68 | 3 |
| Subtotal | 577 | 394 |
| Provisions for contingencies | | |
| Country risk provisions | 982 | 239 |
| Other provisions for contingencies | | 268 |
| Subtotal | 982 | 507 |
| Other expenses | | |
| Provisions and charge-offs of other assets | 4,806 | 1,463 |
| Write-offs for operating risks | 1,510 | 1,148 |
| Operations expenses and charge-offs leasing | 644 | 118 |
| Credit cards administration | 157 | 273 |
| Provision for leased assets recoveries | 143 | 177 |
| Civil lawsuits | 117 | 15 |
| Contribution to other organisms | 74 | 71 |
| Credit life insurance | 48 | 31 |
| Loss in sale of property and equipment | | |
| Others | 628 | 568 |
| Subtotal | 8,127 | 3,864 |
| Total | 9,686 | 4,765 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

38. Related Party Transactions:

The related parties of companies and their subsidiaries include entities of the company's corporate group; corporations which are the company's parent company, associated companies, subsidiaries and associates; directors, managers, administrators, main executives or receivers of the company on their own behalf or in representation of persons other than the company, and their respective spouses or family members up to the second degree of consanguinity or affinity, as well as any entity directly or indirectly controlled through any of them, the partnerships or companies in which the aforementioned persons are owners, directly or through other individuals or corporations, of 10% or more of their capital or directors, managers, administrators or main executives; any person that on their own or with others with whom they have a joint action agreement can designate at least one member of the company's management or controls 10% or more of the capital or of the voting capital, if dealing with a public corporation; those that establish the company's bylaws, or with a sound basis identify the directors' committee; and those who have held the position of director, manager, administrator, main executive or receiver within the last eighteen months.

The Law of Corporations, article 147, states that a public corporation can only enter into transactions with related parties when the objective is to contribute to the company's interests, and when the price, terms and conditions are commensurate to those prevailing in the market at the time of their approval and comply with the requirements and procedures stated in the same standard.

Moreover, article 84 of the General Banking Law establishes limits for loans granted to related parties and prohibits the granting of loans to the Bank's directors, managers and general representatives.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

38. Related Party Transactions, continued:

(a) Loans to related parties:

The following table details loans accounts receivable, contingent loans and assets related to trading and investments securities, corresponding to related entities.

| | Production Companies(*) | | Investment Companies(**) | | Individuals(***) | | Total | |
|---------------------------------------|-------------------------|------------------------|--------------------------|------------------------|---------------------|------------------------|---------------------|------------------------|
| | March 2015 MCh\$ | December 2014 MCh\$ | March 2015 MCh\$ | December 2014 MCh\$ | March 2015 MCh\$ | December 2014 MCh\$ | March 2015 MCh\$ | December 2014 MCh\$ |
| Loans and accounts receivable: | | | | | | | | |
| Commercial loans | 274,625 | 287,943 | 31,190 | 36,383 | 1,958 | 1,878 | 307,773 | 326,204 |
| Residential mortgage loans | | | | | 22,042 | 19,970 | 22,042 | 19,970 |
| Consumer loans | | | | | 4,303 | 4,111 | 4,303 | 4,111 |
| Gross loans | 274,625 | 287,943 | 31,190 | 36,383 | 28,303 | 25,959 | 334,118 | 350,285 |
| Provision for loan losses | (807) | (790) | (44) | (132) | (60) | (68) | (911) | (990) |
| Net loans | 273,818 | 287,153 | 31,146 | 36,251 | 28,243 | 25,891 | 333,207 | 349,295 |
| Off balance sheet accounts: | | | | | | | | |
| Guarantees | 2,126 | 3,238 | 41 | 40 | | | 2,167 | 3,278 |
| Letters of credits | 3,730 | 1,344 | | | | | 3,730 | 1,344 |
| Banks guarantees | 47,072 | 42,195 | 301 | 387 | | | 47,373 | 42,582 |
| Immediately available credit lines | 53,043 | 52,900 | 25,070 | 24,686 | 12,706 | 10,997 | 90,819 | 88,583 |
| Total off balance sheet account | 105,971 | 99,677 | 25,412 | 25,113 | 12,706 | 10,997 | 144,089 | 135,787 |
| Provision for contingencies loans | (82) | (89) | | | | | (82) | (89) |
| Off balance sheet account, net | 105,889 | 99,588 | 25,412 | 25,113 | 12,706 | 10,997 | 144,007 | 135,698 |
| Amount covered by Collateral | | | | | | | | |
| Mortgage | 28,734 | 28,811 | 55 | 55 | 13,454 | 13,405 | 42,243 | 42,271 |
| Warrant | | | | | | | | |
| Pledge | 13 | 13 | | | 7 | 7 | 20 | 20 |
| Others(****) | 2,602 | 2,602 | 17,300 | 17,300 | 10 | 10 | 19,912 | 19,912 |

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| | | | | | | | | |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Total colateral | 31,349 | 31,426 | 17,355 | 17,355 | 13,471 | 13,422 | 62,175 | 62,203 |
| Acquired Instruments | | | | | | | | |
| For trading purposes | | | | 6,015 | | | | 6,015 |
| For investing purposes | | | | | | | | |
| Total acquired instruments | | | | 6,015 | | | | 6,015 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

38. Related Party Transactions, continued:

(a) Loans with related parties, continued:

(*) Production companies are legal entities which comply with the following conditions:

- i) They engage in productive activities and generate a separable flow of income.
- ii) Less than 50% of their assets are trading securities or investments.

(**) Investment companies include those legal entities that do not comply with the conditions for production companies and are profit-oriented.

(***) Individuals include key members of the management, who directly or indirectly possess the authority and responsibility of planning, administering and controlling the activities of the organization, including directors. This category also includes their family members who are expected to have an influence or to be influenced by such individuals in their interactions with the organization.

(****) These guarantees correspond mainly to shares and other financial guarantees.

(b) Other assets and liabilities with related parties:

| | March 2015 MCh\$ | December 2014 MCh\$ |
|--|---------------------------------|------------------------------------|
| Assets | | |
| Cash and due from banks | 12,015 | 10,478 |
| Derivative instruments | 86,610 | 85,226 |
| Other assets | 20,993 | 17,386 |
| Total | 119,618 | 113,090 |
| Liabilities | | |
| Demand deposits | 137,766 | 220,603 |
| Savings accounts and time deposits | 462,092 | 423,012 |
| Derivative instruments | 115,876 | 123,569 |
| Borrowings from financial institutions | 215,142 | 154,022 |
| Other liabilities | 16,849 | 26,205 |
| Total | 947,725 | 947,411 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

38. Related Party Transactions, continued:

(c) Income and expenses from related party transactions (*):

| Type of income or expense recognized | March 2015 | | March 2014 | |
|--|--------------|---------------|--------------|---------------|
| | Income MCh\$ | Expense MCh\$ | Income MCh\$ | Expense MCh\$ |
| Interest and revenue expenses | 3,591 | 2,872 | 6,132 | 4,446 |
| Fees and commission income | 13,668 | 6,779 | 13,216 | 5,956 |
| Financial operating | 37,074 | 43,261 | 30,035 | 40,250 |
| Released or established of provision for credit risk | | 26 | | 171 |
| Operating expenses | | 27,475 | | 26,002 |
| Other income and expenses | 122 | 5 | 144 | 3 |
| Total | 54,455 | 80,418 | 49,527 | 76,828 |

(*) This detail does not correspond a Statement of Comprehensive Income for related party transactions, so assets with these parties are not necessarily equal to liabilities and each item reflects total income and expense and does not correspond to exact transactions.

(d) Related party contracts:

As part of a secondary offering by 6,700,000,000 ordinary shares of Banco de Chile held in the local and international market, dated January 29, 2014 Banco de Chile, as issuer, LQ Investments SA, as seller of the securities, and Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Deutsche Bank Securities Inc, and Banco BTG Pactual SA - Cayman Branch, as underwriters, proceeded to sign a contract called Underwriting Agreement, pursuant to which LQ Investments S.A. sold to the underwriters a portion of such shares. Additionally, on that date Banco de Chile and LQ Investments S.A. agreed the terms and conditions under which Banco de Chile participated in the process.

There are no contracts entered as of March 31, 2015 and 2014 which does not represent a customary transaction within the Bank's line of business with general customers and which accounts for amounts greater than UF 1,000.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

38. Related Party Transactions, continued:

(e) Payments to key management personnel:

| | March 2015 MCh\$ | March 2014 MCh\$ |
|--|---------------------------------|---------------------------------|
| Remunerations | 908 | 902 |
| Short-term benefits | 3,721 | 3,722 |
| Contract termination indemnity Paid based on shares | | |
| Total | 4,629 | 4,624 |

Composition of key personnel:

| | N° of executives | |
|----------------------|-------------------------|-----------------------|
| Position | March 2015 | March 2014 |
| CEO | 1 | 1 |
| CEOs of subsidiaries | 7 | 7 |
| Division Managers | 11 | 11 |
| Total | 19 | 19 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

38. Related Party Transactions, continued:

(f) Directors expenses and remunerations:

| Name of Directors | Remunerations | | Fees for attending Board meetings | | Fees for attending Committees and Subsidiary Board meetings (1) | | Consulting | | Total | |
|---------------------------------|---------------|------------|-----------------------------------|------------|---|------------|------------|------------|------------|------------|
| | March 2015 | March 2014 | March 2015 | March 2014 | March 2015 | March 2014 | March 2015 | March 2014 | March 2015 | March 2014 |
| | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ | MCh\$ |
| Pablo Granifo Lavín | 97(*) | 94(*) | 11 | 11 | 79 | 80 | | | 187 | 185 |
| Andrónico Luksic Craig | 41 | 38 | 1 | 3 | | | | | 42 | 41 |
| Jorge Awad Mehech | 13 | 13 | 6 | 5 | 24 | 35 | | | 43 | 53 |
| Gonzalo Menéndez Duque | 13 | 13 | 6 | 5 | 32 | 32 | 6 | 6 | 57 | 56 |
| Jaime Estévez Valencia | 13 | 13 | 6 | 5 | 25 | 27 | | | 44 | 45 |
| Rodrigo Manubens Moltedo | 13 | 13 | 6 | 4 | 11 | 11 | | | 30 | 28 |
| Jorge Ergas Heymann | 13 | 13 | 4 | 4 | 10 | 11 | | | 27 | 28 |
| Francisco Pérez Mackenna | 13 | 13 | 4 | 6 | 15 | 12 | | | 32 | 31 |
| Thomas Fürst Freiwirth | 13 | 13 | 4 | 3 | 8 | 7 | | | 25 | 23 |
| Jean-Paul Luksic Fontbona | 13 | 13 | 2 | 2 | | | | | 15 | 15 |
| Other directors of subsidiaries | | | | | 38 | 34 | | | 38 | 34 |
| Total | 242 | 236 | 50 | 48 | 242 | 249 | 6 | 6 | 540 | 539 |

(1) Includes fees paid to members of the Advisory Committee of Banchile Corredores de Seguros Ltda, of MCh\$4 (MCh\$4 as of March 31, 2014).

(*) Includes a provision of MCh\$57 (MCh\$54 as of March 31, 2014) for an incentive subject to achieving the Bank's forecasted earnings.

Fees paid for advisory services to the Board of Directors amount to MCh\$67 (MCh\$69 as of March 31, 2014).

Travel and other related expenses amount to MCh\$34 (MCh\$5 as of March 31, 2014).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

39. Fair Value of Financial Assets and Liabilities:

Banco de Chile and its subsidiaries have defined a corporate framework for the Fair Value measurement.

One of the most important definition in this framework is the Product Control Unit, hereinafter PCU, function. This area is independent from both the principal management and the business unit, and reports to the CFO of Banco de Chile. This area is responsible for the independent verification of Profit and Losses, and Fair Value measurement and control for all Treasury transactions; Trading, Funding and gapping and Investments deals.

To accomplish the measurements and controls, Banco de Chile and its subsidiaries, take into account at least the following aspects:

- (i) Industry standards of fair value measurements

In the fair value calculation process, standard methodologies are used; closing prices, discounted cash flows and option models. In the options case, Black-Scholes model is used. The input parameters are rates, prices and volatility levels for each term and market factor that trade in the local and international markets.

- (ii) Quoted prices in active markets

The fair value for instruments with quoted prices in active markets is determined using daily quotes from electronic systems information such as Bolsa de Comercio de Santiago, Bloomberg, LVA and Risk America terminals. This quote represents the price at which the instrument is frequently bought and sold in financial markets.

- (iii) Valuation techniques

If there is not market quotes in active markets for the financial instrument, valuation techniques will be used to determine the fair value.

Due to the fact that fair value models require a set of market parameters as inputs, it is part of the fair value process to maximize the utilization based in observable quoted prices or derived from similar instruments in active markets. Nevertheless there are some cases for which neither quoted prices nor derived prices are available; in these cases external data from specialized providers, price for similar transactions and historical information it is used for validate the parameters that will be used as inputs.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

39. Fair Value of Financial Assets and Liabilities, continued:

(iv) Fair value adjustments

Part of the fair value process considers two Market Value Adjustments or MVA for each instrument taking into account different market facts; bid/offer spreads and market factors liquidity. The bid/offer spread adjustment reflects the expected impact on fair value due to close long or short positions in a specific market factor and term, valued at midpoint. For example, long positions in an asset will be impacted in order to reflect the fact that in selling that position will be quoted at bid instead at midpoint. For the bid/offer spread adjustment, market quotes or indicative prices for each position, instrument, currency and term are used, Bid, mid and offer market quotes are considered.

The liquidity adjustment considers the relative size to the market of each position in the portfolio. This adjustment is intended to reflect the relative size of Banco de Chile and the deepness of the markets. For this adjustment, the size of each position, recent transaction in active markets and recently observed liquidity are taking into account.

(v) Fair value control

To ensure that the market input parameters that Banco de Chile is using for fair value calculations represent the state of the market and the best estimate of fair value, the PCU unit runs on a daily basis an independent verification of prices and rates. This process aims to set a preventive control on the market parameters provided by the respective business area, A comparative control based on Mark-to-Market differences, using one set of inputs prepared by the business area and one set prepared by the PCU, is conducted before fair value calculations. The output of this process is a set of differences in fair value by currency, product and portfolio. These differences are compared with specific ranges by grouping level; currency, product and portfolio.

In the event that significant differences are detected, these differences are measured and scaled according to the amount of materiality for each grouping level, ranging from a single report to the trader to a report to the Board. These ranges of materiality control are approved by the Assets and Liabilities Committee (ALCO).

Complementary and in parallel, the PCU generates daily reports of P&L and risk market exposure. These two kind of reports allows adequate control and consistency in the parameters used in valuations and backwards looking revisions.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

39. Fair Value of Financial Assets and Liabilities, continued:

(vi) Judgmental analysis and information to Senior Management,

In particular, in cases where there are no market quotations for the instrument, similar transaction prices, or indicative parameters, a reasoned analysis and specific controls should be made to estimate the fair value of the operation or transaction. Within the Banco de Chile's framework for fair value, described in the Fair Value Policy approved by the Board of Banco de Chile, the approval level required to operate this kinds of instruments, there is no market information or cannot be inferred from prices or rates, is established.

(a) Fair value hierarchy

Banco de Chile and subsidiaries, taken into account the preceding statements, classify all the financial instruments among the following levels:

Level 1: Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities that the Bank can access at the measurement date.

In this level are considered the following instruments: currency futures, Chilean Central Bank and Treasury securities, mutual funds investments and equity.

For the Chilean central bank and treasury securities, all instruments that belong to one of the following benchmark groups will be considered as Level 1: Pesos-02, Pesos-05, Pesos-07, Pesos-10, UF-02, UF-05, UF-07, UF-10, UF-20, UF-30. A benchmark group is composed by a number of instruments that have similar duration and share the same quoted price within the group. This condition allows for a greater depth of the market, assuring daily observable quotes.

For each and every one of these instruments exist daily observable market valuation parameters; internal rates of return and closing prices, respectively, therefore no assumptions are needed to calculate the fair value. For currency futures as well as mutual funds and equity, to determine fair value, the multiplication of closing prices by the number of instruments is used. For Chilean Central Bank and Treasury securities the internal rate of return is used to discount every cash flow and obtain the fair value of each instrument. For mutual funds and equity, the current price multiplied by the quantity of instruments is used to calculate the fair value.

The preceding described methodology corresponds to the one utilized for the Bolsa de Comercio de Santiago (Santiago's main Exchange) and is recognized as the standard in the market.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

39. Fair Value of Financial Assets and Liabilities, continued:

(a) Fair value hierarchy, continued

Level 2: Valuation techniques whose inputs are other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly. For instruments in this level the valuations is performed based on an inference from observable market parameters; such quoted prices for similar instruments in active markets.

In this level are included the following inputs:

- a) Quoted prices for similar assets or liabilities in active markets.
- b) Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c) Inputs other than quoted prices those are observable for the asset or liability.
- d) Inputs those are derived principally from or corroborated by observable market data.

This level is composed mostly by derivatives, currency and rate derivatives, bank's debt securities, debt Chilean and foreign companies, made in Chile and abroad, mortgage claims, money market instruments and less liquid Chilean Central Bank and Treasury securities.

For derivatives the fair value process depends upon this value is impacted by volatility as a relevant market factor; if is the case, the Black-Scholes-Merton type of formula is used. For the rest of the derivatives, swaps and forwards, net present value through discounted cash flows is used. For securities classified as level 2, the obtained internal rate of return is used to discount every cash flow and obtain the fair value of each instrument, for each currency.

In the event that there is no observable price for an instrument in a specific term, the price will be inferred from the interpolation between periods that do have observable quoted price in active markets. These models incorporate various market variables, including foreign exchange rates and interest rate curves.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

39. Fair Value of Financial Assets and Liabilities, continued:

(a) Fair value hierarchy, continued

Valorization Techniques and Inputs:

| Type of Financial Instrument | Valuation Method | Description: Inputs and Sources |
|---------------------------------------|-----------------------------|---|
| Local Bank and Corporate Bonds | Discounted cash flows model | <p>Prices are provided by third party price providers that are widely used in the Chilean market.</p> <p>Model is based on a Base Yield (Central Bank Bonds) and issuer spread.</p> <p>The model is based on daily prices and risk/maturity similarities between Instruments.</p> |
| Offshore Bank and Corporate Bonds | Discounted cash flows model | <p>Prices are provided by third party price providers that are widely used in the Chilean market.</p> <p>Model is based on daily prices.</p> |
| Local Central Bank and Treasury Bonds | Discounted cash flows model | <p>Prices are provided by third party price providers that are widely used in the Chilean market.</p> <p>Model is based on daily prices.</p> |
| Mortgage Notes | Discounted cash flows model | <p>Prices are provided by third party price providers that are widely used in the Chilean market.</p> |

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| | | |
|--|------------------------------------|--|
| | | <p>Model is based on a Base Yield (Central Bank Bonds) and issuer spread.</p> <p>The model takes into consideration daily prices and risk/maturity similarities between instruments.</p> |
| Time Deposits | Discounted cash flows model | <p>Prices are provided by third party price providers that are widely used in the Chilean market.</p> <p>Model is based on daily prices and considers risk/maturity similarities between instruments.</p> |
| Cross Currency Swaps, Interest Rate Swaps, FX Forwards, Inflation Forwards | Discounted cash flows model | <p>Zero Coupon rates are calculated by using the bootstrapping method over swap rates.</p> <p>Offshore rates and spreads are obtained from third party price providers that are widely used in the Chilean market.</p> <p>Forward Points, Inflation forecast and local swap rates are provided by market brokers that are widely used in the Chilean market.</p> |
| FX Options | Black-Scholes Option Pricing Model | <p>Prices for volatility surface estimates are obtained from market brokers that are widely used in the Chilean market.</p> |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

39. Fair Value of Financial Assets and Liabilities, continued:

(a) Fair value hierarchy, continued

Level 3: These are financial instruments whose fair value is determined using unobservable inputs. An adjustment to an input that is significant to the entire measurement can result in a fair value measurement classified within Level 3 of the fair value hierarchy if the adjustment using significant unobservable data entry.

Instruments classified as level 3 correspond to Corporate Debt issued mainly Chilean and foreign companies, issued both in Chile and abroad.

Valorization Techniques and Inputs:

| Type of Financial Instrument | Valuation Method | Description: Inputs and Sources |
|-----------------------------------|-----------------------------|---|
| Local Bank and Corporate Bonds | Discounted cash flows model | <p>Prices are provided by third party price providers that are widely used in the Chilean market. (input is not observable by the market)</p> <p>Model is based on a Base Yield (Central Bank Bonds) and issuer spread.</p> <p>The model is based on daily prices and risk/maturity similarities between instruments.</p> |
| Offshore Bank and Corporate Bonds | Discounted cash flows model | <p>Prices are provided by third party price providers that are widely used in the Chilean market. (input is not observable by the market)</p> <p>Model is based on daily prices.</p> |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

39. Fair Value of Financial Assets and Liabilities, continued:(b) Level hierarchy classification and figures

The following table shows the figures by hierarchy, for instruments registered at fair value.

| | Level 1 | | Level 2 | | Level 3 | | Total | |
|--|------------------------|---------------------------|------------------------|---------------------------|------------------------|---------------------------|------------------------|---------------------------|
| | March 2015 MCh\$ | December 2014 MCh\$ | March 2015 MCh\$ | December 2014 MCh\$ | March 2015 MCh\$ | December 2014 MCh\$ | March 2015 MCh\$ | December 2014 MCh\$ |
| Financial Assets | | | | | | | | |
| Financial assets held-for-trading from the Chilean Government and Central Bank | 5,379 | 80,374 | 2,998 | 8,496 | | | 8,377 | 88,870 |
| Other instruments issued in Chile | 1,567 | 364 | 226,634 | 202,823 | 50 | 1,401 | 228,251 | 204,588 |
| Instruments issued abroad | | | | | | | | |
| Mutual fund investments | 277,115 | 255,013 | | | | | 277,115 | 255,013 |
| Subtotal | 284,061 | 335,751 | 229,632 | 211,319 | 50 | 1,401 | 513,743 | 548,471 |
| Derivative contracts for trading purposes | | | | | | | | |
| Forwards | | | 166,013 | 140,676 | | | 166,013 | 140,676 |
| Swaps | | | 666,364 | 609,843 | | | 666,364 | 609,843 |
| Call Options | | | 2,447 | 2,583 | | | 2,447 | 2,583 |
| Put Options | | | 687 | 287 | | | 687 | 287 |
| Futures | | | | | | | | |
| Subtotal | | | 815,511 | 753,389 | | | 835,511 | 753,389 |
| Hedge accounting derivative contracts | | | | | | | | |
| Fair value hedge (Swap) | | | 39 | 101 | | | 39 | 101 |
| Cash flow hedge (Swap) | | | 123,653 | 78,703 | | | 123,653 | 78,703 |
| Subtotal | | | 123,692 | 78,804 | | | 123,692 | 78,804 |
| Financial assets available-for-sale (1) from the Chilean Government and Central Bank | | 86,066 | 401,620 | 253,258 | | | 401,620 | 339,324 |
| Other instruments issued in Chile | | | 983,688 | 1,017,962 | 116,510 | 179,378 | 1,100,198 | 1,197,340 |
| Instruments issued abroad | 59,859 | 58,376 | 3,147 | 3,211 | 1,989 | 1,938 | 64,995 | 63,525 |
| Subtotal | 58,859 | 144,442 | 1,388,455 | 1,274,431 | 118,499 | 181,316 | 1,566,813 | 1,600,189 |

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|---|---------|---------|-----------|-----------|---------|---------|-----------|-----------|
| Total | 343,920 | 400,193 | 2,577,290 | 2,317,943 | 118,549 | 182,717 | 3,039,759 | 2,980,853 |
| Financial Liabilities | | | | | | | | |
| Derivative contracts for trading purposes | | | | | | | | |
| Forwards | | | 170,555 | 128,117 | | | 170,555 | 128,117 |
| Swaps | | | 770,758 | 691,524 | | | 770,758 | 691,524 |
| Call Options | | | 2,405 | 2,249 | | | 2,405 | 2,249 |
| Put Options | | | 241 | 362 | | | 241 | 362 |
| Futures | | | | | | | | |
| Subtotal | | | 943,959 | 822,252 | | | 943,959 | 822,252 |
| Hedge derivative contracts | | | | | | | | |
| Fair value hedge (Swap) | | | 19,385 | 19,904 | | | 19,385 | 19,904 |
| Cash flow hedge (Swap) | | | 17,295 | 17,596 | | | 17,295 | 17,596 |
| Subtotal | | | 36,680 | 37,500 | | | 36,680 | 37,500 |
| Total | | | 980,639 | 859,752 | | | 980,639 | 859,752 |

(1) As of March 31, 2015 92% of instruments of level 3 have denomination Investment Grade . Also, 98% of total of these financial instruments correspond to domestic issuers.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

39. Fair Value of Financial Assets and Liabilities, continued:

(c) Level 3 reconciliation

The following table shows the reconciliation between stock at the beginning and the end of balance periods for instruments classified in Level 3:

| | As of March 31, 2015 | | | | | | | Balance as of March 31, 2015 MCh\$ |
|--------------------------------------|---|---|---|--------------------|----------------|---|---------------------------------------|---|
| | Balance as of January 1, 2015 MCh\$ | Gain (Loss) Recognized in Income (1) MCh\$ | Gain (Loss) Recognized in Equity (2) MCh\$ | Purchases MCh\$ | Sales MCh\$ | Transfer from Level 1 and 2 MCh\$ | Transfer to Level 1 and 2 MCh\$ | |
| Financial Assets | | | | | | | | |
| Financial assets held-for-trading | | | | | | | | |
| Other instruments issued in Chile | 1,401 | | | | | | (1,351) | 50 |
| Subtotal | 1,401 | | | | | | (1,351) | 50 |
| Available-for-Sale Instruments | | | | | | | | |
| Other instruments issued in Chile | 179,378 | 3,429 | 255 | 213 | (68,589) | 1,824 | | 116,510 |
| Instruments issued abroad | 1,938 | 50 | 1 | | | | | 1,989 |
| Subtotal | 181,316 | 3,479 | 256 | 213 | (68,589) | 1,824 | | 118,499 |
| Total | 182,717 | 3,479 | 256 | 213 | (68,589) | 1,824 | (1,351) | 118,549 |

| | As of December 31, 2014 | | | | | | | Balance as of December 31, 2014 MCh\$ |
|--------------------------------------|---|---|---|--------------------|----------------|---|---------------------------------------|--|
| | Balance as of January 1, 2014 MCh\$ | Gain (Loss) Recognized in Income (1) MCh\$ | Gain (Loss) Recognized in Equity (2) MCh\$ | Purchases MCh\$ | Sales MCh\$ | Transfer from Level 1 and 2 MCh\$ | Transfer to Level 1 and 2 MCh\$ | |
| Financial Assets | | | | | | | | |
| Financial assets held-for-trading | | | | | | | | |
| Other instruments issued in Chile | 2,439 | (1,087) | | 49 | | | | 1,401 |
| Subtotal | 2,439 | (1,087) | | 49 | | | | 1,401 |
| Available-for-Sale Instruments | | | | | | | | |

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|-----------------------------------|--------|-------|------|--------|----------|--------|---------|
| Other instruments issued in Chile | 76,975 | 6,230 | 784 | 82,909 | (18,483) | 30,963 | 179,378 |
| Instruments issued abroad | 1,679 | 270 | (11) | | | | 1,938 |
| Subtotal | 78,654 | 6,500 | 773 | 82,909 | (18,483) | 30,963 | 181,316 |
| Total | 81,093 | 5,413 | 773 | 82,958 | (18,483) | 30,963 | 182,717 |

(1) Recorded in income under item Net financial operating income .

(2) Recorded in equity under item Other Comprehensive Income .

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

39. Fair Value of Financial Assets and Liabilities, continued:

- (d) Sensitivity of level 3 instruments to changes in key assumptions of the input parameters for the valuation model.

The following table shows the sensitivity, by instrument, for instruments classified as level 3 to changes in key assumptions:

| | As of March 31, 2015 | | As of December 31, 2014 | |
|-----------------------------|---------------------------|---------|---------------------------|---------|
| | Sensitivity to changes in | | Sensitivity to changes in | |
| | key assumptions of | | key assumptions of | |
| | Level 3 | models | Level 3 | models |
| Financial Assets | | | | |
| Financial assets | | | | |
| held-for-trading | | | | |
| Other instruments issued in | | | | |
| Chile | 50 | | 1,401 | (150) |
| Total | 50 | | 1,401 | (150) |
| Available-for-Sale | | | | |
| Instruments | | | | |
| Other instruments issued in | | | | |
| Chile | 116,510 | (1,847) | 179,378 | (3,542) |
| Instruments issued abroad | 1,989 | (65) | 1,938 | (67) |
| Total | 118,499 | (1,912) | 181,316 | (3,609) |
| Total | 118,549 | (1,912) | 182,717 | (3,759) |

With the purpose to determine the sensitivity of the financial investments to changes in significant factors market, the Bank has made alternative calculations at fair value, changing those key parameters for the valuation and which are not directly observables in screens. In the case of financial assets presented above table, which corresponds to bank bonds and corporate bonds, considering that these instruments do not have current prices or observables, was used as inputs prices, prices based on Non-Binding broker quotes or runs. Prices are generally calculated as a base rate plus a spread. For local bonds, this was determined by applying only a 10% impact on the price, while for offshore bonds this was determined by applying only a 10% impact on the spread because the base rate is hedged with instruments on interest rate swaps so-called hedge accounting. The impact of 10% is considered a reasonable move considering the market performance of these instruments and comparing it against the adjustment bid/offer that is provided for by these instruments.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

39. Fair Value of Financial Assets and Liabilities, continued:

(e) Other assets and liabilities

The following table summarizes the fair values of the Bank's main financial assets and liabilities that are not recorded at fair value in the Statement of Financial Position. The values shown in this note do not attempt to estimate the value of the Bank's income-generating assets, nor forecast their future behavior. The estimated fair value is as follows:

| | Book Value | | Fair Value | |
|--|------------------------|---------------------------|------------------------|---------------------------|
| | March 2015 MCh\$ | December 2014 MCh\$ | March 2015 MCh\$ | December 2014 MCh\$ |
| Assets | | | | |
| Cash and due from banks | 836,428 | 915,133 | 836,428 | 915,133 |
| Transactions in the course of collection | 558,183 | 400,081 | 558,183 | 400,081 |
| Cash collateral on securities borrowed and reverse repurchase agreements | 30,992 | 27,661 | 30,992 | 27,661 |
| Subtotal | 1,425,603 | 1,342,875 | 1,425,603 | 1,342,875 |
| Loans and advances to banks | | | | |
| Domestic banks | 139,940 | 169,953 | 139,940 | 169,953 |
| Central Bank of Chile | 850,563 | 551,108 | 850,563 | 551,108 |
| Foreign banks | 481,003 | 434,304 | 481,003 | 434,304 |
| Subtotal | 1,471,506 | 1,155,365 | 1,471,506 | 1,155,365 |
| Loans to customers, net | | | | |
| Commercial loans | 12,662,802 | 12,790,468 | 12,603,401 | 12,707,255 |
| Residential mortgage loans | 5,498,098 | 5,394,602 | 5,845,956 | 5,657,988 |
| Consumer loans | 3,183,009 | 3,162,963 | 3,188,616 | 3,170,640 |
| Subtotal | 21,343,909 | 21,348,033 | 21,637,973 | 21,535,883 |
| Total | 24,241,018 | 23,846,273 | 24,535,082 | 24,034,123 |
| Liabilities | | | | |
| Current accounts and other demand deposits | 7,048,174 | 6,934,373 | 7,048,174 | 6,934,373 |
| Transactions in the course of payment | 308,261 | 96,945 | 308,261 | 96,945 |
| Cash collateral on securities lent and repurchase agreements | 249,784 | 249,482 | 249,784 | 249,482 |
| Savings accounts and time deposits | 9,736,875 | 9,721,246 | 9,746,518 | 9,719,397 |
| Borrowings from financial institutions | 1,193,195 | 1,098,716 | 1,189,230 | 1,094,468 |
| Other financial obligations | 165,620 | 186,573 | 165,620 | 186,573 |
| Subtotal | 18,701,909 | 18,287,335 | 18,707,587 | 18,281,238 |
| Debt Issued | | | | |
| Letters of credit for residential purposes | 48,151 | 52,730 | 51,731 | 52,482 |
| Letters of credit for general purposes | 9,639 | 11,584 | 10,356 | 12,189 |
| Bonds | 4,474,486 | 4,223,047 | 4,625,757 | 4,283,006 |
| Subordinate bonds | 773,025 | 770,595 | 798,475 | 782,529 |

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| | | | | |
|----------|------------|------------|------------|------------|
| Subtotal | 5,305,301 | 5,057,956 | 5,486,319 | 5,133,206 |
| Total | 24,007,210 | 23,345,291 | 24,193,906 | 23,414,444 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

39. Fair Value of Financial Assets and Liabilities, continued:

(e) Other assets and liabilities, continued:

Other financial assets and liabilities not measured at fair value, but for which a fair value is estimated even when not managed based on this value, include assets and liabilities such as loans, deposits and other time deposits, debt issued and other financial assets and liabilities with different maturities and characteristics. The fair values of these assets and liabilities are calculated using the model of discounted cash flow (DCF) and the use of various sources of data such as yield curves, credit risk spreads, etc. Additionally, because some of these assets and liabilities are not traded in the market, it requires analysis and periodic reviews to determine the suitability of inputs and fair values determined.

The following table shows the fair value of financial assets and liabilities not measured at fair value, as of March 31, 2015 and 2014:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

39. Valor Razonable de Activos y Pasivos Financieros, continuación:

(e) Levels of other assets and liabilities:

| | Level 1 | | Level 2 | | Level 3 | | Total | |
|---|----------------------|-----------|----------------------|----------|----------------------|------------|----------------------|------------|
| | Estimated Fair Value | | Estimated Fair Value | | Estimated Fair Value | | Estimated Fair Value | |
| | March | December | March | December | March | December | March | December |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| | MM\$ | MM\$ | MM\$ | MM\$ | MM\$ | MM\$ | MM\$ | MM\$ |
| Assets | | | | | | | | |
| Cash and due from banks | 836,428 | 915,133 | | | | | 836,428 | 915,133 |
| Transactions in the course of collection | 558,183 | 400,081 | | | | | 558,183 | 400,081 |
| Receivables from repurchase agreements and security borrowing | 30,992 | 27,661 | | | | | 30,992 | 27,661 |
| Subtotal | 1,425,603 | 1,342,875 | | | | | 1,425,603 | 1,342,875 |
| Loans and advances to banks | | | | | | | | |
| Domestic banks | 139,940 | 169,953 | | | | | 139,940 | 169,953 |
| Central bank | 850,563 | 551,108 | | | | | 850,563 | 551,108 |
| Foreign banks | 481,003 | 434,304 | | | | | 481,003 | 434,304 |
| Subtotal | 1,471,506 | 1,155,365 | | | | | 1,471,506 | 1,155,365 |
| Loans to customers, net | | | | | | | | |
| Commercial loans | | | | | 12,603,401 | 12,707,255 | 12,603,401 | 12,707,255 |
| Residential mortgage loans | | | | | 5,845,956 | 5,657,988 | 5,845,956 | 5,657,988 |
| Consumer loans | | | | | 3,188,616 | 3,170,640 | 3,188,616 | 3,170,640 |
| Subtotal | | | | | 21,637,973 | 21,535,883 | 21,637,973 | 21,535,883 |
| Total | 2,897,109 | 2,498,240 | | | 21,637,973 | 21,535,883 | 24,535,082 | 24,034,123 |
| Liabilities | | | | | | | | |
| Current accounts and other demand deposits | 7,048,174 | 6,934,373 | | | | | 7,048,176 | 6,934,373 |
| Transactions in the course of payment | 308,261 | 96,945 | | | | | 308,261 | 96,945 |
| Payables from repurchase agreements and security lending | 249,784 | 249,482 | | | | | 249,784 | 249,482 |
| | | | | | 9,746,518 | 9,719,397 | 9,746,518 | 9,719,397 |

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Savings accounts and
time deposits

| | | | | | | |
|---|-----------|-----------|------------|------------|------------|------------|
| Borrowings from financial institutions | | | 1,189,230 | 1,094,468 | 1,189,230 | 1,094,468 |
| Other financial obligations | 165,620 | 186,573 | | | 165,620 | 186,573 |
| Subtotal | 7,771,839 | 7,467,373 | 10,935,748 | 10,813,865 | 18,707,587 | 18,281,238 |
| Debt Issued | | | | | | |
| Letters of credit for residential purposes | | | 51,731 | 55,482 | 51,731 | 55,482 |
| Letters of credit for general purposes | | | 10,356 | 12,189 | 10,356 | 12,189 |
| Bonds | | | 4,625,757 | 4,283,006 | 4,625,757 | 4,283,006 |
| Subordinate bonds | | | | 798,475 | 782,529 | 798,475 |
| Subtotal | | | 4,687,844 | 4,350,677 | 5,486,319 | 5,133,206 |
| Total | 7,771,839 | 7,467,373 | 4,687,844 | 4,350,677 | 11,734,223 | 11,596,394 |
| | | | | | 24,193,906 | 23,414,444 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

39. Fair Value of Financial Assets and Liabilities, continued:

(f) Levels of other assets and liabilities, continued:

The Bank determines the fair value of these assets and liabilities according to the following:

- Short-term assets and liabilities: For assets and liabilities maturing short-term (less than three months) it is assumed that the book values approximate their fair value. This assumption is applied to the following assets and liabilities:

- | | |
|--|--|
| • Cash and due from banks | • Current accounts and other demand deposits |
| • Transactions in the course of collection (asset) | • Transactions in the course of payments (liability) |
| • Cash collateral on securities borrowed and reverse repurchase agreements (asset) | • Cash collateral on securities lent and repurchase agreements (liability) |
| • Loans and advance to banks | • Other financial obligations |

- Loans to Customers: Fair value is determined by using the DCF model and internally generated discount rates, based on internal transfer rates derived from our transfer price policy. After we calculate the present value, we deduct the related loan loss allowances in order to incorporate the credit risk associated with each contract or loan. As we use internally generated parameters for valuation purposes, we categorize these instruments in Level 3.

- Letters of Credit and Bonds: In order to determine the present value of contractual cash flows, we apply the DCF model by using market interest rates that are available in the market, either for the instruments under valuation or instruments with similar features that fit valuation needs in terms of currency, maturities and liquidity. Market interest rates are obtained from third party price providers widely used by the market. As a result of the valuation technique and the quality of inputs (observable) used for valuation, we categorize these financial liabilities in Level 2.

- Saving Accounts, Time Deposits, Borrowings from Financial Institutions and Subordinated Bonds: The DCF model is used to obtain the present value of committed cash flows by applying a bucket approach and average adjusted discount rates that are derived from both market rates for instruments with similar features and our transfer price policy. As we use internally generated parameters and/or apply significant judgmental analysis for valuation purposes, we categorize these financial assets/liabilities in Level 3.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

39. Fair Value of Financial Assets and Liabilities, continued:

(g) Offsetting of financial assets and liabilities:

The Bank trades financial derivatives with foreign counterparties using ISDA Master Agreement (International Swaps and Derivatives Association, Inc.), under legal jurisdiction of the City of New York USA or London United Kingdom. Legal framework in these jurisdictions, along with documentation mentioned, it allows to Banco de Chile the right to anticipate the maturity of the transaction and then, offset the net value of those transactions in case of default of counterparty. The Bank has negotiated with these counterparties an additional annex (CSA Credit Support Annex), including other credit mitigating, such as margins about a certain threshold, early termination (optional or mandatory), coupon adjustment transaction over a certain threshold amount, etc.

Below are detail contracts susceptible to offset:

| | Fair Value | | Negative Fair Value of contracts with right to offset | | Positive Fair Value of contracts with right to offset | | Financial Collateral | | Net Fair Value | |
|----------------------------------|------------------------|---------------------------|---|---------------------------|---|---------------------------|------------------------|---------------------------|------------------------|---------------------------|
| | March 2015 MCh\$ | December 2014 MCh\$ | March 2015 MCh\$ | December 2014 MCh\$ | March 2015 MCh\$ | December 2014 MCh\$ | March 2015 MCh\$ | December 2014 MCh\$ | March 2015 MCh\$ | December 2014 MCh\$ |
| Derivative financial assets | 959,203 | 832,193 | (208,742) | (169,573) | (260,876) | (267,053) | (86,878) | (49,804) | 402,707 | 345,763 |
| Derivative financial liabilities | 980,639 | 859,752 | (208,742) | (169,573) | (260,876) | (267,053) | (128,280) | (124,418) | 382,741 | 298,708 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

40. Maturity of Assets and Liabilities:

The table below shows details of loans and other financial assets and liabilities grouped in accordance with their remaining maturity, including accrued interest as of March 31, 2015 and December 31, 2014, respectively. Trading and available-for-sale instruments are included at their fair value:

| | As of March 31, 2015 | | | | | | Total MCh\$ |
|--|---------------------------|--|---|--|--|--------------------------|-------------------|
| | Up to 1 month MCh\$ | Over 1 month and up to 3 months MCh\$ | Over 3 month and up to 12 months MCh\$ | Over 1 year and up to 3 years MCh\$ | Over 3 year and up to 5 years MCh\$ | Over 5 years MCh\$ | |
| Assets | | | | | | | |
| Cash and due from banks | 836,428 | | | | | | 836,428 |
| Transactions in the course of collection | 558,183 | | | | | | 558,183 |
| Financial Assets held-for-trading | 513,743 | | | | | | 513,743 |
| Cash collateral on securities borrowed and reverse repurchase agreements | 18,021 | 12,181 | 790 | | | | 30,992 |
| Derivative instruments | 47,194 | 60,080 | 205,756 | 224,579 | 175,095 | 246,499 | 959,203 |
| Loans and advances to banks(*) | 1,047,436 | 201,725 | 191,900 | 31,373 | | | 1,472,434 |
| Loans to customers(*) | 2,268,432 | 2,711,621 | 4,034,627 | 4,678,333 | 2,431,648 | 5,758,242 | 21,882,903 |
| Financial assets available-for-sale | 344,931 | 194,516 | 517,541 | 84,011 | 99,595 | 326,219 | 1,566,813 |
| Financial assets held-to-maturity | | | | | | | |
| Total assets | 5,634,368 | 3,180,123 | 4,950,614 | 5,018,296 | 2,706,338 | 6,330,960 | 27,820,699 |

| | As of December 31, 2014 | | | | | | Total MCh\$ |
|--|---------------------------|--|---|--|--|-----------------------|-------------------|
| | Up to 1 month MCh\$ | Over 1 month and up to 3 months MCh\$ | Over 3 month and up to 12 months MCh\$ | Over 1 year and up to 3 years MCh\$ | Over 3 year and up to 5 years MCh\$ | Over 5 years MCh\$ | |
| Assets | | | | | | | |
| Cash and due from banks | 915,133 | | | | | | 915,133 |
| Transactions in the course of collection | 400,081 | | | | | | 400,081 |
| Financial Assets held-for-trading | 548,471 | | | | | | 548,471 |
| Cash collateral on securities borrowed and reverse repurchase agreements | 11,863 | 6,291 | 9,507 | | | | 27,661 |
| Derivative instruments | 68,070 | 55,799 | 166,519 | 176,235 | 153,461 | 212,109 | 832,193 |
| Loans and advances to banks(*) | 809,565 | 79,583 | 248,840 | 18,193 | | | 1,156,181 |
| Loans to customers(*) | 2,662,866 | 2,576,105 | 3,800,448 | 4,831,285 | 2,328,610 | 5,677,334 | 21,876,648 |
| Financial assets available-for-sale | 211,690 | 163,824 | 472,944 | 82,763 | 123,317 | 545,651 | 1,600,189 |
| Financial assets held-to-maturity | | | | | | | |
| Total assets | 5,627,739 | 2,881,602 | 4,698,258 | 5,108,476 | 2,605,388 | 6,435,094 | 27,356,557 |

(*) The respective provisions, which amount to MCh\$538,994 (MCh\$528,615 as of December 31, 2014) for loans to customers and MCh\$928 (MCh\$816 as of December 31, 2014) for borrowings from financial institutions, have not been deducted from these balance.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

40. Maturity of Assets and Liabilities, continued:

| | As of March 31, 2015 | | | | | | Total MCh\$ |
|--|---------------------------|--|---|--|--|--------------------------|----------------|
| | Up to 1 month MCh\$ | Over 1 month and up to 3 months MCh\$ | Over 3 month and up to 12 months MCh\$ | Over 1 year and up to 3 years MCh\$ | Over 3 year and up to 5 years MCh\$ | Over 5 years MCh\$ | |
| Liabilities | | | | | | | |
| Current accounts and other demand deposits | 7,048,174 | | | | | | 7,048,174 |
| Transactions in the course of payment | 308,261 | | | | | | 308,261 |
| Cash collateral on securities lent and repurchase agreements | 210,539 | 131 | 39,114 | | | | 249,784 |
| Savings accounts and time deposits(**) | 5,164,613 | 2,088,918 | 2,160,012 | 132,470 | 189 | 192 | 9,546,394 |
| Derivative instruments | 47,300 | 71,003 | 206,368 | 218,329 | 152,486 | 285,153 | 980,639 |
| Borrowings from financial institutions | 12,169 | 254,061 | 832,943 | 94,022 | | | 1,193,195 |
| Debt issued: | | | | | | | |
| Mortgage bonds | 4,431 | 3,917 | 9,047 | 17,647 | 11,337 | 11,411 | 57,790 |
| Bonds | 328,333 | 315,634 | 331,788 | 473,802 | 1,036,333 | 1,988,596 | 4,474,486 |
| Subordinate bonds | 9,709 | 13,367 | 17,733 | 184,217 | 49,948 | 498,051 | 773,025 |
| Other financial obligations | 121,716 | 692 | 3,946 | 7,915 | 13,938 | 17,413 | 165,620 |
| Total liabilities | 13,255,245 | 2,747,723 | 3,600,951 | 1,128,402 | 1,264,231 | 2,800,816 | 24,797,368 |

| | As of December 31, 2014 | | | | | | Total MCh\$ |
|--|---------------------------|--|---|--|--|--------------------------|----------------|
| | Up to 1 month MCh\$ | Over 1 month and up to 3 months MCh\$ | Over 3 month and up to 12 months MCh\$ | Over 1 year and up to 3 years MCh\$ | Over 3 year and up to 5 years MCh\$ | Over 5 years MCh\$ | |
| Liabilities | | | | | | | |
| Current accounts and other demand deposits | 6,934,373 | | | | | | 6,934,373 |
| Transactions in the course of payment | 96,945 | | | | | | 96,945 |
| Cash collateral on securities lent and repurchase agreements | 249,323 | 159 | | | | | 249,482 |
| Savings accounts and time deposits(**) | 4,854,400 | 1,969,861 | 2,559,793 | 148,527 | 166 | 188 | 9,532,935 |
| Derivative instruments | 37,952 | 47,779 | 166,064 | 208,200 | 147,078 | 252,679 | 859,752 |
| Borrowings from financial institutions | 61,022 | 159,372 | 678,067 | 200,255 | | | 1,098,716 |
| Debt issued: | | | | | | | |
| Mortgage bonds | 4,035 | 4,109 | 10,143 | 20,487 | 12,407 | 13,133 | 64,314 |

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| | | | | | | | |
|-----------------------------|------------|-----------|-----------|-----------|-----------|-----------|------------|
| Bonds | 239,132 | 294,460 | 353,568 | 475,427 | 973,509 | 1,886,951 | 4,223,047 |
| Subordinate bonds | 2,050 | 2,786 | 36,463 | 178,298 | 50,345 | 500,653 | 770,595 |
| Other financial obligations | 142,093 | 792 | 3,879 | 7,996 | 14,350 | 17,463 | 186,573 |
| Total liabilities | 12,621,325 | 2,479,318 | 3,807,977 | 1,239,190 | 1,197,855 | 2,671,067 | 24,016,732 |

(***) Excluding term saving accounts, which amount to MCh\$190,481 (MCh\$188,311 as of December 31, 2014).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, continued

41. Subsequent Events:

(a) On April 9, 2015, the Board of Directors of Banco de Chile accepted the resignation of the Director Mr. Juan José Bruchou.

Also, the Board of Directors appointed Mr. Samuel Libnic as a new Director until the next Ordinary Shareholder Meeting.

(b) On April 23, 2015 the Board of Banchile Corredores de Bolsa S.A. accepted the resignation of the Alternate Director of the company Mr. Samuel Libnic.

In Management's opinion, there are no other significant subsequent events that affect or could affect the Interim Condensed Consolidated Financial Statements of the Bank and its subsidiaries between March 31, 2015 and the date of issuance of these Interim Condensed Consolidated Financial Statements.

**Héctor Hernández G,
General Accounting Manager**

**Arturo Tagle Q,
Chief Executive Officer**

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: April 29, 2015

Banco de Chile

/S/ Arturo Tagle Q.

By: Arturo Tagle Q.

CEO

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