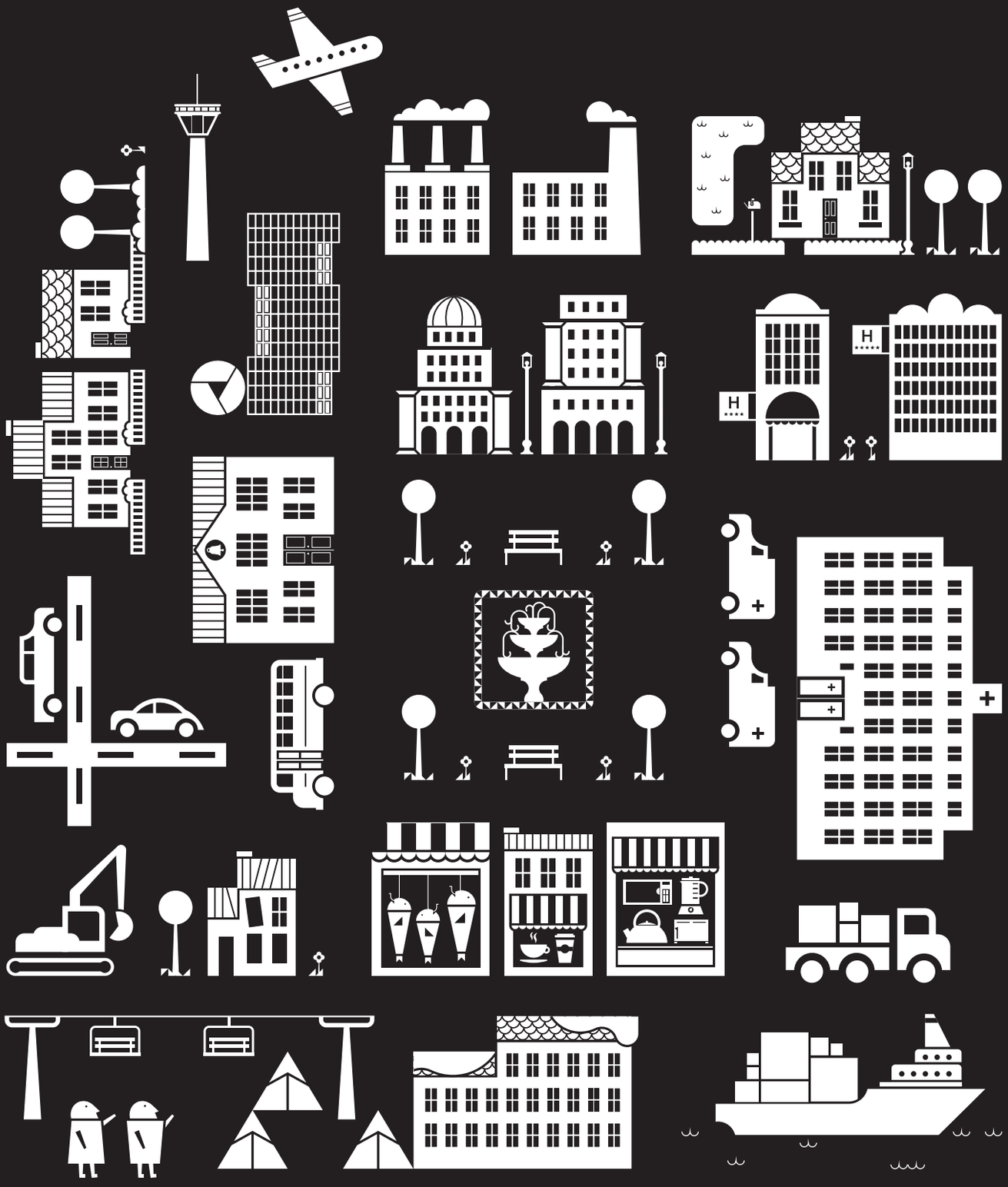
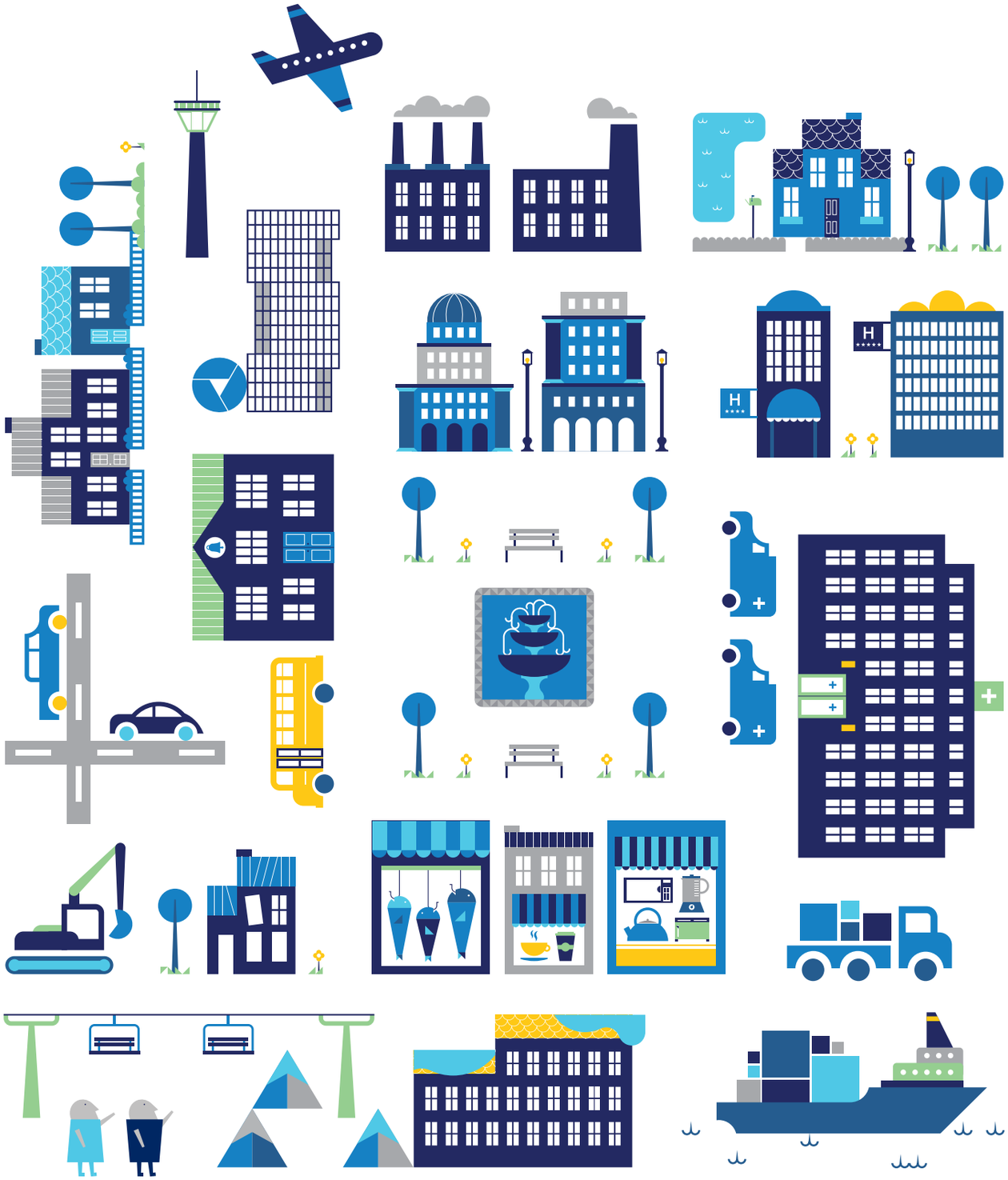


WE BELONG

CORPBANCA

“The cold, hard figures in an annual report do not allow us to convey the true role of a financial institution, which lies behind the products and services we offer… CorpBanca feels that it is a part of the collective challenge to improve the quality of life of all Chileans and to take part in the country's development”



WE BELONG

CORPBANCA

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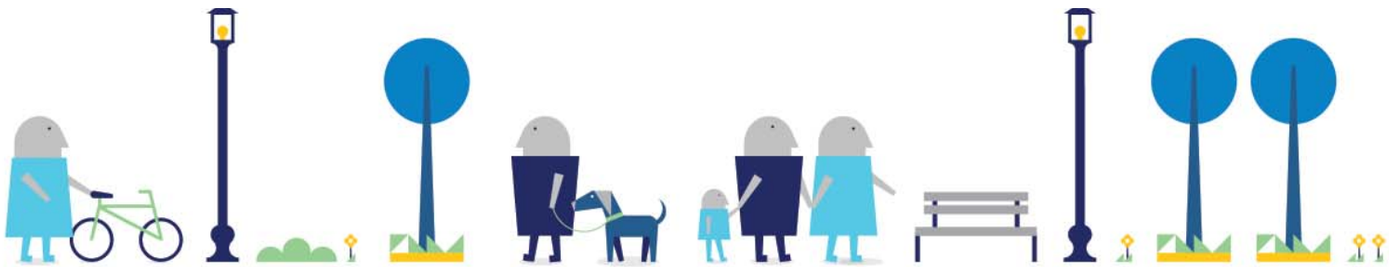


1. LETTER FROM **THE CHAIRMAN**

Shareholders and Friends,

This Annual Report holds special meaning to all of us at CorpBanca: customers, shareholders, employees, executives and directors. It is special because it contains CorpBanca's financial position as of December 31, 2011, which is eagerly anticipated by the financial industry.

We want you to draw your own conclusions as you review the results of our "Flight to 2011", the Board-approved strategic plan that we announced three years ago, which was inspired by a culture of quality and placing our talent at the service of our customers.

For our team of outstanding professionals, the "Flight to 2011" has been a period of challenge and intense, dedicated work, the fruits of which we are now seeing. We hope the results of their efforts are also evident in this Annual Report.

In 2011, CorpBanca enjoyed market-leading growth, which we have achieved for each of the last six years. Likewise, we have firmly established ourselves as Chile's 4th largest private bank.

The numbers suggest that every day more Chileans are recognizing the value of our accomplishments and preferring our products and services. Our increased market share is an indicator of this recognition. CorpBanca's market share reached 7.7% in 2011, up from 4% in 2004.

However, there is more to it than growth, which is why CorpBanca's expansion process was properly planned. We have grown organically and, most importantly, without affecting the institution's efficiency, portfolio strength, or customer service quality.

Accolades from within Chile and abroad confirm our position. For the third consecutive year, we were recognized for maintaining the industry's second best Efficiency Ratio. We were also named The Best Bank in Chile by World Finance, an English magazine, in their "The Best Banking Group 2011" ranking, which ranks leading financial institutions on the basis of efficiency, financial performance, quality of service and risk management.

Furthermore, in 2011, we took crucial steps on the path of international expansion, which began two years ago with the opening of the New York Branch. Our sights have now been set on Europe and one of South America's most economically active countries: Colombia. Thus, the doors to our Representation Office in Madrid opened in May; and last December, CorpBanca signed an agreement to acquire Banco Santander Colombia. The deal involves an investment of US$1.225 billion.

This expansion places the Bank in locations that are strategic for many Chilean businesses and entrepreneurs, precisely the type of international development we seek to facilitate.

Neither our growth, nor the other achievements highlighted in this Annual Report, would have been possible without our financial strength. In July 2011, capital was increased by US$400 million, representing a 40% increase in the Bank's total capital. The increase provides a solid basis for continued growth and a better position from which to seize opportunities generated by economic cycles. Additionally, as was publicly communicated as a material event, the controlling shareholders' intend to increase the Bank's capital again, this time by at least US$450 million, as part of the Banco Santander Colombia purchase agreement. This increase will further strengthen the Bank's position. These capital increases, coupled with a policy of high dividends, allow minority shareholders to freely make decisions about their investment in the Bank. Majority shareholders are unaffected, as each capital increase is several times the dividends received. The policy has been very well-received by non-controlling shareholders.

LETTER FROM **THE CHAIRMAN**

It is precisely this financial soundness and the results achieved that motivate us to take on new challenges. We have named the strategic plan for the next four years "Mission 2015". Its core concepts are growth, excellence and synergy. Our objective has not changed: we intend to become the best bank in Chile.

But why the best bank in Chile? The bare figures in an annual report cannot reveal a financial institution's real undertaking: that which is behind the services and products we offer. Thanks to the credit access and support the Bank has provided to thousands of small, medium and large businesses, and our work with the public and private sectors, we can proudly say that we have contributed to accomplishing the common goals of increasing economic activity, creating new jobs and realizing emblematic projects in infrastructure, health, education, housing, etc. All in all, CorpBanca considers itself a player in the common pursuit of improving quality of life and development for all Chileans.

Our involvement with the community strengthens our conviction that our mission neither begins nor ends with the financial business. We know that our actions affect others and we want to take control of that. To that end, our company continues to assume social responsibility, while communicating our progress and pending tasks.

For the second consecutive year, we have made ourselves accountable to the community through our Sustainability Report, by providing information on CorpBanca's various stakeholder relationships. In this vein, we have maintained our interest in and commitment to culture, education and cognitive disability, without forsaking our relationships with the community, our customers, our suppliers or our respect for the environment. In terms of the latter, we took an important step in 2011: becoming the first carbon neutral bank in Chile.

We have made great progress and are headed in the right direction, but there is still much to be done in order to satisfy the legitimate expectations of the public as well as our customers, shareholders and employees.

Our successes have not been achieved nor our challenges been met, nor will they be in the future, without regard for consequences. Given the global context of deep distrust of financial institutions, CorpBanca has decided to intensify its work on principles and values. We have strengthened our corporate governance structure and adopted all the necessary measures to guarantee ethical and responsible business conduct.

Some say that we have achieved, in a relatively short period, what has taken others decades to accomplish. It has not been easy and we are constantly facing new and exciting challenges. If we are to be the best bank in Chile in 2015, we must be prepared. The conditions are right. Our employees are aligned with and committed to the goal. They demonstrate enthusiasm, ability, dedication and willingness to put forth their best in order to reach the goal. Our Directors and Managers are not only top-notch professionals themselves; they have also formed teams of talent centered around common goals. Thanks to all these people, we can be proud of our current place in the financial industry. Nevertheless, the goal that we have set for ourselves is greater. In order to rise to the challenge, we have asked everyone for an extra dose of commitment.

Above and beyond the results presented in this Annual Report, we know that we are duty-bound to continuously improve in order to provide our customers with innovative products that respond efficiently to their needs and to continue providing quality, excellent service. That is our commitment to our customers and we will not disappoint them.

I do not want to end this letter without expressing my sincere appreciation to those great professionals and individuals who have contributed significantly to CorpBanca's current position among the most important banks in Chile, but whose careers have taken a new course as of 2011 and the beginning of 2012. Special recognition and thanks go to the Directors who have been a part of this institution. Their invaluable collaboration has kept us on track and set a solid basis for reaching new goals. I am sure that, with the same strength and dedication, the new Board of Directors will maintain the course.

I would also like to take this opportunity to express special gratitude to Mario Chamorro Carrizo for his contributions during his tenure as the Bank's CEO. Mario has been part of this beautiful journey and we will never forget the professionalism, friendship, loyalty and dedication with which he led the Bank through various stages and projects, earning the Bank a privileged position within the industry.

Likewise, I wish our CEO, Fernando Massú, great success. As CEO, he will use his professionalism and dedication to lead CorpBanca down the course that has been clearly drawn, make "Mission 2015" a reality, and strengthen the values that the institution has adopted in order to reach our goals.

Finally, as is common knowledge, on February 2nd, I presented my resignation from the positions of Director and Chairman of CorpBanca's Board of Directors, and directorships within other Group companies.

It was not an easy decision, but I believe it was necessary. It is precisely the recent definition of strategies and key steps toward the Group companies' growth; the size of CorpGroup, as well as the maturity of its companies; and the quality of the executive staff of each of those companies, that allows me to take on a different role.

In this new role, as consultant to the Board of Directors, I will no longer be directly managing. Rather, I will be supporting the Board and senior management extensively on matters related to strategic development, control and CorpBanca's new businesses.

My resignation is in no way a departure or divestment from CorpBanca. It is a reiteration of my commitment to the Bank, from another perspective, but with the same dedication and enthusiasm. It is a renewal of the challenge we proposed to ourselves so many years ago and an opportunity to work specifically on the aforementioned activities, which are of the most interest to me at this point in my professional life.

My resignation, along with that of the other Directors, should also be seen as a generational change. Younger, better-prepared individuals are taking charge of the institution.

I wish the new Board of Directors, and especially the Chairman, my son Jorge Andrés, great success. For many years, Jorge Andrés has led initiatives that have been essential to the Bank's development. His innovative vision will lead the institution to achieve the ambitious goals that we have set for ourselves, both in Chile and abroad. I am absolutely convinced that I am leaving the institution in better hands, which is why I am able to take this step confidently.

I wish you all future success and I am extremely grateful for the confidence and support I have received from everyone.

Álvaro Saieh Bendeck

2. **HISTORY**

By the year 1860, Chile's economic activity had increased to the point that regulations for banking and credit operations had become necessary. As a result, norms regulating the issuance of currency, convertibility and legal tender were established.

In this context, the Bank was born. It was named Banco de Concepción, as it was founded in Concepción, a city in southern Chile. By means of Decree No. 180, dated October 3, 1871, the Ministry of Finance legally recognized the banking corporation and approved it to begin operations on October 16th. Ministry of Finance Decree No. 248 authorized the first issuance of bills by the Bank through a capital increase of Ch$198,000 (historical pesos). On October 23, 1871, the Bank granted its first loans. It has operated continuously ever since, making it the oldest private banking institution in the country.

In those days, the city of Concepción had approximately 13,958 inhabitants and was growing, although development remained limited. In 1848, a few years before the Bank was founded, coal deposits were found in Coronel and Lota, forming the famous Coal Basin. This discovery contributed to the development of the area that today is the 8th Region, Bío Bío. Banco de Concepción, with its regional origins, financially supported these mining activities, as well as other local industries, such as milling and Tomé's textile industry.

The Bank financed public works, including lighting, paving and potable water projects, which improved inhabitants' quality of life. It also financed projects related to urban transport and social institutions, such as the fire department, the *Club de Concepción*, and the Concepción Theatre Society, which received support from the Bank to organize activities to benefit the community.

The Bank is very proud of the fact that one of the first loans it granted was to Reinaldo Tillmanns, the owner of the industrial gas factory in Concepción, today the Concepción Gas Company, Gasco. The loan was for approximately Ch$10,000 (historical pesos) for public and private lighting projects within the city.

In 1882, the Bank passed the necessary regulations and created the Savings Division. Customers were given booklets with the corporate seal, in which deposits and withdrawals were recorded. Later, in 1887, the Bank's Mortgage Division opened.

In 1887, modifications to the corporate bylaws were approved, allowing the Bank to extend its operations throughout the country.

During those years, many modifications to the bylaws were made and then approved by the authorities. For example: the capital increase of Ch$1,000,000 (historical pesos), which was approved by Ministry of Finance Decree No. 2.177 on August 24, 1920. The amount was later increased to Ch$55,000,000 (historical pesos) and approved by Ministry of Finance Decree 1.126 on February 3, 1953.

On December 1, 1970 the State announced plans to purchase commercial banks. The plan came to fruition in February 1971, with the purchase of more than a third of the Bank's shares. Months later, the State also acquired the shares belonging to Universidad de Concepción and Mr. Carlos Macera.

In August 1971, the Bank acquired the assets and liabilities of Banco Francés e Italiano para la América del Sur (presently Sudameris).

In July 1972, via Exempt Resolution No. 27, the Superintendency of Banks approved the Bank's merger with Banco de Chillán, extending the Bank's service to the provinces of Ñuble and Bío-Bío, once again establishing its regional nature.

With the change of government in 1973, the Superintendency of Banks assigned two delegates to administer each of the banks that were wholly or partially owned by the State via the Corporación de Fomento de la Producción (the Chilean Development Corporation, or CORFO).

In 1975, the Superintendency of Banks, via Resolution No. 13, approved the merger by absorption of Banco de Valdivia's assets and liabilities, expanding operations to the cities of Valdivia, Panguipulli and La Unión.

At the end of that year, CORFO tendered its shares of the Bank. The shares were purchased by a group of 530 persons from the 8th Region, whose objective was to ensure that the Bank's administration and ownership remained within the region.

On April 7, 1976, Mr. Luis Francisco Iturriaga, the delegate from the Superintendency of Banks and Financial Institutions, announced the end of the State's provisional administration.

On September 15, 1980, via Resolution No. 137, the Superintendency of Banks and Financial Institutions, approved the reforms made to the Bank's bylaws, which changed the corporate name to Banco Concepción and the corporate address from Concepción to Santiago.

This step represented more than a mere name and location change. It caused an adverse reaction on the part of some regionalist clients, who closed their accounts in protest, possibly because they felt the change meant that the Bank had lost the regional nature that had set it apart.

Once in Santiago, there was a sharp increase in the Bank's business; however, the Bank was not spared by the country's larger banking crisis.

HISTORY

The crisis necessitated regulator intervention in the administration of Chilean banks, including Banco Concepción. The Superintendency of Banks, via Resolution No. 7, dated February 13, 1983, appointed Mr. Ernesto Bertelsen Repetto as the Bank's Provisional Administrator and transferred to him all powers that the law and corporate bylaws granted the Board of Directors and the Chief Executive Officer.

Resolution No. 32, dated February 20, 1986, authorized the Sociedad Nacional de Minería's (the Chilean National Mining Society, or SONAMI) acquisition of Series B shares from CORFO, making SONAMI the Bank's majority shareholder.

On April 7, 1986, via Resolution No. 54, the Superintendency ended its provisional administration of the Bank. From that point on, the Bank has been administered by a shareholder-appointed Board of Directors. The Board was comprised of persons with experience in various industry sectors, who provided particularly strong support for the mining sector, which needed a financial system that would allow it to keep pace with progressive growth. However, mining was not the only sector into which the Bank ventured. Serving multiple sectors had always been the Bank's objective.

In 1994, the Bank became the first Chilean bank to harness technological advances and provide customers with on-line services. At the time, the Bank's on-line services received special recognition. The number of on-line transactions was ever-increasing and the technological platform became more and more innovative.

At the end of 1995, Álvaro Saieh Bendeck, leading a group of investors, acquired a majority interest in the Bank from SONAMI, with the clear purpose of developing a strategic plan that would make the Bank the best in Chile. At the time, it was a distant plan, but over the years, significant progress has gradually been made.

In February 1997, the new management extinguished its subordinated debt with the Chilean Central Bank and a capital increase was also approved.

Those two measures marked a new era for the Bank. This new era was further evidenced by a corporate name change, which would provide renewed impetus for growth. The Superintendency of Banks, via Resolution No. 31, dated March 5, 1997, approved modifications to the Bank's bylaws, including its new corporate name: CorpBanca.

In 1998, aiming to continue developing its retail banking segment, the Bank acquired the Consumer Loan Division of Banco Sud Americano (Corfinsa) and Financiera Condell, which today constitute Banco Condell.

In October 2001, CorpBanca acquired part of American Express Bank Ltd.'s portfolio, thereby ending its corporate banking operations in Chile.

In 2004, CorpBanca crossed borders and took an important step in its international expansion plan: completing the listing process in the United States, which allowed it to trade American Depositary Receipts (ADRs) on the New York Stock Exchange.

In 2009, the Bank's New York branch began operations, catering to Chilean clients and financing their projects in the United States.

In 2011, the Bank expanded even further, opening a Representation Office in Spain, headquartered in Madrid. The office is responsible for promoting and providing information about the Bank's financial products to foreign, especially Spanish, companies, in order to strengthen commercial ties and open up new prospects.

This year, the Bank will work to achieve a new milestone: the purchase of Banco Santander Colombia, which will make CorpBanca the first Chilean bank to own a foreign banking institution.

Achieving that milestone entails numerous challenges; however, the foundation of the Bank's history provides the basis for solid, steady growth and allows the Bank to look confidently toward the future.

The Bank's history would only be a sequence of events, relayed chronologically, if the Bank had not had such an impact on Chile's development and growth.

All the employees, led by Mr. Álvaro Saieh Bendeck, are very proud of the role CorpBanca has played, since its inception, as a powerful driving force on our country's path to development.

As noted, the Bank was founded in Concepción and first participated at a regional level. Soon, it was expanding its horizons to include the entire country. The Bank has continued to expand, reaching the United States, Spain and soon, Colombia.

The Bank has an extensive history of serving Chile and has made important contributions to the country's development.

However, the story does not end there. The Bank continues to be a driving force for not just a single city, as it was in the beginning, but for the entire country. It continues to finance various projects aimed at supporting Chile's economic and social growth.

For example, the Bank is participating in financing the construction of the Ujina Industrial District Project in Pica, Region I. The project will be located at Collahuasi's mountain operations site and will comprise a surface area of about 5,000 square meters, including offices, garages, warehouses and roads, etc.

Just as the early Bank financed regional infrastructure projects, CorpBanca participates in projects related to the construction and operation of public works concessions throughout the county. This year alone it has participated in: the improvement of access roads in Iquique for 2,740,000 UF[1]; construction and subsequent operation of the public works concession of the central access road between Concepción and Route 5 South, for 6,400,000 UF; construction and subsequent operation of run-of-the-river hydroelectric plant in Ensenada, in Region X, for US$14,000,000; construction and subsequent operation of Maipú and La Florida Hospitals, for 5,100,000 UF, among others.

The Bank's participation in the country's social growth has also remained strong over time. In 1919, the Bank made a donation of Ch$20,000 (historical pesos) toward the creation of Universidad de Concepción, which was more than 50% of the first year's budget. In 2011, the Bank continued to contribute expertise and efficiency in the area of education. In a public bidding process involving 11 other banks, CorpBanca offered the best conditions and was awarded all of the higher education financial services and loan administration governed by Law No. 20,027.

CorpBanca does not limit itself in terms of time or projects. CorpBanca is always present, in regions throughout Chile, in the United States, in Spain and, soon in Colombia. The Bank has operated responsibly and steadfastly, earning a place in history as an important institution in the country's development. Those same qualities will undoubtedly lead it to reach its next goal: becoming the Number One Bank in Chile.

[1] UF (Unidad de Fomento) is an inflation-indexed, peso denominated unit of account.

3. 2011 HIGHLIGHTS

GLOBAL FINANCE

Global Finance Presents CorpBanca with the Award for the Best Business Web Page: In August 2011, the Bank's digital innovation was recognized when Global Finance Magazine awarded CorpBanca the 2011 Best Internet Bank Award.

NEW OFFICE

New Representation Office in Spain: On May 26, CorpBanca opened its first Representation Office in Madrid, which carries out commercial, banking, financial and economic activities in order to promote the Bank's various financial services.

Corredores de Bolsa

CorpBanca Corredores de Bolsa, the First Brokerage Firm to Operate on the MILA: In 2011, the Mercado Integrado Latinoamericano (Integrated Latin American Market, or MILA), which unites Chilean, Colombian and Peruvian stock markets, began operations. CorpBanca's subsidiary, CorpBanca Corredores de Bolsa, is the first Chilean institution to participate in the project.

Capital Increase

Capital Increase: In July 2011, capital was increased by US$400 million, representing a 40% increase in the Bank's total capital. The increase provides financial soundness, allowing the Bank to take better advantage of economic cycles and to grow.

Santander COLOMBIA

Purchase of Banco Santander Colombia: On December 6, 2011, CorpBanca signed an agreement to purchase Banco Santander Colombia S.A., which holds market share of 2.7% in loans and 4.7% in deposits. Its loans amount to US$2.75 billion, 65% of which are business loans, while the remaining 35% are retail loans. The acquisition includes Santander Investment Valores Colombia S.A., Santander Investment Trust Colombia S.A. and Agencia de Seguros Santander Limitada. CorpBanca will acquire US$1.225 billion in shares held by the Santander Group. The operation is subject to regulatory authorization by the competent authorities in Chile, as well as in Colombia.

Entrance into the Market of State-backed Loans: In 2011, CorpBanca won the Ministry of Education's bid for providing state-backed loans. The Bank was the first to be awarded the entire roster of students in need of higher education financing, a landmark event in the Chilean financial industry. Winning this bid meant that the Bank would finance more than 116,000 young people's education.

STATE-BACKED LOANS

The Best BANKING GROUP

CorpBanca Named the Best Banking Group 2011: The British magazine, World Finance, named CorpBanca the best bank in Chile. This annual ranking recognizes each country's most outstanding financial institution, on the basis of efficiency, financial performance, quality of service and risk management.

Mutual Funds

Fixed Income Mutual Funds Receive Recognition: Fund Pro awarded CorpBanca the distinction of Best Chilean Fund Manager of medium and long-term bond funds for the period between June 30, 2010 and July 30, 2011.

MILA

Second Integrated Latin American Market (MILA) Summit: CorpBanca Corredores de Bolsa organized the second Integrated Latin American Market (MILA) Summit. The initiative brought together investors from Chile, Peru and Colombia in more than 700 "one-on-one" meetings and was attended by more than 400 people. Former Minister of Economy, Andrés Fontaine, and former Candidate for President of Peru, Pedro Pablo Kuczynski, spoke at the event. With this summit, CorpBanca's subsidiary positioned itself as a leader among Chilean brokerage firms.

STANDARD & POOR'S

Standard & Poor's Improved CorpBanca's Risk Rating: Standard & Poor's, one of the world's premiere rating agencies, improved its rating of CorpBanca from "BBB+" to "A-". The rating reflects a favorable analysis of the Bank's financial risk profile—including factors such as risk management, capitalization, earnings, funding and liquidity, accounting and governance—which has been strong throughout the year.

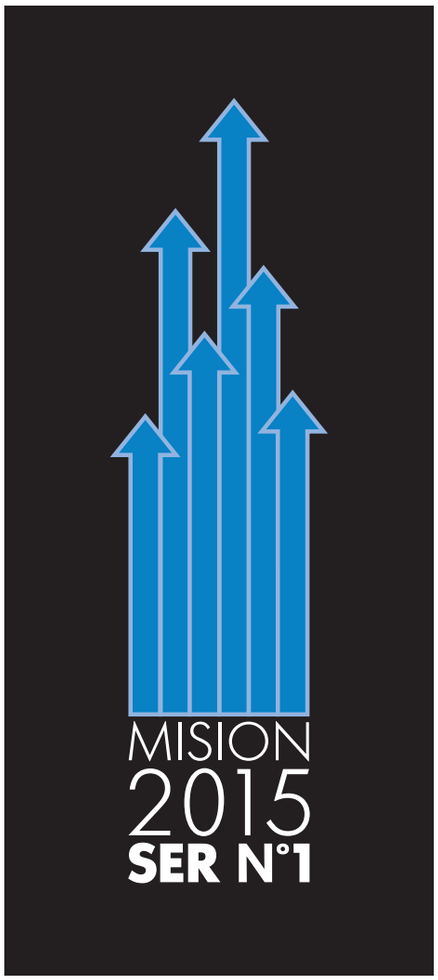
CARBON NEUTRAL BANK

First Carbon Neutral Bank in Chile: Fundación Chile certified CorpBanca as the first carbon neutral Chilean bank. This accomplishment is the result of measures adopted following a thorough diagnostic process conducted at the Bank.

5th Safest Bank in Latin America

Global Finance Magazine named CorpBanca the 5th Safest Bank in Latin America.

4. COMPLETION OF THE **"FLIGHT PLAN"**



Over the last four years, the Flight to 2011 Plan has had a marked impact on company culture. The initiative was a challenge that motivated employees to work hard to make CorpBanca the best bank in Chile. Today, CorpBanca is on the road to reaching that goal. The journey was guided by the philosophy of leaders who have shaped the growth and development of the organization.

The Bank's way of doing business, which is so distinctive, is based on the conviction that an organization's—or a person's—success lies in his ability to balance two attributes inherent to man: passion and reason.

We firmly believe that great passion, without reason, will not get the Bank very far; however, we also know that much reason, without passion, will not make CorpBanca a remarkable organization. Step by step, by balancing both elements, we have made ourselves who we are today.

The last year of the Flight to 2011 Plan was marked by several events, meant to culminate this time of spreading our company culture to the farthest corners of our organization.

Buyology

One of the main focuses of the Flight Plan was improving our customer service experience by offering unique, differentiated service that, above all, is tailored to our customers' needs.

The most notable event in 2011 to this effect was the Buyology Seminar, held at Espacio Riesco and given by writer and researcher, Martin Lindstrom, a marketing and corporate positioning expert. All CorpBanca branch managers, supervisors, assistant managers, division and area managers were in attendance.

The Cultural Change

In recent years, the Bank has come to understand that **people and their talent** are the essence of a culture of excellence. So, we worked to build teams that believe fervently in excellence, by encouraging them to reach common goals.

Also, we encouraged our employees to work **passionately** and unabatedly; to perform their duties with **discipline**, fulfilling their individual commitments; to perform their jobs **creatively**, keeping change in mind and demonstrating a proactive attitude; and to maintain a spirit of **collaboration**, favoring the team's interests over their own individual interests, conducting themselves transparently and honestly.

In addition, throughout the Flight Plan, **service** became seen as a competitive advantage and it spread throughout the organization.

Prepared for the New Challenge

The Flight Plan, launched in May 2008, laid the foundation for making CorpBanca the best bank in Chile. It strengthened our business and enhanced our culture of excellence.

However, this era has come to an end and the organization has begun preparing a new plan, which will guide it over the next four years. The new business plan was drafted during the last trimester of 2011 and aims to help the organization continue down the path laid by the Flight Plan.

Management, led by the Board of Directors and senior management, has devoted itself to laying the strategic planning foundations for CorpBanca's next steps. Together, they established the main guidelines for "Mission to 2015", which will make CorpBanca Number One.

This plan was revealed to all CorpBanca employees, highlighting the main features of the Mission: **Growth, Excellence and Synergy.**

5. **COMMUNICATION** GOALS

In 2011, CorpBanca adopted a communications strategy that focused on getting closer to customers by conducting direct marketing campaigns. Previous campaigns had focused on mass marketing.

Initiatives such as the MILA Summit, opening the Representation Office in Spain and the service provided by the New York branch are evidence of this year's communications strategy, which helped solidify the Bank's customer relationships.

Second Integrated Latin American Market Summit

As a result of this event, CorpBanca's subsidiary emerged as a leader among brokerage firms. This prestige generated additional access to investments in countries that participate in the MILA, the largest market in Latin America.

Representation Office in Spain

Our Representation Office in Spain fulfills the objective of informing and providing guidance for foreign, especially Spanish, investors regarding the Bank's wide range of products.

New York Branch

This year, the New York Branch implemented a variety of initiatives aimed at strengthening its customer relationships by delivering more personalized service. Thus, a team belonging to the New York branch, but physically located in Chile, was formed and charged with meeting with clients, fulfilling their needs and offering comprehensive solutions.

In addition and in keeping with the guidelines set forth in its communications strategy, which aim to bring the Bank closer to its customers, a team of Contact Center employees is now exclusively dedicated to assisting the New York branch's customers.

CSR Communication

As part of its Corporate Social Responsibility strategy, CorpBanca supported communications efforts on various projects that reinforce its commitment to the environment, cultural endeavors and to society in general.

Environment

In 2011, CorpBanca became the first carbon neutral bank in Chile. This wonderful news was disseminated throughout the country with the slogan, "We take care of what's yours and protect what belongs to all of us."

The project began with a measurement of the Bank's 2010 direct and indirect greenhouse gas (CO2) emissions, including its headquarters and all branches.

A company campaign consisting of an employee survey measured the indirect emissions generated by employees' commutes. The measurement was conducted in conjunction with Fundación Chile. Then, in order to offset emissions, the Bank invested in carbon credits for national projects, which are traded on the Bolsa de Clima de Santiago (Santiago Climate Exchange, SCX).

Society

CorpBanca firmly believes that workforce inclusion is important to our society's development. As a result, the Bank supports Fundación Descúbreme, a non-profit organization that aims to create and support social dialogue initiatives and maximize development and inclusion opportunities for persons with cognitive disabilities.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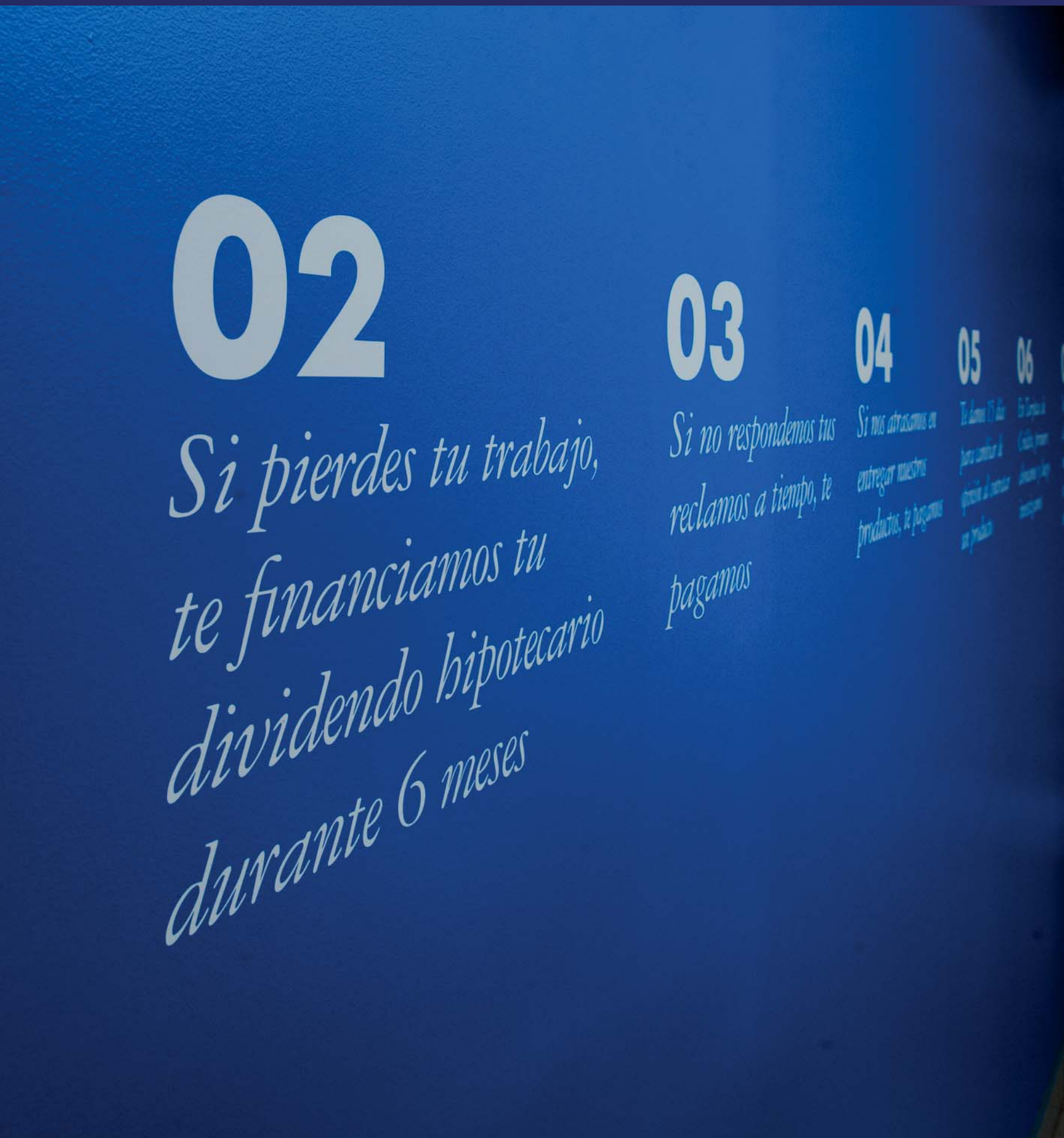
6. INFORMATION ON **THE COMPANY**



Corporate Name

CorpBanca

Address

Rosario Norte 660, Las Condes

Taxpayer ID No.

97.023.000-9

Type of Company

Joint Stock Corporation

Telephone - Fax

687 80 00 - 672 67 29

P.O. Box

Casilla 80-D

E-mail

corpbanca@corpbanca.cl

Internet Address

www.corpbanca.cl

Incorporation

CorpBanca was organized by means of a public deed dated August 7, 1871, executed before the notary public of Concepción, Mr. Nicolás Peña. The Executive Decree that authorized its formation, dated September 6, 1871, was published in the newspaper *El Araucano* on February 20, 1872 and registered on folio 35, number 8 of the Commerce Registry of the Concepción Real Estate Registrar for the year 1871. The most recent bylaws were established in an Extraordinary General Shareholders' Meeting and the minutes were transcribed into public deed on October 15, 2009, executed before Santiago notary public Mr. José Musalem Saffie.

7. BOARD OF **DIRECTORS**

The Bank's 2011 Board of Directors consists of nine directors and two alternates, detailed in the following table:

Chairman

Álvaro Saieh Bendeck
Taxpayer ID No.: 5.911.895-1

B.A. in Business Administration
Ph.D. in Economics, University of Chicago

First Vice Chairman

Jorge Andrés Saieh Guzmán
Taxpayer ID No.: 8.311.093-7

B.A. in Business Administration
Master in Economics and MBA, University of Chicago

Second Vice Chairman

Fernando Massú Taré
Taxpayer ID No.: 6.783.826-2

B.A. in Business Administration
Professional Management
Harvard Business School, USA

Director

Fernando Aguad Dagach
Taxpayer ID No.: 6.867.306-2

Financial Investor

Director

Jorge Selume Zaror
Taxpayer ID No.: 6.064.619-8

B.A. in Business Administration
Master in Economics, University of Chicago

Director

Gustavo Arriagada Morales
Taxpayer ID No.: 6.976.508-4

B.A. in Business Administration and Economics

Director

Ana Beatriz Holuigue Barros
Taxpayer ID No.: 5.717.729-2

B.A. in Business Administration
Master in Economics
U. Católica de Chile

Director

Francisco León Délano
Taxpayer ID No.: 6.655.380-9

Civil Engineer
MBA, Harvard University

Director

Julio Barriga Silva
Taxpayer ID No.: 3.406.164-5

Agricultural Engineer

Alternate Director

Héctor Valdés Ruiz
Taxpayer ID No.: 5.226.609-2

B.A. in Business Administration

Alternate Director

Juan Rafael Gutiérrez Ávila
Taxpayer ID No.: 4.176.092-3

Public Accountant

8. SHAREHOLDERS

The twelve principal shareholders of CorpBanca and their respective percent ownership of the Bank's capital as of December 31, 2011, are as follows:

Name or Corporate Name	No. of Shares	Percentage of Total Share Capital
CorpGroup Banking S.A.	128,253,046,085	51.22782
Compañía Inmobiliaria y de Inversiones SAGA Ltda.	23,084,435,510	9.22056
Moneda S.A. AFI, Pionero Investment Fund	7,547,376,000	3.01463
Banco de Chile on behalf of non-resident third parties	5,907,402,949	2.35958
Sn Holding S.A.	5,413,342,266	2.16224
Compañía de Seguros CorpVida S.A.	5,247,617,878	2.09604
Banco Itaú on behalf of investors	4,717,743,703	1.88440
Inv. Las Nieves S.A.	3,790,725,224	1.51412
CRN Inmobiliaria Limitada	3,494,174,016	1.39567
CorpBanca Corredores de Bolsa S.A.	3,414,088,765	1.36368
AFP Provida S.A. for Pension Fund C	3,287,837,485	1.31325
Banco Santander on behalf of foreign investorss	3,139,064,347	1.25383

As of December 31, 2011, the individual controller of CorpGroup Banking S.A. was Mr. Álvaro Saieh Bendeck, Taxpayer Identification Number 5,911,895-1, who, together with his family, maintains indirect ownership of 75.64% of the company. In addition, Mr. Álvaro Saieh Bendeck, along with his spouse and children, are indirect holders of 100% of the ownership rights of Compañía Inmobiliaria y Inversiones Saga Limitada.

Major Changes in Ownership

The major changes in ownership during 2011 are detailed as follows:

Increases in ownership as of December 31, 2011

Shareholder	Taxpayer ID Number	Ownership interest as of 12/31/2011	%	Ownership interest as of 12/31/2010	%
CorpGroup Banking S.A.	96.858.900-8	128.253.046.085	51,2278	112.530.207.591	49,5926
Inv. Las Nieves S.A.	76.681.360-7	3.790.725.224	1,5141	-	-
Moneda S.A. AFI for Pionero Investment Fund	96.684.990-8	7.547.376.000	3,0146	4.028.519.000	1,7754
AFP Habitat S.A. for Pension Fund C	98.000.100-8	2.502.376.082	0,9995	939.736.631	0,4142
Compañía Inmobiliaria y de Inversiones SAGA Ltda.	88.202.600-0	23.084.435.510	9,2206	19.764.285.412	8,7102
AFP Capital S.A. for Pension Fund C	98.000.000-1	2.463.218.506	0,9839	1.357.051.658	0,5981
AFP Habitat S.A. for Pension Fund B	98.000.100-8	994.269.195	0,3971	177.237.291	0,0781
AFP Provida S.A. for Pension Fund C	98.000.400-7	3.287.837.485	1,3133	2.303.428.231	1,0151
Banco Itaú on behalf of investors	76.645.030-K	4.717.743.703	1,8844	3.689.619.584	1,6260
AFP Habitat S.A. for Pension Fund A	98.000.100-8	715.123.992	0,2856	71.931.106	0,0317

Decreases in ownership as of December 31, 2011

Shareholder	Taxpayer ID Number	Ownership interest as of 12/31/2011	%	Ownership interest as of 12/31/2010	%
SG Inversiones Bancarias Limitada	76.115.503-2	-	-	8.282.189.106	3,6500
Inversiones FMAD S.A.	76.115.725-6	-	-	3.336.750.199	1,4705
Merrill Lynch Corredores de Bolsa SPA	80.993.900-6	45.145.390	0,0180	2.827.817.924	1,2462
Inversiones JCSZ S.A.	76.115.731-0	-	-	2.593.579.929	1,1430
Inversiones Heracles Limitada	76.062.508-6	-	-	2.155.926.623	0,9501
Inversiones DDP S.A.	76.116.402-3	-	-	957.270.407	0,4219
CRN Inmobiliaria Limitada	96.750.420-3	3.494.174.016	1,3957	3.790.725.224	1,6706
Inversiones Sta. Valentina S.A.	96.711.160-0	39.037.164	0,0156	245.239.953	0,1081
Inversiones Seral S.A.	76.116.171-7	-	-	181.608.695	0,0800
Inversiones Heral S.A.	76.116.224-1	-	-	181.608.695	0,0800

9. **CORPORATE** GOVERNANCE

Principles

In accordance with current legislation, particularly Law No. 20,382, which refines corporate governance standards, CorpBanca has created and implemented the necessary bodies and instruments. The standards are primarily aimed at ensuring transparency and disclosure of information, providing instruments for resolving conflicts of interest between the various stakeholders that interact within a company. CorpBanca has adopted these values, aiming to improve confidence among market players and to increase the Bank's market share.

CorpBanca has committees, codes and manuals that establish principles of conduct for the organization and Bank associates.

The bodies responsible for these tasks are: the Board of Directors, the Directors'-Audit Committee, the Anti-Money Laundering Committee, the Anti-Terrorism Finance Prevention Committee and the Compliance Committee.

At the Board of Directors' meeting held on August 30, 2011, the Board approved the consolidation of the Directors' Committee and the Audit Committee into one committee, to be called the Directors'-Audit Committee. As of December 31st, the Directors'-Audit Committee consisted of three directors and two permanent advisors. Mr. Gustavo Arriagada Morales, in his capacity as Independent Director, chairs the committee. Directors Francisco León Délano and Fernando Massú Tare serve on the committee, along with permanent advisors Alejandro Ferreiro Yazigi and Catalina Saieh Guzmán.

Directors' Committee

The main purpose of the Directors' Committee is to strengthen self-regulation within the Bank, thus improving the efficiency of the Directors' oversight efforts. The Committee is also responsible for examining accounting and financial reports, transactions with related parties and compensation of managers and senior executives.

Until September 2011, when the committee consolidation occurred, the Directors' Committee was comprised of: Mr. Gustavo Arriagada, Chairman, Mr. Fernando Massú Tare and Mr. Jorge Andrés Saieh Guzmán. The Committee held six sessions in 2011, before its consolidation with the Audit Committee.

The Committee has performed each and every one of the functions and activities established in numbers one through seven of section 50 *bis* of Law No. 18,046. In particular, the Committee: examined the Bank's balance sheets and financial statements as well as their corresponding notes and the independent auditors' reports and has issued its opinion on and approved them; inspected and approved the interim financial statements; issued a report on the Committee's activities during 2010 that was presented at the Ordinary General Shareholders' Meeting; proposed to the Board of Directors that Deloitte & Touche be kept as the Bank's independent auditing firm; familiarized itself with the Bank's monthly results; requested presentations from the various commercial divisions and evaluated the particular situation of each division; heard presentations from the CEOs of CorpBanca Agencia de Valores S.A. and CorpBanca Asesorías Financieras S.A on matters related to their particular companies; approved International Credit Rating Compañía Limitada to replace Fitch as the Bank's risk rater; heard presentations from the Companies Banking Division Manager on matters particular to that division, including Companies, Small and Medium Companies and Private Banking, the latter of which had been recently incorporated into the division; heard

a presentation from the International and Treasury Division Manager who is responsible for the International, Commercial and Treasury Divisions, reporting on the division's operations and strategy.

The Committee also heard presentations from the Retail Banking and Banco Condell Division Manager and the CEO of SMU Corp S.A., who presented on the related companies' operations and received the Committee's approval.

The Marketing Manager gave a presentation on an advertising campaign with related companies, which was also approved.

The Committee approved hiring independent auditors from Deloitte & Touche for non-audit services.

The Committee heard a presentation from the CEO of CorpBanca Administradora General de Fondos S.A. on matters particular to that company. It also heard a presentation from the Retail Risk Division Manager on loan loss allowance models for consumer portfolios and Banco Condell's retained earnings and projections for 2011, as well as a presentation from the Retail Banking and Banco Condell Division Manager on the segment's growth, the sales strategy under consideration and projections for the segment.

Audit Committee

The Audit Committee's main purpose is to promote efficiency within the Bank's internal control systems and compliance with regulations. In addition, it must reinforce and support both the function of the Bank's Office of the Comptroller and its independence from management and serve, at the same time, as a bridge between the internal audit department and the independent auditors, as well as between these two groups and the Board of Directors.

Until July 2011, the Bank's Audit Committee was comprised of Mr. Hernán Somerville Senn, Chairman, Alejandro Ferreiro Yazigi, Mr. Brian O'Neill and Mr. René Cortázar Sanz. After July 2011 and as a result of the resignations of former Directors Hernán Sommerville Senn and Brian O'Neill, the Committee was comprised of: Mr. Francisco León Délano, Chairman, Ms. María Catalina Saieh Guzmán and Mr. Alejandro Ferreiro Yazigi.

The Audit Committee held nine sessions before its consolidation with the Directors' Committee.

This Committee normally holds twice monthly meetings and holds extraordinary sessions whenever any of its members deem necessary. In one of the twice-monthly meetings, only the Committee members and the Office of the Comptroller participate, without the Bank's management in attendance. At least one meeting per year involves the partner from the Bank's independent auditor, so that the Committee members can familiarize themselves with the annual balance sheet before it is presented to the Board of Directors.

During 2011, the Audit Committee performed each and every one of the functions and activities required by the Superintendency of Banks and Financial Institutions, established in its bylaws and / or other rules for ADR issuers. In particular, the Committee heard the Large Companies and Corporate Division Manager's presentation on business developments and associated risk, progress on commitments and observations related to internal controls and a self-assessment of the division's control environment; as well as a presentation from the Financial Risk Auditing Manager to analyze the audit results and suggested measures.

The Committee examined the Bank's balance sheets and financial statements as well as their corresponding notes and the independent auditors' reports; reviewed and approved the Bank's 2010 annual report; familiarized itself with Deloitte & Touche's independent audit report and agreed to propose that the auditing firm be maintained in 2011. It also heard a presentation from the Companies Credit Risk

Manager on the division's mission to maintain an adequate risk-return ratio for the wholesale loan portfolio and other matters related to that area; and a presentation from the Financial Risk Manager on matters particular to that area.

The Committee approved hiring independent auditors from Deloitte & Touche for non-audit services. It approved modifications to the General Code of Conduct, the proposed modifications to the Securities Market Code of Conduct, and the updated version of the Comptroller Division's Internal Audit Manual.

It also approved extending the term for rotating audit partners from three to five years.

The Committee heard a presentation from the Asset Classification and Control Manager on loss allowances for the commercial loan portfolio; a presentation from the Retail Banking Division Manager on matters related to that particular area; a presentation from the Manager of the Audit and Financial Risk Management Division on the results of the 2010 Risk Management Assessment, conducted throughout the Bank and its subsidiaries; and a presentation from the Internal Audit Manager on compliance with the 2010 plan and progress on the 2011 plan.

The Committee heard a presentation from the Accounting Manager and the Deputy Manager of Tax Accounting on the integrity and reasonableness of the financial statements and the main accounting changes, as well as other matters; a presentation from the Legal Services Division Manager on the main changes in legislation and standards in 2010, especially those related to the Ley de Protección al Consumidor (Consumer Protection Law), its effects on the Bank, and legislation on criminal liability of legal entities; a presentation from the Manager of the Audit and Financial Risk Management Division on the audit of the New York Branch and the recommendations made.

The Committee heard a presentation from the CEO of CorpBanca Agencia de Valores S.A on last year's growth in figures, and other matters; and a presentation from the Marketing Manager on matters related to the particular area.

It also heard a presentation from the People and Development Division Manager and the Deputy Manager of General Services and Contracts on the changes to the Bank's fleet of ATMs; a presentation from the CEO of the Bank's subsidiary, SMU Corp. S.A. and the People Division Manager on business developments and associated risk, progress made on commitments or observations related to internal controls and a self-assessment of the division's control environment; a presentation from the CEO of CorpBanca Corredores de Seguros S.A. on matters related to that particular business; a presentation from the Legal Services Division Manager on legal contingencies and lawsuits against the Bank; a presentation from the Private Banking Manager on developments within the segment since 2008; a presentation from the CEO of CorpBanca Corredores de Bolsa S.A on the implications of the MILA Project, and other matters.

Directors'- Audit Committee

As agreed by the Board of Directors, the Directors'-Audit Committee commenced operations as of September 2011, the date on which the Directors' Committee assumed the functions of the Audit Committee. The Directors'-Audit Committee held six sessions between its creation, in September, and December 2011.

The Committee heard presentations from the Accounting Manager on the integrity and reasonableness of the financial statements and accounting changes and from the CEO of the New York Branch via teleconference.

It also heard a presentation from the Comptroller on proposals for the self-assessment process for the Directors'-Audit Committee and the Comptroller Division's assessment. The Committee approved hiring

independent auditors from Deloitte & Touche for non-audit services.

The Committee heard a presentation from the Retail Banking and Banco Condell Division Manager on the customer acquisition processes, information required and related campaigns, and other matters; a presentation from the Chief Financial Officer and Financial Risk Manager on matters related to those particular areas; a presentation from the Operational Risk and Information Security Manager on the Superintendency of Banks and Financial Institutions' assessment of the Bank and its subsidiaries, as well as established action plans.

It heard a presentation from the Manager of the Audit and Financial Risk Management Division on the results of the Office of the Comptroller of the Currency's (OCC) review of the New York Branch; a presentation from the Finance Manager on the new organizational structure for 2012, including the creation of the Financial Management and Treasury Divisions, as well as their respective functions and responsibilities.

Anti-Money Laundering and Anti-Terrorism Finance Prevention Committee

This Committee is responsible for preventing money laundering and terrorism financing. Its main purpose is to plan, coordinate and define the related policies, procedures and activities and encourage compliance. It is kept informed of the Compliance Manager's work and determines whether the suggested improvements to the prevention system will be implemented.

This Committee consists of a Board-appointed Director, the Chief Executive Officer, the Legal Services Division Manager, one Area Manager and the Compliance Manager. This Committee has the authority to request attendance from any executive or associate that it deems necessary. The Committee holds regular monthly meetings and holds extraordinary sessions whenever considered appropriate by any of its members. The Compliance Manager, who performs his duties autonomously, reports on the Committee's activities to the Directors'-Audit Committee.

In 2011, the Committee held eleven regular meetings and one extraordinary session, during which the committee approved the Compliance

Division's 2011 plan and was briefed on the control and training activities conducted at branches throughout Chile as well as progress made on the Compliance Division's various activities.

Regarding CorpBanca's New York Branch, the Committee approved modifications to the Compliance Manual, which is based on U.S. regulatory standards and regulations, and reported on the reviews and evaluations performed by the Office of the Comptroller of the Currency's (OCC) and the branch's Internal Audit Division.

In accordance with Law No. 20,393, on criminal liability of legal entities for the crimes of money laundering, financing terrorism and bribery, CorpBanca appointed the Compliance Manager as the Bank's Prevention Officer.

CorpBanca was one of the leading institutions in the first "Specialized Financial Practicums on Anti-Money Laundering" program, which was organized in Chile by the United Nations Office on Drugs and Crime (UNODC) through the Legal Assistance Program for Latin America and the Caribbean, in conjunction with the Financial Analysis Unit (UAF). The initiative, unprecedented in Chile, brought together almost 200 professionals from 44 public and private institutions, to facilitate transfer of knowledge between the sectors and train the participants in prevention of money laundering and terrorism financing.

Compliance Committee

The Compliance Committee's main purpose is to define, promote and ensure that the conduct of all CorpBanca employees meets the highest possible standards of personal and professional excellence. Employee conduct should, at all times, be guided by the principles and values that embody our organization's spirit, philosophy and good business practices. The Committee is also responsible for ensuring application of the Regulatory Compliance Model.

The Committee is overseen by a Director and comprised of the Chief Executive Officer, the Legal Services Division Manager, the People and Development Division Manager, and the Compliance Manager. The Compliance Manager reports on the Committee's activities directly to the Directors'-Audit Committee.

During 2011, the Committee held ten regular meetings and two extraordinary sessions. In these meetings, it received reports on and approved matters such as: the ethics / conduct area's plan for 2011; employee training activities; updates to Codes of Conduct; and new practices that help uphold the obligations defined in the Code of Conduct. It also ruled on alleged code of conduct violations, the results of specific controls related to the Securities Market Code of Conduct, and requests for authorization to receive gifts and / or invitations that exceeded the amounts and / or conditions established in company policy, among others items.

Codes of Conduct and Regulatory Compliance Model

The concepts of ethics and conduct, especially as they relate to conflicts of interest, confidentiality and use of insider information, are cornerstones of operations at CorpBanca and its subsidiaries. The Compliance Division oversees these issues. One of its areas is exclusively dedicated to these matters. In accordance with best practices and in an effort to build first-rate human capital, comprised of individuals who conduct themselves with integrity, the Bank has established the following internal standards:

General Code of Conduct

CorpBanca's spirit, philosophy and business practices are governed by the principles of ethics and corporate values established in this code. The code's purpose is to guide and orient employees on matters related to resolving conflicts of interest, receiving gifts and incentives, as well as matters related to personal conduct and daily performance of professional duties.

Securities Market Code of Conduct

This document establishes guidelines for conduct involving securities markets. These guidelines must be observed by CorpBanca's directors and employees. Their objective is to ensure transparent securities market-related conduct and strict adherence to current law.

The code is based on the highest possible standards of conduct and includes, among other items, guidelines on decision making, the use of insider information, and conflicts of interest, as well as specific and general restrictions for certain persons.

Regulatory Compliance Model

Compliance-related activities focus on application and implementation of the Regulatory Compliance Model, which has allowed CorpBanca to zealously improve its knowledge of and compliance with the norms issued by various regulatory agencies.

Office of the Comptroller

Chile's financial market needs companies with long-term vision that foster increased market competition and transparency in business, while fully adhering to codes of conduct and legislation.

The regulations on these matters have been constantly evolving and growing and have been the topic of many academic, parliamentary and public debates. Such evolution goes hand-in-hand with the country's growth and development, which has created new needs and generated efficient responses. Recent disastrous events in business have necessitated reconsideration of the importance of regulation and self-regulation in core corporate matters. The main purpose of this process is to consider and protect the interests of all stakeholders, minimize and regulate conflicts of interest and ensure the company and its employees conduct themselves appropriately in the market.

CorpBanca's Board of Directors joined the Directors' Committee and the Audit Committee, to create the Directors'-Audit Committee in order to improve self-regulation within the Bank and its subsidiaries, exercise greater control and streamline oversight activities. The Directors'-Audit Committee is comprised of prestigious senior-level professionals, making coordination of oversight between areas more efficient, and allowing the Bank to function properly and honorably.

The Committee shaped the adoption of market best practices, instituted self-assessment mechanisms and implemented risk-management follow-up processes. To that end, the Committee is supported by the Office of the Comptroller, which possesses the structure, work programs and procedures to address the entire Bank and its Subsidiaries.

The Office of the Comptroller conducts its work independently, which allows the division to make observations and pertinent recommendations on operational matters, risk and management in an objective, informed manner. The Comptroller promotes, first, compliance with current regulations and second, collaboration on the development and growth of the Bank within the regulatory framework.

The Office of the Comptroller's role is both complementary and supportive of the Board of Directors, the Directors'-Audit Committee and Senior Management, in their effort to ensure maintenance, application and proper functioning of the Bank's internal control system.

10. MANAGEMENT

Management Structure and Personnel

The Bank's management structure is led by its Board of Directors, which provides organizational guidelines through the Chief Executive Officer. The following is CorpBanca's organizational diagram as of December 31, 2011:

CorpBanca

CorpBanca
Chief Executive Officer
Mario Chamorro (*)

Commercial Areas

Retail and Banco Condell Division
Division Manager
Gerardo Schlotfeldt L.

Companies Division
Division Manager
Óscar Cerda U.

Large Companies, Corporate and Real Estate Division
Division Manager
José Francisco Sánchez F.

International and Treasury Division
Division Manager
Pedro Silva Y.

Support Areas

Operations and Information Technology
Division Manager
Armando Ariño J.

Planning and Reporting
Division Manager
Eugenio Gigogne M.

Human Resources and Development
Division Manager
Alejandro Longa F. (I)

Customer Service Quality
Division Manager
Gabriela Salvador B.

Office of the Comptroller
Division Manager
José Manuel Mena V. (**)

Legal Services
Division Manager
Cristián Canales P.

Companies Commercial Risk
Division Manager
José Brito F.

Retail Risk
Division Manager
Jorge Garrao F.

Compliance
Area Manager
Marco Bravo G.

Marketing
Area Manager
Pamela Oliver J. (I)

Subsidiaries

CorpBanca Corredores de Seguros S.A.
Chief Executive Officer
César Galdames D.

CorpBanca Corredores de Bolsa S.A.
Chief Executive Officer
Cristián Donoso L.

CorpBanca Administradora General de Fondos S.A.
Chief Executive Officer
Daniel Thenoux R. (I)

CorpBanca Asesorías Financieras S.A.
Chief Executive Officer
Roberto Baraona U.

CorpBanca Agencia de Valores S.A.
Chief Executive Officer
Ignacio Ruiz-Tagle M.

CorpLegal S.A.
Chief Executive Officer
Jaime Córdova F.

SMU Corp S.A.
Chief Executive Officer
Eulogio Guzmán L.

(*) Mario Chamorro presented his resignation on December 29, 2011. Mr. Cristián Canales Palacios, Legal Services Manager has assumed the office temporarily.
(**) Reports to Audit Committee.

MANAGEMENT

In addition to the Chief Executive Officer, the Bank's current senior management is comprised of the following persons:

Armando Ariño Joiro has an undergraduate degree in Civil Engineering from Universidad INCCA in Colombia and his Taxpayer Identification Number is 14.726.855-6. Mr. Ariño has served as the Operations and Information Technology Division Manager since December 2008. Previously, from 2000 to 2008, he was the Bank's Information Technology Division Manager.

José Brito Figari has a B.A. in Business Administration from the Universidad Adolfo Ibáñez and his Taxpayer Identification Number is 8.925.613-5. Mr. Brito has served as the Companies Credit Risk Division Manager since June 2011. Previously, from 2008 to 2011, he served as the Companies Credit Risk Manager

Marco Bravo González has a B.A. in Accounting from Universidad de las Américas. His Taxpayer Identification Number is 10.800.860-1. Mr. Bravo has served as Compliance Manager since August 2003. Previously, beginning in April 2000, he was the Manager of the Money Laundering Prevention Department at Banco Santander.

Cristián Canales Palacios has a law degree from Universidad Chile and his Taxpayer Identification Number is 9.866.273-1. Mr. Canales has served as the Legal Services Division Manager since April 2003. From March 2002 to March 2003, he served as Legal Services Manager at CorpBanca.

Óscar Cerda Urrutia has a B.A. in Business Administration from the Universidad de Concepción and his Taxpayer Identification Number is 6.941.260-2. Mr. Cerda has served as Companies Banking Division Manager since July 2008. Previously, beginning in August 2007, he served as Chief Executive Officer of Banco Ripley.

Jorge Garrao Fortes has a degree in Industrial Engineering from Universidad de Chile and his Taxpayer Identification Number is 10.864.335-8. Mr. Garrao has served as Retail Risk Division Manager since September 2010. Previously, beginning in November 2008, he served as Risk Manager for Banco París.

Eugenio Gigogne Miqueles has a B.A. in Business Administration from Universidad de Chile and an MBA from Tulane University. His Taxpayer Identification Number is 9.603.669-8. Mr. Gigogne has served as Chief Financial Officer since March 2009. Previously, beginning in March 1998, he served as the Bank's Financial Risk Manager.

José Manuel Mena Valencia has a degree in Industrial Engineering and a Masters in Economics from Universidad de Chile and his Taxpayer Identification Number is 6.196.849-0. Mr. Mena has served as Comptroller since March 2008. Previously, beginning in 1995, he served as the Chief Executive Officer of Banco Estado.

Gabriela Salvador Broussaingaray has a B.A. in Business Administration from Universidad de Chile and her Taxpayer Identification Number is 8.652.842-8. Ms. Salvador has served as Service Quality Division Manager since April 2010. Previously, she served as the Quality Manager at Banco de Chile.

José Francisco Sánchez Figueroa has a B.A. in Business Administration from Pontificia Universidad Católica de Chile and his Taxpayer Identification Number is 5.893.066-0. Mr. Sánchez has been the Large Companies, Corporate and Real Estate Division Manager since 2009. From 2000 to 2009, he was an area manager in the same division.

Gerardo Schlotfeldt Leighton has a degree in Industrial Engineering from Pontificia Universidad Católica de Chile and his Taxpayer Identification Number is 7.022.696-0. Mr. Schlotfeldt has served as Banco Condell Division Manager since June 2010. Previously, he was the Chief Executive Officer of Banco París.

Pedro Silva Yrarrázaval has a B.A. in Business Administration from Universidad de Chile and his Taxpayer Identification Number is 7.033.426-7. Mr. Silva has served as International and Treasury Division Manager since October 2006. Between June 2003 and October 2006, he was the Chief Executive Officer of CorpBanca Administradora General de Fondos S.A.

As of December 31, 2011, CorpBanca and its subsidiaries had 3,452 employees, distributed as follows:

Corporate Name	Senior Executives	Professionals	Other Associates	Overall Total
CorpBanca Administradora General de Fondos S.A.	4	8	5	17
CorpBanca Agencia de Valores S.A.	2	3	0	5
CorpBanca Asesorías Financieras S.A.	4	5	1	10
CorpBanca Corredora de Seguros S.A.	3	12	24	39
CorpBanca Corredores de Bolsa S.A.	5	32	4	41
CorpBanca	200	1,225	1,787	3,212
CorpLegal S.A.	2	27	60	89
SMU Corp S.A.	13	18	8	39
Overall Total	**233**	**1,330**	**1,889**	**3,452**

Compensation

As agreed by shareholders at the Ordinary General Shareholders' Meeting in February 2011, the Directors of CorpBanca received a total of Ch$568 million in compensation for the year.

As agreed at the same meeting, the members of the Directors' Committee and the Audit Committee were paid total fees of Ch$162 million. Total compensation received by the Bank's key management personnel during the year ended December 31, 2011, amounted to Ch$13,608 million.

In addition, based on the bonus policy established by the Human Resources and Development Division, together with the Chief Executive Officer, certain executives received bonuses for meeting their targets.

11. **FINANCIAL** SUMMARY

Assets	2005	2006	2007*	2008*	2009*	2010*	2011*	Δ $ 10-11	CCAP**
Cash and due from banks	**85.004**	**92.938**	**105.389**	**85.361**	**117.449**	**210.246**	**265.747**	**55.501**	**4,29%**
Companies loans	**2.549.862**	**2.843.901**	**3.436.315**	**4.320.025**	**4.426.415**	**4.709.726**	**5.895.430**	**1.185.704**	**12,34%**
Commercial	1.732.201	1.918.577	2.443.167	2.965.162	3.347.069	3.499.092	4.345.731	846.639	13,43%
Foreign trade	243.199	268.032	284.703	490.312	248.541	271.175	388.981	117.806	7,76%
Lease agreements	242.400	256.267	270.773	341.275	314.944	291.498	293.726	2.228	4,02%
Factored receivables	69.280	80.919	95.976	56.892	57.003	69.219	95.026	25.807	3,53%
Contingent	261.581	318.189	339.693	376.635	405.877	523.033	680.034	157.001	14,17%
Other	1.201	1.916	2.002	89.749	52.981	55.708	91.932	36.224	51,24%
Retail loans	**675.485**	**879.958**	**1.085.313**	**1.246.087**	**1.314.449**	**1.496.227**	**1.599.049**	**102.822**	**14,18%**
Consumer	407.164	493.057	536.993	520.150	455.667	423.233	423.121	-112	2,64%
Mortgage	268.322	386.900	548.320	725.936	858.782	1.072.994	1.175.928	102.934	24,02%
Past due loans	**28.864**	**21.618**	**24.696**	**40.562**	**44.308**	**48.682**	**46.379**	**-2.303**	**8,86%**
Total loans	**3.254.211**	**3.745.477**	**4.546.324**	**5.606.675**	**5.785.173**	**6.254.635**	**7.540.858**	**1.286.223**	**12,68%**
Loan loss provisions	-51.195	-52.616	-57.986	-75.895	-102.140	-110.773	-105.051	5.722	9,77%
Total loans, net	**3.203.017**	**3.692.861**	**4.488.338**	**5.530.779**	**5.683.032**	**6.143.862**	**7.435.807**	**1.291.945**	**12,73%**
Financial investments	**478.557**	**172.363**	**194.270**	**694.406**	**865.790**	**980.713**	**1.031.251**	**50.538**	**6,70%**
Other	**224.775**	**221.601**	**300.706**	**188.372**	**124.764**	**69.754**	**154.899**	**85.145**	**-1,68%**
Total assets	**3.991.353**	**4.179.763**	**5.088.702**	**6.498.918**	**6.791.036**	**7.404.576**	**8.887.704**	**1.483.128**	**11,08%**

Liabilities	2005	2006	2007*	2008*	2009*	2010*	2011*	Δ $ 10-11	CCAP**
Borrowings and other obligations	**2.229.294**	**2.236.166**	**2.903.080**	**3.892.640**	**4.058.270**	**4.481.051**	**5.507.098**	**1.026.047**	**11,89%**
Deposits and borrowings	1.993.102	1.924.795	2.548.519	3.516.981	3.529.983	3.845.067	4.824.378	979.311	12,13%
Current accounts	172.334	199.151	213.343	271.497	349.244	421.140	467.506	46.366	14,65%
Other demand or time deposits	63.858	112.220	141.218	104.161	179.043	214.843	215.214	371	4,20%
Bonds	**219.850**	**255.796**	**367.499**	**455.095**	**706.614**	**1.027.633**	**1.342.023**	**314.390**	**48,94%**
Borrowings from financial institution	**338.709**	**343.716**	**456.954**	**517.046**	**385.784**	**523.376**	**663.626**	**140.250**	**8,95%**
Other liabilities	732.932	854.105	850.799	1.126.852	1.104.347	816.234	645.745	-170.489	-1,87%
Total liabilities	**3.520.785**	**3.689.783**	**4.578.332**	**5.991.632**	**6.255.015**	**6.848.294**	**8.158.492**	**1.310.198**	**11,63%**
Shareholders' equity	470.567	489.981	510.372	507.285	536.021	556.282	729.212	172.930	6,20%
Total liabilities and shareholders' equity	**3.991.353**	**4.179.763**	**5.088.704**	**6.498.918**	**6.791.036**	**7.404.576**	**8.887.704**	**1.483.128**	**11,08%**

Consolidated ratios	2005	2006	2007*	2008*	2009*	2010*	2011*
Spread***	3,3%	2,9%	3,1%	3,4%	3,5%	3,6%	2,8%
Fees / Operating expenses	39,2%	43,4%	44,9%	33,4%	34,3%	42,3%	40,6%
Efficiency ratio	43,1%	51,5%	48,1%	45,6%	42,1%	38,1%	41,4%
ROA	1,5%	1,1%	1,1%	1,4%	1,3%	1,7%	1,4%
ROE	14,6%	9,9%	11,8%	17,9%	18,5%	25,0%	18,8%
Basic capital****	10,3%	10,6%	9,1%	7,8%	8,1%	7,5%	8,2%
Basel index	13,5%	13,6%	11,6%	10,8%	13,9%	13,4%	14,5%
Loss index	0,5%	0,4%	0,6%	1,0%	1,2%	1,0%	0,7%
Risk index	1,6%	1,4%	1,3%	1,4%	1,8%	1,8%	1,4%
Past due / Total loans	0,9%	0,6%	0,5%	0,7%	0,8%	0,8%	0,6%
Coverage index	177,4%	243,4%	234,8%	187,1%	224,6%	227,5%	226,5%

Note: Real figures (inflation adjusted) in Ch$ as of December 2011.

* Due to the transition to International Financial Reporting Standards (IFRS), the 2007, 2008, 2009 and 2010 figures contain certain reclassifications that cannot be compared with prior periods. For presentation purposes, contingent loans have been reclassified from off-balance-sheet accounts to the balance sheet.

** CAGR: Compound annual growth rate

*** Net interest margin over interest-bearing assets (total loans + financial investments). In 2008, only available-for-sale investments are considered.

**** Paid-in capital plus reserves over total assets

12. INCOME STATEMENT **ANALYSIS FOR 2011**

Figures in MCh$	2011	2010	% Change
Net interest margin	193,000	224,410	-14.0%
Net commissions and fees	60,362	58,221	3.7%
Gross margin	**253,362**	**282,631**	**-10.4%**
Income from trading operations	70,962	35,201	101.6%
Other operating income	9,507	8,832	7.6%
Operating income	**333,831**	**326,664**	**2.2%**
Operating expenses	(139,063)	(124,944)	11.3%
Loan loss provisions	(40,182)	(54,424)	-26.2%
Other operating expenses	(9,667)	(9,891)	-2.3%
Net operating income	**144,919**	**137,405**	**5.5%**
Other income	250	296	-15.5%
Taxes	(24,144)	(19,635)	23.0%
Non-controlling interest	(1,824)	(977)	86.7%
Profit attributable to the Bank's owners	**122,849**	**119,043**	**3.2%**

Net Interest Margin

In 2011, the net interest margin declined by 14.0% due to a 105.6% increase in interest and indexation expense.

The increase in expenses was partially offset by growth of 36.4% in interest and indexation revenue, principally from interest and indexation on commercial loans.

Net Commissions and Fees

Net commissions and fees increased by 3.7%, reflecting greater growth in revenue than in expenses (MCh$3,951 in revenue versus MCh$1,810 in expenses).

Income from Trading Operations

Growth of 101.6% relative to 2010 is explained, in great measure, by derivative contracts, which grew by 658% (a MCh$94,231 increase in income) in 2011.

Foreign exchange operations resulted in a loss of MCh$26,783, down from income of MCh$44,611 in 2010. The variation is due to a MCh$52,919 decline in net foreign exchange income and the effect, in the amount of MCh$25,767, of measuring hedged items at market value (use of fair value and cash flow accounting hedges).

Operating Expenses

The 11.3% increase relative to 2010 is due to increased payroll expenses and other administrative expenses, constituting 38% and 59% of the variation for the year, respectively.

Loan Loss Provisions

This expense decreased by 26.2% (MCh$14,242), explained primarily by improvements in customer credit risk, enabling loan loss provisions in the amount of MCh$33,090 (143.6%) to be reversed. The reversal was partially offset by new provisions of MCh$16,117.

Taxes

In 2011, pre-tax income increased by MCh$7,468. That increase, combined with the higher tax rate (up from 17% to 20%), resulted in a MCh$2,346 increase in taxes payable. The effect of deferred taxes led to an increase of MCh$3,045 in the tax burden, resulting in an effective tax rate of 16.7%.

13. ECONOMIC AND **FINANCIAL CONDITIONS**

In 2011, the European debt crisis and its impact on the global financial system was the dominant issue in the global economy. Inability to restore confidence in the capacity of European governments to repay debts forced banks in that region to apply severe credit restrictions.

Consequently, the debt crisis and its ramifications on the region's financial institutions triggered an end-of-year recession in the European economy. The policy response to the crisis took a two prong approach: First, political agreements were sought to ensure long-term fiscal austerity. Second, short-term crisis-containment measures aimed at avoiding regional contagion were implemented. Among these crisis-containment measures was increased access to liquidity, granted by the European Central Bank. In any event, from difficulty reaching political agreements to back these governments' commitments emerged uncertainty that manifested itself in a year-end fall in the region's main economic indicators.

On the other hand, unaffected by the European recession, the US economy showed significantly stronger signs of recovery. Despite a troubled start to the year, with S&P downgrading its risk rating, the economy expanded at an annualized rate of more than 2%. Somehow, in 2011, the US economy managed to remain relatively unscathed by the European financial crisis.

Global uncertainty also impacted emerging markets, causing a moderate economic slowdown. The European crisis affected emerging markets both commercially and financially. Just as in 2008 and 2009, the effect of the latter was more significant.

The Chilean economy was not the exception, showing signs of slowed momentum toward year end. The local economy performed worse in the second half of 2011 than in the first half of the year due to deceleration in tradable sectors (industry and mining) that was not quite offset by the positive performance of non-tradable sectors (primarily trade and construction). Although performance was inferior during the second half of 2011, the Chilean economy grew at an annual rate of 6.3% in 2011, an improvement over 2010's 5.2% growth. Chile's 2011 economic growth rate was far superior to industrialized economies (1.6%), on par with other emerging markets, and exceeded regional figures (4.5% according to International Monetary Fund estimates).

In Chile, the uncertainty caused by the European crisis affected overall financing costs in dollars and euros, and ultimately impacted local currency financing costs as well. Consequently, tremendous stress was placed on the banking system's liquidity premiums during the last few months of the year.

Continued rise in inflation, due to unexpected increases in food and fuel prices, was one of the obstacles preventing a more expansive monetary policy in 2011. In effect, accumulated inflation had reached 4.40% at the end of 2011; however, underlying measurements, which exclude more volatile components, set inflation closer to 3%. Thus, the Chilean Central Bank's monetary policy rate (TPM), which began the year at 3.25%, had reached 5.25% by June 2011 and held steady until year end.

14. RECENT DEVELOPMENTS IN THE **BANKING INDUSTRY**

Just as in the 2008 crisis, the Chilean banking industry was not severely affected by the 2011 Eurozone financial crisis. Chile's stability is a reflection of its relatively low foreign funding—less than 10% of its current liabilities—and its minimal vulnerability to significant variations in exchange rates, due to low dollarization. Chile's financial sector is well-capitalized and remains one of the soundest in Latin America, allowing it to continue serving as an important pillar of national growth.

In this context, the banking industry sustained its loan growth rate, with elasticity of twice the GDP (which is consistent with the average over the last six years). Thus, in 2011, industry loans grew by 12.9%, in real terms. Nearly 70% of this growth was the result of increased commercial loans to businesses.

Although 2011 was a positive year for the Chilean banking industry in terms of volume, especially as compared to 2010 when real growth of the loan portfolio was only 2.5%, operating margins demonstrated a downward trend, from 5.0% to 4.8%, when measured over average assets. This trend is largely explained by lower spreads, resulting from greater competition, and increased cost of funds, caused by the higher TPM. These two factors had a contracting effect on return on assets, which decreased from 1.5% to 1.4%, and on return on average equity, which decreased from 20.1% to 19.3%. Nevertheless, the banking industry remains robust thanks to its experience, strict regulation, sound asset base and profitability.

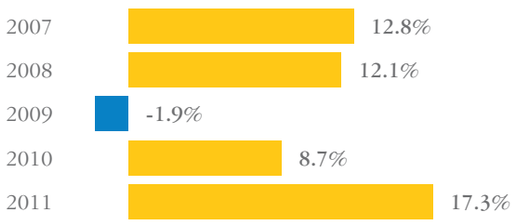
The financial system is undergoing various regulatory changes, which aim to standardize the rules for all participants, banks and non-banks alike. The banking industry operates in a highly regulated environment, employing best practices regarding: provisions, refinancing, and formalization of policies and procedures, which complement its strong, solidly established internal control structures. As of 2011, as a countercyclical measure, it faces increased regulation on provisions.

Analysis of the last five years reveals that the national banking industry has grown at an average annual rate of 10%. This overall growth rate is broken down into the following average annual growth rates: 8.4% for commercial loans; 10.0% for consumer loans; and 14.3% for mortgage loans.

Total Loans - Banking Industry (*)

Period 2007 - 2011

Note: (*) 2008-2011 figures are calculated on the basis of the consolidated financial statements. Source: Superintendency of Banks and Financial Institutions.



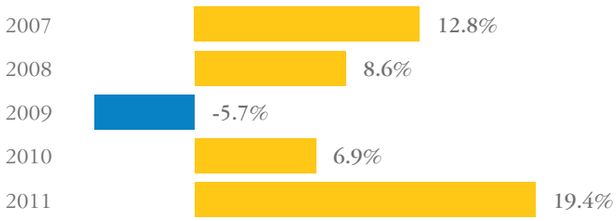
After two periods of below-average growth rates, loans have returned to double-digit rates of expansion. Growth was driven by commercial loans, which represent 62% of the portfolio, followed by mortgage loans (25%) and consumer loans (13%), a loan structure that remained practically unchanged as compared to 2010.

The commercial loan segment is the industry segment in which the largest number of financial institutions competes. CorpBanca stood out in financing this segment this year, establishing itself as a major player, and achieving 9.6% market share, an increase of 75 basis points as compared to 2010.

Growth in Commercial Loans - Banking Industry

Period 2007 - 2011

Note: (*) 2008-2011 figures are calculated on the basis of the consolidated financial statements.Source: Superintendency of Banks and Financial Institutions.



RECENT DEVELOPMENTS IN THE **BANKING INDUSTRY**

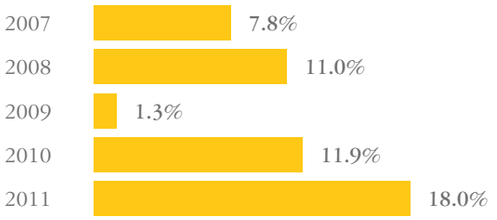
Although fewer financial institutions compete in the retail segment, the presence of numerous non-bank entities, such as savings and credit unions, compensation funds and retail stores, make competition fierce. The retail segment demonstrated growth, in real terms, in both consumer loans (13.5%) and mortgage loans (8.1%) in 2011.

In both segments, loan supply is highly concentrated. Forty eight percent of consumer loans are granted by two banks and 61% of the loan market is held by only three entities.

Growth in Consumer Loans - Banking Industry

Period 2007 - 2011

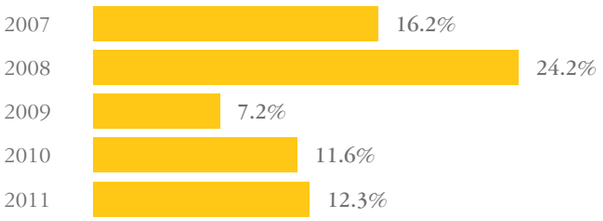
Note: (*) 2008-2011 figures are calculated on the basis of the consolidated financial statements. Source: Superintendency of Banks and Financial Institutions.



Growth in Residential Mortgage Loans - Banking Industry

Period 2007 - 2011

Note: (*) 2008-2011 figures are calculated on the basis of the consolidated financial statements. Source: Superintendency of Banks and Financial Institutions.



Deposits remain the banking industry's principal source of funding. In 2011, deposits increased by approximately MCh$9,000,000 in real terms. Deposits and other borrowings account for 84% of the increase.

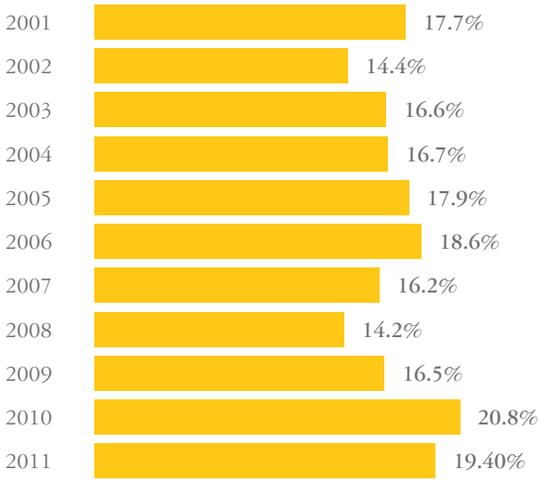
Senior and subordinated bonds increased in real terms by 19% and 12%, respectively, as compared to 2010, helping to maintain a diversified funding structure with proper liability matching.

As mentioned, 2011 margins fell short of the previous year, resulting in diminished returns on assets and average equity.

Return on Capital and Reserves - Banking Industry

Period 2001 - 2011

Note: (*) Beginning in 2008, consolidated information is presented.
Source: Superintendency of Banks and Financial Institutions.



RECENT DEVELOPMENTS IN THE **BANKING INDUSTRY**

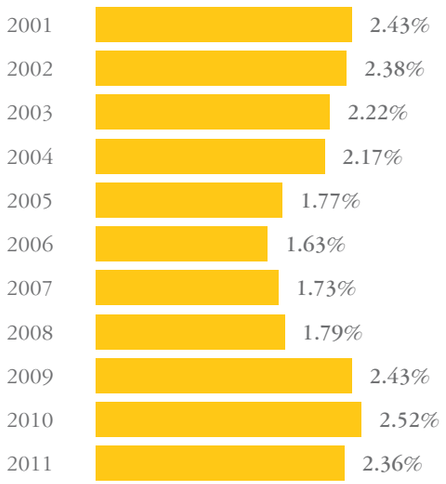
The risk index is one of the most widely used ratios for assessing the quality of loan portfolios. It measures loan loss provisions as a percentage of total loans. The industry risk index showed a slight downward trend in 2011, as observed in the following graph:

A similar trend was observed in the ratio of past-due loans to total loans, exhibiting the health of the industry's portfolio. Meanwhile, the coverage ratio improved by 14 percentage points, reflecting progress as compared to 2010.

Risk Index (*) - Banking Industry

Period 2001 - 2011

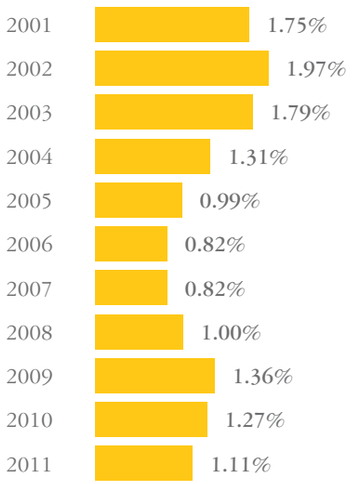
Notes: (*) Loan loss provisions / Total loans (excluding interbank and contingent loans)
(**) Beginning in 2008, consolidated information is presented.
Source: Superintendency of Banks and Financial Institutions.



Ratio of Past-due Loans to Total loans (*) - Banking Industry

Period 2001 - 2011

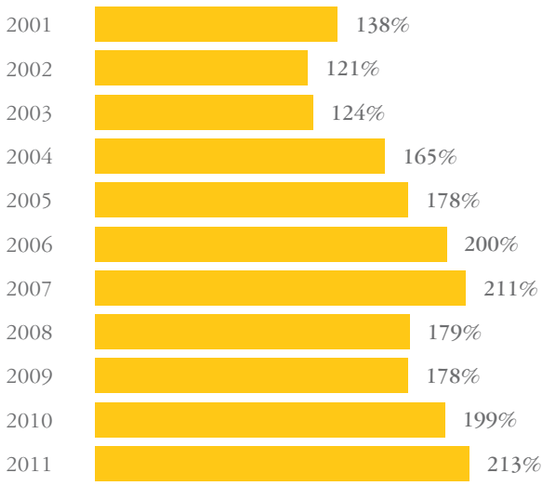
Note: (*) Total loans (excluding interbank and contingent loans)
(**) Beginning in 2008, consolidated information is presented.
Source: Superintendency of Banks and Financial Institutions.



Provision Coverage - Banking Industry

Period 2001 - 2011

Note: (*) Beginning in 2008, consolidated information is presented.
Source: Superintendency of Banks and Financial Institutions.

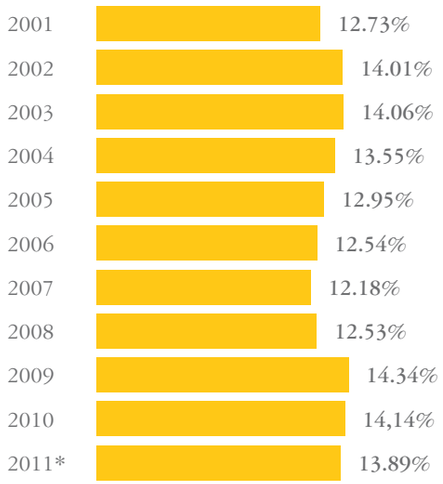


The Basel Index, the ratio of regulatory capital to risk-weighted assets, reveals the banking industry's levels of capitalization. According to figures published in October 2011, the industry average was 13.9%. Despite the MCh$960,000 increase, in real terms, in the banking industry's equity base, the increased relative growth of assets sparked an adjustment in capitalization levels between 2010 and 2011, as observed in the following graph:

Basel Index - Banking Industry

Period 2001 - 2011

Note: (*) The 2011 figure corresponds to October.
Source: Superintendency of Banks and Financial Institutions.



15. **SERVICES** AND STRATEGY

CorpBanca is a "universal bank", serving all customer segments with innovative value proposals and unique, competitive products aligned with the customer needs.

The 2008-2011 strategic cycle, called "Flight to 2011", during which the Bank's competitive advantages were developed and consolidated, culminated in 2011. Accordingly, the strategic plan for 2012-2015, called "Mission 2015", was developed during the second half of 2011, to serve as the Bank's strategic "roadmap" for the coming years. The plan aims to build on the strengths developed in the commercial / companies segments, taking them to the next level of sophistication and development. The profitability achieved in the commercial / companies segments will support the retail segment while central elements of the retail banking model are implemented.

Individuals

CorpBanca serves all retail banking segments through three models: consumer banking (Banco Condell), classic and preferred. Additionally, high-income and / or high net worth customers are served by the Private Banking and Investment Management Divisions, which provide investment advisory services tailored to those customers' needs.

The Bank also has a subsidiary, SMU Corp, which manages its retail credit card business.

In 2011, the Bank continued consolidating its customer acquisition and maintenance models, which enabled it to achieve 10% growth in retail loans. Simultaneously, the Bank's micro-segmentation model has enabled it to significantly reduce risk in its retail loan portfolio (currently 2.5% for consumer loans and 3.1% for mortgage loans). The Bank expects its models for the consumer banking and classic segments to gain market share, while ensuring adequate profitability and low associated portfolio risk.

One of the new focuses for the 2012 - 2015 periods, as it relates to individuals, will be offering excellent service to high net worth clients. To that end, the Private Banking and High Net Worth Division was created. Beginning in 2012, this new division will focus on developing the Bank's strategy for high-income and high net worth clients. The areas of Investment Management and Private Banking will work together and take advantage of synergies to develop products and achieve service standards that are appropriate for this segment. The model under development is meant to significantly increase and stabilize liability volumes for this sub-segment.

In order to achieve this objective, the Bank is also creating the Asset Management Division, which will develop a suite of asset management products, for financial and real assets, to be offered to these clients.

Harnessing intra-bank synergies will provide a major boost to the retail segment. Two strategic lines have been identified for development: First, the Synergy Division was created with the purpose of capitalizing on our

commercial relationships with clients through the Companies and Large Companies segments, attracting affiliated retail customers. Second, the Corpuntos customer loyalty model will be transformed from a traditional point cashing-in model into a loyalty circle that includes businesses from various sectors.

Legal Entities

CorpBanca serves companies, from small and medium-sized businesses to large corporations, without size restrictions. There are two commercial models serving these segments: Companies and Wholesale Banking.

The Companies Banking model serves small to medium enterprises. CorpBanca has improved its position within this segment, with significant increases in loans and product cross-sales. CorpBanca's success in this segment is based on three main elements: attractive value and product proposals, close relationships between sales executives and their customers and rigorous commercial monitoring practices that allow productivity gaps to be addressed proactively, accelerating the executives' portfolio maturation cycle. In 2011, the Companies Division achieved 10% growth in loans, with remarkable 24% growth in small and medium- sized business loans.

The Wholesale Banking model encompasses large companies, corporations and real estate companies and the high value-added products and services targeted towards them, such as: trading and foreign exchange services, financial advisory services, cash management and securities brokerage.

In 2011, Wholesale Banking achieved 33% growth in loans. Additionally, Wholesale Banking customers expanded their relationships with the bank through its other lines of business. The 95% and 20% increases in after-tax earnings from financial advisory and securities brokerage, respectively, from this segment are particularly noteworthy.

International expansion is a fundamental pillar of the 2012-2015 strategic plan. The low levels of banking development, penetration and competition in various countries within the region provide a unique opportunity to grant loans internationally, without increased risk. Special emphasis will be placed on providing loans to large Latin American companies and / or the region's "investment grade" countries. To do so, the Bank created a unit dedicated to granting and monitoring loans abroad.

The agreement to acquire Santander's operations in Colombia, which was signed in December, is part of this international expansion and will accelerate growth in loans within the region.

16. **MANAGEMENT'S DISCUSSION** AND ANALYSIS 2011

Overview

In 2011, CorpBanca successfully completed its "Flight to 2011" plan, demonstrating remarkable performance, with a significant increase in market share and good returns.

As of December 2011, the Bank's return on average equity (ROAE) reached 21.8% and its Basel Index was 14.5%. In 2011, its market share in loans grew by 45 basis points, reaching 7.7%. The keys to CorpBanca's success have been: understanding customer needs, product and service innovation, and highly-qualified, involved, accessible management.

CorpBanca's significant commercial growth in the second half of 2011 solidified its position as the country's fourth largest private bank in terms of loans (excluding interbank and contingent loans). This year, growth in loans to businesses (24.6% in real terms) and the various products and financial services provided to wholesale clients, including derivatives and financial advisory services, fortified *core revenues*.

The July 2011 capital increase of more than MCh$170,000 was a definite driver for the Bank's improved competitiveness. It also laid the foundation for expansion of the small and medium business segment as well as strengthened retail banking through retail credit card loans via SMU Corp S.A.

CorpBanca understands that the banking industry's support of Chilean enterprise has been essential to the country's development. Within that context, it has demonstrated the ability to harness economic and industry growth potential to further its strategy.

Successful completion of the deal with Banco Santander S.A. to acquire all of its units in Colombia will not only consolidate CorpBanca's expansion strategy, but will also make CorpBanca the first Chilean bank to have a subsidiary abroad.

With this acquisition, CorpBanca seeks to support regional expansion of Chilean businesses and simultaneously, participate in the growing Colombian banking market, which is one of the most attractive world-wide. The Bank sees potential in the solid prospects of the Colombian market, (which was rated "investment grade" by Standard & Poor's, Moody's and Fitch Ratings) and the banking industry's low level of current penetration (Columbia's ratio of loans from the financial system to GDP is 30%, while Chile's is 70%).

CorpBanca is building a larger platform for growth and profitability, thereby increasing future earnings. In addition, the capital increase associated with the transaction (approximately US$450 million) will allow the Bank to strengthen its equity position and enhance its ability to grow in Chile.

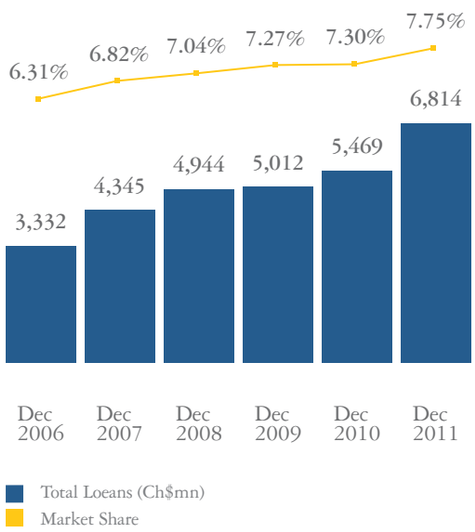
Business Line Results

Total loans (actual loans plus contingent loans minus interbank loans) reached more than MCh$6,814,400 as of December 31, 2011, expanding 20% as compared to 2010, in real terms. The growth was driven by commercial loans and, to a lesser extent, mortgage loans. The former grew by 24.6% in 2011, while mortgage loans grew by 9.6% (both in real terms). Consumer loans continued an upward trend during the last few months of the year, but, in real terms, they remained relatively stable as compared to 2010.

Total Loans Granted by CorpBanca and Market Share

Period 2006 - 2011

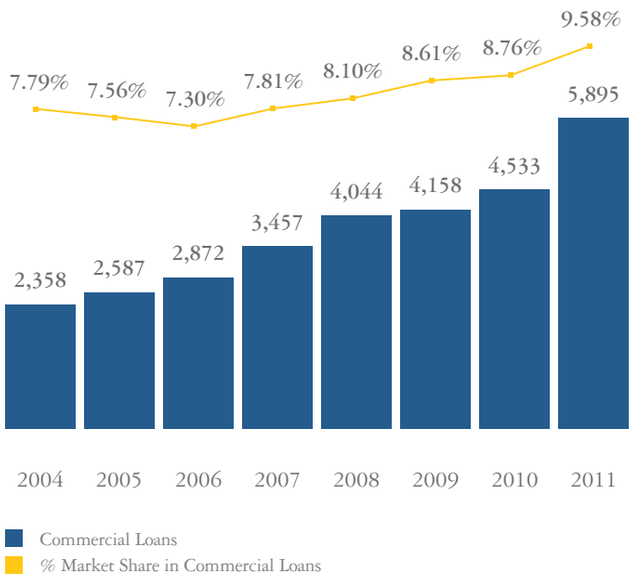
Note: Beginning in 2008, consolidated information is presented.
Source: Superintendency of Banks and Financial Institutions.



Loans to Companies (in billions of pesos) and Market Share (%)

Period 2004 - 2011

Source: Superintendency of Banks and Financial Institutions.



Company loans posted an increase of more than Ch$1,360 billion, putting CorpBanca in fifth place with 9.58% market share, including private banks and Banco del Estado.

CorpBanca maintains a diversified loan portfolio in this segment, without significant concentrations in any sector, as detailed below:

Economic Sectors of CorpBanca's Commercial Loans
December 2011

Sector Exposure	MCh$	%
Agro forestry	215,678	4.2%
Fishing	75,203	1.5%
Mining	171,743	3.4%
Industry	283,055	5.5%
Electricity, gas and water	468,347	9.2%
Commerce	638,909	12.5%
Construction and real estate	947,651	18.6%
Transportation and telecommunications	249,425	4.9%
Financial and other services	463,547	9.1%
Investment companies	724,553	14.2%
Healthcare	102,301	2.0%
Education	269,877	5.3%
Other services	133,794	2.6%
Subtotal	**4,744,083**	**93.0%**
Commercial portfolio, total	**5,101,161**	**100.0%**

Source: CorpBanca.

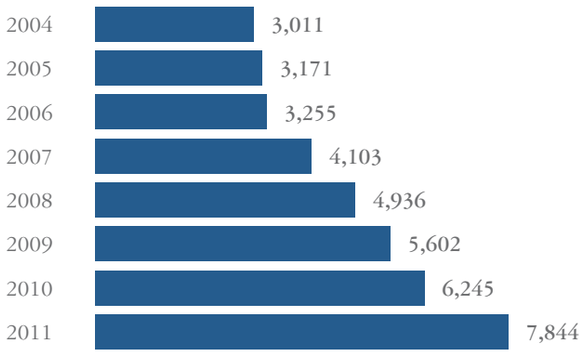
The retail segment grew by Ch$159 billion, which translated into a slight decrease of 13 basis points in market share, from 4.91% at the end of 2010 to 4.78% at the end of 2011. This variation is attributable to slowed growth in consumer loans as the consumer loan portfolio was adjusted to adapt it to new risk and commercial models. This adjustment is reflected as a considerable improvement in the portfolio's risk level.

In contrast, residential mortgage loans posted an increase of more than Ch$143 billion (9.6% in real terms). The growth led to improved market share in 2011, from 5.27% to 5.37%.

Regarding the Bank's funding structure, the proportion of interest-bearing liabilities plus demand deposits increased by Ch$1,600 billion, driven by significant growth in the time deposit portfolio and placements of senior and subordinated bonds.

Interest-bearing Liabilities + Demand Deposits (Net of Clearing) (in billions of pesos)
Period 2004 - 2011

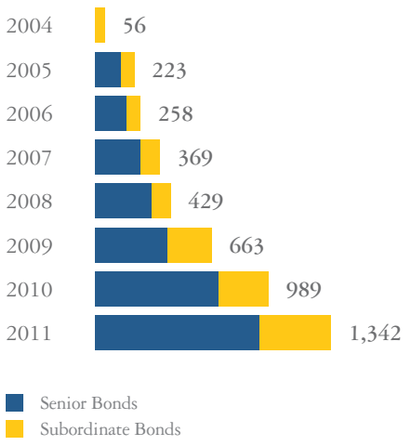
Source: CorpBanca.



Senior and Subordinate Bonds (MCh$)

Period 2004 - 2011

Source: CorpBanca.



In order to reduce funding costs, CorpBanca has consistently sought to increase demand deposits. Thus, it has undertaken several initiatives that have enabled it to sustain a favorable growth trend and gradually increase market share. In 2011, however, the Bank's market share in demand deposits remained stable at 3.14%.

Greater increases that enable the Bank to achieve market share similar to that held in loans will only be possible with improved cash management operations and, particularly, synergies.

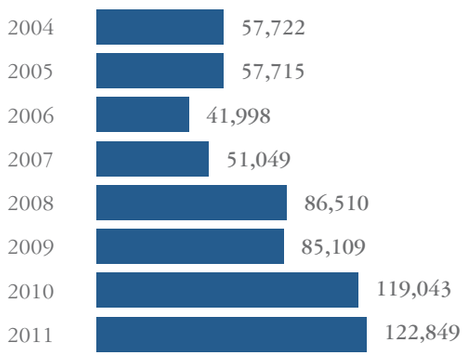
Results Analysis

CorpBanca recorded profit for the year of Ch$123 billion in 2011, representing growth of 3.2% as compared to the prior year.

Profit for the Year

Period 2004 - 2011 (Figures in millions of Chilean pesos of each year)

Note: Beginning in 2008, figures consider IFRS adjustments and, therefore, are not fully comparable to prior year figures. Profit for the year for the year 2011 corresponds to "Profit attributable to owners of parent".



This increase in profit for the year occurred in a highly competitive scenario, coupled with hikes in the monetary policy rate by the Chilean Central Bank, resulting in a smaller spread, which affected the interest margin. The former was partially offset by the 3.8% increase in the UF, which was greater than the 2.4% increase recorded in 2010.

In addition, the Bank increased fee revenue by engaging in more complex transactions, especially those related to wholesale banking. An increase in fee revenue from subsidiaries, primarily from financial advisory services and securities brokerage, must also be noted, as it contributed nearly MCh$5,000 to the bottom line.

In contrast, net provisions and charge-offs were reduced by Ch$11 billion in 2011 (22%) after the Bank conservatively anticipated greater loan loss provisions pursuant to the new standards for provisions, effective January 2011, in the Superintendency's Compendium of Accounting Standards. In short, in a scenario marked by significant competition as well as international uncertainty, the Bank's 2011 performance was favorable, as reflected in its returns on average assets (1.5%) and average equity (21.8%). Both indicators are also impacted by the capital increase of nearly Ch$170 billion in the second half of 2011.

Gross Margin

In 2011, the Bank's gross margin was Ch$334 billion versus Ch$327 billion in 2010. The increase was moderate (2.2%); however, its composition speaks to the Bank's consistent generation of "core revenues", particularly through increased commercial activity in its wholesale banking sector. The Bank's ability to generate core revenues is also reflected in the sustained growth rate of commercial loans as well as the structured products available to customers. The Bank, which properly manages its mismatches, has optimized benefits derived from the increase in the value of the UF, contributing to a 5.5% increase in operating income as compared to 2010.

Operating Expenses

Operating expenses in 2011 surpassed the prior year's figures by Ch$14 billion. This variation is consistent with the Bank's increased commercial activity and resulted in an improved ratio of operating expenses to average assets, down from 2.0% in 2010 to 1.8% in 2011. The ratio of operating expenses to revenue was impacted by lower margins, as reflected in the Bank's efficiency ratios (41.4% in 2011 vs. 38.1% in 2010).

Net Provisions and Charge-offs

As indicated, net provisions and charge-offs decreased, reaching Ch$40 billion at the end of 2011. The Bank established more than Ch$12 billion in additional provisions pursuant to SBIF standards on minimal provisions for normal portfolios.

In the same vein, CorpBanca has an active risk management policy, which translates into a healthy portfolio. The quality of the portfolio is reflected in its low risk index (1.5%), reduced level of past-due loans (0.7%), and high provision coverage ratio (227%); all of which are better than the financial system's average (2.4%, 1.1% and 213%, respectively).

In all, the favorable impact on the portfolio quality indicators is offset by the minimal provisions requirement of 0.5% for the commercial portfolio. The sustained commercial pace has impacted net provision and charge-off expenses under this regulation. This portfolio expense is greater than CorpBanca's loan risk.

Comparative Results Dec. 2010 - Dec. 2011

(In millions of pesos)	2010	2011	Δ 10-11 ($)	Δ 10-11 (%)
Net interest revenue	224,410	193,000	-31,410	-14.00%
Net fees and commissions	58,221	60,362	2,141	3.68%
Net trading and forex activities	35,201	70,962	35,761	101.59%
Other operating income, net	8,832	9,507	675	7.64%
Gross Margin	**326,664**	**333,831**	**7,167**	**2.19%**
Operating expenses	-138,072	-148,730	-10,658	7.72%
Net provisions and charge-offs	-51,187	-40,182	11,005	-21.50%
Income from investments in other companies	296	250	-46	-15.54%
Profit before income taxes	**137,701**	**145,169**	**7,468**	**5.42%**
Income taxes	-19,635	-24,144	-4,509	22.96%
Profit for the year	**119,043**	**122,849**	**3,806**	**3.20%**

Note: Profit for the year corresponds to "Profit attributable to owners of parent".

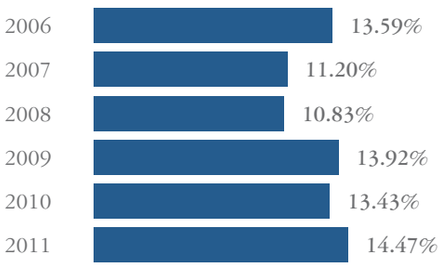
Capital Adequacy

The Bank's capital increase of Ch$170 billion provided solid funding for its growth strategy. Thus, TIER I increased from 8.9% to 9.5%, while the Basel Index increased from 13.4% to 14.5%, maximizing the use of subordinated bonds as quasi-capital.

Basel Index - CorpBanca

Period 2006 - 2011

Source: CorpBanca.



Corporate Banking

Chile experienced significant growth in 2011. Despite adverse international conditions, our economy continued to grow. Growth was driven not only by post-earthquake rebuilding efforts, but also by high demand and investment across a range of sectors.

CorpBanca's Corporate and Real Estate Banking Division was a major player in the growth of various economic sectors. The Bank stood out as the Chilean bank that financed the most public infrastructure, thereby establishing itself as a leader in this type of loans. Its 2011 participation in the country's principal highway, hospital, port and airport projects made it the banking entity that has backed the most projects, again demonstrating its commitment to the country's development.

In 2011, CorpBanca opened a Representation Office in Spain, with the objective, among others, of strengthening commercial ties with Spanish companies that carry out infrastructure projects in Chile and other Latin American countries.

Additionally, the Bank played a key role in financing the principal investments made in Chile during 2011 in multiple sectors, including: industry, food, energy, gas and water, as well as real estate and construction.

On another note, and along with other areas of Wholesale Banking, CorpBanca had a busy year, not just in structured financing, but also in issuing bonds, IPOs, sale of share packages, and establishing ourselves as a leader in comprehensive financial solutions for our clients.

The Bank's commercial success is the product of an outstanding team of professionals who are committed to a culture of excellent customer service

and a unique commercial strategy. The strategy was first introduced more than three years ago in Wholesale Banking. The Corporate and Real Estate Banking Division then began to operate under that service model, which includes bankers specializing in complex requirements, high added value and close client relationships, not just knowing their customers' businesses, but also their growth strategies and investment plans.

Furthermore, events aimed at encouraging and strengthening client relationships were organized exclusively for participants in the "CorpBanca Business Circle" in order to develop long-term bonds of mutual trust and transparency.

All of the above resulted in significant growth in the division's results, while maintaining diversified revenue as well as the positive trend that has led the division to double its income in the last three years.

While economic conditions in 2012 appear less promising, CorpBanca anticipates that interesting opportunities to support clients in their growth and expansion plans will continue to arise, not just in Chile, but internationally.

Companies Division

The Companies and Small and Medium-sized Enterprise Division has continued consolidating its business and management models, in which priority is given to strengthening client relationships through proposals that provide real support.

In 2011, along with the Risk Area, the division spearheaded a series of loan process improvements, aiming to decrease the time required for approval, thereby providing customers with faster response times. The effects of these improvements will be enhanced by the Electronic Portfolio and Proposals system, which is currently being implemented.

In the product sphere, the division consolidated its use of government guarantees to support its small- and medium-sized business clients' development, ending December with Ch$80 billion in loans with this type of guarantee. On that note, CORFO's recent recognition of CorpBanca's efforts to finance customers in the country's remote regions is worth pointing out.

Also, the Unified Contract and Product Application was implemented in the small and medium- sized enterprise segment as a means of simplifying the documentation and contributing to cross sales of the services and products that are most important to this type of customer.

Also in the product sphere, the launch of Corptrade, a web transaction platform, which has provided important support for Foreign Trade clients, is worth mentioning.

We've continued implementing additional and improved commercial management support tools, building on previous progress. Thus, we have consolidated use of the Business Portal (Portal Empresas) for querying all necessary business information and launched the "Quarterly Business Platform Management" report, which allows daily review of progress on objectives. In addition, "Portal Comex" was created to support monitoring of foreign trade business. This contribution, from the Business Intelligence Area, has provided a focal point for the work of sales executives.

Regarding different industry sectors, the Bank's mission is to participate in and support all areas of the economy where entrepreneurs may exist, whether in small, medium, or large companies. However, in 2011, the Bank's prominent role in financing educational

infrastructure at the national level and healthcare at the regional level was noteworthy. It established the Bank as a major player in these sectors, which are so crucial to our country's well-being and future development.

The division experienced above-market growth in loans, of nearly 20%. Broken down by segment, that translated into 25% to small and medium-sized enterprises, 17% to large companies and 23% through private banking. Discipline, rigorous measurements and quality implementation of the business plan were key factors in these achievements.

Retail Banking

In 2011, Retail Banking reinforced its foundations in order to form a solid basis from which to address its strategic growth plan for upcoming years.

The strategic redefinition of the business model and its various target markets meant significant adjustments to the each segment's approval and service models throughout the year. These modifications have produced noticeable changes in commercial results. They have substantially improved the quality of new customers and the depth of the commercial relationship with current customers, thereby ensuring future growth and the quality of the Bank's portfolio.

Based on the concept of "doing what the customer needs", the division has made progress toward achieving a model that, through close client relationships, comes to understand and serve customer needs, personalizing their banking relationship. The results achieved in both quantity and quality of loans and deposits support the conviction that the strategy is fruitful, as growth and quality of the Bank's retail portfolio are improving steadily.

The ingrained culture of team work and discipline, in which business plans are based on business intelligence, has contributed significantly to our enhanced productivity and improved customer loyalty indicators, as we work toward making CorpBanca our clients' primary bank and attracting new customers.

These efforts explain the division's improved results. At the end of 2011, it had generated considerable earnings and substantially improved the quality of the bank's portfolio. Today, the portfolio demonstrates credit risk indicators and loan quantities that are better than pre-crisis periods (2007 and prior) and are far superior to recent years.

The liveliness of the mortgage loan business is also noteworthy. The Bank has once again experienced substantial growth in mortgage loans, earning CorpBanca an industry-leading position for the past several years. Mortgage loans not only help customers achieve their financial goals, but also contribute significantly to the country's development. Consequently, these loans will continue to be an essential component of our business plan, helping us develop close relationships and customer loyalty.

In 2011, the Bank developed a plan to reengineer mortgage loan-related processes. The purpose of the reengineering is to establish market-leading service standards, thereby preparing to face the challenge of continuing steady, sustainable growth.

The Bank undertook important commercial initiatives. Among the most notable results of these initiatives is the fact that 80% of current customers and loans were pre-identified as having high-return profiles.

The Bank has successfully attracted new customers with a number of exceptional value offers designed especially for that purpose. These offers include substantial benefits that fulfill needs above and beyond the strictly financial. Along with our "Corpuntos" loyalty program, a value network that complements our financial products and distinguishes the Bank's offer from the rest of the market is being formed.

In 2011, the Bank strengthened a set of liability products that grant customers access to various alternatives for managing their savings in simpler ways, meeting their real needs.

On-line time deposits, a product that allows CorpBanca customers and non-customers alike, to make time deposits in the Bank via electronic transfer, has demonstrated great potential by attracting new, significant retail banking deposits.

Products like the systematic savings plan, the online investment program and others have enabled customers to build their personal savings over time. These products are aimed at satisfying customers' concrete needs: unforeseen expenses, down payments on homes, educational expenses, and retirement, among others. These products and systematic savings channels contribute to creating a savings culture in Chile's middle-class.

These initiatives have generated significant growth in the Bank's retail liabilities portfolio in 2011. Likewise, the changes made to service models have produced concrete results in customer satisfaction with regards to investment services.

Positive evaluations from customers of the service provided by investment executives was 43% higher than at the end of last year, reaching 81% net satisfaction. There was a 187% improvement in the evaluation of investment advisory services, reaching 70% net satisfaction; and a 32% improvement in the perception that products are offered proactively, reaching 70% net satisfaction.

In 2011, CorpBanca participated for the first time, along with ten other institutions, in a bid to grant the higher education loans regulated by Law No. 20027. CorpBanca was awarded all twenty rosters. The Bank realizes that the education sector is fundamental to the country's development, which is why it chooses to be present in this market.

The participation of the principal banking institutions also speaks to the importance of the sector. Some institutions even have divisions specializing in student segments, creating loyalty and accompanying them throughout their studies.

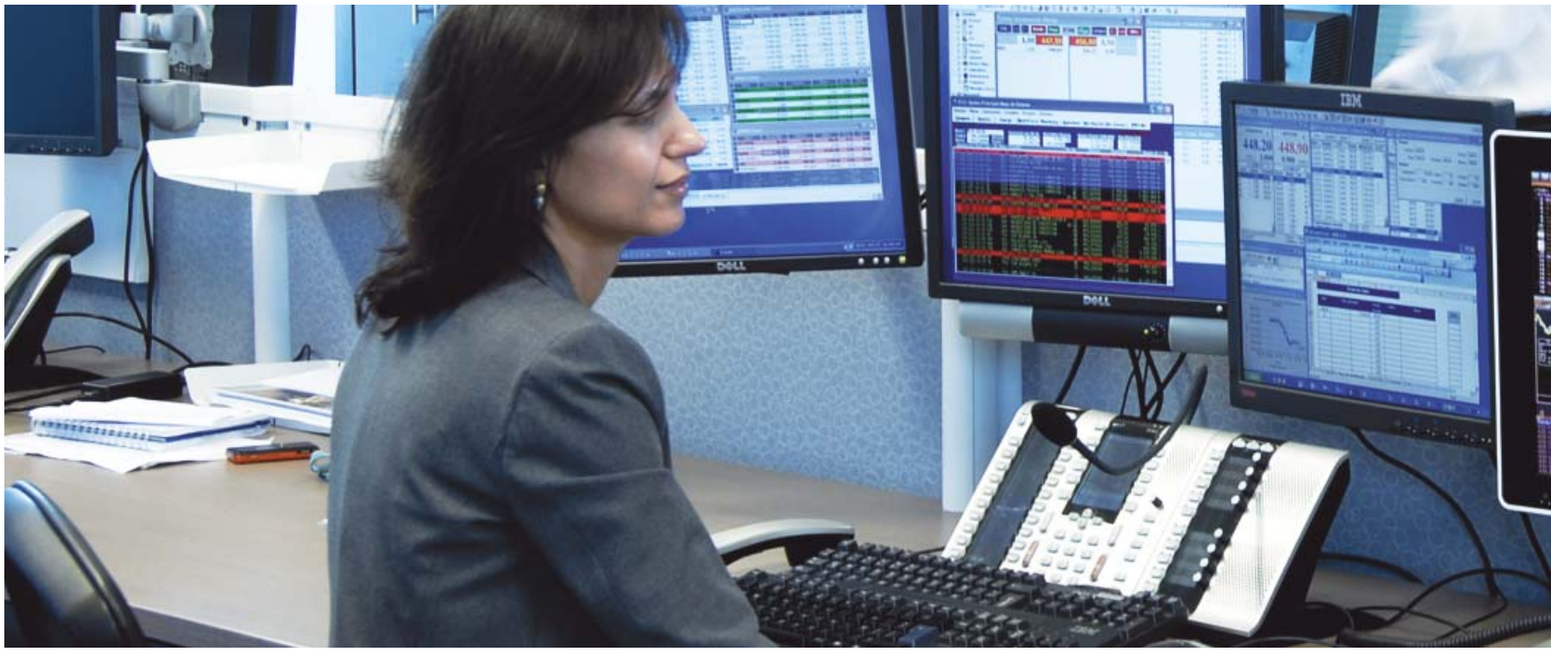
Winning this bid introduced CorpBanca as a new major market player, establishing it as the second institution with more than 99,000 loans.

The 2011 bidding process and the fierce competition it generated significantly lowered financing costs for the students. It is also to the benefit of the State, particularly the Ministry of Education, to be able to communicate and coordinate with one financial institution.

Banco Condell

For Banco Condell, 2011 was the culmination of an intense process of restructuring and business model reformulation. This year, Banco Condell achieved record loan volume, with expected risk lower than it has been in at least the last five years.

MANAGEMENT'S DISCUSSION
AND ANALYSIS 2011



The concept of a consumer banking institution that provides excellent customer service while generating adequate, steady and sustainable returns is now a reality. In 2011, monthly loans, of the quality required to attain the aforementioned returns (excluding payroll deduction loans), increased three-fold relative to the historical average.

Banco Condell's transformation process has encompassed all facets of the business, beginning by redefining the structure and role of key areas. A business model that places proper customer service at the core of our daily work was created.

Changes in the following areas are of particular significance: the structure of the credit risk, business intelligence, commercial, database and distribution areas, and formation of pre-approval and commercial optimization teams. Without these changes, it would have been impossible to build a healthy, growing portfolio with steady customers and high returns.

Banco Condell undertook important commercial initiatives. Among the most notable results of these initiatives is the fact that 95% of current customers were pre-identified as having desirable profiles.

It is even more important to note that today Banco Condell holds record loans, in terms of quantity and quality. A very high percentage of those loans go to new customers, with whom the Bank has not yet had the opportunity to develop comprehensive relationships. The ability to offer clients a number of products that meet their needs made this expansion of clientele possible. In a joint value proposal, and through the Bank's subsidiary SMU Corp S.A., Banco Condell contributed to issuing more than 50,000 retail credit cards, with a variety of valuable offers for customers.

Lastly, the Bank's strategic realignment to redirect its payroll deduction services to payroll deposit services, generating synergies with Corporate Banking, is worth mentioning. The realignment will produce a portfolio with improved spread and controlled risk as well as a stronger relationship with the client.

In 2011, Banco Condell has managed to effect change in its portfolio, noticeably migrating from payroll deduction loans to loans without this type of guarantee, balancing the growth of the former with the decrease in the latter. Toward the end of the year, net annualized growth had already reached double digits.

CorpBanca Administradora General de Fondos S.A.

CorpBanca Administradora General de Fondos posted profit for the year of MCh$ 3,471.6 in 2011.

The year was characterized by significant volatility in world markets; however, this subsidiary achieved industry-leading earnings in almost every category. Once again, its performance in national fixed-income funds was remarkable and received important awards.

It also made important progress in other aspects such as: profiling all clients, investment advisory services and transactionality. It stood out as the first fund manager to offer mutual funds online.

All of this was achieved through disciplined work, in keeping with corporate values, which encourage continuous improvement in order to offer clients the industry's best products and services.

CorpBanca Corredores de Bolsa S.A.

In 2011, CorpBanca Corredores de Bolsa launched an iPhone application that is one-of-a-kind in Chile, making it the first securities brokerage firm to offer its clients the ability to buy and sell shares directly via cell phone and to be 100% on-line with the Santiago Stock Exchange. Thus, with the incorporation of this cutting-edge technology, this subsidiary offers its customers improved, secure service.

The Integrated Latin American Market is an initiative that the brokerage firm seeks to support and develop, as it grants Chile access to a deeper and more globally visible capital market. Thus, when the market was launched in 2011, the brokerage subsidiary was not only the first to operate, but also had the highest volume of trades. It also organized the Second Latin American Summit, in which business and investment funds from Peru, Colombia, Brazil and other countries participated.

In 2011, the brokerage firm participated in three major capital transactions: Cruz Blanca

Salud's IPO, Banco Santander Chile's share package sale, and a capital increase by its parent company, CorpBanca. All of the transactions resulted in excellent returns for the clients.

CorpBanca Corredores de Seguros S.A.

In 2011, CorpBanca Corredores de Seguros settled claims resulting from the February 27, 2010 earthquake. The process resulted in brokering payments for this concept of nearly 1,500,000 UF.

The insurance subsidiary has currently resolved 100% of the claims (i.e. with no outstanding claims). CorpBanca was one of the first in the market to complete this process.

Also, in 2011, in keeping with corporate governance best practices, a series of changes were made, aiming principally to clearly separate administrative responsibilities. In that spirit, four pillars were created: commercial, service, risk and control. Those four pillars are the foundation from which to face the business' new challenges.

As of the end of 2011, profit for the year was MCh$5,083.5. That figure is 9% lower than the prior year's profit for the year due to some adjustments, made principally to the mortgage portfolio in order to comply with new regulations on tendering these portfolios.

CorpBanca Asesorías Financieras S.A.

This year, just like 2010, was a company milestone, with record results in terms of revenue and profit for the year as well as the quality and scale of this subsidiary's business. These achievements support the validity and efficiency of the business model that was implemented through Wholesale Banking, which has created value not just for this subsidiary, but for all units using the model.

The following three strategies were identified for 2011: First, growth through earning a key industry position, taking advantage of what has already been done (visibility / franchising), interacting constantly with groups and businesses (supporting the banker's role) and taking on new industries, with the support of third-party alliances. Second, profitability through generation of relevant, continuous revenue; constant concern for the cost structure and obtaining visibility in earnings. Finally, providing service that creates long-term relationships with clients; providing differentiated, value-added service, taking advantage of "know-how", and being actively engaged in business management.

Each of these strategies was applied in light of the business objectives established in the commercial plan and the organizational structure defined by this subsidiary's objectives and customer requirements.

During 2011, we worked on structuring syndicated and bilateral financing for amounts exceeding US$3.3 billion for various types of businesses and projects.

In addition, the subsidiary provided clients with advisory services related to company acquisition processes of nearly US$4.5 billion. It structured or co-structured almost US$771 million for five project finance initiatives and issued five lines of bonds and their respective series.

Finally, we structured transactions both for new customers as well as customers we had advised previously, a clear indication of our talent, dedication and discipline.

CorpBanca Agencia de Valores S.A.

The Bank's subsidiary, CorpBanca Agencia de Valores has a team of highly-qualified professionals that seek out and manage investment alternatives to satisfy the needs of family offices and groups with high

net worth. The majority of our experience and added-value is in management of custom, globally diversified investment portfolios comprised of financial assets, real assets, real estate and private equity.

CorpGroup's financial backing and professionalism, together with our controller's leadership, enable this subsidiary to identify and participate in various investment opportunities, providing high, risk-adjusted returns for clients.

This year, CorpBanca Agencia de Valores doubled its assets under management and, despite 2011's turbulent financial markets, its clients enjoyed profitability that was well-above *benchmarks*. Clients who invested in the subsidiary's selection of Chilean stock obtained returns of 9.12% above index value and clients who invested exclusively in fixed-income instruments obtained returns of approximately UF+5.5%.

SMU Corp S.A.

SMU Corp S.A. is owned by the Bank (51%) and SMU (49%). Its business objective involves issuing, operating and managing credit cards for SMU supermarket customers.

The company's main objective is to provide SMU customers with a mode of payment and financing to optimize the strategic partnership between CorpBanca and the supermarket chain. Thus, the Bank provides financing alternatives with customer-valued features that allow the supermarket chain to compete in the market and strengthen long-term relationships with its customers. The supermarket chain improves the profitability of its retail operations through the financing business, while the Bank profits from capitalizing on the chain's distribution channels and access to customers.

In March 2011, the Unimarc store-use only credit card was made available via an operational and commercial pilot program in the cities of Vallenar, San Fernando and Linares. The pilot program ended in May and the card is gradually being made available, by territory, so that coverage and presence expand at a rate that allows systems to be tested and commercial strategies to be adapted, thereby maximizing the efficiency of the sales process. The synergies between the chain and Banco Condell (Consumer Division) have enabled nearly 45,000 cards to be approved.

The customers who are issued a card have been carefully selected by the business intelligence area. The card is not available on the mass market, rather only to pre-selected customers who meet objective criteria and are current or potential Unimarc customers with good credit behavior. This value offering has given this subsidiary active customers that take advantage of the product and expand their benefits as their bond with the company grows.

SMU Corp S.A. exists to integrate the Bank with the Unimarc retail stores and the Unired network, allowing us to create highly interesting value offers for this segment and generate quicker-than-normal growth in high-return customer segments.

The presence of SMU Corp S.A. in the Unimarc chain is an opportunity for the Bank to harness existing commercial and operating synergies and potentially expand its geographic network in high-traffic sectors in more large-scale and emerging segments with Chilean society.

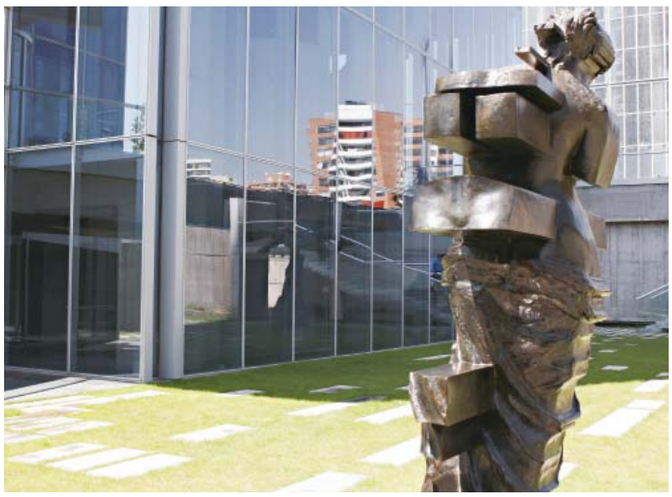
17. **DISTRIBUTION OF EARNINGS** AND DIVIDEND POLICY

In February 2011, shareholders agreed to distribute Ch$119,043,013,409 in dividends, which corresponds to 100% of profit for the year for 2010.

In prior years, dividends have been distributed as follows:

Year	Distributable Earnings (in MCh$)	Distributed Earnings (in MCh$)	Charged to	Percentage of Earnings Distributed	Dividend per Share (in historical pesos)
2006	52,632.80	26,316.40	2005	50.00%	0.11598
2007	39,104.50	29,328.40	2006	75.00%	0.12925
2008	51,049.00	51,049.00	2007	100.00%	0.22498
2009	56,310.00	56,310.00	2008	100.00%	0.25422
2010	85,108.70	85,108.70	2009	100.00%	0.37508
2011	119,043.01	119,043.01	2010	100.00%	0.52463

The dividend policy approved at the Ordinary Shareholders' Meeting in February 2011 called for distributing no more than 75% of profit for the respective year, calculated based on the year's total profit minus an amount that was referred to as price-level restatement before IFRS, so that capital and reserves remain in real terms.



18. RISK MANAGEMENT

Credit Risk for the Bank and the Banking Industry

The Bank's loan portfolio and loan loss provisions are detailed in the following table:

Risk Index by Portfolio Segment

December 2011

	Total loans (1) (MCh$)	Total Loan Loss Provisions (MCh$)	Total Risk Index
Commercial portfolio	5,215,396	71,952	1.38
Consumer portfolio	423,121	22,716	5.37
Mortgage portfolio	1,175,928	10,383	0.88
Total loans	6,814,445	105,051	1.54

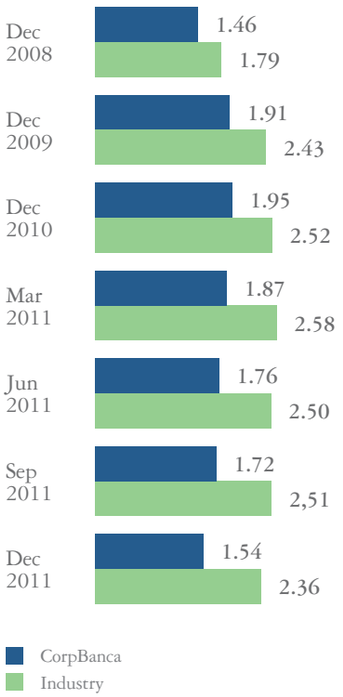
Note: (1) Excluding interbank and contingent loans. Information provided by the Bank's accounting area.
Source: Superintendency of Banks and Financial Institutions.

The risk index of the Bank's portfolio decreased from 1.95% in December 2010 to 1.54% in December 2011. However, the industry did not record any variation. In both December 2011 and 2010, the industry risk index was 2.52%.

Total Risk Index

Period 2008 - 2011

Note: Total risk index includes contingent loans but not additional provisions.
Source: Superintendency of Banks and Financial Institutions and CorpBanca.



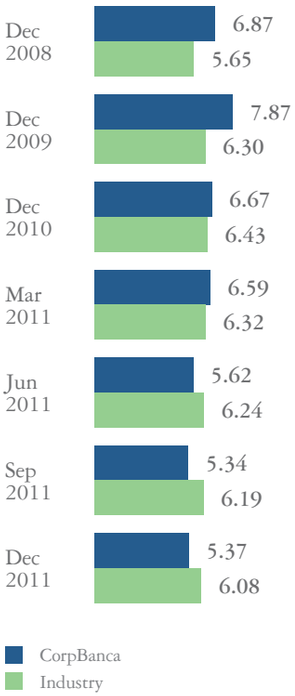
The commercial portfolio's risk index was 1.74% in December 2010, but recorded a decrease of .036 percentage points, reaching 1.38% in December 2011. The change is primarily attributable to regulatory changes that required guarantees authorized by authorities to be subtracted from the exposure level subject to provisions. At the system level, the risk index fell from 2.52% in December 2010 to 2.36% in December 2011.

In contrast, the risk index of the consumer portfolio dropped from 6.67% in December 2010 to 5.37% in December 2011 (i.e. 1.4 percentage points). Internal modifications to the Bank's strategy for managing these customers, especially those with lower incomes, explain a portion of this decrease. The banking industry also decreased risk by 0.35 percentage points, from 6.43%.in December 2010 to 6.08% in December 2011.

Risk Index of Consumer Portfolio (Consolidated)

Period 2009 - 2011

Note: Consolidated consumer loans correspond to the consumer portfolio of the Retail Banking and Banco Condell Divisions.
Source: Superintendency of Banks and Financial Institutions and CorpBanca.



Each year, we conduct analyses, random sampling and evaluations to confirm, with a high confidence level, that the Bank's current loan loss provisions are sufficient to cover expected losses in each segment. The results are presented to the Board of Directors, which approves the sufficiency of these provisions for each year.

Also, diverse oversight bodies and auditors confirm that portfolio risk is sufficiently recognized and that the Bank has conservative policies in place.

Companies Credit Risk

The objective of the Companies Credit Risk Division is to maintain an adequate risk-return ratio, providing balance between commercial business goals and sound risk acceptance criteria, in accordance with the Bank's strategic objectives.

The foundations of this division's work include: its personnel, who have broad experience in a variety of segments; a sound, risk-conscious culture aligned with the Bank's strategy; a well-defined companies credit process, in terms of approval, monitoring and collections procedures; a regulatory and preventive outlook on risk; active participation in the loan approval and monitoring processes, complete with a market-segmented structure; dissemination of a risk-focused culture throughout the Bank; ongoing training for sales and risk executives; and direct participation, through the Credit Normalization Area, in managing and collecting on impaired loans.

The Companies Credit Risk Division was internally restructured in 2011 in order to better support the Bank's commercial strategy, which includes providing integrated financial solutions with increased added value, and also to support the Bank's growth, improving the loan approval process in order to enhance the quality and timing of decision-making.

In 2011, the Companies Credit Risk Division continued to support design and development of new support tools for monitoring loans, as well as definition and implementation of new products and continuous improvements to current products, thereby helping establish an action framework for loan products, the various business segments and financial products.

In terms of the loan portfolio, in 2011 the Bank increased its participation in high-value-added structured financing, highlighting, among others, concessions and infrastructure. CorpBanca has also continued to financially support important sectors of the Chilean economy such as energy, utilities, healthcare and real estate, among others, from corporations and large companies to small- and medium-sized businesses. This continued support is a reflection of CorpBanca's dedication to the development and growth of the domestic economy throughout the country, not just in the Metropolitan Region.

Finally, this growth in loans has been achieved while keeping the portfolio's quality indicators above industry averages, as reflected in the portfolio's lower risk index and past-due loans.

Retail Risk

During 2011, the Bank consolidated the main pillars of its commercial and credit strategy in every region of the country where CorpBanca and / or Banco Condell are present.

The improvements to the loan approval process are based on identifying and targeting the most profitable segments using statistical tools, such as credit scores and segmentation, which complement the customer information contributed by the branches. Thus, nearly 80% of consumer loans are made to customers that have been pre-selected by the division, which contributes to achieving the Bank's commercial goals.

This year, all the scoring models that the Bank needs for its loan approval process have been implemented. In addition, new approval policies have been established and all of the branch managers in the CorpBanca and Banco Condell branch networks have received training through a credit evaluation center. In 2012, the Bank will begin certifying branch managers to authorize loans.

In terms of collections, this year a strategy for all stages (pre-trial and legal) has been developed, increasing recovery rates by approximately 10%. Focus is placed on supporting clients facing unforeseen problems that prevent them from making normal payments.

Another milestone this year was the implementation of a new loan loss provisions model for CorpBanca and Banco Condell's consumer loan portfolios.

Financial Risk

Definition and general considerations

Risk, in the broadest of terms, represents any possibility of future loss as a result of past and present decisions. Financial risk manifests itself through economic loss caused by adverse effects of fluctuations in the price of financial assets / liabilities (ex. parities, interest rates, commodities prices, etc.) on the balance sheet and investment portfolios (commercial paper, stock, mutual funds, derivatives, etc.).

The Bank, in its role as an intermediary, manages financial risk (market, liquidity and counterparty risk), delivering financing solutions to industry and financial sectors by providing the necessary liquidity through traditional commercial financing (commercial loans, foreign trade, consumer loans and mortgages) or structured financing, which enables businesses to access more favorable cost conditions and / or manage their own financial risk.

Furthermore, the Bank and its subsidiaries offer a variety of savings alternatives for all segments, including traditional products, such as time deposits and time savings accounts, among others, and non-traditional products such as "full" deposit, "full" bond and structured notes.

Additionally, the Bank and its subsidiaries manage their proprietary portfolios, improving the use of capital through aggregate investment opportunities.

The Bank constantly seeks to strike the perfect balance between risk and return in financial matters, guaranteeing at-market returns for the Bank and compliance with the contractual conditions negotiated with creditors and customers. For that purpose, it has an exhaustive risk control process to identify, measure and manage the risks our business faces, guaranteeing responsible, sustainable management of financial strategies in light of its diverse stakeholders, whether they be shareholders, creditors, customers, employees, the government, etc.

RISK MANAGEMENT

To manage financial risk, the Bank has established corporate principles, designed an organizational structure, and developed measurement tools and control mechanisms, thus safeguarding the institution's earnings and financial stability. The above is undertaken in accordance with international best practices and local regulatory considerations.

Corporate Principles

CorpBanca and its subsidiaries have established a set of corporate principles that ensure proper financial risk management operations.

Our proprietary investment portfolios are managed in accordance with corporate risk tolerance levels, liquidity standards, expected returns and annual plans.

Business is conducted according to established policies, appropriate limits, guidelines for conduct, procedure controls and clearly defined delegation of decision-making authority, in compliance with local laws and regulations.

Our proprietary investment portfolios and those managed on behalf of third-parties are managed consistently with management's definitions, avoiding concentrations of risk that could adversely affect revenue or equity positions.

The organizational structure of CorpBanca and its subsidiaries ensure an effective separation of duties so that investment, monitoring, accounting and risk measurement and management are performed and reported independently.

The objective of the process of managing market risk is to identify, measure and manage the risk-return ratio, within the established risk tolerance limits, ensuring that these activities are carried out with the appropriate safeguards.

CorpBanca and its subsidiaries periodically monitor their exposure to extreme market fluctuations and use those results to establish and revise risk policies and limits for their portfolios.

Each business area is responsible for managing their position within the approved limits. In the event that any limits are breached in terms of amount, terms and / or conditions, explanations must be provided to the CEO and Board of Directors.

The products and their limits are subject to approval by the Board of Directors. Limits are reviewed at least annually.

CorpBanca and its subsidiaries may invest in new products and participate in new markets only after a complete assessment has been conducted to determine whether the activity falls within the tolerated risk levels and supports objectives and business plans, and only after appropriate controls and limits have been established for the activity.

The stipulated limits, terms and conditions are monitored daily and independently from the areas that originate and manage the portfolios. Excesses must be reported no later than the following day.

The models used to present financial reports or measure risk are independently verified and approved.

Organizational Structure

CorpBanca and its subsidiaries feature a modern financial institutional structure, which connects the function of the Board of Directors to the various specialized investment committees that make financial decisions for each company. The Board of Directors is advised by associates with the necessary experience and knowledge to guarantee deep understanding of complex decisions in a changing, competitive environment.

RISK MANAGEMENT

The Board of Directors is responsible for financial management policies and for broadly assured compliance with internal policies and external regulations. This responsibility has, in part, been delegated to the Assets and Liabilities (A&L) Committee so that this committee can make financial decisions.

In 2011, the A&L Committee held 12 sessions and was comprised of the two Vice-Chairmen of the Board of Directors, the CEO, the Finance and International Division Manager, the Chief Financial Officer, the Finance Manager and the Financial Risk Manager.

The A&L Committee makes the financial decisions that are to be implemented by the institution. This Committee is responsible for establishing the policy framework for financial risk management, in accordance with guidelines defined by the Board of Directors and current legislation, as well as reviewing macroeconomic and financial conditions, the risks taken by the Company and the results obtained.

Committees that specialize in executing strategies are part of the Bank's financial institutional structure. Per delegation from the Board of Directors, these committees are responsible for the daily and weekly monitoring of the core scenario (TPM, liquidity premiums, inflation, etc.), balancing risk and executing strategies. These committees are: the Daily Committee, the Balance Sheet Committee, the Liquidity Committee, the Proprietary Positions Committee and the Customer Committee.

For subsidiaries, the respective Boards of Directors, with expert advice and recommendations, are responsible for approving the specific policy framework and level of risk tolerance, and for fully understanding each subsidiary's financial decisions. Investment committees specializing in each subsidiary are responsible for executing financial strategies, as well as monitoring economic scenarios and strategy performance.

The Financial Risk Department, which reports to the CFO, is responsible for implementing the policy framework, structural limits and measurements; adopting the necessary agreements to ensure compliance with internal policies and external regulations; and implementing international and industry best practices related to financial risk management.

It is actively involved in all of the aforementioned committees, presenting its proposals and financial definitions along with the other areas of the Bank, ensuring that internal and regulatory standards are at the root of every decision.

Measurement Tools

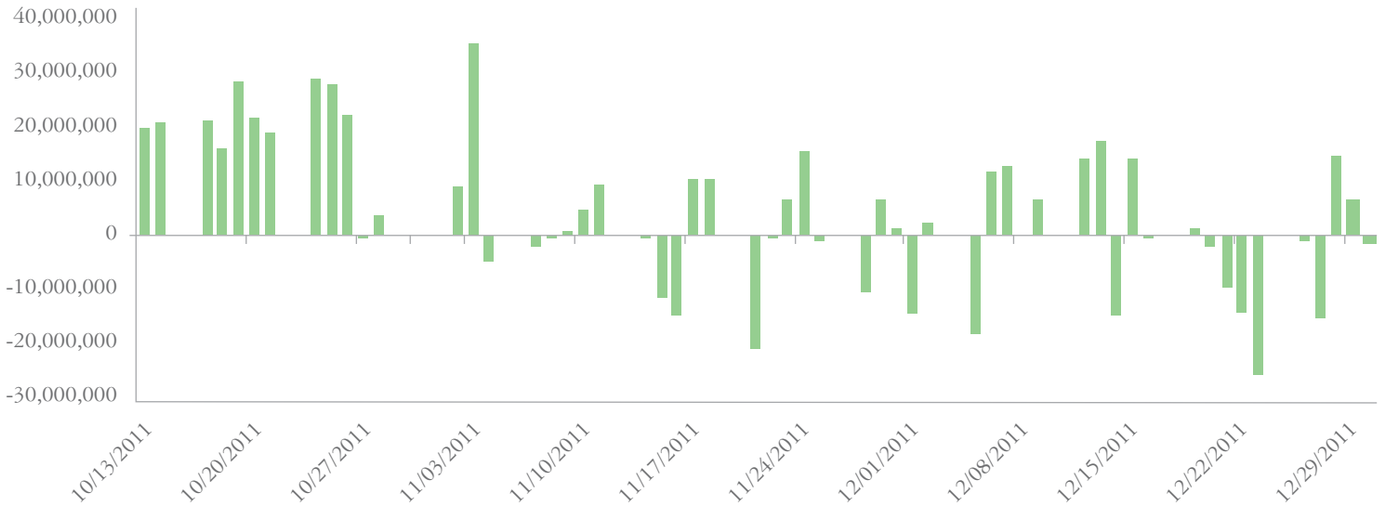
Foreign Exchange Risk

Foreign exchange risk is implicit in proprietary activities as well as commercial relationships with clients via transactions on the spot market and foreign currency derivatives. The Bank and its subsidiaries are constantly seeking and developing new products to meet the needs of its customers—both Chilean and foreign. The New Products Committee is responsible for reviewing and approving the sale of any new product. The committee ensures that all new products are structured according to the quality standards set by the Board of Directors and senior management.

CorpBanca's exposure is measured and managed by setting an absolute maximum for currency mismatches and also using the VaR model, which calculates aggregate risk from the trading portfolio (proprietary and non-proprietary positions).

Average Foreign Currency Mismatch: US$8 million
Mismatch Limit: US$45 million
One-Day VaR Average (95%): $78 million

USD / Ch$ Position (expressed in USD)



Graph 1: Foreign Currency Positions

Interest Rate and Inflation Risk

Interest rate and inflation risk are two of the main risks facing banking entities. Like foreign exchange risk, these risks arise both from proprietary activities and trading derivative contracts with clients, as well as from mismatches between traditional loan transactions and funding from the monetary market and / or customers.

The Bank and its subsidiaries offer a broad range of interest rate derivative products (inflation, CPI, TAB, LIBOR, and EURIBOR-indexed derivatives, among others) that enable the Bank to provide a wide array of financing solutions to institutional and non-institutional clients. This product diversity also allows for effective, efficient management of interest rate risk.

Interest rate risk is measured and managed via universally accepted techniques, such as VaR for positions and analysis of equity and interest margin sensitivities.

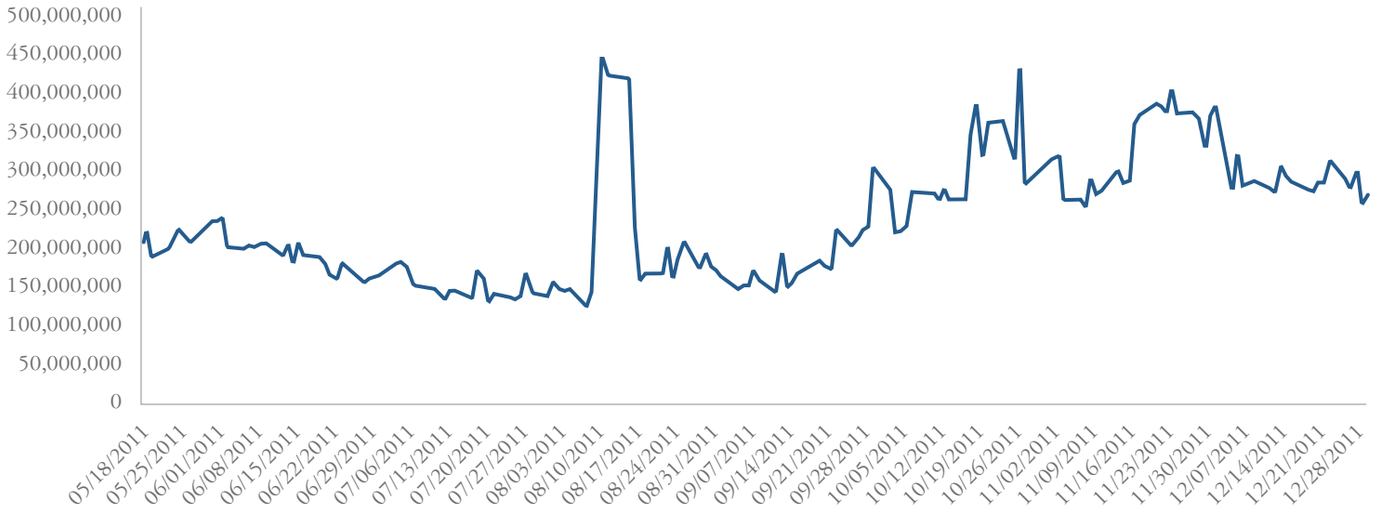
RISK MANAGEMENT

Trading Book

One-Day VaR Trading Book Average (95%): Ch$268 million

One-Day VaR Trading Book Limit (95%): Ch$700 million

VaR Trading Market Making



Graph 2a: Proprietary Trading VaR

Banking Book

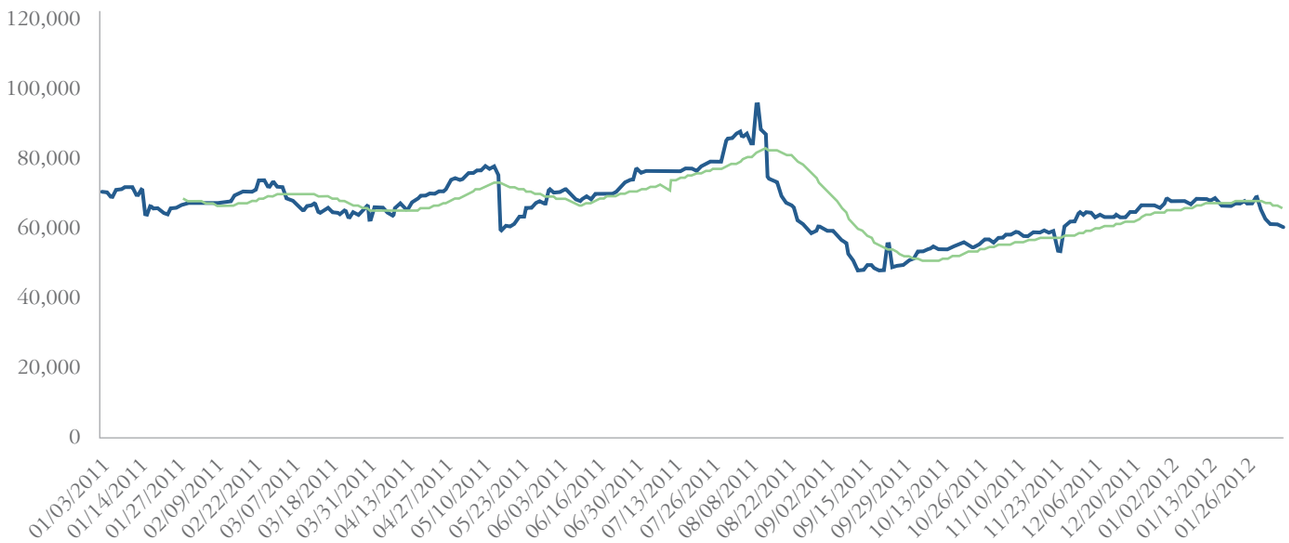
Average Equity Sensitivity: Ch$66,301 million

Equity Sensitivity Limit: Ch$193,283 million

Average Interest Margin Sensitivity: Ch$14,119 million

Interest Margin Sensitivity Limit: Ch$20,254 million

Long - Term Risk (MCh$)



Graph 3a: Equity Sensitivity

Graph 3b: Interest Margin Sensitivity

Liquidity Risk

The Bank and its subsidiaries have a solid framework for managing liquidity risk, rooted in the guidelines provided by the Board of Directors and senior management. The objective of the liquidity management framework is to ensure achievement of strategic objectives for risk / return and to adequately uphold the Bank's contractual and non-contractual financial commitments to the public.

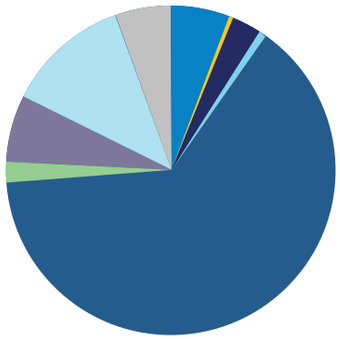
Senior management is constantly refining the liquidity management framework in light of new agreements and guidelines provided by the Basel Committee and local regulators. To this end, elements have been introduced that aim to internally reproduce measurements such as the "liquidity coverage ratio" (LCR) and the "net stable funding ratio" (NSFR).

The following are the current cornerstones of the Bank's liquidity risk management efforts: a) diversification of funding sources (counterparties, terms and currency), b) liquid asset base, c) liquidity margins and d) stress testing.

Diversification of Funding Sources

Diversification of liabilities is one of the strategic objectives for liquidity management. Adequate diversification of funding sources allows sustainable, balanced growth as well as high resilience in the event of economic and / or financial crisis.

The Bank's diversification is based on multiple variables: counterparties (nature of the customer, economic sector, region, etc.), products and currency.



Graph 4: Funding Structure as of the end of December 2011

Liquid Asset Base

The liquid asset base is another essential component of liquidity management. These funds act as a buffer in the event of unexpected reduction in liquidity sources. The base is comprised of highly liquid assets (even in episodes of financial stress) with low credit and price (market) risk.

As of December 2011 these liquid assets were detailed as follows:

Chilean pesos	(MCh$)
Total cash and due from banks	**274.724**
Cash	72.129
Central Bank current account	2.595
Central Bank deposits	200.000
Receivables	-
Total Investments	**672.362**
Central Bank notes	257.643
Chilean Treasury notes	34.711
Term deposits	380.008
Average required reserve	71.660
Total 20-day Liquid Assets in Chilean pesos	**875.426**

Foreign currency	(MCh$)
Total cash and due from banks	**5.531**
Cash	5.012
Central Bank current account	519
Total Investments	**-**
Central Bank notes	-
Foreign central bank notes	-
Chilean Treasury notes	-
Term deposits	-
Average required reserve	**11.098**
Total 20-day Liquid Assets in foreign currency	**5.567**

Total 20-day Liquid Assets, all currencies	**869.859**

Liquidity Margins

The third element of liquidity management is the margin between maturities of assets and liabilities (mismatches). The margins are determined by internal measurements that model the dynamics of renewal, renegotiation and prepayment of assets (wholesale and retail) along with the renewal rates of contractual liabilities (only retail) and permanence of retail demand deposits. The margins consider additional variables related to the liquidity of the investment portfolio, usage and payment of overdraft lines of credit and credit cards.

The modeling assumptions are periodically reviewed and approved by senior management and the Board of Directors.

The Bank manages compliance with margins using daily forecasts that can extend up to three months. These forecasts are made separately for local and foreign currencies.

The Financial Risk Management Division is responsible for computing current and projected margins.

Liquidity Stress

The Bank analyzes the sufficiency of liquidity in extreme monetary and credit market conditions with a set of scenarios that articulate the impact on liquid assets and additional funding needs that would arise given shocks in various sources of liabilities. This process allows the Bank to quantify the impact and effects of different critical scenarios, generating recommendations and contingency plans.

Three stress scenarios have been defined: internal crisis, system crisis and global crisis. As of the end of December 2011, the test results are as follows:

	Individual crisis	Systemic crisis	Global crisis
Liquid Assets			
Class I Liquid Assets	**885.631**	**880.158**	**899.727**
Cash and due from banks	245.798	245.798	245.798
Financial investments	639.832	634.359	653.928
Class II Liquid Assets	**172.150**	**163.109**	**163.109**
Financial investments	172.150	163.109	163.109
Class III Liquid Assets	**948.521**	**502.697**	**380.825**
Consumer loan maturities	20.278	35.487	30.418
Commercial loan maturities	928.243	467.210	350.407
Funding Needs			
Term deposits	**929.647**	**424.949**	**396.310**
Wholesale	397.019	160.791	132.152
Retail	532.628	264.158	264.158
Demand balances	**180.542**	**138.878**	**77.772**
Wholesale	55.551	38.886	27.776
Retail	124.991	99.992	49.996
Non-renewal of foreign obligations	**20.829**	**7.301**	**4.381**
Additional use of lines (including lines with banks)	**-**	**28.299**	**28.299**
Additional use of credit cards	**6.579**	**9.869**	**9.869**
Other net liabilities	**43.704**	**64.267**	**64.267**
Early termination	**499**	**499**	**499**
Local banks	-	-	-
Foreign banks	499	499	499
Credit facilities to subsidiaries	**50.000**	**37.500**	**25.000**
Mutual funds	30.000	22.500	15.000
Brokerage firm	20.000	15.000	10.000
Total	**1.144.393**	**583.028**	**477.862**

RISK MANAGEMENT

Counterparty Risk

Counter party risk is the combined result of variation in the value of derivative contracts over time and the possibility that a given counterparty will breach contracts.

Depending on each market's development and each jurisdiction, the Bank and its subsidiaries incorporate counterparty risk mitigators in negotiations, in order to minimize explosive increases in exposure: guarantees, thresholds, "early termination" clauses, etc.

The list of acceptable mitigators is contained in the Business Credit Risk Policies: time deposits (N1), shares (IPSA, Santiago Stock Exchange), local corporate bonds (investment grade).

Senior management regulates and limits counterparty risk using individual counterparty lines. The methodologies employed by the Bank and its subsidiaries include multiple risk mitigators.

These lines are reviewed annually by the Credit Committee. They are measured and monitored daily.

Operational Risk, Information Security and Business Continuity

The Bank's operational risk management model has a functional structure composed of an Operational Risk and Information Security Committee and a specialized division for managing operational risk, information security and business continuity matters; as well as coordinating the Sarbanes Oxley (SOX) certification process.

The purpose of the Operational Risk and Information Security Committee is to adopt measures to appropriately and efficiently manage operational risks and information security, so that financial operations and transactions can be conducted under high standards of security, internal control and operational continuity, within the context created by best practices and the Basel Committee's (Basel II) recommendations.

The Committee is responsible for defining operational risk and information security management policies, as well as planning, coordinating and monitoring activities to comply with these policies.

It is comprised of: the Chief Executive Officer, the Chief Financial Officer, the Information Security Officer and the division managers from the following areas: Operations and Quality, Human Resources and Development; Legal Services; Information Technology and Administration, Operational Risk and Information Security. In 2011, the committee held 8 sessions.

The main purpose of the management model adopted by the Bank, as well as its subsidiaries, is to effectively manage operational risk, with an emphasis on preventing, monitoring and mitigating operational risk and improving the Bank's understanding of existing and potential risks.

In 2011, a value chain-based process management model was adopted in order to identify and mitigate operational risks, while focusing on the client.

The process of updating the Business Continuity Plan (BCP) was completed this year. The plan prepares the Bank for high-impact events and disasters. CorpBanca conducted continuity exercises for all of its critical platforms in order to ensure that the plans operate as expected. In May 2011, a complete contingency communication plan, which uses satellite technology to maintain communication throughout the country in the event of disaster, was put into effect.

The Bank also upgraded its security monitoring technology, incorporating elements to ensure confidentiality, integrity and availability for internal and customer information.

It is worth noting that CorpBanca is the first bank in the country to implement pictogram technology to authenticate electronic transactions via internet banking. Customers are protected via installation of software on mobile devices, allowing each transaction to be authenticated and signed electronically, thus protecting our customers from the levels of fraud affecting the industry.

19. INVESTMENT AND **FUNDING POLICIES**

CorpBanca, through the Finance and International Division, provides resources to commercial areas, guaranteeing a sound funding structure and liquidity position. Until December 2011, the division was also responsible for the Bank's financial investments and selling financial instruments to clients. In order to streamline the division's efforts, management of the funding structure and the liquidity position were separated from sales and trading, which were transferred to the recently created Treasury Division.

The Finance and International Division contains specialized balance sheet management, liquidity management and international units.

The Balance Sheet Management Area oversees the overall structure of the Bank's balance sheet. More specifically, it manages the Bank's liabilities in order to transfer funds to the various commercial areas at competitive prices and at a transfer rate equivalent to the marginal cost of securing funds in a given currency over a given term.

In performing these functions, this area takes on currency, interest rate and maturity mismatches that enable it to generate profits that are sustainable in the long-term.

The Liquidity Management Area's objective is to procure the Bank's daily funding, balancing related-cost minimization with prudent management of funding sources.

Finally, the International Area is responsible for developing and maintaining business and funding relationships in foreign capital markets.

The past year was especially challenging for the Finance and International Division, as it faced highly volatile inflation and great turmoil in foreign markets.

The Bank was especially active in the local bond market, issuing approximately 13.5 million UF in senior bonds and 4.9 million UF in subordinated bonds. In addition, various types of hedges were made, enabling the Bank to actively manage its balance sheet and improve its overall results.

In terms of sale of treasury instruments and trading activities, for which the Finance and International Division was responsible until December 2011, we continued refining and extending the Wholesale Banking Model. Under this model, our units join forces with commercial areas to provide excellent customer service. Revenue from clients has substantially increased under this model, increasing the basis of recurring treasury-function revenue.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20. **NEW YORK BRANCH** AND INTERNATIONAL CONDITIONS

At the end of the New York branch's second year of operations, client confidence in the Bank's management of their international financial activities is notable.

Our customers' confidence enabled the branch to end 2011 well above projections, despite the growing volatility and uncertainty of the international financial markets, which were particularly affected by the disturbing situation in Europe, where illiquidity and skepticism about the Euro and the financial health of the continent's important banks are on the rise. In spite of these conditions, a growing number of financial institutions channeled their deposits to our New York branch during the year, which confirms and underscores the strong position of the Latin American, particularly the Chilean, banking industry.

One of the New York branch's main objectives for 2011 was to improve the international business support offered to clients outside of Chile. Historically, there has been a tendency to concentrate on the domestic market, leaving foreign investments aside. This trend produces an asymmetry between the quality and quantity of services available, especially in the financial sector. CorpBanca holds the firm conviction that historically less important industry sectors deserve a value proposition that is at least on par with that offered to Chile's more traditional industries.

Accordingly, a team of professionals was created and charged with expanding CorpBanca's services abroad. These professionals travel to Chile's numerous hubs of economic development in order to understand potential customers' needs and goals, and provide service accordingly.

At the end of 2011, an agreement that the Chilean parent company would acquire Banco Santander Colombia was announced, although it remains subject to approval by the relevant authorities. The agreement, which is addressed in further detail in other sections of this report, is an important step in CorpBanca's international expansion process and has positively impacted the New York branch's operations. We are currently analyzing the needs of our future Colombian customers, who have traditionally had strong connections to the United States, so that our New York branch can also provide them with excellent service.

21. **REPRESENTATION OFFICE IN SPAIN** AND THE EUROPEAN CRISIS

In June 2011, the Bank of Spain authorized the Representation Office in Madrid to begin operations.

The Representation Office's role is commercial and informational, as Spanish law dictates, and its main mission is to attract new clients.

The decision to open the representation office originated in the increasing flow of Spanish clients to CorpBanca, with whom the Bank sought to form a closer relationship. Furthermore, given the current crisis, numerous Spanish businesses are investing in Chile. The Representation Office has become a catalyst for business with Chile, contributing to the Bank's growth and, by facilitating the installation of foreign business in Chile, contributing to the country's growth.

The representation office has promoted CorpBanca's financing of sectors we consider important for Chile, such as infrastructure, energy and renewable energy.

It also serves Chilean clients with interests in Spain. Under the current market conditions, such investors are becoming more numerous. The office offers support for their foreign trade operations or financing needs. It also provides the necessary contacts (institutional, financial, legal, commercial, etc.) and even participates in face-to-face informational meetings about Spain. Likewise, it has a correspondent bank relationship with the principle banks in Spain and all of Europe.

In addition to its purely commercial role, the representation office provides accurate, first-hand information about its clients, the economy and the finance sector in Spain and in Europe.

22. PRINCIPAL **ASSETS**

Arica Iquique Calama Antofagasta Copiapó
Vallenar La Serena Coquimbo Ovalle La Calera
Los Andes Quillota San Felipe Viña del Mar
Valparaíso Villa Alemana Quilpué San Antonio
Melipilla Rancagua San Fernando Curicó
Talca Linares Chillán Los Ángeles Talcahuano
Concepción Temuco Villarrica Valdivia Osorno
Puerto Montt Coyhaique Punta Arenas

As of December 31, 2011, CorpBanca's corporate headquarters are located at Rosario Norte 660, Las Condes, Santiago. In addition, the Bank maintains a network of branches throughout the country operating under both the CorpBanca and Banco Condell names. The Bank has other offices located at Huérfanos 1072, Huérfanos 578, Bandera 206 and Bandera 341, all in downtown Santiago, as well as Miguel Claro 070 in Providencia. During 2011, the Bank opened a branch on Diez de Julio, as well as in the Apumanque Mall and in the city of Calama. The following tables detail the Bank's branch network, including office space that is owned and leased by the Bank.

CorpBanca

Arica
21 de Mayo 115
(58) 252323

Iquique
Av. Ignacio Serrano 280
(57) 514017

Iquique Zofri (C.Aux.)
Recinto Zofri, loc. 7
(57) 411075

Calama
Sotomayor 2037
(55) 410659

Antofagasta
Av. San Martín 2668
(55) 433001

Copiapó
Chacabuco 481
(52) 212052

Vallenar
Av. Arturo Prat 1070
(51) 611358

La Serena
Balmaceda 540
(51) 554447

Coquimbo
Av. Aldunate 795
(51) 328328

Ovalle
Victoria 271
(53) 620975

Quillota Empresas
Maipú 352
(33) 310957

Viña del Mar
Av. Ecuador 104
(32) 2455080

Av. Libertad 1075
(32) 2450811

Valparaíso
Av. Arturo Prat 737
(32) 2455522

Rancagua
Independencia 699
(72) 232674

San Fernando
Manuel Rodríguez 840
(72) 717596

Curicó
Estado 370
(75) 319111

Talca
Uno Sur 1132
(71) 514946

Chillán
Constitución 550
(42) 434317

Los Ángeles
Colón 398
(43) 322424

Talcahuano
Av. Colón 657
(41) 2929121

El Trébol
Autopista Concepción
8671, loc. B5
(41) 2483294

Base Naval
Av. Jorge Montt 102
(41) 2546069

Concepción
Av. Bdo. O'Higgins 612
(41) 2925200

Barrio Universitario
Galería El Foro s/n
(41) 2225634

Temuco
Arturo Prat 743
(45) 914601

Valdivia
Av. Ramón Picarte 370
(63) 534656

Osorno
Manuel A. Matta 624
(64) 544708

Puerto Montt
Av. Urmeneta 541
(65) 354742

Punta Arenas
Av. Magallanes 944
(61) 244740

Banco Condell

Arica
21 de Mayo 115
(58) 232176

Iquique
Tarapacá 503
(57) 529536

Calama
Almirante Latorre 1925
(55) 313146

Antofagasta
Plaza Arturo Prat 342
(55) 410515

Matta
Manuel A. Matta 2537
(55) 410721

Copiapó
Av. Chacabuco 481
(52) 213940

Vallenar
Arturo Prat 1084
(51) 543226

La Serena
Balmaceda 540
(51) 554453

Coquimbo
Aldunate 795
(51) 327787

Ovalle
Victoria 271
(53) 624773

La Calera
José Joaquín Pérez 174
(33) 333090

Los Andes
Esmeralda 286
(34) 343272

Quillota
Maipú 352
(33) 310957

San Felipe
Prat 821
(34) 512643

Viña del Mar
Arlegui 176
(32) 2455090

Av. Valparaíso 477
(32) 2466230

Valparaíso
Cochrane 754
(32) 2455540

Calle Condell 1632
(32) 2459274

Villa Alemana
Av. Valparaíso 680
Local A
(32) 2450257

Quilpué
Portales 777
(32) 2450210

San Antonio
Centenario 127
(35) 213441

Melipilla
Serrano 287
(02) 6875860

Rancagua
Independencia 584
(72) 244517

San Fernando
Manuel Rodríguez 792
(72) 583902

Curicó
Estado 370
(75) 316700

Talca
Uno Sur 1132
(71) 514938

Linares
Maipú 556
(73) 211696

Chillán
Constitución 550
(42) 434325

Los Ángeles
Colón 398
(64) 544715

Concepción
Barros Arana 428
(41) 2928251

Barros Arana 757
(41) 2861335

Talcahuano
Colón 657
(41) 929126

Temuco
Manuel Montt 822
(45) 911596

Villarrica
Camilo Henríquez 565
(45) 911561

Valdivia
Av. Picarte 370
(63) 534673

Osorno
Manuel A. Matta 624
(64) 544715

Puerto Montt
Antonio Varas 647
(65) 351130

Coyhaique
Francisco Bilbao 204
(67) 237040

Punta Arenas
Av. Presidente Roca 845
(61) 730116

Agustinas Alameda Alcántara Apoquindo
Apumanque Ahumada Bernardo O'Higgins
Bilbao Diez de Julio El Bosque El Cortijo
El Golf El Faro Estación Central Estado
Franklin Gran Avenida Huérfanos Irarrázaval
La Dehesa La Reina Lo Castillo Los Domínicos
Maipú Moneda Ñuñoa Orrego Luco
Paseo Puente Plaza Egaña Plaza Vespucio
Providencia Puente Alto Rosario Norte
San Bernardo San Borja San Joaquín
Santa Elena Santa María de Manquehue
Santiago Suecia Vitacura

CorpBanca

Alameda
Av. Bdo. O'Higgins 2206
(2) 6875505

Alcántara
Av. Apoquindo 4001,
Loc.102
(2) 6875365

Apoquindo
Av. Apoquindo 4759
(2) 6875193

Apumanque
Av. Apoquindo 5583,
Loc.1
(2) 6876840

Bernardo O'Higgins
Av. Bdo. O'Higgins 1228
(2) 6875376

Bilbao
Av. Bilbao 2036
(2) 6875115

Diez de Julio
San Diego 671
(2) 6875620

El Bosque
El Bosque Norte 0137
(2) 6875259

El Cortijo
Av. Américo
Vespucio Norte 2700
(2) 6875981

El Golf
Av. Apoquindo 3500,
Loc.2
(2) 6875466

Estación Central
Empresas
Av. Bdo. O'Higgins 3015
(2) 6875042

Franklin
San Diego 2025
(2) 6875851

Gran Avenida
Av. José Miguel
Carrera 5120
(2) 6875517

Huérfanos
Huérfanos 1072
(2) 6878000

Irarrázaval
Av. Irarrázaval 2615
(2) 6875970

La Dehesa
Av. La Dehesa 1201,
Loc.104
(2) 6875601

La Reina
Av. Príncipe
de Gales 7085
(2) 6875235

Lo Castillo
Av. Vitacura 3900
(2) 6875100

Los Domínicos
Camino el Alba 11969,
Loc.304
(2) 6875120

Maipú
Av. Pajaritos 1783
(2) 6875326

Ñuñoa
Av. Irarrázaval 3333
(2) 6875344

Orrego Luco
Av. Providencia 2051
(2) 6875950

Plaza Vespucio
Froilán Roa 7205,
Loc.121-124
(2) 6875650

Providencia
Av. Providencia 1422
(2) 6875409

Puente Alto
Concha y Toro 1149,
Loc.59
(2) 6875673

Rosario Norte
Rosario Norte 660,
Loc.102
(2) 6878000

San Bernardo
Arturo Prat 495
(2) 6875638

San Borja
Av. Bdo. O'Higgins 288
(2) 6875173

San Joaquín
Av. Vic. Mackenna 4860
(2) 6875300

Santa Elena
Av. Santa Elena 2340
(2) 6875435

**Santa María
de Manquehue**
Av. Santa María 6926
(2) 6875151

Santiago 2000
Huérfanos 770-B
(2) 6876494

Suecia
Suecia 024
(2) 6875062

Vitacura
Av. Vitacura 6635
(2) 6875138

Banco Condell

Agustinas
Agustinas 799
(2) 6875221

Ahumada
Ahumada 252
(2) 6875810

El Faro (Apumanque)
Av. Apoquindo 6069,
Loc.9
(2) 6875595

Estación Central
Av. Bdo. O'Higgins 3015
(2) 6875040

Estado
Estado 350
(2) 6875546

Franklin
San Diego 2023
(2) 6875845

Gran Avenida
Av. José Miguel
Carrera 5120
(2) 6875530

Huérfanos
Huérfanos 1109
(2) 6875390

Maipú
Av. Pajaritos 1783
(2) 6875324

Moneda
Moneda 893
(2) 6875570

Ñuñoa
Irarrázaval 2440
(2) 2095261

Paseo Puente
Puente 731
(2) 6875691

Plaza Egaña
Av. Irarrázaval 5612
(2) 6875095

Plaza Vespucio
Av. Vicuña Mackenna 7110
Loc.24-25-26 Boulevard
(2) 6875030

Providencia
Av. 11 de Septiembre 2096
(2) 6875015

Puente Alto
Concha y Toro 286
(2) 6875007

San Bernardo
Eyzaguirre 670
(2) 6875420

23. **SUBSIDIARY** COMPANIES

In 2011, external directors joined our subsidiaries' Boards of Directors. These individuals have vast experience in diverse business, public and private sector matters and have undoubtedly made tremendous contributions to their respective subsidiaries.

CorpBanca Corredores de Bolsa S.A.

This Company is a member of the Santiago Stock Exchange and is registered with the Chilean Superintendency of Securities and Insurance as a securities broker. Its primary activities include providing third-party broker services as well as managing a securities portfolio and engaging in foreign currency exchange trading.

In 2011, this company posted profit for the year of MCh$6,639.1. CorpBanca's direct and indirect participation in the company amounts to 100% of its share capital.

Board of Directors

Chairman	Hugo Lavados Montes
Vice-Chairman	José Manuel Garrido Bouzo
Director	Cristián Canales Palacios
Director	Alberto Selman Hasbún
Director	José Francisco Sánchez Figueroa
Chief Executive Officer	Cristián Donoso Larraín

CorpBanca Corredores de Seguros S.A.

In accordance with the Bank's strategy of expanding the breadth of its financial services, CorpBanca Corredores de Seguros S.A. offers a full line of insurance products. Many of these products complement the diverse banking and loan services provided by the Bank.

For the year ended December 31, 2010, this subsidiary posted profit for the year of MCh$5,083.5. CorpBanca's direct and indirect participation in the company amounts to 100% of its share capital.

Board of Directors

Chairman	Pablo de la Cerda Merino
Director	Óscar Cerda Urrutia
Director	Eulogio Guzmán Llona
Director	Gerardo Schlotfeldt Leighton
Director	Francisco Guzmán Bauzá
Chief Executive Officer	César Galdámez Díaz

CorpBanca Administradora General de Fondos S.A.

This subsidiary complements banking services offered to the Bank's customers. Its role consists of managing mutual fund assets for its clients in fixed and variable-income instruments in both the local and foreign markets.

In 2011, this company posted profit for the year of MCh$3,471.6.

CorpBanca's direct and indirect participation in the company amounts 100% of its share capital.

Board of Directors

Chairman	Gustavo Arriagada Morales
Vice-Chairman	Santiago Suárez Molina
Director	Pablo de la Cerda Merino
Director	Jorge Max Palazuelos
Director	Óscar Cerda Urrutia
Chief Executive Officer (Interim)	Daniel Thenoux Ruiz

SUBSIDIARY COMPANIES

CorpBanca Asesorías Financieras S.A.

This subsidiary provides a broad range of financial advisory services to a variety of corporations and institutions, including studies and services for debt restructurings, mergers, acquisitions, privatizations and company valuations.

As of December 31, 2010, CorpBanca Asesorías Financieras S.A. posted profit for the year of MCh$7,914.7.

CorpBanca's direct and indirect participation in the company amounts to 100% of its share capital.

Board of Directors

Chairman	Fernando Massú Taré
Director	Héctor Valdés Ruiz
Director	Cristián Canales Palacios
Chief Executive Officer	Roberto Baraona Undurraga

CorpBanca Agencia de Valores S.A.

This subsidiary is a privately-held corporation formed in November 2009. Through this subsidiary, the Bank provides wealth management services.

As of December 31, 2011, CorpBanca Asesorías Financieras S.A. posted profit for the year of MCh$131.7.

CorpBanca's direct and indirect participation in the company amounts to 100% of its share capital.

Board of Directors

Chairman	Gustavo Favre Domínguez
Vice-Chairman	Patricio Eguiguren Muñoz
Director	Ignacio Herrera Avalos
Chief Executive Officer	Ignacio Ruiz-Tagle Mena

SMU Corp S.A.

This is a banking support company, of which CorpBanca holds 51% and SMU S.A. holds 49%. Through this subsidiary, the Bank is engaged in the business of issuing credit cards to be used in Unimarc supermarkets.

As of the end of 2011, SMU Corp S.A. reported a loss of MCh$3,722.9.

Board of Directors

Chairman	Jorge Andrés Saieh Guzmán
Director	Javier Luck Urban
Director	Manuel José Concha Ureta
Director	Marcelo Cáceres Rojas
Director	Marcelo Gálvez Saldías
Director	Gerardo Schlotfeldt Leigthon
Chief Executive Officer	Eulogio Guzmán Llona

CorpLegal S.A.

This subsidiary is exclusively focused on providing all legal advisory services required by CorpBanca, its subsidiaries and their clients.

In 2011, Corp Legal S.A. posted profit for the year of MCh$ 697.8.

CorpBanca's direct and indirect participation in the company amounts to 100% of its share capital.

Board of Directors

Chairman	Cristián Canales Palacios
Director	Andrés Covacevich Cornejo
Director	Eugenio Gigogne Miqueles
Director	Óscar Cerda Urrutia
Director	Álvaro Barriga Oliva
Chief Executive Officer	Jaime Córdova Fernández

24. SHARE **TRANSACTIONS**

In 2011, CorpBanca's controlling shareholders, directors and senior executives made the following share transactions:

2005	No. of Trades	Average Volume (#)
First Quarter	3,737	7,095,175,134
Second Quarter	3,218	5,719,405,525
Third Quarter	3,127	5,314,861,895
Fourth Quarter	2,042	3,587,103,889

2006	No. of Trades	Average Volume (#)
First Quarter	2,456	5,791,998,407
Second Quarter	2,490	3,752,069,182
Third Quarter	1,799	3,646,053,361
Fourth Quarter	2,829	5,459,203,768

2007	No. of Trades	Average Volume (#)
First Quarter	3,015	7,737,594,827
Second Quarter	3,346	5,473,998,474
Third Quarter	3,506	8,250,424,389
Fourth Quarter	2,584	8,845,513,736

2008	No. of Trades	Average Volume (#)
First Quarter	2,272	6,493,283,378
Second Quarter	1,579	5,099,118,474
Third Quarter	1,254	3,431,876,532
Fourth Quarter	1,268	1,924,237,675

2009	No. of Trades	Average Volume (#)
First Quarter	1,452	8,403,438,643
Second Quarter	1,440	3,138,159,073
Third Quarter	1,390	3,846,440,619
Fourth Quarter	1,732	3,669,956,148

2010	No. of Trades	Average Volume (#)
First Quarter	2,265	10,060,673,704
Second Quarter	1,884	3,223,664,300
Third Quarter	3,900	5,595,742,718
Fourth Quarter	3,351	31,592,820,016

2011	No. of Trades	Average Volume (#)
First Quarter	3,423	5,252,371,963
Second Quarter	2,887	15,115,297,028
Third Quarter	2,914	16,416,227,909
Fourth Quarter	2,732	9,062,251,640

SHARE **TRANSACTIONS**

In 2011, CorpBanca's controlling shareholders, directors and senior executives conducted the following share transactions:

CorpGroup Banking S.A., *controlled by Director Sr. Álvaro Saieh Bendeck*

Date of Purchase	Date of Sale	Quantity	Price	Total Investment (Ch$)
07/01/2011	-	7,770,838,301	7.35	57,115,661,512
07/01/2011	-	7,770,838,301	7.35	57,115,661,512
08/01/2011	-	181,161,892	7.35	1,331,539,906

Cía. Inmobiliaria y de Inversiones SAGA Limitada, *controlled by Director Sr. Álvaro Saieh Bendeck*

Date of Purchase	Date of Sale	Quantity	Price	Total Investment (Ch$)
07/20/2011	-	2,609,813,369	7.10	18,529,674,920
09/09/2011	-	292,482,397	7.00	2,047,376,779
09/27/2011	-	135,000,000	6.70	904,500,000
10/21/2011	-	282,854,332	6.84	1,934,723,631

SG Inversiones Bancarias S.A., *controlled by Director Sr. Álvaro Saieh Bendeck*

Date of Purchase	Date of Sale	Quantity	Price	Total Investment (Ch$)
-	05/20/2011	7,540,089,480	7.35	55,419,657,678
-	05/20/2011	742,099,626	7.45	5,528,642,214

Inversiones Heracles Limitada, *controlled by Director Sr. Álvaro Saieh Bendeck*

Date of Purchase	Date of Sale	Quantity	Price	Total Investment (Ch$)
01/25/2011	-	453,886,746	8.20	3,721,871,317
-	07/01/2011	572,930,761	7.40	4,239,687,631
-	10/25/2011	2,036,882,608	6.89	14,030,047,404

Inversiones y Valores Limitada, *controlled by Director Sr. Fernando Aguad Dagach*

Date of Purchase	Date of Sale	Quantity	Price	Total Investment (Ch$)
06/30/2011	-	246,854,654	7.35	1,814,381,707
09/15/2011	-	85,000,000	6.73	571,965,000

Inversiones FMAD S.A., *controlled by Director Sr. Fernando Aguad Dagach*

Date of Purchase	Date of Sale	Quantity	Price	Total Investment (Ch$)
-	05/23/2011	3,037,771,143	7.35	22,327,617,901
-	05/25/2011	298,979,056	7.45	2,227,393,967

Inversiones JCSZ S.A., *controlled by Director Sr. Jorge Selume Zaror*

Date of Purchase	Date of Sale	Quantity	Price	Total Investment (Ch$)
-	05/23/2011	2,361,190,319	7.35	17,354,748,845
-	05/25/2011	232,389,610	7.45	1,731,302,595

Marpesa S.A., *controlled by Pilar Dañobeitía, Advisor to the Chairman*

Date of Purchase	Date of Sale	Quantity	Price	Total Investment (Ch$)
06/17/2011	-	22,200,000	7.41	164,502,000
08/11/2011	-	2,494,829	7.34	18,312,045

25. **MATERIAL** EVENTS

During 2011, CorpBanca reported the following material events:

1

At the Board of Directors' Meeting held January 25, 2011, the Board agreed to publicly communicate, as a material event, that it had convened an Ordinary General Shareholders' Meeting for February 24, 2011 in order to conduct routine business, approve the financial statements, as well as propose and approve distribution of $119,043,013,408 in profit for the year, representing 100% of 2010 profit for the year, among other items.

2

At the Extraordinary Shareholders' Meeting held January 27, 2011, an agreement was adopted to increase the Bank's capital through capitalization of earnings retained as of December 31, 2009, for the sum of Ch$106,868,578,585, and issuance of 40,042,815,984 common shares with no par value, representing 15% of the new share capital, to be subscribed and paid according to the price, term and other conditions established by the Board of Directors, as delegated by shareholders in the meeting.

3

On February 23, 2011, the New York Stock Exchange (NYSE) modified the number of CorpBanca's common shares represented by each ADR, from 5,000 shares per ADR to 1,500 shares per ADR.

4

On April 27, 2011 the Chairman of the Bank's Board of Directors received a letter from Mr. Hernán Somerville Senn, communicating his resignation from the position of Director, effective April 28, 2011.

5

On May 20, 2011, receipt and contents of the communication received from Corp Group Banking S.A., CorpBanca's controlling entity, were publically communicated, as a material event. The communication stated that Corp Group would move that the number of shares to be placed, in conformity with the January 27, 2011 Extraordinary Shareholders' Meeting, be 25,500,000,000 and that it would also move that the remaining, agreed-upon shares not be placed in the next 12 months. Corp Group Banking S.A. announced its intention to exercise the preferential option, to which it is legally entitled within the legal preferential option period.

6

At the May 25, 2011 Ordinary Board Meeting, the Board agreed to publicly communicate, as a material event, a portion of the agreements adopted in exercising the authority delegated to it in the January 27, 2011 Extraordinary General Shareholders' Meeting, at which the agreement to increase the Bank's capital through issuance of 40,042,815,984 paid shares, with no par value, was adopted.

The agreements were as follows: To preferentially offer shareholders 25,500,000,000 of the common shares, with no par value, that were agreed-upon in the aforementioned meeting; to set the start date of the first preferential option period at 30 days prior to placement: June 3, 2011 and the end date on July 2, 2011; to establish a second 30-day preferential option period between July 3, 2011 and August 2, 2011, open to shareholders who had subscribed shares in the first preferential option period for shares not purchased by shareholders or their assignees with rights to these shares, and the fractions of unpurchased shares resulting from prorating the shares among shareholders; to establish a third 30-day preferential option period between August 2, 2011 and August 31, 2011, open to shareholders who had subscribed shares in the second preferential option period for shares not purchased by shareholders or their assignees with rights to these shares during that period, and the fractions of unpurchased shares resulting from prorating the shares among shareholders; and preferentially offer the shares to the Bank's shareholders, who will have right to subscribe 0.1123797088 new shares for every share registered in the Shareholders' Registry five days prior to the start date of the first preferential option period.

7

At the Board Meeting held on May 31, 2011, the Board appointed Mr. Hernán Sommerville Senn's successor, Mr. Francisco León Délano to the position of Director until the next Ordinary General Shareholder's Meeting.

8

At the Extraordinary Meeting of the Board of CorpBanca held on June 2, 2011, the Board agreed to publicly communicate, as a material event, the agreement adopted in the meeting, in exercising the authority delegated to it in the January 27 and June 2, 2011 Extraordinary General Shareholders' Meetings.

The Board agreed to set the price of each of the 25,500,000,000 common shares, with no par value, to be preferentially offered to shareholders at Ch$7.35 charged to the shares they agreed to issue at the Extraordinary General Shareholders' Meeting on January 27, 2011.

9

On August 16, 2011 the First Vice-Chairman of the Bank's Board of Directors received a letter from Mr. Brian O´Neill, communicating his resignation from the position of Director, effective immediately.

10

At the Board Meeting held on August 30, the Board agreed: to appoint, as Mr. Brian O'Neill's successor, Ms. Ana Beatriz Holuigue Barros to the position of Director, until the next Ordinary General Shareholders' Meeting; that the Directors' Committee would, in addition to its own functions, assume those that, according to current regulations, correspond to the Audit Committee; that the Committee would henceforth be referred to as the Directors'-Audit Committee; and to designate the following Directors as members of the "Directors'- Audit Committee": Mr. Gustavo Arriagada Morales, chairman, Fernando Massú Tare and Francisco León Délano.

11

At an Extraordinary Meeting of the Board of CorpBanca held on December 6, 2011, the Board agreed to authorize the signing of the agreement with Banco Santander S.A., domiciled in Spain, under which CorpBanca will acquire the shareholding of the Santander Group, of the following companies, all of which are formed under Colombian legislation and operate within Colombia: Banco Santander Colombia S.A., Santander Investment Valores Colombia S.A., Santander Investment Trust Colombia S.A. and Agencia de Seguros Santander Limitada.

The deal is subject to regulatory authorization from the competent authorities in Chile, as well as in Colombia.

CorpBanca will acquire 95% of Banco Santander Colombia's share capital, the maximum permitted for a single shareholder under Colombian law and Corp Group Interhold S.A. will obtain at least another 2.85%, in addition to the shares that will be acquired by the Santander Group, in a "delisting" take-over bid, which will be carried out in accordance with Colombian legislation.

12

At an Extraordinary Meeting of the Board of CorpBanca held on December 29, 2011, the Board agreed to accept Mr. Mario Chamorro Carrizo's resignation from the position of CEO. At the same meeting, Mr. Cristián Canales Palacios was appointed Interim CEO.

26. REPORT OF **EXTERNAL AUDITORS**

Deloitte.

INDEPENDENT AUDITORS' REPORT

To the shareholders of CorpBanca

We have audited the consolidated statements of financial position of CorpBanca and subsidiaries ("CorpBanca" or the "Bank") as of December 31, 2011 and 2010 and the corresponding consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the years ending December 31, 2011 and 2010. The preparation of these financial statements (including the related notes) is responsibility of the Management of the Bank. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit

includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CorpBanca and subsidiaries as of December 31, 2011 and 2010, the results of their operations, the comprehensive income, the changes in shareholders' equity and cash flows for the years ending December 31, 2011 and 2010, in accordance with Accounting Principles issued by the Superintendence of Banks and Financial Institutions.

As indicated in Note 2 to the consolidated financial statements, during 2011 the Bank adopted the new disposition contained on chapter B-1, B-2, B-3 and C-1 of the "Compendium of Accounting Standards".

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

Deloitte

January 27, 2012

Juan Carlos Jara M.

Consolidated Statements of Financial Position

For the years ended December 31, 2011 and 2010 (In millions of Chilean pesos - MCh$)

	Notes	12.31.2011 MCh$	12.31.2010 MCh$
Assets			
Cash and deposits in banks	5	265,747	202,339
Items in course of collection	5	96,230	79,680
Trading portfolio financial assets	6	166,039	197,580
Investments under agreements to resell	7	23,251	75,676
Derivative financial instruments	8	248,982	204,067
Loans and receivables from banks, net	9	304,442	63,998
Loans and receivables from customers, net	10	6,709,394	5,362,578
Financial investments available-for-sale	11	843,250	746,248
Financial investments held-to-maturity	11	21,962	-
Investments in other companies	12	3,583	3,583
Intangible assets	13	12,239	13,096
Property, plant and equipment, net	14	57,225	53,430
Current income tax provision	15	6,278	-
Deferred income taxes	15	27,700	25,417
Other assets	16	101,382	98,266
Total Assets		**8,887,704**	**7,125,958**
Liabilities			
Current accounts and demand deposits	17	682,720	612,064
Items in course of collection	5	36,948	41,525
Investments under agreements to repurchase	7	130,549	189,350
Time deposits and saving accounts	17	4,824,378	3,700,454
Derivative financial instruments	8	166,872	175,261
Borrowings from financial institutions	18	663,626	503,692
Debt issued	19	1,522,773	1,215,435
Other financial obligations	19	20,053	23,660
Current income tax provision	15	-	7,168
Deferred income taxes	15	25,352	21,244
Provisions	20	54,240	79,747
Other liabilities	21	30,981	20,998
Total Liabilities		**8,158,492**	**6,590,598**

	Notes	12.31.2011 MCh$	12.31.2010 MCh$
Shareholders' Equity			
Attributable to equity holders of the Bank			
Capital	23	507,108	342,379
Reserves	23	139,140	26,406
Valuation gains (losses)	23	(5,639)	(2,758)
Retained earnings		**85,994**	**166,390**
Retained earnings from prior periods	23	-	106,869
Net income for the year	23	122,849	119,043
Less: Accrual for mandatory dividends	23	(36,855)	(59,522)
		726,603	532,417
Non controlling interest	**23**	**2,609**	**2,943**
Total shareholders' equity		**729,212**	**535,360**
Total liabilities and shareholders' equity		**8,887,704**	**7,125,958**

Notes 1 to 39 are an integral part of these consolidated financial statements.

Consolidated Statements of Income

For the years ended December 31, 2011 and 2010 (In millions of Chilean pesos - MCh$)

	Notes	12.31.2011 MCh$	12.31.2010 MCh$
Interest income	24	528,622	387,639
Interest expense	24	(335,622)	(163,229)
Net interest income		**193,000**	**224,410**
Income from service fees	25	72,404	68,453
Expenses from service fees	25	(12,042)	(10,232)
Net service fee income		**60,362**	**58,221**
Trading and investment income, net	26	97,745	(9,410)
Foreign exchange gains (losses), net	27	(26,783)	44,611
Other operating income	32	9,507	8,832
Operating income		**333,831**	**326,664**
Provisions for loan losses	28	(40,182)	(54,424)
Total operating income, net of loan losses, interest and fees		**293,649**	**272,240**
Personnel salaries expenses	29	(76,461)	(71,034)
Administration expenses	30	(55,141)	(46,793)
Depreciation and amortization	31	(7,461)	(7,117)
Impairment	31	-	(427)
Other operating expenses	32	(9,667)	(9,464)
Total operating expenses		**(148,730)**	**(134,835)**
Total net operating income		**144,919**	**137,405**
Income attributable to investments in other companies	12	250	296
Income before income taxes		**145,169**	**137,701**
Income taxes	15	(24,144)	(19,635)
Net income for the year		**121,025**	**118,066**
Attributable to			
Equity holders of the Bank		122,849	119,043
Non controlling interest	23	(1,824)	(977)
Earnings per share attributable to equity holders of the Bank (stated in Ch$)			
Basic earnings per share	23	0.514	0.525
Diluted earnings per share	23	0.514	0.525

Notes 1 to 39 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2011 and 2010 (In millions of Chilean pesos - MCh$)

	Notes	12.31.2011 MCh$	12.31.2010 MCh$
Net income for the year		**121,025**	**118,066**
Other Comprehensive Income			
Financial instruments available-for-sale		(1,258)	4,836
Exchange differences on translation- New York Branch		1,238	(1,014)
Hedge of net investment in foreign operation		(1,264)	963
Effect variation cash flow hedges		(2,576)	-
Other comprehensive income before income taxes		**(3,860)**	**4,785**
Income tax relating to other comprehensive income	15	979	(986)
Total other comprehensive income (loss)		**(2,881)**	**3,799**
Comprehensive income for the year		**118,144**	**121,865**
Attributable to			
Equity holders of the Bank		119,968	122,842
Non controlling interest	23	(1,824)	(977)

Notes 1 to 39 are an integral part of these consolidated financial statements.

Statements of changes in shareholders' equity

For the years ended December 31, 2011 and 2010 (In millions of Chilean pesos - MCh$, except for number of shares)

				Valuation gains (losses)				
	Number of shares	Paid-in Capital	Reserves	Financial investment available -for- sale	Hedge of net investment in foreign operation	Derivatives for Cash Flow Coverage	Income tax other comprehensive income	Exchange differences Translation
	(Millions)	MCh$	MCh$	MCh$	MCh$		MCh$	MCh$
Balance as of January 1, 2010	**221.854**	**326.038**	**25.054**	**(6.353)**	**-**	**-**	**1.080**	**(1.284)**
Increase or decrease in capital and reserves	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Accrual for mandatory dividends	-	-	-	-	-	-	-	-
Sale of treasury shares (a)	5,055	16,341	-	-	-	-	-	-
Share premium	-	-	1,352	-	-	-	-	-
Effect first application provision for contingent claims	-	-	-	-	-	-	-	-
Comprehensive income for the year	-	-	-	4,836	963	-	(986)	(1,014)
Balance as of December 31, 2010	**226,909**	**342,379**	**26,406**	**(1,517)**	**963**	**-**	**94**	**(2,298)**
Balance as of January 1, 2011	**226,909**	**342,379**	**26,406**	**(1,517)**	**963**	**-**	**94**	**(2,298)**
Increase or decrease in capital and reserves	23,449	57,860	112,734	-	-	-	-	-
Capitalization of retained earnings	-	106,869	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Accrual for mandatory dividends	-	-	-	-	-	-	-	-
Comprehensive income for the year	-	-	-	(1,258)	(1,264)	(2,576)	979	1,238
Balance as of December 31, 2011	**250,358**	**507,108**	**139,140**	**(2,775)**	**(301)**	**(2,576)**	**1,073**	**(1,060)**

(a) See Note 23 to the consolidated financial statements.

Notes 1 to 39 are an integral part of these consolidated financial statements.

	Retained earnings					
	Retained earnings from prior periods	Net income for the year	Accrual for mandatory dividends	Total attributable to equity holders of the Bank	Non-controlling interest	Total shareholders' equity
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
	201.554	**-**	**(42.554)**	**503.535**	**3.920**	**507.455**
	-	-	-		-	-
	(85,109)	-	42,554	(42,555)	-	(42,555)
	-	-	(59,522)	(59,522)	-	(59,522)
	-	-	-	16,341	-	16,341
	-	-	-	1,352	-	1,352
	(9,576)	-	-	(9,576)	-	(9,576)
	-	119,043	-	122,842	(977)	121,865
	106,869	**119,043**	**(59,522)**	**532,417**	**2,943**	**535,360**
	106,869	**119,043**	**(59,522)**	**532,417**	**2,943**	**535,360**
	-	-	-	170,594	1,490	172,084
	(106,869)	-	-	-	-	-
	-	(119,043)	59,522	(59,521)	-	(59,521)
	-	-	(36,855)	(36,855)	-	(36,855)
	-	122,849	-	119,968	(1,824)	118,144
	-	**122,849**	**(36,855)**	**726,603**	**2,609**	**729,212**

Consolidated statement of cash flows

For the years ended December 31, 2011 and 2010 (In millions of Chilean pesos - MCh$)

	Notes	12.31.2011 MCh$	12.31.2010 MCh$
Cash flow from operating activities			
Income before income taxes		145,169	137,701
Non-controlling interest		(1,824)	(977)
Charges (credits) to income not representing cash flow:			
Depreciation and amortization	31	7,461	7,117
Provision for loan losses	28	52,160	69,133
Provisions and write-offs for assets received in lieu of payment	32	999	1,373
Contingency provisions	32	2,228	2,166
Adjustment to market value for financial investments available-for-sale and derivatives		(49,023)	15,795
Net interest income	24	(193,000)	(224,410)
Net fees and income from services	25	(60,362)	(58,221)
Net foreign exchange gains (losses)	27	26,783	(44,611)
Other charges (credits) to income not representing cash flows		15,342	7,718
Subtotals		**(54,067)**	**(87,216)**
Loans and receivables to customers and banks		(1,525,019)	(324,987)
Investments under agreements to repurchase		51,512	(28,329)
Trading portfolio financial assets		27,230	(81,329)
Financial investments available-for-sale		72,927	(24,293)
Financial investment held-to-maturity		(21,382)	-
Other assets and liabilities		7,277	(7,027)
Time deposits and saving accounts		1,089,502	462,280
Current accounts and demand deposits		70,656	115,853
Investments under agreements to resell		(58,801)	(281,176)
Dividends received from investments in other companies	12	250	296
Foreign borrowings obtained		1,013,562	572,500
Repayment of foreign borrowings		(809,997)	(542,357)
Net (decrease) increase of other obligations with banks		(42,629)	111,146
Repayment of other borrowings		(3,834)	(3,396)
Net cash (used in) provided by operating activities		**(182,813)**	**(118,035)**

	Notes	12.31.2011 MCh$	12.31.2010 MCh$
Cash flow from investing activities			
Purchase of property, plant and equipment		(10,911)	(5,940)
Proceeds from sales of property, plant and equipment		-	286
Sale of assets received in lieu of payment or in foreclosure		482	1,636
Net cash (used in) provided by investment activities		**(10,429)**	**(4,018)**
Cash flow from financing activities			
Issued debt		344,103	403,073
Redemption of issued debt		(61,792)	(60,095)
Increase in capital	23	170,594	-
Sales of treasury shares		-	16,341
Paid dividends	23	(119,043)	(85,109)
Net cash provided (used in) provided by financing activities		**333,862**	**274,210**
Net increase (decrease) in cash and cash equivalents		**140,620**	**152,157**
Cash and cash equivalents at beginning of year		393,721	241,564
Cash and cash equivalents at end of year	5	534,341	393,721
Net increase (decrease) in cash and cash equivalents		**140,620**	**152,157**

Notes 1 to 39 are an integral part of these consolidated financial statements.

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A Bank committed to a greener planet

At CorpBanca, we are deeply committed to the environment and sustainable development. For this reason, we have once again selected green materials, production processes and finishes for this annual report in order to reduce its environmental impact.

The inner pages of this report were printed on 106 and 180 gram certified bond paper. This certification entails evaluating the timber production line from the tree to the final product (paper), including all procedures as well as transformation, manufacturing and distribution stages to verify that the wood utilized comes from a sustainably managed forest and that the products used have not been mixed with other products from uncertified forests. We also employed certified pearl color 100 gram Conqueror Laid paper (100% virgin fibers) from responsibly managed forests.

For the cover we used black cardstock made of 100% recycled fibers with black and opaque silver foil stamping applied conservatively only on the front and back covers.

Lastly, the binding includes a high-quality Cialux fabric spine with rayon and viscose thread.