

ANNUAL REPORT FOR THE FISCAL YEAR ENDING DECEMBER 31, 2012
As filed with the Securities and Exchange Commission on May 15, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2012

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

For the fiscal year ended December 31, 2012

Commission file number 001-32305

CORPBANCA

(Exact name of Registrant as specified in its charter)

(Translation of Registrant's name into English)

Republic of Chile

(Jurisdiction of incorporation or organization)

Rosario Norte 660

Las Condes

Santiago, Chile

(Address of principal executive offices)

Investor Relations, Telephone: +(562) 2660-2555, Facsimile: +(562) 2660-2476, Address: Rosario Norte 660, Las Condes, Santiago, Chile

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
American Depositary Shares representing common shares	New York Stock Exchange
Common shares, no par value*	New York Stock Exchange*

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U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes No

CAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 20-F contains statements that constitute forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements preceded by, followed by or that include “believes,” “expects,” “intends,” “plans,” “projects,” “estimates” or “anticipates” and similar expressions. These statements appear throughout this Annual Report, including, without limitation, under “Item 3. Key Information—D. Risk Factors”, “Item 4. Information on the Company” and “Item 5. Operating and Financial Review and Prospects”, are not based on historical facts but instead represent only our belief regarding future events, many of which, by their nature, are inherently uncertain and outside our control and include statements regarding our current intent, belief or expectations with respect to (1) our asset growth and financing plans, (2) trends affecting our financial condition or results of operations, (3) the impact of competition and regulations, (4) projected capital expenditures, and (5) liquidity. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those described in such forward-looking statements included in this Annual Report as a result of various factors (including, without limitation, the actions of competitors, future global economic conditions, market conditions, currency exchange rates and operating and financial risks), many of which are beyond our control. The occurrence of any such factors, not currently expected by us, would significantly alter the results set forth in these statements.

Factors that could cause actual results to differ materially and adversely include, but are not limited to:

- trends affecting our financial condition or results of operations,
- changes in the participation of our shareholders or any other factor that may result in a change of control,
- natural disasters,
- changes in general economic, business, regulatory, political or other conditions in the Republic of Chile, or Chile, or the Republic of Colombia, or Colombia, or changes in general economic or business conditions in Latin America,
- changes in capital markets in general that may affect policies or attitudes towards lending to Chile or Colombia, Chilean or Colombian companies or securities issued by Chilean companies,
- the monetary and interest rate policies of the Central Bank of Chile (*Banco Central de Chile*), or the Central Bank of Chile, or the Central Bank of Colombia (*Banco Central de Colombia*), or the Central Bank of Colombia,
- inflation or deflation,
- unemployment,
- unanticipated increases in financing and other costs or the inability to obtain additional debt or equity financing on attractive terms,
- unanticipated turbulence in interest rates,
- movements in currency exchange rates,
- movements in equity prices or other rates or prices,
- changes in Chilean, Colombian and foreign laws and regulations,
- changes in Chilean or Colombian tax rates or tax regimes,
- competition, changes in competition and pricing environments,
- our inability to hedge certain risks economically,
- the adequacy of our loss allowances, provisions or reserves,
- technological changes,
- changes in consumer spending and saving habits,
- successful implementation of new technologies,
- loss of market share,
- changes in, or failure to comply with applicable banking, insurance, securities or other regulations,
- difficulties in successfully integrating recent and future acquisitions into our operations,
- our ability to successfully acquire Helm Bank S.A. and its consolidated subsidiaries, or Helm Bank, including satisfying all closing conditions and receiving the requisite regulatory approvals, and our ability to successfully integrate those businesses with ours, and

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- the other factors identified or discussed under “Item 3. Key Information—D. Risk Factors” in this Annual Report.

You should not place undue reliance on such statements, which speak only as of the date that they were made. These cautionary statements should be considered in connection with any written or oral forward-looking statements that we may make in the future. We do not undertake any obligation to release publicly any revisions to such forward-looking statements after the date of this Annual Report to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

ENFORCEMENT OF CIVIL LIABILITIES

We are a banking corporation organized under the laws of Chile. None of our directors or executive officers are residents of the United States and a substantial portion of our assets and the assets of these persons are located outside the United States. As a result, it may not be possible for you to effect service of process within the United States upon us or such persons or to enforce against them or us in the United States or other foreign courts, judgments obtained in the United States predicated upon the civil liability provisions of the federal securities laws of the United States.

No treaty exists between the United States and Chile for the reciprocal enforcement of judgments. Chilean courts, however, have enforced final judgments rendered in the United States by virtue of the legal principles of reciprocity and comity, subject to the review in Chile of the United States judgment in order to ascertain whether certain basic principles of due process and public policy have been respected, without reviewing the merits of the subject matter of the case. If a United States court grants a final judgment in an action based on the civil liability provisions of the federal securities laws of the United States, enforceability of this judgment in Chile will be subject to the obtaining of the relevant “*exequatur*” (i.e., recognition and enforcement of the foreign judgment) according to Chilean civil procedure law in force at that time, and consequently, subject to the satisfaction of certain factors. Currently, the most important of these factors are the existence of reciprocity; the absence of any conflict between the foreign judgment and Chilean laws (excluding for this purpose the laws of civil procedure) and public policies; the absence of a conflicting judgment by a Chilean court relating to the same parties and arising from the same facts and circumstances; the absence of any further means for appeal or review of the judgment in the jurisdiction where judgment was rendered; the Chilean courts’ determination that the United States courts had jurisdiction; that service of process was appropriately served on the defendant and that the defendant was afforded a real opportunity to appear before the court and defend its case; and that enforcement would not violate Chilean public policy.

In general, the enforceability in Chile of final judgments of United States courts do not require retrial in Chile. However, there is doubt as to the enforceability in original actions in Chilean courts of liabilities predicated solely on the United States federal securities laws and as to the enforceability in Chilean courts of judgments of United States courts obtained in actions predicated solely upon the civil liability provisions of the federal securities laws of the United States. In addition, foreign judgments cannot be enforced in any way against properties located in Chile, which, as a matter of Chilean law, are subject exclusively to Chilean law and to the jurisdiction of Chilean courts. Chilean courts may enter and enforce judgments in foreign countries.

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PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Statements

We are a Chilean bank and maintain our financial books and records in Chilean pesos and prepare our audited consolidated financial statements in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB. Unless otherwise indicated herein, as used hereafter IFRS refers to the standards issued by the IASB.

As required by local regulations, our consolidated financial statements filed with the Chilean Superintendency of Banks and Financial Institutions (*Superintendencia de Bancos e Instituciones Financieras*), also referred to as the SBIF, have been prepared in accordance with Chilean accounting principles or Chilean Bank GAAP, issued by the SBIF. The accounting principles issued by the SBIF are substantially similar to IFRS with differences. Therefore, our consolidated financial statements filed with the SBIF have been adjusted to IFRS in order to comply with the requirements of the Securities and Exchange Commission, or the SEC.

The selected consolidated financial information included herein as of December 31, 2012 and for the year ended December 31, 2012, together with the selected consolidated financial information as of December 31, 2008, 2009, 2010 and 2011 and for the years ended December 31, 2008, 2009, 2010 and 2011, is derived from, and presented on the same basis as, our consolidated financial statements prepared under IFRS and should be read together with such consolidated financial statements. Since our consolidated financial statements, including the selected consolidated information included herein, have been prepared using IFRS, they are not comparable with the audited consolidated financial statements included in the annual reports filed on Form 20-F for the years ended December 31, 2008 and prior thereto. Readers should exercise caution in determining trends based on prior annual reports. See “Item 5. Operating and Financial Review and Prospects—A. Operating Results—The Economy—Critical Accounting Policies and Estimates”.

As discussed in note 1 “General information and summary of significant accounting policies” to our audited consolidated financial statements, on May 29, 2012, Banco CorpBanca Colombia S.A., a *sociedad anónima bancaria* organized under the laws of Colombia (formerly known as Banco Santander Colombia S.A., and now known as, and referred to hereinafter as CorpBanca Colombia), and Santander Investment Valores Colombia, S.A. (now known as CorpBanca Investment Valores Colombia S.A., and referred to hereinafter as CIVAL), became our subsidiaries. See “Item 5. Operating and Financial Review and Prospects—A. Operating Results—The Economy—Acquisition of Banco Santander Colombia”.

Our auditors, Deloitte & Touche Auditores y Consultores Ltda., or Deloitte, an independent registered public accounting firm, have audited our consolidated financial statements as of December 31, 2012 and 2011 and for each of the three years in the period ended December 31, 2012 in accordance with IFRS. See page F-1 to our consolidated financial statements for the 2012 report prepared by Deloitte.

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Foreign Currency Markets

In this Annual Report, references to “\$,” “US\$,” “U.S. dollars” and “dollars” are to United States dollars, references to “Chilean pesos” or “Ch\$” are to Chilean pesos, references to “UF” are to *Unidades de Fomento* and references to “Colombian pesos” or “COP\$” are to Colombian pesos. The UF is an inflation-indexed, Chilean peso-denominated unit that is linked to and adjusted daily to reflect changes in the previous month’s Chilean Consumer Price Index of the Chilean National Statistics Institute (*Instituto Nacional de Estadísticas*), or the. As of December 31, 2012, one UF equaled US\$47.67, Ch\$22,840.75 and COP\$84,252.12 and as of May 13, 2013, one UF equaled US\$48.21, Ch\$22,952.66 and COP\$88,381.44. See “Item 5. Operating and Financial Review and Prospects”.

This Annual Report contains translations of certain Chilean peso amounts into U.S. dollars and Colombian pesos at specified rates solely for the convenience of the reader. These translations should not be construed as representations that such Chilean peso amounts actually represent such U.S. dollar or Colombian pesos amounts, were converted from U.S. dollars or Colombian pesos amounts at the rate indicated in preparing our financial statements or could be converted into U.S. dollars or Colombian pesos amounts at the rate indicated or any particular rate at all. Unless otherwise indicated, such U.S. dollar and Colombian pesos amounts have been translated from Chilean pesos based on our own exchange rate of Ch\$479.16 and COP\$1,767.69, respectively, per US\$1.00 as of December 31, 2012.

Specific Loan Information

Unless otherwise specified, all references in this Annual Report to total loans are to loans and financial leases before deduction for allowances for loan losses, and they do not include loans to banks or unfunded loan commitments. In addition, all market share data and financial indicators for the Chilean banking system when compared to CorpBanca’s financial information, presented in this Annual Report or incorporated by reference into this Annual Report are based on information published periodically by the SBIF, which is published under Chilean Bank GAAP and prepared on a consolidated basis. Non-performing loans include the principal and accrued interest on any loan with one installment more than 90 days overdue. Impaired loans include those loans on which there is objective evidence that customers will not meet some of their contractual payment obligations. Past due loans include all installments and lines of credit more than 90 days overdue, provided that the aggregate principal amount of such loans is not included. Under IFRS, a loan is evaluated on each financial statement reporting date to determine whether objective evidence of impairment exists. A loan will be impaired if, and only if, objective evidence of impairment exists as a result of one or more events that occurred after the initial recognition of the loan, and such event or events have an impact on the estimated future cash flows of such loan that can be reliably estimated. It may not be possible to identify a single event that was the individual cause of the impairment. An impairment loss relating to a loan is calculated as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the effective interest rate. Individually significant loans are individually tested for impairment. The remaining financial assets are evaluated collectively in groups with similar credit risk characteristics. The reversal of an impairment loss occurs only if it can be objectively related to an event occurring after the initial impairment loss was recorded. In the case of loans recorded at amortized cost, the reversal is recorded in income. “Item 4. Information on the Company—Business Overview—Selected Statistical Information —Classification of Banks and Loans; Allowances and Provisions for Loan Losses.” This disclosure is consistent with IFRS.

According to Decree with Force of Law No. 3 of 1997, as amended, the General Banking Law, a bank must have effective net equity of at least 8% of its risk weighted assets, net of required allowance for loan losses, and paid in capital and reserves, net of investments in subsidiaries and foreign branches, or basic capital (*capital básico*), of at least 3% of its total assets, net of required allowance for loan losses.

For these purposes, the effective net equity of a bank is the sum of (1) the bank’s basic capital, (2) subordinated bonds issued by the bank valued at their issue price for an amount of up to 50% of its basic capital; provided that the value of the bonds shall decrease by 20% for each year that elapses during the period commencing six years prior to their maturity, and (3) its voluntary allowances for loan losses, for an amount of up to 1.25% of its risk weighted assets to the extent voluntary allowances exceed those that banks are required to maintain by law or regulation; minus (4) our goodwill or premiums paid balances and unconsolidated investments in companies.

Rounding and Other Matters

Certain figures included in this Annual Report and in our audited consolidated financial statements as of and for the year ended December 31, 2012 have been rounded for ease of presentation. Percentage figures included in this Annual Report have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this Annual Report may vary slightly from those obtained by performing the same calculations using the figures in our audited consolidated financial statements as of and for the year ended December 31, 2012. Certain other amounts that appear in this Annual Report may similarly not sum due to rounding.

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Inflation figures relating to Chile are those reported by the Chilean National Statistics Institute, unless otherwise stated herein or required by the context. Inflation figures relating to Colombia are those reported by the Colombian National Administrative Department of Statistics (DANE), unless otherwise stated herein or required by the context. See “—Exchange Rate Information” below.

In this Annual Report, all macro-economic data related to the Chilean economy is based on information published by the Central Bank of Chile and all macro-economic data related to the Colombian economy is based on information published by the Central Bank of Colombia. All market share and other data related to the Chilean financial system is based on information published by the SBIF as well as other publicly available information and all market share and other data related to the Colombian financial system is based on information published by the Colombian Superintendency of Finance (*Superintendencia Financiera Colombiana*) as well as other publicly available information. Prior to January 1, 2008, the SBIF published the unconsolidated risk index of the Chilean financial system on a monthly basis and, as a result, information regarding the consolidated risk index of the Chilean financial system as a whole is not available for periods prior to January 1, 2008. As of January 1, 2009, the SBIF publishes the consolidated risk index of the Chilean financial system on a monthly basis. The Colombian Superintendency of Finance publishes every month the consolidated data required to calculate the risk index of the Colombian banking system (loan loss allowances and total loans).

EXCHANGE RATE INFORMATION

Exchange Rates

Chile has two currency markets, the Formal Exchange Market (*Mercado Cambiario Formal*) and the Informal Exchange Market (*Mercado Cambiario Informal*). The Formal Exchange Market is comprised of banks and other entities authorized by the Central Bank of Chile. The Informal Exchange Market is comprised of entities that are not expressly authorized to operate in the Formal Exchange Market, such as certain foreign exchange houses and travel agencies, among others. The Central Bank of Chile is empowered to require that certain purchases and sales of foreign currencies be carried out on the Formal Exchange Market. Both the Formal and Informal Exchange Markets are driven by free market forces. Current regulations require that the Central Bank of Chile be informed of certain transactions and that they be effected through the Formal Exchange Market.

The U.S. dollar observed exchange rate (*dólar observado*), or the Observed Exchange Rate, which is reported by the Central Bank of Chile and published daily in the Official Gazette (*Diario Oficial*) is the weighted average exchange rate of the previous business day’s transactions in the Formal Exchange Market. Nevertheless, the Central Bank of Chile may intervene by buying or selling foreign currency on the Formal Exchange Market to attempt to maintain the Observed Exchange Rate within a desired range. Even though the Central Bank of Chile is authorized to carry out its transactions at the Observed Exchange Rate, it often uses spot rates instead. Many other banks carry out foreign exchange transactions at spot rates as well.

The Informal Exchange Market reflects transactions carried out at an informal exchange rate. There are no limits imposed on the extent to which the rate of exchange in the Informal Exchange Market can fluctuate above or below the Observed Exchange Rate.

The Federal Reserve Bank of New York does not report a noon buying rate for Chilean pesos.

As of December 31, 2012, the U.S. dollar exchange rate used by us was Ch\$479.16 per US\$1.00.

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The following table sets forth the annual low, high, average and period-end Observed Exchange Rate for U.S. dollars for the periods set forth below, as reported by the Central Bank of Chile.

	Daily Observed Exchange Rate (Ch\$ per US\$) ⁽¹⁾			
	Low ⁽²⁾	High ⁽²⁾	Average ⁽³⁾	Period-End ⁽⁴⁾
Year ended December 31,				
2008	431.22	676.75	521.79	629.11
2009	491.09	643.87	559.67	506.43
2010	468.37	549.17	510.38	468.37
2011	455.91	533.74	483.36	521.46
2012	469.65	519.69	486.75	478.60
Quarterly period				
2011 1st Quarter	466.05	499.03	481.63	482.08
2011 2nd Quarter	460.04	479.46	469.43	471.13
2011 3rd Quarter	455.92	521.85	471.07	515.14
2011 4th Quarter	490.29	533.74	512.47	521.46
2012 1st Quarter	475.29	519.20	489.53	489.76
2012 2nd Quarter	482.12	519.69	496.40	509.73
2012 3rd Quarter	469.65	501.84	482.97	470.48
2012 4th Quarter	471.54	484.48	477.62	478.60
2013 1st Quarter	470.67	479.96	472.50	472.54
Month ended				
October 2012	471.54	481.98	475.36	480.03
November 2012	476.20	484.48	480.57	479.42
December 2012	474.36	481.28	477.13	478.60
January 2013	470.67	479.96	472.67	471.40
February 2013	470.67	473.60	472.34	473.30
March 2013	471.10	474.82	472.48	472.54
April 2013	466.50	477.74	472.14	471.54

Source: Central Bank

(1) Nominal figures.

(2) Exchange rates are the actual low and high, on a day-by-day basis for each period.

(3) The average of the exchange rates on the last day of each month during the period.

(4) Each annual period ends on December 31, and the respective period-end exchange rate is published by the Central Bank of Chile on the first business day following December 31. Each monthly period ends on the last calendar day of such month and the respective period-end exchange rate is published by the Central Bank of Chile on the first business day following the last calendar day of such month.

The following table sets forth the annual low, high, average and period-end exchange rate for U.S. dollars for the periods set forth below under our policy to calculate our own exchange rate:

	Bank's Exchange Rate Ch\$ per US\$1			
	Low ⁽²⁾	High ⁽²⁾	Average ⁽³⁾	Period End
Year ended December 31,				
2008	431.40	680.15	522.50	637.44
2009	490.77	640.60	559.16	507.52
2010	467.78	547.94	510.18	467.78
2011	455.87	535.03	483.49	519.08
2012	469.68	518.65	486.68	479.16
Quarterly period				
2011 1st Quarter	466.62	498.13	481.72	477.18
2011 2nd Quarter	459.86	476.33	469.18	467.22
2011 3rd Quarter	455.87	521.69	471.79	519.32
2011 4th Quarter	491.04	535.03	512.41	519.08
2012 1st Quarter	475.70	518.65	489.24	488.93
2012 2nd Quarter	481.46	518.46	497.15	501.07
2012 3rd Quarter	469.68	499.48	482.48	473.94
2012 4th Quarter	472.30	484.83	477.88	479.16
2013 1st Quarter	470.39	475.26	472.36	471.89

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Month ended				
October 2012	472.30	482.88	476.04	481.61
November 2012	477.02	484.83	480.48	480.88
December 2012	474.05	481.09	477.26	479.16
January 2013	470.39	475.26	472.36	471.08
February 2013	470.43	473.62	472.37	471.16
March 2013	471.13	474.36	472.36	471.89
April 2013	466.48	477.72	472.00	470.70

(1) Nominal figures.

(2) Exchange rates are the actual low and high, on a day-by-day basis for each period.

(3) The average of the exchange rates on the last day of each month during the period.

Exchange Controls Considerations

Investments made in our common shares and our ADRs are subject to the following requirements:

- any foreign investor acquiring common shares to be deposited into an ADR facility who brought funds into Chile for that purpose must bring those funds through an entity participating in the Formal Exchange Market;
- the entity participating in the Formal Exchange Market through which the funds are brought into Chile must report such investment to the Central Bank of Chile;
- all remittances of funds from Chile to the foreign investor upon the sale of common shares underlying American Depositary Shares, or ADSs, or from dividends or other distributions made in connection therewith must be made through the Formal Exchange Market; and
- all remittances of funds made to the foreign investor must be reported to the Central Bank of Chile.

When funds are brought into Chile for a purpose other than to acquire common shares to convert them into ADSs and subsequently are used to acquire common shares to be deposited into the ADR facility, such investment must be reported to the Central Bank of Chile by the custodian within ten days following the end of each month within which the custodian is obligated to deliver periodic reports to the Central Bank of Chile.

All payments in foreign currency in connection with ADSs made from Chile through the Formal Exchange Market must be reported to the Central Bank of Chile by the entity participating in the transaction. In the event there are payments made outside of Chile, the foreign investor must provide the relevant information to the Central Bank of Chile directly or through an entity of the Formal Exchange Market within the first ten calendar days of the month following the date on which the payment was made.

We cannot assure you that additional Chilean restrictions applicable to the holders of the ADSs, the disposition of shares underlying ADSs or the conversion or repatriation of the proceeds from such disposition will not be imposed in the future, nor can we assess the duration or impact of such restriction if imposed.

This summary does not purport to be complete and is qualified by reference to Chapter XIV of the Central Bank Foreign Exchange Regulations, a copy of which is available in the original Spanish version at the Central Bank of Chile's website at www.bcentral.cl.

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A. SELECTED FINANCIAL DATA

The following tables present our selected financial data as of the dates and for the periods indicated. You should read the following information together with our audited consolidated financial statements, including the notes thereto, included in this Annual Report and the information set forth in “Item 5. Operating and Financial Review and Prospects”.

	For the fiscal years ended December 31,					
	2008	2009	2010	2011	2012	2012 (1)
	Ch\$	Ch\$	Ch\$	Ch\$	Ch\$	US\$
	(in millions of Ch\$, in thousands of US\$) ⁽¹²⁾					
CONSOLIDATED STATEMENTS OF INCOME						
Interest income	560,893	314,115	387,639	528,622	762,992	1,592,353
Interest expense	(346,717)	(120,727)	(163,229)	(335,622)	(506,116)	(1,056,257)
Net interest income	214,176	193,388	224,410	193,000	256,876	536,097
Provisions for loan losses	(54,983)	(71,271)	(52,351)	(40,754)	(51,575)	(107,636)
Net service fee income	42,052	43,261	58,221	60,362	85,644	178,738
Trading and investment, foreign exchange gains and other operating income	19,930	59,285	44,033	80,469	104,398	217,877
Income attributable to investments in other companies	262	445	296	250	367	766
Total operating expenses	(123,451)	(122,667)	(132,683)	(152,706)	(253,644)	(529,351)
Income before income taxes	97,986	102,441	141,926	140,621	142,066	296,490
Income taxes	(9,304)	(16,249)	(20,353)	(23,303)	(22,913)	(47,819)
Net income for the year	88,682	86,192	121,573	117,318	119,153	248,671
Basic earnings per share ⁽²⁾	0.39	0.39	0.54	0.50	0.43	0.001
Diluted earnings per share ⁽³⁾	0.39	0.39	0.54	0.50	0.43	0.001
Dividends per ADS ⁽³⁾⁽⁴⁾	601	583	804	703	609	1.3
Shares of common stock outstanding (in thousands)	221,236,558.3	221,854,744.5	226,909,290.6	250,358,194.2	293,358,194.2	

	As of December 31,					
	2008	2009	2010	2011	2012	2012 (1)
	Ch\$	Ch\$	Ch\$	Ch\$	Ch\$	US\$
	(in millions of Ch\$, in thousands of US\$) ⁽¹²⁾					
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION						
Cash and deposits in banks	81,326	110,331	202,339	265,747	520,228	1,085,708
Cash in the process of collection	117,703	95,796	79,680	96,230	123,777	258,321
Trading portfolio financial assets	85,105	76,156	197,580	166,039	159,898	333,705
Investments under agreements to resell	50,514	51,970	75,676	23,251	21,313	44,480
Derivative financial instruments	209,482	126,140	204,067	248,982	268,027	559,368
Loans and receivables from banks	37,671	86,220	63,998	304,098	482,371	1,006,701
Loans and receivables from customers, net	4,881,013	4,912,392	5,364,980	6,711,945	9,993,890	20,857,104
Financial investments available-for-sale	576,478	737,162	746,248	843,250	1,112,435	2,321,636
Held-to-maturity investments	–	–	–	21,962	104,977	219,085
Investments in other companies	3,699	3,583	3,583	3,583	5,793	12,090
Intangible assets	12,252	13,630	13,096	12,239	481,682	1,005,263
Property, plant and equipment, net	51,231	55,212	53,430	57,225	65,086	135,834
Current taxes	6,488	–	–	6,278	–	–
Deferred income taxes	12,795	19,060	21,956	25,080	37,144	77,519
Other assets	80,176	92,307	104,207	102,775	149,903	312,845
TOTAL ASSETS	6,205,933	6,379,959	7,130,840	8,888,684	13,526,524	28,229,660

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	As of December 31,					
	Ch\$	Ch\$	Ch\$	Ch\$	Ch\$	US\$
	2008	2009	2010	2011	2012	2012 (1)
	(in millions of Ch\$, in thousands of US\$) ⁽¹²⁾					
Current accounts and demand deposits	357,902	496,270	612,064	682,720	1,112,675	2,322,137
Cash in process of collection	86,176	64,854	41,525	36,948	68,883	143,758
Obligations under repurchase agreements	351,471	465,513	189,350	130,549	257,721	537,860
Time deposits and saving accounts	3,350,742	3,316,045	3,700,454	4,824,378	7,682,675	16,033,632
Derivative financial instruments	195,608	114,703	175,261	166,872	193,844	404,550
Borrowings from financial institutions	492,606	362,403	503,692	663,626	969,521	2,023,376
Debt issued	765,172	935,219	1,215,435	1,522,773	1,886,604	3,937,315
Other financial obligations	47,394	26,853	23,660	20,053	18,120	37,816
Current income tax provision	–	7,831	7,168	–	9,057	18,902
Deferred income taxes	10,606	15,644	21,244	25,352	117,753	245,749
Provisions	32,427	49,804	67,732	42,030	125,939	262,833
Other liabilities	18,552	17,471	20,998	30,981	75,205	156,952
TOTAL LIABILITIES	5,708,656	5,872,610	6,578,583	8,146,282	12,517,997	26,124,879
Shareholders' equity	497,277	507,349	552,257	742,402	1,008,527	2,104,781
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	6,205,933	6,379,959	7,130,840	8,888,684	13,526,524	28,229,660

	As of and for the fiscal years ended December 31,						
	2008	2009	2010	2011	2012		
CONSOLIDATED RATIOS							
Profitability and Performance							
Net interest margin ⁽⁵⁾			4.6%	3.6%	3.6%	2.7%	2.3%
Return on average total assets ⁽⁶⁾			1.6%	1.4%	1.8%	1.5%	0.9%
Return on average shareholders' equity ⁽⁷⁾			19.0%	18.4%	23.9%	19.6%	13.1%
Efficiency ratio (consolidated) ⁽⁸⁾			44.7%	41.5%	41.0%	45.7%	56.8%
Dividend payout ratio ⁽⁹⁾			100%	100.0%	100.0%	100.0%	100.0%
Capital							
Average shareholders' equity as a percentage of average total assets			8.6%	7.7%	7.5%	7.5%	7.2%
Shareholders' equity as a percentage of total liabilities			8.7%	8.6%	8.4%	9.1%	8.1%
Asset Quality							
Allowances for loan losses as a percentage of overdue loans ⁽¹⁰⁾			163.3%	598.0%	165.8%	153.8%	101.8%
Overdue loans as a percentage of total loans ⁽¹⁰⁾			0.9%	0.3%	1.2%	1.0%	1.1%
Allowances for loan losses as a percentage of total loans			1.5%	1.9%	1.9%	1.5%	1.1%
Past due loans as a percentage of total loans ⁽¹¹⁾			0.8%	0.8%	0.9%	0.7%	0.5%
OTHER DATA							
Foreign exchange rate (Ch\$/US\$)			28%	(19.5)%	(7.8)%	11.0%	(7.7)%
Number of employees			3,022	3,127	3,422	3,461	5,163
Number of branches and offices			109	112	113	116	209

(1) Amounts stated in U.S. dollars as of December 31, 2012, and for the year ended December 31, 2012 have been translated from Chilean pesos at our exchange rate of Ch\$479.16 per US\$1.00 as of December 31, 2012.

(2) Earnings per common share have been calculated on the basis of the weighted average number of shares outstanding for the period.

(3) Represents dividends paid in respect of net income earned in the prior fiscal year.

(4) As of December 31, 2008, 2009 and 2010, one ADS equaled 5,000 common shares. As of December 31, 2011 and 2012, one ADS equaled 1,500 common shares. On February 23, 2011, CorpBanca changed the ratio of the ADSs from 5,000 common shares to 1 ADS to 1,500 common shares to 1 ADS. The dividend per ADS calculation has been made utilizing the ratio of 1,500 common shares to one ADS for the year ended December 31, 2008, 2009, 2010, 2011 and 2012 for comparative purposes only.

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- (5) Net interest margin is defined as net interest income divided by average interest-earning assets.
- (6) Return on average total assets is defined as net income divided by average total assets.
- (7) Return on average shareholders' equity is defined as net income divided by average shareholders' equity.
- (8) Efficiency ratio (consolidated) is defined as total operating expenses as a percentage of operating income before loan losses.
- (9) Dividend payout ratio represents dividends divided by net income.
- (10) Overdue loans consist of all non-current loans (loans to customers).
- (11) Past due loans include all installments and lines of credit more than 90 overdue.
- (12) Amounts stated in millions of Chilean pesos and millions of U.S. dollars except for earnings per share, dividends per share and ADSs expressed in Chilean pesos and in U.S. dollars.

B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

D. RISK FACTORS

RISKS ASSOCIATED WITH OUR BUSINESS

The growth and composition of our loan portfolio may expose us to increased loan losses

From December 31, 2009 to December 31, 2012, the compounded annual growth rate of our aggregate gross loan portfolio was 26.6%. Our business strategy is to grow profitably while increasing the size of our loan portfolio.

Our loan portfolio has one segment with the highest level of risk: consumer loans. As of December 31, 2012, the risk index (ratio of allowance for loans losses over total loans) of this segment was 2.2% while other segments of our loan portfolio such as mortgage loans or commercial loans have lower risk indices, 0.4% and 1.1%, respectively.

Our consumer loans have increased since June 2011 in terms of aggregate amount, and our consumer loans have increased as a percentage of our total loan portfolio only since July 2012. Our consumer loans have been increasing since May 2012 in terms of both aggregate amount, and as a percentage of our total loan portfolio as a result of our acquisition of a 91.9% equity interest in Banco Santander Colombia S.A. (now known as CorpBanca Colombia). The aforementioned acquisition is hereinafter referred to as the Banco Santander Colombia Acquisition. As of December 31, 2012, consumer loans represented 10.7% of our total loan portfolio.

The characteristics of our consumer loan portfolio that make it susceptible to loan losses are the absence of collateral and the risk of unemployment of our consumer borrowers.

We believe our allowance for loan losses is adequate as of the date hereof to cover all known losses in our loan portfolio. The growth of our loan portfolio (particularly in the lower-middle to middle income consumer segments) may expose us to a higher level of loan losses and require us to establish proportionately higher levels of provisions for loan losses, which offset the increased income that we can expect to receive as our loan portfolio grows.

Our loan portfolio may not continue to grow at the same or similar rate

Past performance of our loan portfolio may not be indicative of future performance. There can be no assurance that in the future our loan portfolio will continue to grow at the same or similar rates as the growth rate that we historically experienced. A reversal of the rate of growth of the Chilean or Colombian economy, a slowdown in the growth of customer demand, an increase in market competition or changes in governmental regulations, could adversely affect the rate of growth of our loan portfolio and our risk index and, accordingly, increase our required allowances for loan losses. Economic turmoil could also materially and adversely affect the liquidity, businesses and financial condition of our customers, including a general decline in consumer spending and a rise in unemployment, which in turn could lead to decreased demand for borrowings in general.

Our allowances for loan losses may not be adequate to cover the future actual losses to our loan portfolio

As of December 31, 2012, our allowance for loan losses was Ch\$109,601 million (excluding allowances for loan losses on loans and receivable to banks), and the risk index was 1.1%. The amount of allowance for loan losses is based on our current assessment of and expectations concerning various factors affecting

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the quality of our loan portfolio. These factors include, among other things, our customers' financial condition, repayment abilities and repayment intentions, the realizable value of any collateral, the prospects for support from any guarantor, Chile's and Colombia's economy, government macroeconomic policies, interest rates and the legal and regulatory environment. As the recent global financial crisis has demonstrated, many of these factors are beyond our control. In addition, as these factors evolve, the models we use to determine the appropriate level of allowance for loan losses require recalibration, which may lead to increased provision for loan losses. We believe our allowance for loan losses is adequate as of the date hereof for all known losses. If our assessment of and expectations concerning the above mentioned factors differ from actual developments, or if the quality of our loan portfolio deteriorates or the future actual losses exceed our estimates, our allowance for loan losses may not be adequate to cover actual losses and we may need to make additional allowances for loan losses, which may materially and adversely affect our results of operations and financial condition.

If we are unable to maintain the quality of our loan portfolio, our financial condition and results of operations may be materially and adversely affected

As of December 31, 2012, our past due loans were Ch\$51,272 million, which resulted in a past due loans to total loans ratio of 0.5%. As of December 31, 2012, our non-performing loans were Ch\$117,937 million, which resulted in a non-performing to total loans ratio of 1.2%. We seek to continue to improve our credit risk management policies and procedures. However, we cannot assure you that our credit risk management policies, procedures and systems are free from any deficiency. Failure of credit risk management policies may result in an increase in the level of non-performing loans and adversely affect the quality of our loan portfolio. In addition, the quality of our loan portfolio may also deteriorate due to various other reasons, including factors beyond our control, such as the macroeconomic factors affecting the Chilean or Colombian economies. If such deterioration were to occur, it could materially adversely affect our financial conditions and results of operations.

Our exposure to individuals and small-to-medium sized companies could lead to higher levels of past due loans and subsequent loan losses

The quality of our portfolio of loans to individuals and small-to-medium sized companies, or SMEs, is dependent to a significant extent on prevailing economic conditions in Chile and Colombia. SMEs and lower-middle to middle income individuals are more likely to be more severely affected by adverse developments in the Chilean and Colombian economies than large corporations and higher income individuals. As a result, lending to SMEs and lower-middle to middle income individuals represents a relatively higher degree of risk than lending to other market segments.

A substantial number of our customers consist of individuals and SMEs. As part of our business strategy, we seek to increase lending and other services to SMEs and lower-income individuals. Our business results relating to our lower-income individual and SME customers are, however, more likely to be adversely affected by downturns in the Chilean and Colombian economies, including increases in unemployment, than our business from large corporations and high-income individuals. For example, unemployment directly affects the capacity of individuals to obtain and repay consumer loans. Consequently, this could materially and adversely affect the liquidity, business and financial condition of our customers, which may in turn cause us to experience higher levels of past due loans, which could result in higher allowances for loan losses. This may materially affect us, including our asset quality, results of operations and financial conditions.

The value of any collateral securing our loans may not be sufficient, and we may be unable to realize the full value of the collateral securing our loan portfolio

From time to time, we require our borrowers to collateralize their loans with guarantees, pledges of particular assets or other security. The value of any collateral securing our loan portfolio may significantly fluctuate or decline due to factors beyond our control, including macroeconomic factors affecting the Chilean and Colombian economies. The real estate market is particularly vulnerable to a negative economic climate and this may affect us as real estate represents a significant portion of the collateral securing our residential mortgages loan portfolio. We may also not have sufficiently recent information on the value of collateral, which may result in an inaccurate assessment for impairment losses of our loans secured by such collateral. If this were to occur, we may need to make additional allowance for loan losses to cover actual impairment losses of our loans, which may materially and adversely affect our results of operations and financial condition.

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Additionally, there are certain provisions under Chilean law No. 19,335 of 1994 that may affect the procedures for foreclosing on or liquidating residential mortgages if the residence in question has been declared as “family property” by a court because it is inhabited by the family of the mortgagor. If any party occupying the real estate files a petition with the court requesting that such real estate be declared family property, we may be delayed in foreclosing on such property.

We may be unable to meet requirements relating to capital adequacy

Chilean banks are required by the General Banking Law to maintain regulatory capital of at least 8% of risk-weighted assets, net of required allowance for loan losses and deductions, and basic capital of at least 3% of total assets, net of required allowance for loan losses. In connection with the Banco Santander Colombia Acquisition, we have entered into an agreement to acquire up to a 100% equity interest in the common shares of Helm Bank and its consolidated subsidiaries, or Helm Bank, with the intent to merge Helm Bank with and into CorpBanca Colombia, and to acquire an 80% equity interest in Helm Corredor de Seguros S.A., or Helm Insurance. For the purposes of maintaining a high solvency classification from the SBIF and continued compliance with the SBIF’s capital requirements on us, our intention is to have the highest classification from the SBIF. Also, we have committed to have regulatory capital over 10% of risk-weighted assets for a period of one year after the Banco Santander Colombia Acquisition. As of December 31, 2012, the ratio of our Bank for International Settlements, or BIS, capital-weighted assets ratio was 11.2%. Certain developments could affect our ability to continue to satisfy the current capital adequacy requirements applicable to us, including:

- the increase of risk-weighted assets as a result of the expansion of our business,
- the failure to increase our capital correspondingly,
- losses resulting from a deterioration in our asset quality,
- declines in the value of our available-for-sale investment portfolio,
- goodwill and minority interest,
- changes in accounting rules, and
- changes in the guidelines regarding the calculation of the capital adequacy ratios of banks in Chile.

As provided in article 68 of the General Banking Law, if we fail to comply with the legal requirements relating to the maintenance of regulatory capital (which is comprised of effective net worth and basic capital, as both concepts are defined in such provision), we must comply with such legal requirements within a period of sixty days. For each day we fail to comply with such legal requirements, we may be subject to a daily penalty equal to one thousandth of the deficit of the effective net worth or basic capital, as the case may be.

CorpBanca Colombia may be unable to meet requirements relating to capital adequacy

Capital adequacy requirements for Colombian financial institutions (as set forth in Decree 1771 of 2012, as amended) are based on applicable Basel Committee standards. The regulations establish four categories of assets, which are each assigned different risk weights, and require that a credit institution’s Technical Capital (as defined below) be at least 9% of that institution’s total risk-weighted assets.

Technical Capital for the purposes of the regulations consists of the sum of Tier One Capital (basic capital) and Tier Two Capital (additional capital), collectively, Technical Capital. As of December 31, 2012, the ratio of CorpBanca Colombia’s BIS capital to risk-weighted assets was 11.8%. Certain developments could affect CorpBanca Colombia’s ability to continue to satisfy the current capital adequacy requirements applicable to it, including:

- the increase of risk-weighted assets as a result of the expansion of CorpBanca Colombia’s business,
- the failure to increase CorpBanca Colombia’s capital correspondingly,
- losses resulting from a deterioration in CorpBanca Colombia’s asset quality,
- declines in the value of CorpBanca Colombia’s available-for-sale investment portfolio,

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- goodwill and minority interest,
- changes in accounting rules, and
- changes in the guidelines regarding the calculation of the capital adequacy ratios of banks in Colombia.

If we fail to comply with the Capital adequacy requirements for Colombian financial institutions, as a result of the Helm Bank Acquisition or any other reason, we may be subject to certain penalties, as the case may be, and our business, results of operations and financial condition may be materially and adversely affected.

We are vulnerable to the current disruptions and volatility in the global financial markets

In the past few years, the global financial system has experienced difficult credit and liquidity conditions and disruptions leading to less liquidity, greater volatility and general widening of spreads. Global economic conditions deteriorated significantly in the second half of 2008, and many countries, including the United States, in past years have been operating in a recessionary period. Many major financial institutions, including some of the world's largest global commercial banks, investment banks, mortgage lenders, mortgage guarantors and insurance companies, have also been experiencing significant difficulties. In recent years, there have also been runs on deposits at several financial institutions, numerous institutions have sought additional capital and many lenders and institutional investors have reduced or ceased providing funding to borrowers (including to other financial institutions).

In Chile and Colombia, the global economic recession in 2008 and 2009 caused an increase in unemployment, a decrease in consumer spending, a decrease in real estate prices and a general decline in economic activity. Nevertheless, the gross domestic product, or GDP, grew in Chile 5.2% in 2010, 6% in 2011 and 5.6% in 2012, accompanied by a high demand for labor and asset price increases. The Colombian GDP grew 4% in 2010, 6.6% in 2011 and 4% in 2012, accompanied by a high demand for labor and asset price increases.

However, the continued economic and sovereign debt crisis in some industrialized economies, particularly in Europe, and the continued or worsening disruption and volatility in the global financial markets could have a negative impact on the performance of the Chilean economy, the Colombian economy and a material adverse effect on our ability to access capital and liquidity on financial terms acceptable to us, if at all. If capital markets financing ceases to become available, or becomes excessively expensive, we may be forced to raise the rates we pay on deposits to attract more customers. Any such increase in capital markets funding costs or deposit rates could have a material adverse effect on our interest margins.

Increased competition and industry consolidation may adversely affect the results of our operations

The Chilean and Colombian markets for financial services are highly competitive. In Chile, we compete with other Chilean private sector domestic and foreign banks, Banco del Estado de Chile, a state owned bank, credit unions and public social security funds (*cajas de compensación*) that offer consumer and other loans to a large portion of the Chilean population. The lower-middle to middle income segments of the Chilean population and the SME segments have become the target markets of several banks, and competition in these segments is likely to increase. As a result, net interest margins in these segments have declined. Although we believe that demand for financial products and services from the lower-middle to middle income consumer market segments and for small and medium-sized companies will continue to grow during the remainder of the decade, our net interest margins may not be maintained at their current levels.

We also face competition from non-bank and non-finance competitors with respect to some of our credit products, such as credit cards, consumer loans, insurance brokerage, department stores, large supermarket chains and other financial intermediaries who are able to provide large companies with access to the capital markets as an alternative to bank loans and sell other financial products. Non-bank competition from large department stores has become increasingly significant in the consumer lending sector as many leading department store owners and operators began offering consumer credit either alone or in conjunction with various financial institutions. Since 1998, three new private sector banks affiliated with Chile's largest department stores have initiated operations mainly as consumer and medium-sized corporate niche banks. In addition, we face competition from non-bank finance competitors, such as leasing, factoring and automobile finance companies, with respect to loans and credit products, and from mutual funds, pension funds and insurance companies, with respect to savings products and mortgage loans. Banks continue to be the main suppliers of leasing, factoring and mutual funds in Chile, and the insurance sales business has seen rapid growth. Nevertheless, non-banking competition, especially department stores, may be able to engage in some types of advertising and promotion in which, by virtue of Chilean banking rules and regulations, we are prohibited from engaging.

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The increase in competition within the Chilean banking industry in recent years has led to consolidation in the industry. Further consolidation in the industry, which can result in the creation of larger and stronger competitors, may adversely affect our financial condition and results of operations by decreasing the net interest margins we are able to generate. An increase in the prevalence of this method of financing could reduce our market share for corporate financing and adversely affect our results of operations.

Insurance companies as well as residential mortgage loan managers (*Administradoras de Mutuos Hipotecarios*) are allowed to participate and compete with banks in the residential mortgage and credit card businesses, further increasing competition in our industry. Furthermore, under the General Banking Law representative offices of non-Chilean banks are now allowed to promote the credit products and services of their headquarters and banks, insurance companies, retailers and other financial institutions are required to inform their customers of the all-in costs of the financial services on standardized terms allowing their customers to compare the cost of the products offered by them, all of which have increased, and may further increase, competition in our industry and, thus, have an adverse effect on our results of operation and financial condition.

In Colombia, CorpBanca Colombia operates in a highly competitive environment and increased competitive conditions are to be expected in the jurisdictions where CorpBanca Colombia operates. Intensified merger activity in the financial services industry produces larger, better capitalized and more geographically diverse firms that are capable of offering a wider array of financial products and services at more competitive prices. CorpBanca Colombia's ability to maintain its competitive position depends mainly on its ability to fulfill new customers' needs through the development of new products and services and CorpBanca Colombia's ability to offer adequate services and strengthen its customer base through cross-selling. CorpBanca Colombia's and our business will be adversely affected if CorpBanca Colombia is not able to maintain efficient service strategies. In addition, CorpBanca Colombia's efforts to offer new services and products may not succeed if product or market opportunities develop more slowly than expected or if the profitability of opportunities is undermined by competitive pressures.

The effectiveness of our credit risk management is affected by the quality and scope of information available in Chile and Colombia

In assessing customers' creditworthiness, we rely largely on the credit information available from our own internal databases, the SBIF, Dicom (a privately owned company and Chilean nationwide credit data base), the Colombian Superintendency of Finance, DataCredito (a privately owned company) and CIFIN, a division of the banking association, and other sources. Due to limitations in the availability of information and the developing information infrastructure in Chile and Colombia, our assessment of the credit risks associated with a particular customer may not be based on complete, accurate or reliable information. In addition, although we have been improving our credit scoring systems to better assess borrowers' credit risk profiles, we cannot assure you that our credit scoring systems collect complete or accurate information reflecting the actual behavior of customers or that their credit risk can be assessed correctly. Without complete, accurate and reliable information, we have to rely on other publicly available resources, which may not be complete or accurate. As a result, asset quality may be materially adversely affected.

Our risk management system may not be sufficient to avoid losses that could have a material adverse effect on our business, financial condition and results of operations

In addition to granting loans, part of our financial portfolio consists of trading transactions by our treasury division. Accordingly, changes in interest rates, securities prices, currency exchange rates and other indices may adversely affect our results of operations. Our financial success depends on, among other factors, our ability to accurately balance the risks we take and the returns we gain from our transactions. While we focus on the identification, analysis, management and control of our risks, both in favorable and adverse market conditions, there can be no assurance that our risk management efforts will prevent us from experiencing material losses. In particular, we may experience losses that could have a material adverse effect on our business, financial condition and results of operations if:

- we are not capable of identifying all of the risks that may affect our portfolio;

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- our risk analysis or our measures taken in response to such risks are inadequate or inaccurate;
- the markets move in an unexpected and adverse way with respect to speed, direction, strength or other aspects and our ability to manage risks in such a scenario is restricted;
- our clients are affected by unforeseen events resulting in their default or losses in an amount higher than those considered in our risk analyses; and
- collateral pledged in our favor is insufficient to cover our clients' obligations to us if they default.

Since our principal sources of funds are short-term deposits, a sudden shortage of funds could cause an increase in costs of funding and a material adverse effect on our revenues

Deposits and other term deposits are our primary sources of funding, which represent 70.3% of our liabilities as of December 31, 2012. If a substantial number of our depositors withdraw their demand deposits or do not roll over their time deposits upon maturity, our liquidity position, results of operations and financial condition may be materially and adversely affected. We cannot assure you that in the event of a sudden or unexpected shortage of funds, any money markets in which we operate will be able to maintain levels of funding without incurring higher funding costs or the liquidation of certain assets. If this were to happen, our business, results of operations and financial condition may be materially and adversely affected.

Currency fluctuations could adversely affect our financial condition and results of operations and the value of our securities

Government economic policies and any future changes in the value of the Chilean peso or the Colombian peso against the U.S. dollar could affect the dollar value of our securities. The Chilean peso and the Colombian peso have been subject to significant fluctuations in their value against the U.S. Dollar in the past and could be subject to similar fluctuations in the future. As of December 31, 2009, the Chilean peso depreciated against the U.S. dollar by 20.4% and the Colombian peso appreciated against the U.S. dollar by 8.9%, each as compared to 2008. As of December 31, 2010, the Chilean peso depreciated against the U.S. dollar by 7.8% and the Colombian peso appreciated against the U.S. dollar by 6.4%, each as compared to 2009. As of December 31, 2011, the Chilean peso depreciated against the U.S. dollar by 11% and the Colombian peso depreciated against the U.S. dollar by 1.5%, each as compared to 2010. As of December 31, 2012, the Chilean peso appreciated against the U.S. dollar by 8.2% and the Colombian peso appreciated against the U.S. dollar by 9%, each as compared to 2011.

Our results of operations may be affected by fluctuations in exchange rates between the Chilean peso, the Colombian peso and the dollar despite our policy and Chilean and Colombian regulations relating to the general avoidance of material exchange rate gaps. Entering into forward exchange transactions enables us to reduce the negative impact of material gaps between the balances of our foreign currency-denominated assets and liabilities. As of December 31, 2009, 2010, 2011 and 2012, the gap between foreign currency denominated assets and foreign currency denominated liabilities, excluding derivatives, was Ch\$(279,942) million, Ch\$(444,175), Ch\$(23,560) million and Ch\$241,832 million, respectively.

We may decide to change our policy regarding exchange rate gaps. Regulations that limit such gaps may also be amended or eliminated. Greater exchange rate gaps will increase our exposure to the devaluation of the Chilean peso and the Colombian peso, and any such devaluation may impair our capacity to service our foreign-currency obligations and may, therefore, materially and adversely affect our financial condition and results of operations. Notwithstanding the existence of general policies and regulations that limit material exchange rate gaps, the economic policies of the Chilean or the Colombian governments and any future fluctuations of the Chilean peso or the Colombian peso against the dollar could materially and adversely affect our financial condition and results of operations.

Trading transactions in Chile of the common shares underlying our ADSs are denominated in Chilean pesos. Cash distributions with respect to our common shares are received in Chilean pesos by the depositary, which then converts such amounts to U.S. dollars at the then-prevailing exchange rate for the purpose of making payments in respect of our ADSs. If the value of the Chilean peso falls relative to the U.S. dollar, the dollar value of our ADSs and any distributions to be received from the depositary will be reduced. In addition, the depositary will incur customary currency conversion costs (to be borne by the holders of our ADSs) in connection with the conversion and subsequent distribution of dividends or other payments.

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Our business is highly dependent on proper functioning and improvement of information technology systems

Our business is highly dependent on the ability of our information technology systems to accurately process a large number of transactions across numerous and diverse markets and products in a timely manner. The proper functioning of our financial control, risk management, accounting, customer service and other data processing systems is critical to our business and our ability to compete effectively. We have backup data for our key data processing systems that could be used in the event of a catastrophe or a failure of our primary systems, and have established alternative communication networks where available. However, we cannot assure you that our business activities would not be materially disrupted if there were a partial or complete failure of any of these primary information technology systems or communication networks. Such failures could be caused by, among other things, software bugs, computer virus attacks or conversion errors due to system upgrading. In addition, any security breach caused by unauthorized access to information or systems, intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, could have a material adverse effect on our business, results of operations and financial condition.

Our ability to remain competitive and achieve further growth will depend in part on our ability to upgrade our information technology systems and increase our capacity on a timely and cost effective basis. Any substantial failure to improve or upgrade information technology systems effectively or on a timely basis could materially and adversely affect our business, financial condition and results of operations.

Our business in Colombia is highly dependent on a technology service agreement with Banco Santander, S.A.

We entered into a technology service agreement with Banco Santander, S.A. in connection with the Banco Santander Colombia Acquisition. The technology service agreement expires in June 2015; however, we have the option to extend the term of such agreement for an additional year. Our business in Colombia is highly dependent on the service and support of Banco Santander, S.A. provided to us pursuant to the technology service agreement. If Banco Santander, S.A. is unable to service and support our business in Colombia or if we are unable to integrate our information technology systems into our business in Colombia after the expiration of the technology service agreement, then such failure could materially and adversely affect our business, financial condition and results of operations.

The loss of senior management, or our inability to attract and maintain additional personnel, could have a material adverse effect on our business, financial condition and results of operations

Our ability to maintain our competitive position and implement our growth strategy depends on our senior management. We cannot assure you that we will be successful in attracting and retaining qualified personnel to be part of our management team. The loss of some of the members of our senior management or our inability to retain and attract additional personnel could have a material adverse effect on our business, financial condition and results of operations.

A worsening of labor relations in Chile or Colombia could impact our business

As of December 31, 2012, on a consolidated basis we had 3,574 employees in Chile, of which 41% were unionized and 1,566 employees in Colombia, of which 31% were unionized. CorpBanca's current labor agreement with four of its unions in Chile will expire on December 19, 2019. CorpBanca Colombia's current labor agreement with five of its unions in Colombia will expire on August 31, 2013. To date, CorpBanca Colombia has thirteen unions. We generally apply the terms of our collective bargaining agreement to unionized and non-unionized employees. We have traditionally enjoyed good relations with our employees and their unions, but we cannot assure you that in the future a strengthening of cross-industry labor movements will not result in increased employee or labor costs that could materially and adversely affect our business, financial condition or results of operations.

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We may experience operational problems or errors

We, like all large financial institutions, are exposed to many types of operational risks, including the risk of fraud by employees and outsiders, failure to obtain proper authorizations, failure to properly document transactions, equipment failures and errors by employees. Although we maintain a system of operational controls, there can be no assurances that operational problems or errors will not occur and that their occurrence will not have a material adverse effect on our business, financial condition and results of operations.

Our anti-money laundering and anti-terrorist financing measures may not prevent third parties from using us as a conduit for those activities, which could have a material adverse effect on our business, financial condition and results of operations

We believe that we are in compliance with applicable anti-money laundering and anti-terrorist financing laws and regulations and we have adopted various policies and procedures, including internal controls and “know-your customer” procedures, aimed at preventing money laundering and terrorist financing. In addition, because we also rely on our correspondent banks having their own appropriate anti-money laundering and anti-terrorist financing procedures, we use what we believe are commercially reasonable procedures for monitoring our correspondent banks. However, these measures, procedures and compliance may not be entirely effective in preventing third parties from using us (and our correspondent banks) as a conduit for money laundering (including illegal cash operations) or terrorist financing without our (and our correspondent banks’) knowledge or consent. If we were to be associated with money laundering (including illegal cash operations) or terrorist financing, our reputation could be harmed and we could become subject to fines, sanctions or legal enforcement (including being added to any “blacklists” that would prohibit certain parties from engaging in transactions with us), which could have a material adverse effect on our business, financial condition and results of operation.

Banking regulations in Chile may restrict our operations and thereby adversely affect our financial condition and results of operations

We are subject to regulation by the SBIF. In addition, we are subject to regulation by the Central Bank of Chile with regard to certain matters, including reserve requirements, interest rates, foreign exchange mismatches and market risks. During the Chilean financial crisis of 1982 and 1983, the Central Bank of Chile and the SBIF strictly controlled the funding, lending and general business matters of the banking industry in Chile.

Pursuant to the General Banking Law, all Chilean banks may, subject to the approval of the SBIF, engage in certain businesses in addition to commercial banking depending on the risk associated with such business and their financial strength. Such additional businesses include securities brokerage, mutual fund management, securitization, insurance brokerage, leasing, factoring, financial advisory, custody and transportation of securities, loan collection and financial services. There can be no assurance that regulators will not in the future impose more restrictive limitations on the activities of banks, including us. The General Banking Law also applies to the Chilean financial system, which is a modified version of the capital adequacy guidelines issued by the Basel Committee on Banking Regulation and Supervisory Practices and limits the discretion of the SBIF to deny new banking licenses.

If enacted, new regulations could require us to inject further capital into our business as well as in businesses we acquire, restrict the type or volume of transactions we enter into, or set limits on or require the change of rates or fees that we charge on certain loans or other products, any of which could lower the return on our investments, assets and equity. We may also face increased compliance costs and limitations on our ability to pursue certain business opportunities.

Historically, Chilean banks have not paid interest on amounts deposited in checking accounts. However, since June 1, 2002, the Central Bank of Chile has allowed banks to pay interest on checking accounts. We have begun to pay interest on some checking accounts under certain conditions. If competition or other factors lead us to pay higher interest rates on checking accounts, to relax the conditions under which we pay interest or to increase the number of checking accounts on which we pay interest, any such change could have a material adverse effect on our business, financial condition and results of operations.

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In connection with the Banco Santander Colombia Acquisition, we are required by the SBIF to maintain a BIS capital adequacy ratio of 10% until June 2013. In line with the future adoption of Basel II / Basel III regulations in Chile, the SBIF has recently disclosed a proposal to increase the minimum effective BIS capital adequacy ratio from the current 8% to 10%. This change requires an amendment to the General Banking Law by Congress, and if adopted, could require us to inject additional capital in our business in the future. The SBIF has not issued any timetable for adoption or guidance to Chilean banks regarding the adoption of Basel II or Basel III. Although we have not failed in the past to comply with our capital maintenance obligations, there can be no assurance that we will not do so in the future.

As a result of the recent global financial crisis, there has been an increase in government regulation of the financial services industry in many countries. Such regulation may also be increased in Chile, including the imposition of higher capital requirements, heightened disclosure standards and restrictions on certain types of transaction structures. In addition, numerous novel regulatory proposals have been discussed or proposed. If enacted, new regulations could require us to inject further capital into our business, restrict the type or volume of transactions we enter into, or set limits on or require the modification of rates or fees that we charge on certain loans or other products, any of which could lower the return on our investments, assets and equity. We may also face increased compliance costs and limitations on our ability to pursue certain business opportunities.

We are subject to regulatory inspections and examinations

We are also subject to various inspections, examinations, inquiries, audits and other regulatory requirements by Chilean and Colombian regulatory authorities. We cannot assure you that we will be able to meet all of the applicable regulatory requirements and guidelines, or that we will not be subject to sanctions, fines, restrictions on our business or other penalties in the future as a result of noncompliance. If sanctions, fines, restrictions on our business or other penalties are imposed on us for failure to comply with applicable requirements, guidelines or regulations, our business, financial condition, results of operations and our reputation and ability to engage in business may be materially and adversely affected.

Failure to protect personal information could materially adversely affect our business, financial condition and results of operations

We manage and hold confidential personal information of customers in the conduct of our banking operations. Although we have procedures and controls to safeguard personal information in our possession, unauthorized disclosures could subject us to legal actions and administrative sanctions as well as damages, which, as a result, could have a material adverse effect on our business, financial condition and results of operations.

Our loan and investment portfolios are subject to risk of prepayment, which may result in reinvestment of assets on less profitable terms

Our loan and investment portfolios are subject to prepayment risk, which results from the ability of a borrower or issuer to pay a debt obligation prior to maturity. Generally, in a declining interest rate environment, prepayment activity increases, which reduces the weighted average lives of our earning assets and adversely affects our operating results. We would also be required to amortize net premiums into income over a shorter period of time, thereby reducing the corresponding asset yield and net interest income. Prepayment risk also has an adverse impact on our loan portfolios because it could shorten the weighted average life of our loan portfolio, which may result in a mismatch in funding or reinvestment at lower yields.

Exposure to government debt could have an adverse effect on our business, financial condition and results of operations

We invest in debt securities issued by the Chilean and Colombian governments, the Central Bank of Chile and the Ministry of Finance that, for the most part, are short-term and highly liquid instruments. As of December 31, 2012, 3.3% of our total assets comprised of securities issued by the Chilean government. If the Chilean or Colombian governments default on the timely payment of such securities, our business, financial condition and results of operations may be adversely affected.

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A further downgrade of CorpBanca's counterparty credit rating by international or domestic credit rating agencies may also materially and adversely affect our debt credit rating for domestic and international debt, our business, our future financial performance, stockholders' equity and the value of our securities

Following the Banco Santander Colombia Acquisition, Standard & Poor's downgraded our credit rating from A- to BBB+ with a stable outlook. In connection with the announcement of the Helm Bank Acquisition, Standard & Poor's placed CorpBanca's long term debt on CreditWatch with negative implications and Moody's changed the outlook on the ratings of CorpBanca to negative from stable. Any adverse revision to CorpBanca's credit ratings for domestic and international debt by international and domestic rating agencies may adversely affect our debt ratings, and, as a result, our cost of funding, including interest rates paid on our deposits and securities. If this were to happen, it could have a material adverse effect on our business, future financial performance, stockholders' equity and the value of our securities.

Further downgrades of our debt would adversely affect our cost of funding related to future debt offerings. While certain potential impacts are contractual and quantifiable, the full consequences of a credit ratings downgrade to a financial institution are inherently uncertain, as they depend upon numerous dynamic, complex and inter-related factors and assumptions, including market conditions at the time of any downgrade, whether any downgrade of a firm's long-term credit ratings precipitates downgrades to its short-term credit ratings, and assumptions about the potential behaviors of various customers, investors and counterparties. However, we estimate that if the rating agencies were to downgrade our long-term senior debt ratings by one or two notches, it would increase our borrowing costs for debt issued in the international capital markets. The effect on our long-term debt is much more uncertain due to the factors described above; however, we estimate that there would be a material increase in our borrowing costs for long-term debt. In addition, we expect that we would be required to post additional collateral in respect of our derivative arrangements in the event of such a downgrade. As a result, any such downgrade could have a material adverse effect on our business, financial condition and results of operations. In addition, if we were required to cancel our derivatives contracts with certain counterparties and were unable to replace such contracts, our market risk profile could be altered. For a further discussion of liquidity matters, see "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources."

Mismatches of exchange rate and maturity between our loan portfolio and our sources of funds could materially adversely affect our business, financial condition and results of operations and our capacity to expand our loan business

We are exposed to maturity mismatches between our loans and sources of funding. The majority of our loan portfolio consists of fixed interest rate loans, and the yield from our loans depends on our ability to balance our cost of funding with the interest rates we charge to our borrowers. An increase in market interest rates in Chile or Colombia could increase our cost of funding, especially the cost of time deposits, and could reduce the spread we earn on our loans, materially adversely affecting our business, financial condition and results of operations.

Any mismatch between the maturity of our loan portfolio and our sources of funding would magnify the effect of any imbalance in interest rates, also representing a liquidity risk if we fail to obtain funding on an ongoing basis. In addition, since part of our funding comes from securities denominated in U.S. dollars or other foreign currencies that we issue abroad, any devaluation of the Chilean or Colombian peso against the U.S. dollar or such other foreign currencies would increase the cost of funding in relation to these securities. An increase in our total cost of funds for any of these reasons could result in an increase in the interest rates on our loans, which could, as a result, affect our business, financial condition and results of operations and our ability to attract new customers and expand our loan business.

We are subject to market and operational risks associated with derivative transactions

We enter into derivative transactions primarily for hedging purposes and, on a limited basis, on behalf of customers. These transactions are subject to market and operational risks, including basis risk (the risk of loss associated with variations in the spread between the asset yield and the funding and/or hedge cost) and credit or default risk (the risk of insolvency or other inability of a counterparty to perform its obligations to us).

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Market practices and documentation for derivative transactions in Chile and Colombia may differ from those in other countries. For example, documentation may not incorporate terms and conditions of derivatives transactions as commonly understood in other countries. In addition, the execution and performance of these transactions depends on our ability to develop adequate control and administration systems and to hire and retain qualified personnel. Moreover, our ability to monitor and analyze these transactions depends on our information technology systems. These factors may further increase risks associated with derivative transactions and, if they are not adequately controlled, this could materially and adversely affect our results of operations and financial condition.

Our level of insurance might not be sufficient to fully cover all liabilities that may arise in the course of our business and insurance coverage might not be available in the future

We maintain insurance for losses resulting from fire, explosions, floods and electrical shorts and outages at our various buildings and facilities. We also have civil liability insurance covering material and physical losses and damages that may be suffered by third parties. We cannot assure you that our level of insurance is sufficient to fully cover all liabilities that may arise in the course of our business or that insurance will continue to be available in the future. In addition, we may not be able to obtain insurance on comparable terms in the future. Our business and results of operations may be adversely affected if we incur liabilities that are not fully covered by our insurance policies.

The occurrence of natural disasters in the regions where we operate could impair our ability to conduct business effectively and could adversely affect our results of operations

We are exposed to the risk of natural disasters such as the earthquake and tsunami that affected Chile in 2010 as well as floods, mudslides and volcanic eruptions in the regions where we operate. In the event of a natural disaster, unanticipated problems with our disaster recovery systems could have a material adverse impact on our ability to conduct business in the affected region, particularly if those problems affect our computer-based data processing, transmission, storage and retrieval systems and destroy valuable data. In addition, if a significant number of our local employees and managers were unavailable in the event of a disaster, our ability to effectively conduct business could be severely compromised. A natural disaster, such as the earthquake and tsunami that affected Chile in 2010, could damage some of our branches and ATMs, forcing us to close damaged facilities or locations, increased recovery costs as well as cause economic harm to our clients. A natural disaster or multiple catastrophic events could have a material adverse effect on local businesses in the affected region and could result in substantial volatility or adverse harm in our business, financial condition and results of operations for any fiscal quarter or year.

Current economic conditions may make it more difficult for us to continue funding our business on favorable terms

Historically, one of our principal sources of funds has been time deposits. Time deposits represented 56.3%, 56.1%, 59% and 61.4% of our total liabilities as of December 31, 2009, 2010, 2011 and 2012, respectively. Large-denominations in time deposits from institutional investors may, under some circumstances, be a less stable source of funding than savings and bonds, such as during periods of significant changes in market interest rates for these types of deposit products and any resulting increased competition for such funds. Limitations on liquidity triggered by the world economic crisis starting in 2008 has impacted global markets and affected sources of funding, including time deposits. As of December 31, 2012, our investment portfolio did not contain instruments (i) backed by, or otherwise related to, U.S. subprime mortgages, or (ii) with exposure to monoline financial guarantors. Although our results of operations and financial position have not suffered a significant impact as a consequence of the recent credit market instability in the U.S. and the liquidity available in the Chilean and Colombian markets has permitted us to fund our operations and maintain our regular business activities, we cannot assure you that we will be able to continue funding our business or, if so, maintain our current levels of funding without incurring higher funding costs or having to liquidate certain assets.

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Deceleration of economic growth in Asia, Europe the United States and other developed nations may have an adverse effect on the Chilean economy, on our business, financial condition and results of operations and the market value of our securities

We are directly exposed to risks related to the weakness and volatility of the economic and political situation in Asia, the United States and other developed nations, including the global economic world crisis that still affects part of the world, especially Europe. If these nations' economic environments deteriorate, the economies in Chile and Colombia could also be affected and could experience slower growth than in recent years thereby adversely affecting our business, financial condition and results of operations as well as the market value of our securities.

RISKS RELATING TO CHILE AND OTHER COUNTRIES IN WHICH WE OPERATE

Chile's banking regulatory and capital markets environment is continually evolving and may change

Changes in banking regulations may materially and adversely affect our business, financial condition and results of operations. Chilean laws, regulations, policies and interpretations of laws relating to the financial system are continually evolving and changing. In 2007, new regulations governing the Chilean capital markets, called *Reforma al Mercado de Capitales II* (also known as MK2), were approved. These regulations, among other things, modified certain provisions set forth in the Decree with Force of Law No. 3 of 1997, as amended, or the General Banking Law. Under new legislation, the limit on the amount that a bank is allowed to grant as an unsecured loan to a single individual or entity was increased to 10% of its regulatory capital (and up to 30% of its regulatory capital if any loans granted in excess of the 10% is secured by certain collateral). Previously, these limits were set at 5% and 2.05%, respectively. Although any such increase may increase our lending activity, it may also increase the risks associated with the growth of our loan portfolio and increase competition as the number of banks that can compete in the corporate banking sector increases.

In June 2010, additional regulations governing the Chilean capital markets, called *Reforma al Mercado de Capitales III* (also known as MK3), were approved. MK3, among other things, allows non-Chilean banks with representative offices in Chile to directly promote the credit products and services of their parent companies. Previously, these representative offices could only act as intermediaries between their parent companies and local companies. This change may further increase competition by increasing the number of banks that can compete directly in Chile.

During 2011 and 2012, several bills were proposed to modify the maximum interest rate a bank may charge, which is currently calculated as the average rate of all transactions made within the banking industry over the previous month, multiplied by a factor of 1.5. While one bill proposes to modify the factor to 1.36, another bill would set the maximum interest rate equivalent to three times the Monetary Policy Rate, as determined by the Central Bank of Chile. In July 2012, the Chilean Finance Minister and the heads of the Senate's Finance and Economy Commissions negotiated a proposed solution that would gradually decrease the maximum interest rate to approximately 35%, and would provide for different maximum rates depending on the nominal amount of the relevant transaction. If this agreement in its current form succeeds, such law would limit the amount of interest that we are permitted to charge for certain of our products, which would have an adverse impact on our results of operations.

In December 2011, the Consumer Protection Act (*Ley de Derechos de los Consumidores*) was amended to include provisions applicable to financial products and services. Pursuant to this amendment, any agreement for financial products or services between a bank and a customer must expressly provide for certain customer rights and protections, including but not limited to (i) a detailed breakdown of all direct and indirect charges, fees, costs and tariffs that form part of the price of the relevant product or service, including any such charges, fees, costs and tariffs that are part of other products or services simultaneously contracted; (ii) the events of default that may trigger a bank's right of early termination, a reasonable cure period and the manner by which consumers are to be informed of any such early termination; and (iii) a customer's right of early termination in its sole and absolute discretion (subject to such customer's payment in full all of its obligations under the agreement, including any costs arising from such early termination). In addition, the amendment sets forth certain additional customer rights and protections, including, but not limited to, the right to (1) receive information about the total cost of any financial product or service, (2) be informed of the bank's reasons for rejecting a customer application for a financial product or service; and (3) be informed of any non-discretionary conditions to which a customer's access to a particular financial product or services are subject. This amendment, also established a new dispute resolution mechanism, which provides for both mediation and arbitration. As of December 31, 2012, we cannot determine with any reasonable degree of certainty the potential impact, if any, that the implementation of this amendment will have on our financial position or results of operation.

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In February 2012, Law No. 20,575 (*Ley DICO*M) was enacted in order to restrict the use of private and personal economic, financial, banking and commercial information of customers set forth in Law No. 19,628 on Protection of Privacy, which is supplemented by *Ley DICO*M. This new law (i) provides that this data can only be shared with established businesses and companies that engage in business and credit risk assessment for use in connection with such risk assessments; (ii) prohibits the request of this data in connection with recruitment for employment, admission to preschool, grade school or higher education, medical attention or nomination for a public position; (iii) requires distributors of personal information, if requested by the owners of such data, for purposes other than credit process review, to certify solely overdue obligations of such person; (iv) prohibits the sharing or reporting of information related to any obligations that have been renegotiated, novated or remain outstanding in certain forms as well as debts owed to toll road operators; (v) requires the distributors of economic, financial, banking and business information to maintain a registry of persons who request such information, including the reason, date and time of the request; (vi) allows the owners of any such requested information to access the registry, free of charge, every four months, to verify such information for the last 12 months; (vii) imposes on the distributor or other responsible party of such information the obligation to demonstrate compliance with *Ley DICO*M and (viii) obligates the deletion of unpaid obligations reported through December 31, 2011, provided that the total debt registered by such debtor is for an amount less than Ch\$2,500,000, for capital, excluding interest, adjustments or any other item. We do not expect *Ley DICO*M to have a significant impact on our business or our commercial practices because we have anticipated the changes it introduced, to a large extent, by adjusting the information base and the relevant parameters used in our credit risk-assessment models for granting loans.

Chile has different corporate disclosure and accounting standards than those you may be familiar with in the United States

As a regulated financial institution, we are required to submit to the SBIF unaudited consolidated and unconsolidated balance sheets and income statements, excluding any related footnote disclosure, on a monthly basis. As of January 2008, the statements have to be prepared in accordance with Circular No. 3,410 “Compendium of Accounting Standards” or the Compendium, and the rules of the SBIF. The SBIF also makes summary financial information available within four weeks of receipt. Although Chilean banks are required to apply IFRS as issued by the IASB as of January 1, 2009, certain exceptions introduced by the SBIF prevent banks from achieving full convergence. In those situations which are not addressed by the guidance issued by the SBIF, institutions must follow the generally accepted accounting principles issued by the Association of Chilean Accountants, which coincide with IFRS as issued by the IASB. However, our consolidated annual financial statements as of and for the three years ended December 31, 2012 have been prepared in accordance with IFRS in order to comply with SEC requirements.

The securities laws of Chile, which govern open, or publicly listed, companies such as ours, have as a principal objective promoting disclosure of all material corporate information to the public. Chilean disclosure requirements, however, differ from those in the United States in some important respects. In addition, although Chilean law imposes restrictions on insider trading and price manipulation, applicable Chilean laws are different from those in the United States and in certain respects the Chilean securities markets are not as highly regulated and supervised as the United States securities markets.

Chile imposes controls on foreign investment and repatriation of investments that may affect your investment in, and earnings from, our ADSs

Equity investments in Chile by persons who are not Chilean residents have generally been subject to various exchange control regulations which restrict the repatriation of the investments and earnings therefrom. In April 2001, the Central Bank eliminated the regulations that affected foreign investors except that investors are still required to provide the Central Bank with information related to equity investments and conduct such operations within the Formal Exchange Market. See “Item 10. Additional Information—D. Exchange Controls” for a discussion of the types of information required to be provided.

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Owners of ADSs are entitled to receive dividends on the underlying shares to the same extent as the holders of shares. Dividends received by holders of ADSs will be converted into U.S. dollars and distributed net of foreign currency exchange fees and fees of the depository and will be subject to Chilean withholding tax, currently imposed at a rate of 35% (subject to credits in certain cases). If for any reason, including changes in Chilean laws or regulations, the depository were unable to convert Chilean pesos to U.S. dollars, investors may receive dividends and other distributions, if any, in Chilean pesos.

Additional Chilean restrictions applicable to holders of our ADSs, the disposition of the shares underlying them or the repatriation of the proceeds from such disposition or the payment of dividends could be imposed in the future and we cannot advise you as to the duration or impact of such restrictions if imposed.

The legal restrictions on the exposure of Chilean pension funds may adversely affect our access to funding

Chilean regulations impose restrictions on the share of assets that a Chilean pension fund management company (*Administradora de Fondos de Pensiones*, or AFP) may allocate: (a) per fund (considering all sub-funds within an AFP (A, B, C, D or E)), to deposits in checking accounts and term deposit accounts and in debt securities issued by a single banking institution (or guaranteed by such bank), investments not exceeding the value of a multiple set forth by the Central Bank of Chile considering such bank's equity (*patrimonio*), which shall fluctuate between 0.5 and 1.5 in accordance with article 47 of the D.L. 3,500; (b) per type of sub-fund, to shares of a single banking institution (or guaranteed by such bank), investments not exceeding 11% of the value of the relevant sub-fund; and (c) per fund (considering all sub-funds), to a single banking institution, investments not exceeding 2.5% of the value of such banking institution subscribed shares with a maximum limit equal to 5% of the value of such AFP multiplied by the concentration factor applicable to the banking institution as set forth in number III.7.1 of the Investment Regime of the Chilean Pension Funds issued by the Superintendency of Pensions, at a current level of 0.2 for CorpBanca's shareholder current structure. Additionally, each fund managed by an AFP is permitted to make deposits with a bank for an amount not to exceed the equivalent of such bank's equity. If the exposure of a pension fund managed by an AFP to a single bank exceeds such limit for investments in securities, the AFP for such pension fund is required to reduce the fund's exposure below the limit within three years.

As of December 31, 2012, the aggregate exposure of AFPs to us was Ch\$1,847,921 million or 2.38% of their total assets. If the exposure of any AFP to us exceeds the regulatory limit, we would need to seek alternative sources of funding, which could be more expensive and, as a consequence, may have a material adverse effect on our business, financial condition and results of operations.

Pension funds must also comply with other investment limits. In 2007, MK2 was approved, relaxing the limits on making investments abroad in order to permit pension funds to further diversify their investment portfolios. As of December 31, 2012, the maximum limit on making investments abroad was 80%. As a result, pension funds may change the composition of their portfolios, including reducing their deposits with local banks. As of December 31, 2012, 9.9% of our time deposits were from AFPs. In the case of banks, each fund managed by an AFP is permitted to make deposits with such bank for an amount not to exceed the equivalent of such bank's equity. Although the legislation referred to above is intended to promote a gradual relaxation of the investment limits, and we may be able to substitute the reduced institutional funds with retail deposits, there can be no assurance that this occurrence will not have a materially adverse impact on our business, financial condition and results of operations.

On November 6, 2012 the Superintendency of Pensions changed some of the investment limits applicable to AFPs, which became effective on January 1, 2013. The new investment limit regarding maximum investments from a fund on a national bank's instruments was lowered from 11% to 9% of the fund's total value. The new investment limit should not impact CorpBanca's current positions with AFPs, however, since the aggregate pension fund position in CorpBanca is below 6%. The other investment limits that are to be lowered are funds maximum investments in shares of corporations and banks, bonds from public or private corporations and Chilean or foreign investment funds.

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Increased regulation of the financial services industry in Chile or Colombia could increase our costs and result in lower profits

As a result of the recent financial crisis, there has been an increase in government regulation of the financial services industry in many countries. Such regulation may also be increased in Chile and Colombia, including the imposition of higher capital requirements, heightened disclosure standards and restrictions on certain types of transaction structures. In addition, novel regulatory proposals are abound in the current environment. If enacted, new regulations could require us to inject further capital into our business as well as in businesses we acquire, restrict the type or volume of transactions we enter into, or set limits on or require the modification of rates or fees that we charge on certain loans or other products, any of which could lower the return on our investments, assets and equity. Although we currently comply with the minimum regulatory capital ratio required under the Chilean and Colombian banking regulations, no assurance can be given that in the future we will need to inject additional capital to our business if such regulation is amended. We may also face increased compliance costs and limitations on our ability to pursue certain business opportunities.

Our results of operations are affected by interest rate volatility

Our results of operations depend to a great extent on our net interest income. In 2010, 2011 and 2012, our ratio of net interest income to total operating income was 68.7%, 57.8% and 57.5%, respectively. Changes in market interest rates in Chile or Colombia could affect the interest rates earned on our interest-earning assets differently from the interest rates paid on our interest-bearing liabilities leading to a reduction in our net interest income. Interest rates are highly sensitive to many factors beyond our control, including the reserve policies of the Central Bank of Chile and Colombia, deregulation of the financial sector in Chile and Colombia, domestic and international economic and political conditions and other factors. Yields on the Chilean government's 90-day benchmark rate reached a high of 3.4% and a low of 0.5% in 2010, a high of 5.6% and a low of 3.6% in 2011 and a high of 5.2% and a low of 4.8% in 2012. On the other hand, the Colombian government does not emit short term bonds of 30, 60 or 90 days as the Chilean government does. Instead, every month the committee from the Central Bank of Colombia decides the benchmark rate in order to achieve a specific goal of inflation. Yields on the Colombian benchmark rate reached a high of 3.5% and a low of 3% for 2010, a high of 4.75% and a low of 3% for 2011 and a high of 5.25% and a low of 4.25% for 2012. As of December 31, 2010, 2011, 2012, we had Ch\$746,248.0 million, Ch\$843,250.0 million and Ch\$1,112,435 million, respectively, in financial investments available-for-sale. In the current global economic climate, there is a greater degree of uncertainty and unpredictability in the policy decisions and the setting of interest rates by the Central Bank of Chile and Central Bank of Colombia and, as a result, any volatility in interest rates could adversely affect us, including our future financial performance and the market value of our securities.

We are subject to increases in income tax rates

Like all Chilean companies, we are subject to income tax at a rate of 18.5% of our taxable income. Since the earthquake and tsunami that affected Chile in 2010 and the educational reform proposal, the Chilean government has found it necessary to raise funds in order to finance the reconstruction efforts of the affected areas and education reform, respectively. As a result, the corporate income tax rate was recently increased to 20% by the tax reform approved by the Congress (Law No. 20,630), which is effective retroactively from January 1, 2012. Any future increases in income tax rates could have an adverse effect on our business, financial condition or results of operations.

We are also subject to income tax in Colombia at a rate of 33% with respect to our activities in Colombia. Beginning in fiscal year 2013, the Colombian corporate income tax rate is reduced from 33% to 25%, and a new income tax called the "CREE" with a tax rate of 9% (8% beginning in fiscal year 2016) will be imposed. The CREE reduced the payroll taxes in Colombia from 9% to 4% and the social security contributions. The CREE will also eliminate the 8.5% employer's health contribution for those employees earning less than 10 minimum wages (approximately US\$3,205 for 2012). Payroll taxes and social security reductions must be applicable before July 1, 2013.

The taxable base of the CREE would be similar to the taxable base of the Colombian income tax. However it does not allow the subtraction of tax credits and allows only certain of the tax exemptions permitted for the Colombian income tax. As a result, the CREE could potentially raise our effective rate of tax with respect to our activities in Colombia.

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Any future increases in income tax rates could have an adverse effect on our business, financial condition or results of operations.

Any additional taxes resulting from changes to tax regulations or the interpretation thereof in Colombia could adversely affect our consolidated results

Uncertainty relating to tax legislation poses a constant risk to CorpBanca Colombia. Changes in legislation, regulation and jurisprudence can affect tax burdens by increasing tax rates and fees, creating new taxes, limiting stated expenses and deductions, and eliminating incentives and non-taxed income. Notably, the Colombian government has a significant fiscal deficit that may result in future tax increases. Additional tax regulations could be implemented that could require CorpBanca Colombia to make additional tax payments, negatively affecting its results of operations and cash flow. In addition, national or local taxing authorities may not interpret tax regulations in the same way that CorpBanca Colombia does. Differing interpretations could result in future tax litigation and associated costs.

Any downgrading of Chile's or Colombia's debt credit rating for domestic and international debt by international credit rating agencies may also affect our ratings, our business, our future financial performance, stockholders' equity and the value of our securities

Any adverse revisions to Chile's or Colombia's credit ratings for domestic and international debt by international rating agencies may adversely affect our ratings, and, as a result, our cost of funding, including interest rates paid on our deposits and securities. If this were to happen, it could have a material adverse effect on our business, future financial performance, stockholders' equity and the value of our securities.

Our growth and profitability depend on the level of economic activity in Chile, Colombia and other emerging markets

Substantially all of our loans are to borrowers doing business in Chile or Colombia. Accordingly, the recoverability of these loans in particular, our ability to increase the amount of loans outstanding and our results of operations and financial condition in general, are dependent to a significant extent on the level of economic activity in Chile and Colombia. The Chilean and Colombian economies have been influenced, to varying degrees, by economic conditions in other emerging market countries. Changes in Chilean or Colombian economic growth in the future or future developments in or affecting the Chilean or Colombian economies, respectively, including consequences of economic difficulties in emerging and developed markets, including some of our neighbor countries, or a deceleration in the economic growth of Asian or other developed nations to which Chile and Colombian export a majority of their respective goods, could materially and adversely affect our business, financial condition or results of operations.

According to data published by the Central Bank of Chile, the Chilean economy grew by 5.2% in 2010, 6% in 2011 and 5.6% in 2012.

According to data published by the Central Bank of Colombia, the Colombian economy grew by 4% in 2010, 6.6% in 2011 and 4% in 2012. Historically, lower economic growth has adversely affected the overall asset quality of the Colombian banking system and CorpBanca Colombia's loan portfolio.

Our results of operations and financial condition could also be affected by changes in economic or other policies of the Chilean or Colombian governments, which have each exercised and continue to exercise a substantial influence over many aspects of the private sector, or other political or economic developments in Chile.

Although economic conditions are different in each country, investors' reactions to developments in one country may affect the securities of issuers in other countries, including Chile. Starting in September 2008, the economic and financial crisis in the United States and Europe sparked a series of financial institution failures across the globe. This resulted in a liquidity crisis and a reduction in growth of the global economy as financial institutions tightened risk policies and reduced lending to banks, corporations and individuals. During 2009, the economies of the United States and some European countries contracted, which, in turn, impacted the Chilean and Colombian

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economies. Although there have recently been signs of recovery in the global economy, Chile and Colombia, this recovery may be fragile and also may reflect temporary benefits from government stimulus programs that may not be sustained. The ability of certain countries, such as Greece, Portugal, Spain and Italy and companies in those countries and in the Euro zone to repay debt obligations remains uncertain. The effect on consumer confidence of any actual or perceived deterioration in the Chilean or Colombian economies may have a material adverse effect on our business, results of operations and financial condition.

In addition, our financial condition and results of operations could also be affected by regulatory changes in administrative practices, changes in economic or other policies of the Chilean or Colombian governments or other political or economic developments in or affecting Chile or Colombia, over which we have no control.

Inflation and government measures to curb inflation could adversely affect our financial condition and results of operations

Although Chilean and Colombian inflation have been low in recent years, Chile and Colombia have experienced high inflation in the double-digit levels in the past. Such high levels of inflation in Chile or Colombia could adversely affect the Chilean and Colombian economies and have an adverse effect on our results of operations if such inflation is not accompanied by a matching devaluation of the local currency. We cannot make any assurances that Chilean or Colombian inflation will not revert to prior levels in the future.

The following table shows the annual rate of inflation during the last five years as measured by changes in the Chilean and Colombian consumer price index, or CPI, and as reported by the: (i) Instituto Nacional de Estadísticas, or the Chilean National Institute of Statistics; and (ii) the Departamento Administrativo Nacional de Estadística (DANE) or the National Administrative Department of Statistics:

<u>Year</u>	<u>Chilean Inflation (CPI)</u>	<u>Colombian Inflation (CPI)</u>
	(in percentages)	
2008	7.1	7.7
2009	(1.4)	2.0
2010	3.0	3.2
2011	4.4	3.7
2012	1.5	2.4

Source: Chilean National Institute of Statistics / Colombian National Administrative Department of Statistics.

In 2009, economic activity slowed significantly in Chile, resulting in 1.4% deflation, and increased in Colombia, resulting in 2% inflation. In 2010, economic growth increased in Chile, ending the year with 3% inflation, in part supported by additional government and private sector spending to finance the reconstruction work required to restore Chile's productive capacity and financial aid to the areas affected by the 2010 earthquake and tsunami, and grew in Colombia, resulting in 3.2% inflation. During 2010, GDP grew by 5.2% in Chile and grew by 4% in Colombia. During 2011, GDP grew by 6% and the inflation rate increased by 4.4% in Chile and GDP grew by 6.6% and the inflation rate increased by 3.7% in Colombia. During 2012, GDP grew by 5.6% and the inflation rate increased by 1.5% in Chile and GDP grew by 4% and the inflation rate increased by 2.44% in Colombia. The Central Bank of Chile decreased the interbank rate from 5.25% in 2011 to 5% in 2012 in response to a decrease in inflation expectations. In Chile, the average interbank rate was 5% in 2012. The Central Bank of Colombia decreased the interbank rate from 11% in 2011 to 7.25% in 2012 in response to a decrease in inflation expectations driven by decreased economic activity. In Colombia, the average interbank rate was 8.5% in 2012. High levels of inflation or deflation in Chile or Colombia could adversely affect the Chilean or Colombian economies and have an adverse effect on our business, financial condition and results of operations.

We may be unsuccessful in addressing the challenges and risks presented by our operations in countries outside Chile/Colombia

We now operate a banking business in Colombia. CorpBanca Colombia's operations may involve risks to which we have not previously been exposed. CorpBanca Colombia's businesses are focused on retail banking as well as wholesale and commercial banking. The products and services offered by CorpBanca Colombia include savings, current accounts, fixed-term deposits, credit and debit cards, consumer and commercial loans, mortgages, cash management, foreign trade, financial assessment and as well as providing other banking services to business and individuals.

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We have limited experience conducting credit card and consumer finance businesses in countries outside Chile. Accordingly, we may not be successful in managing credit card and consumer finance operations outside of our traditional domestic market in Chile. We may face delays in payments by customers and higher delinquency rates in Colombia, which could necessitate higher provisions for loan losses and, consequently, have an adverse effect on our financial performance.

Colombia has experienced internal security issues that have had or could have in the future a negative effect on the Colombian economy

Colombia has experienced internal security issues, primarily due to the activities of guerrilla groups such as the Fuerzas Armadas Revolucionarias de Colombia, or FARC, paramilitary groups and drug cartels. In remote regions of the country with minimal governmental presence, these groups have exerted influence over the local population and funded their activities by protecting, and rendering services to drug traffickers. Even though the Colombian government's "democratic security" program has reduced *guerrilla* and criminal activity, particularly in the form of terrorism attacks, homicides, kidnappings and extortion, such activity persists in Colombia, and possible escalation of such activity and the effects associated with them have had and may have in the future a negative impact on the Colombian economy and on our operations in Colombia, including CorpBanca Colombia's customers, employees, results of operations and financial condition.

Tensions with Venezuela and Ecuador may affect the Colombian economy and, consequently, our results of operations and financial condition

Diplomatic relations with Venezuela and Ecuador, two of Colombia's main trading partners, have from time to time been tense and affected by events surrounding the Colombian armed forces combat of the FARC throughout Colombia, particularly on Colombia's borders with Venezuela and Ecuador. Any further deterioration in relations with Venezuela and Ecuador may result in the closing of borders, the imposition of trade barriers or a breakdown of diplomatic ties, any of which could have a negative impact on Colombia's trade balance, economy and general security situation, which may adversely affect our results of operations and financial condition.

Venezuelan political events may affect CorpBanca Colombia's operations.

Venezuela held elections on April 14, 2013 following the death of President Hugo Chavez. Although Nicolas Maduro has been sworn in as President of Venezuela, the opposition parties have contested the result on the basis of alleged voting irregularities. As a result, Venezuelan political conditions remain uncertain. We cannot provide any assurances that political developments in Venezuela, over which CorpBanca Colombia has no control, will not have an adverse effect on CorpBanca Colombia's business, financial condition or results.

Government policies and actions, and judicial decisions, in Colombia could significantly affect the local economy and, as a result, our results of operations and financial condition of our business in Colombia

The results of operations and financial condition of our business in Colombia may be adversely affected by changes in Colombian governmental policies and actions, and judicial decisions, involving a broad range of matters, including interest rates, exchange rates, exchange controls, inflation rates, taxation, banking and pension fund regulations and other political or economic developments affecting Colombia. The Colombian government has historically exercised substantial influence over the economy, and its policies are likely to continue to have a significant effect on Colombian companies. The president of Colombia has considerable power to determine governmental policies and actions relating to the economy, and may adopt policies that could negatively affect our business in Colombia. Future governmental policies and actions, or judicial decisions, could adversely impact the results of operations or financial condition of our business in Colombia.

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An increase in constitutional collective actions (*acciones populares*), class actions (*acciones de grupo*) and other similar legal actions involving claims for significant monetary awards against financial institutions may have an adverse effect on our and CorpBanca Colombia's business and results of operations

Under the Colombian Constitution, individuals may initiate constitutional collective or class actions to protect their collective or class rights, respectively. Colombian financial institutions, including CorpBanca Colombia, have experienced a substantial increase in the aggregate number of these actions. The great majority of such actions have been related to fees, financial services and interest rates, and their outcome is uncertain. Pursuant to law 1425 of 2010, monetary awards for plaintiffs in constitutional collective actions (*acciones populares*) were eliminated as of January 1, 2011. Nevertheless, individuals continue to have the right to initiate constitutional or class actions against CorpBanca Colombia.

Future restrictions on interest rates or banking fees could materially and adversely affect our and CorpBanca Colombia's profitability and financial results

The Colombian Commerce Code limits the amount of interest that may be charged in commercial transactions. In the future, regulations could impose limitations regarding interest rates or fees charged by CorpBanca Colombia. Any such limitations could materially and adversely affect CorpBanca Colombia and our results of operations and financial position. In the past, there have been disputes in Colombia among merchants, payment services and banks regarding interchange fees. Although such disputes have been resolved, the Colombian Superintendency of Industry and Commerce (*Superintendencia de Industria y Comercio*), or the SIC, may initiate new investigations relating to the interchange fees.

This possibility may lead to additional decreases in such fees, which in turn could adversely affect CorpBanca Colombia's and our financial results.

Furthermore, pursuant to article 62 of law 1430 of 2010, the Colombian Congress granted the government power and authority to establish and define criteria and formulas applicable to the calculation of banking fees and charges and the authority to define maximum limits to banking fees and charges. On December 20, 2011, the Colombian Government used the authority granted by law 1430 of 2010 and established in Decree 4809 of 2011 a cap on the fees banks can charge on withdrawals done from ATMs outside their own networks. Under Colombian regulation, banks are prohibited from charging prepayment penalties or fees on loans except when the outstanding amount of a loan is more than the equivalent of 880 legal minimum monthly wages (approximately US\$275,000). If the outstanding amount of a loan is more than the equivalent of 880 legal minimum monthly wages, prepayment penalties or fees may be charged but only when expressly contemplated under the governing loan agreement. Further limits or regulations regarding banking fees, and uncertainties with respect thereto could have a negative effect on CorpBanca Colombia and our results of operations and financial condition.

A new insolvency law in Colombia may limit our monetary collection and ability to enforce our rights

On June 12, 2012, the Congress of Colombia enacted Law 1564 of 2012, which provides insolvency protection for non-merchant individuals. Under the new insolvency regulation, which came into effect on October 1, 2012, once a non-merchant individual has ceased paying its debts, such individual can initiate a voluntary insolvency proceeding before a notary public or mediator to reach an agreement with its creditors. The terms of any agreement reached with a group (two or more) of creditors that represent more than 50% of the total amount of the claims will be mandatorily applicable to all relevant creditors. As a result of these agreements CorpBanca Colombia may not be able to recover the total amount of its claims. The increased debtor protections contemplated in the law, including an automatic stay for a maximum of 90 days, could also make it more difficult for CorpBanca Colombia to enforce debt and other monetary obligations, which could have an adverse impact on CorpBanca Colombia and our results of operations and financial condition.

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The Central Bank of Colombia may impose requirements on CorpBanca Colombia's (and other Colombian residents') ability to obtain loans in foreign currency

The Central Bank of Colombia may impose certain mandatory deposit requirements in connection with foreign currency-denominated loans obtained by Colombian residents, including CorpBanca Colombia. Although no mandatory deposit requirement is currently in effect, a mandatory deposit requirement was set at 40% in 2008 after the Colombian peso appreciated against foreign currencies. We cannot predict or control future actions by the Central Bank of Colombia in respect of such deposit requirements, which may involve the establishment of a different mandatory deposit percentage. The use of such measures by the Central Bank of Colombia may be a disincentive for CorpBanca Colombia and its clients to obtain loans denominated in a foreign currency.

CorpBanca Colombia may be unable to collect on collateral or guarantees securing loans, which may adversely affect its and our results of operations and financial condition

CorpBanca Colombia makes loans that are secured by collateral, including real estate and other assets that are generally located in Colombia. The value of collateral may significantly fluctuate or decline due to factors beyond its control, including, for example, economic and political conditions in the country. An economic slowdown may lead to a downturn in the Colombian real estate market, which may, in turn, result in declines in the value of real estate securing loans to levels below the principal balances of these loans. Any decline in the value of the collateral securing loans may result in reduced recoveries from collateral realization and have an adverse effect on CorpBanca Colombia's and our results of operations and financial condition.

CorpBanca Colombia also makes loans on the basis of guarantees from relatives, affiliates or associated persons of borrowers. To the extent that guarantors encounter financial difficulties due to economic conditions, personal or business circumstances, or otherwise, the ability of CorpBanca Colombia's banks to enforce such guarantees may be impaired.

In addition, CorpBanca Colombia may face difficulties in enforcing its rights as a secured creditor against borrowers, collateral or guarantees. In particular, timing delays and procedural problems in realizing against collateral, as well as a debtor-protective judicial interpretations of the law, may make it difficult to foreclose on collateral, realize against guarantees or enforce judgments in CorpBanca Colombia's favor, which could materially and adversely affect CorpBanca Colombia's and our results of operations and financial condition.

CorpBanca Colombia may face legal and other challenges to maximizing revenue from credit card fees and other fees from customers

CorpBanca Colombia's credit card business faces risks relating to the pricing of fees and commissions charged to merchants (merchant discounts) and the pricing of bank interchange fees charged by issuer banks to acquiring banks. Banks and card processors in Colombia have been subject to administrative investigations regarding the fees and commissions that are charged to the merchants by the acquiring banks and in respect to the banking interchange fees.

In the past, the SIC has conducted investigations on the practices of *Asociación Gremial de Instituciones Financieras Credibanco* (Visa franchisee in Colombia) and *Redeban Multicolor S.A.* (MasterCard franchisee in Colombia), the entities chosen by most Colombian banks to manage the credit card system in Colombia, relating to alleged price fixing agreements among Colombian banks relating to fees and commissions charged to merchants.

As a result of these investigations, the fees charged to merchants and bank interchange fees could decrease, which could also lead to changes in commercial strategies that could affect CorpBanca Colombia's and our results of operations and financial condition. In addition, fees charged for other banking services have and may continue to be reduced in the future as a result of regulatory measures and/or pressure from retailers and interest groups.

CorpBanca Colombia faces uncertainty regarding new consumer protection laws

Law 1328 of 2009, also referred to as the "financial reform law," creates a new customer protection regime with respect to financial institutions. The financial reform law provides a bill of rights for consumers of financial services and products, including the right to receive clear, complete and reliable information about the services and products offered by financial institutions. The law and the decrees and regulations issued pursuant to it also contain

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specific new obligations for financial institutions, including a duty to maintain a financial ombudsman in charge of consumer protection and procedures regulating the responsibilities and function of the ombudsman, a duty to create a financial consumer attention center pursuant to terms set by the Colombian Superintendency of Finance, an obligation to provide services and products under the same conditions offered to the general public, and a prohibition on the inclusion of predatory or abusive clauses in contracts with consumers. Any violation of this law or the decrees and regulations issued pursuant to this law by CorpBanca Colombia could result in monetary or administrative sanctions or restrictions on its operations.

RISKS RELATING TO THE MERGERS AND ACQUISITIONS

We may not be able to manage our growth successfully

We have been expanding the scope of our operations over the past few years, and we expect that this expansion will continue. As we continue to grow, we must improve our operational, technical and managerial knowledge and compliance systems in order to effectively manage our operations across the expanded group. Failure to integrate, monitor and manage expanded operations could have a material adverse effect on our business, reputation and financial results. Our future growth will also depend on our access to internal and external financing sources. We may be unable to access such financing on commercially acceptable terms or at all.

Integration of acquired or merged businesses involves certain risks that may have a material adverse effect on us

We have engaged in a number of mergers and acquisitions in the past, including the acquisition of CorpBanca Colombia in 2012 and the pending acquisition of Helm Bank, and may make further acquisitions in the future as part of our growth strategy. We believe that these transactions will contribute to our continued growth and competitiveness in the Chilean, Colombian, and international banking sectors.

Any acquisition and merger of institutions and assets and the integration of such institutions and assets involves certain risks including the risk that:

- integrating new networks, information systems, personnel, financial and accounting systems, risk and other management systems, financial planning and reporting, products and customer bases into our existing business may run into difficulties, cause us to incur unexpected costs and operating expenses and place additional demands on management time;
- we may incur unexpected liabilities or contingencies relating to acquired businesses;
- antitrust and other regulatory authorities may impose restrictions or limitations on the terms of the acquisition or merger, require disposition of certain assets or businesses or withhold their approval of such transaction; and
- the expected operation and financial synergies and other benefits from such mergers or acquisitions may not be fully achieved.

If we fail to achieve the business growth opportunities, cost savings and other benefits we anticipate from mergers and acquisition transactions, or incur greater integration costs than we have estimated, our results of operations and financial condition may be materially and adversely affected.

Acquisitions and strategic partnerships may not perform in accordance with expectations, may fail to receive required regulatory approvals or may disrupt our operations and adversely affect our business financial condition and results of operations

A component of our strategy is to identify and pursue growth-enhancing strategic opportunities. As part of that strategy, we have consummated the Banco Santander Colombia Acquisition and are in the process of consummating the Helm Bank Acquisition, which we expect to complete during the second quarter of 2013. We will continue to consider additional strategic acquisitions and alliances from time to time, inside and outside of Chile and Colombia. Strategic acquisitions and alliances, including the Helm Bank Acquisition, could expose us to risks with which we have limited or no experience. In addition, the Helm Bank Acquisition is subject to regulatory approval in

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Chile, Colombia, Panama and the Cayman Islands, and we may not be successful in obtaining such approval. Future acquisitions may also be subject to regulatory approval, which we may not receive, particularly in view of our increasing market share in the Colombian banking industry.

We must necessarily base any assessment of potential acquisitions and alliances on assumptions with respect to operations, profitability and other matters that may subsequently prove to be incorrect. Future acquisitions and alliances, including the Helm Bank Acquisition and other investments, may not produce anticipated synergies or perform in accordance with our expectations and could adversely affect our business, financial condition and results of operations.

In addition, new demands on our existing organization, management and employees resulting from the integration of new acquisitions could disrupt our operations and adversely affect our business, financial condition and results of operations.

The pending acquisition of Helm Bank is subject to the approval of regulatory authorities in Colombia, Chile, Panama and the Cayman Islands

The pending Helm Bank Acquisition is subject to the approval of regulatory and banking authorities in Colombia, Chile, Panama and the Cayman Islands, any of which may reject or impose significant and burdensome conditions to the approval of the acquisition, including mandatory disposal of certain business lines currently operated by Helm Bank. We can provide you with no assurance that all of these approvals will be received, or that the cost of complying with any conditions to the approval of the acquisition will not be significant.

We have limited knowledge of the liabilities of Helm Bank and certain of its subsidiaries and affiliates

As part of the Helm Bank Acquisition, we have carried out a legal and accounting due diligence on Helm Bank and certain of its subsidiaries and affiliates. However, this due diligence may not produce all of the economic and financial information that may be material to our decision to acquire Helm Bank and certain of its subsidiaries and affiliates. We may incur significant losses in connection with liabilities of Helm Bank and certain of its subsidiaries and affiliates, which may have a material adverse effect on our business, financial condition and results of operations.

RISKS RELATING TO OUR SECURITIES

U.S. securities laws do not require us to disclose as much information to investors as a U.S. issuer is required to disclose, and you may receive less information about us than you might otherwise receive from a comparable U.S. company

The corporate disclosure requirements applicable to us may not be equivalent to the requirements applicable to a U.S. company and, as a result, you may receive less information about us than you might otherwise receive in connection with a comparable U.S. company. We are subject to the periodic reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, that apply to “foreign private issuers.” The periodic disclosure required of foreign private issuers under the Exchange Act is more limited than the periodic disclosure required of U.S. issuers.

We are required only to file an annual report on Form 20-F, but we are not required to file any quarterly reports. A U.S. registrant must file an annual report on Form 10-K and three quarterly reports on Form 10-Q.

We are required to furnish current reports on Form 6-K, but the information that we must disclose in those reports is governed primarily by Chilean law disclosure requirements and may differ from Form 8-K’s current reporting requirements imposed on a U.S. issuer.

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We are not subject to the proxy requirements of Section 14 of the Exchange Act and our officers, directors and principal shareholders are not subject to the short swing insider trading reporting and recovery requirements under Section 16 of the Exchange Act.

Our status as a controlled company and a foreign private issuer exempts us from certain of the corporate governance standards of the New York Stock Exchange, or the NYSE, limiting the protections afforded to investors

We are a “controlled company” and a “foreign private issuer” within the meaning of the NYSE corporate governance standards. Under the NYSE rules, a controlled company is exempt from certain NYSE corporate governance requirements. In addition, a foreign private issuer may elect to comply with the practice of its home country and not to comply with certain NYSE corporate governance requirements, including the requirements that (1) a majority of our board of directors (*directorío*), or Board of Directors, consist of independent directors, (2) a nominating and corporate governance committee be established that is composed entirely of independent directors and has a written charter addressing the committee’s purpose and responsibilities, (3) a compensation committee be established that is composed entirely of independent directors and has a written charter addressing the committee’s purpose and responsibilities, (4) an annual performance evaluation of the nominating and corporate governance and compensation committees be undertaken, and (5) the members of the audit committee meet the Exchange Act Rule 10A-3 (b)(1) independence requirements. We currently use these exemptions and intend to continue using these exemptions. Accordingly, you will not have the same protections afforded to investors in companies that are subject to all NYSE corporate governance requirements. See “Item 16G. Corporate Governance” for a comparison of the corporate governance standards of the New York Stock Exchange and Chilean practice.

Certain actions by our principal shareholder may have an adverse effect on the future market value of our securities and may have interests that differ from those of our other shareholders

Our controlling shareholder is Corp Group Banking S.A., which in turn is controlled by Mr. Alvaro Saieh Bendeck. As of December 31, 2012, together with members of his family, Mr. Saieh Bendeck and his family maintain an indirect ownership of 60.9% of Corp Group Banking S.A. and 45.9% of CorpBanca’s outstanding common shares through such holding company and also through other investment companies such as *Compañía Inmobiliaria y de Inversiones Saga S.A.*, a company owned by Mr. Saieh Bendeck and his family. In addition, Mr. Saieh Bendeck holds shares with sufficient voting power under Chilean law to approve substantially all of the forms of corporate action subject to decision by shareholders’ meetings, including the distribution of dividends (including, in connection with any issuances of debt by Corp Group Banking S.A.), to elect a majority of the nine members of our Board of Directors, direct our management and control substantially all matters that are to be decided by a vote of shareholders, including fundamental corporate transactions. The sale or disposition by Mr. Saieh Bendeck of our ADSs or common shares that he indirectly owns, or the perception in the marketplace that such a sale or disposition may occur, may adversely affect the trading price of our shares on the Santiago Stock Exchange and, consequently, the market value of the ADSs.

Investors may find it difficult to enforce civil liabilities against us or our directors, officers and controlling persons

We are organized under the laws of Chile, and our principal place of business (*domicilio social*) is in Santiago, Chile. Most of our directors, officers and controlling persons reside outside of the United States. In addition, all or a substantial portion of our assets are located outside of the United States. As a result, it may be difficult for investors to effect service of process within the United States on such persons or to enforce judgments against them, including in any action based on civil liabilities under the United States federal securities laws. Based on the opinion of our Chilean counsel, there is doubt as to the enforceability against such persons in Chile, whether in original actions or in actions to enforce judgments of United States courts, of liabilities based solely on the United States federal securities laws. See “Enforcement of Civil Liabilities”.

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RISKS RELATING TO OUR ADSs AND COMMON SHARES

There may be a lack of liquidity and market for our ADSs and common shares

A lack of liquidity in the markets may develop for our ADSs, which would negatively affect the ability of the holders to sell our ADSs or the price at which holders of our ADSs will be able to sell them. Future trading prices of our ADSs will depend on many factors including, among other things, prevailing interest rates, our operating results and the market for similar securities.

Our common shares underlying the ADSs are listed and traded on the Santiago Stock Exchange and the Chilean Electronic Exchange, although the trading market for the common shares is small by international standards. As of December 31, 2012, we had 293,358,194,234 common shares. Although ADS holders are entitled to withdraw common shares underlying ADSs from the depository at any time, the Chilean securities markets are substantially smaller, less liquid and more volatile than major securities markets in the United States. As of December 31, 2012, our non-controlling shareholders held approximately 39% of our outstanding common shares. A limited trading market in general and our concentrated ownership in particular may impair the ability of an ADS holder to sell in the Chilean market any common shares obtained upon withdrawal of such common shares from our ADR facility in the amount and at the price and time such holder desires, and could increase volatility of the price of the common shares in the form of ADSs.

In addition, according to article 14 of the Ley de Mercado de Valores, Ley No. 18045, or the Chilean Securities Market Law, the Chilean Superintendency of Securities and Insurance, or SVS, may suspend the offer, quotation or trading of shares of any company listed on the Chilean stock exchanges for up to 30 days if, in its opinion, such suspension is necessary to protect investors or is justified for reasons of public interest. Such suspension may be extended for up to 120 days. If, at the expiration of the extension, the circumstances giving rise to the original suspension have not changed, the SVS will then cancel the relevant listing in the registry of securities. Furthermore, the Santiago Stock Exchange may inquire as to any movement in the price of any securities in excess of 10% and suspend trading in such securities for a day if it is deemed necessary. These and other factors may substantially limit your ability to sell the common shares underlying your ADSs at a price and time at which you wish to do so.

The issuance or sale, of a substantial number of our ADSs and common shares, or the perception of a potential issuance or sale, may adversely affect the market price of our ADSs and common shares

The market price for our common shares may vary significantly in the event a significant number of our common shares is issued or sold by us, our directors and officers or any other relevant shareholders or in the event there is a perception in the market that we, our directors and officers or a relevant shareholder intends to issue or sell, as the case may be, a significant number of common shares.

You may be unable to exercise preemptive rights

The *Ley Sobre Sociedades Anónimas*, *Ley No. 18046* and the *Reglamento de Sociedades Anónimas*, which we refer to collectively as the Chilean Corporations Law, and applicable regulations require that whenever we issue new common shares for cash, we are obligated by law to grant preemptive rights to all of our shareholders (including the depository on behalf of the holders of ADSs), giving them the right to purchase a sufficient number of shares to maintain their existing ownership percentage. However, we may not be able to offer shares to United States holders of ADSs pursuant to preemptive rights granted to our shareholders in connection with any future issuance of common shares unless a registration statement under the U.S. Securities Act of 1933, as amended, or the Act, is effective with respect to such rights and common shares, or an exemption from the registration requirements of the Act is available.

Our existing shareholders who do not participate in any future preemptive rights offering will suffer an immediate dilution of their percentage equity participation in us. In addition, investors who purchase ADSs or common shares may be subject to dilution of their equity participation in us upon the completion of any future preemptive rights offering. Investors will not know the extent to which they will be diluted until the expiration of any future preemptive rights offering in Chile.

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We may also need to seek additional funding in the financial and capital markets in the future. We may resort to public or private offerings of common shares, including common shares in the form of ADSs, or securities convertible or exchangeable into, or that in any other manner allow for the subscription of, common shares, including common shares in the form of ADSs. Any public or private offering of common shares, including common shares in the form of ADSs, or securities convertible or exchangeable into ADSs or common shares, may dilute our existing shareholders' interests in us or may have an adverse impact on the value of our ADSs and common shares.

You may have fewer and less well defined shareholders' rights than with shares of a company in the United States

Our corporate affairs are governed by our *Estatutos Sociales*, or by-laws, and the laws of Chile. Under such laws, our shareholders may have fewer or less well-defined rights than they might have as shareholders of a corporation incorporated in a U.S. jurisdiction. For example, under legislation applicable to Chilean banks, our shareholders would not be entitled to appraisal rights in the event of a merger or other business combination undertaken by us.

Holders of ADSs are not entitled to attend shareholders' meetings, and they may only vote through the depositary

Under Chilean law, a shareholder is required to be registered in our shareholders' registry at least five business days before a shareholders' meeting in order to vote at such meeting. A holder of ADSs will not be able to meet this requirement and accordingly is not entitled to vote at shareholders' meetings because the shares underlying the ADSs will be registered in the name of the depositary. While a holder of ADSs is entitled to instruct the depositary as to how to vote the shares represented by ADSs in accordance with the procedures provided for in the deposit agreement, a holder of ADSs will not be able to vote its shares directly at a shareholders' meeting or to appoint a proxy to do so. In certain instances, a discretionary proxy may vote our shares underlying the ADSs if a holder of ADSs does not instruct the depositary with respect to voting. In addition, a holder of ADSs may not be given a right to vote the shares represented by ADSs at all since, under Chilean law, substantially all of the forms of corporate action can be approved by our controlling shareholder, Corp Group Banking and other investment companies such as Compañía Inmobiliaria y de Inversiones Saga S.A., which are owned by Mr. Saieh Bendeck and his family.

U.S. holders of our ADSs or common shares could suffer adverse tax consequences if the Company is characterized as a passive foreign investment company.

If you are a U.S. holder (as defined in "Item 10. Additional Information—E. Taxation—U.S. federal income tax considerations") and we are a passive foreign investment company, or PFIC, for any taxable year during which you own our ADSs or common shares, you could be subject to adverse U.S. tax consequences. As of the date of this Annual Report, we do not expect to be classified as a PFIC for U.S. federal income tax purposes for our current taxable year or for any taxable year in the foreseeable future. However, the determination of whether we are a PFIC is made on an annual basis and will depend on the composition and nature of our income and the composition, nature and value of our assets from time to time, and no assurance can be provided regarding our PFIC status. You should consult your tax advisor regarding the U.S. federal, state and local and other tax consequences of owning and disposing of the ADSs or common shares in your particular circumstances.

Exchange controls and withholding taxes in Chile may limit repatriation of your investment.

Equity investments in Chile by persons who are not Chilean residents are generally subject to various exchange control regulations that govern the repatriation of investments and earnings. The ADSs are governed by an agreement among us, the depositary and the Central Bank of Chile, or the Foreign Investment Agreement. The Foreign Investment Agreement grants the depositary and the holders of the ADRs access to Chile's Formal

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Exchange Market, permits the depository to remit dividends it receives from us to the holders of ADSs and permits the holders of ADSs to repatriate the proceeds of the sale of shares withdrawn from the ADR facility, thereby enabling them to acquire on more favorable terms currencies necessary to repatriate investments in the shares and earnings therefrom.

Pursuant to current Chilean law, the Foreign Investment Agreement may not be amended unilaterally by the Central Bank of Chile, and there are judicial precedents (which are not binding with respect to future judicial decisions) indicating that the Foreign Investment Agreement may not be voided by future legislative changes.

Dividends received by holders of ADSs are paid net of foreign currency exchange fees and fees and expenses of the depository and are subject to Chilean withholding tax, currently imposed at a rate of 35%, subject to credits in certain cases as described under “Item 10. Additional Information—E. Taxation—Chilean Tax Considerations”. In order to facilitate capital movements from and into Chile and to encourage foreign investment, the Central Bank of Chile eliminated foreign exchange restrictions and adopted the Compendium of Foreign Exchange Regulations (*Compendio de Normas de Cambios Internacionales*) effective April 19, 2001.

We cannot assure you that additional Chilean restrictions applicable to the holders of ADRs, the disposition of the shares underlying the ADRs or the repatriation of the proceeds from such disposition or the payment of dividends will not be imposed in the future, nor can we advise as to the duration or impact of such restrictions if imposed. If for any reason, including changes in the Foreign Investment Agreement or Chilean law, the depository was able to convert Chilean pesos to U.S. dollars, investors would receive dividends or other distributions, if any, in Chilean pesos.

RISKS RELATING TO OUR NOTES

Changes in the tax laws of Chile or any other jurisdiction from or through which we make payments under our 3.125% Senior Notes due January 15, 2018, or our Notes, could lead to the redemption of our Notes by us

Payments of interest in respect of our Notes made by us to foreign holders will be subject to Chilean interest withholding tax at a rate of 4%. Subject to certain exceptions, we will pay additional amounts so that the amount received by the holder after Chilean withholding tax and withholding taxes of any other jurisdiction from or through which we make payments under our Notes will equal the amount that would have been received if no such taxes had been applicable. Under the Indenture, dated as of January 15, 2013, by and among Deutsche Bank Trust Company Americas, as trustee paying agent, transfer agent and registrar and Deutsche Bank Luxembourg S.A. as Luxembourg paying agent and transfer agent and us, or the Indenture, our Notes are redeemable at our option, subject to applicable Chilean law, in whole (but not in part), at par, at any time at the principal amount thereof plus accrued and unpaid interest, if any, to the date of redemption, and any additional amounts due thereon if, as a result of changes in the laws or regulations affecting taxation, we become obligated to pay additional amounts on our Notes (in excess of additional amounts payable in respect of the 4% withholding tax payable on payments of interest on our Notes). Although no proposal to increase the withholding tax rate in Chile is currently pending, we cannot assure investors in our Notes that an increase in withholding tax rate will not be presented to or enacted by the Chilean Congress.

The ratings of our Notes may be lowered or withdrawn depending on various factors, including the rating agency’s assessments of our financial strength and Chilean sovereign risk

Standard & Poor’s and Moody’s assigned BBB+ and Baa1, respectively, as credit ratings to our Notes. The ratings address the timely payment of principal and interest on each payment date. The ratings of our Notes are not a recommendation to purchase, hold or sell our Notes, and the ratings do not comment on market price or suitability for a particular investor. The ratings of our Notes are subject to change and may be lowered or withdrawn. A downgrade in or withdrawal of the ratings of our Notes will not be an event of default under the Indenture. The assigned ratings may be raised or lowered depending, among other things, on the rating agency’s assessment of our financial strength, as well as its assessment of Chilean sovereign risk generally.

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We cannot assure investors in our Notes that the credit ratings for our Notes will not be lowered, suspended or withdrawn by the rating agencies

The credit ratings of our Notes may change at any time. Such ratings are limited in scope, and do not address all material risks relating to an investment in our Notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies. We cannot assure investors in our Notes that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price of our Notes.

We and our affiliates may incur additional indebtedness ranking equally to our Notes or secured indebtedness

We are not restricted under the terms of the Indenture or our Notes from incurring additional indebtedness, including the issuance of additional debt that ranks on an equal and ratable basis with our Notes. If we incur any additional debt that ranks on an equal and ratable basis with our Notes, the holders of that debt will be entitled to share ratably with the holders of our Notes in any proceeds distributed in connection with an insolvency, liquidation, reorganization, dissolution or other winding-up of us subject to satisfaction of certain debt limitations. This may have the effect of reducing the amount of proceeds paid to you. We also have the ability to incur collateralized debt and such debt would be effectively senior to our Notes to the extent of such collateral.

Our Notes are structurally subordinated to the existing and future liabilities of our subsidiaries and affiliates

Our subsidiaries have not guaranteed our Notes. As a result, our Notes are structurally subordinated to all existing and future liabilities of our subsidiaries. Therefore, our rights and the rights of our creditors to participate in the assets of any subsidiary in the event that such a subsidiary is liquidated or reorganized are subject to the prior claims of all of such subsidiary's creditors. As a result, all indebtedness and other liabilities of our subsidiaries, whether secured or unsecured, must be satisfied before any of the assets of such subsidiaries would be available for distribution, upon liquidation or otherwise, to us in order for us to meet our obligations with respect to our Notes.

If we are a creditor with recognized claims against any subsidiary, our claims would still be subject to the prior claims of such subsidiary's creditors to the extent that they are secured or senior to those held by us. Subject to restrictions contained in financing arrangements, our subsidiaries may incur significant additional indebtedness and other liabilities. As of December 31, 2012, our subsidiaries were the obligors on Ch\$161,575 million of total debt and the substantial majority of our total consolidated liabilities, excluding CorpBanca Colombia and our New York Branch.

The obligations under our Notes are subordinated to certain statutory liabilities

Under Chilean bankruptcy law, the obligations under our Notes are subordinated to certain statutory preferences. In the event of liquidation, such statutory preferences, including claims for salaries, wages, secured obligations, social security, taxes and court fees and expenses, will have preference over any other claims, including claims by any investor in respect of our Notes.

Our financial performance and other factors could adversely impact our ability to make payments on our Notes

Our ability to make scheduled payments with respect to our indebtedness, including our Notes, will depend on our financial and operating performance, which, in turn, is subject to prevailing economic conditions and to financial, business and other factors beyond our control.

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Our ability to generate cash depends on many factors beyond our control, and we may not be able to generate cash required to service our debt

Our ability to make scheduled payments on our Notes and to meet our other debt service obligations or to refinance our debt depends on our future operating and financial performance and our ability to generate cash. This will be affected by our ability to implement successfully our business strategy, as well as general economic, financial, competitive, regulatory, technical and other factors beyond our control. If we cannot generate sufficient cash to meet our debt service obligations or fund our other business needs, we may, among other things, need to refinance all or a portion of our debt, including our Notes, obtain additional financing, delay capital expenditures or sell assets. We may not be able to generate sufficient cash through any of the foregoing ways. If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially favorable terms or at all, we may not be able to satisfy our obligations with respect to our debt, including our Notes. If this were to occur, holders of the relevant debt would be able to declare the full amount of that debt due and payable. Our assets may not be sufficient to pay such amounts.

Our Notes may be delisted from the Luxembourg Stock Exchange

Our Notes are admitted for listing on the Luxembourg Stock Exchange and we will use our reasonable best efforts to maintain such listing. Under Chapter 8, Section 803 of the rules and regulations of the Luxembourg Stock Exchange, the Luxembourg Stock Exchange may, on its own initiative, decide upon the delisting of a security from trading on a market when it is of the firm belief that for specific reasons, the normal and consistent market for such security cannot be maintained. A decision for delisting from trading on a market equates to the simultaneous decision for delisting from the official list. Although we cannot assure investors in our Notes as to the liquidity that may result from a listing on the Luxembourg Stock Exchange, delisting our Notes from the Luxembourg Stock Exchange may have a material effect on the ability of holders of our Notes to resell our Notes in the secondary market. If any Notes are listed on another exchange, CorpBanca reserves the right to cease a listing for similar reasons.

ITEM 4. INFORMATION ON THE COMPANY

A. HISTORY AND DEVELOPMENT OF THE COMPANY

We are a publicly traded company (*sociedad anónima*) organized under the laws of Chile and licensed by the SBIF to operate as a commercial bank. Our legal and commercial name is CorpBanca. Our principal executive offices are located at Rosario Norte 660, Las Condes, Santiago, Chile. Our telephone number is 56-22-660-8000 and our website is www.corpbanca.cl. Our agent in the United States is CorpBanca New York Branch, Attention: Fernando Burgos Concha, located at 845 Third Avenue, 5th Floor, New York, NY 10022-6601. Information set forth on our website does not constitute a part of this Annual Report. CorpBanca is organized under the laws of Chile and its subsidiaries are organized under the laws of Chile and Colombia. The terms “CorpBanca,” “the bank,” “we,” “us” and “our” in this Annual Report refer to CorpBanca together with its subsidiaries unless otherwise specified.

HISTORY

We are Chile’s oldest operating bank incorporated as Banco de Concepción by Decree No. 180 of the Ministry of Finance on October 3, 1871, and legally began operations as a bank on October 16th of the same year. We were founded as Banco de Concepción in 1871 by a group of residents of the City of Concepción, Chile, led by Aníbal Pinto, who would later become President of Chile. In 1971, Banco de Concepción was transferred to a government agency, *Corporación de Fomento de la Producción* (the Chilean Corporation for the Development of Production, or CORFO). Also in 1971, Banco de Concepción acquired Banco Francés e Italiano in Chile, which provided for the expansion of Banco de Concepción into Santiago. In 1972 and 1975, the bank acquired Banco de Chillán and Banco de Valdivia, respectively. In November 1975, CORFO sold its shares of the bank to private business persons, who took control of the bank in 1976. In 1980, the name of the bank was changed to Banco Concepción. In 1983, control of Banco Concepción was assumed by the SBIF. The bank remained under the control of the SBIF through 1986, when it was acquired by *Sociedad Nacional de Minería* (the Chilean National Mining Society, or SONAMI). Under SONAMI’s control, Banco Concepción focused on providing financing to small- and medium-sized mining interests, increased its capital and sold a portion of its high-risk portfolio to the Central Bank. Investors led by Mr. Alvaro Saieh Bendeck purchased a majority interest of Banco Concepción from SONAMI in 1996. For over 20 years, Mr. Saieh Bendeck has directed the acquisition, creation and operation of a number of commercial banks, mutual fund companies, insurance companies and other financial entities in Chile and other parts of Latin America.

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Following our acquisition by Mr. Alvaro Saieh Bendeck in 1996, we began to take significant steps to improve our credit risk policies, increase operating efficiency and expand our operations. These steps included applying stricter provisioning and charge-off standards to our loan portfolio, cost cutting measures and technological improvements. We also changed our name to CorpBanca and hired a management team with substantial experience in the Chilean financial services industry. Several of our senior officers, prior to joining CorpBanca, were employed by Banco Osorno y La Union prior to its merger with Banco Santander-Chile in 1996. In addition, we significantly expanded our operations in 1998 through the acquisition of the consumer loan division of Corfinsa (which was formerly a consumer loan division of Banco Sudamericano, currently Scotiabank Chile) and the finance company Financiera Condell S.A. In November 2002, we completed the largest equity capital-raising transaction in Chile during that year, providing us with Ch\$111,732 million (approximately US\$238.9 million using the exchange rate that was in effect as of December 31, 2002) in capital to help implement our growth strategies. During this time, we consolidated our information technology systems into a single, integrated platform, Integrated Banking System, or IBS, a central information system that replaced a number of systems, providing us with a single, central electronic database that gives us up-to-date customer information in each of our business lines and calculates net earnings and profitability of each product and client segment.

In a two-step transaction, on May 29, 2012 and June 22, 2012, we acquired a 91.9% equity interest in Banco Santander Colombia (now known as CorpBanca Colombia), a 99.9% (direct and indirect) equity interest in CIVAL, a licensed securities broker-dealer operating in Colombia and a 5.5% equity interest in CIT Colombia, a financial services company operating in Colombia that specializes in fund administration and trust and custodial services, each from Banco Santander, S.A., a *sociedad anónima bancaria* organized under the laws of the Kingdom of Spain, and certain of its affiliates pursuant to certain purchase agreement, or the BSC Purchase Agreement, for US\$1.2 billion, except for the 5.5% equity interest from Santander Investment Colombia S.A. (now known as CorpGroup Investment Colombia S.A.). Banco Santander Colombia, CIVAL and CIT Colombia currently operate under the CorpBanca brand name.

On June 22, 2012, as contemplated in the BSC Purchase Agreement, our affiliate CorpGroup acquired a 7.4% equity interest in Banco Santander Colombia and a 94.5% equity interest in CIT Colombia. Also on June 22, 2012, as contemplated in the BSC Purchase Agreement, an affiliate of CorpGroup, CG International, acquired a 100% equity interest in Santander Insurance, an insurance brokerage. On June 29, 2012, CorpGroup transferred its 94.5% equity interest in CIT Colombia to CorpBanca Colombia.

As a condition to consummating the Banco Santander Colombia Acquisition, the SBIF required that CorpBanca raise at least US\$200 million and maintain a BIS capital adequacy ratio of 10% until June 2013. In connection with the SBIF's requirements, on June 9, 2012 and June 12, 2012, we raised capital in the aggregate amount of Ch\$268,750 million through the issuance in Chile of 43,000,000,000 common shares at an offering price of Ch\$6.25 per share.

On October 9, 2012, an affiliate of Corp Group, or the HB Purchaser, entered into an agreement, or the HB Purchase Agreement, with affiliates of Helm Corporation, to acquire up to a 100% equity interest in the common shares of Helm Bank with the intent to merge Helm Bank with and into CorpBanca Colombia with CorpBanca Colombia as the surviving corporation. The aforementioned acquisition is herein referred to as the Helm Bank Acquisition. The total purchase price of the Helm Bank Acquisition is US\$1.3 billion plus interest accruing on such amount at the rate of 0.5% per month from January 1, 2013, until the purchase price is paid. Subject to the terms and conditions set forth in the HB Purchase Agreement, at the closing date of the Helm Bank Acquisition, the HB Purchaser shall assign all of its rights and obligations under the HB Purchase Agreement to CorpBanca Colombia, which ultimately will acquire Helm Bank. Within ninety days after the closing of the Helm Bank Acquisition, CorpBanca Colombia is obligated to commence a tender offer (*oferta pública de adquisición*) to acquire all of the preferred stock of Helm Bank from the current holders of such preferred stock pursuant to Colombian law. In addition, certain affiliates of CorpGroup intend to acquire an 80% equity interest in Helm Insurance, an insurance broker, for US\$17.1 million. The Helm Bank Acquisition and the acquisition of Helm Insurance are subject to customary closing conditions, including regulatory approval in Chile, Colombia, Panama and the Cayman Islands. CorpBanca's management expects that the purchases will be completed during the second quarter of 2013. Upon completion of the acquisitions, CorpBanca will consolidate the operations of Helm Bank with and into CorpBanca Colombia, following the receipt of prior authorization from the Colombian Superintendency of Finance.

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In order to finance the Helm Bank Acquisition, CorpBanca Colombia plans to raise capital in an amount not to exceed US\$1 billion and finance the remainder of the acquisitions with its own funds. The planned capital increase will be subscribed by (i) CorpBanca for approximately US\$365 million, (ii) Helm Corporation for approximately US\$440 million, and (iii) CorpGroup Interhold Limitada for approximately US\$180 million. In addition, (i) on January 18, 2013, we raised capital in the aggregate amount of Ch\$66,751.2 million through the issuance of 10,680,200,621 common shares, including common shares in the form of ADSs, in the United States and elsewhere outside of Chile (ii) on February 7, 2013, we raised capital in the aggregate amount of Ch\$106,361.9 million in connection with the investment by certain investment funds of the International Finance Corporation, or IFC, a member of the World Bank Group, and IFC Asset Management Company to acquire a 5% equity interest in CorpBanca, or the IFC Investment, pursuant to an investment agreement with CorpGroup, Compañía Inmobiliaria y de Inversiones Saga Ltda., and CorpGroup Inversiones Bancarias Ltda., and (iii) on February 14, 2013, we raised capital in the aggregate amount of Ch\$120,927.7 million during a preemptive rights offering under Chilean law in connection with the authorization by the Board of Directors on November 27, 2012 to issue 47,000,000,000 common shares.

As a result of the steps we have taken since the 1996 acquisition, we have developed a number of significant competitive strengths that we believe will continue to contribute to our growth potential. These include operating efficiencies, improved asset quality, an experienced management team, and a strong technological infrastructure. Although certain rating agencies have placed our ratings on credit watch with negative implications in light of the Banco Santander Colombia Acquisition and the pending Helm Bank Acquisition, in recent years, our overall cost of funding has decreased as a result of improvements in our ratings. See “Item 3. Key Information—D. Risk Factors—Risks associated with our business—A further downgrade of CorpBanca’s counterparty credit rating by international or domestic credit rating agencies may also materially and adversely affect our debt credit rating for domestic and international debt, our business, our future financial performance, stockholders’ equity and the value of our securities”. We believe that these strengths position us well for continued growth in the Chilean and Colombian financial services industries.

Our loan portfolio (excluding loans to banks) has grown at a compounded annual growth rate in nominal terms of 26.6% between December 31, 2009 and December 31, 2012. As of December 31, 2012, according to the SBIF, we were the fourth largest private bank in Chile in terms of the overall size of our loan portfolio (10.1% market share on a consolidated basis and 8.4% market share on an unconsolidated basis only taking into account our operations in Chile). As of December 31, 2012, we had total assets of Ch\$13,526,524 million, including total loans of Ch\$10,103,491 million, shareholders’ equity (excluding net income for the trailing twelve months and provision for mandatory dividend) of Ch\$881,905 million and our return on average shareholders’ equity was 15% for the trailing twelve months. For the year ended December 31, 2012, we had net interest income of Ch\$256,876 million and net income of Ch\$119,153 million.

Our risk management strategy has enabled us to maintain what we believe are solid solvency ratios and risk indicators, notwithstanding recent high levels of volatility in the financial markets. As of December 31, 2012, we had a BIS Ratio of 11.2% and allowance for loan losses to total loans of 1.1%, which is lower than the banking industry’s average. We have achieved an average annual return on equity of 20.1% between 2009 and 2012. As of December 31, 2012, we had 121 branches and 440 ATMs in Chile and 87 branches and 114 ATMs in Colombia

CAPITAL EXPENDITURES

The following table reflects our capital expenditures in the years ended December 31, 2010, 2011 and 2012:

	For the Year Ended December 31,		
	2010	2011	2012
	(in millions of Ch\$)		
Land and buildings	Ch\$122	Ch\$91	Ch\$173
Machinery and equipment	1,345	1,519	3,335
Furniture and fixtures	649	2,867	2,162
Vehicle	—	—	58
Other	3,824	6,434	17,767
Total	5,940	10,911	23,495

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Capital divestitures resulted in a gain in sale of property, plant and equipment amounting to Ch\$1,335 million as of December 31, 2012 as compared to Ch\$17 million in 2011 and Ch\$557 million in 2010. See note 31 of our audited consolidated financial statements included herein. The increase in capital expenditures was mainly due to the Banco Santander Colombia Acquisition, software acquisitions and investments in IT projects. Capital expenditures are financed through our own funds and the recent capital increase in June 2012.

B. BUSINESS OVERVIEW

COMPETITIVE STRENGTHS

We believe that our current profitability and competitive advantages are the result of the following strengths:

Strong Market Position and Financial Performance

We believe that our strong position in the Chilean market has assisted us in achieving higher and more stable profits than our competitors. We are among the market leaders in Chile, ranking fourth among private banks in total loans with 10.1% market share on a consolidated basis and 8.4% market share on an unconsolidated basis in the Chilean market only taking into account our operations in Chile and fourth in deposits with 10.1% market share on a consolidated basis and 8.2% market share among private banks on an unconsolidated basis in the Chilean market only taking into account our operations in Chile, each as of December 31, 2012. We have grown our market share in total loans by 110 basis points during the 2009-2012 period in Chile. In addition to our growth in market share, we have achieved record profits for CorpBanca during the 2009-2012 period. For the three years ended December 31, 2012, we had net income of Ch\$121,573 million, Ch\$117,318 million and Ch\$119,153 million, respectively.

Relationship with CorpGroup

We believe that our relationships with the companies that constitute CorpGroup offer us a significant competitive advantage over our competitors. In particular, we have the potential to access a diverse pool of potential clients that are customers of CorpGroup's retail, hotel, and media businesses. We believe that this access provides us with unique opportunities to identify potential new clients, to market our banking products to various socioeconomic groups within Chile, lower the cost of customer acquisition and maximize our profitability through business model innovation and integration.

Diversified Footprint in Chile and Colombia

We believe that our successful acquisition and integration of Banco Santander Colombia gives us a distinct advantage over our competitors in Chile. We are the first and, as of the date of this Annual Report, the only Chilean based bank to acquire a universal bank in Colombia. In connection with our expansion into Colombia, IFC acquired a 5% equity interest in CorpBanca, which will provide us with an opportunity to leverage IFC's international recognition and business know-how to benefit our operations in Colombia.

Experienced Management Team

Our qualified and experienced management teams have played an important role in guiding our growth. Our largest shareholder, Mr. Alvaro Saieh B., who resigned as Chairman of the Board over a year ago, has over 27 years of experience in the Chilean financial industry. Mr. Saieh Bendeck is committed to continuing his relationship with CorpBanca on matters concerning strategic development, control and new business. Our Chairman of the Board of Directors, Mr. Jorge Andrés Saieh Guzmán, who became Chairman of the Board over a year ago, has over 14

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years experience as a member of our Board of Directors and more than three years experience as First Vice Chairman. Our Chief Executive Officer, Fernando Massú, has over 30 years of experience in the banking and financial services industry. Our Chief Financial Officer, Eugenio Gigogne, has over 24 years of experience in the banking and financial services industry. The Chief Executive Officer of CorpBanca Colombia, Jaime Munita Valdivieso, has over 20 years of experience in the banking and financial services industry. The members of the board of directors of CorpBanca Colombia also have a wealth of experience in the Colombian market and the banking and financial services industry.

Sound Risk Management

We believe that we have asset quality that is superior to the market average. We have maintained our asset quality, as evidenced by our ratio of non-performing loan to total loans of 1.2% as of December 31, 2012, and a ratio of charge-offs to average outstanding loans of 0.6% as of December 31, 2012. We believe that we have a risk management system that enables us to identify risks and resolve potential problems on a timely basis and we have made a series of investments to improve the technology we use to manage risk. We have also employed our risk management system and philosophy to identify potential acquisition targets with high asset quality.

Operating in a Stable Economic Environment within Latin America

We conduct a majority of our business in Chile and a significant amount of our business in Colombia. The Chilean and Colombian economies have demonstrated strong macroeconomic fundamentals in terms of GDP per capita with 5.6% and 4% growth and low inflation of 1.5% and 2.44% during 2012 in Chile and Colombia, respectively. The Chilean economy is generally recognized as among the most stable in Latin America, as evidenced by its investment grade ratings of “A+” by Standard & Poor’s and Fitch Ratings and “Aa3” by Moody’s, the highest ratings in the region. Chile has consistently received investment-grade credit ratings since Standard & Poor’s and Moody’s started coverage in 1992 and 1994, respectively. The Colombian economy is generally recognized as stable and with a “positive” outlook, as evidenced by its investment grade ratings of “BBB-” by Standard & Poor’s and Fitch Ratings and “Baa3” by Moody’s.

STRATEGY

Our strategy aims at enhancing our market position in the Chilean and Colombian financial services industry in terms of profitability, market share and service coverage. The key elements of our strategy are:

Continue to Grow our Operations Profitably as a Universal Bank

We seek to achieve organic growth by offering competitive products and services to our clients in all of our lines of business in Chile and Colombia. We believe that we have developed a successful wholesale banking business model, which allows us to realize high margins on the cross-selling of our products to our large corporate clients, and we intend to continue to expand our wholesale banking business model to our operations in Colombia. We are focusing our marketing and sales efforts on adapting this business model to apply to our SME clients in Chile and Colombia. Additionally, we believe that our strong franchise in the retail banking segment offers us the potential for significant growth in our loan portfolio, in the low-, mid—and high-income segments. In particular, we believe that there is significant opportunity to expand our wealth management business through the offering of unique investment products and opportunities that we benefit from as a member of CorpGroup.

Further Penetrate the Colombian Financial Services Market

We intend to capitalize on the growth of the Colombian market given that we believe that our Colombian operation will offer us significant opportunities for growth in the financial services industry. Specifically, we expect to benefit from the low banking penetration rates and growth in terms of GDP per capita in Colombia. Our Banco Santander Colombia Acquisition and our pending Helm Bank Acquisition demonstrates our commitment to the Colombian financial services market. With respect to our current operations in Colombia, in order to improve operational efficiency and increase market share in key sectors, we intend to implement our commercial and operational standards and best practices of CorpBanca Colombia, while capitalizing on the local management expertise, customer base, services and products. We also intend to leverage our relationship with IFC to benefit our operations in Colombia.

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Actively Pursue Cross-selling Opportunities

We intend to increase our market share and profitability by continuing to cross-sell services and products to our existing clients. We have instituted processes that facilitate our ability to offer additional financial services to our clients, which we believe will increase our revenues from fees for value-added services. In addition, we cross-sell loan products to our checking and savings account customers that are tailored to their individual needs and financial situation. We also believe that our relationship with the companies that are controlled by Mr. Saieh Bendeck (that constitute CorpGroup) will allow us to add clients and increase our profitability. For example, we install our ATM machines and distribute our banking products in CorpGroup retail outlets throughout Chile.

Increase Operating Efficiency

We are committed to continuing to improve our operating efficiency and profitability. We continue to update our branch operations to allow for an increased level of customer “self-help”. We are also working to increase use of internet and mobile banking by our customers. Our internet clients increased 6.5% in 2011 from 2010 and 17.5% for the year ended December 31, 2012. We have implemented a central information system that provides us with a single, central electronic database that gives us up-to-date customer information in each of our business lines and calculates net earnings and profitability of each transaction, product and client segment savings. We recently commissioned a senior management team whose main objectives are to implement technological solutions aimed at identifying means of improving our overall profitability and optimize our cost structure. Through these initiatives, we will continue to strive to improve our efficiency ratio.

Focus on Building Customer Satisfaction.

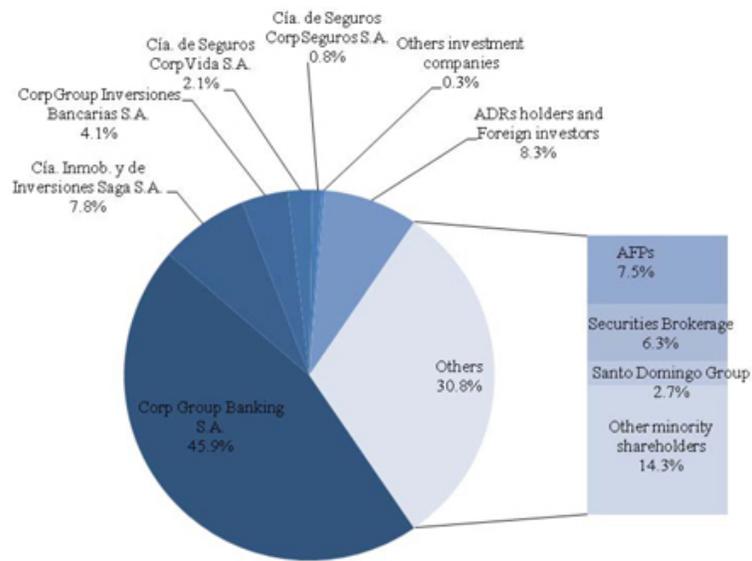
The quality of service that we provide to our customers is key to our growth strategy. We not only focus on gaining new customers, but on strengthening and establishing long-term relationships. We believe this is done through a constant effort to identify and understand the needs of our clients and to measure their satisfaction. We continue to develop new processes and technological solutions to provide our clients with excellent customer service.

Increase our Profitability by More Effectively Allocating our Capital

We continue to seek attractive opportunities to improve our profitability. The Banco Santander Colombia Acquisition and Helm Bank Acquisition are good examples of our strategic commitment to maximize the use of our capital to increase our profitability. Although we are constantly evaluating investment opportunities, our current focus is on integrating our Colombian operations.

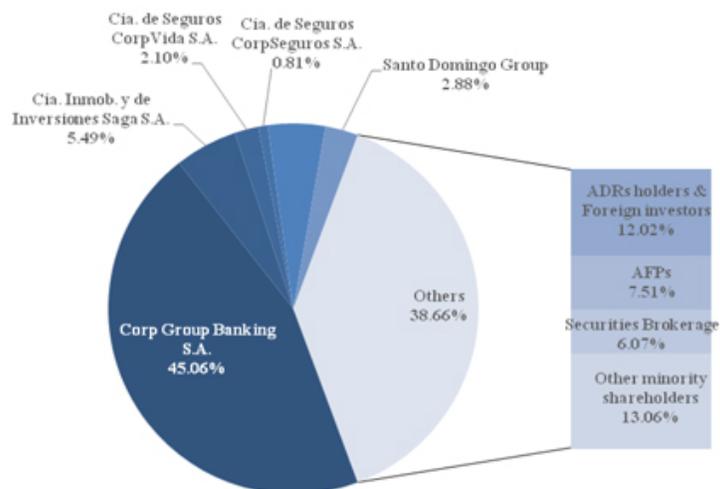
OWNERSHIP STRUCTURE

The following diagram shows our ownership structure as of December 31, 2012:



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The following diagram shows our ownership structure as of the date hereof:



PRINCIPAL BUSINESS ACTIVITIES

We provide a broad range of commercial and retail banking services to our customers. In addition, we provide financial advisory services, mutual fund management, insurance brokerage and securities brokerage services through our subsidiaries. The following chart sets forth our principal lines of business on a consolidated basis:

Representative Commercial Structure for CorpBanca and Banco CorpBanca Colombia



(1) Also see “Item 5. Operating and Financial Review and Prospects—A. Operating Results” for a financial summary of our lines of business as of December 31, 2010, 2011 and 2012.

(2) Only for CorpBanca.

The following chart sets forth a breakdown of our revenue from external customers by geographic market for the year ended December 31, 2010, 2011 and 2012:

	Revenues by geographic market		
	Year ended December 31,		
	2010	2011	2012
	Chile	Colombia	New York
	(in millions of Ch\$)		
CorpBanca Chile	222,149	188,136	182,218
CorpBanca Colombia	–	–	66,288
CorpBanca New York	2,261	4,864	8,370
Total	224,410	193,000	256,876

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The following table provides information on the composition of our loan portfolio and other interest-earning assets as of December 31, 2010 and 2011:

	As of December 31,			
	2010	2011	Variation	Variation
	(in millions of Ch\$)			(%)
Commercial loans				
Commercial loans	3,319,366	4,301,020	981,654	29.6%
Foreign trade loans	246,709	371,271	124,562	50.5%
Current account debtors	51,705	13,321	(38,384)	(74.2%)
Factoring operations	65,121	93,235	28,114	43.2%
Leasing transactions	277,387	289,392	12,005	4.3%
Other loans and receivables	1,247	77,756	76,509	6,135.4%
Subtotals	3,961,535	5,145,995	1,184,460	29.9%
Mortgage loans				
Letters of credit loans	121,391	101,054	(20,337)	(16.8)%
Endorsable mutual mortgage loans	269,132	237,452	(31,680)	(11.8)%
Other mutual mortgage loans	582,378	781,734	199,356	34.2%
Leasing transactions	146	137	(9)	(6.2)%
Other loans and receivables	50,655	45,168	(5,487)	(10.8)%
Subtotal	1,023,702	1,165,545	141,843	13.9%
Consumer loans				
Consumer loans	257,695	251,674	(6,021)	(2.3)%
Current account debtors	24,563	24,881	318	1.3%
Credit card debtors	51,302	53,765	2,463	4.8%
Consumer leasing transactions	702	721	19	2.7%
Other loans and receivables	45,481	69,364	23,883	52.5%
Subtotal	379,743	400,405	20,662	5.4%
Total	5,364,980	6,711,945	1,346,965	25.1%

The following table provides information on the composition of our loan portfolio and other interest-earning assets as of December 31, 2011 and 2012:

	As of December 31,			
	2011	2012	Variation	Variation
	(in millions of Ch\$)			(%)
Commercial loans				
Commercial loans	4,301,020	6,395,880	2,094,860	48.7%
Foreign trade loans	371,271	410,441	39,170	10.6%
Current account debtors	13,321	28,649	15,328	115.1%
Factoring operations	93,235	85,674	(7,561)	(8.1)%
Leasing transactions	289,392	338,018	48,626	16.8%
Other loans and receivables	77,756	157,157	79,401	102.1%
Subtotals	5,145,995	7,415,819	2,269,824	44.1%
Mortgage loans				
Letters of credit loans	101,054	86,871	(14,183)	(14.0)%
Endorsable mutual mortgage loans	237,452	214,528	(22,924)	(9.7)%
Other mutual mortgage loans	781,734	1,182,672	400,938	51.3%
Leasing transactions	137	58	(79)	(57.7)%
Other loans and receivables	45,168	41,357	(3,811)	(8.4)%
Subtotal	1,165,545	1,525,486	359,941	30.9%

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Consumer loans				
Consumer loans	251,674	766,277	514,603	204.5%
Current account debtors	24,881	28,618	3,737	15.0%
Credit card debtors	53,765	154,034	100,269	186.5%
Consumer leasing transactions	721	777	56	7.8%
Other loans and receivables	69,364	102,879	33,515	48.3%
Subtotal	400,405	1,052,585	652,180	162.9%
Total	6,711,945	9,993,890	3,281,945	48.9%

All of the above categories except mortgage loans are combined into “Loans” as described in “Item 4. Information on the Company—Business Overview—Selected Statistical Information—Average Balance Sheets, Income Earned from Interest Earning Assets and Interest Paid on Interest Bearing Liabilities”.

Commercial Banking

We offer a range of products and services to our business clients depending on their size, ownership structure and/or investments under management. Our commercial banking segments are served by two separate business divisions: Larger Corporate and Real Estate division (wholesale banking), and Companies division. For the years ended 2010, 2011 and 2012, our total average corporate loans outstanding for our Larger Corporate and Real Estate division and our Companies division amounted to Ch\$3,632,785 million or 70.3% of total average loans, Ch\$4,010,275 million or 68.7% of total average loans and Ch\$5,390,953 million or 57.2% of total average loans, respectively.

Larger Corporate and Real Estate Companies (wholesale banking)

This division serves large economic groups, state-owned companies, mining companies, utilities, energy, seaports, airports, public hospitals or any business with annual sales in excess of US\$30 million. Our Larger Corporate and Real Estate Companies division focuses on offering clients a broad range of services tailored to fit their specific needs. These services include deposit-taking and lending in both Chilean pesos and foreign currencies, trade financing, general commercial loans, working capital loans, letters of credit, interest rate, foreign exchange derivatives (including foreign exchange options) and cash flow management. This division also serves our real estate and project finance customers. As of December 31, 2012, we had over 1,725 Larger Corporate and Real Estate Companies banking customers. We also offer our wholesale banking customers securities brokerage and financial advisory services through our subsidiaries as well as those products and services available through our New York branch. (For the years ended 2010, 2011 and 2012, our total average corporate loans outstanding for our Larger Corporate and Real Estate Companies division amounted to Ch\$2,493,947 million or 48.3% of total average loans, Ch\$2,798,129 million or 48% of total average loans and Ch\$3,867,956 million or 41% of total average loans, respectively.)

Companies

Our Companies division provides services to businesses with annual sales of less than US\$30 million in Santiago and no set limit throughout the rest of Chile, except for large economic groups and state-owned mining companies, utilities and energy companies, ports, airports and public hospitals. This division also serves small and medium-sized businesses and provides support to our factoring and leasing clients. Greater detail of each of these business areas are provided in the paragraphs found below.

This division offers our customers a broad range of financial products, including general commercial loans, working capital loans, trade finance, on-lending of financing originated by CORFO (*Corporación de Fomento a la Producción*), overdraft credit lines, letters of credit, mortgage loans, term deposits, factoring and leasing. As of December 31, 2012, we had 16,618 customers in our Companies division.

Within our Companies division, we have a special unit focused on small and medium size companies, with annual sales between US\$200,000 and US\$2 million. We are able to offer an array of products through our small and medium-sized business unit, including products (such as lines of credit) backed by governmental warranties created to develop small and medium sized businesses.

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Retail Banking

We offer a range of products and services to our individual clients depending on their monthly income and/or net worth. Our retail banking divisions serve retail customers across all income levels, from low-income to high income individuals organized in two divisions: Traditional and Private Banking and Banco Condell.

Traditional and Private Banking

Traditional Banking

Our Traditional Banking Division is mainly oriented toward individuals with medium-high income levels (focused on clients with over Ch\$1.2 million monthly income). Our traditional banking services are marketed and operated under the CorpBanca brand name. We offer our traditional and private banking clients products such as checking and deposit accounts, credit lines, credit and debit cards, personal installment loans, mortgage loans, insurance banking and time deposits, among others. In addition, we provide time deposits, mutual funds and savings accounts in Chilean pesos, Euros, UF and U.S. dollars, with a minimum term of 7 days and no minimum amount for foreign-currency accounts.

Private Banking

Within our Private Banking Division, we provide private banking services to our high income and high net worth customers. We consider high income individuals to be customers with a monthly income in excess of US\$10,000 or a net worth in excess of US\$600,000. Each client under our private banking or “Private Banking” program is provided with a liaison officer who oversees the client’s entire relationship with us across all product lines. In addition to the products and services we provide to private banking customers, we offer tailored lending products designed to help keep their businesses growing. As of December 31, 2012, we had 7,636 Private Banking clients, an increase of 24.1% as compared to December 31, 2011.

For the year ended 2012, our Traditional and Private Banking Division had loans with an annual average balance of Ch\$2,027,349 million or 21.5% of total average loans (a year-on-year increase of 25.4%).

We offer the following products and services, among others, to our traditional and private banking customers:

Checking and Deposit Accounts. Our main checking account product is our “Integral” checking account, through which customers are provided with a package of services including ATM cards, a credit line, MasterCard and American Express credit cards with credit levels established pursuant to the creditworthiness of the individual, fraud insurance and access to internet and telephone banking. As of December 31, 2012, we had approximately 67,513 retail checking accounts, an increase of 11.3% as compared to December 31, 2011. Additionally, this growth in retail checking accounts has not reduced the average balance per account which increased from Ch\$85,502 million in 2011 to Ch\$96,531 million in 2012.

Credit and Debit Cards. We issue MasterCard and American Express credit cards to our individual clients. In addition to traditional cards, we offer cards issued under certain specialized customer loyalty programs and tailor our marketing of credit card services to different groups based on personal income. Annual fees are charged to those customers who do not hold “Integral” accounts with us in order to promote cross-selling and provide full service to customers. As of December 31, 2012, we had 146,951 credit cards issued under the brand name CorpBanca, an increase of 1.3% as compared to December 31, 2011. Our promotions such as discounts on gasoline purchases have allowed us to excel in sales as well as usage-rates of this product. Also, we had 101,029 credit cards issued by our subsidiary SMU Corp S.A. under the brand name “Unimarc”, an increase of 116% as compared to December 31, 2011.

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We also offer debit cards, which can be used for banking transactions at ATMs operating on the Redbanc network, as well as at retailers associated with the Redcompra program. Under this agreement, we have access to 9,238 ATMs (including BancoEstado's ATMs) in Chile.

Mortgage Loans. We offer two types of mortgages: residential mortgages for the purchase of new and existing homes (including refinancing of existing residential mortgages) and other mortgages, which are loans for other purposes secured by real property owned by the customer. Our residential mortgage loans are UF-denominated and generally have maturities between five and 30 years. All of our mortgage loans are primary lien loans and are secured by a real property mortgage. Our lending criteria require minimum credit scores. These loans can be endorsed to a third party. These generally are financed by our general borrowings.

To reduce our exposure to interest rate fluctuations and inflation with respect to our residential mortgage UF-denominated portfolio, a portion of these mortgages are funded through the issuance of letters of credit loans in the Chilean financial market, which bear a real market rate of interest plus a fixed spread over the rate of variation of the UF. The letters of credit loans are exclusively used to finance certain mortgage loans that as of December 31, 2012 represented only 5.7% of our mortgage loan portfolio. At the time of approval, these types of mortgage loans cannot be more than 75% of the lower of the purchase price or the appraised value of the mortgaged property or such loan will be classified as a commercial loan. Letters of credit loans are general unsecured obligations, and we are liable for all principal and accrued interest on such letters.

Mutuos Hipotecarios are financed with our general funds, particularly through the issuance of long-term subordinated bonds. In addition, we generally require that the monthly payments on residential mortgage loans do not exceed 25% of the borrower's household after-tax monthly income.

We continue to increase our marketing efforts relating to our mortgage services. Our market penetration for mortgage products has historically been lower than our overall Chilean market share for all banking products, which as of December 31, 2012 was 6.3% (on a consolidated basis). As a result of competitive pricing, product innovation, timely customer service, product knowledge as well as our overall focus on mortgage services, we have been able to achieve our recent results and increase our market share. This is the case as the ratios compare the collateral's fair value to our loans and receivables portfolio values. Accordingly, our market share for mortgage products has grown from 5.27%, 5.35% and 6.3% as of December 31, 2010, 2011 and 2012, respectively. We intend to continue to grow in this market.

Where appropriate, we obtain collateral in respect of our loans and receivables from customers. The collateral normally takes the form of a real estate mortgage (i.e., urban and rural properties, agricultural lands, maritime vessels and aircraft, mineral rights and other assets) and liens (i.e., inventories, agricultural goods, industrial goods, plantations and other property pledged as security) over the customer's assets. The existence and amount of collateral generally varies from loan to loan. In that context, we believe that the ratios presented are useful to the readers as they provide information about the Bank's potential loss exposure in the event of default.

Consumer Loans. We offer personal consumer loans for a variety of purposes, including personal loans (with automatic payments deducted from a checking or credit card account and with life, home and/or unemployment insurance); university and post-graduate education loans (including life insurance). Our consumer loans are generally installment loans denominated in Chilean pesos or UF, bear interest at fixed or variable rates and typically have maturities up to 5 years with the exception of university and post-graduate education loans, which have maturities up to 10 years.

Lower Income Retail Banking (Banco Condell)

Our Lower Income Retail Banking Division operates under the trade name Banco Condell and is focused on clients with an annual income lower than Ch\$7.2 million. Banco Condell has 56 standalone branches and its own brand identity.

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Under the Banco Condell brand, we offer consumer lending, credit card services, mortgage loans, insurance and time deposits to the traditionally underserved low-to-middle income segments of the Chilean population. For the year ended 2012, our Banco Condell division managed loans with an annual average balance of Ch\$135,115 million or 1.4% of total loans. Improved economic conditions in Chile over the past decade have resulted in an increased demand for consumer credit by low- to middle-income individuals, whom we classify as persons with annual income between Ch\$2.4 million and Ch\$7.2 million. Many of these individuals have not had prior exposure to banking products or services. Through Banco Condell, we focus on developing and marketing products specifically oriented to individuals in this segment of the population while introducing them to the banking sector. We offer, among others, the following products and services to our lower income retail banking-Banco Condell customers:

Consumer Loans. We offer personal loans under the Banco Condell brand, including personal debt consolidation loans. These loans are generally denominated in Chilean pesos, repayable through equal monthly installments and typically have maturities up to 5 years. Life and unemployment insurance are mandatory in connection with these loans.

Credit Cards. Under the Banco Condell brand, we provide MasterCard credit cards, which require the payment of an annual fee. However, this fee is waived if the card has transactions such as cash advances or purchases on a monthly basis. As of December 31, 2012, we had 3,726 credit cards issued under the brand name Banco Condell.

Mortgage Loans. Under the Banco Condell brand, we offer mortgage loans for the purchase of new and existing homes denominated in UF. In addition, we generally require that the monthly payments on a residential mortgage loan not exceed 25% of the borrower's household after-tax monthly income.

Treasury and International

Our Treasury and International Division specializes in financial management and is largely responsible for our funding and liquidity as well as management of any gap on our balance sheet. In addition, through our Treasury and International Division we manage proprietary trading functions, market making and distribution and sales of flow and non flow instruments for our corporate clients. This division is responsible for obtaining foreign currency-denominated credit lines from financial institutions outside of Chile.

As of December 31, 2012, the outstanding loans from foreign banks were US\$1,625.8 million with approximately 60 institutions in U.S., Canada, Germany, France, Holland, England, Japan, Singapore and other countries including Latin America. The international global risk assets outstanding as of December 31, 2012 were US\$1,970.5 million.

CorpBanca Colombia

CorpBanca Colombia provides a broad range of commercial and retail banking services to its customers, operating principally in the cities of Bogotá, Medellín, Cali, Bucaramanga and Barranquilla. As of December 31, 2012, according to the Colombian Superintendency of Finance, CorpBanca Colombia was the twelfth largest bank in Colombia in terms of total assets, the tenth largest bank in Colombia in terms of total loans and the twelfth largest bank in Colombia, in terms of total deposits as reported under local regulatory and accounting principles. As of December 31, 2012, CorpBanca Colombia had deposits and financial claims ("current accounts and demand deposits" and "time deposits and savings accounts") of COP\$6,737,878 million, which consisted of savings deposits, fixed-term deposit certificates, current accounts, financial claims for banking services and other commitments. As of December 31, 2012, CorpBanca Colombia had 114 ATMs and 269,048 individual banking customers and 29,143 commercial banking customers (including SMEs, corporations, institutions and wholesale customers). For the year ended December 31, 2012, CorpBanca Colombia had net income of COP\$137,956 million. As of December 31, 2012, CorpBanca Colombia had (i) total assets of COP\$9,147,139 million, including total loans of COP\$6,947,377 million; (ii) total shareholders' equity of COP\$863,399 million; and (iii) over 87 branches and offices and over 1,566 employees.

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New York Branch

Our Federal Branch in the city of New York in the United States offers a wide range of credit operations and services to both Chilean and non-Chilean retail customers and large and medium-sized companies. Operating with an offshore foreign branch of a Chilean bank is especially attractive to clients abroad as it provides a sense of proximity and it allows us to accompany our customers as they operate abroad, responding to their needs and improving our services. Our target market on the liability side consists of retail customers with sophisticated financial needs, medium and large Chilean companies, Latin American companies, and Chilean and Latin American banks without offshore branch offices, among others.

Our branch supports the commercial needs of Chilean and Latin American companies doing business overseas. Another important service is the participation in syndicated loans, together with other international institutions, to finance a variety of investment projects. From a financial investment perspective, our New York branch makes it possible to trade instruments from different issuers with a wide range of risks and returns. The branch also has a private banking unit to provide current accounts and other associated services.

Non-Banking Financial Services Offered through Subsidiaries

We have made several strategic long-term investments in non-banking financial services companies (each of which are regulated and supervised by the SBIF), which are engaged in activities complementary to our core banking activities. Through these companies, each of which is our wholly-owned subsidiary, we intend to continue to develop a comprehensive financial services group able to meet the diverse financial needs of our current and potential clients. As of December 31, 2012, assets of our subsidiaries represented 1.8% of total consolidated assets compared to 2.3% for the same period in 2011. For the year ended December 31, 2012, net operating income of our subsidiaries represented 15.6% of total consolidated operating income compared to 18.1% for the same period in 2011.

The following table sets forth certain financial information with respect to our financial services subsidiaries as of December 31, 2010, 2011 and 2012, in millions of Chilean pesos. Amounts relating to inter-company transactions have not been removed for purposes of this table.

Non-Banking Services Offered through Subsidiaries

	As of and for the year ended December 31,								
	2010			2011			2012		
	<u>Assets</u>	<u>Shareholder's Equity</u>	<u>Net Income</u>	<u>Assets</u>	<u>Shareholder's Equity</u>	<u>Net Income</u>	<u>Assets</u>	<u>Shareholder's Equity</u>	<u>Net Income</u>
CorpBanca Corredores de Bolsa S.A.	248,011	86,619	5,545	271,012	88,514	6,640	191,791	44,526	6,011
CorpBanca Administradora General de Fondos S.A.	8,639	6,873	5,063	8,062	5,301	3,472	4,854	4,011	2,181
CorpBanca Corredores de Seguros S.A.	6,238	5,729	5,616	7,500	5,259	5,118	8,639	6,008	5,827
CorpBanca Asesorías Financieras S.A.	4,848	4,225	4,056	10,322	8,099	7,915	10,611	7,677	7,493
Corp Legal S.A.	1,160	872	422	1,900	1,589	698	2,216	2,003	414
Corp Capital Agencia de Valores S.A	3,291	977	(258)	1,958	1,109	132	1,729	987	(122)
SMU Corp S.A.	6,804	6,007	(1,993)	7,436	5,324	(3,723)	9,645	6,274	(4,010)
CorpBanca Investment Trust Colombia S.A.	-	-	-	-	-	-	15,693	12,914	1,659
CorpBanca Investment Valores Colombia S.A.	-	-	-	-	-	-	4,691	3,895	(822)

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SMU Corp S.A

In 2009, we created SMU Corp S.A., which is a subsidiary of CorpBanca, or SMU Corp and a joint venture with SMU S.A., or SMU. SMU is a retail business holding company owned by our largest shareholder, which indirectly owns retail (including Unimarc supermarkets) and wholesale supermarkets, convenience stores and construction oriented home improvement stores. As of December 31, 2012, SMU was one of the three market leaders in supermarkets in Chile. We have a 51% ownership interest in the joint venture. We believe that SMU Corp has the potential to increase our participation in the retail banking sector through the issuance of a CorpBanca credit card for Unimarc clients. We believe our expertise in credit risk management will be supplemented by SMU's knowledge of Chile's retail business. SMU Corp provides us with access to over 600 stores in Chile through different formats and more than 30 million transactions per month in all food retail formats in Chile. We believe that through SMU Corp we will have a better understanding of our clients by detecting their preferences, consumer habits, frequency of purchases and determining average amounts spent by our customers.

CorpBanca Corredores de Bolsa S.A.

Our subsidiary CorpBanca Corredores de Bolsa S.A., or CCB, is a member of the Santiago Stock Exchange and is registered with the SVS as a security broker. CCB's primary activities are providing brokerage services in equities, fixed income, and foreign currency exchange. CCB's net income was Ch\$5,545 million, Ch\$6,640 million and Ch\$6,011 million for 2010, 2011 and 2012, respectively. CCB had assets under custody of Ch\$312,159 million, Ch\$409,817 million and Ch\$359,848 million as of December 31, 2010, 2011 and 2012, respectively. In 2012, CCB's net income decreased by Ch\$629 million, or 9.5%, as compared to the prior year.

CorpBanca Administradora General de Fondos S.A.

We incorporated CorpBanca Administradora General de Fondos S.A., or CAGF, to complement banking services offered to individual and corporate clients. CAGF's current function is to manage mutual fund assets for its clients in fixed and variable income instruments in both the local and foreign markets. For the years ended December 31, 2010, 2011 and 2012, CAGF had net income of Ch\$5,063 million, Ch\$3,472 million and Ch\$2,181 million, respectively. CAGF had total assets of Ch\$8,639 million, Ch\$8,062 million and Ch\$4,854 million as of December 31, 2010, 2011 and 2012, respectively. As of December 31, 2012, CAGF managed 27 mutual funds including fixed income funds and had total assets under management amounting to Ch\$437,581 million, an increase of Ch\$29,345 million when compared to 2011. The decrease in the net income is due to clients reallocating their capital from investments such as mutual funds to deposits and other low-risk products with lower fees. During 2012 we incorporated as a new business line, the structuring and managing of alternative assets, such as real estate, managed through private investment funds, or FIP. The goal was to build a management structure as strong as the mutual fund management regarding operational and commercial issues, but with alternative investment opportunities, focusing primarily in high net worth customers. As of December 31, 2012 we managed 2 FIPs, (i) Corp Full Deposito 1 Fondo de Inversión Privado, whose investment objective is to obtain a 10% annual return in Chilean pesos, with assets under management of US\$4,800,000 and (ii) Fondo de Inversión Privado Corp Rentas Inmobiliarias, a real estate investment fund with assets under management of US\$870,000 from US\$1,700,000 committed under the form of capital calls, whose investment objective is the purchase of land in the city of Copiapó, in order to build a supermarket and retail space, with a lease signed in advance. The target internal rate of return of this fund is UF+9%. We hope that 2013 will be a year of consolidation in this business line, with the structuring of at least 3 additional funds regarding these sorts of assets.

CorpBanca Asesorías Financieras S.A.

CorpBanca Asesorías Financieras S.A., or CAF, provides a broad range of financial advisory services to a variety of corporations and government agencies, including those services related to debt restructurings, syndicated loans, structured loans, structured investment funds, bilateral grants, mergers and acquisitions, privatizations and company valuations. For the years ended December 31, 2010, 2011 and 2012, CAF had net income of Ch\$4,056 million, Ch\$7,915 million and Ch\$7,493 million, respectively. CAF had total assets of Ch\$4,848 million, Ch\$10,322 million and Ch\$10,611 million as of December 31, 2010, 2011 and 2012, respectively.

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CorpBanca Corredores de Seguros S.A.

In accordance with our strategy of expanding the breadth of financial services that we offer, our subsidiary CorpBanca Corredores de Seguros S.A., or CCS, offers a full line of insurance products. Many of these products complement the various banking and loan services that we provide, such as unemployment and life insurance in connection with personal loans and insurance in connection with mortgage lending. Through CCS we also provide non credit-related insurance to existing clients and the general public. For the years ended December 31, 2010, 2011 and 2012, CCS had net income of Ch\$5,616 million, Ch\$5,118 million and Ch\$5,827 million, respectively. CCS had total assets of Ch\$6,238 million, Ch\$7,500 million and Ch\$8,639 million as of December 31, 2010, 2011 and 2012, respectively.

Corp Legal S.A.

The SBIF granted us authorization for the creation of our subsidiary Corp Legal S.A., or Corp Legal, on January 26, 2007. Corp Legal offers standard procedures of legal services to the bank and its clients.

CorpBanca Agencia de Valores S.A.

CorpBanca Agencia de Valores S.A., or CAV, is registered with the SVS as a securities broker, but because it is not a member of the Santiago Stock Exchange nor of any other Stock Exchange in Chile it provides brokerage services outside of the Stock Exchanges. Its primary activities are to provide financial solutions to high net worth individuals and family offices in Chile.

Distribution Channels, Electronic Banking and Technology

CorpBanca Chile

Our distribution network in Chile provides integrated financial services and products to our customers through several diverse channels, including ATMs, branches, internet banking and telephone banking. As of December 31, 2012, we operated 121 branch offices in Chile, which includes 65 branches operating as CorpBanca and 56 branches operating as Banco Condell, our consumer finance division. In addition, as of December 31, 2012, we owned and operated 440 ATMs in Chile, and our customers have access to over 9,230 ATMs (including BancoEstado's ATMs) in Chile through our agreement with Redbanc S.A., or Redbanc. We utilize a number of different sales channels including account executives, telemarketing and the internet to attract new clients. Our branch system serves as the main distribution network for our full range of products and services.

We offer internet banking to our customers 24 hours a day through our password-protected internet site, www.corpanca.cl. Our internet site offers a broad range of services, including up-to-date information on balances in deposit, checking, loan, credit card and other accounts and transactional capabilities such as transfers and payments. As of December 31, 2012, we had over 158,520 customers with activated internet passwords in Chile, allowing them to access our internet banking services. We are a member of the Sociedad Interbancaria de Transferencias Electrónicas S.A., an organization that facilitates electronic banking transactions on behalf of our customers as well as other Chilean banks. We also provide our customers with access to a 24-hour phone-banking call center that grants them access to account information and allows them to effect certain payments by telephone.

We have developed a specialized internet-based service designed to facilitate and optimize the financial management of our commercial customers. This service, which we market under the name "Cash Management," includes services such as payroll support and payments to suppliers.

We have entered into several service and lease agreements with IBM de Chile S.A.C., which provides us with the computer hardware and network build-out that we use in our headquarters and branch offices. We have also entered into a software consulting and development agreement with Datapro, Inc., which provides consulting and development for the IBS.

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CorpBanca Colombia

CorpBanca Colombia's distribution channel provides integrated financial services and products to its customers in Colombia through several diverse channels, including ATMs, branches, internet banking and telephone banking. As of December 31, 2012, CorpBanca Colombia operated 87 branch offices in Colombia and owned and operated 114 ATMs in Colombia, but providing its customers with access to over 12,281 ATMs through Colombia's financial institutions. CorpBanca Colombia utilizes a number of different sales channels including account executives, telemarketing and the internet to attract new clients. CorpBanca Colombia's branch system serves as the main distribution network for its full range of products and services.

CorpBanca Colombia offers internet banking to its customers 24 hours a day through its password-protected internet site, www.bancocorpbanca.com.co. CorpBanca Colombia's internet site offers a broad range of services, including up-to-date information on balances in deposit, checking, loan, credit card and other accounts and transactional capabilities such as transfers and payments. As of December 31, 2012, CorpBanca Colombia had 158,520 customers with activated internet passwords who used the electronic banking service at least once during the month, allowing them to access CorpBanca Colombia's internet banking services. CorpBanca Colombia is a member of ACH Colombia S.A. and Cenit S.A., an organization that facilitates electronic banking transactions on behalf of its customers as well as other Colombian banks. CorpBanca Colombia also provides its customers with access to a 24-hour phone-banking call center that grants them access to account information and allows them to effect certain payments by telephone.

CorpBanca Colombia has developed a specialized internet-based service designed to facilitate and optimize the financial management of its commercial customers. This service, which CorpBanca Colombia markets under the name "AzulNet," includes services such as payroll support and payments to suppliers. CorpBanca Colombia has decided to implement the platform IBS provided by DataPro (this platform is also implemented by CorpBanca in Chile and New York). CorpBanca Colombia is currently in the structuring phase of the project.

Competition

Competition in Chile

Description of the Chilean Financial System. The Chilean financial services market consists of a variety of largely distinct sectors. The most significant sector, commercial banking, includes 24 privately-owned banks and one state-owned bank, BancoEstado (which operates within the same legal and regulatory framework as the private sector banks). The private sector banks include those that are Chilean-owned, i.e., controlled by a Chilean entity, as well as a number of foreign-owned banks which are operated in Chile but controlled by a foreign entity. In 2012, five private sector banks along with the state-owned bank together accounted for 81.2% of all outstanding loans by Chilean financial institutions as of December 31, 2012: Banco Santander-Chile (18.7%), Banco de Chile (18.6%), Bci (12.9%), CorpBanca (10.1%), Banco Bilbao Vizcaya Argentina, Chile (7%) and BancoEstado (13.8%). All market share statistics in this paragraph are presented according to the SBIF on a consolidated basis.

Financial System Evolution in Chile. The Chilean banking system has experienced a consolidation process in recent years with mergers and acquisitions of banking entities in line with a global trend. Currently, the largest Chilean bank in terms of loans outstanding is Banco Santander-Chile. Between 1994 and 1995, Banco Santander-Chile acquired Fincard and Finaceira Fusa, originating its consumer division known as "Banefe". Also, in April 1996, Banco Santander-Chile acquired control of Banco Osorno y La Unión, Banco O'Higgins and Financiera Fusa forming Banco Santander-Chile. In 1999, following the international merger of Banco Santander de España and Banco Central Hispano, Banco Santander Central Hispano acquired control of Santander-Chile and Banco Santiago. In April 2002, the SBIF authorized Banco Santander Central Hispano to increase its participation in Banco Santiago by way of acquisition of 35.5% of the shares of the latter owned by Banco Central de Chile. In May 2002, the SBIF authorized Santander-Chile and Banco Santiago to merge. This merger enabled these banks to become the largest financial institution in Chile in terms of loans outstanding.

In July 1998, S.A.C.I. Falabella, the largest department store in Chile, acquired ING Bank's branch in Chile aiming to create an individual niche bank focused on Falabella's customers. In September 1998, Banco Bilbao Vizcaya Argentina (BBVA) (formerly Banco Bilbao Vizcaya) de España, subscribed a capital increase of Banco Bchif, thus controlling 55% of the bank. In 1998, we acquired the assets of Corfinsa, which pertained to the consumer division of Banco Sud Americano, and then acquired the Financiera Condell S.A., a finance company. In 1999,

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Citibank acquired Financiera Atlas, a finance company. In July 1999, Bank of Nova Scotia acquired control of Banco Sud Americano, by increasing its interest from 28% to 60.6%, and in late 2001 changed its name to Scotiabank Sud Americano (currently Scotiabank Chile). In early 2001, the Luksic group (which controlled Banco Edwards since 1999) acquired control of Banco de Chile, merging both banks in January 2002. In July 2003, Banco del Desarrollo acquired Banco Sudameris.

In January 2004, Bci acquired 99.9% of Banco Conosur. Also in 2004, Grupo Security S.A., a Chilean financial holding company, acquired Dresdner Bank Lateinamerika AG's (DBLA) operations in Chile. Afterwards, Grupo Security S.A. and DBLA merged. In early 2007, Itaú Holding Financiera S.A. acquired 100% of BankBoston Chile and the SBIF authorized the sale of Banco Internacional to Inversiones del Rosario S.A. Also in 2007, Rabobank was authorized to purchase HNS Banco and Scotiabank Sud Americano was authorized to acquire 100% of Banco Desarrollo. In January 2008, Banco de Chile and Citibank Chile were authorized to merge operations and as a consequence of these mergers, Citigroup has a significant (but not controlling) indirect participation in the equity of Banco de Chile. In April 2008, Royal Bank of Scotland was granted authorization to acquire 100% of ABN AMRO Bank Chile.

In recent years, several applications for banking licenses have been filed with the SBIF. In 2000, Deutsche Bank initiated operations in Chile. During 2001, the SBIF authorized the formation of HNS Banco, which was focused on small and medium sized businesses through leasing and factoring financing. In the same year, the SBIF authorized the creation of Banco Monex, which was also focused on small and medium sized businesses through trade finance, exchange transactions and financial derivatives. In May 2002, Banco Ripley initiated operations of consumer loans to mid to low-income individuals. In September 2002, Financiera Conosur filed an application with the SBIF to request its corporate conversion into a bank, which took place in 2003. In July 2004, Banco Paris, linked to former Almacenes Paris department store, was authorized to initiate operations through the acquisition of Banco Santander-Chile's Santiago Express consumer division. In 2004, Grupo Penta, linked to former shareholders of Banco de Chile, received a banking license for a new bank named "Banco Penta," which has been operating ever since. It is expected that the trend to create niche banks will continue. In addition, in November 2001, the SBIF authorized HSBC Bank Chile to convert its branch into a subsidiary bank. In May 2008, DnB NOR Bank from Norway requested authorization from the SBIF to open a banking branch and in January 2009 was granted permission. In November 2009, the SBIF authorized the Chilean financial holding Consorcio to acquire Banco Monex (rebranded to Banco Consorcio in 2010). In 2010, Scotiabank Canada acquired Royal Bank of Scotland's (RBS) Chilean banking operations and almost a year later its bank subsidiary in Chile acquired RBS Chile's assets. In 2011, Banco Itaú Chile bought the "individuals" loan portfolio of HSBC Chile (representing around 1% of Itaú's individuals loans portfolio). In December 2012, the SBIF approved the early termination of the banking license of DnB Bank ASA, Agency in Chile, who will continue to operate in Chile as a representative office.

We believe that our principal competitors are Bci, Banco de Chile and Banco Santander-Chile. As compared to other Chilean banks, we believe our position in the Chilean banking industry has enabled us to compete with international banks seeking to provide loans to companies operating in Chile, especially since we are able to offer alternative sources of financing. We also believe that the close relationships we have developed with our SME customers over the years provide us with a competitive advantage.

Commercial banks, such as us, face increasing competition from other financial intermediaries who can provide larger companies with access to the capital markets as an alternative to bank loans. The enactment of the Capital Markets Reform Bill (*Reforma al Mercado de Capitales*) in 2001 has made it more tax-advantageous and easier for companies to issue commercial paper in Chile, adding an additional financing alternative. To the extent permitted by the General Banking Law, we seek to maintain a competitive position in this respect through the investment banking activities of our subsidiary CAF.

We face competition in our mortgage and consumer loans businesses from insurance companies, which have been permitted to grant mortgage loans. We believe that, in addition to the other banks that operate in Chile, our main competitors in the credit card business are department stores and other non-banking businesses involved in the issuance of private-label credit cards. We intend to remain competitive in the mortgage loan services and credit card markets through product innovation.

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We also experience competition from banks that provide international private banking services such as JPMorgan Chase, Deutsche Bank and BNP Paribas, among others. We believe our main competitive advantage in our Private Banking segment has been our ability to provide our customers with tailored lending products and responses to their needs as soon as possible. Our lower income retail banking segment, Banco Condell, competes with consumer divisions of other banks such as Banefe, CrediChile, among others, as well as certain consumer credit providers, including department stores. We believe the main competitive advantage of our Banco Condell brand is our ability to provide responses as soon as possible, know our customers' needs and provide a fair price structure.

Competition in Colombia

Description of the Colombian Financial System. In recent years, the Colombian banking system has been undergoing a period of consolidation given the series of mergers and acquisitions that have taken place within the sector, including our acquisition of CorpBanca Colombia and the pending acquisition of Helm Bank. More specifically, several mergers and acquisitions took place in 2005, including the Conavi/Corfinsura merger, the acquisition of Banco Aliadas by Banco de Occidente, the merger of Banco Tequendama and Banco Sudameris, as well as the merger of the Colmena and the Caja Social banks. The trend towards mergers and acquisitions continued throughout 2006, with the completion of certain transactions first announced during 2005. These include the acquisition of Banco Superior by Davivienda, of Banco Granahorrar by BBVA Colombia and of Banco Unión by Banco de Occidente. Also during 2006, Banco de Bogota acquired Megabanco and Davivienda announced its acquisition of Bancafé. In 2007, HSBC acquired Banitsmo. In 2008 the Royal Bank of Scotland (RBS) purchased the Colombian arm of ABN Amro Bank and General Electric (GE) Money acquired a 49.7% stake in Colpatría, with an option of increasing this stake by another 25% by 2012. However, in May of 2010, Group Colpatría repurchased this 49.7% stake and in October of 2011, Canadian Scotiabank purchased Colpatría's 51% for US\$1.0 billion. Also, in 2010, Banco de Bogotá acquired BAC-Credomatic, which has operations in several countries in Central America, for a reported purchase price of approximately US\$184 million.

As of December 31, 2012, and according to the Colombian Superintendency of Finance, the principal participants in the Colombian financial system were the Central Bank of Colombia, twenty-three commercial banks (12 domestic private banks, 10 foreign banks, and 1 domestic state-owned bank), four finance corporations and twenty-one financing companies (4 leasing companies and 17 traditional financing companies). In addition, trust companies, cooperatives, insurance companies, insurance brokerage firms, bonded warehouse, special state-owned institutions, pension and severance pay funds also participate in the Colombian financial system.

The Financial Reform Act of 2009 (Law 1328 passed July 15, 2009) also made important advances towards a multi-banking framework. This new legislation authorized banks to provide merger and acquisition loans and allowed them to conduct financial leasing operations. As a result, some competitors have absorbed their financial leasing subsidiaries into their banking franchises and some leasing companies are in the process of becoming banks.

Financial System Evolution in Colombia during 2011 and 2012. During 2011, the Colombian economy experienced continued growth due to contributions from commerce, transportation, financial establishments and a large foreign direct investment; the financial sector was the cornerstone for economic expansion. Based on information issued by the Colombian Superintendency of Finance, bank lending increased 15.6% in 2012. Monetary policy was not as expansive as in 2011, which led to higher reference interest rates, with a gradual decrease of about 50 base points (bps). On November 26, 2012, the Central Bank of Colombia reduced the reference interest rate by 25 bps to 4.50% and, on December 24, 2012, the reference interest rate was reduced again by 25 bps to 4.25%. The demand for business loans granted by banks is increased by 13.5% for 2012, compared to 20.1% for 2011. The rising confidence and the dynamics on the economy, drove up consumer loans granted by banks, which grew by 17.6% in 2012, lower than 33% observed in 2011. Mortgage and small business loans continued to do well, with increases of 23.8% and 20.8%, respectively, for 2012.

The bank system's level of past-due loans as a percentage of the total loan portfolio increased throughout the year, going from 2.5% in December 2011 to 2.8% for the same month in 2012. In addition, coverage, measured as the ratio of allowances to past-due loans, ended 2012 at 162.5%, compared to 181.9% at the end of 2011.

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During 2012, lending gained some weight into the banks system's structure. Net loans increased from 64.5% of total assets at the end of 2011 to 65.3% at the end of 2012, while investment portfolio, as a percentage of total assets, decreased from 19.1% at the end of 2011 to 18.7% at the end of 2012.

As of December 31, 2012, the Colombian financial sector recorded COP\$372,794,238 million in total assets, representing a 14.4% increase as of the same period in 2011. The Colombian financial system's total composition of assets shows banks with a market share of 90.6%, followed by financing companies with 8.7% and financial corporations with 0.8%.

As of December 31, 2012, banks lending had increased 15.6% for the trailing twelve months. Consumer loans represented an annual increase of 17.6% and commercial loans increased 13.5% in the same period.

The bank system's level of past-due loans increased from 2.5% for the year ended December 31, 2011, to 2.8% for the same period in 2012. Moreover, the coverage ratio decreased from 181.9% for the year ended December 31, 2011 to 162.5% for the same period 2012.

As of December 31, 2012, the capital adequacy ratio (tier 1 + tier 2) for credit institutions was 16% (including banks, finance corporations and financing companies), increasing by 108 bps when compared to the same period in 2011, and which is well above the minimum legal requirement of 9%.

Loans

As of December 31, 2011 and 2012, our gross loan portfolio was Ch\$6,814,445 million and Ch\$10,160,598 million, respectively. This placed us as the fourth largest financial institution among private Chilean banks and fifth place among all banks operating in Chile. Our gross loan portfolio represented 10.1% of the market for loans in the Chilean financial system (comprising all commercial banks) as of such date. During the period from 2009 to 2012, the compounded annual growth rate of our loan portfolio, excluding interbank loans in nominal terms, was 26.6% as compared to an increase of 13.5% in the average market loan portfolio.

The following table sets forth the aggregate outstanding loans for us and the five other private sector banks with the largest market shares in Chile as of December 31 in each of the last three years:

	Bank Loans⁽¹⁾		
	As of December 31,		
	2010	2011	2012
		(in millions Ch\$)	
Banco Santander-Chile	15,657,556	17,347,093	18,876,079
Banco de Chile	14,365,829	17,377,793	18,761,765
Bci	9,531,565	11,377,851	13,047,497
CORPBANCA ⁽²⁾	5,469,185	6,814,445	10,160,598
Banco Bilbao Vizcaya Argentaria, BBVA	5,442,705	6,139,803	7,057,879
Scotiabank Chile	3,922,448	4,376,069	4,890,267
Others	20,564,693	24,513,446	27,969,100
Total	74,953,981	87,946,500	100,763,185

Source: The SBIF monthly consolidated financial information

(1) Excludes interbank loans and, for comparison purposes with other banks, the information is presented under standards issued by the SBIF.

(2) The amounts under IFRS for the years ended December 31, 2010, 2011 and 2012 were Ch\$5,469,195 million, Ch\$6,814,445 million and Ch\$10,103,491 million, respectively.

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Deposits

We had consolidated deposits of Ch\$8,795,350 million as of December 31, 2012, which consisted of our current accounts, bankers' drafts, savings accounts, time deposits and other commitments. Our market share of 10.1% for deposits and other obligations as of such date ranks us in fourth place among private sector banks in Chile.

The following table sets forth the aggregate deposits for us and the five other private sector banks with the largest market share as of December 31 in each of the last three years:

	Bank Deposits and Other Obligations ⁽¹⁾		
	As of December 31,		
	2010	2011	2012
	(in millions Ch\$)		
Banco Santander-Chile	11,495,191	13,334,930	14,082,232
Banco de Chile	12,144,149	14,177,750	15,083,921
Bci	8,311,574	9,921,534	10,840,953
Banco Bilbao Vizcaya Argentaria, Chile (BBVA)	4,177,282	4,956,864	5,342,368
CORPBANCA ⁽²⁾	4,312,518	5,507,098	8,795,350
Scotiabank Chile	2,386,368	2,647,362	3,189,778
Others	22,139,802	25,998,714	29,403,392
Total	<u>64,966,884</u>	<u>76,544,252</u>	<u>86,737,994</u>

Source: The SBIF monthly consolidated financial information

(1) For comparison purposes with other banks, the information is presented under standards issued by the SBIF.

(2) The amounts under IFRS for the years ended December 31, 2010, 2011 and 2012 were Ch\$4,312,518 million and Ch\$5,507,098 million and Ch\$8,795,350 million, respectively.

Shareholders' Equity

We were the fourth largest among private sector banks in Chile with Ch\$881,905 million in shareholders' equity (excluding net income and accrual for mandatory dividends) as of December 31, 2012.

The following table sets forth the level of shareholders' equity for us and the five largest private sector banks in Chile (measured by shareholders' equity) as of December 31 in each of the last three years:

	Shareholders' Equity ⁽¹⁾⁽²⁾		
	As of December 31,		
	2010	2011	2012
	(in millions Ch\$)		
Banco Santander-Chile	2,006,754	1,730,464	1,864,083
Banco de Chile	1,646,630	1,569,871	1,841,966
Bci	1,105,789	1,039,160	1,230,077
CORPBANCA ⁽³⁾	475,839	643,218	881,905
Scotiabank Chile	539,578	520,676	569,214
Banco Bilbao Vizcaya Argentaria, Chile	513,044	490,608	591,982
Others	2,783,897	2,798,073	3,262,739
Total	<u>9,071,531</u>	<u>8,792,070</u>	<u>10,241,966</u>

Source: The SBIF monthly consolidated financial information

(1) Shareholders equity = Equity attributable to shareholders excluding net income and provision for mandatory dividend.

(2) For comparison purposes with other banks, the information is presented under standards issued by the SBIF.

(3) The amounts under IFRS, excluding net income, non-controlling interest, and accrued for mandatory dividends, for the years ended December 31, 2010, 2011 and 2012 were, Ch\$486,286 million, Ch\$657,506 million and Ch\$895,095 million, respectively.

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Chilean Banking Regulation and Supervision

General

In Chile, only banks may maintain checking accounts for their customers, conduct foreign trade operations, and together with financial companies, accept time deposits. The principal authorities that regulate financial institutions in Chile are the SBIF and the Central Bank. Chilean banks are primarily subject to the General Banking Law and secondarily, to the extent not inconsistent with such statute, the provisions of the Chilean Corporations Law governing public corporations, except for certain provisions which are expressly excluded.

The modern Chilean banking system dates from 1925 and has been characterized by periods of substantial regulation and state intervention, as well as periods of deregulation. The most recent period of deregulation commenced in 1975 and culminated in the adoption of a series of amendments to the General Banking Law. That law, when amended in 2001, granted additional powers to banks, including general underwriting powers for new issues of certain debt and equity securities and the power to create subsidiaries to engage in activities related to banking, such as brokerage, investment advisory, mutual fund services, administration of investment funds, factoring, securitization products and financial leasing services. Following the Chilean banking crisis of 1982 and 1983, the SBIF assumed control of 21 financial institutions representing approximately 51% of the total loans in the banking system. As part of the solution to this crisis, the Central Bank permitted financial institutions to sell to it a certain portion of their distressed loan portfolios, at the book value of such loan portfolios. Each institution then repurchased such loans at their economic value (which, in most cases, was much lower than the book value at which the Central Bank had acquired the loans) and the difference was to be repaid to the Central Bank out of future income. Pursuant to Law No. 18,818, which was passed in 1989, this difference was converted into a subordinated obligation with no fixed term, known as *deuda subordinada* or subordinated debt, which in the event of liquidation of the institution, would be paid after the institution's other debts had been paid in full.

Central Bank of Chile

The Central Bank of Chile is an autonomous legal entity created by the Chilean Constitution. It is subject to the Chilean Constitution and its own *ley orgánica constitucional*, or constitutional law. To the extent not inconsistent with the Chilean Constitution or the Central Bank of Chile's constitutional law, the Central Bank of Chile is also subject to private sector laws (but in no event is it subject to the laws applicable to the public sector). It is directed and administered by a board of directors composed of five members designated by the President of Chile, subject to the approval of the Senate.

The legal purpose of the Central Bank of Chile is to maintain the stability of the Chilean peso and the orderly functioning of Chile's internal and external payment system. The Central Bank of Chile's powers include setting reserve requirements, regulating the amount of money and credit in circulation, establishing regulations and guidelines regarding finance companies, foreign exchange (including the Formal Exchange Market) and banks' deposit-taking activities.

SBIF

Banks in Chile are supervised and controlled by the SBIF, an independent Chilean governmental agency. The SBIF authorizes the creation of new banks and has broad powers to interpret and enforce legal and regulatory requirements applicable to banks and other financial institutions. Furthermore, in case of non-compliance with such legal and regulatory requirements, the SBIF has the ability to impose sanctions, including fines payable by the directors, managers and employees of a bank as well as the bank itself. In extreme cases, it can by special resolution appoint, with the prior approval of the board of directors of the Central Bank of Chile, a provisional administrator to manage a bank. It must also approve any amendment to a bank's by-laws or any increase in its capital.

The SBIF examines all banks from time to time, generally at least once a year. Banks are also required to submit monthly financial statements to the SBIF, and a bank's financial statements are published at least four times a year in a newspaper with countrywide coverage. In addition, banks are required to provide extensive information regarding their operations at various periodic intervals to the SBIF. Financial statements as of December 31 of any given year must be audited. A bank's annual financial statements and the opinion of its independent auditors must also be submitted to the SBIF for review.

Any person wishing to acquire, directly or indirectly, 10% or more of the share capital of a bank must obtain the prior approval of the SBIF. The absence of such approval will cause the holder of such shares so acquired to lose the voting rights of such shares. The SBIF may only refuse to grant its approval based on specific grounds set forth in the General Banking Law.

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According to Article 35 *bis* of the General Banking Law, the prior authorization of the SBIF is required for:

- the merger of two or more banks,
- the acquisition of all or a substantial portion of a bank's assets and liabilities,
- the control by the same person, or controlling group, of two or more banks, or
- a substantial increase in the share ownership of a bank by a controlling shareholder of that bank.

Such prior authorization is required solely when the acquiring bank or the resulting group of banks would own a significant market share in loans (*colocaciones*), defined by the SBIF to be more than 15% of all loans in the Chilean banking system. The intended purchase, merger or expansion may be denied by the SBIF. Alternatively, a purchase, merger or expansion, when the acquiring bank or resulting group would own a market share in loans defined by the SBIF to be more than 20% of all loans in the Chilean banking system, may be conditioned on one or more of the following:

- that the bank or banks maintain an effective net equity (as defined under "Capital Adequacy Requirements" below) higher than 8% and up to 14% of their risk weighted assets,
- that the technical reserve established in Article 65 of the General Banking Law be applicable when deposits exceed one and a half times the resulting bank's paid-in capital and reserves, or
- that the margin for interbank loans be diminished to 20% of the resulting bank's effective net equity.

If the acquiring bank or resulting group would own a market share in loans defined by the SBIF to be more than 15% but less than 20%, the authorization will be conditioned on the bank or banks maintaining an effective net equity not lower than 10% of their risk-weighted assets for the time set forth by the SBIF, which may not be less than one year. The calculation of risk-weighted assets is based on a five category risk classification system applied to a bank's assets that is based on the Basel Committee recommendations.

Pursuant to the regulations of the SBIF, the following ownership disclosures are required:

- banks are required to inform the SBIF of the identity of any person owning, directly or indirectly, 5% or more of such banks' shares,
- holders of ADSs must disclose to the depositary the identity of beneficial owners of ADSs registered under such holders' names, and
- the depositary is required to notify the bank as to the identity of beneficial owners of ADSs, who such depositary has registered and the bank, in turn, is required to notify the SBIF as to the identity of the beneficial owners of the ADSs representing 5% or more of such bank's shares.

Limitations on Types of Activities

Chilean banks can only conduct those activities allowed by the General Banking Law: making loans, accepting deposits, issue bonds, engage in international operations, perform specially entrusted activities (*comisiones de confianza*) and, subject to limitations, making investments and performing financial services related to banking. Investments are restricted to real estate and physical asset for the bank's own use, gold, foreign exchange and debt securities. Through subsidiaries, banks may also engage in other specific financial service activities such as securities brokerage services, mutual fund management, investment fund management, factoring, securitization, financial advisory and leasing activities. Subject to specific limitations and the prior approval of the SBIF and the Central Bank of Chile, Chilean banks may own majority or minority interests in foreign banks.

On March 2, 2002, the Central Bank of Chile authorized banks to pay interest on checking accounts. On March 20, 2002, the SBIF published guidelines establishing that beginning on June 1, 2002, banks could offer a new checking account product that pays interest. The SBIF also stated that these accounts may be subject to minimum balance limits and different interest rates depending on average balances held in the account. This product is optional and banks may charge fees for the use of this new product. For banks with a solvency score of less than A, the Central Bank of Chile imposed additional caps on the interest rate that can be charged.

In June 2007, the Chilean government passed Law No. 20,190, which amended various aspects of Chile's capital markets regulatory framework, such as the General Banking Law, Securities, Insurance, Venture Capital and Tax law. Law No. 20,190 is aimed at improving the access to financing for start-up companies and small businesses in order to strengthen confidence in the stock market and to stimulate the development of the financial market in general. The General Banking Law was amended to achieve these goals by, among other things, revising regulations concerning demand deposits, increasing certain credit limits, and redefining the calculations to determine the proper amount for a bank's reserves. In addition, the General Banking Law was amended to allow local banks to engage in derivatives such as options, swaps and forward contracts, thereby eliminating prior existing legal impediments to those practices.

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As a consequence of Chile's accession to the Organization for Economic Co-operation and Development, the Chilean Congress introduced new corporate governance regulations in 2009. The Chilean Corporations Law and the Chilean Securities Markets Law were amended such that public companies with capital above UF1,500,000 that have at least 12.5% of their voting shares owned by shareholders representing less than 10% of the voting shares are required to have at least one independent director in their board of directors. In order to assure the independence of this director, certain requirements were established to protect minority shareholders' decisions. In addition, regulation was passed to expand the disclosure requirements of publicly-held companies and to hold members of boards of directors liable for not complying with such disclosure obligations.

Deposit Insurance

In Chile, the government guarantees up to 90% of the aggregate amount of certain time and demand deposits savings held by individuals in the Chilean banking system. The government guarantee covers those obligations with a maximum value of UF120 per person (Ch\$2.7 million or US\$5,720.2 as of December 31, 2012) in each calendar year.

Reserve Requirements

Deposits are subject to a reserve requirement of 9% for all demand deposits and obligations that are payable on demand, and 3.6% for time deposits and deposits in savings accounts in any currency of any term, judicially ordained deposits, and any other deposit (*captación*) for a term of up to one year. For purposes of calculating this reserve requirement, banks are authorized to make daily deductions from their foreign currency denominated liabilities, the balance in foreign currency of certain loans and financial investments held outside of Chile, the most relevant of which include:

- cash clearance account, which should be deducted from demand deposits for calculating reserve requirements;
- certain payment orders issued by pension providers; and
- the amount set aside for "technical reserve" (as described below), which can be deducted from reserve requirements.

The Central Bank of Chile has statutory authority to require banks to maintain reserves of up to an average of 40% for demand deposits and up to 20% for time deposits (irrespective, in each case, of the currency in which they are denominated) to implement monetary policy. In addition, according to the General Banking Law and the regulations issued by the SBIF and the Central Bank of Chile, Chilean banks must maintain a technical reserve of 100% of all deposits and obligations a bank has acquired in its financial business that are payable on demand, except for obligations with other banks, whenever such deposits and obligations exceed 2.5 times their total effective net equity. This technical reserve must be calculated daily, and may be kept in local or foreign currency in Chile. Deposits held in a special account, foreign currency deposits, overnight deposits and other documents issued by the Central Bank of Chile or the Chilean Treasury must be held with the Central Bank of Chile. A bank is not required to maintain the reserves described in the preceding paragraph for deposits and obligations subject to this technical reserve.

Minimum Capital

Under the General Banking Law, a bank must have a minimum paid-in capital and reserves of UF800,000 (Ch\$18,272.6 million or US\$38.1 million as of December 31, 2012). However, a bank may begin its operations with 50% of such amount, provided that it has a total capital ratio (defined as effective net equity as a percentage of risk weighted assets) of not less than 12%. When such a bank's paid-in capital reaches UF600,000 (Ch\$13,704.5 million or US\$28.6 million as of December 31, 2012) the total capital ratio required is reduced to 10%.

Capital Adequacy Requirements

The General Banking Law applies to the Chilean financial system, which is a modified version of the capital adequacy guidelines issued by the Basel Committee. It provides that the capital and reserves of a bank, or basic capital, cannot be less than 3% of total assets net of allowances, and its "effective net equity" cannot be less than 8% of its risk-weighted assets net of required loan loss allowances. For a discussion about our capital adequacy requirements imposed by the SBIF in connection with the Banco Santander Colombia Acquisition, see "Item 4—Information on the Company—A. History and Development of the Company—History."

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Basic capital is defined as a bank's paid-in capital and reserves and is similar to Tier 1 capital except that it does not include net income for the period.

Regulatory capital or "effective net equity" is defined as the aggregate of:

- a bank's paid-in capital and reserves, excluding capital attributable to subsidiaries and foreign branches or basic capital;
- its subordinated bonds, valued at their placement price (but decreasing by 20% for each year during the period commencing six years prior to maturity), for an amount up to 50% of its basic capital;
- goodwill or premiums, paid balances and investments in companies that are not part of the consolidation, which shall be deducted; and
- its voluntary allowances for loan losses for an amount of up to 1.25% of risk-weighted assets.

The General Banking Law contains a five-category risk classification system to be applied to bank assets that is based on the Basel Committee recommendations.

Starting in 2008, banks are able to include net income for the period as basic capital, net of a 30% deduction for minimum dividends accrued.

In 2009, the SBIF postponed the application of the third pillar of Basel II in Chile, which includes the implementation of capital limits with market risk and operational risk-weighted assets. These changes must be approved by Congress as it involves a modification to the General Banking Law.

Within the scope of Basel II in Chile, further changes in regulation may occur. See "Item 3. Key Information—D. Risk Factors— Risks relating to Chile and other countries in which we operate—Chile's banking regulatory and capital markets environment is continually evolving and may change".

Lending Limits

Under the General Banking Law, Chilean banks are subject to certain lending limits, including the following:

- a bank cannot extend to any entity or individual (or any one group of related entities), directly or indirectly, unsecured credit in an amount that exceeds 10% of the bank's effective net equity, or in an amount that exceeds 30% (previously 25%) of its effective net equity if the excess over 10% (previously 5%) is secured by certain assets with a value equal to or higher than such excess. In the case of foreign export trade financing, the ceiling for unsecured credits is also 10% (previously 5%) and the ceiling for secured credits is also established at 30%. In the case of financing infrastructure projects built through the concession mechanism, the 10% (previously 5%) ceiling for unsecured credits is 15% if secured by a pledge over the concession, or if granted by two or more banks or finance companies which have executed a credit agreement with the builder or holder of the concession, while the ceiling for secured credits remains at 30% (previously 25%),
- a bank cannot extend loans to another financial institution subject to the General Banking Law in an aggregate amount exceeding 30% of its effective net equity,
- a bank cannot directly or indirectly grant a loan whose purpose is to allow an individual or entity to acquire shares of the lender bank,
- a bank cannot lend, directly or indirectly, to a director or any other person who has the power to act on behalf of the bank, and
- a bank cannot grant loans to related parties (including holders of more than 1% of its shares, except in the case of companies which are actively traded on the Santiago Stock Exchange, like CorpBanca, in which case the limit is 5%) on more favorable terms than those generally offered to non-related parties. Loans granted to related parties are subject to the limitations described in the first bullet point above. In addition, the aggregate amount of loans to related parties cannot exceed 5% of the bank's effective net equity, or 25% if the excess thereof is secured by certain assets with a value equal to or greater than such excess, or by certain other collateral specified in the General Banking Law. The definitions of "related" and "group" for these purposes are determined by the SBIF.

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To determine the lending limits with respect to a particular person, the obligations undertaken by partnerships in which the relevant person is an unlimited partner or by companies of any nature in which such person has more than 50% of their capital or receives more than 50% of their profits, will be accounted as obligations of such person. Likewise, if the participation of the relevant person in a company is higher than 2% but not higher than 50% of its capital, then the obligations of such company will be accounted for as obligations of such person in proportion to its actual participation. Finally, when there is a plurality of debtors of the same obligation, then the obligation will be deemed joint and several with respect to each and all of the debtors, unless expressly undertaken in other terms.

In addition, the General Banking Law limits the aggregate amount of loans that a bank may grant to its employees to 1.5% of its effective net equity, and provides that no individual employee may receive loans in excess of 10% of this 1.5% limit. Notwithstanding these limitations, a bank may grant to each of its employees a single residential mortgage loan for personal use once during such employee's term of employment.

Current Regulations Relating to Classification of Banks and Loans; Allowances for Loan Losses

The method of determining the provision and allowance for loan losses described in this section represents Chilean GAAP accounting and is a regulatory required disclosure. This information has been provided in order to provide the reader with a more in-depth analysis. Notwithstanding, our allowance and provision for loan losses as recorded in our financial statements included herein have been determined in accordance with IFRS.

Differences in allowance methodology between IFRS and SBIF requirements exist in the individually significant loan category due to the fact that the percentages prescribed by the SBIF to provision on individually significant loans are based on benchmarking within the Chilean market and also have a starting point which is an estimated range of losses. The benchmarking or the point estimate used by the bank within the estimated range of loss (which usually does not vary to a point outside of the range of loss provided by the SBIF with the exception of any loans which, for SBIF purposes, are required to be provisioned on an "expected loss" basis) may vary risk category by risk category under IFRS.

Classification of Banks and Loan Portfolios

Solvency and Management. Chilean banks are classified into categories I through V based upon their solvency and management ratings. This classification is confidential.

- *Category I:* This category is reserved for financial institutions that have been rated level A in terms of solvency and management.
- *Category II:* This category is reserved for financial institutions that have been rated (1) level A in terms of solvency and level B in terms of management, (2) level B in terms of solvency and level A in terms of management, or (3) level B in terms of solvency and level B in terms of management.
- *Category III:* This category is reserved for financial institutions that have been rated (1) level B in terms of solvency and level B in terms of management for two or more consecutive review periods, (2) level A in terms of solvency and level C in terms of management, or (3) level B in terms of solvency and level C in terms of management.
- *Category IV:* This category is reserved for financial institutions that are rated level A or B in terms of solvency and have been rated level C in terms of management for two or more consecutive review periods.
- *Category V:* This category is reserved for financial institutions that have been rated level C in terms of solvency, irrespective of their management rating level.

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A bank's solvency rating is determined by its regulatory capital (after deducting accumulated losses during the financial year) to risk-weighted assets ratio. This ratio is equal to or greater than 10% for level A banks, equal to or greater than 8% and less than 10% for level B banks and less than 8% for level C banks.

With respect to a bank's management rating, level A banks are those that are not rated as level B or C. Level B banks display some weakness in internal controls, information systems, response to risk, private risk rating or ability to manage contingency scenarios. Level C banks display significant deficiencies in internal controls, information systems, response to risk, private risk rating or ability to manage contingency scenarios.

Provisioning Requirements for Consumer Lending

Pursuant to provisioning requirements for consumer lending established by the SBIF, a bank must review the credit rating of all loans made to a particular borrower if the bank renegotiates any loan with that borrower. In addition, a bank must classify all consumer loans of a single borrower according to the borrower's worst-rated loan. Finally, a bank must establish and abide by more stringent follow-up procedures relating to a borrower's consumer loans with other financial institutions. A bank, for example, must automatically review a borrower's rating when the borrower's records display a non-performing loan or other kind of negative credit behavior in the databases of the SBIF or private information services, even if the borrower is not in default vis-à-vis the bank.

Capital Markets

Under the General Banking Law, banks in Chile may purchase, sell, place, underwrite and act as paying agents with respect to certain debt securities. Likewise, banks in Chile may place and underwrite certain equity securities. Bank subsidiaries may also engage in debt placement and dealing, equity issuance advice and securities brokerage, as well as in financial leasing, mutual fund and investment fund administration, investment advisory services and merger and acquisition services. These subsidiaries are regulated by the SBIF and, in some cases, also by the SVS, the regulator of the Chilean securities market and of open-stock (public) corporations.

MK3, recently approved by the Chilean Congress, includes, among other things, the possibility for non-Chilean banks with representative offices in Chile to promote the credit products of their headquarters directly. Before this reform, representative offices of non-Chilean Banks were only able to act as intermediaries between their parent companies and local companies.

Subsidiaries and Affiliated Companies

Chilean banks are authorized to create subsidiaries to engage in (1) brokerage of securities, (2) management of mutual funds, investment funds, offshore funds, housing funds or all the foregoing, (3) insurance brokerage, (4) leasing operations, (5) factoring operations, (6) securitization, (7) financial advisory, (8) custody and transportation of funds, (9) provision of other financial services as authorized by the SBIF, (10) real estate leasing, and (11) social security advice. These subsidiaries are regulated by the SBIF except for the cases referred to in (1), (2), (3) and (4) in which the SBIF may request information but the entities are regulated by the SVS or, with respect to social security, by the Superintendency of Pensions (*Superintendencia de Pensiones*). Currently, banks are not authorized to create or engage in the business of insurance companies (other than brokers) and pension funds or health insurance administrators.

Banks may also create and participate in companies exclusively destined to the carrying out of activities in support of the main banking operations, such as credit card or debit card operators.

Legal Provisions Regarding Banking Institutions with Economic Difficulties

Chilean banks may not be declared bankrupt, except when undergoing voluntary liquidation. The General Banking Law provides that if specified adverse circumstances exist at any bank, its board of directors must correct the situation within 30 days from the date of receipt of the relevant financial statements. If the board of directors is unable to do so, it must call a special shareholders' meeting to increase the capital of the bank by the amount necessary to return the bank to financial stability. If the shareholders reject the capital increase, or if it is not effected within the term and in the manner agreed to at the meeting, or if the SBIF does not approve the board of directors proposal, the bank will be barred from increasing its loan portfolio beyond that stated in the financial

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statements presented to the board of directors and from making any further investments in any instrument other than in instruments issued by the Central Bank of Chile. In such a case, or in the event that a bank is unable to make timely payment in respect of its obligations or if a bank is under provisional administration of the SBIF, the General Banking Law provides that the bank may receive a two-year term loan from another bank. The terms and conditions of such a loan must be approved by the directors of both banks, as well as by the SBIF, but need not be submitted to the borrowing bank's shareholders for their approval. In any event, a creditor bank cannot grant interbank loans to an insolvent bank in an amount exceeding 25% of the creditor bank's effective net equity. The board of directors of a bank that is unable to make timely payment of its obligations must present a reorganization plan to its creditors in order to capitalize the credits, extend their respective terms, forgive debts or take other measures for the payment of the debts. If the board of directors of a bank submits a reorganization plan to its creditors and such arrangement is approved, all subordinated debt issued by the bank, whether or not matured, will be converted by operation of law into common shares in the amount required for the ratio of effective net equity to risk-weighted assets not to be lower than 12%. If a bank fails to pay an obligation, it must notify the SBIF, which shall determine if the bank is solvent.

Dissolution and Liquidation of Banks

The SBIF may establish that a bank must be liquidated for the benefit of its depositors or other creditors when such bank does not have the necessary solvency to continue its operations. In such case, the SBIF must revoke a bank's authorization to exist and order its mandatory liquidation, subject to agreement by the Central Bank of Chile. The SBIF must also revoke a bank's authorization if the reorganization plan of such bank has been rejected twice. The resolution by the SBIF must state the reason for ordering the liquidation and must name a liquidator, unless the Superintendent of Banks assumes this responsibility. When a liquidation is declared, all checking accounts, other demand deposits received in the ordinary course of business, other deposits unconditionally payable immediately are required to be paid by using existing funds of the bank, its deposits with the Central Bank of Chile or its investments in instruments that represent its reserves.

If these funds are insufficient to pay these obligations, the liquidator may seize the rest of the bank's assets, as needed. If necessary and in specified circumstances, the Central Bank of Chile will lend the bank the funds necessary to pay these obligations. Any such loans are preferential to any claims of other creditors of the liquidated bank.

Investments in Foreign Securities

Under current Chilean banking regulations, banks in Chile may grant loans to foreign individuals and entities and invest in certain foreign currency securities. Chilean banks may only invest in equity securities of foreign banks and certain other foreign companies which may be affiliates of the bank or which would support the bank's business if such companies were incorporated in Chile. Banks in Chile may also invest in debt securities traded in formal secondary markets. Banks in Chile may invest up to 5% of its effective net equity in such debt securities, in the event such debt securities qualify as securities issued or guaranteed by (1) foreign sovereign states or their central banks or (2) other foreign or international financial institutions of which Chile is a member. Such foreign currency securities must have a minimum rating as follows:

Rating Agency	Short Term	Long Term
Moody's	P2	Baa3
Standard and Poor's	A3	BBB-
Fitch IBCA	F2	BBB-

A Chilean bank may invest in securities having a minimum rating as follows, provided that in case the total amount of these investments exceeds 20%, (or 30% for banks with a BIS ratio equal or exceeding 10%), of the effective net equity of the bank, a provision of 100% of the excess shall be established by the bank:

Rating Agency	Short Term	Long Term
Moody's	P2	Ba3
Standard and Poor's	A3	BB-
Fitch IBCA	F2	BB-

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If investments in these securities and certain loans referred to below exceed 70% of the effective net equity of the bank, a provision for 100% of the excess shall be established, unless the excess, up to 70% of the bank's effective net equity, is invested in securities having a minimum rating as follows:

Additionally, a Chilean bank may invest in foreign securities, with ratings equal to or exceeding those set forth in Table 3 below, in: (1) term deposits with foreign banks, subject to a limit of up to 30% of the effective net equity of the Chilean bank that makes the investment; and (2) securities issued or guaranteed by sovereign states or their central banks or those securities issued or guaranteed by international institutions of which Chile is a part, subject to a limit of up to 50% of the effective net equity of the Chilean bank.

Rating Agency	Short Term	Long Term
Moody's	P1	Aa3
Standard and Poor's	A1+	AA-
Fitch IBCA	F1+	AA-

Subject to specific conditions, a bank may grant loans in dollars to subsidiaries or branches of Chilean companies located abroad, to companies listed on foreign stock exchanges authorized by the Central Bank and, in general, to individuals and entities domiciled abroad, as long as the Central Bank of Chile is kept informed of such activities. A bank may also grant loans in dollars to finance exports to or from Chile.

In the event that the sum of the investments of a bank in foreign currency and of the commercial and foreign trade loans granted to foreign individuals and entities exceeds 70% of the effective net equity of such bank, the excess is subject to a mandatory reserve of 100%.

The Bicentennial Capital Markets Agenda

In May 2010, the Chilean government announced a new capital markets reform entitled "Bicentennial Capital Markets Agenda" (*Agenda del Mercado de Capitales Bicentenario*), which the Chilean government intends to implement through various legislative initiatives and administrative reforms. The agenda seeks to further enhance the international integration of Chile's financial market, create a regulatory framework that fosters innovation and entrepreneurship, continue the adoption of the best international practices on competition, supervision and transparency, increase the depth and liquidity of the financial system and widen its access to it.

The main features of this new agenda include:

- the regulation and reform of the tax treatment of the fixed-income, derivatives and the administration of funds;
- the creation of a national financial consumer agency to protect customers of financial services;
- the adoption of legislative measures to reduce cyclical variations in the credit supply and render the system more secure, solvent and liquid;
- the creation of incentives to encourage transparency and proper price formation by allowing the integration of local stock exchanges with others in Latin America, increasing price information in the foreign exchange market, certifying financial professionals and limiting use of market-sensitive information;
- the adoption of measures to strengthen the governance of the SVS and increasing the autonomy of the SBIF;
- the reform of the Bankruptcy Law;
- the improvement of access of individuals and small—and medium-size business to the capital markets, increase bank penetration, reduce the costs associated with initial public offerings and create new incentives for innovation and venture capital; and
- the development of new markets and financial products that result in lower-cost financing alternatives.

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Implementation of this agenda is underway. Several administrative measures, such as the creation of the Financial Stability Council, were adopted. Some bills of law remain under discussion in Congress, such as the bill on competition in the financial system.

Financial Stability Council

Decree No. 953 of 2011 of the Ministry of Finance created a Financial Stability Council composed by the three different superintendents with powers over the financial market (SVS, SBIF and the Superintendent of Pensions, or SAFP). The main purpose of the Financial Stability Council is for these different market regulators to exchange information and oversee the financial market as a whole.

Anti-Money Laundering, Anti-Terrorist Financing and Foreign Corrupt Practices Act Regulations

United States

We, as a foreign private issuer whose securities are registered under the U.S. Securities Exchange Act of 1934, are subject to the U.S. Foreign Corrupt Practices Act, or the FCPA. The FCPA generally prohibits such issuers and their directors, officers, employees and agents from using any means or instrumentality of U.S. interstate commerce in furtherance of any offer or payment of money to any foreign official or political party for the purpose of influencing a decision of such person in order to obtain or retain business. It also requires that the issuer maintain books and records and a system of internal accounting controls sufficient to provide reasonable assurance that accountability of assets is maintained and accurate financial statements can be prepared. Penalties, fines and imprisonment of our officers and/or directors can be imposed for violations of the FCPA. Furthermore, we may be subject to a variety of U.S. anti-money laundering and anti-terrorist financing laws and regulations, such as the Bank Secrecy Act of 1970, as amended, and the USA PATRIOT ACT of 2001, as amended, and a violation of such laws and regulations may result in substantial penalties, fines and imprisonment of our officers and/or directors.

Chile

The Anti-Money Laundering Act, or the AML Act requires banks, among others, to report any “suspicious transactions or activities” that they may become aware of in the ordinary course of their businesses to the Chilean Financial Analysis Unit (*Unidad de Análisis Financiero*), or FAU. “Suspicious activities or transactions” are defined by the AML Act as any act, operation or transaction that, in accordance with the uses and customs of the relevant activity, is considered unusual or devoid of apparent economic or legal justification, whether carried out in an isolated or recurrent basis.

In accordance with the AML Act, banks must keep special records for any transaction in cash for amounts exceeding UF 450, and report them to the FAU if so required by the latter authority.

With regard to Chilean banks the SBIF has also provided guidelines for banks to set up an AML and Combating Financing of Terrorism, or CFT, prevention system applicable in their ordinary course of business, which must take into consideration the volume and complexity of their transactions, including their affiliates and supporting entities, and their international presence. In case of non-compliance of these guidelines, the SBIF may impose administrative sanctions upon the infringing bank such as fines and warnings. Among other requirements, such system shall include at least (1) “know your customer” policies, (2) a manual of policies and procedures, (3) the appointment of a compliance officer, and (4) all necessary technological tools to develop red-flag systems to identify and detect unusual operations. For more information on our Anti-Money Laundering Committee, see “Item 6. Directors, Senior Management and Employees—C. Board Practices—Other Committees—Anti-money laundering and anti-terrorism finance prevention committee”.

Colombia

The regulatory framework to prevent and control money laundering is contained in, among others, Decree 663 of 1993 and External Circular No. 07 of 1996 (Basic Legal Circular), Title 1, Chapter XI, “Standards for Risk Management Laundering and Terrorist Financing”, issued by the Colombian Superintendency of Finance, as well as Law 599 of 2000 (Colombian Criminal Code, as amended).

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Colombian laws adopt the latest guidelines related to anti-money laundering and other terrorist activities established by the Financial Action Task Force on Money Laundering, or FATF. Colombia, as a member of the GAFI-SUD (*Grupo de Acción Financiera de Sudamérica*) (a FATF style regional body), follows all of FATF's 40 recommendations. Finally, the Colombian criminal code introduced criminal rules and regulations to prevent, control, detect, eliminate and adjudicate all matters related to financing terrorism and money laundering. The criminal rules and regulations cover the omission of reports on cash transactions, mobilization or storage of cash, and the lack of controls.

Anti-money laundering provisions have been complemented with provisions aimed at deterring terrorism financing. For that purpose, by means of the Basic Legal Circular issued by the Colombian Superintendency of Finance has issued regulations requiring the implementation by financial institutions of a risk management system for money laundering and terrorism financing. These regulations emphasize "know your customer" policies and knowledge of customers and markets. They also establish processes and parameters to identify and monitor a financial institution's customers. According to these regulations, financial institutions must cooperate with the appropriate authorities to prevent and control money laundering and terrorism.

Finally, the Colombian Criminal Code includes rules and regulations to prevent, control, detect, eliminate and adjudicate all matters related to financing terrorism and money laundering. The criminal rules and regulations cover the omission of reports on cash transactions, and the lack of controls.

Recent Regulatory Developments in Chile

Capital Adequacy Requirements

In line with the future adoption of Basel II regulations in Chile, in 2010 the SBIF disclosed a proposal to increase the minimum regulatory capital ratio from the current 8% to 10%. This change requires an amendment to the General Banking Law by Congress. Although as of December 31, 2012, we had a regulatory capital ratio of 11.1%, this change, if adopted, could require us to inject additional capital in our business in the future.

Ley DICOM

In February 2012, *Ley DICOM* was enacted in order to restrict the use of private and personal economic, financial, banking and commercial information of customers set forth in Law No. 19,628 on Protection of Privacy, which is supplemented by *Ley DICOM*. This new law (i) provides that this data can only be shared with established businesses and companies that engage in risk assessment in order to assess business risk and credit process review; (ii) prohibits the request of this data in connection with recruitment for employment, admission to preschool, school or higher education, medical attention or nomination for a public position; (iii) allows the owners of the data to request distributors of personal information certifications for purposes other than credit process review, in which case the distributor must issue a certificate containing the overdue obligations of the applicant; (iv) prohibits the sharing or reporting of information related to obligations renegotiated, novated or pending in certain forms as well as debts incurred by users of the toll road concessions; (v) requires the distributors of economic, financial, banking and business information to have a system that records the access and delivery of background information contained in them, identifies the name of the person who has requested such information and the reason, date and time of the request; (vi) allows the owners of the information contained in such record to access the registry, free of charge, every four months, to check the information for the last 12 months; (vii) introduces mechanisms to facilitate the exercise of the rights of the holders of the information by imposing on the distributor or responsible party of the data bank the obligation to evidence compliance with *Ley DICOM* and (viii) obligates the deletion of unpaid obligations reported through December 31, 2011, provided that the total debts registered by such debtor are for an amount less than Ch\$2,500,000, for capital, excluding interest, adjustments or any other item. We do not expect *Ley DICOM* to have a significant impact on our business or our commercial practices because we have anticipated the changes it introduced, to a large extent, by adjusting the information base and the relevant parameters used in our credit risk-assessment models for granting loans.

Sernac Seal

In July 2012 the government enacted the regulations that implement Law No. 20,555, which address mortgage loans, consumer loans, credit cards, the "Sernac Seal" (*Sello Sernac*), and other financial products and services. The new regulations govern, among other matters, the form and content of communications that financial institutions must periodically provide to their customers. Likewise, the new regulations implement the so-called "Summary Sheet" (*Hoja Resumen*), which must precede the contracts that consumers enter into with financial institutions. The Summary Sheet is intended to provide a clear and understandable summary of the terms and conditions that govern financial products and services.

The Sernac Seal is a new concept introduced by Law No. 20,555 and consists of a non-mandatory certification granted by the Chilean government agency in charge of consumer protection (*Servicio Nacional del Consumidor*, or Sernac), by which that agency confirms that the contracts used by a financial institution when providing products and services comply with the Consumer Protection Act. In this regard, the new regulation establishes the specific requirements for financial institutions to obtain such certification as well as the events that may lead to its termination. Among the requirements to obtain the certification, financial institutions must provide a consumer service and adopt a dispute resolution procedure as defined by Law 20,555 and its regulation.

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Colombian Banking Regulation and Supervision

Colombian Banking Regulators

Pursuant to Colombia's Constitution, the Colombian Congress has the power to prescribe the general legal framework within which the government may regulate the financial system. The agencies vested with the authority to regulate the financial system are the board of directors of the Central Bank of Colombia, the Colombian Ministry of Finance, or Ministry of Finance, the Colombian Superintendency of Finance, the Superintendency of Industry and Commerce, or SIC, and the Self-Regulatory Organization (*Autorregulador del Mercado de Valores-AMV*), or the SRO.

Central Bank of Colombia

The Central Bank of Colombia exercises the customary functions of a central bank, including price stabilization, monetary policy, regulation of currency circulation, regulation of credit, exchange rate monitoring and management of international reserves. Its board of directors is the regulatory authority for monetary, currency exchange and credit policies, and is responsible for the direction of the Central Bank of Colombia's duties. The Central Bank of Colombia also acts as lender of last resort to financial institutions.

Ministry of Finance and Public Credit

One of the functions of the Ministry of Finance is to regulate all aspects of finance and insurance activities. As part of its duties, the Ministry of Finance issues decrees relating to financial matters that may affect banking operations in Colombia. In particular, the Ministry of Finance is responsible for regulations relating to capital adequacy, risk limitations, authorized operations, disclosure of information and accounting of financial institutions.

Colombian Superintendency of Finance

The Colombian Superintendency of Finance is the authority responsible for supervising and regulating financial institutions, including commercial banks such as CorpBanca Colombia, finance corporations, finance companies, financial services companies and insurance companies. The Colombian Superintendency of Finance has broad discretionary powers to supervise financial institutions, including the authority to impose fines on financial institutions and their directors and officers for violations of applicable regulations. The Colombian Superintendency of Finance can also conduct on-site inspections of Colombian financial institutions.

The Colombian Superintendency of Finance is also responsible for monitoring and regulating the market for publicly traded securities in Colombia and for monitoring and supervising securities market participants, including the Colombian Stock Exchange, brokers, dealers, mutual funds and issuers.

Financial institutions must obtain the prior authorization of the Colombian Superintendency of Finance before commencing operations.

Violations of the financial system rules and regulations are subject to administrative, and in some cases, criminal sanctions.

Self-Regulatory Organization

The SRO is a private entity responsible for the regulation of entities participating in the Colombian capital markets. The SRO may issue mandatory instructions to its members and supervise its members' compliance and impose sanctions for violations.

All capital market intermediaries, including CorpBanca Colombia and its subsidiaries (CIVAL and CIT Colombia), must become members of the SRO and are subject to its regulations.

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Superintendency of Industry and Commerce

The SIC is the authority responsible for supervising and regulating competition in several industrial sectors, including financial institutions. The SIC is authorized to initiate administrative proceedings and impose sanctions on banks, including CorpBanca Colombia, whenever the financial entity behaves in a manner considered to be anti-competitive.

Capital Adequacy Requirements

Capital adequacy requirements for Colombian financial institutions (as set forth in Decree 2555 of 2010, as amended) are based on applicable Basel Committee standards. Decree 2555 of 2010, establishes four categories of assets, which are each assigned different risk weights, and require that a credit institution's Technical Capital (as defined below) be at least 9% of that institution's total risk-weighted assets. As of December 31, 2012, the Technical Capital for the purposes of the regulations consists of the sum of Tier One Capital (basic capital) and Tier Two Capital (additional capital), collectively, Technical Capital. Tier Two Capital may not exceed the total amount of Tier One Capital.

However, on August 23, 2012 the Ministry of Finance issued a new regulation (Decree 1771 of 2012) amending the capital adequacy requirements set forth in Decree 2555. Under the new regulation, financial institutions (such as CorpBanca Colombia) will remain subject to the capital adequacy requirements previously in place until August 1, 2013, but are required to submit an action plan before January 31, 2013 indicating the actions that will be implemented in order to comply with the new standards. Some of the highlights of this new regulation are:

- As of August 1, 2013, the Technical Capital will be the sum of Ordinary Basic Capital (common equity tier one), Additional Basic Capital (additional tier one), and Additional Capital (tier two capital).
- New criteria for debt and equity instruments to be considered Ordinary Basic Capital, Additional Basic Capital, and Additional Capital was established. Additionally, the Colombian Superintendency of Finance must review whether a given instrument adequately complies with these criteria in order for an instrument to be considered tier one or tier two capital, upon request of the issuer. Debt and equity instruments that have not been classified by the Colombian Superintendency of Finance as Basic or Additional Capital, will not be considered tier one or tier two capital for purposes of capital adequacy requirements.
- The total solvency ratio remains at a minimum of 9% of the financial institution's total risk-weighted assets; however, as of August 1, 2013, each entity must also comply with a minimum basic solvency ratio of 4.5%, which is defined as the Ordinary Basic Capital after deductions divided by the financial institution's total risk-weighted assets.

Minimum Capital Requirements

The minimum capital requirement for banks on an unconsolidated basis is established in Article 80 of Decree 663 of 1993, as amended (Financial Organic Statute). The minimum capital requirement for 2012 was COP\$73,750 million and such minimum capital requirement for 2013 is COP\$75,550 million. Failure to meet such requirement can result in the Taking of Possession (*toma de posesión*) of CorpBanca Colombia by the Colombian Superintendency of Finance. The minimum capital requirements are updated annually in January by the same percentage as the inflation percentage for the prior year.

Capital Investment Limit

All investments in subsidiaries and other authorized capital investments, other than those made in order to abide by legal requirements, may not exceed 100% of the total aggregate of capital, equity reserves and the equity re-adjustment account of the respective bank, financial corporation or commercial finance company, excluding unadjusted fixed assets and including deductions for accumulated losses.

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Mandatory Investments

Central Bank of Colombia regulations require financial institutions, including CorpBanca Colombia, to make mandatory investments in securities issued by Finagro, a Colombian public financial institution that finances production and rural activities, to support the agricultural sector. The amount of these mandatory investments is calculated based on the current peso-denominated obligations of the relevant financial institution.

Foreign Currency Position Requirements

According to External Resolution 4 of 2007 issued by the board of directors of the Central Bank of Colombia as amended, or Resolution 4, a financial institution's foreign currency position (*posición propia en moneda extranjera*) is the difference between such institution's foreign currency-denominated assets and liabilities (including any off-balance sheet items), made or contingent, including those that may be sold in Colombian legal currency.

Resolution 4 provides that the average of a bank's foreign currency position for three business days cannot exceed the equivalent in Colombian pesos of 20% of the bank's Technical Capital. Currency exchange intermediaries such as CorpBanca Colombia are permitted to hold a three business days' average negative foreign currency position not exceeding the equivalent in foreign currency of 5% of its Technical Capital (with penalties being payable after the first business day).

Resolution 4 also defines foreign currency position in cash (*posición propia de contado en moneda extranjera*) as the difference between all foreign currency-denominated assets and liabilities. A bank's three business days average foreign currency position in cash cannot exceed 50% of the bank's Technical Capital. In accordance with Resolution 4, the three day average must be calculated on a daily basis and the foreign currency position in cash cannot be negative.

Finally, Resolution 4, as amended by Resolution 3 of 2011, requires banks to comply with a gross position of leverage (*posición bruta de apalancamiento*). Gross position of leverage is defined as (i) the value of term contracts denominated in foreign currency, plus (ii) the value of transactions denominated in foreign currency to be settled within two or more days in cash, plus (iii) the value of the exchange rate risk exposure associated with exchange rate options and derivatives. Resolution 4 sets a limit on the gross position of leverage, which cannot exceed 550% of the Technical Capital.

Reserve Requirements

Commercial banks are required by the board of directors of the Central Bank of Colombia to satisfy reserve requirements with respect to deposits and other cash demands. Such reserves are held by the Central Bank of Colombia in the form of cash deposits. According to Resolutions 5 and 11 of 2008 issued by the board of directors of the Central Bank of Colombia, as amended, the reserve requirements for Colombian banks are measured bi-weekly and the amounts depend on the class of deposits.

Credit institutions must maintain reserves of 11% over the following deposits and cash demands:

- Private demand deposits;
- Government demand deposits;
- Other deposits and liabilities; and
- Savings deposits.

In addition, credit institutions must maintain reserves of 4.5% for term deposits with maturities fewer than 540 days and 0% for term deposits with maturities of more than 540 days.

Credit institutions may maintain these reserves in their accounts at the Central Bank of Colombia.

Marginal reserve requirements were eliminated by the Central Bank of Colombia in 2008.

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Foreign Currency Loans

Residents of Colombia may obtain foreign currency loans from foreign residents, and from Colombian currency exchange intermediaries or by placing debt securities abroad. Foreign currency loans must be either disbursed through a foreign exchange intermediary or deposited in offshore compensation accounts.

According to regulations issued by the Central Bank of Colombia, every Colombian resident and institution borrowing funds in foreign currency is generally required to post with the Central Bank of Colombia non-interest bearing deposits for a specified term, although the size of the required deposit is currently zero.

Notwithstanding the foregoing, such deposits would not be required in certain cases established in Article 26 of External Resolution 8 of 2000, including in the case of foreign currency loans aimed at financing Colombian investments abroad or for short-term exportation loans, provided that such loan is disbursed against the funds of *Banco de Comercio Exterior—Bancoldex*. Moreover, Article 59-1(c) of External Resolution 8 of 2000 sets forth a number of restrictions and limitations as to the use of proceeds in the case of foreign currency loans obtained by Colombian currency exchange intermediaries (including CorpBanca Colombia) and also provides that deposits would not be required in the event such restrictions and limitations are observed. Such foreign currency loans may be used, among others, for lending activities in a foreign currency with a tenor equal to, or shorter than, the tenor of the foreign financing.

Finally, pursuant to Law 9 of 1991, the board of directors of the Central Bank of Colombia is entitled to impose conditions and limitations on the incurrence of foreign currency indebtedness, as an exchange control policy, in order to avoid pressure in the currency exchange market.

Non-Performing Loan Allowance

The Colombian Superintendency of Finance maintains guidelines on non-performing loan allowances for financial institutions.

Lending Activities

Decree 2555 of 2010, as amended, sets forth the maximum amounts that a financial institution may lend to a single borrower (including for this purpose all related fees, expenses and charges). These maximum amounts may not exceed 10% of a bank's Technical Capital. However, there are several circumstances under which the limit may be raised. In general, the limit is raised to 25% when amounts lent above 5% of Technical Capital are secured by guarantees that comply with the financial guidelines provided in Decree 2555 of 2010, as amended. Also, according to Decree 2555 of 2010, a bank may not make loans to any shareholder that holds directly more than 10% of its capital stock for one year after such shareholder reaches the 10% threshold. In no event may a loan to a shareholder holding directly or indirectly 20% or more of CorpBanca Colombia's capital stock exceed 20% of the Bank's Technical Capital. In addition, no loan to a single financial institution may exceed 30% of CorpBanca Colombia's Technical Capital, with the exception of loans funded by Colombian development banks which are not subject to such limit.

Also, Decree 2555 of 2010 sets a maximum limit for risk concentrated in one single party, equivalent to 30% of CorpBanca Colombia's Technical Capital, the calculation of which includes loans, leasing operations and equity and debt investments.

The Central Bank of Colombia also has the authority to establish maximum limits on the interest rates that commercial banks and other financial institutions may charge on loans. However, interest rates must also be consistent with market terms with a maximum limit certified by the Colombian Superintendency of Finance.

Selected Statistical Information

The following information is included for analytical purposes and should be read in conjunction with our financial statements as well as "Item 5. Operating and Financial Review and Prospects". Unless otherwise indicated, financial data in the following tables as of December 31, 2010, 2011 and 2012 has been expressed in Chilean pesos as of December 31, 2012. The UF is linked to, and is adjusted daily to reflect changes in, the previous month's CPI.

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Average Balance Sheets, Income Earned From Interest-Earning Assets and Interest Paid on Interest Bearing Liabilities

The average balances for interest-earning assets and interest bearing liabilities, including interest and readjustments received and paid, have been calculated on the basis of daily balances on an unconsolidated basis. Unless otherwise set forth herein, such average balances as they apply to the operations of our subsidiaries were calculated on the basis of month-end balances. Such average balances are presented in Chilean pesos, in UFs and in foreign currencies (principally US\$).

The nominal interest rate has been calculated by dividing the amount of interest and principal readjustment due to changes in the UF index (gain or loss) during the period by the related average balance, both amounts expressed in Chilean pesos. The nominal rates calculated for each period have been converted into real rates using the following formulas:

$$R_p = \frac{1 + N_p}{1 + I} - 1 \quad R_d = \frac{(1 + N_d)(1 + D)}{1 + I} - 1$$

Where:

R_p= real average rate for Chilean peso-denominated assets and liabilities (in Ch\$ and UF) for the period,

R_d= real average rate for foreign currency denominated assets and liabilities for the period,

N_p= average nominal rate for Chilean peso-denominated assets and liabilities for the period,

N_d= average nominal rate for foreign currency denominated assets and liabilities for the period,

D= devaluation rate of the Chilean peso to the U.S. dollar for the period, and

I= inflation rate in Chile for the period (based on the variation of the Chilean consumer price index).

The real interest rate can be negative for a portfolio of Chilean peso-denominated loans when the inflation rate for the period is higher than the average nominal rate of the loan portfolio for the same period. A similar effect could occur for a portfolio of foreign currency denominated loans when the inflation rate for the period is higher than the sum of the devaluation rate for the period and the corresponding average nominal rate of the portfolio. The formula for the average real rate for foreign currency denominated assets and liabilities (R_d) reflects a gain or loss in purchasing power caused by the difference between the devaluation rate of the Chilean peso and the inflation rate in Chile during the period.

The following example illustrates the calculation of the real interest rate for a dollar-denominated asset bearing a nominal annual interest rate of 10% (N_d = 0.10), assuming a 5% annual devaluation rate (D = 0.05) and a 12% annual inflation rate (I = 0.12):

$$R_d = \frac{(1 + 0.10)(1 + 0.05)}{1 + 0.12} - 1 = 3.125\% \text{ per year}$$

In the example, since the inflation rate was higher than the devaluation rate, the real rate is lower than the nominal rate in dollars. If, for example, the annual devaluation rate were 15%, using the same numbers, the real rate in Chilean pesos would be 12.9%, which is higher than the nominal rate in U.S. dollars. Using the initial example, if the annual inflation rate were greater than 15.5%, the real rate would be negative.

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Interest and average balances have been calculated by taking into consideration the following:

- Foreign exchange gains or losses on foreign currency denominated assets and liabilities have not been included in interest income or expense.
- Interest on financial investments does not include trading gains or losses on these investments.
- Past due loans only include the payments that are 90 or more days overdue, and do not include the portion of such loan that is not overdue (principal amount) or those payments which are less than 90 days overdue, unless legal proceedings have been commenced for the entire outstanding balance according to the terms of the loan. This practice differs from that normally followed in the United States where the amount classified as past due would include the total principal, payments and interest on all loans which have any portion overdue.
- Penalty interest is not recognized on past due payments (loans with more than one payment) or past due loans (one payment).
- The interest earned from past due loans is only the proportion of interest earned on each of these payments. We do not accrue penalty interest on these payments.
- Loans that are not yet 90 days or more overdue have been included in each of the various categories of loans, and affect the various averages.
- Non-performing commercial loans (those loans which do not accrue interest) consist of loans included in Categories C4-C6 and loans (or portions thereof) that are overdue.
- Included in loans and receivables to banks are interbank deposits maintained in the Central Bank and foreign banks. Such assets have a distorting effect on the average interest rate earned on total interest-earning assets because currently balances maintained in Chilean peso amounts do not earn interest, and the only balances held in a foreign currency that earn interest are those maintained in U.S. dollars, but those only earn interest on the amounts that are legally required to be held for liquidity purposes. Additionally, this account includes interest earned by overnight investments. Consequently, the average interest earned on such assets is comparatively low. We maintain these deposits in these accounts to comply with statutory requirements and to facilitate international business, rather than to earn income.
- The monetary gain or loss on interest-earning assets and interest bearing liabilities is not included as a component of interest income or interest expense because inflation effects are taken into account in the calculation of real interest rates.

The following tables show, by currency of denomination, average balances and, where applicable, interest amounts, nominal rates and rates for our assets and liabilities for the years ended December 31, 2010, 2011 and 2012.

	Year ended December 31,											
	2010				2011				2012			
	Average Balance	Interest Earned	Average Nominal Rate	Average Real Rate	Average Balance	Interest Earned	Average Nominal Rate	Average Real Rate	Average Balance	Interest Earned	Average Nominal Rate	Average Real Rate
(in millions of Ch\$ except for percentages)												
INTEREST EARNING ASSETS												
Deposits in Central Bank												
Ch\$	55,676	1,165	2.1%	(0.4)%	63,919	1,921	3.0%	(0.9)%	86,538	1,695	2.0%	(0.5)%
UF	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency	23,826	-	-	5.4%	29,122	-	-	6.8%	35,025	-	0.0%	(9.1)%
Total	79,502	1,165	2.1%	1.3%	93,041	1,921	3.0%	1.5%	121,563	1,695	1.4%	(2.3)%
Financial investments												
Ch\$	294,380	13,337	4.5%	2.0%	153,956	8,155	5.3%	1.3%	301,502	15,174	5.0%	3.5%
UF	476,548	22,354	4.7%	2.1%	562,021	35,198	6.3%	2.3%	490,627	26,562	5.4%	3.9%
Foreign currency	12,430	665	5.3%	11.0%	33,420	1,743	5.2%	12.4%	233,115	10,928	4.7%	(4.8)%
Total	783,358	36,356	4.6%	2.2%	749,467	45,096	6.0%	2.5%	1,025,244	52,664	5.1%	1.8%

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Total loans												
Ch\$	2,561,426	190,973	7.5%	4.8%	2,495,764	237,702	9.5%	5.4%	3,023,707	299,441	9.9%	8.3%
UF	1,950,937	134,843	6.9%	4.3%	2,516,218	209,996	8.3%	4.3%	3,332,277	235,439	7.1%	5.5%
Foreign currency	654,252	18,731	2.9%	8.4%	822,164	23,159	2.8%	9.8%	3,069,808	158,377	5.2%	(4.4)%
Total	5,166,615	344,547	6.7%	5.1%	5,834,146	470,857	8.1%	5.5%	9,425,792	693,257	7.4%	3.2%
Interbank loans												
Ch\$	50,303	51	0.1%	(2.3)%	95,575	1,280	1.3%	(2.5)%	193,604	9,445	4.9%	3.3%
UF	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency	31,426	678	2.2%	7.6%	70,462	1,704	2.4%	9.4%	169,603	2,079	1.2%	(7.9)%
Total	81,729	729	0.9%	1.5%	166,037	2,984	1.8%	2.6%	363,207	11,524	3.2%	(1.9)%
Investment under resale agreements												
Ch\$	52,479	2,861	5.5%	2.9%	52,424	3,001	5.7%	1.8%	19,730	1,394	7.1%	5.5%
UF	16,852	746	-	1.9%	1,813	18	1.0%	(2.8)%	1,022	71	6.9%	5.4%
Foreign currency	1,909	15	-	-	1,176	16	1.4%	(2.4)%	127,426	210	0.2%	(8.9)%
Total	71,240	3,622	5.1%	1.7%	55,413	3,035	5.5%	1.5%	148,178	1,675	1.1%	(6.9)%
Other interest earning assets												
Ch\$	-	-	-	-	-	-	-	-	3	-	0.0%	0.0%
UF	-	-	-	-	-	-	-	-	-	-	0.0%	0.0%
Foreign currency	20,406	1,220	6.0%	11.7%	122,226	4,729	3.9%	11.0%	329,593	2,177	0.7%	(8.5)%
Total	20,406	1,220	6.0%	11.7%	122,226	4,729	3.9%	11.0%	329,596	2,177	0.7%	(8.5)%
Total interest earning assets												
Ch\$	3,014,264	208,387	6.9%	4.3%	2,861,638	252,059	8.8%	4.7%	3,625,084	327,149	9.0%	7.4%
UF	2,444,337	157,943	6.5%	3.9%	3,080,122	245,212	8.0%	3.9%	3,823,926	262,072	6.9%	5.3%
Foreign currency	744,249	21,309	2.9%	8.4%	1,078,570	31,351	2.9%	9.9%	3,964,570	173,771	4.4%	(5.1)%
Total	6,202,850	387,639	6.2%	4.6%	7,020,330	528,622	7.5%	5.2%	11,413,580	762,992	6.7%	2.4%

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	Year ended December 31,											
	2010				2011				2012			
	Average Balance	Interest Earned	Average Nominal Rate	Average Real Rate	Average Balance	Interest Earned	Average Nominal Rate	Average Real Rate	Average Balance	Interest Earned	Average Nominal Rate	Average Real Rate
(in millions of Ch\$ except for percentages)												
NON-INTEREST EARNING ASSETS												
Cash												
Ch\$	188,210				222,333				262,602			
UF	-				-				-			
Foreign currency	57,044				76,004				146,211			
Total	<u>245,254</u>				<u>298,337</u>				<u>408,813</u>			
Allowance for loan losses												
Ch\$	98,434				102,788				104,575			
UF	-				-				-			
Foreign currency	146				391				58,900			
Total	<u>98,580</u>				<u>103,179</u>				<u>163,475</u>			
Property, plant and equipment												
Ch\$	55,310				55,184				55,913			
UF	-				-				-			
Foreign currency	96				104				12,337			
Total	<u>55,406</u>				<u>55,287</u>				<u>68,250</u>			
Derivatives												
Ch\$	152,774				231,888				269,632			
UF	-				-				-			
Foreign currency	17				1,157				13,846			
Total	<u>152,791</u>				<u>233,044</u>				<u>283,478</u>			
Other assets												
Ch\$	386,693				407,913				497,644			
UF	61,272				51,811				10,426			
Foreign currency	(201,388)				18,704				197,836			
Total	<u>246,577</u>				<u>478,429</u>				<u>705,906</u>			
Total non-interest earning assets												
Ch\$	684,553				814,530				981,216			
UF	61,272				51,811				10,426			
Foreign currency	(144,377)				95,578				311,330			
Total	<u>601,448</u>				<u>961,919</u>				<u>1,302,972</u>			
Total assets⁽¹⁾												
Ch\$	3,698,817	208,387			3,676,168	252,059			4,606,300	327,149		
UF	2,505,609	157,943			3,131,933	245,212			3,834,352	262,072		
Foreign currency	599,872	21,309			1,174,148	31,351			4,275,900	173,771		
Total	<u>6,804,298</u>	<u>387,639</u>			<u>7,982,249</u>	<u>528,622</u>			<u>12,716,552</u>	<u>762,992</u>		

(1) Represents total of interest earning and non-interest earning assets.

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	Year ended December 31,											
	2010				2011				2012			
	Average Balance	Interest Paid	Average Nominal Rate	Average Real Rate	Average Balance	Interest Paid	Average Nominal Rate	Average Real Rate	Average Balance	Interest Paid	Average Nominal Rate	Average Real Rate
(in millions of Ch\$ except for percentages)												
INTEREST BEARING LIABILITIES												
Time Deposits												
Ch\$	2,676,020	63,195	2.4%	(0.1)%	3,154,752	179,666	5.7%	1.7%	4,219,993	267,721	6.3%	4.8%
UF	348,666	15,257	4.4%	1.8%	292,358	18,171	6.2%	2.2%	568,003	33,422	5.9%	4.3%
Foreign currency	523,158	7,523	1.4%	6.9%	552,498	6,781	1.2%	8.1%	1,851,521	58,498	3.2%	(6.2)%
Total	3,547,844	85,975	2.4%	1.1%	3,999,608	204,618	5.1%	2.7%	6,639,517	359,641	5.4%	1.7%
Central Bank borrowings												
Ch\$	1,274	115	9.0%	6.3%	-	-	-	-	39	-	-	-
UF	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,274	115	9.0%	6.3%	-	-	-	-	39	-	-	-
Repurchase agreements												
Ch\$	422,140	4,847	1.1%	(1.3)%	161,020	8,147	5.1%	1.1%	209,370	12,085	5.8%	4.2%
UF	2,157	54	2.5%	-	2,629	315	12.0%	7.8%	575	54	9.4%	7.8%
Foreign currency	-	-	-	-	-	-	-	-	134,348	3,612	2.7%	(6.6)%
Total	424,297	4,901	1.2%	(1.3)%	163,649	8,462	5.2%	1.2%	344,293	15,751	4.6%	0.0%
Mortgage finance bonds												
Ch\$	208	4	1.9%	(0.6)%	188	3	1.6%	(2.2)%	90	2	2.2%	0.7%
UF	246,470	16,424	6.7%	4.1%	198,297	15,965	8.1%	4.0%	161,493	10,997	6.8%	5.2%
Foreign currency	-	-	-	-	-	-	-	-	-	-	-	-
Total	246,678	16,428	6.7%	4.1%	198,485	15,968	8.0%	4.0%	161,583	10,999	6.8%	5.2%
Bonds												
Ch\$	-	-	-	-	36,366	6,632	18.2%	13.8%	45,526	14,046	30.9%	28.9%
UF	712,624	46,225	6.5%	3.9%	1,162,123	85,845	7.4%	3.4%	1,468,606	79,905	5.4%	3.9%
Foreign currency	32,943	109	0.3%	5.7%	8,933	137	1.5%	(2.3)%	76,830	3,605	4.7%	(4.8)%
Total	745,567	46,334	6.2%	4.0%	1,207,422	92,614	7.7%	3.6%	1,590,962	97,556	6.1%	4.2%
Other interest bearing liabilities												
Ch\$	360,261	1,469	0.4%	(2.0)%	366,949	4,549	1.2%	(2.6)%	420,574	4,099	1.0%	(0.5)%
UF	26,529	1,924	7.3%	4.6%	22,679	2,409	10.6%	6.5%	19,458	2,222	11.4%	9.8%
Foreign currency	413,472	6,083	1.5%	6.9%	649,637	7,002	1.1%	(2.7)%	1,645,130	15,848	1.0%	(8.2)%
Total	800,262	9,476	1.2%	2.8%	1,039,265	13,960	1.3%	(2.5)%	2,085,162	22,169	1.1%	(6.5)%
Total interest bearing liabilities												
Ch\$	3,445,962	69,630	2.3%	(0.2)%	3,719,275	198,997	2.3%	(1.5)%	4,895,592	297,953	6.1%	4.5%
UF	1,336,446	79,884	5.3%	2.8%	1,678,086	122,705	5.7%	1.7%	2,218,135	126,600	5.7%	4.1%
Foreign currency	983,515	13,715	1.4%	6.8%	1,211,068	13,920	1.1%	(2.6)%	3,707,829	81,563	2.2%	(7.1)%
Total	5,765,923	163,229	2.8%	1.7%	6,608,429	335,622	5.1%	(0.9)%	10,821,556	506,116	4.7%	0.5%
(in millions of Ch\$ except for percentages)												
NON-INTEREST EARNING LIABILITIES												
Non-interest-bearing demand deposits												
Ch\$	243,704	-	-	-	282,470	-	-	-	352,402	-	-	-
UF	1,738	-	-	-	2,202	-	-	-	3,951	-	-	-
Foreign currency	64,432	-	-	-	100,146	-	-	-	160,581	-	-	-
Total	309,874	-	-	-	384,818	-	-	-	516,934	-	-	-
Derivatives												
Ch\$	125,363	-	-	-	161,012	-	-	-	187,866	-	-	-
UF	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency	4	-	-	-	1,362	-	-	-	17,083	-	-	-
Total	125,367	-	-	-	162,374	-	-	-	204,949	-	-	-

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Other non-interest-bearing							
Ch\$	94,048		221,532		150,297		
UF	-		1,933		1,689		
Foreign currency	798		4,690		109,685		
Total	<u>94,846</u>		<u>228,155</u>		<u>261,671</u>		
Shareholders' equity							
Ch\$	508,289		598,474		809,239		
UF	-		-		-		
Foreign currency	-		-		102,203		
Total	<u>508,289</u>		<u>598,474</u>		<u>911,442</u>		
Total non-interest-bearing liabilities and shareholders equity							
Ch\$	971,404		1,263,488		1,499,804		
UF	1,738		4,135		5,640		
Foreign currency	65,234		106,198		389,552		
Total	<u>1,038,376</u>		<u>1,373,821</u>		<u>1,894,996</u>		
Total liabilities and shareholders' equity ⁽¹⁾							
Ch\$	4,417,365	69,630	4,982,763	198,997	6,345,396	297,953	
UF	1,338,183	79,884	1,682,221	122,705	2,223,775	126,600	
Foreign currency	1,048,749	13,715	1,317,266	13,920	4,097,381	81,563	
Total	<u>6,804,298</u>	<u>163,229</u>	<u>7,982,250</u>	<u>335,622</u>	<u>12,716,552</u>	<u>506,116</u>	

(1) Represents total of interest bearing and non-interest bearing liabilities and shareholders' equity.

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Interest-earning Assets—Net Interest Margin

The following tables analyze, by currency of denomination, our levels of average interest-earning assets and net interest, and illustrate the comparative margins obtained, for each of the periods indicated:

	For the Year Ended December 31,		
	2010	2011	2012
	(in million of Ch\$ except for percentages)		
Total average Interest earning assets			
Ch\$	Ch\$3,014,264	Ch\$2,861,638	3,625,084
UF	2,444,337	3,080,122	3,823,926
Foreign currency	744,249	1,078,570	3,964,570
Total	<u>Ch\$6,202,850</u>	<u>Ch\$7,020,330</u>	<u>11,413,580</u>
Net interest earned ⁽¹⁾			
Ch\$	Ch\$138,757	Ch\$53,062	29,196
UF	78,059	122,507	135,472
Foreign currency	7,594	17,431	92,208
Total	<u>Ch\$224,410</u>	<u>Ch\$193,000</u>	<u>Ch\$256,876</u>
Net interest margin, nominal basis⁽²⁾			
Ch\$	4.6%	1.9%	0.8%
UF	3.2%	4.0%	3.5%
Foreign currency	1.0%	1.6%	2.3%
Total	<u>3.6%</u>	<u>2.7%</u>	<u>2.3%</u>

(1) Net interest earned is defined as interest revenue earned less interest expense incurred.

(2) Net interest margin is defined as net interest earned divided by average interest earning assets.

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Changes in Net Interest Income and Interest Expense—Volume and Rate Analysis

The following tables allocate, by currency of denomination, changes in our net interest income between changes in the average volume of interest-earning assets and interest bearing liabilities and changes in their —respective nominal interest rates from 2010 to 2011 and 2011 to 2012. Volume and rate variances have been calculated based on movements in average balances over the year and changes in nominal interest rates, average interest-earning assets and average interest bearing liabilities. The net change attributable to changes in both volume and rate has been allocated proportionately to the change due to volume and the change due to rate.

	Increase (Decrease) from 2010 to 2011 due to changes in			Net Change from 2010 to 2011
	Volume	Rate	Rate and Volume	
	(in millions of Ch\$)			
ASSETS				
INTEREST EARNING ASSETS				
Deposits in Central Bank				
Ch\$	173	5	578	756
UF	—	—	—	—
Foreign currency	—	—	—	—
Total	173	5	578	756
Financial Investments				
Ch\$	(6,362)	23	1,157	(5,182)
UF	4,013	75	8,756	12,844
Foreign currency	1,122	—	(44)	1,078
Total	(1,227)	98	9,869	8,740
Total Loans				
Ch\$	(4,896)	530	51,096	46,730
UF	39,071	280	35,801	75,152
Foreign currency	4,807	(3)	(376)	4,428
Total	38,982	807	86,521	126,310
Interbank Loans				
Ch\$	46	6	1,177	1,229
UF	—	—	—	—
Foreign currency	842	1	184	1,027
Total	888	7	1,361	2,256
Investment under resale agreements				
Ch\$	(3)	1	142	140
UF	—	2	(730)	(728)
Foreign currency	—	—	1	1
Total	(3)	3	(587)	(587)
Other interest earning assets				
Ch\$	—	—	—	—
UF	—	—	—	—
Foreign currency	6,087	(4)	(2,574)	3,509
Total	6,087	(4)	(2,574)	3,509
Total interest earning assets				
Ch\$	(11,042)	565	54,150	43,673
UF	43,084	357	43,827	87,268
Foreign currency	12,858	(6)	(2,809)	10,043
Total	44,900	916	95,169	140,984

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	Increase (Decrease) from 2010 to 2011 due to changes in			Net Change from 2010 to 2011
	Volume	Rate	Rate and Volume	
	(in millions of Ch\$)			
LIABILITIES				
INTEREST BEARING LIABILITIES				
Time Deposits				
Ch\$	11,305	892	104,274	116,471
UF	(2,464)	64	5,314	2,914
Foreign currency	422	(11)	(1,153)	(742)
Total	9,263	945	108,435	118,643
Central Bank borrowings				
Ch\$	(115)	(1)	1	(115)
UF	-	-	-	-
Foreign currency	-	-	-	-
Total	(115)	(1)	1	(115)
Repurchase Agreements				
Ch\$	(2,998)	165	6,133	3,300
UF	12	2	247	261
Foreign currency	-	-	-	-
Total	(2,986)	167	6,380	3,561
Mortgage finance bonds				
Ch\$	-	-	-	(1)
UF	(3,210)	34	2,717	(459)
Foreign currency	-	-	-	-
Total	(3,210)	34	2,717	(460)
Bonds				
Ch\$	-	-	6,632	6,632
UF	29,157	64	10,399	39,620
Foreign currency	(80)	4	104	28
Total	29,077	68	17,135	46,280
Other interest bearing liabilities				
Ch\$	27	30	3,023	3,080
UF	(279)	9	755	485
Foreign currency	3,474	(16)	(2,539)	919
Total	3,222	23	1,239	4,484
Total interest bearing liabilities				
Ch\$	8,219	1,086	120,063	129,367
UF	23,216	173	19,432	42,821
Foreign currency	3,816	(23)	(3,588)	205
Total	35,251	1,236	135,907	172,393

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	Increase (Decrease) from 2011 to 2012 due to changes in			Net Change from 2011 to 2012
	Volume	Rate	Rate and Volume	
	(in millions of Ch\$)			
ASSETS				
INTEREST EARNING ASSETS				
Deposits in Central Bank				
Ch\$	681	(7)	(900)	(226)
UF	–	–	–	–
Foreign currency	–	–	–	–
Total	681	(7)	(900)	(226)
Financial Investments				
Ch\$	7,815	(4)	(792)	7,019
UF	(4,475)	(48)	(4,113)	(8,636)
Foreign currency	10,413	–	(1,228)	9,185
Total	13,753	(52)	(6,133)	7,568
Total Loans				
Ch\$	50,283	95	11,361	61,739
UF	68,106	(322)	(42,341)	25,443
Foreign currency	63,312	193	71,713	135,218
Total	181,701	(34)	40,733	222,400
Interbank Loans				
Ch\$	1,313	34	6,818	8,165
UF	–	–	–	–
Foreign currency	2,398	(8)	(2,015)	375
Total	3,711	26	4,803	8,540
Investment under resale agreements				
Ch\$	(1,872)	7	258	(1,607)
UF	(8)	1	60	53
Foreign currency	1,769	–	(1,575)	194
Total	(111)	8	(1,257)	(1,360)
Other interest earning assets				
Ch\$	–	–	–	–
UF	–	–	–	–
Foreign currency	8,023	(39)	(10,536)	(2,552)
Total	8,023	(39)	(10,536)	(2,552)
Total interest earning assets				
Ch\$	58,220	125	16,745	75,090
UF	63,623	(369)	(46,394)	16,860
Foreign currency	85,915	146	56,359	142,420
Total	207,758	(98)	26,710	234,370

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	Increase (Decrease) from 2011 to 2012 due to changes in			Net Change from 2011 to 2012
	Volume	Rate	Rate and Volume	
(in millions of Ch\$)				
LIABILITIES				
INTEREST BEARING LIABILITIES				
Time Deposits				
Ch\$	60,666	205	27,184	88,055
UF	17,132	(10)	(1,871)	15,251
Foreign currency	15,943	107	35,667	51,717
Total	93,741	302	60,980	155,023
Central Bank borrowings				
Ch\$	–	–	–	–
UF	–	–	–	–
Foreign currency	–	–	–	–
Total	–	–	–	–
Repurchase Agreements				
Ch\$	2,446	11	1,481	3,938
UF	(246)	(1)	(14)	(261)
Foreign currency	–	–	3,612	3,612
Total	2,200	10	5,079	7,289
Mortgage finance bonds				
Ch\$	–	–	–	–
UF	(2,963)	(25)	(1,982)	(4,969)
Foreign currency	–	–	–	–
Total	(2,963)	(25)	(1,982)	(4,969)
Bonds				
Ch\$	1,670	46	5,698	7,414
UF	22,640	(226)	(28,353)	(5,940)
Foreign currency	1,041	3	2,424	3,468
Total	25,351	(177)	(20,231)	4,942
Other interest bearing liabilities				
Ch\$	665	(10)	(1,105)	(450)
UF	(342)	2	153	(187)
Foreign currency	10,730	(7)	(1,877)	8,846
Total	11,053	(15)	(2,829)	8,209
Total interest bearing liabilities				
Ch\$	65,447	252	33,258	98,957
UF	36,221	(260)	(32,067)	3,894
Foreign currency	27,714	103	39,826	67,643
Total	129,382	95	41,017	170,494

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Return on Equity and Assets

The following tables set forth our return on average shareholders' equity and average total assets and related information for each of the periods indicated.

	Years ended December 31,		
	2010	2011	2012
	(in millions of Ch\$, except for percentages)		
Net Income	121,573	117,318	119,153
Net income attributable to shareholders	122,550	119,142	119,102
Average total assets	6,804,298	7,982,249	12,716,553
Average equity	508,289	598,474	911,442
Net income as a percentage of:			
Average total assets	1.79 %	1.47 %	0.94%
Average equity	23.92%	19.6 %	13.07%
Average equity as a percentage of:			
Average total assets	7.47 %	7.50 %	7.17%
Proposed cash	121,573	117,318	59,576
Dividend payout ratio, based on net income attributable to shareholders	100 %	100 %	50%

Investment Portfolio

Financial investments are classified at the time of the purchase, based on management's intentions, as either trading or investment instruments, the latter of which are categorized as available-for-sale or held-to-maturity.

Financial investments as of December 31, 2010, 2011 and 2012 are as follows:

	As of December 31,		
	2010	2011	2012
	(in millions of Ch\$)		
Held-for-trading:			
Central Bank and government securities:			
Central Bank securities	88,077	9,541	2,543
Chilean treasury bonds	–	5,613	–
Other securities	8	–	–
Other financial securities:			
Bonds	2,998	2,012	2,102
Notes	–	125,319	28,218
Other securities	71,379	11,102	276
Foreign institution securities:			
Bonds	1,922	840	101,114
Notes	–	–	–
Other securities	550	968	3,409
Mutual fund investments			
Funds managed by related organizations	32,646	3,420	6,336
Funds managed by third parties	–	7,224	15,900
Total	197,580	166,039	159,898

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Available-for-sale

	As of December 31,		
	2010	2011	2012
	(in millions of Ch\$)		
Central Bank and government securities			
Central Bank securities	543,901	307,122	329,066
Chilean treasury bonds	–	4,336	69,706
Other securities	40,140	57,480	46,203
Other financial securities			
Promissory notes related to deposits in local banks	123,226	380,284	338,747
Chilean mortgage finance bonds			
Financial institutions bonds	1,553	1,056	349
Chilean treasury bonds	–	41,702	66,231
Other local investments	–	44,109	41,019
Foreign instruments			
Foreign instruments governments or central banks	–	–	206,296
Other foreign investment	17,955	7,161	14,818
Unquoted securities in active markets			
Chilean corporate bonds	19,473	–	–
Other investments	–	–	–
Subtotal	<u>746,248</u>	<u>843,250</u>	<u>1,112,435</u>

	As of December 31,		
	2010	2011	2012
	(in millions of Ch\$)		
Held-to-maturity			
Central Bank and government securities			
Central Bank securities	–	–	–
Chilean treasury bonds	–	–	–
Other securities	–	–	–
Other financial securities			
Promissory notes related to deposits in local banks	–	–	–
Chilean mortgage finance bonds			
Financial institutions bonds	–	–	–
Chilean treasury bonds	–	–	–
Other local investments	–	11,580	10,099
Foreign instruments			
Foreign instruments governments or central banks	–	–	74,259
Other foreign investment	–	10,382	20,619
Unquoted securities in active markets			
Chilean corporate bonds	–	–	–
Other investments	–	–	–
Subtotal	<u>–</u>	<u>21,962</u>	<u>104,977</u>

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We do not hold securities of any issuer other than the Central Bank of Chile and the Colombian Ministry of Finance, which the aggregate book value of the investment exceeds 10% of our shareholders' equity as of the end of the latest reported period.

The following table sets forth an analysis of our investments, by time remaining to maturity and the weighted average nominal rates of such investments, as of December 31, 2012:

Held-for-trading	In one year or less	Weighted average Nominal Rate	After one year through five years	Weighted average Nominal Rate	After five years through ten years	Weighted average Nominal Rate	After ten years	Weighted average Nominal Rate	Total
	Ch\$	%	Ch\$	%	Ch\$	%	Ch\$	%	Ch\$
(in millions of Ch\$, except for percentages)									
Central Bank and government securities:									
Chilean Central Bank securities	9	5.0	2,534	11.0	–	–	–	–	2,543
Chilean Central Bank notes	–	–	–	–	–	–	–	–	–
Others government securities	–	–	–	–	–	–	–	–	–
Others national institution securities:									
Bonds	519	4.2	1,230	4.7	353	4.0	–	–	2,102
Notes	28,126	6.2	92	0.6	–	–	–	–	28,218
Other securities	7	3.2	126	3.3	67	2.9	76	3.9	276
Foreign institution securities:									
Bonds	309	5.1	46,149	4.7	12,805	5.5	41,851	5.7	101,114
Notes	–	–	–	–	–	–	–	–	–
Other securities	3	5.3	3,406	6.5	–	–	–	–	3,409
Mutual fund investments:									
Funds managed by related organizations	6,336	–	–	–	–	–	–	–	6,336
Funds managed by third parties	15,900	–	–	–	–	–	–	–	15,900
Total held-for-trading	<u>51,209</u>	<u>3.6</u>	<u>53,537</u>	<u>5.1</u>	<u>13,225</u>	<u>5.4</u>	<u>41,927</u>	<u>5.7</u>	<u>159,898</u>

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Available-for-sale:	<u>In one year or less</u> <u>Ch\$</u>	<u>Weighted average Nominal Rate</u> <u>%</u>	<u>After one year through five years</u> <u>Ch\$</u>	<u>Weighted average Nominal Rate</u> <u>%</u>	<u>After five years through ten years</u> <u>Ch\$</u>	<u>Weighted average Nominal Rate</u> <u>%</u>	<u>After ten years</u> <u>Ch\$</u>	<u>Weighted average Nominal Rate</u> <u>%</u>	<u>Total</u> <u>Ch\$</u>
(in millions of Ch\$, except for percentages)									
Central Bank and government securities:									
Chilean Central Bank securities	48,701	5.4	241,359	5.3	39,006	5.5	–	–	329,066
Chilean treasury bonds	–	–	19,316	5.3	50,390	5.5	–	–	69,706
Others government securities	13,376	6.1	32,727	4.0	100	3.6	–	–	46,203
Other financial instruments									
Promissory notes related to deposits in local banks	322,605	5.5	16,142	4.0	–	–	–	–	338,747
Chilean mortgage finance bonds	–	–	159	4.3	–	–	190	4.0	349
Chilean financial institutions bonds	–	–	46,897	3.9	5,862	5.2	13,472	4.1	66,231
Others local investments	–	–	–	–	27,498	4.0	13,521	4.5	41,019
Financial instruments issued abroad									
Foreign government and Central Bank instruments	–	–	46,544	4.9	159,752	5.3	–	–	206,296
Other foreign investments	2,764	6.1	–	–	12,054	5.1	–	–	14,818
Impairment provision	–	–	–	–	–	–	–	–	–
Unquoted securities in active markets									
Chilean corporate bonds	–	–	–	–	–	–	–	–	–
Other foreign investments	–	–	–	–	–	–	–	–	–
Impairment provision	–	–	–	–	–	–	–	–	–
Total	<u>387,446</u>	<u>5.5</u>	<u>403,144</u>	<u>4.9</u>	<u>294,662</u>	<u>5.2</u>	<u>27,183</u>	<u>4.3</u>	<u>1,112,435</u>

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Held-to-maturity:	In one year or less	Weighted average Nominal Rate	After one year through five years	Weighted average Nominal Rate	After five years through ten years	Weighted average Nominal Rate	After ten years	Weighted average Nominal Rate	Total
	Ch\$	%	Ch\$	%	Ch\$	%	Ch\$	%	Ch\$
(in millions of Ch\$, except for percentages)									
Central Bank and government securities:									
Chilean Central Bank securities	-	-	-	-	-	-	-	-	-
Chilean treasury bonds	-	-	-	-	-	-	-	-	-
Others government securities	-	-	-	-	-	-	-	-	-
Other financial instruments									
Promissory notes related to deposits in local banks	-	-	-	-	-	-	-	-	-
Chilean mortgage finance bonds	-	-	-	-	-	-	-	-	-
Chilean financial institutions bonds	-	-	-	-	-	-	-	-	-
Others local investments	-	-	10,099	3.4	-	-	-	-	10,099
Financial instruments issued abroad									
Foreign government and Central Bank instruments	29,031	2.0	10,259	5.0	-	-	34,969	8.0	74,259
Other foreign investments	11,982	1.5	-	-	8,637	9.0	-	-	20,619
Impairment provision	-	-	-	-	-	-	-	-	-
Unquoted securities in active markets									
Chilean corporate bonds	-	-	-	-	-	-	-	-	-
Other foreign investments	-	-	-	-	-	-	-	-	-
Impairment provision	-	-	-	-	-	-	-	-	-
Total	<u>41,013</u>	<u>1.9</u>	<u>20,358</u>	<u>4.2</u>	<u>8,637</u>	<u>9.0</u>	<u>34,969</u>	<u>8.0</u>	<u>104,977</u>

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Loan portfolio

The following table presents our loans by type of loan. Except where otherwise specified, all loan amounts stated below are before deduction for the allowance for loan losses. Total loans reflect our loan portfolio, including past due principal amounts.

	As of December 31,				
	2008	2009	2010	2011	2012
	(in millions of Ch\$)				
Commercial loans					
Commercial loans	2,829,220	3,144,217	3,367,491	4,345,731	6,453,176
Foreign trade loans	463,113	233,478	260,976	388,981	424,824
Current account debtors	84,006	48,320	52,362	13,499	29,245
Factoring operations	54,333	53,548	66,616	95,026	87,622
Leasing transactions	325,172	295,857	280,535	293,726	341,294
Other loans and receivables	2,307	1,450	1,261	78,433	158,699
Subtotals	3,758,151	3,776,870	4,029,241	5,215,396	7,494,860
Mortgage loans					
Letters of credit loans	170,073	144,707	122,933	102,377	87,211
Endorsable mutual mortgage loans	270,475	212,468	272,829	241,653	216,627
Other mutual mortgage loans	235,430	393,290	585,104	785,537	1,186,207
Leasing transactions	366	160	146	138	61
Other loans and receivables	15,890	56,110	51,627	46,223	41,869
Subtotals	692,234	806,735	1,032,639	1,175,928	1,531,975
Consumer loans					
Consumer loans	341,229	294,396	276,296	266,953	779,735
Current account debtors	30,226	26,437	24,901	25,454	29,398
Credit card debtors	70,937	55,359	54,386	55,278	156,939
Consumer leasing transactions	274	523	708	729	782
Other loans and receivables	63,449	51,336	51,024	74,707	109,802
Subtotals	506,115	428,051	407,315	423,121	1,076,656
Loans and receivables to customers	4,956,500	5,011,656	5,469,195	6,814,445	10,103,491
Loans and receivables to banks	37,696	86,226	64,187	304,622	482,549
Total⁽¹⁾	4,994,196	5,097,882	5,533,382	7,119,067	10,586,040

(1) All of the above categories except mortgage loans and loans and receivables to banks are combined into "Loans" as reported in the tables set forth under "Item 4. Information on the Company—Business Overview—Selected Statistical Information—Average Balance Sheets, Income Earned from Interest Earning Assets and Interest Paid on Interest Bearing Liabilities."

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The loan categories are as follows:

Commercial loans

General commercial loans. General commercial loans are long-term and short-term loans granted to Chilean corporations and individuals in Chilean pesos, UF or US\$ on an adjustable or fixed rate basis, primarily to finance working capital or investments. Commercial loans represent the largest portion of our loan portfolio. Interest accrues daily on a 30-day or 360-day basis. Loan payments are scheduled monthly, biannually or yearly, depending on the terms of the loan. Although we determine the interest rate, it cannot exceed the maximum rate for commercial loans.

Foreign trade loans. Foreign trade loans are fixed rate, short-term loans made in foreign currencies (principally US\$) to finance imports and exports.

Current account debtors. The term “current account debtors” refers to our customers that receive short-term operating loans with a pre-approved credit limit.

Factored receivables. Factored receivables are derived from our factoring operations, which consist of purchasing outstanding loan portfolios, such as bills, invoices, notes, or contracts, advancing a payment representing the future cash flows from such assets, and then performing the related collection function. The receivables are sold with recourse in the event accounts become uncollectible.

Leasing contracts. Leasing contracts are contracts that include a clause granting a lessee a purchase option on leased assets at the end of the contract.

Other outstanding loans. Other outstanding loans include other commercial loans not classified in the above categories, which are financed by our general borrowings.

Mortgage loans

These loans are either inflation-indexed (denominated in UF) or denominated in Chilean pesos at fixed rates. These loans are long-term with monthly payments of principal and interest secured by a real property mortgage. Mortgage loans represent the largest portion of our portfolio of loans to individuals. As required by the SBIF, mortgage loans include the loans granted to individuals in order to acquire, expand, repair or construct their houses. Mortgage loans include letters of credit loans, endorsable mutual mortgage loans or other mutual mortgage loans. In relation to the letters of credit loans, Chapter 9-1 of the Updated Compendium of Rules, or RAN, issued by the SBIF states that the banks may originate these products only in the granting of loans for acquisition, construction or extension of houses, as long as the loans are granted to the final users of such properties. In the other loans that are granted, such as those to construction companies for the construction of one or more houses, we are required to use letters of credit for general purposes. Regarding endorsable mortgage loans, Chapter 8-4 of RAN of the SBIF, states that the banks are allowed to grant endorsable loans with mortgage guarantees, subject to the provisions stipulated in No. 7 of Article 69 of the General Law on Banks and in the previously mentioned Chapter. Other mortgage loans includes the complementary credits to the loans granted for these same purposes and the linkage credits granted before the granting of the mortgage loans. It considers also the leasing operations for housing and other accounts receivable. Any credit granted to pay or restructure all or part of the previously mentioned credits, shall also be included in this item. Mortgage loans denominated in UF are financed in two ways: traditional mortgage loans are financed by letters of credit loans that we issue and sell in the Chilean financial market, and new and flexible mortgages are financed by our own funds. Mortgage loans denominated in Chilean pesos are financed by our own funds and through liabilities denominated in Chilean pesos with durations of 2 to 5 years. We no longer offer mortgage loans denominated in Chilean pesos as there was low demand for that product. At the time of approval, the amount of a mortgage loan cannot be more than 75% of the lower of the purchase price or the appraised value of the mortgaged property. Interest accrues daily based on a 360-day year. Although we have allowances for mortgage loan losses, mortgage loans are ultimately secured by the mortgaged property.

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The balances of the renegotiated mortgage loans as of December 31, 2010, 2011 and 2012 were as follows:

	As of December 31,		
	2010	2011	2012
		(in millions of Ch\$)	
Opening Balance ⁽¹⁾	167	1,063	1,794
Renegotiated ⁽²⁾	898	735	699
Recovery ⁽³⁾	(2)	(4)	(745)
Write-offs ⁽⁴⁾	—	—	—
Final Balance	<u>1,063</u>	<u>1,794</u>	<u>1,748</u>

(1) Corresponds to the renegotiated portfolio opening balance.

(2) Corresponds to the additions to the renegotiated loans portfolio during each respective period.

(3) Corresponds to the recovery (which may include payments, or settlements by judicial action) obtained from renegotiated loans during each respective period.

(4) Corresponds to write-offs of renegotiated loans during each respective period.

Consumer loans

These are loans to individuals, granted in Chilean pesos, generally on a fixed rate basis, to finance the purchase of consumer goods or to pay for services. They also include credit card balances subject to interest charges. Interest accrues daily on a 30—or 360-day basis. Loan payments are due monthly. Although we determine the interest rate, it cannot exceed the maximum rate for consumer loans established by the SBIF.

The balances of the renegotiated consumer loans as of December 31, 2010, 2011 and 2012 were as follows:

	As of December 31,		
	2010	2011	2012
		(in millions of Ch\$)	
Opening Balance ⁽¹⁾	51,896	47,987	49,977
Renegotiated ⁽²⁾	25,219	29,442	40,674
Recovery ⁽³⁾	(10,688)	(16,204)	(21,930)
Write-offs ⁽⁴⁾	(18,440)	(11,248)	(9,918)
Final Balance	<u>47,987</u>	<u>49,977</u>	<u>58,803</u>

(1) Corresponds to the renegotiated portfolio opening balance.

(2) Corresponds to the additions to the renegotiated loans portfolio during each respective period.

(3) Corresponds to the recovery (which may include payments, or settlements by judicial action) obtained from renegotiated loans during each respective period.

(4) Corresponds to write-offs of renegotiated loans during each respective period.

As part of our business model we seek to be able to assist our customers when they are experiencing financial problems that cause them to fall behind on their payments. As a result, we make certain concessions when we renegotiate a loan, which may include the following: (i) extension of payment period; (ii) modifications to the interest rate based on each customer's ability to pay; and (iii) forgiveness of interest payments.

The above-mentioned concessions are considered on a case-by-case basis. The grant of any concessions will depend on the situation of each customer and pursuant to the analysis by the branch agent in charge of such loan. The bank does not quantify the balance of consumer loans we have renegotiated by type of concession.

Past due loans, include with respect to any loan, the amount of principal or interest that is 90 days or more overdue, and do not include the installments of such loan that are not overdue or that are less than 90 days overdue, unless legal proceedings have been commenced for the entire outstanding balance.

Loans and receivables to banks, include interbank loans to local and foreign banks and deposits in the Chilean Central Bank.

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Contingent loans, consist of guarantees granted by us in Ch\$, UF and foreign currencies (principally US\$), as well as open and unused letters of credit. Under IFRS contingent liabilities are required to be held off balance sheet. See note 1 “General Information and summary of significant accounting policies” and note 21 “Contingencies, commitments and responsibilities” to our audited consolidated financial statements included herein for a better understanding and analysis of the figures held off the balance.

Any collateral provided generally consists of a mortgage on real estate, a pledge of marketable securities, a letter of credit or cash. The existence and amount of collateral generally varies from loan to loan.

We use several types of concessions, frequently used in the market, to renegotiate our loans such as payment extensions, new operations or external refinancing to reduce the probability of losing the amount of the loan that the client has with us and improve collections.

With respect to the renegotiated loan portfolio, most of the loans are classified as impaired, and therefore the associated allowance for loan losses are based on the fair value less estimated cost to sell of the underlying collateral of each loan. To reclassify a renegotiated loan out of the impaired classification we conduct an individualized analysis of each customer. We consider if the customer has paid its loan for a reasonable period of time and the expected behavior of the customer for paying the remainder of the loan. In order to remove the renegotiated status from a loan, a customer must have improved its payment ability (credit risk profile) and must also demonstrate an improvement in its payment history. Once a minimum period of 4 to 6 months has passed, and a debtor’s situation has been duly rectified and documented, an executive in the commercial loan department may request that the renegotiated status of such loan be removed by the Assets Control Management team (which is an independent group in the commercial loan department that has the sole authority to change the risk classification of a loan). An executive in the commercial loan department has the exclusive authority to request a new classification on behalf of a customer.

The method of determining the allowance and provision for loan losses described in this section represents Chilean GAAP accounting and is a regulatory required disclosure. This information has been provided in order to provide the reader with a more in-depth analysis. Notwithstanding, our allowance and provision for loan losses as recorded in our financial statements included herein have been determined in accordance with IFRS.

Normalization Portfolio

The balances of the Normalization Portfolio for 2010, 2011 and 2012 are as follows:

	As of December 31,		
	2010	2011	2012
	(in millions of Ch\$)		
Opening Balance ⁽¹⁾	114,307	131,656	125,742
Renegotiated ⁽²⁾	48,936	40,294	41,667
Recovery ⁽³⁾	(22,016)	(29,234)	(27,810)
Write-offs ⁽⁴⁾	(9,571)	(16,974)	(15,552)
Final Balance	131,656	125,742	124,047

(1) Corresponds to the renegotiated portfolio opening balance.

(2) Corresponds to the additions to the renegotiated loans portfolio during each respective period.

(3) Corresponds to the recovery (which may include payments, or settlements by judicial action) obtained from renegotiated loans during each respective period.

(4) Corresponds to write-offs of renegotiated loans during each respective period.

The Bank has a group that handles loans referred to as our Normalization Portfolio. The activities of such group include:

- Analysis of the status of borrowers to assess the chances of recovery;
- Establishing strategies and action plans to arrive at negotiated payment schedules;
- Making the decision, based on the compliance with negotiated payment schedules, whether to transfer debtors to court collection;
- Supervising and monitoring the progress of legal collection; and
- Establishing mechanisms for the control and monitoring of impaired customers and the transfer of such customers to the functional area of Normalization.

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Given that the group acts as one unit and the group's aim is the management of this portfolio as a whole, we believe that the activity in the table presented above best represents the activities that the Bank undertakes with respect to those loans. The main difference between Normalization Portfolio and renegotiated portfolio for commercial loans, is that loans may be transferred to the Normalization Portfolio prior to the commencement of the renegotiation process to the extent, as defined internally, that the loan has demonstrated evidence of credit deterioration through deterioration in rating category, among others, requiring specific portfolio management procedures.

Treatment of debtors with commercial operations higher than UF1,000:

A loan from a customer classified as Large Companies, Corporate and Real Estate, Corporate Banking, SME Banking and Private Banking segments, which meet one of the following conditions, will be transferred to the normalization portfolio:

- Customers with a risk grade of C3 or worse.
- Customers in default (for 90 days or more). After a 90-day period, the customer will be transferred to the normalization portfolio if such customer is unable to remedy the default.
- Customers that experience a sudden and severe deterioration in their financial position, and/or customers that have entered into any payment arrangements with their creditors, and/or customer that need a higher commitment, regardless of their credit risk grade.
- Any customer that could possibly result in a loss to the Bank, even if they are not in default.

Treatment for debtors with commercial operations less than UF1,000:

- Management and collection will be under the supervision of the executive in the segment where such loan originated.
- Debtors with loan balances exceeding UF50 and in default for more than 90 days, unless under exceptional circumstances, will be transferred to collection, which will be under the supervision of the executive within the commercial loan segment.

The loan or loans that will be transferred to the Normalization Portfolio following any of the aforementioned conditions must be transferred with the debtor's entire portfolio consisting of all of the transactions and balance of such customer with the Bank. The normalization portfolio management team is responsible for determining any action that will be taken against the customer (renegotiation of the loan or collection), within a period not exceeding 30 days.

No customer with a risk higher than UF1,000 can be sent to collection without first being transferred to the normalization portfolio.

Any customer in default for more than 120 days and with a debt higher than UF50, and not having completed renegotiation of the loan, must be sent to collection. Any exception to this deadline must be approved by the normalization portfolio management team.

Risk Index of Our Loan Portfolio

The risk index is calculated as ratio of the allowance for loan losses over total loans. Beginning in January 2008, in relation to the reclassifications of the balance sheet to conform to IFRS, our risk index for commercial loans is calculated by including commercial current account debtors, foreign trade loans, commercial leases, factoring and other commercial loans. Mortgage loans include mortgage leasing arrangements and consumer mortgage loans, which include consumer leasing.

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Commercial loans. Our risk index as of December 31, 2010, 2011 and 2012 was 1.7%, 1.3% and 1.1%, respectively, this last decrease is due to an adjustment of Ch\$57,108 million in loan loss allowances. Without the adjustment, our risk index would have been 1.3%. The quality of our commercial loans depends on Chilean GDP growth, interest rates, changes in regulations, the general level of indebtedness and other economic conditions. Commercial loans include foreign trade loans, leasing contracts and factored receivables.

The main objective of our credit risk division is to maintain an adequate risk-return ratio for our assets, providing balance between commercial business goals and sound risk acceptance criteria, in accordance with our strategic objectives. This division's work is based on its associates' experience in evaluating credit risk using specialized, segmented management techniques, which has enabled it to build a sound, risk-conscious culture aligned with the bank's strategy.

Such division helps define credit processes for the companies segment, including approval, monitoring and collections practices, using a regulatory and preventative outlook on credit risk. It also actively participates in loan approval and monitoring processes, which has helped spread a risk-focused culture throughout the bank, reinforced by ongoing training for sales and risk executives. The division also directly manages higher risk loans in order to maximize recovery using a specialized approach.

During 2012, the division achieved the following milestones: (i) forming the credit risk management area for foreign companies; (ii) helping standardize loan policies and processes for the bank's subsidiary in Colombia; (iii) consolidating a customer service model differentiated by business segment and the complexity of the financing; (iv) and actively participating in defining and implementing loan policies for the bank's subsidiaries.

Finally, the division's assets quality indicators evolved favorably with respect to 2011. This includes the risk index and the past-due loans, both of which outperformed the financial system.

Mortgage loans. The risk index of our mortgage loans decreased and reached 0.4% as of December 31, 2012 because of the adjustment to loan loss allowances of Ch\$57,108 million. Without the adjustment, our residential mortgage loan risk index would have been 0.7%. The risk index of our residential mortgage loans was 0.9% and 0.9% as of December 31, 2010 and 2011, respectively. The decrease in 2012 was mainly due to the new allowance for losses model implemented during 2012. This new model was developed based on statistical modeling and detailed analysis and review of the mortgage loan portfolio behavior during the last 5 years, and it reflects the real quality of our portfolio, while ensuring compliance with modeling standards and regulations.

Consumer loans. The risk index of our consumer loans was 2.2% as of December 31, 2012 due to an adjustment to loan loss allowances of Ch\$57,108 million. Without the adjustment, our consumer loan risk index would have been 5.1%, compared to 6.8% and 5.4% as of December 31, 2010 and 2011, respectively. This decrease is principally due to internal modifications to the bank's strategy for managing this type of customers, especially those with lower income.

The retail risk division continued its efforts from 2011 to consolidate the pillars of the commercial and loan strategy employed by Banco Condell and CorpBanca. In 2012, this division posted its lowest risk levels in five years, measured as a percentage of net provisions over average total consumer loans (5% for Banco Condell and 2.4% for CorpBanca) accompanied by growing sales, especially in credit card installment loans.

The sales model targeted toward pre-approved customers was involved in 85% of all sales and was used to both search for new customers and tighten bonds with existing customers. The first steps to decentralizing the loan decision-making process to branch managers began this year. Use of this model will intensify next year.

This change occurred as a result of intense training within the loan process network, especially for new branch managers and executives, that included training with loan approval centers and additional reinforcement of day-to-day management efforts by branches through the Fraud Prevention Area with audits as well as personalized and online attention.

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Collections management was strengthened during 2012, demonstrating improved productivity since 2010. This allowed for increased recovery of outstanding amounts throughout the entire retail banking division.

The year ended with the development of the provisioning model for mortgage loans, which provided a model of expected losses, regularized standards and improved a set of provisioning models for the segment.

Lastly, the division also created a risk committee, comprised of directors and senior executives that continuously monitor division activities based on the objectives of the bank and the business segment.

Maturity and Interest Rate Sensitivity of Loans

The following table sets forth an analysis of our loans by type and time remaining to maturity as of December 31, 2012:

	Balance as of December 31, 2012	Due in one month or less	Due after 1 month through 6 months	Due after 6 month through 12 months	Due after 1 year through 3 years	Due after 3 year through 5 years	Due after 5 years	Total
<i>(in millions of constant Ch\$ as of December 31, 2012)</i>								
Commercial loans	6,453,176	922,660	1,455,053	1,720,862	865,181	441,561	1,047,859	6,453,176
Foreign trade loans	424,824	132,689	199,187	62,735	20,913	7,116	2,184	424,824
Current account debtors	29,245	23,245	6,000	-	-	-	-	29,245
Factoring operations	87,622	59,278	22,982	2,568	1,507	597	690	87,622
Leasing transactions	341,294	14,473	42,262	45,162	113,575	42,945	82,877	341,294
Other loans and receivables	158,699	5,501	-	-	-	-	153,198	158,699
Subtotals	7,494,860	1,157,846	1,725,484	1,831,327	1,001,176	492,219	1,286,808	7,494,860
Letters of credit loans	87,211	1,350	4,246	5,064	18,909	16,149	41,493	87,211
Endorsable mutual mortgage loans	216,627	42,868	5,542	6,647	26,556	26,298	108,716	216,627
Other mutual mortgage loans	1,186,207	6,330	102,860	31,727	90,005	127,018	828,267	1,186,207
Leasing transactions	61	1	4	4	18	18	16	61
Other loans and receivables	41,869	399	1,038	1,245	4,956	4,901	29,330	41,869
Subtotals	1,531,975	50,948	113,690	44,687	140,444	174,384	1,007,822	1,531,975
Consumer loans	779,735	30,047	32,454	56,171	193,301	280,557	187,205	779,735
Current account debtors	29,398	29,320	14	13	40	11	—	29,398
Credit card debtors	156,939	102,365	36,124	1,349	5,355	5,228	6,518	156,939
Consumer leasing transactions	782	54	211	203	290	24	—	782
Other loans and receivables	109,802	5,374	19,222	21,585	60,380	3,240	1	109,802
Subtotals	1,076,656	167,160	88,025	79,321	259,366	289,060	193,724	1,076,656
Loans and receivables to customers	10,103,491	1,375,954	1,927,199	1,955,335	1,400,986	955,663	2,488,354	10,103,491
Loans and receivables to banks	482,549	-	-	-	-	-	-	482,549
Total loans	10,586,040							10,586,040

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	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years	Balance as of December 31, 2012
	(in millions of constant Ch\$ as of December 31, 2012)			
Commercial loans	4,098,575	1,306,742	1,047,859	6,453,176
Foreign trade loans	394,611	28,029	2,184	424,824
Current account debtors	29,245	—	—	29,245
Factoring operations	84,828	2,104	690	87,622
Leasing transactions	101,897	156,520	82,877	341,294
Other loans and receivables	5,501	—	153,198	158,699
Subtotals	4,714,657	1,493,395	1,286,808	7,494,860
Letters of credit loans	10,660	35,058	41,493	87,211
Endorsable mutual mortgage loans	55,057	52,854	108,716	216,627
Other mutual mortgage loans	140,917	217,023	828,267	1,186,207
Leasing transactions	9	36	16	61
Other loans and receivables	2,682	9,857	29,330	41,869
Subtotals	209,325	314,828	1,007,822	1,531,975
Consumer loans	118,672	473,858	187,205	779,735
Current account debtors	29,347	51	—	29,398
Credit card debtors	139,838	10,583	6,518	156,939
Consumer leasing transactions	468	314	—	782
Other loans and receivables	46,181	63,620	1	109,802
Subtotals	334,506	548,426	193,724	1,076,656
Loans and receivables to customers	5,258,488	2,356,649	2,488,354	10,103,491
Loans and receivables to banks				482,549
Total loans				10,586,040

The following table presents the interest rate sensitivity of our outstanding loans due after one year as of December 31, 2012.

	As of December 31, 2012
Variable rate	
Ch\$	773,326
UF	631,059
Ch\$ indexed to US\$	-
Foreign currency	596,332
Subtotal	2,000,717
Fixed rate	
Ch\$	401,015
UF	1,404,333
Ch\$ indexed to US\$	800
Foreign currency	1,038,138
Subtotal	2,844,286
Total	4,845,003

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The following table sets forth an analysis of our foreign loans by type and time remaining to maturity as of December 31, 2012:

	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years	Total
	(in millions of Ch\$)			
Commercial loans	13,484	34,166	2,242	49,892
Foreign trade loans	919,402	787,446	472,568	2,179,416
Total	932,886	821,612	474,810	2,229,308

Loans by Economic Activity

The following table sets forth as of the dates indicated, an analysis of our loan portfolio before provisions based on the borrower's principal business activity:

	Domestic Loans			Foreign Loans as of			Total Loans			Distribution percentage		
	as of December 31,											
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Manufacturing	441,037	510,232	569,720	2,440	10,525	247,564	443,477	520,757	817,284	8.11%	7.64%	8.09%
Mining and Petroleum	64,229	241,514	244,407	32,069	32,494	112,302	96,298	274,008	356,709	1.76%	4.02%	3.53%
Electricity, Gas and Water	218,569	423,276	237,908	28,954	10,473	179,737	247,523	433,749	417,645	4.53%	6.37%	4.13%
Agriculture and livestock	156,951	193,598	236,327	-	20,053	26,963	156,951	213,651	263,290	2.87%	3.14%	2.61%
Forestry and wood extraction	36,344	39,280	38,836	5,241	-	0	41,585	39,280	38,836	0.76%	0.58%	0.38%
Fishing	58,347	68,395	48,611	-	-	0	58,347	68,395	48,611	1.07%	1.00%	0.48%
Transport and storage	162,175	163,843	153,111	1,062	604	50,871	163,237	164,447	203,982	2.98%	2.41%	2.02%
Communications	43,350	35,867	16,845	-	-	54,137	43,350	35,867	70,982	0.79%	0.53%	0.70%
Construction	457,376	598,671	865,713	-	848	98,660	457,376	599,519	964,373	8.36%	8.80%	9.54%
Commerce	346,426	450,957	519,220	6,422	3,187	395,650	352,848	454,144	914,870	6.45%	6.66%	9.05%
Services	1,896,212	2,041,235	2,861,452	40,038	137,037	228,715	1,936,250	2,178,272	3,090,167	35.40%	31.97%	30.59%
Others	31,999	233,307	223,316	-	-	84,795	31,999	233,307	308,111	0.59%	3.42%	3.05%
Subtotal Commercial Loans	3,913,015	5,000,175	6,015,466	116,226	215,221	1,479,394	4,029,241	5,215,396	7,494,860	73.67%	76.53%	74.18%
Consumer Loans ⁽¹⁾	407,315	423,121	476,275	-	-	600,381	407,315	423,121	1,076,656	7.45%	6.21%	10.66%
Mortgage Loans ⁽¹⁾	1,032,639	1,175,928	1,382,442	-	-	149,533	1,032,639	1,175,928	1,531,975	18.88%	17.26%	15.16%
Total	5,352,969	6,599,224	7,874,183	116,226	215,221	2,229,308	5,469,195	6,814,445	10,103,491	100.00%	100.00%	100.00%

(1) Figures prepared according to IFRS. We have classified our loan portfolio taking into account the debtor that receives the loan.

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Foreign Country Outstanding Loans

Our cross-border outstanding loans are principally trade-related. These loans include loans granted mainly to foreign financial institutions. The table below lists our total amounts outstanding to borrowers in foreign countries as of December 31 of each of the last three years. This table does not include foreign trade-related loans to Chilean borrowers.

	As of December 31		
	2010	2011	2012
	(in millions of constant Ch\$)		
Argentina ⁽¹⁾	117	8,147	7,675
Belgium	10	-	-
Bolivia ⁽¹⁾	25	42	-
Brazil ⁽¹⁾	176	30,135	45,111
Cayman Islands	-	32,397	23,892
China	32,360	27,247	-
Colombia	386	-	1,908,520
Costa Rica	-	-	8,621
Korea	6,111	-	-
Ecuador ⁽¹⁾	211	-	-
England	195	-	7,188
France	2,467	-	-
Germany	1,316	-	-
Japan	-	-	9,545
India	9,019	-	-
Holland	-	24,771	55,999
Luxemburgo	-	-	23,989
Mexico	-	-	39,827
Panama	-	52,007	-
Peru ⁽¹⁾	2,352	6,412	9,220
Singapore	124	-	-
Spain	17,807	-	35,840
Switzerland	94	20,053	39,975
Taiwan	84	-	-
United States	1,749	14,009	13,906
Total	<u>74,603</u>	<u>215,220</u>	<u>2,229,308</u>

(1) Foreign loans are mainly interbank or commercial loans.

We also maintain deposits abroad (primarily demand deposits) in foreign banks, as needed to conduct our foreign trade transactions. The table below lists the amounts of foreign deposits by country as of December 31, 2010, 2011 and 2012.

	As of December 31		
	2010	2011	2012
	(in millions of constant Ch\$)		
Australia	40	40	58
Belgium	203	1,548	283
Canada	258	289	385
China	-	-	3
Colombia	-	-	13
Denmark	6	9	12
France	-	-	86,550
Germany	7,061	6,698	1,326
Hong Kong	-	-	48
Italy	80	107	21
Japan	90	37	50,624

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Mexico	-	-	15
Norway	202	40	15
Spain	89	174	337
Sweden	4	5	6
Switzerland	107	109	61
United Kingdom	40	196	1,845
United States	67,136	175,023	206,465
Total	75,316	184,275	348,067

Companies Credit Risk Division

The objective of the Companies Credit Risk Division is to maintain an adequate ratio of risk to return for the corporate loan portfolio, provide a balance between commercial business goals, and to maintain sound acceptance criteria. These objectives are all in accordance with our strategic objectives.

To accomplish this goal, this division combines the following elements: (i) personnel with significant experience from various divisions, (ii) a sound, risk-conscious culture aligned with the bank's strategy, (iii) a well defined corporate credit process, in terms of approval, monitoring and collection procedures, (iv) a regulatory and preventive outlook on risk, (v) active participation in the loan approval process, complete with a market-segmented structure, (vi) supervision of the loan approval process via Monitoring, Default and Ex-post Review Committees, (vii) dissemination of a risk-conscious culture throughout the bank, (viii) continuous training for executives in the commercial and risk areas, and (ix) direct participation through the Risk Division in managing and collecting on deteriorated loans.

In addition, we have a number of credit committees with the ability to approve loans within certain amounts and terms depending on the credit risk rating of the potential borrower. Various risk managers of different levels of seniority participate in the credit approval process when certain predefined credit levels are surpassed.

Credit Review Process

We perform a credit analysis of our entire commercial and retail (consumer) borrowers. Credit risk presented by our current or potential borrowers is evaluated in accordance with policies and standards which have been approved by our Board of Directors.

A potential commercial borrower's evaluation focuses primarily on the credit history and reputation of its owners and management, its market position and the demand for its products or services, its production processes and facilities, its current and projected cash flows, its solvency and when it applies, the guarantees offered in connection with the loan. We also use tools such as sector reports, standard risk models for major industries, and reports relating to the potential commercial borrower's sales patterns.

In the case of individual retail borrowers, the credit approval process is based primarily on an evaluation of the borrower's credit behavior which combines the applicant's commercial behavioral variables such as current debt levels, ability to pay and socio-economic level, among others, along with centralized evaluation and decision-making systems in cases where the applicant does not fit the standard model. The information presented by a prospective borrower is evaluated by considering the individual's income, expenses, personal assets, credit history and our previous experience (if any) with the individual.

Prior to extending credit to a commercial borrower, we assign a credit risk rating to such potential borrower based on our analysis that helps identify each applicant's risk profile. These ratings are based on a scale of 1 to 10, with a rating of 1 being excellent and rating of 10 corresponding to certain loss. In general, we consider ratings 1 through 6 to be acceptable ratings, and ratings 7 through 10 to be indicative of probable losses. Loan approvals are made at various levels and with varying degrees of involvement by different categories of executives (A through I) depending on the credit risk rating we have assigned to the potential borrower, the size of the loan under consideration and the collateral offered, if any. Collateral granted for loans generally consists of mortgages on real estate. In all cases, the approval of at least three officers is required in order to approve a loan.

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Our evaluation of a potential transaction with a borrower is based on the concept of total customer risk. Total customer risk takes into account (i) the direct risk (actual and potential), (ii) the indirect risk, and (iii) the risks related to the client, such as having common partners, being part of an economic group or common guarantees.

The following table shows the category of executives that were required to approve secured and unsecured commercial borrowing transactions, according to the credit risk rating of the potential borrower and the Chilean pesos amount of the total customer risk based on exchange rates in effect prior to end of December 2012:

Committee		Risk Category								Substandard or Non-Performing Portfolio	
		A1		A2		A3, A4 and A5		A6		RD + RI	RT
		RD + RI	RT	RD + RI	RT	RD + RI	RT	RD + RI	RT		
Executive	From	8.000 + \$1	12.000 + \$1	6.000 + \$1	9.000 + \$1	3.500 + \$1	6.000 + \$1	1.500 + \$1	2.500 + \$1	1.000 + \$1	2.000 + \$1
Divisional Managers 'A'	Up to	8,000	12,000	6,000	9,000	3,500	6,000	1,500	2,500	1,000	2,000
Managers	Up to	3,000	4,500	2,500	4,000	2,000	3,000	1,000	1,500	500	750
Level 'C1'+ 'A'	Up to	2,100	3,200	1,700	2,600	1,400	2,100	700	1,000	300	500
Level A	Up to	1,500	2,300	1,200	1,800	1,000	1,500	500	700	250	300
Risks	Up to	1,100	1,700	900	1,400	700	1,100	350	450	200	250
Level 'C1'+ 'B'	Up to	1,100	1,700	900	1,400	700	1,100	350	450	200	250
Sub managers	Up to	700	1,100	600	900	500	750	250	350	150	200
Level "B"	Up to	600	900	500	700	400	600	200	300	100	150
Level "C1"	Up to	350	500	300	450	250	400	150	200	100	150

The following table details the maximum limits of customer credit risk in Chilean pesos that executives of each category were permitted to approve prior to end of December 2012. This table applies to all potential borrowers with credit risk ratings of 1 to 5 and varies according to whether the customer credit risk is comprised of secured or unsecured obligations.

Level of Necessary Authority	Approval limits only for debtors with Risk Category A5 or G2, or Special Surveillance Continue as maximum ⁽¹⁾	
	Risk RD+RI	Total Risk (RD+RI+RR)
Level "C" Executive	Up to 100	150
Level "D" Executive	Up to 60	100
Level "E" Executive	Up to 40	60
Level "F" Executive	Up to 20	30
Level "G" Executive	Up to 10	20
Level "H" Executive	Up to 5	10
Level "I" Executive	Up to 3	6
Level "J" Executive	Up to 2	2
Level "K" Executive	Up to 1	1

(1) Credit or loan operations with debtors who are in Risk Category A6 or worst or G3 or worst, or in Substandard Portfolio or Non-Performing Portfolio, or in Special Surveillance Out, Structured Out, Decrease or Guarantee, shall be approved at least for a Level of Authority "C1" or "B". This restriction will not be applied to those debtors who are still being managed by the Normalization Management.

All transactions at the Risk Committee level or higher are reviewed by our credit risk managers. All transactions resulting in total customer credit risk in excess of the amounts that can be reviewed by the Superior Committee as shown in the above table must be authorized by the Directors Committee of our Board of Directors, the Chief Executive Officer and three other members of the Board of Directors.

Our Credit Risk Divisions also monitor compliance with the terms of loans we have granted, such as payment dates, conditions and covenants. The monitoring process includes verification of the use of proceeds and contractual conditions, continuing financial analysis of the borrower and any guarantors, on-site visits to the borrower's place of business, confirmation of credit information and analysis of the economic environment as it affects the borrower or its sector, among other tools. Generally, the Credit Risk Department performs this monitoring on a yearly basis. If a debtor exhibits an elevated level of risk based on the results of our yearly monitoring, we may place such debtor on a special watch list. We monitor debtors on the watch list on a monthly basis. The Credit Risk Department regularly meets to decide whether to take any action (such as reducing

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outstanding loan amounts or requesting collateral) in respect of debtors on the watch list. In addition, our Credit Risk Department has a unit dedicated to administering the loan accounts of debtors with respect to which losses are expected or have occurred. This unit supervises the process of collections and legal proceedings.

We also monitor the quality of the loan portfolio on a continuous basis. The purpose of this special supervision is to maintain constant scrutiny of the portions of the portfolio that represent the greatest risk and to anticipate any deterioration. Based on this ongoing review of the loan portfolio, we believe we are able to detect problem loans and make a decision on a client's status. This includes measures such as reducing or extinguishing a loan, or requiring better collateral from the client. The control systems require that loans be reviewed at least three times per year for those clients in the lowest category of credit watch.

Classification of Loan Portfolio

Loans are divided into: (1) consumer loans (including loans granted to individuals for the purpose of financing the acquisition of consumer goods or payment of services); (2) residential mortgage loans (including loans granted to individuals for the acquisition, construction or repair of residential real estate, in which the value of the property covers at least 100% of the amount of the loan); and (3) commercial loans (including all loans other than consumer loans and residential mortgage loans). The models and methods used to classify our loan portfolio and establish credit loss allowances must follow the following guiding principles, which have been approved by our Board of Directors.

Loans Analyzed on an Individual Basis

For individually large loans under IFRS, the Bank uses internal models to assign a risk category level to each customer and their respective loans. We consider the following risk factors: industry or sector in which the customer operates, owners or managers of the customer, customer's financial situation, its payment capacity and payment history to calculate the estimated incurred loan loss.

Through this categorization, we differentiate the normal loans from the impaired ones.

These are our risk categories:

1. Customers classified in risk categories A1, A2, A3, A4, A5, or A6 are current or have less than 30 days overdue on their payment obligations and show no significant sign of deterioration in their credit quality. Customers classified in risk categories B1, B2, B3 or B4 are overdue between 30 and 89 days on their payment obligations, thus showing a certain level of indication of deterioration in credit quality. B category is different from the A because of a history of late payments.
2. Customers classified as C1, C2, C3, C4, C5, or C6 include clients whose loans with us have been charged off or are being administered by a specialized area.

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For loans classified as A1, A2, A3, A4, A5, A6, B1, B2, B3 and B4, we assign a specific allowance percentage on an individual basis to each customer. The amount of the allowance for loan losses is determined based on debt servicing capacity, the company's financial history, solvency and capacity of shareholders and management and projections for the industry sector in which the customer operates. There is a determined allowance percentage by group of customers with similar characteristics, i.e., A1, A2, A3, A4, A5, A6, B1, B2, B3 and B4).

Estimated Incurred Loan Loss = Allowance for Loan Losses

The estimated incurred loss is determined by multiplying the risk factors as defined in the following equation:

$$\begin{array}{lcl} \text{EIL} & = & \text{EXP X PNP X SEV} \\ \text{EXP} & = & \text{Exposure} \\ \text{PNP} & = & \text{Probability of Non-Performance} \\ \text{SEV} & = & \text{Severity} \\ \text{EIL} & = & \text{Estimated Incurred Loss.} \end{array}$$

"EIL = Estimated Incurred Loss" means the amount that could be lost in the event a client does not perform the obligations under the loan agreement.

"EXP = Exposure" means the value of the loan (unpaid principal balance).

"PNP = Probability of Non-Performance" means the probability, expressed as a percentage, that a customer will default within the next 12 months. This percentage is associated with the rating that we give to each client, which is determined by analyzing such parameters as debt servicing capacity (including, usually, projected cash flows), the customer's financial history, the solvency and capacity of shareholders and management of the customer, and projections for the economic sector in which the customer operates.

"SEV = Severity" means the effective loss rate given for default for customer in the same risk category, which is determined statistically based on the historical effective losses.

Every year the PNP and SEV assumptions are evaluated by our Credit Department, which could result in modifications to the PNP and the SEV of a client. These tests focus on the validation of the sufficiency of our allowances, and consist of comparisons between actual write-offs to allowances established by the model, and the coverage of the total allowance to actual write-offs in the most current periods. Individual loan classification and improvements to any customer classification are also presented for approval to our Credit Risk Committee.

Allowances for loan losses for each C risk category are based mainly on the fair value of the collateral, adjusted for the estimated cost to sell (7% on average), of each of these loans. The allowance percentage for each category is then based on the level of collateral, or the expected future cash flow from the loan. Our internal policies obligate us to update appraisals for collateral values every 24 months which does not vary by loan product. This period can be changed if market conditions in general or for a specific sector warrant an adjustment to appraisal value by the Risk Department which updated appraisal information is factored into our provision for loan loss calculations. We make no adjustments between appraisals to account for changes in fair value. A change in appraisal value may change the risk category or profile of a client leading to the establishment of more provisions or the removal of provisions.

As of December 31, 2012, loans classified in the C risk categories had the following allowance for loan losses:

<u>Classification</u>	<u>Allowance percentage</u>	<u>Exposure</u> <u>(Millions of Ch\$)</u>	<u>Allowance</u> <u>(Millions of Ch\$)</u>
C1	2%	21,617	432
C2	10%	7,282	728
C3	25%	7,472	1,868
C4	40%	3,515	1,406
C5	65%	22,800	14,820
C6	90%	13,941	12,547
Total		76,627	31,801

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As of December 31, 2011, loans classified in the C risk categories had the following allowance for loan loss requirement:

<u>Classification</u>	<u>Allowance percentage</u>	<u>Exposure</u> <u>(Millions of Ch\$)</u>	<u>Allowance</u> <u>(Millions of Ch\$)</u>
C1	2%	57,756	1,155
C2	10%	14,336	1,434
C3	25%	27,064	6,766
C4	40%	26,690	10,676
C5	65%	17,551	11,408
C6	90%	6,738	6,064
Total		150,135	37,503

Models used on Collective Evaluation of Commercial Borrowers of Less than Ch\$200 million

There is no difference between our SBIF provision and IFRS provisions for loans collectively evaluated for impairment.

With respect to our portfolio of consumer loans, mortgage loans, and commercial loans under Ch\$200,000 million (loans collectively evaluated for impairment (consumer and commercial)), allowances for loan losses are determined by mathematical models. The population is first profiled primarily using the characteristics of payment behavior, aging of the balance of the loan, “probability of default” factors indicating transfer into the normalization portfolio, and socioeconomic status.

Each profile in the commercial loan portfolio has information aggregated by the bank – basically, historical loss experience (less recoveries).

This historical loss experience which represents the derived loan loss allowance percentage is applied by profile to the commercial loan portfolio, taking into consideration, if applicable, any additional factors, such as increase in the unemployment rate in the country, economic downswings, etc. based upon more recent experience, should they affect the level of necessary loan loss reserves.

The profiles in the consumer loan portfolio are based on a wider range of variables than those in the commercial model and the variables are weighted and scored. In the aggregate, the sufficiency of the provision is analyzed first by the number of months coverage of historical write-offs. Should the coverage appear inadequate (either high or low or fluctuating significantly in comparison with previous months), vintage model calculations (where loss models are based on the age of the accounts as formulated by a curve which generally reaches, at an identified point in time, a stabilized loss rate) are performed to determine the appropriate allowance percentages to apply. At a minimum, vintage model analysis is performed every 6 months and the results of such analysis are reported to the Risk Committee.

In contrast to the mathematical models used for provisioning of the commercial and consumer loan portfolio, the provisioning of the mortgage loan portfolio is performed using a statistical model based on the formula $SEV \times PNP \times EXP$ as explained above in relation to individually significant loans. Segmentation is set up in a different way from the individually significant loans. There are profiles primarily using factors such as demographic characteristics, delinquency, collateral ratio to loan balance and external credit ratings which associated results are “scored” and then assigned to a segment where each has an allowance percentage assigned based on the above formula.

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Total Loans – models based on group analysis

	As of December 31, 2010		
	Total Loans	Allowances for loan losses	Risk Index (%)
	(in millions of Ch\$ except for percentages)		
Commercial	318,689	11,590	3.6%
Leasing commercial	30,863	524	1.7%
Factoring commercial	6,152	340	5.5%
Consumer	406,610	27,543	6.8%
Leasing consumer	708	3	0.5%
Mortgage	1,032,492	8,936	0.9%
Leasing mortgage	146	–	0.1%

	As of December 31, 2011		
	Total Loans	Allowances for loan losses	Risk Index (%)
	(in millions of Ch\$ except for percentages)		
Commercial	392,555	10,708	2.7%
Leasing commercial	29,423	484	1.6%
Factoring commercial	4,598	382	8.3%
Consumer	422,392	22,708	5.4%
Leasing consumer	729	8	1.1%
Mortgage	1,175,790	10,381	0.9%
Leasing mortgage	138	1	1.0%

	As of December 31, 2012		
	Total Loans	Allowances for loan losses	Risk Index (%)
	(in millions of Ch\$ except for percentages)		
Commercial	519,565	15,175	2.9%
Leasing commercial	31,519	374	1.2%
Factoring commercial	5,825	223	3.8%
Consumer	1,075,874	24,066	2.2%
Leasing consumer	782	5	0.6%
Mortgage	1,531,914	6,486	0.4%
Leasing mortgage	61	3	4.9%

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Consumer Loans – models based on group analysis

	As of December 31, 2010		
	Total Loans	Allowances for loan losses	Risk Index (%)
	(in millions of Ch\$ except for percentages)		
Credit cards	54,188	3,059	5.6%
Lines of credit	24,893	338	1.4%
Others revolving	60	4	5.9%
Consumer loans	198,335	9,931	5.0%
Car loans	–	–	–
Student loans	22,520	360	1.6%
Salary discount loans	58,286	1,804	3.1%
Renegotiation	48,018	11,978	24.9%
Others	109	68	62.5%

	As of December 31, 2011		
	Total Loans	Allowances for loan losses	Risk Index (%)
	(in millions of Ch\$ except for percentages)		
Credit cards	55,277	1,512	2.7%
Lines of credit	25,453	573	2.3%
Others revolving	43	5	10.6%
Consumer loans	243,793	9,173	3.8%
Student loans	18,268	423	2.3%
Salary discount loans	29,377	1,335	4.5%
Renegotiation	50,022	9,625	19.2%
Others	159	62	39.0%

	As of December 31, 2012		
	Total Loans	Allowances for loan losses	Risk Index (%)
	(in millions of Ch\$ except for percentages)		
Credit cards	156,939	2,905	1.9%
Lines of credit	29,398	780	2.7%
Others revolving	27	2	7.6%
Consumer loans	803,718	10,538	1.3%
Student loans	13,705	212	1.5%
Salary discount loans	13,093	642	4.9%
Renegotiation	58,802	8,908	15.1%
Others	192	79	41.2%

With respect to our portfolio of consumer loans and commercial loans under Ch\$200,000 million, allowances for loan losses are determined by mathematical models. The population is first profiled primarily using the characteristics of payment behavior, aging of the balance of the loan, “probability of default” factors indicating transfer into the normalization portfolio, and socioeconomic status.

Each profile in the commercial loan portfolio has information aggregated by the bank – basically, historical loss experience (less recoveries).

This historical loss experience which represents the derived loan loss allowance percentage is applied by profile to the commercial loan portfolio, taking into consideration, if applicable, any additional factors, such as increase in the unemployment rate in the country, economic downswings, etc. based upon more recent experience, should they affect the level of necessary loan loss reserves.

The profiles in the consumer loan portfolio are based on a wider range of variables than those in the commercial model and the variables are weighted and scored. In the aggregate, the sufficiency of the provision is analyzed first by the number of months coverage of historical write-offs. Should the coverage appear inadequate (either high or low or fluctuating significantly in comparison with previous months), vintage model calculations (where loss models are based on the age of the accounts as formulated by a curve which generally reaches, at an identified point in time, a stabilized loss rate) are performed to determine the appropriate allowance percentages to apply. At a minimum, vintage model analysis is performed every 6 months and the results of such analysis are reported to the Risk Committee.

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Models based on collective analysis for consumer loans and mortgage loans (Retail Banking)

Retail Credit Risk Division

Our Retail Credit Risk Division is responsible for the whole credit cycle management of three business units: Banco Condell (Low income segment (C3-D)), which primarily originates consumer loans, credit cards and a few mortgage loans, SMU Corp S.A. (Private Label Credit Card, mainly for our low income segment C3-D) and Retail Banking for higher income segments (our medium-high income segments (ABC1-C2)), which is primarily unsecured lending, consumer loans, revolving lines of credit, credit cards and mortgage loans.

Our credit risk management segment works to provide our branches with the best and simplest available information and tools to maximize the value of their profits and losses. The credit risk management process is composed of the following:

Credit Initiation

We strive to have in place a high quality underwriting process. An excellence in our credit decision-making process means healthy portfolios with very low early delinquency incident rates and profitable asset portfolios. Our credit initiation process consists of:

- ***Credit Initiation Tools.*** Credit scoring, credit bureau information (60 months of positive and negative information) check lists to support our credit analysis (a 5 step process), credit policies and daily training.
- ***Accountability and Responsibility (tied to incentive plans).*** Branch managers know their customers and they are responsible for credit decisions but they must first seek approval with an underwriter (Risk Division). Credit authorization will be delegated based on the results of an internal credit initiation report.
- ***Analytical Driven Sales Process.*** We know the customers we want and we seek them out. On a monthly basis, our credit division selects names to offer credit cards and revolving credit lines for all segments, current customers or prospective customers.
- ***Control Environment.*** A four or five month review of accounting records is required to understand sales quality, to assess early delinquency rates and a sales scoring mix is reviewed on a daily basis. Also, branch managers are trained to understand their loan authorization ability (approving credit worthy customers and declining non-credit worthy customers).

Maintenance

We strive to have high market share in the most profitable segments (low-medium risk and medium-high usage) and low market share in the lowest profitable segments (high risk or low usage). The result of which means a higher revenue share. The maintenance process is composed of:

- ***Renewals/Non-Renewals (Revolving Products).*** Renewals and non-renewals are based on customer payment behavior and profitability.
- ***Campaigns.*** Top-up and cross-selling offers are implemented. On a monthly basis, the Risk Division selects our best customers to offer refinancing options on their current loans. Our goal is to have 100% of a customers' "share of wallet" in our most profitable segments, which provides us with a healthy balance of investments among the products and services we offer.

Collection

We strive to have in place a high quality collection process, consisting of the right strategy, vendors and products and policies.

- ***Collection Strategy.*** Our collection strategy is currently based on geographic coverage and delinquency buckets. It includes reporting delinquent customers to the credit bureau (15 days past due). The next steps

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include customer risk segmentation to define our end-to-end collection strategy (intensity of calls, letters, mms (multimedia messaging), scripts, skip tracing and remedial offers). Our collection strategy is also included in the branch manager's responsibilities.

- Vendors. Our vendors provide cover, benchmarks and sometimes testing (champion/challenger). Also, the continuity of our business plan requires the use of vendors in cases of emergency and union instability, among others.
- Policies and Products. Rewrites, remedial offers and settlements are made as needed. We must maximize capital recovery.
- Technology. Our systems, Predictive Dialer and Collection System, are in place.
- Control Environment. Customer surveys and strong Management Information Systems enable us to have a controlled process.

Write-off Policy, Recovery and Planning

The write-off policy, recovery and planning process consists of:

- Write-off Policy. Our write-off policy is triggered for an unsecured portfolio at 180 days past due and 4 years for mortgages.
- Loan Loss Reserve. History of write-offs and recoveries are used to calculate each portfolio. On a monthly basis a Back Testing Analysis is performed in order to ensure the right coverage, as well as model performance.

Management Information Systems (MIS) and Portfolio Management

We strive to develop strong MIS to understand our portfolio performance in real time. The MIS and Portfolio Management processes consist of:

- MIS. Reports are prepared to understand the credit portfolio behavior by main segmentations (sales quality, by sales channel, scoring, type of customer, location (branch), products and loan to value (for mortgages), etc.). Also, the Risk Credit Division has the capability to enhance the scope of any analysis if necessary.
- Sales Indicators. Sales indicators include total applications, approvals and denials, scoring mix, approval rates, through the door analysis and vintage coincidence, among others (30+, 60+, 90+, write-off and recovery).
- Portfolio Review Indicators. Portfolio review indicators include delinquencies by bucket, net flows (roll forward, roll back, stay), is-was analysis, gross write-off, recoveries, net credit losses, charge off, vintage analysis, rewrite of sales, payments, pre-payments and refinance rate, etc.
- Portfolio Management. Periodic review against budgets and forecasts in order to adjust and make decisions, if necessary.

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Analysis of our Loan Classification

The following tables provide statistical data regarding the classification of our loans as of the end of each of the five years, applying the classification explained in prior pages:

2008

	Individually Evaluated for Impairment							Collectively Evaluated for Impairment				General Total	
	A1	A2	A3	B1	B2	B3	C	Impaired	Total	Normal	Impaired		Total
	(in millions of Ch\$)												
Loans and receivable to banks	20,005	-	-	17,691	-	-	-	-	37,696	-	-	-	-
Loans and receivable to customers													
Commercial loans													
General commercial loans	-	36,230	1,142,273	844,734	423,950	-	-	115,919	2,563,106	228,848	37,266	266,114	2,829,220
Foreign trade loans	-	-	162,114	111,366	116,613	-	-	58,058	448,151	13,898	1,063	14,961	463,112
Lines of credit and overdrafts	-	5	31,350	9,155	12,271	-	-	1,570	54,351	27,887	1,769	29,656	84,007
Factored receivables	-	-	-	-	-	-	-	-	-	49,668	4,665	54,333	54,333
Leasing contracts	-	23,579	29,962	95,434	120,684	-	-	16,535	286,194	29,230	9,749	38,979	325,173
Other outstanding loan	-	-	-	26	273	-	-	236	535	1,508	263	1,771	2,306
Subtotal commercial loans	-	59,814	1,365,699	1,060,715	673,791	-	-	192,318	3,352,337	351,039	54,775	405,814	3,758,151
Consumer loans	-	-	-	-	-	-	-	-	-	472,993	33,122	506,115	506,115
Mortgage loans	-	-	-	-	-	-	-	-	-	667,506	24,728	692,234	692,234
Total loans and receivable to customers	-	59,814	1,365,699	1,060,715	673,791	-	-	192,318	3,32,337	1,491,538	112,625	1,604,163	4,956,500
Financial investments	-	-	-	-	-	-	-	-	-	-	-	-	-

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2009

	Individual Portfolio								Group Portfolio				General Total
	A1	A2	A3	B1	B2	B3	C	Impaired	Total	Normal	Impaired	Total	
	(in millions of Ch\$)												
Loans and receivable to banks	72,636	9,524	4,066	-	-	-	-	-	86,226	-	-	-	86,226
Loans and receivable to customers													
Commercial loans													
General commercial loans	9,005	24,269	1,301,811	891,532	503,887	-	-	115,919	2,846,023	248,326	49,867	298,193	3,144,216
Foreign trade loans	-	-	57,910	47,411	45,758	-	-	68,736	219,815	12,603	1,059	13,662	233,477
Lines of credit and overdrafts	-	-	1,724	5,879	11,431	-	-	1,466	20,500	25,831	1,990	27,821	48,321
Factored receivables	-	-	-	-	-	-	-	-	-	50,034	3,514	53,548	53,548
Leasing contracts	-	22,435	27,013	82,705	103,085	-	-	23,554	258,792	29,733	7,332	37,065	295,857
Other outstanding loan	-	-	157	114	210	-	-	18	499	853	99	952	1,451
Subtotal commercial loans	9,005	46,704	1,388,615	1,027,641	664,371	-	-	209,293	3,345,629	367,380	63,861	431,241	3,776,870
Consumer loans	-	-	-	-	-	-	-	-	-	399,344	28,707	428,051	428,051
Mortgage loans	-	-	-	-	-	-	-	-	-	778,143	28,592	806,735	806,735
Total loans and receivable to customers	9,005	46,704	1,388,615	1,027,641	664,371	-	-	209,293	3,345,629	1,544,867	121,160	1,666,027	5,011,656
Financial investments	-	-	-	-	-	-	-	-	-	-	-	-	-

2010

	Individual Portfolio								Group Portfolio				General Total
	A1	A2	A3	B1	B2	B3	C	Impaired	Total	Normal	Impaired	Total	
	(in millions of Ch\$)												
Loans and receivable to banks	8,604	-	41,920	12,857	777	-	-	29	64,187	-	-	-	64,187
Loans and receivable to customers													
Commercial loans													
General commercial loans	76,742	38,027	1,239,111	897,967	727,483	-	-	115,575	3,094,905	205,482	67,104	272,586	3,367,491
Foreign trade loans	-	-	48,093	72,944	69,549	-	-	51,998	242,584	17,063	1,329	18,392	260,976
Lines of credit and overdrafts	-	-	1,044	5,691	17,652	-	-	1,133	25,520	21,069	5,773	26,842	52,362
Factored receivables	461	-	16,871	9,360	32,156	-	-	1,615	60,463	4,354	1,799	6,153	66,616
Leasing contracts	-	22,349	18,569	61,219	117,040	-	-	30,495	249,672	20,174	10,689	30,863	280,535
Other outstanding loan	-	-	73	40	267	-	-	12	392	833	36	869	1,261
Subtotal commercial loans	77,203	60,376	1,323,761	1,047,221	964,147	-	-	200,828	3,673,536	268,975	86,730	355,705	4,029,241
Consumer loans	-	-	-	-	-	-	-	-	-	381,235	26,080	407,315	407,315
Mortgage loans	-	-	-	-	-	-	-	-	-	999,636	33,033	1,032,639	1,032,639
Total loans and receivable to customers	77,203	60,376	1,323,761	1,047,221	964,147	-	-	200,828	3,673,536	1,649,846	145,813	1,795,659	5,469,195
Financial investments	-	-	-	-	-	-	-	-	-	-	-	-	-

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2011

	Individual Portfolio																		
	Normal Portfolio						Impaired Portfolio												
	A1	A2	A3	A4	A5	A6	B1	B2	Total	B3	B4	C1	C2	C3	C4	C5	C6	Total	Total
	(in millions of Ch\$)																		
Loans and receivable to banks	200,028	36,851	67,701	42	-	-	-	-	304,622	-	-	-	-	-	-	-	-	-	304,622
Loans and receivable to customers																			
Commercial loans																			
General commercial loans	236,229	1,002,989	1,227,123	1,039,390	439,597	9,011	14,203	4,594	3,973,136	2,554	619	27,711	7,153	7,467	9,679	11,747	6,244	73,174	4,036,310
Foreign trade loans	-	53,245	93,925	144,847	36,568	7,432	357	-	336,374	-	-	2,857	990	18,618	15,907	3,749	69	42,190	378,564
Current account debtors	-	1,299	5,526	245	1,066	1	49	4	8,190	-	-	72	43	-	-	9	11	135	8,325
Factored receivables	-	8,755	28,677	36,988	15,308	290	54	-	90,072	95	129	105	-	-	-	27	-	356	90,428
Leasing contracts	-	11,495	16,698	106,405	89,018	592	2,439	-	226,647	-	-	27,010	6,142	979	1,099	2,015	410	37,655	264,302
Other outstanding loan	-	171	42	519	125	12	-	2	871	1	-	1	7	-	5	4	4	22	893
Subtotal commercial loans	236,229	1,077,954	1,371,991	1,328,394	581,682	17,338	17,102	4,600	4,635,290	2,650	748	57,756	14,335	27,064	26,690	17,551	6,738	153,532	4,788,822
Consumer loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mortgage loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total loans and receivable to customers	236,229	1,077,954	1,371,991	1,328,394	581,682	17,338	17,102	4,600	4,635,290	2,650	748	57,756	14,335	27,064	26,690	17,551	6,738		4,788,822
Financial investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

2011

	Group Portfolio			
	Normal Portfolio	Impaired Portfolio	Total	General Total
	(in millions of Ch\$)			
Loans and receivable to banks	-	-	-	304,622
Loans and receivable to customers				
Commercial loans				
General commercial loans			231,295	4,345,731
Foreign trade loans			8,151	388,981
Current account debtors			4,008	13,499
Factored receivables			2,647	95,026
Leasing contracts			19,428	293,726
Other outstanding loan			77,281	78,433
Subtotal commercial loans			342,810	5,215,396
Consumer loans			398,365	423,121
Mortgage loans			1,141,396	1,175,928
Total loans and receivable to customers			1,882,571	6,814,446
Financial investments			-	-

2012

	Individual Portfolio																		
	Normal Portfolio						Impaired Portfolio												
	A1	A2	A3	A4	A5	A6	B1	B2	Total	B3	B4	C1	C2	C3	C4	C5	C6	Total	Total
	(in millions of Ch\$)																		
Loans and receivable to banks	463,159	9,080	10,310	-	-	-	-	-	482,549	-	-	-	-	-	-	-	-	-	482,549
Loans and receivable to customers																			
Commercial loans																			
General commercial loans	127,381	1,068,995	1,548,114	1,967,759	911,992	36,551	61,696	22,809	5,745,297	4,625	16,253	16,160	6,215	7,069	2,553	13,991	11,312	78,178	5,823,475
Foreign trade loans	-	18,758	162,015	132,106	39,748	20,515	23,009	2,856	399,007	-	8,737	347	91	-	-	8,216	645	18,036	417,043
Current account debtors	-	492	6,336	11,285	2,530	126	100	44	20,913	10	97	13	6	-	-	-	60	186	21,099
Factored receivables	-	-	19,817	36,031	23,673	1,505	415	35	81,476	29	76	101	-	-	-	-	116	322	81,798
Leasing contracts	-	5,455	19,130	123,453	111,864	10,336	20,683	218	291,139	1,124	8,505	4,582	958	402	912	534	1,619	18,636	309,775
Other outstanding loan	-	234	358	2,026	392	51	16	2	3,079	3	96	414	13	-	51	59	190	826	3,905

Subtotal commercial loans	127,381	1,093,934	1,755,770	2,272,660	1,090,199	69,084	105,919	25,964	6,540,911	5,791	33,764	21,617	7,283	7,471	3,516	22,800	13,942	116,184	6,657,095
Consumer loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mortgage loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total loans and receivable to customers	127,381	1,093,934	1,755,770	2,272,660	1,090,199	69,084	105,919	25,964	6,540,911	5,791	33,764	21,617	7,283	7,471	3,516	22,800	13,942	116,184	6,657,095
Financial investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

2012

	Group Portfolio			
	Normal Portfolio	Impaired Portfolio	Total	General Total
	(in millions of Ch\$)			
Loans and receivable to banks	-	-	-	482,549
Loans and receivable to customers				
Commercial loans				
General commercial loans	591,842	37,859	629,701	6,453,176
Foreign trade loans	7,524	257	7,781	424,824
Current account debtors	7,885	261	8,146	29,245
Factored receivables	5,631	193	5,824	87,622
Leasing contracts	30,208	1,311	31,519	341,294
Other outstanding loan	154,508	286	154,794	158,699
Subtotal commercial loans	797,598	40,167	837,765	7,494,860
Consumer loans	1,043,027	33,629	1,076,656	1,076,656
Mortgage loans	1,499,243	32,732	1,531,975	1,531,975
Total loans and receivable to customers	3,339,868	106,528	3,446,396	10,103,491
Financial investments	-	-	-	-

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The following table sets forth our allowances for loan losses:

	As of December 31,		
	2010	2011	2012
	(in millions of Ch\$ except for percentages)		
Required allowances	104,215	102,500	109,601
Voluntary allowances	-	-	-
Total allowances for loan losses	104,215	102,500	109,601
Total loan allowances as a percentage of total loans	1.9%	1.5%	1.1%
Total loans	5,469,195	6,814,445	10,103,491

Classification of Loan Portfolio Based on the Customer's Payment Performance

The following tables set forth the amounts that are current as to payments of principal and interest and the amounts that are overdue under IFRS, as of the dates indicated:

Domestic Loans

	As of December 31,				
	2008	2009	2010	2011	2012
	(in millions of Ch\$)				
Current	4,811,415	4,892,417	5,290,096	6,532,592	7,786,077
Overdue 1-29 days	11,705	7,087	7,832	9,046	31,530
Overdue 30-89 days	34,543	9,512	8,190	11,207	13,622
Overdue 90 days or more ("past due")	38,646	41,672	46,851	46,379	42,954
Total loans	4,896,309	4,950,688	5,352,969	6,599,224	7,874,183

Foreign Loans

	As of December 31,				
	2008	2009	2010	2011	2012
	(in millions of Ch\$)				
Current	60,191	60,968	116,226	215,221	2,209,789
Overdue 1-29 days	-	-	-	-	9,486
Overdue 30-89 days	-	-	-	-	1,715
Overdue 90 days or more ("past due")	-	-	-	-	8,318
Total loans	60,191	60,968	116,226	215,221	2,229,308

Total Loans

	As of December 31,				
	2008	2009	2010	2011	2012
	(in millions of Ch\$ except for percentages)				
Current	4,871,606	4,953,385	5,406,322	6,747,813	9,995,866
Overdue 1-29 days	11,705	7,087	7,832	9,046	41,016
Overdue 30-89 days	34,543	9,512	8,190	11,207	15,337
Overdue 90 days or more ("past due")	38,646	41,672	46,851	46,379	51,272
Total loans	4,956,500	5,011,656	5,469,195	6,814,445	10,103,491
Overdue loans expressed as a percentage of total loans	1.7%	1.2%	1.1%	1.0%	1.1%
Past due loans as a percentage of total loans	0.8%	0.8%	0.9%	0.7%	0.5%

- (1) Past due loans include all installments and lines of credit more than 90 days overdue. Does not include the aggregate principal amount of such loans.
(2) Overdue loans consist of all non-current loans (loans to customers).

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Analysis of Impaired Loans and Amounts Past Due

The following tables analyze our impaired loans and past due loans and the allowances for loan losses existing as of the dates indicated:

	As of December 31,				
	2008	2009	2010	2011	2012
	(in millions of Ch\$ except for percentages)				
Total loans	4,956,500	5,011,656	5,469,195	6,814,445	10,103,491
Impaired loans ⁽¹⁾	304,943	330,453	346,641	296,584	222,712
Allowance for loan losses	75,487	99,264	104,215	102,500	109,601
Impaired loans as a percentage of total loans	6.2%	6.6%	6.3%	4.4%	2.2%
Amounts past due⁽²⁾	38,646	41,672	46,851	46,379	51,272
To the extent secured ⁽³⁾	20,642	25,934	22,773	18,849	31,324
To the extent unsecured	18,004	15,738	24,078	27,530	19,948
Amounts past due as a percentage of					
Total loans	0.8%	0.8%	0.9%	0.7%	0.5%
To the extent secured ⁽³⁾	0.4%	0.5%	0.4%	0.3%	0.3%
To the extent unsecured	0.4%	0.3%	0.4%	0.4%	0.2%
Non-performing loans ⁽⁴⁾	131,117	93,751	111,421	107,978	117,937
Non-performing loans as a percentage of total loans	2.6%	1.9%	2.0%	1.6%	1.2%
Allowance for loans losses as a percentage of:					
Total loans	1.5%	2.0%	1.9%	1.5%	1.1%
Total impaired loans	24.8%	30.0%	30.1%	34.6%	49.2%
Total amounts past due	195.3%	238.2%	222.4%	221.0%	213.8%
Total amounts past due-unsecured	419.3%	630.7%	432.8%	372.3%	549.4%

(1) Impaired loans include those loans on which there is objective evidence that debtors will not meet some of their contractual payment obligations.

(2) Past due loans include all installments and lines of credit more than 90 days overdue. Does not include the aggregate principal amount of such loans.

(3) Security generally consists of mortgages on real estate (i.e., urban and rural properties, agricultural lands, maritime vessels and aircraft, mineral rights and other assets) and liens (i.e., inventories, agricultural goods, industrial goods, plantations and other property pledged as security).

(4) Non-performing loans include the principal and accrued interest on any loan with one installment more than 90 days overdue.

The following table provides further information on our past due loans:

	As of December 31,				
	2008	2009	2010	2011	2012
	(in millions of Ch\$)				
Overdue 90 days or more ("Past Due")	38,646	41,672	46,851	46,379	51,272
Domestic Loans	38,646	41,672	46,851	46,379	42,954
Foreign Loans	-	-	-	-	8,318
Total Loans	38,646	41,672	46,851	46,379	51,272
Amounts Past Due⁽¹⁾					
To the extent secured ⁽²⁾	20,642	25,934	22,773	18,849	31,324
To the extent unsecured	18,004	15,738	24,078	27,530	19,948

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<u>As of December 31, 2012</u>	<u>Between 90- 180 days</u>	<u>Between 181-240 days</u>	<u>Between 241-360 days</u>	<u>More than 360 days</u>	<u>Total</u>
(in millions of Ch\$)					
Loans and receivables to customers					
Commercial Loans	9,064	7,756	6,475	18,496	41,791
Mortgages Loans	1,802	221	455	2,542	5,020
Consumer Loans	4,461	-	-	-	4,461
Total	15,327	7,977	6,930	21,038	51,272
<u>As of December 31, 2011</u>	<u>Between 90- 180 days</u>	<u>Between 181-240 days</u>	<u>Between 241-360 days</u>	<u>More than 360 days</u>	<u>Total</u>
(in millions of Ch\$)					
Loans and receivables to customers					
Commercial Loans	10,584	3,560	5,715	18,467	38,326
Mortgages Loans	4,741	199	289	745	5,974
Consumer Loans	2,079	-	-	-	2,079
Total	17,404	3,759	6,003	19,213	46,379
<u>As of December 31, 2010</u>	<u>Between 90- 180 days</u>	<u>Between 181-240 days</u>	<u>Between 241-360 days</u>	<u>More than 360 days</u>	<u>Total</u>
(in millions of Ch\$)					
Loans and receivables to customers					
Commercial Loans	6,147	1,930	11,703	17,853	37,633
Mortgages Loans	1,446	321	457	4,487	6,711
Consumer Loans	2,507	-	-	-	2,507
Total	10,100	2,251	12,160	22,340	46,851
<u>As of December 31, 2009</u>	<u>Between 90- 180 days</u>	<u>Between 181-240 days</u>	<u>Between 241-360 days</u>	<u>More than 360 days</u>	<u>Total</u>
(in millions of Ch\$)					
Loans and receivables to customers					
Commercial Loans	6,090	3,895	6,834	14,566	31,385
Mortgages Loans	1,560	243	688	4,545	7,036
Consumer Loans	3,251	-	-	-	3,251
Total	10,901	4,138	7,522	19,111	41,672
<u>As of December 31, 2008</u>	<u>Between 90- 180 days</u>	<u>Between 181-240 days</u>	<u>Between 241-360 days</u>	<u>More than 360 days</u>	<u>Total</u>
(in millions of Ch\$)					
Loans and receivables to customers					
Commercial Loans	923	10,293	4,245	12,146	69,097
Mortgages Loans	1,041	507	973	3,456	6,504
Consumer Loans	5,143	-	-	-	9,292
Total	7,107	10,800	5,218	15,602	84,893

- (1) Interest revenue and expense are recorded on an accrual basis using the effective interest method. However, we cease accruing interest when a given operation or transaction is past due by 90 days or more, when it originated from a refinancing or renegotiation, or when the Bank believes that the debtor poses a high risk of default.
- (2) Security generally consists of mortgages on real estate, pledges of marketable securities, letters of credit or cash.

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Analysis of Allowances for Loan Losses

The following table analyzes our provisions for loan losses charged to income and changes in the allowances attributable to write-offs, allowances released, recoveries, allowances on loans acquired:

	As of December 31,				
	2008	2009	2010	2011	2012
	(in millions of Ch\$ except for percentages)				
Allowances for loan losses at beginning of period	54,944	75,487	99,264	104,215	102,500
Allowances on acquired loans					
Charge-offs	(45,939)	(60,772)	(61,926)	(54,434)	(59,619)
Provisions established	75,030	104,318	93,145	94,170	119,467
Provisions released ⁽¹⁾	(8,548)	(19,769)	(26,268)	(41,451)	(52,682)
Exchange rate difference ⁽²⁾	-	-	-	-	(65)
Allowances for loan losses at end of period	75,487	99,264	104,215	102,500	109,601
Ratio of charge-offs to average loans	1.0%	1.3%	1.2%	0.9%	0.6%
Allowances for loan losses at end of period as a percentage of total loans	1.5%	2.0%	1.9%	1.5%	1.1%
Allowances for loan losses at end of period	75,487	99,264	104,215	102,500	109,601

(1) Represents the aggregate amount of provisions for loan losses released during the year as a result of charge-offs, recoveries or a determination by management that the level of risk existing in the loan portfolio has been reduced.

(2) Reflects the effect of inflation on the allowances for loan losses at the beginning of each period, adjusted to constant Chilean pesos as of December 31, 2012.

Our policy with respect to write-offs is as disclosed in Note 1 to our financial statement included herein. We believe that our application of write-off policies does not result in significant differences in our financial results as compared to our competitors, has enabled us to generally decrease write-offs since 1999, and maintain write-offs at an adequate level. The effects of these efforts can be seen in the following table, which shows the write-offs breakdown by loan category:

	As of December 31,				
	2008	2009	2010	2011	2012
	(in millions of Ch\$)				
Consumer loans	39,296	51,412	45,645	31,676	38,764
Mortgage loans	493	524	537	1,782	3,907
Commercial loans	6,150	8,836	15,744	20,976	16,948
Total	45,939	60,772	61,926	54,434	59,619

The following table shows loan loss recoveries by loan category for the periods indicated:

	As of December 31,				
	2008	2009	2010	2011	2012
	(in millions of Ch\$)				
Bank debt	-	-	-	19	-
Consumer loans	9,143	11,329	11,893	9,598	10,014
Mortgage loans	285	111	90	574	1,039
Commercial loans	1,607	1,776	2,726	1,787	3,824
Total	11,035	13,216	14,709	11,978	14,877

Net provisions—*i.e.*, new provisions adjusted by provisions reversed—have been determined so that provisions for loan losses as a percentage of total loans follow the overall loan quality and consequently the movement in the risk index. Total loan allowances consist of allowances for commercial loans, consumer loans and residential mortgage loans.

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Based on information available regarding our debtors, we believe that our allowances for loan losses are sufficient to cover known probable losses and losses inherent in a loan portfolio of the size and nature of our loan portfolio.

Allocation of Allowances for Loan Losses

The following tables set forth, as of December 31 for each of the last three years, the proportions of our required minimum allowances for loan losses that were attributable to our commercial, consumer and mortgage loans as of each such date. Under IFRS, the reasonable value of the loans should be shown net of the credit risk provisions associated therewith. However, as of the date of the Banco Santander Colombia Acquisition, the reasonable value of such credit risk provisions, which increased to Ch\$57,108 million, is required to be disclosed separately as provided by the Compendium of Foreign Exchange Regulations (*Compendio de Normas de Cambios Internacionales*). Therefore, the risk indexes shown below take into account such adjustment of Ch\$57,108 million.

	As of December 31, 2012			Loans in category as percentage of total
	Allowance amount	Allowance Amount as a percentage of loans in category (in millions of Ch\$ except for percentages)	Allowance Amount as a percentage of total loans(1)	
Commercial loans	79,041	1.1%	0.7%	70.8%
Consumer loans	24,071	2.2%	0.2%	10.2%
Mortgage loans	6,489	0.4%	0.1%	14.5%
Loans and receivables to banks	178	0.0%	0.0%	4.6%
Total allocated allowances	109,779	1.0%	1.0%	100.0%

	As of December 31, 2011			Loans in category as percentage of total
	Allowance amount	Allowance Amount as a percentage of loans in category (in millions of Ch\$ except for percentages)	Allowance Amount as a percentage of total loans(1)	
Commercial loans	69,401	1.3%	1.0%	73.3%
Consumer loans	22,716	5.4%	0.3%	5.9%
Mortgage loans	10,383	0.9%	0.1%	16.5%
Loans and receivables to banks	524	0.2%	0.0%	4.3%
Total allocated allowances	103,024	1.4%	1.4%	100.0%

	As of December 31, 2010			Loans in category as percentage of total
	Allowance amount	Allowance Amount as a percentage of loans in category (in millions of Ch\$ except for percentages)	Allowance Amount as a percentage of total loans(1)	
Commercial loans	67,706	1.7%	1.2%	72.7%
Consumer loans	27,572	6.8%	0.5%	7.4%
Mortgage loans	8,937	0.9%	0.2%	18.7%
Loans and receivables to banks	189	0.3%	0.0%	1.2%
Total allocated allowances	104,404	1.9%	1.9%	100.0%

(1) Based on our loan classification, for the purpose of determining the allowance for loan losses.

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Composition of Deposits and Other Commitments

The following table sets forth the composition of our deposits and similar commitments as of December 31, 2010, 2011 and 2012.

	As of December 31,		
	2010	2011	2012
	(in millions of Ch\$)		
Checking accounts	405,301	467,506	839,588
Other demand liabilities	200,770	206,554	273,087
Savings accounts	8,666	8,707	390,570
Time deposits	3,691,788	4,806,608	7,248,774
Other commitments	5,993	17,723	43,331
Total	<u>4,312,518</u>	<u>5,507,098</u>	<u>8,795,350</u>

Maturity of Deposits

The following table sets forth information regarding the currency and maturity of our deposits as of December 31, 2012, expressed in percentages. UF-denominated deposits are similar to Chilean peso-denominated deposits in all respects, except that the principal is readjusted periodically based on variations in the CPI.

	As of December 31, 2012			
	Ch\$	UF	Foreign Currency	Total
	(in millions of Ch\$ except for percentages)			
Demand deposits				
Savings accounts	13.54	0.81	15.74	13.14
Time deposits:	-	1.09	13.98	4.44
Maturing within 3 months	62.71	32.73	36.29	51.95
Maturing after 3 but within 6 months	11.63	35.14	6.54	12.04
Maturing after 6 but within 12 months	11.40	17.57	12.87	12.38
Maturing after 12 months	0.72	12.66	14.58	6.04
Total time deposits	86.46	98.11	70.28	82.42
Total deposits	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

The following table sets forth information regarding the maturity of the outstanding time deposits in excess of US\$100,000 (or its equivalent) issued by us as of December 31, 2012.

	As of December 31, 2012			
	Ch\$	UF	Foreign Currency	Total
	(in millions of Ch\$)			
Maturing within 3 months	2,957,120	242,876	961,474	4,161,470
Maturing after 3 but within 6 months	613,346	260,858	172,203	1,046,407
Maturing after 6 but within 12 months	601,041	130,398	333,136	1,064,575
Maturing after 12 months	37,985	94,473	395,844	528,302
Total time deposits	<u>4,209,492</u>	<u>728,605</u>	<u>1,862,657</u>	<u>6,800,754</u>

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Minimum Capital Requirements

As of December 31, 2010, 2011 and 2012 the table sets forth our minimum capital requirements set as follows:

	As of December 31,		
	2010	2011	2012
	(in millions of Ch\$ except for percentages)		
Net capital base	549,314	739,793	954,157
3% total assets net of provisions	(229,026)	(298,327)	(446,322)
Excess over minimum required equity	<u>320,288</u>	<u>441,446</u>	<u>507,835</u>
Net capital base as a percentage of the total assets, net of provisions	7.19%	7.44%	6.41%
Effective net equity	801,412	1,118,908	1,282,414
8% of the risk-weighted assets	(477,861)	(611,482)	(919,637)
Excess over minimum required equity	<u>323,550</u>	<u>507,426</u>	<u>362,777</u>
Effective net equity as a percentage of the risk-weighted assets	13.42%	14.64%	11.16%

Short-term Borrowings

Our short-term borrowings (other than deposits and other obligations) totaled Ch\$357,687 million, Ch\$314,603 million and Ch\$798,728 million as of December 31, 2010, 2011 and 2012, respectively, in accordance with IFRS.

The principal categories of our short-term borrowings are amounts borrowed under foreign trade lines of credit, domestic interbank loans and repurchase agreements. The table below presents the amounts outstanding at the end of each period indicated and the weighted average nominal interest rate for each such period by type of short-term borrowing.

	As of and for the Year Ended December 31,					
	2010		2011		2012	
	Year End	Weighted	Year End	Weighted	Year End	Weighted
	Balance	Average	Balance	Average	Balance	Average
		Nominal		Nominal		Nominal
		Interest Rate		Interest Rate		Interest Rate
	(in millions of Ch\$ except for percentages)					
Investments under repurchase agreements	189,350	1.2%	70,014	1.45%	124,597	0.36%
Central Bank borrowings	-	-	60,535	0.38%	133,124	0.15%
Domestic interbank loans	43,141	0.8%	511	0.00%	-	0.00%
Borrowings under foreign trade credit lines	125,196	1.0%	183,543	1.96%	541,007	0.51%
Total short-term borrowings	<u>357,687</u>	<u>1.1%</u>	<u>314,603</u>	<u>1.54%</u>	<u>798,728</u>	<u>0.43%</u>

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The following table shows the average balance and the weighted average nominal rate for each short-term borrowing category during the periods indicated:

	2010		2011		2012	
	Average Balance	Weighted Average Nominal Interest Rate	Average Balance	Weighted Average Nominal Interest Rate	Average Balance	Weighted Average Nominal Interest Rate
	(in millions of Ch\$ except for percentages)					
Investments under repurchase agreements	424,297	1.2%	154,371	0.66%	327,641	0.14%
Central Bank borrowing	1,274	0.2%	9,278	2.51%	16,652	1.18%
Domestic interbank loans	39,364	2.5%	12,450	0.00%	3,167	0.00%
Subtotal	464,935	1.3%	176,100		347,460	
Borrowings under foreign trade credit lines	82,809	2.2%	172,047	2.09%	504,009	0.55%
Total short-term borrowings	547,744	1.4%	348,147	2.05%	851,468	0.80%

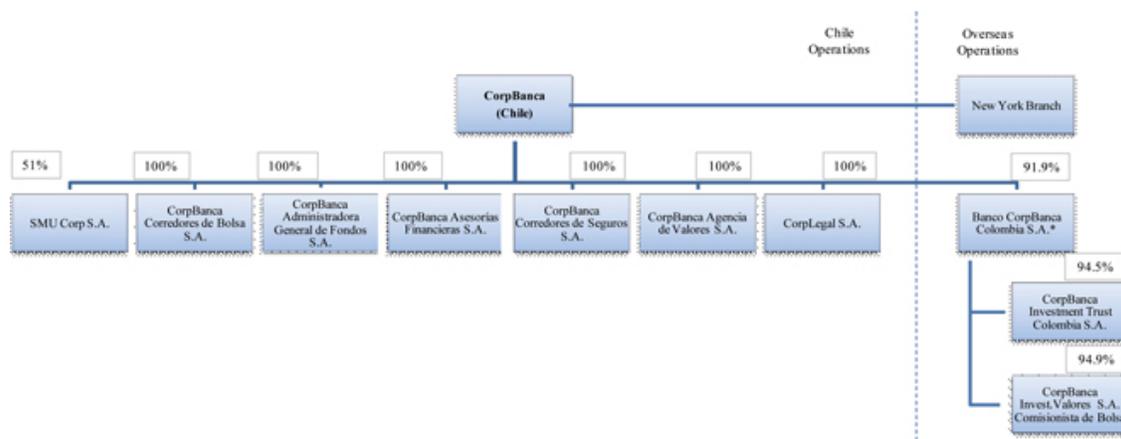
The following table presents the maximum month-end balances of our principal sources of short-term borrowings during the periods indicated:

	Maximum 2010 Month-End Balance	Maximum 2011 Month-End Balance	Maximum 2012 Month-End Balance
		(in millions of Ch\$)	
Investments under repurchase agreements	650,853	138,212	133,124
Central Bank borrowings	113,941	267,595	721,251
Domestic interbank loans	114,096	114,512	1,433
Borrowings under foreign trade credit lines	518,660	663,115	1,001,936
Other obligations	28,563	23,767	20,742

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C. ORGANIZATIONAL STRUCTURE

The following diagram presents our current corporate structure, including our principal subsidiaries, as of the date of this Annual Report.



For more information about the services our subsidiaries and our New York Branch provide see “Item 4. Information on the Company—B. Business Overview—Principal Business Activities—Non-Banking Financial Services Offered through Subsidiaries”.

D. PROPERTY

Our principal executive offices are located at Rosario Norte 660, Las Condes, Santiago, Chile since 2007. As of December 31, 2012, we owned 52 of the 209 properties where our branches were located. The remaining 156 branch locations were leased. Total branch space as of December 31, 2012 was approximately 69,627 square meters (749,458.8 square feet). Our branches are located throughout Chile, including the Santiago metropolitan region, and Colombia, including in the cities of Bogotá, Medellín, Cali, Bucaramanga and Barranquilla.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

A. OPERATING RESULTS

The following discussion should be read in conjunction with our consolidated financial statements, together with the notes thereto, included elsewhere in this Annual Report, and in conjunction with the information included under “Item 3A. Selected Financial Data” and “Item 4B. Business Overview – Selected Statistical Information”. Our consolidated annual financial statements as of December 31, 2010, 2011 and 2012 and for the years ended December 31, 2010, 2011 and 2012 have been prepared in accordance with IFRS. Our consolidated results of operations for periods ended December 31, 2012 and thereafter are not comparable to our consolidated results for the respective periods ended prior to that date because of the consolidation of CorpBanca Colombia and CIT Colombia as a result of our acquisition of these companies in 2012. The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from these discussed in forward-looking statements as a result of various factors, including those set forth in “Cautionary Statement Regarding Forward-Looking Information” and “Item 3D. Risk Factors.”

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INTRODUCTION

We are a banking corporation organized under the laws of Chile. Our common shares are listed on the Santiago Stock Exchange and our ADSs are listed on the NYSE. We are regulated by the SBIF. We offer general commercial and consumer banking services and provide other services, including factoring, collection, leasing, securities and insurance brokerage, asset management and investment banking.

The following classification of revenues and expenses is based on our consolidated financial statements:

Revenues

We have three main sources of revenues, which include both cash and non-cash items:

Interest income

We earn interest income from our interest-earning assets, which are mainly represented by loans to customers.

Fees and income from services

We earn service fee and commission revenues related to checking accounts, loans, mutual funds, credit cards and other financial services.

Other income

We earn income relating to changes in the fair value of our securities portfolio, other trading activities and foreign exchange transactions.

Expenses

Our main expenses, which include both cash and non-cash items, are:

Interest expense

We incur interest expense on our interest bearing liabilities, such as deposits, short-term borrowings and long-term debt.

Provisions for loan losses

We establish provisions for loan losses in accordance with SBIF regulations based on the size of our loan portfolio and our expectations regarding the ability of our customers to repay their loans.

Other expenses

We incur expenses relating to salaries and benefits, administrative expenses and other non-interest expenses.

THE ECONOMY

Primary Markets in which we Operate

A majority of our investments are located in Chile and Colombia. Accordingly, our financial condition and results of operations are substantially dependent upon economic conditions prevailing in Chile and Colombia.

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Developments in the Chilean economy

Chile experienced profound economic reforms during the 1970s and 1980s. The Chilean economy grew at rates averaging more than 7% per annum from 1985 until the onset of the Asian economic crisis in 1997. The average rate of growth from 1998 to 2006 stagnated to only 3.6% and showed a period of higher growth in 2007 with a rate of 5.1%. In 2008, this rate slowed to 3.5% as a worldwide recession hit many developed nations. The 2008 global financial crisis and the ensuing liquidity crisis and fear of further bank failures unleashed an accelerated reduction in indebtedness within the global financial system, with massive liquidations of assets and costly attempts to recapitalize banks, both in the United States and Europe.

Chile began to experience the impact of these negative global conditions towards the end of 2008, principally in the form of write-downs of local assets, a deceleration in the margin of some activity indicators and a moderation in the strong inflationary pressure felt during the first three quarters of 2008. First, the global fall in demand for riskier financial assets was reflected internally in a decrease in the value of local assets (more than 20% if measured in local currency) and the depreciation of the Chilean peso with respect to the U.S. dollar (also approximately 20%). During the second half of 2008, the local economy performed worse overall than in the first half of the year, driven by deceleration of non-tradable goods sectors (construction, commerce and services), which were not offset by positive performances in the energy sector, explained by greater availability of water for generating electricity, and the telecommunications sector, because of increases in broadband access. According to the Central Bank of Chile, copper prices increased from US\$1.4 to US\$3.3 as of December 31, 2008 and 2009, respectively. The high copper prices in prior years and the ability of the government to save these revenues produced significant solvency in external accounts, playing an important role for the funding of future fiscal stimulus packages.

As for inflation, the first three quarters of 2008 were characterized by significant absorption of external inflation, which caused domestic prices to rise. This resulted in high local inflation figures that, as of October 2008, showed a nearly 10% variation over the prior twelve months, far exceeding the goal of 3% established by local monetary authorities (as of December 2008, inflation reached 7.1%). In this highly inflationary environment, the Central Bank of Chile decided to act by successively increasing the monetary policy rate during the year. Thus, the monetary rate that began the year at 6% reached approximately 8.3% by September 2008 and closed the year at the same level. Nevertheless, at year end the international value of some energy-related commodities dropped, which lowered inflation for the last quarter, with 2008 accumulated inflation of approximately 7.1% is significantly lower than previously forecasted figures.

During 2009, the Chilean economy suffered its worst contraction in the last 30 years, which was the result of the impact of the global crisis that originated in developed countries and spread to emerging economies. As a result, the local economy significantly contracted, which was influenced by the deterioration of the industrial, mining and commercial sectors. The global crisis put severe stress on financial markets around the world with the ability to obtain credit being adversely affected, thereby stifling the productive capacity of many countries around the world. In particular, the leading commercial regions (US, the European Union and Japan) suffered the worst economic downturn in decades.

During the third quarter of 2009, the global economy began on a path towards recovery, particularly in developed economies with large industrial sectors. Asian countries, such as China, and some South American countries began to exhibit fast growth rates in manufacturing production. This growth in manufacturing production reversed the course of a decrease in the volume of commercial goods produced around the world. However, the growth in the third quarter of 2009 was in large part the result of specific stimulus packages initiated by governments around the world, whereby the governments heavily increased their spending to compensate for the shrinking demand in the private sector. Nevertheless, the more developed economies experienced a seemingly stable recovery due to the lingering influence of uncertainty in the financial markets. As a result, the labor markets in several countries suffered and many consumption based economies began some form of debt reduction processes.

During 2009, the Chilean GDP decreased by 1.7%, which is the worst decrease in GDP since the 1980's. In Chile, the labor market was the sector that was impacted the most with the unemployment rate reported to have reached a peak of 10.8% in the third quarter of 2009. As a result of a fall in the price of goods and the appreciation

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of the US dollar, Chile experienced deflation for the first time in 74 years. Specifically, Chile had a deflation rate of (1.4%). As a result, the Central Bank of Chile's monetary rate reached a historic low of 0.5%, which remained as such throughout 2009. In addition, the Central Bank of Chile adopted non-traditional monetary policies such as establishing a liquidity fund for banks to utilize to finance plant maintenance programs. Towards the end of 2009, the weakening of the US dollar and the stable rise in the price of copper helped appreciate the Chilean peso.

During 2010, Chile experienced a notable economic recovery. After the 1.7% decrease in GDP during 2009, the Chilean economy grew 5% in 2010. Domestic demand increased 13.6% in 2010. The unemployment rate returned to pre-crisis levels and the inflation rate decreased to 3% at year end. The Chilean peso appreciated 8% against the U.S. Dollar as a result of the improvement of the Chilean economy and the rise in the price of copper. A 47% increase in the price of copper during 2010 was the main factor in Chile's positive performance. The increase in copper prices is also largely responsible for the appreciation in the value of the Chilean peso. In line with the recovery of economic activity and employment, a strong credit recovery was observed throughout 2010. The recovery of conditions for extending credit, as shown in the surveys conducted by the Central Bank of Chile, contributed to this strong performance. According to the Central Bank of Chile's national accounts, investment has played a key role in this positive economic development, with investment growth of 12.2% in 2010. The Chilean government ended 2010 with a moderate surplus as a result of increased revenue (particularly from taxes on copper) and lower spending than budgeted (about 4% instead of 9%).

During 2011, the Chilean real GDP grew by 6%, internal demand increased 9.3%, private investment increased 15.7%, and private consumption increased 9%. The increase in real GDP was greater than projected by market consensus. Unemployment also decreased, from 8.3% in 2010 to 7.2% in 2011. Part of this growth can be explained by the strong rebound in economic activity compared to a weaker first half of 2010 that was negatively affected by the February 2010 earthquake and tsunami. The growth in the Chilean economy during 2011 was highlighted by a strong contribution from construction, retail and other service industry sectors. Nevertheless, the industrial products and mining industries continued to experience anemic growth due to their dependence on external factors. Yet, in 2011, Chile experienced an increase in the local mining industry with major investment projects in the north of Chile. According to the Central Bank of Chile's national accounts, investment has played a key role in this positive economic development, with investment growth of 17.6% in 2011.

During 2012, the Chilean real GDP grew by 5.6%, internal demand increased 7.1%, private investment increased 12.3%, and private consumption increased 6.1%. The increase in real GDP was greater than projected by market consensus. Unemployment also decreased, from 7.2% in 2011 to 6.5% in 2012. According to the Central Bank of Chile's national accounts, investment has played a key role in this positive economic development, with investment growth of 12.3% in 2012. Current international economic conditions have affected the Chilean economy. For example, the Chilean economy is experiencing decreases of its exports, especially to Europe, which has seen on average a 43% nominal decline in exports during 2012. The expanding monetary policy in the developed markets, however, has contributed to the increase in foreign direct investments substantially. Foreign direct investments reached a historical record of US\$30,323 million in 2012, up 32.3% from the previous year. This increase in foreign direct investments, together with consumption, has also supported economic growth. Private consumption expansion has been substantially supported by durable goods, which increased 12.8% in 2012. This increase can be explained, in part, by a weak US dollar resulting from the expanding monetary policy pursued by the US Federal Reserve.

Through our acquisition of CorpBanca Colombia, our operations in Chile accounted for 75.6% of our gross operational margin for the year ended December 31, 2012. Consequently, our financial condition and results of operations are substantially dependent on economic conditions prevailing in Chile.

As a result of the economic recovery, the CPI has been creasing slowly and interest rates have been decreasing. In 2012, CPI reached 1.5%. CPI in 2011 increased by 4.4% compared to a 4.3% increase in 2010. As a result of decrease in inflation expectations and higher economic activity, interest rates also decreased in 2012. The overnight interbank rate set by the Central Bank of Chile for 2012 was 5%. The Central Bank of Chile has targeted a medium-term CPI of 3%.

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Developments in the Colombian economy

The Colombian economy has demonstrated relatively stable growth in recent years. Despite the international economic conditions, Colombia's GDP increased 1.7% in 2009. Colombia's economy recovered further by increasing 4% in 2010, 6.6% in 2011, and 4% in 2012. According to the Central Bank of Colombia, GDP growth has been fueled by local consumption and certain sectors such as mining and quarrying that grew 12.3% in 2010, 14.4% in 2011 and 5.9% in 2012. Recent economic activity indicators have posted somewhat weaker results, with industrial production stagnating in real terms through December 2012, retail sales increasing just 3% and imports and exports declining 11.2% and 0.5%, respectively. Our operations in Colombia accounted for 24.6% of our gross operational margin for the year ended December 31, 2012.

Acquisition of Banco Santander Colombia

In a two step transaction, on May 29, 2012 and June 22, 2012, we acquired (1) a 91.9% equity interest in Banco Santander Colombia (now known as CorpBanca Colombia), (2) a 99.9% (direct and indirect) equity interest in CIVAL, a licensed securities broker-dealer operating in Colombia, and (3) a 5.5% equity interest in CIT Colombia, a financial services company operating in Colombia that specializes in fund administration and trust and custodial services, in each case other than the CIT Colombia interest, from Banco Santander, S.A., a *sociedad anónima bancaria* organized under the laws of the Kingdom of Spain, and certain of its affiliates pursuant to the BSC Purchase Agreement for US\$1.2 billion. We acquired the 5.5% equity interest in CIT Colombia from Santander Investment Colombia S.A. (now known as CorpGroup Investment Colombia S.A.). Banco Santander Colombia, CIVAL and CIT Colombia currently operate under the CorpBanca brand name.

On June 22, 2012, as contemplated in the BSC Purchase Agreement, our affiliate CorpGroup acquired (1) a 7.4% equity interest in Banco Santander Colombia and (2) a 94.5% equity interest in CIT Colombia. Also on June 22, 2012, as contemplated in the BSC Purchase Agreement, an affiliate of CorpGroup, CG International, acquired a 100% equity interest in Santander Insurance, an insurance brokerage. On June 29, 2012, CorpGroup transferred its 94.5% equity interest in CIT Colombia to CorpBanca Colombia. As a result of the consummation of these transactions, we now own, directly or indirectly, (1) 91.9% of CorpBanca Colombia, (2) 99.9% of CIVAL, and (3) 91.9% of CIT Colombia, which is now a wholly-owned subsidiary of CorpBanca Colombia.

CorpBanca Colombia provides a broad range of commercial and retail banking services to its customers, operating principally in the cities of Bogotá, Medellín, Cali, Bucaramanga and Barranquilla. As of December 31, 2012, according to the Colombian Superintendency of Finance, CorpBanca Colombia was the twelfth largest bank in Colombia in terms of total assets, the tenth largest bank in Colombia in terms of total loans and the twelfth largest bank in Colombia, in terms of total deposits as reported under local regulatory and accounting principles. As of December 31, 2012, CorpBanca Colombia had deposits and financial claims ("current accounts and demand deposits" and "time deposits and savings accounts") of COP\$6,737,878 million, which consisted of savings deposits, fixed-term deposit certificates, current accounts, financial claims for banking services and other commitments. As of December 31, 2012, CorpBanca Colombia had 114 ATMs and 269,048 individual banking customers and 29,143 commercial banking customers (including SMEs, corporations, institutions and wholesale customers). For the year ended December 31, 2012, CorpBanca Colombia had net income of COP\$137,956 million. As of December 31, 2012, CorpBanca Colombia had (i) total assets of COP\$9,147,139 million, including total loans of COP\$6,947,377 million; (ii) total shareholders' equity of COP\$863,399 million; and (iii) over 87 branches and offices and over 1,566 employees. For further details see notes 3 and 11 and to our audited consolidated financial statements.

As a consequence of the Banco Santander Colombia Acquisition, one of the key factors to be considered when analyzing our financial condition and results of operations as of December 31, 2008, 2009, 2010 and 2011 and for the years ended December 31, 2008, 2009, 2010 and 2011 is the consolidation of CorpBanca Colombia in our financial statements since May 29, 2012. As a result, our results of operations for periods ended December 31, 2012 and thereafter are not comparable to the respective periods prior to that date.

In addition, to provide meaningful disclosure with respect to our results of operations for the year ended December 31, 2012, management uses and we present, in addition to our audited results of operations for that period, certain full year 2012 financial information excluding the results of CorpBanca Colombia. CorpBanca Colombia was our subsidiary during the last seven months of 2012 and

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this presentation is intended only to subtract from our reported results for 2012 the amounts contributed by CorpBanca Colombia. This information does not purport to represent what our results of operations would have been had we not acquired CorpBanca Colombia. Management believes that any such additional expense or revenue was not material. The following table shows our results of operations for the year ended December 31, 2012, the amounts contributed by CorpBanca Colombia in that period, and our reported results less amounts contributed by CorpBanca Colombia.

	For the year ended December 31, 2012		
	As reported less CorpBanca Colombia	CorpBanca Colombia (in millions of Ch\$)	As reported
Interest and similar income	636,373	126,619	762,992
Interest expense and similar charges	(445,785)	(60,331)	(506,116)
Net interest income	190,588	66,288	256,876
Income from equity instruments	34,115	20,879	54,994
Income from companies accounted for by the equity method	714	(347)	367
Fee and commission income	83,361	21,817	105,178
Fee and commission expense	(15,611)	(3,923)	(19,534)
Gains (losses) on financial assets and liabilities (net)	-	-	-
Exchange differences (net)	28,586	2,110	30,696
Other operating income (expenses)	(12,171)	4,824	(7,347)
Total income	309,582	111,648	421,230
Administrative expenses	(156,079)	(53,418)	(209,497)
Depreciation and amortization	(12,960)	(5,132)	(18,092)
Provisions (net)	(30,794)	(20,781)	(51,575)
Impairment losses on financial assets (net)	-	-	-
Impairment losses on other assets (net)	-	-	-
Gains (losses) on disposal of assets not classified as non-current assets held for sale	-	-	-
Gains (losses) on non-current assets held for sale not classified as discontinued operations	-	-	-
Operating profit before tax	109,749	32,317	142,066
Income taxes	(14,895)	(8,018)	(22,913)
Consolidated profit for the year	94,854	24,299	119,153

Inflation

General

Chile has experienced high levels of inflation in the past, which have significantly affected our financial condition and results of operations. The rate of inflation in Chile was low between 2003 and 2006, fluctuating between 1.1% in 2003 and 3.7% in 2005. However, inflation spiked to 7.8% in 2007 and to 7.1% in 2008. In 2009, for the first time in 74 years, Chile experienced deflation of 1.4%, in part due to the contraction of the economy related to the global economic crisis. In 2010, 2011 and 2012, the inflation rate was 3%, 4.4% and 1.5%, respectively. Our results of operations reflect the effect of inflation in the following ways:

- a substantial portion of our assets and liabilities are denominated in UF. The UF is a unit of account, the peso value of which is indexed daily to reflect inflation recorded in the previous month. The net increase or decrease in the nominal peso value of our UF-denominated assets and liabilities is reflected as income or loss in our income statement, and
- the rates of interest earned and paid on peso-denominated assets and liabilities reflect, to a certain degree, inflation and expectations regarding inflation.

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Under Chilean law, banks are authorized to earn interest income on loans that are adjustable for the effects of inflation. Most banks, including us, charge an interest rate that includes an estimate of future inflation. In addition, the peso-denominated value of our assets and liabilities that are denominated in UF fluctuates as the UF is adjusted based on inflation. In the case of assets, these fluctuations are recorded as income (for increases in the peso-denominated value) and losses (for decreases in the peso-denominated value). In the case of liabilities, these fluctuations are recorded as losses (for increases in the peso-denominated value) and income (for decreases in the peso-denominated value).

Similarly, Colombia has experienced high levels of inflation in the past. However, the rate of inflation in Colombia in 2011 and 2012 were 3.73% and 2.44% respectively. The components that led to such level of inflation in 2012 were education (a 4.6% increase from 2011), healthcare (a 4.3% increase from 2011) and housing (a 3% increase from 2011). The 12-month core inflation rate for 2012 came to 2.4%, thereby remaining within the Central Bank of Colombia's targeted inflation range of 2% to 4%. The price increase in regulated goods and services, such as utilities, urban transportation and gasoline was 1.91%.

UF-denominated Assets and Liabilities

The UF is revalued by the Chilean National Institute of Statistics on a monthly basis. Every day in the period beginning the tenth day of the current month through the ninth day of the succeeding month, the nominal Chilean peso value of the UF is indexed up (or down in the event of deflation) in order to reflect each day a proportional amount of the prior calendar month's change in the CPI. One UF was equal to Ch\$21,455.60, Ch\$22,294 and Ch\$22,840.7 as of December 31, 2010, 2011 and 2012, respectively. The effect of any changes in the nominal Chilean peso value of our UF-denominated assets and liabilities is reflected in our results of operations as an increase (or decrease, in the event of deflation) in interest income and expense, respectively. Our net interest income is positively affected by increases in inflation to the extent that our average UF-denominated assets exceed our average UF-denominated liabilities. Conversely, our net interest income will be negatively affected by inflation in any period in which our average UF-denominated liabilities exceed our average UF-denominated assets. Our average UF-denominated assets exceeded our average UF-denominated liabilities by Ch\$1,167,426 million, Ch\$1,449,712 million and Ch\$1,610,577 million during the years ended December 31, 2010, 2011 and 2012, respectively. See "Item 4. Information on the Company—B. Business Overview—Principal Business Activities—Selected Statistical Information—Average Balance Sheets, Income Earned from Interest Earning Assets and Interest Paid on Interest Bearing Liabilities".

Chilean Peso-denominated Assets and Liabilities

Interest rates prevailing in Chile are materially affected by the current rate of inflation during the period and market expectations concerning future inflation. The responsiveness to such prevailing rates of our Chilean peso-denominated interest-earning assets and interest bearing liabilities varies. See "—Interest Rates" below, "—Results of Operations" below and "Item 11. Quantitative and Qualitative Disclosures about Market Risk". We maintain a substantial amount of non-interest bearing Chilean peso-denominated demand deposits. The ratio of the average balance of such demand deposits to average interest-earning assets was 3.9%, 4% and 3.1% during the years ended December 31, 2010, 2011 and 2012, respectively. Because such deposits are not sensitive to inflation or changes in the market interest rate environment, any decline in interest rates or the rate of inflation adversely affects our net interest margin on assets funded with such deposits and any increase in the rate of inflation increases the net interest margin on such assets. From 2011 to 2012, we increased our percentage of foreign currency based loans in our total loan portfolio from 17.1% to 31.5%.

Interest Rates

Interest rates earned and paid on our assets and liabilities, respectively, reflect, to a certain degree, inflation, expectations regarding inflation, shifts in short-term interest rates set by the Central Bank of Chile and movements in long-term real rates. The Central Bank of Chile manages short-term interest rates based on its objectives of balancing inflation and economic growth. Because our liabilities generally re-price to reflect interest rate changes more frequently than our interest-earning assets, changes in the rate of inflation or in the monetary policy interest rate published by the Banco Central de Chile are reflected in the interest rates we pay on our liabilities before such changes are reflected in the interest rates we earn on our assets. Therefore, when short-term interest rates fall, our net interest margin is positively impacted, but when short-term rates increase, our interest margin is negatively affected. At the same time, our net interest margin tends to be adversely affected in the short term by a decrease in inflation because generally our UF-denominated assets exceed our UF-denominated liabilities. See "Item 5. Operating and Financial Overview and Prospects—A. Operating Results—The Economy—Developments in the Chilean Economy" and "—UF-denominated Assets and Liabilities" above. An increase in long-term interest rates also has a positive effect on our net interest margin, because our interest-earning assets generally have a longer duration than our interest bearing liabilities.

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In addition, because our Chilean peso-denominated liabilities have relatively short re-pricing periods, they are generally more responsive to changes in inflation or short-term rates than our UF-denominated liabilities. As a result, during periods when current inflation or expected inflation exceeds the previous month's inflation, customers often switch funds from Chilean peso-denominated deposits to more expensive UF-denominated deposits, thereby adversely affecting our net interest margin. See "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Sources of Liquidity—Financial Investments".

Currency Exchange Rates

A material portion of our assets and liabilities is denominated in foreign currencies, principally the U.S. dollar. Our reported income is affected by changes in the value of the Chilean peso with respect to foreign currencies (principally the U.S. dollar and Colombian pesos) because such assets and liabilities, as well as interest earned or paid on such assets and liabilities, and gains (losses) realized upon the sale of such assets, are translated to Chilean pesos in preparing our financial statements. The Chilean government's economic policies and any future changes in the value of the Chilean peso against the U.S. dollar could adversely affect our financial condition and results of operations. In the past, the Chilean peso has been subject to significant volatility when compared to the U.S. dollar. In 2010, the Chilean peso appreciated against the U.S. dollar by 7.8% as compared to 2009. In 2011, the Chilean peso depreciated against the U.S. dollar by 11% as compared to 2010. In 2012, the Chilean peso appreciated against the U.S. dollar by 7.7% as compared to 2011. The exchange rate between the Chilean peso and the U.S. dollar as of December 31, 2010, 2011 and 2012 was Ch\$467.78, Ch\$519.08 and Ch\$479.16 per US\$1.00, respectively. The Chilean peso may be subject to significant fluctuations in the future. As previously described, we began calculating our foreign exchange rates in accordance with Circular No. 3,345 issued by the SBIF and its related amendments. See "Item 3. Key Information—Exchange Rate Information."

Entering into forward exchange transactions enables us to reduce the negative impact of material gaps between the balances of our foreign currency-denominated assets and liabilities. As of December 31, 2010, 2011 and 2012, the gap between foreign currency denominated assets and foreign currency denominated liabilities, including forward contracts, was Ch\$(439,464) million, Ch\$(27,951) million and Ch\$301,285 million, respectively.

Critical Accounting Policies and Estimates

General

In our filings with the SEC, we prepare our consolidated financial statements in conformity with IFRS. In preparing our consolidated financial statements, we use estimates and assumptions to account for certain assets, liabilities, revenues, expenses and other transactions. While we review these estimates and assumptions in the ordinary course of business, the portrayal of our financial condition and results of operations often require our management to make judgments regarding the effects on our financial condition and results of operations on matters that are inherently uncertain. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances. The following discussion describes those areas that require the most judgment or involve a higher degree of complexity in the application of the accounting policies that currently affect our financial condition and results of operations. Actual results may differ from those estimated under different variables, assumptions or conditions, and if these differences could have a material impact on our reported results of operations. Note 1 to our financial statements contains a summary of our significant accounting policies.

Allowance for Loan Losses

We have established allowances to cover probable loan losses in accordance with IFRS. The allowance for loan losses requires us to make estimates and judgments about inherently subjective matters in determining the classification of individual loans and, consequently, we regularly evaluate our allowance for loan losses by taking into consideration factors such as changes in the nature and volume of our loan portfolio, trends in forecasted

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portfolio credit quality and economic conditions that may affect our borrowers' ability to pay. Increases in our allowance for loan losses are reflected as provisions for loan losses in our income statement. Loans are charged off when management determines that the loan or a portion thereof is uncollectible. Write-offs are recorded as a reduction of the allowance for loan losses. See "Item 4. Information on the Company—Business Overview—Selected Statistical Information—Current Regulations Relating to Classification of Banks and Loans; Allowances for Loan Losses".

For a further description of regulations relating to loan classification and provisioning, see "Item 4. Information on the Company—B. Business Overview—Principal Business Overview—Chilean Banking Regulation and Supervision—Current Regulations Relating to Classification of Banks and Loans; Allowances for Loan Losses".

We consider the accounting estimates related to allowance for loan losses to be "critical accounting estimates" because: (i) they are highly susceptible to change from period to period because our assumptions about the risk of loss used to classify our loans are updated for recent performance experience which may increase or decrease our risk index that is used to determine our global allowance, (ii) our specific allowances are also updated to reflect recent performance which may result in an increase or decrease in our specific allowances, (iii) it requires management to make estimates and assumptions about loan classification and the related estimated probable loss, if any, and (iv) any significant difference between our estimated losses (as reflected in the specific and general provisions) as of the balance sheet date and our actual losses will require us to adjust our allowance for loan losses that may result in additional provisions for loan losses in future periods which could have a significant impact on our future net income and/or financial condition. As of December 31, 2012, our allowance for loan losses was Ch\$109,601 million (excluding allowances and impairment for interbank loans).

Derivative Financial Instruments

The derivative financial instruments are recorded at fair value. Fair values are based on quoted market prices or, if not available, on internally developed pricing models based on independently obtained market information. If market information is limited or in some instances, not available, management applies its professional judgment. Other factors that may also affect estimates are incorrect model assumptions, market dislocations and unexpected correlations. Notwithstanding the level of subjectivity in determining fair value, we believe our estimates of fair value are adequate. The use of different models or assumptions could lead to changes in our reported results.

In addition, we make loans and accept deposits in amounts denominated in foreign currencies, principally the U.S. dollar. Such assets and liabilities are translated at the applicable exchange rate at the balance sheet date.

Financial Investments

Financial investments are summarized as follows:

Trading Instruments. Instruments for trading are securities acquired for which we have the intent to generate earnings from short-term price fluctuations or through brokerage margins, or that are included in a portfolio created for such purposes. Instruments for trading are valued at their fair value according to market prices on the closing date of the balance sheet.

Investment Instruments. Investment instruments are classified into two categories: held-to-maturity investments and instruments available-for-sale. Held-to-maturity investments only include those instruments for which we have the intent and ability to hold-to-maturity. Investment instruments not classified as held-to-maturity or trading are considered to be available-for-sale. Investment instruments are recorded initially at cost. Instruments available-for-sale are valued at each subsequent period-end at their fair value. Mark-to-market adjustments are reported in a separate component of shareholders' equity. All purchases and sales of investment instruments, to be delivered within the deadline stipulated by market regulation and conventions, are recognized on the commitment date, which is the date on which the commitment is made to purchase or sell the asset. Other purchases or sales are treated as forwards until they are liquidated.

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We enter into security repurchase agreements as a form of borrowing. The liability for the repurchase of the investment is classified as “obligations under agreements to repurchase” and is carried at cost plus accrued interest.

We also enter into resale agreements as a form of investment. Under these agreements we purchase securities, which are included as assets under the caption “investments purchased under agreements to resell” and are carried at cost plus accrued interest.

Recently Adopted and New Accounting Pronouncements

See note 1 of our consolidated financial statements for a detailed description of recently adopted and new accounting pronouncements in IFRS.

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Results of Operations for the Years Ended December 31, 2010, 2011 and 2012

Net Income

Our consolidated net income as reported on our consolidated financial statement for the year ended December 31, 2012 was Ch\$ 119,153 million, a 1.6% or Ch\$ 1,835 million increase from Ch\$ 117,318 million in 2011, which represented a 3.5% or Ch\$ 4,255 decrease from Ch\$ 121,573 in 2010. CorpBanca reached these revenues in a highly competitive scenario with a low variation in the value of the UF -150 basis points less than last year- coupled with: (i) the incorporation of Banco Santander Colombia's loan portfolio beginning in 2012, although it only includes 7 months of earnings; (ii) the cost to finance the portion of the acquisition not financed by capital; and (iii) the initial cost of consolidating operations in Colombia, including the branding change. This is in addition to organic growth in Chile, with a proportion of commercial loans somewhat larger than retail loans.

The following table sets forth the components of our net income for the years ended December 31, 2010, 2011 and 2012:

	<u>For the Year Ended</u> <u>December 31,</u>			<u>% Change</u> <u>from</u> <u>2012/2011</u>	<u>% Change</u> <u>from</u> <u>2011/2010</u>
	<u>2010</u>	<u>2011</u>	<u>2012</u>		
	<u>(in millions of Ch\$ except for percentages)</u>				
Components of net income:					
Net interest income	224,410	193,000	256,876	33.1%	(14.0)%
Provisions for loan losses	(52,351)	(40,754)	(51,575)	26.6%	(22.2)%
Fees and income from services, net	58,221	60,362	85,644	41.9%	3.7%
Trading and investment, foreign exchange and other operating income	44,033	80,469	104,398	29.7%	82.7%
Income attributable to investment in associates	296	250	367	46.8%	(15.5)%
Total operating expenses	(132,683)	(152,706)	(253,644)	66.1%	15.1%
Income before income taxes	141,926	140,621	142,066	1.0%	(0.9)%
Income taxes	(20,353)	(23,303)	(22,913)	(1.7)%	14.5%
Net income for the year	<u>121,573</u>	<u>117,318</u>	<u>119,153</u>	<u>1.6%</u>	<u>(3.5)%</u>

Net Interest Income

The following table sets forth the components of our net interest income for the years ended December 31, 2010, 2011 and 2012:

	<u>For the year ended December 31,</u>			<u>% Change</u> <u>from</u> <u>2012/2011</u>	<u>% Change</u> <u>from</u> <u>2011/2010</u>
	<u>2010</u>	<u>2011</u>	<u>2012</u>		
	<u>(in millions of Ch\$ except for percentages)</u>				
Interest income	387,639	528,622	762,992	44.3%	36.4%
Interest expense	(163,229)	(335,622)	(506,116)	50.8%	105.6%
Net interest income	<u>224,410</u>	<u>193,000</u>	<u>256,876</u>	<u>33.1%</u>	<u>(14.0)%</u>

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The following table sets forth information as to components of our interest income for the years ended December 31, 2010, 2011 and 2012:

	<u>For the year ended December 31,</u>			<u>% Change from 2012/2011</u>	<u>% Change from 2011/2010</u>
	<u>2010</u>	<u>2011</u>	<u>2012</u>		
	(in millions of Ch\$ except for percentages)				
Interest income	387,639	528,622	762,992	44.3%	36.4%
Average interest-earning assets:					
Loans	5,166,615	5,834,146	9,425,792	61.6%	12.9%
Financial investments	783,358	749,467	1,025,244	36.8%	(4.3)%
Interbank deposits	81,721	166,037	363,207	118.8%	103.2%
Total average interest-earning assets	<u>6,031,694</u>	<u>6,749,650</u>	<u>10,814,243</u>	<u>60.2%</u>	<u>11.9%</u>

The following table sets forth the components of our interest expense for the years ended December 31, 2010, 2011 and 2012:

	<u>For the year ended December 31,</u>			<u>% Change from 2012/2011</u>	<u>% Change from 2011/2010</u>
	<u>2010</u>	<u>2011</u>	<u>2012</u>		
	(in millions of Ch\$ except for percentages)				
Interest expense	163,229	335,622	506,116	50.8%	105.6%
Average interest-bearing liabilities:					
Bonds	745,567	1,207,422	1,590,962	31.8%	61.9%
Time deposits	3,547,844	3,999,608	6,639,517	66.0%	12.7%
Central Bank borrowings	1,274	-	39	100.0%	(100.0)%
Repurchase agreements	424,297	163,649	344,293	110.4%	(61.4)%
Mortgage finance bonds	246,678	198,485	161,583	(18.6)%	(19.5)%
Other interest-bearing liabilities	800,262	1,039,265	2,085,162	100.6%	29.9%
Total average interest-bearing liabilities	<u>5,765,922</u>	<u>6,608,429</u>	<u>10,821,556</u>	<u>63.8%</u>	<u>14.6%</u>

2012 Compared to 2011:

Our interest income was Ch\$ 762,992 million for the year ended on December 31, 2012, an increase of 44.3% as compared to Ch\$528,622 million for the same period in 2011. Additionally, our interest expense also increased by 50.8% to Ch\$ 506,116 for the year ended December 31, 2012, as compared to Ch\$ 335,622 for the year ended December 31, 2011. As a result, our net interest income increased by 33.1% to Ch\$ 256,876 million for the year ended December 31, 2012, as compared to Ch\$ 193,000 million for the same period in 2011.

The increase in interest income was primarily the result of (i) the addition of CorpBanca Colombia's loan portfolio following the Banco Santander Colombia Acquisition, which represented 49.9% of our average total loan portfolio increase, (ii) organic growth in our total average loans Chilean operations, which represented 50.1% of our average total loan portfolio increase, and (iii) the negative impact of the variation of the UF offset that benefit in our interest income. Our total average loans grew to Ch\$9,425,792 million for the year ended on December 31, 2012, from Ch\$5,834,146 million, as compared to the same period in 2011. The increase in our interest income was lower than the increase in our total average interest-earning assets due to a lower variation in the UF of 3.9% vs. 2.5% in 2011 and 2012, respectively, which partly offset the increase in Central Bank of Chile's interest rate for monetary policy purposes from 3.25% to 5.25% during 2011, while remaining stable in 2012 at 5%.

The increase in our interest expense was primarily the result of (i) the consolidation of CorpBanca Colombia, (ii) the 66% increase in our average time deposits, (iii) the 100.6% increase in our average other interest-bearing liabilities as described in the table above, (iv) a negative effect with respect to the variation of the UF, (v) the additional premiums on CorpBanca's debt securities that have slightly increased due to a significant increase in our commercial portfolio, and (vi) the portion of the financing of the Banco Santander Colombia Acquisition that

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was not paid with our recent capital increase in June 2012 (nearly half of the financing of the Banco Santander Colombia Acquisition was funded by our long-term liabilities). The implicit premiums on our debt securities are due to a relatively higher risk compared to our main competitors, which consist of larger banks with slightly lower ratings (“AA+” or “AAA” vs. “AA” on a local scale); and also because of our increased level of operations (including an increase in our total loan portfolio) that have required a larger amount of financing (primarily through deposits and bonds).

Net interest margin (net interest income divided by average interest-earning assets) decreased by 18.1% as a result of the above mentioned factors relating to our interest income and interest expenses.

2011 Compared to 2010:

Our interest income for the year ended on December 31, 2011 was Ch\$ 528,622 million, an increase of 36.4% as compared to Ch\$387,639 million for the same period in 2010. However, our interest expense also increased by 105.6% to Ch\$ 335,622 for the year ended December 31, 2011, as compared to Ch\$ 163,229 for the year ended December 31, 2010. As a result, our net interest income decreased by 14% to Ch\$ 193,000 million for the year ended December 31, 2011, as compared to Ch\$ 224,410 million for the same period in 2010.

The primary explanation for the 36.4% increase in interest income assets in the year ended December 31, 2011 was the increase in the number of loans we made compared to the year ended December 31, 2010. The increase also is explained by the significant increase in interbank deposits we made, which largely consist of “overnight” deposits in foreign banks that feature higher rates of interest than standard deposits.

Despite the increase in our interest income in 2011, we also experienced a 105.6% increase in interest expense, which more than offset the increase in interest income for the year. The increase in interest expense was primarily related to (i) our increased financing needs to fund our growth in interest-earning assets, (ii) higher inflation rate experienced in 2011, and (iii) increases in the Central Bank of Chile interest rate. Another factor was a change to our funding strategy, which in 2011 was mainly driven by our attempt to increase the duration of our liabilities and reduce the impact of interest rate volatility through the issuance of bonds (other than letters of credit loans).

As a result of these factors, our net interest income in the year ended December 31, 2011 decreased Ch\$ 31,410 or 14% to Ch\$ 193,000 million from Ch\$ 224,410 million for the year ended December 31, 2010.

Allowances for Loan Losses

The following table sets forth information relating to our allowances for loan losses as of December 31, 2010, 2011 and 2012:

	As of December 31,			% Change	% Change
	2010	2011	2012	from	from
				2012/2011	2011/2010
	(in millions of Ch\$ except for percentages)				
Total loans	5,469,195	6,814,445	10,103,491	48.3%	24.6%
Past due loans ⁽¹⁾	46,851	46,379	51,272	10.6%	(1.0)%
Non-performing loans ⁽²⁾	111,421	107,978	117,937	9.2%	(3.1)%
Impaired loans ⁽³⁾	346,641	296,584	222,712	(24.9)%	(14.4)%
Allowances for loan losses	104,215	102,500	109,601	6.9%	(1.6)%
Allowances for loan losses as a percentage of total loans	1.9%	1.5%	1.1%	(27.9)%	(21.1)%
Allowances for loan losses as a percentage of non-performing loans	93.5%	94.9%	92.9%	(2.1)%	1.5%

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Allowances for loan losses as a percentage of impaired loans	30.1%	34.6%	49.2%	42.4%	15.0%
Non-performing loans as a percentage of total loans	2.0%	1.6%	1.2%	(26.3)%	(22.2)%
Allowances for loan losses as a percentage of past due loans	222.4%	221.0%	213.8%	(3.3)%	(0.6)%

- (1) Past due loans include all installments and lines of credit more than 90 days overdue. Does not include the aggregate principal amount of such loans.
- (2) Non-performing loans include the principal and accrued interest on any loan with one installment more than 90 days overdue.
- (3) Impaired loans include those loans on which there is objective evidence that debtors will not meet some of their contractual payment obligations.

2012 Compared to 2011:

Allowances for loan losses increased by 6.9% to Ch\$109,601 million as of December 31, 2012 compared to Ch\$102,500 million as of December 31, 2011. The increase in our allowance for loan losses has remained relatively stable in amount due to better economic conditions in the Chilean economy and has decreased as a percentage of total loans by 27.9% to 1.1% as of December 31, 2012 when compared to 1.5% as of December 31, 2011. We believe our allowance for loan losses is adequate as of the date hereof to cover all known losses in our loan portfolio.

2011 Compared to 2010:

Allowances for loan losses were Ch\$102,500 million as of December 31, 2011 as compared to Ch\$104,215 million as of December 31, 2010, a decrease of 1.6% mainly due to better conditions in the Chilean economy. Allowances for loan losses as a percentage of total loans was 1.5% as of December 31, 2011, which decreased by 21.1% when compared to 1.9% as of December 31, 2010.

Net Service Fee Income

2012 Compared to 2011:

Our net service fee income (including income from financial advisory services as described below) for the year ended December 31, 2012 was Ch\$ 85,644 million, representing a 41.9% increase when compared to Ch\$60,362 million, for the year ended December 31, 2011. Our total income from fees and services during the year ended December 31, 2012 increased by 45.3% to Ch\$ 105,178 million from Ch\$ 72,404 million for the year ended December 31, 2011. This increase was partly offset by a 62.2% increase in fees and commissions expenses from Ch\$12,042 million for the year ended December 31, 2011 to Ch\$19,534 million for the year ended December 31, 2012.

The increase in our income from fees and services was primarily the result of (i) the consolidation of CorpBanca Colombia following the Banco Santander Colombia Acquisition, (ii) the increase in collections, billings and payments income from Ch\$9,586 million for the year ended December 31, 2011 to Ch\$20,591 million for the year ended December 31, 2012, (iii) the increase in fees from letters of credit and guarantees to Ch\$7,915 million for the year ended December 31, 2012 from Ch\$4,460 million for the year ended December 31, 2011, and (iv) the increase in income from card service fees to Ch\$16,479 million for the year ended December 31, 2012, from Ch\$10,602 million for the year ended December 31, 2011. The increase in these income categories is due to the organic growth in Chile during 2012 which resulted in a larger volume of operations.

The increase in our income from fees and services was partially offset by increases in our total fees and commissions expenses during the year ended December 31, 2012. The increase in our total fees and commissions expenses was primarily driven by (i) the consolidation of CorpBanca Colombia following the Banco Santander Colombia Acquisition, (ii) the increase in brokerage fees and commissions from Ch\$259 million for the year ended

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2011 Compared to 2010:

In 2011, we recorded total other operating revenues of Ch\$80,469 million as compared to Ch\$44,033 million in 2010, reflecting an 82.7% increase. Net revenues from treasury activities (net of trading and investment income and foreign exchange gains) increased by Ch\$35,761 million as compared to the prior year, due primarily to Ch\$79,994 million of income earned from certain derivative instruments in which we invested. We maintained positions which are reported as trading or foreign exchange transactions, even though they may provide an effective economic hedge for managing risk.

Operating Expenses

The following table sets forth the components of our operating expenses for the years ended December 31, 2010, 2011 and 2012:

	For the year ended December 31,			% Change from	% Change from
	2010	2011	2012	2012/2011	2011/2010
	(in millions of Ch\$ except for percentages)				
Personnel salaries and expenses	71,034	76,461	120,714	57.9%	7.6%
Administration expenses	46,793	55,141	88,783	61.0%	17.8%
Depreciation and amortization	7,117	7,461	18,092	142.5%	4.8%
Other operating expenses	7,739	13,643	26,055	91.0%	76.3%
Total operating expenses	132,683	152,706	253,644	66.1%	15.1%

2012 Compared to 2011:

Operating expenses increased by Ch\$100,938 million, or 66.1%, in the year ended December 31, 2012 from Ch\$152,706 million for the year ended December 31, 2011. The increase in operating expenses was primarily the result of the consolidation of CorpBanca Colombia following the Banco Santander Colombia Acquisition, including an increase in administration expenses by 61.0%, personnel salaries and expenses by 57.9% and other operating expenses 91.0% (relating to our rebranding efforts in Colombia in connection with the Banco Santander Colombia Acquisition as described in more detail below).

The increase in our personnel salaries and expenses was also attributable to an increase in the number of employees hired to assist with the management of our growing loan portfolio. As of December 31, 2012, CorpBanca had 5,163 employees, a 49.2% increase compared to the same date in 2011. Personnel salaries and expenses increased by 57.9%, or Ch\$44,253 million as a result of an increase in the number of employees in all segments as a result of an increase in our total loan portfolio, the expansion of our geographic footprint and an increase in the diverse financial products we offer, and also due to 2011 personnel performance bonuses paid in 2012 in the amount of Ch\$4,944 million. We also had an increase of 61.0% in administration expenses due to the one-time expenses mentioned above, including Banco Santander Colombia's rebranding and personnel performance bonuses, and an increase in depreciation and amortization of 142.5% as a result of the amortization of the intangibles assets related to Banco Santander Colombia Acquisition.

2011 Compared to 2010:

Operating expenses increased by Ch\$20,023 million or 15.1%, in 2011 to Ch\$152,706 million from Ch\$132,683 million for the year ended December 31, 2010. This increase was mainly due to the increase in administration expenses by 17.8% and personnel salaries and expenses by 7.6%. As of December 31, 2011, our roster was 3,461 employees, a 1.1% increase compared to 2010. Additionally, administrative and other expenses include payments for a service agreement to our affiliate CorpGroup (formerly Corp Group Interhold S.A.). Under this agreement, we pay fees of approximately UF6,250 per month. This agreement was signed on July 6, 2001 and had an initial five year term which is automatically renewable for one-year periods thereafter.

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Income Taxes

2012 Compared to 2011:

Our net tax liability decreased to Ch\$22,913 million in the year ended on December 31, 2012 from Ch\$23,303 million in the same period in 2011. The decrease in our net tax liability was primarily due to a depreciation of the “observed US dollar rate” of the Banco Central de Chile, which affected the value of the Banco Santander Colombia acquisition, generating a tax loss. For tax purposes, our investment in Colombia is US dollar denominated and as of December 31, 2012 there has been a tax reduction in Chile, which resulted in lower tax expense.

2011 Compared to 2010:

Our net tax liability increased from Ch\$20,353 million in 2010 to Ch\$23,303 million in 2011. The increase in our net tax liability was primarily due to a change in the statutory income tax rate from 17% in 2010 to 20% in 2011. Pursuant to Law 24455 dated November 31, 2010, the applicable tax rate was scheduled to be 20% in 2011, decrease to 18.5% in 2012 and decrease further to 17% for 2013 and all subsequent years. However, this tax schedule was changed on September 27, 2012 by Law 20.630, pursuant to which the first category tax rate for 2013 and for subsequent years was set at 20%.

Results of our operating segments

The following discussion should be read in conjunction with our consolidated financial statements, especially note 3 regarding segment information included elsewhere in this annual report. The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from these discussed in forward-looking statements as a result of various factors, including those set in forth in “Cautionary Statement Regarding Forward-Looking Statements” and “Item 3D. Risk Factors”.

Overview

We have five reportable segments: (1) Commercial Banking, (2) Retail Banking, (3) Treasury and International, (4) Non-Banking Financial Services, and (5) Colombia. Colombia is a new segment being reported for the first time as a result of our acquisition of CorpBanca Colombia and CIT Colombia in 2012. Below we describe our five primary operating segments:

Commercial Banking:

- Large, Corporate, and Real Estate Companies Division includes companies that belong to the major economic groups, specific industry, and companies with sales over US\$30 million; this division also includes real estate companies and financial institutions.
- Companies - includes a full range of financial products and services for companies with annual sales under US\$30million. Leasing and factoring, have been included in this business segment.

Retail Banking:

- Traditional and Private Banking offers, among other products, checking accounts, consumer loans, credit cards and mortgage loans to middle and upper income segments.
- Lower income retail banking which corresponds to Banco Condell, offers among other products, consumer loans, credit cards and mortgage loans to the low-to-middle income segments.

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Treasury and International:

- Primarily includes treasury activities such as financial management, funding, liquidity and international businesses.

Non-Banking Financial Services:

- Services rendered by our subsidiaries, which include insurance brokerage, financial advisory service, asset management and securities brokerage.

Colombia:

- Services rendered by CorpBanca Colombia and its subsidiaries, primarily within the Colombian domestic market, including commercial and retail banking services.

2012 Results

The following table presents summary information related to each of our reportable segments for the year ended December 31, 2012:

	As of December 31, 2012								
	Commercial Banking		Retail Banking			Non-Banking Financial Services		Colombia	Other
	Large Companies and Corporate	Companies	Traditional and Private Banking	Lower Income Retail Banking	Treasury and International				
	(in millions of Ch\$)								
Net interest revenue	41,751	56,120	56,972	18,664	3,010	14,071	66,288	-	256,876
Fees and income from services, net	21,802	13,052	21,693	6,517	(237)	4,923	17,894	-	85,644
Trading and investment income, net	1,525	-	3,650	-	19,316	9,624	20,879	-	54,994
Foreign exchange gains (losses), net	13,579	5,537	679	-	9,791	(1,000)	2,110	-	30,696
Other operating revenue	-	2,461	726	-	-	5,388	10,133	-	18,708
Provision for loan losses	(2,146)	(14,567)	(6,915)	(7,724)	-	558	(20,781)	-	(51,575)
Gross operational margin	76,511	62,603	76,805	17,457	31,880	33,564	96,523	-	395,343
Other income expenses	7,899	31	(685)	-	-	(6,531)	(347)	-	367
Operating expenses	(19,276)	(28,935)	(60,511)	(18,870)	(14,513)	(47,680)	(58,653)	(5,206)	(253,644)
Profit before tax	65,134	33,699	15,609	(1,413)	17,367	(20,647)	37,523	(5,206)	142,066
Average loans	3,867,956	1,522,997	2,027,349	135,115	79,655	134	1,792,586	-	9,425,792
Average investments	-	-	-	-	837,858	-	187,386	-	1,025,244

2011 Results

The following table presents summary information related to each of our reportable segments for the year ended December 31, 2011:

	As of December 31, 2011						
	Commercial Banking		Retail Banking			Non-Banking Financial Services	Total
	Large Companies and Corporate	Companies	Traditional and Private Banking	Lower Income Retail Banking	Treasury and International		
	(in millions of Ch\$)						
Net interest income	39,200	48,382	52,815	17,719	18,975	15,909	193,000
Net services fees income	18,862	11,215	22,316	4,182	(408)	4,195	60,362
Trading and investment income, net	(4,893)	-	3,703	-	89,078	9,857	97,745
Foreign exchange gains (losses), net	16,668	4,961	272	-	(52,302)	3,618	(26,783)
Other operating income	-	3,049	-	-	-	6,458	9,507
Provision for loan losses	(12,699)	(6,625)	(14,660)	(6,756)	-	(14)	(40,754)
Gross operational margin	57,138	60,982	64,446	15,145	55,343	40,023	293,077
Other income expenses	3,405	429	24	0	0	(3,608)	250
Total operating expenses	(16,549)	(26,432)	(50,144)	(18,194)	(11,604)	(29,783)	(152,706)
Income before taxes	43,994	34,979	14,326	(3,049)	43,739	6,632	140,621
Average loans	2,798,129	1,212,146	1,616,774	124,211	82,748	138	5,834,146
Average investments	-	-	-	-	749,467	-	749,467

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2010 Results

The following table presents summary information related to each of our reportable segments for the year ended December 31, 2010:

	As of December 31, 2010						Total
	Commercial Banking		Retail Banking		Treasury and International	Non-Banking Financial Services	
	Large Companies and Corporate	Companies	Traditional and Private Banking	Lower Income Retail Banking			
	(in millions of Ch\$)						
Net interest revenue	36,363	48,132	54,457	20,667	62,717	2,074	224,410
Fees and income from services, net	13,060	12,523	22,525	3,318	(357)	7,152	58,221
Trading and investment income, net	758	(2,564)	-	-	(11,324)	3,720	(9,410)
Foreign exchange gains (losses), net	9,024	4,063	72	-	28,646	2,806	44,611
Other operating revenue	-	3,657	-	-	186	4,990	8,832
Provision for loan losses	(1,873)	(26,051)	(21,132)	(12,429)	1,360	7,774	(52,351)
Gross operational margin	57,332	39,760	55,922	11,556	81,228	28,516	274,313
Other income expenses	-	10	22	-	-	264	296
Operating expenses	(9,152)	(16,715)	(54,170)	(19,784)	(12,173)	(20,689)	(132,683)
Profit before tax	48,180	23,055	1,774	(8,228)	69,055	8,091	141,926
Average loans	2,493,947	1,138,838	1,297,209	147,617	89,003	-	5,166,616
Average investments	-	-	-	-	783,358	-	783,358

B. LIQUIDITY AND CAPITAL RESOURCES

We maintain adequate liquidity to ensure our ability to honor withdrawals of deposits, make repayments of other liabilities at maturity, extend loans and meet our own working capital requirements.

Sources of Liquidity

Our liquidity depends upon our (i) capital, (ii) reserves, and (iii) financial investments, including investments in government securities and other financial institutions. To cover any liquidity shortfalls and to enhance our liquidity position, we have established lines of credit with foreign and domestic banks and also have access to Central Bank of Chile and Central Bank of Colombia borrowings. As part of our liquidity policy, we maintain at all times a diversified portfolio of highly liquid assets that can be quickly monetized, including cash, financial investments and Central Bank of Chile, Central Bank of Colombia and government securities.

In October 2008, the Ministry of Finance shifted US\$1 billion in deposits that it had held abroad into local banks during the liquidity crisis to boost liquidity. It also injected US\$500 million of new capital into the government-owned BancoEstado and expanded the use of guarantees and funds available through CORFO, its economic development agency, to sustain lending to small and medium-size enterprises. In addition, the Central Bank of Chile began auctions of dollar deposits (for 30, 60, and 90 days) to banks to boost their liquidity, offering a revolving line of US\$500 million.

The steps taken to boost domestic liquidity allowed local firms to roll over their debt and interest rates began to fall over the course of 2009. In 2010, the Central Bank of Chile began unwinding some of the extraordinary steps it had introduced in early 2008 to address concerns about liquidity in the financial system, including purchasing currency swaps and executing certain types of repurchase agreements. Still, banks benefit from the standing facility for deposits and liquidity of the Central Bank of Chile.

While we continue to use all available sources of funding as we believe appropriate, we continue to emphasize the increase of deposits from retail customers. These deposits consist primarily of checking accounts that do not bear interest and accordingly represent an inexpensive source of funding for us. In addition, to the extent that these types of deposits represent a larger percentage of our funding base, the percentage represented by time

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deposits is expected to decrease and, accordingly, we believe that the risks to our business of uncertainties relating to rolling over deposits will be diminished. In 2008, we placed UF5,330,000 in 25 year subordinated bonds to be used to finance our normal business activities and improve our balance sheet structure. In 2009, we placed UF4,670,000 in 26 year subordinated bonds with the same purpose, taking advantage of favorable market conditions.

In addition, we believe that we have a distinct advantage with respect to managing our funding costs because our subsidiary, CorpBanca Colombia, is not dependent on CorpBanca for its funding needs. CorpBanca Colombia manages its own funding costs in Colombian pesos and, as of December 31, 2012, we do not foresee a need to separately fund CorpBanca Colombia with our capital, reserves or financial investments, including investments in government securities and other financial institutions.

On July 29, 2010, we entered into a US\$167.5 million senior unsecured syndicated term loan facility with BNP Paribas, as Administrative Agent, and BNP Paribas Securities Corp., Citigroup Global Markets Inc., Commerzbank Aktiengesellschaft, Standard Chartered Bank and Wells Fargo Securities, LLC, as lead arrangers and book-runners. The proceeds of the loan were used mainly to fund our lending activities and for general corporate purposes. On July 24, 2012, we have since entered into a US\$174.4 million amended and restated senior unsecured syndicated term loan facility with Standard Chartered Bank, as administrative agent, HSBC Securities (USA) Inc. and Wells Fargo Securities, LLC, as lead arrangers and book-runners, and Commerzbank Aktiengesellschaft, as lead arranger.

On August 1, 2010, we implemented a local bond program for a maximum amount of UF150 million at any time outstanding. Under the local bond program, we are able to issue two types of bonds: (i) senior bonds, up to an aggregate amount of UF100 million, which can be divided into 28 series of senior bonds (from AB to AZ and from BA to BC), with a maturity ranging from 3 to 30 years and an interest rate of 3%, and (ii) subordinated bonds, up to an aggregate amount of UF50 million, which can be divided into 16 series (from BD to BS), with a maturity ranging from 20 to 35 years and an interest rate of 4%. For all the series of bonds that could be issued under the local bond program, the amortization of capital will be made in full at maturity. The principal owed in connection with outstanding senior and subordinated bonds is due at maturity and interest relating thereto is due bi-annually. The objective of the local bond program is to structure the future issuances of debt of CorpBanca in a way that provides for diverse alternatives of placements in order to manage efficiently its outstanding indebtedness. Under the local bond program, in 2010, we issued bonds in the Chilean market in the amount of UF18.8 million (Ch\$403,364). In addition, on October 29, 2012 and October 31, 2012, we issued subordinated bonds in the local Chilean market in the aggregate amount of UF6.6 million (Ch\$149,779 million). As of December 31, 2012, we have outstanding senior bonds in the aggregate amount of UF45.7 million (Ch\$1,044,124 million) and outstanding subordinated bonds in the aggregate amount of UF30.4 million (Ch\$694,792 million). See note 18 to our audited consolidated financial statements included herein.

On November 3, 2010, we issued US\$178.1 million in Reg S notes in the international market. As of December 31, 2012, the Reg S notes have been paid off.

At the end of 2011, global financial markets faced a complex scenario in terms of liquidity due to uncertainty in European economies. Liquidity was constrained and risk premiums reached yearly highs in practically all global markets, including in Chile. Despite such circumstances, as of December 31, 2012, we maintained a reserve in liquid assets (mainly consisting of securities issued by the Central Bank of Chile and Treasury Bonds of Colombia's Government) of Ch\$1,288,627 million. In addition, as of December 31, 2012, we maintained sufficient levels of cash and deposits in banks in the amount of Ch\$520,228 million to satisfy our wholesale short-term obligations in the amount of Ch\$174,612.0 million.

On January 16, 2013, CorpBanca issued US\$800 million aggregate principal amount of 3.125% Senior Notes. CorpBanca expects to use the net proceeds of this offering for general corporate purposes, primarily to fund lending activities.

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We continue to actively manage our liquidity through several committees that meet on a daily and weekly basis, as applicable. Our financial risk department also coordinates with management to forecast and manage complex liquidity scenarios.

Capital

As of December 31, 2012, our shareholder's equity was in excess of that required by Chilean regulatory requirements. According to the General Banking Law, a bank must have an effective net equity of at least 8% of its risk-weighted assets, net of required reserves, and paid-in capital and reserves (basic capital) of at least 3% of its total assets, net of required reserves. For these purposes, the effective net equity of a bank is the sum of (a) a bank's basic capital, (b) subordinated bonds issued by a bank valued at their placement price up to 50% of its net capital base; provided that the value of the bonds shall decrease 20% for each year that lapses during the period commencing six years prior to their maturity, and (c) loan loss allowances in an amount up to 1.25% of a bank's risk-weighted assets (if the bank has goodwill, this value would be required to be deducted from the calculation of the effective net equity). The calculation of the effective net equity does not include the capital contributions made to subsidiaries of a bank and is made on a consolidated basis rather than on an unconsolidated basis. For purposes of weighing the risk of a bank's assets, the General Banking Law considers the following five different categories of assets based on the nature of the issuer, availability of funds, nature of the assets and existence of collateral securing such assets:

Category	Weighting
1	0%
2	10%
3	20%
4	60%
5	100%

Basic capital is defined as a bank's paid-in capital and reserves and is similar to Tier 1 capital except that it generally does not include net income for the period. However, beginning in 2008, the SBIF allowed banks to include net income for the period as basic capital, net of a 30% deduction for minimum dividends accrued.

Reserves

Under the General Banking Law, a bank must have a minimum paid-in capital and reserves of UF800,000 (Ch\$18,272.6 million or US\$38.1 million as of December 31, 2012). However, a bank may begin its operations with 50% of such amount, provided that it has a total capital ratio (defined as effective net equity as a percentage of risk weighted assets) of not less than 12%. When such bank's paid-in capital reaches UF600,000 (Ch\$13,704.5 million or US\$28.6 million as of December 31, 2012) the total capital ratio required is reduced to 10%.

The following table sets forth our minimum capital requirements of the dates indicated. See note 34 to our consolidated financial statements included herein for a description of the minimum capital requirements.

	As of December 31	
	2011	2012
	(in millions of constant Ch\$ except percentages)	
Net capital base	739,793	954,157
3% total assets net of provisions	(298,327)	(446,322)
Excess over minimum required equity	441,466	507,835
Net capital base as a percentage of the total assets, net of provisions	7.44%	6.41%
Effective net equity	1,118,908	1,282,414
8% of the risk-weighted assets	(611,482)	(919,637)
Excess over minimum required equity	507,426	362,777
Effective net equity as a percentage of the risk weighted assets	14.64%	11.16%

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Financial Investments

The following tables set forth our investment in Chilean government and corporate securities and certain other financial investments as of December 31, 2010, 2011 and 2012. Financial investments are classified at the time of the purchase, based on management's intentions, as either trading or investment instruments, the latter of which are categorized as available-for-sale or held-to-maturity.

	As of December 31,		
	2010	2011	2012
	(in millions of Ch\$)		
Held-for-trading			
Central Bank and government securities			
Central Bank securities	88,077	9,541	2,543
Chilean Treasury Bonds	–	5,613	–
Others Securities	8	–	–
Other financial securities			
Bonds	2,998	2,012	2,102
Notes	–	125,319	28,218
Other securities	71,379	11,102	276
Foreign institution securities			
Bonds	1,922	840	101,114
Notes	–	–	–
Other securities	550	968	3,409
Mutual fund investments:			
Funds managed by related organizations	32,646	3,420	6,336
Funds managed by third parties	–	7,224	15,900
Total	197,580	166,039	159,898

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	As of December 31,		
	2010	2011	2012
	(in millions of Ch\$)		
Available-for-sale			
Central Bank and government securities			
Central Bank securities	543,902	307,122	329,066
Chilean treasury bonds	–	4,336	69,706
Others securities	40,140	57,480	46,203
Other financial securities			
Promissory notes related to deposits in local banks	123,226	380,284	338,747
Chilean mortgage finance bonds			
Financial institutions bonds	1,553	1,056	349
Chilean treasury bonds	–	41,702	66,231
Other local investments	–	44,109	41,019
Foreign instruments			
Foreign instruments governments or central bank	–	–	206,296
Other foreign investments	17,954	7,161	14,818
Unquoted securities in active markets			
Chilean corporate bonds	19,473	–	–
Other investments	–	–	–
Subtotal	<u>746,248</u>	<u>843,250</u>	<u>1,112,435</u>

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	As of December 31,		
	2010	2011	2012
(in millions of Ch\$)			
Held-to-maturity			
Central Bank and government securities			
Central Bank securities	-	-	
Chilean treasury bonds	-	-	
Others securities	-	-	
Other financial securities			
Promissory notes related to deposits in local banks	-	-	
Chilean mortgage finance bonds	-	-	
Financial institution bonds	-	-	
Chilean treasury bonds	-	-	
Other local investments	-	11,580	10,099
Foreign instruments			
Foreign instruments governments or central bank	-	-	74,259
Other foreign investments	-	10,382	20,619
Unquoted securities in active markets	-	-	-
Chilean corporate bonds	-	-	-
Other investments	-	-	-
Subtotal	<u>-</u>	<u>21,962</u>	<u>104,977</u>

We do not hold securities of any issuer other than the Central Bank of Chile, which the aggregate book value of the investment exceeds 10% of our shareholders' equity as of the end of the latest reported period.

The following table shows interest rates per annum applicable to certain Central Bank of Chile bonds as of the dates indicated:

As of the end of	Chilean Peso- denominated 5- year bond	Chilean Peso- denominated 10-year bond	UF- denominated 5- year bond	UF- denominated 10-year bond
2010				
January	5.27	-	-	-
February	5.38	-	-	-
March	5.41	-	-	-
April	5.56	-	-	-
May	5.53	-	-	-
June	5.57	-	-	-
July	5.59	-	-	-
August	5.59	-	-	-
September	5.58	-	-	-
October	5.67	-	-	-
November	5.72	-	-	-
December	5.66	-	-	-

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2011				
January				
February	6.53	6.80	2.59	3.17
March	6.38	6.50	2.42	2.88
April	6.26	6.30	2.53	
May	6.10	6.22	2.57	2.85
June	6.12	6.21	2.59	2.87
July	5.96	6.06	2.68	2.88
August	5.42	5.45	2.52	2.56
September	4.91	5.05	1.98	2.26
October	4.68	5.00	1.89	2.28
November	5.10	5.41	2.50	2.77
December	4.93	5.20	2.41	2.64
2012				
January	4.80			
February	5.35			
March	5.45	5.87	2.43	2.58
April	5.56	5.67	2.43	2.53
May	5.47	5.48	2.35	2.45
June	5.09	5.37	2.37	2.47
July	5.06	5.18	2.43	2.46
August	5.23	5.22	2.27	2.40
September	5.21	5.27	2.29	2.30
October	5.28	5.32	2.28	2.32
November	5.36		2.44	
December				

(*) Through December 31, 2012

Our total financial instruments as a percentage of total assets increased to 12.2% as of December 31, 2012.

We have implemented certain structural changes that we believe will improve our ability to manage our exposure to market risks. For example, our Assets & Liabilities Committee, or our A&L Committee, updated certain exposure limits applicable to our investment portfolio, including limits relating to potential losses. In addition, while we previously determined our potential loss and position limits on the basis of our free effective net equity, which allowed us to establish relatively high limits due to our high level of capitalization, our A&L Committee has determined that such limits should be analyzed and determined on the basis of our net income. As a result of these adjustments, we have enhanced our ability to effectively manage market risks. A description of the currently applicable limits, as well as information relating to other tools that we employ to manage market risk, is included herein under "Item 11. Quantitative and Qualitative Disclosures about Market Risk."

The following table sets forth an analysis of our investments, by time remaining to maturity and the weighted average nominal rates of such investments, as of December 31, 2012:

Held-for-trading	In one year or less	Weighted average Nominal Rate	After one year through five years	Weighted average Nominal Rate	After five years through ten years	Weighted average Nominal Rate	After ten years	Weighted average Nominal Rate	Total
	Ch\$	%	Ch\$	%	Ch\$	%	Ch\$	%	Ch\$
(in millions of Ch\$, except for percentages)									
Central Bank and government securities:									
Chilean Central Bank securities	9	5.0	2,534	11.0	-	-	-	-	2,543
Chilean Central Bank notes	-	-	-	-	-	-	-	-	-
Others government securities	-	-	-	-	-	-	-	-	-
Others national institution securities:									
Bonds	519	4.2	1,230	4.7	353	4.0	-	-	2,102

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Notes	28,126	6.2	92	0.6	–	–	–	–	28,218
Other securities	7	3.2	126	3.3	67	2.9	76	3.9	276
Foreign institution securities:									
Bonds	309	5.1	46,149	4.7	12,805	5.5	41,851	5.7	101,114
Notes	–	–	–	–	–	–	–	–	–
Other securities	3	5.3	3,406	6.5	–	–	–	–	3,409
Mutual fund investments:									
Funds managed by related organizations	6,336	–	–	–	–	–	–	–	6,336
Funds managed by third parties	15,900	–	–	–	–	–	–	–	15,900
Total held-for-trading	<u>51,209</u>	<u>3.6</u>	<u>53,537</u>	<u>5.1</u>	<u>13,225</u>	<u>5.4</u>	<u>41,927</u>	<u>5.7</u>	<u>159,898</u>
(in millions of Ch\$, except for percentages)									
Available-for-sale:	In one year or less	Weighted average Nominal Rate	After one year through five years	Weighted average Nominal Rate	After five years through ten years	Weighted average Nominal Rate	After ten years	Weighted average Nominal Rate	Total
	<u>Ch\$</u>	<u>%</u>	<u>Ch\$</u>	<u>%</u>	<u>Ch\$</u>	<u>%</u>	<u>Ch\$</u>	<u>%</u>	<u>Ch\$</u>
Central Bank and government securities									
Chilean Central Bank securities	48,701	5.4	241,359	5.3	39,006	5.5	–	–	329,066
Chilean treasury bonds	–	–	19,316	5.3	50,390	5.5	–	–	69,706
Others government securities	13,376	6.1	32,727	4.0	100	3.6	–	–	46,203
Other financial instruments									
Promissory notes related to deposits in local banks	322,605	5.5	16,142	4.0	–	–	–	–	338,747
Chilean mortgage finance bonds	–	–	159	4.3	–	–	190	4.0	349
Chilean financial institutions bonds	–	–	46,897	3.9	5,862	5.2	13,472	4.1	66,231
Others local investments	–	–	–	–	27,498	4.0	13,521	4.5	41,019
Financial instruments issued abroad									
Foreign government and Central Bank instruments	–	–	46,544	4.9	159,752	5.3	–	–	206,296
Other foreign investments	2,764	6.1	–	–	12,054	5.1	–	–	14,818
Impairment provision	–	–	–	–	–	–	–	–	–
Unquoted securities in active markets									
Chilean corporate bonds	–	–	–	–	–	–	–	–	–
Other foreign investments	–	–	–	–	–	–	–	–	–
Impairment provision	–	–	–	–	–	–	–	–	–
Total	<u>387,446</u>	<u>5.5</u>	<u>403,144</u>	<u>4.9</u>	<u>294,662</u>	<u>5.2</u>	<u>27,183</u>	<u>4.3</u>	<u>1,112,435</u>

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Held-to-maturity:	In one year or less	Weighted average Nominal Rate	After one year through five years	Weighted average Nominal Rate	After five years through ten years	Weighted average Nominal Rate	After ten years	Weighted average Nominal Rate	Total
	Ch\$	%	Ch\$	%	Ch\$	%	Ch\$	%	Ch\$
(in millions of Ch\$, except for percentages)									
Central Bank and government securities:									
Chilean Central Bank securities	-	-	-	-	-	-	-	-	-
Chilean treasury bonds	-	-	-	-	-	-	-	-	-
Others government securities	-	-	-	-	-	-	-	-	-
Other financial instruments									
Promissory notes related to deposits in local banks	-	-	-	-	-	-	-	-	-
Chilean mortgage finance bonds	-	-	-	-	-	-	-	-	-
Chilean financial institutions bonds	-	-	-	-	-	-	-	-	-
Others local investments	-	-	10,099	3.4	-	-	-	-	10,099
Financial instruments issued abroad									
Foreign government and Central Bank instruments	29,031	2.0	10,259	5.0	-	-	34,969	8.0	74,259
Other foreign investments	11,982	1.5	-	-	8,637	9.0	-	-	20,619
Impairment provision	-	-	-	-	-	-	-	-	-
Unquoted securities in active markets									
Chilean corporate bonds	-	-	-	-	-	-	-	-	-
Other foreign investments	-	-	-	-	-	-	-	-	-
Impairment provision	-	-	-	-	-	-	-	-	-
Total	<u>41,013</u>	<u>1.9</u>	<u>20,358</u>	<u>4.2</u>	<u>8,637</u>	<u>9.0</u>	<u>34,969</u>	<u>8.0</u>	<u>104,977</u>

Unused Sources of Liquidity

As part of our liquidity policy, we maintain at all times a diversified portfolio of highly liquid assets that can be quickly monetized, including cash, financial investments and Central Bank of Chile and government securities.

Working Capital

The majority of our funding is derived from deposits and other borrowings from the public. In our opinion, our working capital is sufficient for our present needs.

Liquidity Management

We seek to ensure that, even under adverse conditions, we have access to the funds necessary to cover client needs, maturing liabilities and capital requirements. Liquidity risk arises in the general funding for our financing, trading and investment activities. It includes the risk of unexpected increases in the cost of funding the portfolio of assets at appropriate maturities and rates, the risk of being unable to liquidate a position in a timely manner at a reasonable price and the risk that we will be required to repay liabilities earlier than anticipated. See "Item 11. Quantitative and Qualitative Disclosures about Market Risk" for information relating to the methods we employ in managing our liquidity.

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Cash Flow

The tables below set forth information about our main sources and uses of cash. Our subsidiaries do not provide a significant percentage of our consolidated cash flow. No legal or economic restrictions exist on the ability of our subsidiaries to transfer funds to us in the form of loans or cash dividends as long as these subsidiaries abide by the regulations in the Chilean Corporations Law regarding loans to related parties and minimum dividend payments.

Net Cash Provided by Operating Activities

	Year Ended December 31,		
	2010	2011	2012
	(in millions of Ch\$)		
Net cash provided by operating activities	(118,035)	(182,813)	275,067

In 2012, our net cash provided by operating activities experienced an increase from a Ch\$182,813 million loss in 2011 to a Ch\$275,067 million gain in 2012.

The changes during the period were mainly due to time deposits and saving accounts in the amount of Ch\$1,428,640 million.

Net Cash Used in Investing Activities

	Year Ended December 31,		
	2010	2011	2012
	(in millions of Ch\$)		
Net cash provided by investing activities	(4,018)	(10,429)	(489,788)

Our net cash used in investing activities decreased from a Ch\$10,429 million loss in 2011 to a Ch\$489,788 million loss in 2012. This 4,596.4% decrease in net cash used in investing activities was mainly due to acquisitions of property, plant and equipment and the consummation of the Banco Santander Colombia Acquisition.

Net Cash Provided by Financing Activities

	Year Ended December 31,		
	2010	2011	2012
	(in millions of Ch\$)		
Net cash provided by financing activities	274,210	333,862	413,400

Our net cash provided by financing activities increased from a Ch\$333,862 million gain in 2011 to a Ch\$413,400 million gain in 2012. This increase in net cash provided by financing activities was mainly due to a capital increase in the amount of Ch\$267,538 million in 2012.

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Deposits and Other Borrowings

The following table sets forth our average month-end balance of our liabilities for the years ended December 31, 2010, 2011 and 2012, in each case together with the related average nominal interest rates paid thereon.

	As of December 31,								
	2010			2011			2012		
	Average Balance	Interest Paid	Average Normal Rate	Average Balance	Interest Paid	Average Normal Rate	Average Balance	Interest Paid	Average Normal Rate
	(in millions of Ch\$ except for percentages)								
Time deposits	3,547,844	85,975	2.4%	3,999,608	204,618	5.1%	6,639,517	359,641	5.4%
Central Bank borrowings	1,274	115	9.0%	–	–	–	39	–	0.0%
Repurchase agreements	424,297	4,901	1.2%	163,649	8,462	5.2%	344,293	15,751	4.6%
Mortgage finance bonds	246,678	16,428	6.7%	198,485	15,968	8.0%	161,583	10,999	6.8%
Bonds	745,567	46,334	6.2%	1,207,422	92,614	7.7%	1,590,962	97,556	6.1%
Other interest bearing-liabilities	800,262	9,476	1.2%	1,039,265	13,960	1.3%	2,085,162	22,169	1.1%
Subtotal interest-bearing liabilities	<u>5,765,922</u>	<u>163,229</u>	<u>2.8%</u>	<u>6,608,429</u>	<u>335,622</u>	<u>5.1%</u>	<u>10,821,556</u>	<u>506,116</u>	<u>4.7%</u>
Non-interest bearing liabilities:									
Non-interest bearing deposits	309,874			384,818			516,934		
Derivates	125,367			162,374			204,949		
Other non-interest bearing liabilities	94,846			228,155			261,671		
Shareholders' equity	508,289			598,474			911,442		
Subtotal non-interest bearing liabilities	<u>1,038,376</u>			<u>1,373,821</u>			<u>1,894,996</u>		
Total	<u>6,804,298</u>	<u>163,229</u>		<u>7,982,250</u>	<u>335,622</u>		<u>12,716,552</u>	<u>506,116</u>	

Our current funding strategy is to continue to utilize all sources of funding in accordance with their cost, their availability and our general asset and liability management strategy. Our most important source of funding is our time deposits. Time deposits represented 61.4% of our average interest bearing liabilities for the year ended December 31, 2012. We are continuing to place special emphasis on increasing deposits from retail customers, which consist primarily of checking accounts that do not bear interest and accordingly represent an inexpensive source of funding for us. Our total checking accounts increased 63% compared to 2011. To the extent that these types of deposits represent a larger percentage of our funding base, the percentage represented by time deposits is expected to decrease and, accordingly, we believe that the materiality to our business of uncertainties relating to rolling over deposits will be diminished. We also intend to continue to broaden our customer deposit base, to emphasize core deposit funding and to fund our mortgage loans with the matched funding available through the issuance of letters of credit loans in Chile's domestic capital markets. Management believes that broadening our deposit base by increasing the number of account holders has created a more stable funding source.

C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

We do not currently conduct any significant research and development activities.

D. TREND INFORMATION

Our net interest income in 2012 increased by Ch\$63,876 million or 33.1% when compared to 2011. Generally, our net interest income is positively affected by an inflationary environment to the extent that our average UF-denominated assets exceed our average UF-denominated liabilities, while our net interest income is negatively affected by inflation in any period in which our average UF-denominated liabilities exceed our average UF-denominated assets. Currently, we have more UF-denominated assets than liabilities.

Our operating incomes depend significantly on our net interest income. In 2010, 2011 and 2012, net interest income over total operating incomes represented 68.7%, 57.8% and 57.5%, respectively. Changes in market interest rates may affect the interest rates earned on our interest-earning assets and the interest rates paid on our interest bearing liabilities which may result in a further reduction in our net interest income.

Consolidation, which can result in the creation of larger and stronger competitors, may adversely affect our financial condition and results of operations by decreasing the net interest margins we are able to generate and increasing our costs of operation. In addition, we expect to continue to face competition from non-banking financial entities such as department stores, leasing, factoring and automobile finance companies, mutual funds, pension funds and insurance companies.

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The following are the most important trends, uncertainties and events that are reasonably likely to affect us or that would cause the financial information disclosed herein not to be indicative of our future operating results or financial condition:

- Uncertainties relating to economic growth expectations and interest rate cycles, especially in the United States, where the high current account deficit of the U.S. economy may translate into an upward adjustment of risk premium and higher global interest rates.
- The upturn in the Chilean and/or Colombian economies could be weaker than expected. Higher than expected unemployment rates and lower economic growth could increase provision expenses and decrease our rate of loan growth in the future.

Also see “Item 5. Operating and Financial Review and Prospects—A. Operating Results”.

E. OFF-BALANCE SHEET ARRANGEMENTS

We are party to transactions with off-balance-sheet risk in the normal course of our business. These transactions expose us to credit risk in addition to amounts recognized in the consolidated financial statements and include commitments to extend credit. These commitments include such items as guarantees, open and unused letters of credit, overdrafts and credit card lines of credit.

Such commitments are agreements to lend to a customer at a future date, subject to the customer’s compliance with contractual terms. Since a substantial portion of these commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent our actual future cash requirements. The amounts of these commitments is Ch\$3,641,737 million as of December 31, 2012.

Contingent loans consist of guarantees granted by us in Ch\$, UF and foreign currencies (principally US\$), as well as open and unused letters of credit. The total amount of contingent loans held off balance sheet as of December 31, 2010, 2011 and 2012 was Ch\$1,052,282 million, Ch\$1,791,586 million and Ch\$2,396,064 million, respectively. Contingent loans are considered in the calculation of risk weighted assets and capital requirements as well as for credit risk reserve requirements (see note 21 to our consolidated financial statements included herein).

We use the same credit policies in making commitments to extend credit as we do for granting loans. In the opinion of our management, our outstanding off-balance sheet commitments do not represent an unusual credit risk.

Traditional financial instruments which meet the definition of a “derivative” such as forwards in foreign currency, UF, interest rate futures currency and interest rate swaps, currency and interest rate options and others, are initially recognized on the balance sheet at their fair value. The fair value is obtained from market quotes, discounted cash flow models and option valuation models, as applicable. For further details of fair value, see note 33 of the consolidated financial statements included herein.

In terms of outstanding exposure to credit risk, the true measure of risk from derivative transactions is the marked-to-market value of the contracts at a point in time (i.e., the cost to replace the contract at the current market rates should the counterparty default prior to the settlement). For most derivative transactions, the notional principal amount does not change hands; it is simply an amount that is used as a reference upon which to calculate payments.

F. TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

In addition to the scheduled maturities of our contractual obligations which are included under “—Liquidity and Capital Resources—Sources of Liquidity” above, as of December 31, 2012, we also had other commercial commitments which mainly consist of open and unused letters of credit together with guarantees granted by us in Ch\$, UF and foreign currencies (principally U.S. dollars). We expect most of these commitments to expire unused.

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The following table includes both the accrued interest and the interest expense projected over time of each contractual obligation as of December 31, 2012. For variable rate debt and interest rate swaps and other derivatives, where applicable, the interest rates upon which we based our contractual obligations going forward are based on the applicable forward curves. For any cross-currency swaps or other derivatives as applicable, the foreign currency exchange rate used was spot.

<u>Contractual Obligations</u>	<u>Less than 1 year</u>	<u>1-3 years</u>	<u>3-5 years</u> (in millions of Ch\$)	<u>More than 5 years</u>	<u>Total</u>
Time deposits and saving accounts	7,322,814	519,546	838	37,316	7,880,515
Deposits and other demand liabilities	749,925	364,230	-	-	1,114,155
Bank obligations	873,406	103,167	7,854	1,701	986,127
Investments under repurchase agreements	258,898				258,898
Issued debt instruments	212,057	360,061	679,193	1,453,182	2,704,494
Other financial liabilities	7,959	1,204	988	7,969	18,120
Financial derivative contracts (all speculative and hedging instruments)	512,704	146,307	21,162	(16,219)	663,954
Total contractual obligations	<u>9,937,763</u>	<u>1,494,515</u>	<u>710,035</u>	<u>1,483,949</u>	<u>13,626,264</u>

(*) The variable rates projections are obtained from the FRA rates of the respective projection curves. The parities used to convert the amounts to Chilean pesos correspond to the accounting parities used in the referred date.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. DIRECTORS AND SENIOR MANAGEMENT

We are managed by our Chief Executive Officer (*Gerente General*) under the direction of our Board of Directors, which, in accordance with the Company's by-laws, consists of 9 directors and 2 alternates who are elected at our annual shareholders' meetings. Members of the Board of Directors are elected for three-year terms. Most of our current members of the Board of Directors were elected on March 12, 2013. Cumulative voting is permitted for the election of directors. The Board of Directors may appoint replacements to fill any vacancies that occur during periods between elections. Our principal executive officers are appointed by the Board of Directors and the Chief Executive Officer of CorpBanca and hold their offices at the discretion of the Board of Directors and the Chief Executive Officer. Scheduled meetings of the Board of Directors are held monthly. Extraordinary meetings can be held when called in one of three ways: by the Chairman of the Board of Directors, by one or more directors with the prior approval of the Chairman of the Board of Directors, or by five directors. None of the members of our Board of Directors has a contract or agreement which entitles any director to any benefits upon termination of employment with CorpBanca.

Our current directors are as follows:

<u>Directors</u>	<u>Position</u>	<u>Age</u>
Jorge Andrés Saieh Guzmán	Chairman and Director	42
Fernando Agud Dagach	First Vice Chairman and Director	53
Jorge Selume Zaror	Second Chairman and Director	61
Rafael Guilisati Gana	Director	59
Francisco León Délano	Director	58
Francisco Mobarec Asfura	Director	62
Gustavo Arriagada Morales	Director	59
José Luis Mardones Santander	Director	62
Hugo Verdegaa	Director	63
María Catalina Saieh Guzmán	Alternate Director	30
Ana Beatriz Holuigue Barros	Alternate Director	57

Jorge Andrés Saieh Guzmán became a Director on August 25, 1998. On February 2, 2012, Mr. Saieh Guzmán became the Chairman of our Board of Directors. Mr. Saieh Guzmán also serves as the Chairman of the board of directors for Consorcio Periodístico de Chile S.A., Vice Chairman of both CorpGroup and the Chilean

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National Press Association. In addition, Mr. Saieh Guzmán is a member of the board of Corp Group Inmobiliaria S.A and the Vidadeporte foundation. Mr. Saieh Guzmán has also served as the Vice Chairman of the board of AFP Protección, as a member of the board of AFP Provida and as a member of the board of our former affiliate CorpBanca Venezuela. Mr. Saieh Guzmán also serves similar positions on a variety of different boards. Mr. Saieh Guzmán received a B.A. in Business and Administration and graduated from the Universidad Gabriela Mistral. Mr. Saieh Guzmán holds a Masters in Economics and a Masters in Business and Administration from the University of Chicago. Alvaro Saieh Bendeck is the father of Mr. Saieh Guzmán.

Fernando Aguad Dagach became a Director on June 18, 1996. On February 2, 2012, Mr. Aguad became our First Vice Chairman. Mr. Aguad has previously held similar positions in a variety of institutions including Interbank Perú, Banco Osorno y La Unión and Canal de Televisión La Red. Mr. Aguad is an investor in financial institutions.

Jorge Selume Zaror became a Director on May 23, 2001. On February 2, 2012, Mr. Selume became our Second Vice Chairman. Mr. Selume also serves as director of the board, among others, for Vidacorp S.A., Indisa Clinic, and the Universidad Las Americas. Prior to this Mr. Selume was a director on the board of directors of Banco Osorno y La Unión, a director of the government budget office of Chile, Chairman of our former affiliate CorpBanca Venezuela and the Chief Executive Officer of CorpBanca between 1996 and 2001. Mr. Selume received a B.A. in Business and Administration and graduated from the Universidad de Chile. Mr. Selume holds a Masters in Economics from the University of Chicago.

Rafael Guilisati Gana became Director on February 2, 2012. Mr. Guilisati has served as vice-chairman of the board of directors and a member of the audit committee of Viña Concha y Toro since September 1998. He also serves on the board of directors of Viñedos Emiliana S.A., Frutícola Vicono and Viña Almaviva, among others. Mr. Guilisati previously served as President of the Asociación de Viñas de Chile from 1986 to 2003 as well as Vice President of the Sociedad de Fomento Fabril (2005-2011) and President of the Confederación de la Producción y del Comercio (2008-2010). He received a B.A. in History from Universidad Católica de Chile.

Francisco León Délano became a Director on May 31, 2011. Mr. Delano previously served on the board of directors of ABN AMRO (Chile) and BBVA (Chile) and currently serves on the board of directors of other major corporations. Mr. Delano was an executive at Citigroup for over 19 years. He received an engineering degree from the Universidad Católica de Chile as well as an M.B.A. from Harvard University.

Francisco Mobarec Asfura became Director on February 2, 2012. Previously, Mr. Mobarec served as a manager in the area of corporate risk at BancoEstado (2003-2006) and Banco Santiago (1999-2002), among others. Mr. Mobarec has previously served as a member of the audit committee of Banco Central de Chile (2007-2012) and a member of the board of directors of Factoring Penta S.A. (2008-2010), Empresa de Correos de Chile (2003-2006) and Banco Estado S.A. Administradora General de Fondos (2003-2006), among others. He received a B.A. in Business and Administration and an Accounting Auditor degree from the Universidad de Chile.

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Gustavo Arriagada Morales became a Director on September 28, 2010. Mr. Arriagada was the Superintendent of Banks and Financial Institutions. He received a B.A. in Business and Administration and an Economics degree from the Universidad de Chile.

José Luis Mardones Santander became a Director on March 12, 2013. Mr. Mardones currently serves as partner and director of Mardones y Marshall Consultores, independent director of CorpBanca and Metro de Valparaíso (Merval), and as director of Corporación CESCO (Centro de Estudios del Cobre y la Minería). Mr. Mardones previously served as chairman of the board of directors of BancoEstado, chairman of Empresa Portuaria Valparaíso, director of Empresa Portuaria San Vicente, Instituto de Estudios Bancarios and of certain affiliates of Enami and Colbún. He received a civil engineering degree from the Universidad de Chile as well as a Masters in Law and Diplomacy and an International Studies Ph.D from Tufts University, The Fletcher School of Law and Diplomacy.

Hugo Verdegaal became a Director on March 12, 2013. Mr. Verdegaal has more than 30 years experience as a business manager and senior client banker in the Latin America markets. Mr. Verdegaal has served as Citigroup's and Citicorp's Latin America managing director in the investment banking and corporate finance divisions in New York, as well as vice president of Citibank in Sao Paulo, Brazil. He received an M.A./B.A. in Economics degree from the Erasmus University (formerly Netherlands School of Economics), as well as an M.B.A. from the University of Michigan, Ann Arbor.

María Catalina Saieh Guzmán became an Alternate Director on February 2, 2012. Ms. Saieh was Cultural Associated and Opinion Associated Editor at La Tercera Newspaper. She has been a Member of the Board of CorpVida Insurance Company since 2009 and became its Chairman in 2011. She was also Vice-Chairman of the Board of Consorcio Periodístico de Chile S.A. (COPESA) during 2007. In 2010, she became Chairman of the Board of Fundación Descúbreme and Chairman of the Board Fundación Educacional Colegio El Golf. Ms. Saieh is a Member of the Board of Fundación CorpArtes. Ms. Saieh holds a B.A. in English and a M.A. in Literature from Pontificia Universidad Católica de Chile. She also holds a M.B.A. from the University of Chicago, Booth School of Business.

Ana Beatriz Holuigue Barros became a Director on August 30, 2011. Previously, Ms. Holuigue was a professor at the Universidad Católica de Chile and served various roles at COPEC. She currently serves on the board of directors of Grupo de Radios Dial, Copesa and Supermercados de Chile S.A., among others. She received a B.A. in Business and Administration from the Universidad Católica de Chile.

Our Executive Officers as of December 31, 2012 are as follows:

<u>Executive Officer</u>	<u>Position</u>	<u>Age</u>
Fernando Massú Tare	Chief Executive Officer	56
Eugenio Gigogne Miqueles	Chief Financial Officer	48
Cristián Canales Palacios	Director – Legal Services, Control & Customer Service	48
José Francisco Sánchez Figueroa	Director – Wholesale banking	59
Richard Kouyoumdjian Inglis	Director — Investment Projects, Re-engineering and Administration	48
Christian Misle Jano	Director – Executive Committee	43
Oscar Cerda Urrutia	Division Head — Companies & SME	57
Ricardo Torres Borge	Division Head – Real Estate	48
Pedro Silva Yrarrázaval	Division Head — International and Finance	53
Rodrigo Arroyo Pardo	Division Head – Treasury	41
Gerardo Schlotfeldt Leighton	Division Head — Retail Banking and Banco Condell	53
Jorge Hechenleitner Adams	Division Head — Wealth Management	55
Andrés García Lagos	Division Head — Assets Management	35
José Brito Figari	Division Head — Commercial Credit Risk	51
Jorge Garrao Fortes	Division Head — Retail Credit Risk	41
Rodrigo Oyarzo Brncic	Division Head – Larger Corporate and Real Estate Companies	41
Armando Ariño Joiro	Division Head — IT	47
Américo Becerra Morales	Division Head — Operations	52
Patricia Retamal Bustos	Division Head — Synergies	41
Marcela Leonor Jiménez Pardo	Division Head — Human Resources	38
María Gabriela Salvador Broussaingaray	Division Head — Customer Service	44
Jaime Munita Valdivieso	Chief Executive Officer – Banco CorpBanca Colombia	43
Fernando Burgos Concha	General Manager — New York Branch	59
José Manuel Mena Valencia	Comptroller Manager — Reports to Audit Committee	57

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Fernando Massú Tare became the Chief Executive Officer on February 6, 2012. Mr. Massú previously served as a Director and Second Vice Chairman of our Board of Directors from October 15, 2009 until January 24, 2012. Prior to this, Mr. Massú served as Group Corporate Director of CorpGroup (2008). Previously, he held the position of Global Wholesale Banking Director at Banco Santander-Chile from 1995-2007. Between 1992 and 1995, Mr. Massú had management positions within the Santander Group in Portugal and Canada. From 1982 to 1992, Mr. Massú worked as General Manager Citicorp Chile Agencia de Valores. Mr. Massú received a B.A. in Business and Administration from Universidad Adolfo Ibañez and attended a Professional Management Course at Harvard University.

Eugenio Gigogne Miqueles has served as Chief Financial Officer of CorpBanca since April 2010. Previously, he had served as head of the market risk department. Before arriving at CorpBanca in 2009, Mr. Gigogne was the CFO of Scotiabank — Chile. Mr. Gigogne received a B.A. in Business and Economics from the Universidad de Chile and a M.B.A. from Tulane University, USA.

Cristián Canales Palacios became Director of Legal Services, Control & Customer Service in March, 2012. Mr. Canales served as Interim Chief Executive Officer from December 29, 2011 to February 5, 2012 following the resignation of Mario Chamorro Carrizo. Previously, he served as Division Manager of Legal Services since April 2003. Mr. Canales served as our Legal Services Manager from 2002 to February 2003 and as Senior Attorney from 1996 to 2001. From 1989 to 1996, Mr. Canales served as an Attorney for Banco Osorno y La Unión. Mr. Canales received a law degree from the Universidad de Chile.

José Francisco Sánchez Figueroa became Director of Wholesale Banking in March 2012. Previously, he served as the Division Manager of CorpBanca since October 2009. Mr. Sánchez was Deputy Head Large Companies and Corporate at CorpBanca, as well as other postings within the area (1996-2009). Mr. Sánchez received a B.A. in Business and Economics from the Universidad Católica de Chile.

Richard Kouyoumdjian Inglis became Director of Investment Projects, Re-engineering and Administration on March 1, 2012. He was previously the CFO & CAO for the South American, Caribbean and Central America regions of Citigroup. Mr. Kouyoumdjian received a BSC in Naval Weapons Engineering from the Academia Politécnica Naval and a M.B.A. from the Universidad Católica de Chile. He also attended postgraduate studies at the Universities of Chicago and Cornell.

Christian Misle Jano became Director of the Executive Committee in April 2012. Prior to his new role, he was Manager of Large Companies and Corporate at CorpBanca since March 2010. Mr. Misle received an undergraduate degree in Commercial Engineering from the Universidad de Santiago de Chile.

Oscar Cerda Urrutía has served as the Division Head of Companies & SME since June 2008. Mr. Cerda was previously the Chief Executive Officer of Banco Ripley. Mr. Cerda received a B.A. in Business and Administration from the Universidad de Concepción.

Ricardo Torres Borge became the Division Head of Real Estate in March 2012. Previously, he worked in Banco Santander's Investment Banking area for sixteen years under the following titles: Investment Funds Director, General Manager of Santander S.A. Administradora de Fondos de Inversión, Real Estate Investment Banking Director, Structured Finance Director, Corporate, Investment Banking and M&A Director, and Equities Director. He was also in charge of Euroamérica's Corporate Finance area for one year. Mr. Torres received an undergraduate degree in Commercial Engineering from the Universidad Austral de Chile.

Pedro Silva Yrarrázaval has served as the Division Head of International and Finance since October 2006. Mr. Silva was previously the Chief Executive Officer of our subsidiary CorpBanca Administradora General de Fondos S.A. (Asset Management). Mr. Silva received a B.A. in Business and Administration from the Universidad de Chile. Mr. Silva also received a M.B.A. from the University of Chicago.

Rodrigo Arroyo Pardo became Division Head of Treasury in March 2012. Prior to his new role, he was Manager of Large Companies, Corporate & Real State of CorpBanca. Mr. Arroyo has been with CorpBanca since 2005 when he worked as an Assistant Manager of Investments in Local Currency. He was later named Manager of Trading in 2007. Previously, Mr. Arroyo worked for Grupo Santander for seven years and Metlife for five years. Mr. Arroyo received a B.A. in Business and Administration from the Universidad de Santiago de Chile and a M.B.A. from the Universidad Adolfo Ibañez.

Rodrigo Oyarzo Brncic became Division Head of Larger Corporate and Real Estate Companies in January 2012. Previously, he was Manager of Structured Business from January 2009 to December 2011. Mr. Oyarzo received a B.A. in Business and Administration from the Universidad de Santiago.

Gerardo Schlotfeldt Leighthon has served as the Division Head of Banco Condell since June 2010 and as Division Head of Retail Banking since January 2011. Previously, he was the CEO of Banco Paris. Mr. Schlotfeldt received an undergraduate degree in Industrial Civil Engineering from the Universidad Católica de Chile.

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Jorge Hechenleitner Adams became Division Head of Wealth Management in January 2012. Previously, he was Head of Private Banking (Nobel y Prime) at Banco Santander-Chile for five years. His highest title at Banco Santander-Chile was Manager of Subsidiaries division with 300 offices under his supervision. Mr. Hechenleitner received a B.A. in Business Administration from the Universidad Austral de Chile.

Andrés García Lagos became Division Head of Assets Management in January 2012. Previously, he was the Chief Investment Officer of BBVA Asset Management AGF. Mr. García received a B.A. in Industrial Engineering from the Pontificia Universidad Católica de Chile and a Masters in Finance from the London Business School.

José Brito Figari became Division Head of Commercial Credit Risk in June 2011. Previously, Mr. Figari served as Manager of Commercial Credit Risk since 2008. Mr. Brito received a B.A. in Business and Administration from Universidad Adolfo Ibáñez.

Jorge Garrao Fortes has served as Division Head of Retail Credit Risk since September 10, 2010. He has over 14 years of experience in the financial market. Mr. Garrao received an undergraduate degree in Industrial Civil Engineering from the Universidad de Chile.

Armando Ariño Joiro has served as the Division Head of IT since 2008. In 2008, the Operations Division merged with Information Technology creating the new Division Operations and Technology. From November 2000 to 2008 he served as Division Manager of Information Technology. From 1995 to 2000 Mr. Ariño served as the Information Technology Senior Consultant of Coinfin (Colombia) and from 1993 to 1995 he served as the Information Technology Manager of Finasol (Colombia). Mr. Ariño received an undergraduate degree in Information Technology Civil Engineering with a specialization in Banking from the Universidad INCCA in Colombia.

Américo Becerra Morales became Division Head of Operations in April 2012. Previously, he was Manager of Technology and Global Operations at Banco Santander-Chile. Mr. Becerra has over 20 years of professional experience in the financial sector. He currently serves as an Alternate Director for the Association of Mutual Funds and the chairman of the Committee of Financial Operations of the Association of Banks and Financial Institutions. Mr. Becerra is the former chairman of the Audit Committee of the Central Securities Depository (DCV) and former chairman of the Operations and Technology Committee at the DCV. He also previously served as Director and Chairman of Santander S.A. Agente de Valores. Mr. Becerra received his auditor license at the Universidad de Santiago, a B.A. from the Universidad Católica de Chile, a M.B.A. from the Executive Development Institute and a Professional Development Degree from the Universidad de los Andes.

Patricia Retamal Bustos became Division Head of Synergies in January 2012. She has been with CorpBanca for four years, first as Manager of Corporate Banking. Ms. Retamal has 17 years of experience working at banks in the commercial credit risk and Large Companies and Corporations areas. She spent five years working at Banco Santander-Chile and eight years at Banco de Chile. Ms. Retamal received a B.A. in Business and Administration from the Universidad de Santiago de Chile.

Marcela Leonor Jiménez Pardo became Division Manager of Human Resources in July 2012. Previously, she served in the Global Banking Consulting Group at Banco de Chile since 2008. Ms. Jiménez received an undergraduate degree in Psychology from the Pontificia Universidad Católica de Chile. She also holds a postgraduate degree in Human Resources Management from the Adolfo Ibáñez.

María Gabriela Salvador Broussaingaray has served as the Division Head of Customer Service of CorpBanca since April 2010. Previously, Ms. Salvador had the same responsibility in Banco de Chile. Ms. Salvador received a B.A. in Business and Economics from the Universidad de Chile and has more than 18 years of experience in the financial sector.

Jaime Munita Valdivieso became Chief Executive Officer of Banco CorpBanca Colombia in May 2012. Previously, Mr. Munita worked for Grupo Santander Chile from 1997 to 2008, where he served as Manager at the Santander Chile Securities Agency, as Area Chief at Banco Santander Chile and as Fund Manager at Santander

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Asset Management. He also previously served as a direct advisor to CorpBanca, and currently serves as a member of the Banco CorpBanca Colombia Board of Directors. Mr. Munita received an undergraduate degree in Commercial Engineering from the Universidad de Finis Terrae and a Master of Business Administration from the Universidad Alfonso Ibáñez.

Fernando Burgos Concha has served as General Manager of CorpBanca's New York Branch effective June 2010. Previously, Mr. Burgos served as Manager of the International Area of CorpBanca for a period of seven years. Previously, he held several positions within CorpBanca and its parent, Corp Group Banking S.A. Mr. Burgos received a Bachelor of Science in Management from the US Air Force Academy, Colorado Springs USA.

José Manuel Mena Valencia has served as our Comptroller Manager since March 2008. From 1995 to 2008 Mr. Mena served as the Chief Executive Officer of BancoEstado. Previously, he was the Chief Financial Officer of Banco Osorno y La Union. Mr. Mena received an undergraduate degree in Industrial Civil Engineering. Mr. Mena also received a Masters in Economics from the Universidad de Chile.

B. COMPENSATION

Consistent with Chilean law, we do not disclose to our shareholders, or otherwise make public, information regarding the individual compensation of our directors or officers. For the year ended December 31, 2012, we paid fees to each of our directors in the amount of UF100 per month and the chairman UF600 per month. No amounts were set aside or accrued by us to provide pension, retirement or similar benefits for our directors and executive officers. In the ordinary shareholders' meeting held in March 2013, the Board of Directors agreed to pay each director UF100 per month and the chairman UF600 per month. We engaged in transactions with companies controlled by certain of our directors under the applicable requirements of the Chilean Corporations Law. In 2012, we paid our senior management and Directors-Audit Committee members an aggregate of Ch\$16,270 million. Chilean law does not require us to have a compensation committee.

C. BOARD PRACTICES

The period during which the directors have served in their office is shown in the table under Section A of this Item 6. The date of expiration of the current term of office is shown in the table below:

Director	Date of Expiration of Term
Jorge Andrés Saieh Guzmán	March 2016
Fernando Aguad Dagach	March 2016
Jorge Selume Zaror	March 2016
Rafael Guilisati Gana	March 2016
Francisco León Délano	March 2016
Francisco Mobarec Asfura	March 2016
Gustavo Arriagada Morales	March 2016
José Luis Mardones Santander	March 2016
Hugo Verdegaal	March 2016
María Catalina Saieh Guzmán	March 2016
Ana Beatriz Holuigue Barros	March 2016

Pursuant to the provisions of our bylaws, all the board will be renewed every three years, based on length of service and according to the date and order of their respective appointments.

THE DIRECTORS COMMITTEE AND AUDIT COMMITTEE

On August 31, 2011, the Directors Committee merged with the Audit Committee. The Directors Committee then became responsible for all functions of the Audit Committee, or the Directors-Audit Committee. On March 12, 2013, the Directors-Audit Committee was split into two different committees, The Audit Committee and the Directors Committee, to make their respective functions more specialized and efficient.

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The Audit Committee is currently comprised of six members, four of them are also members of the Board of Directors: Messrs. Gustavo Arriagada Morales, who chairs it, Rafael Guilisasti, Hugo Verdegaal, María Catalina Saieh Guzmán, Alejandro Ferreiro Yazigi and Juan Echeverría González.

The Directors Committee is comprised of four members; three of them are also members of the Board of Directors: Messrs. Gustavo Arriagada Morales, who chairs it, Hugo Verdegaal, José Luis Mardones Santander and Juan Echeverría González.

Mr. Ferreiro has been a member of the Audit Committee (formerly the Directors-Audit Committee) since 2010. Mr. Ferreiro had a career in the Chilean public sector, where he served as Minister of Economics between 2006 and 2008. Mr. Ferreiro was also Superintendent of Securities and Insurance (2003-2006), Superintendent of Pension Funds (2000-2003) and Superintendent of Social Security Health Plans (ISAPRES). He is currently a director of several public listed companies in Chile, such as Madeco S.A., E.CL S.A. (formerly Empresa Eléctrica del Norte Grande S.A.), Essbio S.A., Esval S.A. and Compañía de Seguros CorpVida S.A. Mr. Ferreiro was also appointed as a member of the Counsel for Transparency by President Bachelet and approved by 2/3 of the Senate to serve a 6 year term (2008-2014). Mr. Ferreiro received a law degree from the Universidad de Chile and received a Masters degree from the University of Notre Dame.

Mr. Echeverría has been a member of the Directors Committee and the Audit Committee (formerly the Directors-Audit Committee) since 2012. Mr. Echeverría is currently Corporate Chief Compliance Officer at CorpGroup. He was in charge of Deloitte's audits of Banco Osorno, BBVA, Banco del Desarrollo, Banco Internacional, Financiera Condell, Banco CorpBanca Venezuela, and of several services provided to such financial institutions. Mr. Echeverría is currently a director and a member of the audit committee of Compañía Minera San Gerónimo and CorpGroup Activos Inmobiliarios S.A., a director of Banco CorpBanca Colombia, and an advisor to the Board of Directors and Audit Committee of Copesa. He has participated in several local and international seminars regarding corporate governance, restructurings and business acquisitions. Mr. Echeverría received B.A. in Accounting from Universidad de Chile and received a Masters degree from the Universidad Adolfo Ibáñez.

In May 2003, the SBIF adopted a resolution requiring that, beginning in January 2004, all Chilean banks must establish an Audit Committee composed of two or more members, two of whom must be directors appointed by the Board of Directors. As mentioned above, on August 31, 2011, the Audit Committee merged with the Directors Committee. The Directors Committee then became responsible for all the functions of the Audit Committee.

The main duties of the Audit Committee are to review the efficiency of internal control systems, to ensure compliance with laws and regulations and to have a clear understanding of the risks involved in our business. The SBIF recommends that at least one of the members of the Audit Committee, who must also be a member of the Board of Directors, be experienced with respect to the accounting procedures and financial aspects of banking operations. The members of the Audit Committee appointed by the Board of Directors must be independent according to the criteria set by the Board of Directors. In furtherance of the independence of the Audit Committee, our Board of Directors has determined that Audit Committee members should not, for the last three years, have held positions as our principal executive officers, have performed professional services for us, have commercial commitments with us or with any of our affiliates or related persons, or have relations with other entities related to us from which they have received material payments. Moreover, they may not accept any payment or other compensatory fee from us, other than in their capacity as members of the Audit Committee or of other committees. All the members of the Audit Committee receive a monthly remuneration.

The Directors Committee's and Audit Committee's responsibilities are, among others:

- reviewing the reports of the internal and external auditors, the balance sheet and any other financial statements presented by the administration to the shareholders, and to pronounce about it previous to its presentation to the shareholders for approval,
- recommending external auditors and rating agencies to the Board of Directors,
- reviewing operations with related parties and reporting to the Board of Directors,
- reviewing the compensation plans of executive officers and principal officers,
- examining the systems of remuneration and compensation plans for managers, senior executives and employees of the Company,
- preparing an annual report about its activities, including its main recommendations to shareholders,

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- other duties required by our by-laws, a shareholders meeting and our Board of Directors,
- proposing external auditors to the Board of Directors or the Directors Committee,
- proposing rating agencies to the Board of Directors or the Directors Committee,
- analyzing and supervising the activities, organizational structure and qualifications of our internal auditing staff, whom report directly to the Audit Committee,
- analyzing the rating agencies' reports and their content, procedures and scope,
- approving the audit plan for us and our affiliates,
- reviewing audits and internal reports,
- coordinating with internal and external auditors,
- reviewing annual and interim financial statements and informing the Board of Directors of the results of such reviews,
- reviewing the reports, procedures and extent of the work of external auditors,
- reviewing the procedures and content of reports from external risk evaluators,
- discussing the effectiveness and reliability of internal control procedures,
- reviewing the performance of information systems, their sufficiency, reliability and use in decision making,
- discussing the observance of internal regulations related to compliance with laws and regulations,
- reviewing and deliberating on issues related to conflicts of interests,
- investigating suspected fraudulent activities,
- reviewing the inspection reports, instructions and presentations from the SBIF,
- reviewing compliance with the annual program of internal auditing,
- informing the Board of Directors of any change in accounting principles and its effects, and
- Other duties of the Audit Committee include, as needed: (i) reviewing procedures to detect money-laundering; (ii) asking internal auditors to perform specific tasks; (iii) making recommendations on specific tasks to external auditors, and (iii) intervening in any other situation where intervention is warranted in the committee's discretion.

The Directors Committee and Audit Committee have charters that establish their composition, organization, objectives, duties, responsibilities and extension of their activities. The SBIF requires the Directors and Audit Committee to meet at least every four months and to provide an annual written report to the Board of Directors informing it of their activities. The report must also be presented to the annual shareholders' meeting. According to their charter, the Directors Committee and Audit Committee meet twice per month.

OTHER COMMITTEES

Anti-Money Laundering and Anti-Terrorism Finance Prevention Committee

This committee is in charge of preventing money laundering and terrorism financing. Its main purposes include planning and coordinating activities to comply with related policies and procedures, being informed of work carried out by the Compliance Officer and making decisions on any improvements to control measures proposed by the Compliance Officer. This committee is comprised of one director, the Chief Executive Officer, the Legal and Control Director, one Area Manager and the Compliance Officer. This committee has the authority to request attendance from any executives or associates that it deems necessary. The committee has regular monthly meetings and holds extraordinary sessions when considered appropriate by any of its members.

Compliance Committee

The purpose of this committee is to monitor compliance with the Codes of Conduct and other complementary rules; establish and develop procedures necessary for compliance with these codes; interpret, administer and supervise compliance with these rules; and resolve any conflicts that may arise. This committee is comprised of one director; the Chief Executive Officer; the Legal and Control Director; the Human Resources and the Compliance Officer.

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D. EMPLOYEES

As of December 31, 2012, on a consolidated basis, we had 5,163 employees. Approximately 39% of our employees were unionized as of December 31, 2012. All management positions are held by non-unionized employees. We believe that we have good relationships with our employees and the unions to which some of our employees belong.

As of December of each of the years ended 2010, 2011 and 2012, we had 3,422, 3,461 and 5,163 employees, respectively, on a consolidated basis.

The table below shows our employees by geographic area:

	Year Ended December 31		
	2010	2011	2012
Chile	3,404	3,443	3,574
Colombia	-	-	1,566
United States	18	18	23

E. SHARE OWNERSHIP

Mr. Saieh Bendeck together with his family maintains an indirect ownership of 75.6% of Corp Group Banking S.A. and CorpGroup Inversiones Bancarias Ltda. In addition, Mr. Saieh Bendeck with his family are indirect holders of 100% of the ownership rights of Compañía Inmobiliaria y de Inversiones Saga Ltda. and also of Inversiones Frater Ltda. and RCC Fondo de Inversión Privado. As of the date hereof, these holding companies, controlled by Mr. Saieh Bendeck, beneficially own approximately 45.9%, 4.1%, 7.9%, 0.3% and 0.0015% of our outstanding shares, respectively. On January 18, 2013, Mr. Aguad sold all of his common shares in a registered offering in the United States and elsewhere outside of Chile and in a local offering in Chile. Previously, Mr. Aguad and his family indirectly beneficially owned approximately 1% of our outstanding common shares. Other than as stated above, no director or officer owns 1% or more of our outstanding common shares.

Our directors and senior managers do not have different or preferential voting rights with respect to those shares they own.

We do not have any arrangements for issuing capital to our employees, including any arrangements that involve the issue or grant of options of our shares or securities.

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ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. MAJOR SHAREHOLDERS

Our only outstanding voting securities are our common shares. As of December 31, 2012, we had 293,358,194,234 common shares outstanding.

At the extraordinary shareholders meeting held on November 6, 2012, CorpBanca's shareholders approved a proposal by the Board of Directors to (i) cancel the common shares that were authorized pursuant to the terms agreed to at the extraordinary shareholders meeting held on April 10, 2012 but were not subscribed, and (ii) approved a capital increase in the amount of 47,000,000,000 common shares. On November 27, 2012, the Board of Directors authorized the issuance of 47,000,000,000 common shares.

The common shares were sold in (i) a registered offering in the United States and elsewhere outside of Chile on January 18, 2013, (ii) a local offering in Chile on January 18, 2013, and (iii) a preferential offering period beginning on January 16, 2013 and ending on February 14, 2013. CorpBanca's shareholders subscribed approximately 99% of the newly issued shares.

The following table sets forth information with respect to the record and beneficial ownership of our capital stock as of April 30, 2013, except treasury shares which have been included in the table below:

<u>Stockholder</u>	<u>Number of Shares</u>	<u>Percentage of total share capital</u>	<u>Number of Votes</u>	<u>Percentage of Voting and Dividend rights</u>
Corp Group Banking S.A. ⁽¹⁾⁽³⁾	153,354,431,458	45.06%	153,354,431,458	45.06%
Compañía Inmobiliaria y de Inversiones Saga Ltda. ⁽²⁾⁽³⁾	18,697,285,842	5.49%	18,697,285,842	5.49%
Compañía de Seguros CorpSeguros S.A.	7,134,057,374	2.10%	7,134,057,374	2.10%
Other investment companies	4,353,842	0.00%	4,353,842	0.00%
Saieh Group	181,944,407,326	53.46%	181,944,407,326	53.46%
IFC	17,017,909,711	5.00%	17,017,909,711	5.00%
Sierra Nevada Investment Chile Dos Ltda. (Santo Domingo Group)	9,817,092,180	2.88%	9,817,092,180	2.88%
ADRs holders and foreign investors	41,353,479,746	12.15%	41,353,479,746	12.15%
AFPs (Administradoras de Fondos de Pensiones)	25,916,947,894	7.61%	25,916,947,894	7.61%
Securities Brokerage	20,337,712,854	5.98%	20,337,712,854	5.98%
Other minority shareholders	43,970,644,523	12.92%	43,970,644,523	12.92%
Other shareholders	131,578,785,017	38.66%	131,578,785,017	38.66%
Total	340,358,194,234	100.00%	340,358,194,234	100.00%

(1) As of December 31, 2012, Corp Group Financial Chile B.V., or CGFC, indirectly owned 100% of the outstanding capital stock of Corp Group Banking S.A., or CGB. CGFC is controlled by Mr. Saieh Bendeck who, together with his family, indirectly owns a majority of its voting stock. Accordingly, beneficial ownership of CGB's shares is attributed to Mr. Saieh Bendeck and his family, and Mr. Saieh Bendeck and family thereby also indirectly control CorpBanca. As set forth in footnote (2) below, Mr. Saieh Bendeck and his spouse also indirectly beneficially own an additional 9.2% of the shares of CorpBanca through Saga (as defined below).

(2) Compañía Inmobiliaria y de Inversiones Saga Ltda., or Saga, is indirectly controlled by Mr. Saieh Bendeck and his spouse. Accordingly, beneficial ownership of Saga's shares is attributed to Mr. Saieh Bendeck and his spouse.

(3) Mr. Saieh Bendeck and his family are deemed to have beneficial ownership of these common shares.

On November 21, 2003, Corp Group Banking S.A. completed the offering and sale of 5,287,726 ADSs, representing an aggregate of 26,438,630,000 common shares, or 5,000 common shares per ADS, in a transaction exempt from the registration requirements of the Securities Act pursuant to Rule 144A and Regulation S thereunder. Concurrently with the ADSs offering, Corp Group Banking S.A. completed a public offering and sale of 26,438,637,013 common shares in Chile. In October 2004, we conducted a public offering of ADSs in exchange for ADSs that had been issued pursuant to Rule 144A. Also, on November 1, 2004, our ADSs were listed on the New York Stock Exchange.

As of December 31, 2012, ADR holders (through the depositary) held approximately 1.6% of our total common shares, represented by one registered shareholder. The remaining 98.4% of our total shares were held locally, in Chile, represented by 6,539 local and foreign shareholders. All of our shareholders have identical voting rights.

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B. RELATED PARTY TRANSACTIONS

GENERAL

In the ordinary course of our business, we engage in a variety of transactions with certain of our affiliates and related parties. The Chilean Corporations Law requires that our transactions with related parties be in our interest and also on an arm's-length basis or on similar terms to those customarily prevailing in the market. We are required to compare the terms of any such transaction to those prevailing in the market at the date the transaction is to be entered into. In the event that the transaction is not within the ordinary course of business, prior to its effectiveness, the Directors Committee must prepare a report describing the conditions of the operation and present it to the Board of Directors for its express approval. Directors of companies that violate this provision are liable for the resulting losses. Under the General Banking Law, transactions between a bank and its affiliates are subject to certain additional restrictions.

Under the Chilean Corporations Law, a "related transaction" is deemed to be any operation between the corporation and (1) one or more related persons under Article 100 of the Securities Market Act (see below), (2) a director, manager, administrator, principal officer or liquidator of the corporation, by him/herself or on behalf of persons other than the corporation, or their respective spouses or blood or marriage relatives to the second degree, (3) an entity of which any of the persons indicated in the previous numeral is the direct or indirect owner of ten percent or more of its capital or a director, manager or officer, (4) a person or entity determined as such by the by-laws of the corporation or the board committee, and (5) an entity in which a director, manager, administrator, principal officer or liquidator of the corporation, has acted in any of those capacities during the immediately previous 18 months.

Article 100 of the Securities Market Act provides that the following persons are "related" to a company: (1) the other entities of the business conglomerate to which the company belongs, (2) parents, subsidiaries and equity-method investors and investees of the company, (3) all directors, managers, officers and liquidators of the company, and their spouses or blood relatives to the second degree, or any entity controlled, directly or indirectly, by any of the referred individuals, (4) any person that, by him/herself or with other persons under a joint action agreement, may appoint at least one member of the management of the company or controls 10 percent or more of the capital or voting capital of a stock company and (5) other entities or persons determined as such by the SVS.

A publicly-traded corporation may only enter into a related transaction when its aim is to contribute to the corporate general interests, its conditions are set at arms' length and the corporation has followed the procedure indicated in the Chilean Corporations Law. The procedure to approve a related transaction can be summarized as follows: (1) the directors, managers, administrators, principal officers and liquidators involved in the potential transaction must give notice thereof to the board (these persons are obligated to disclose their interest in the transaction and their reasons to justify the convenience of the transaction for the corporation, both of which must be informed to the public), (2) the absolute majority of the board – excluding any director involved in the transaction – must approve the transaction, (3) the approval given by the board must be informed to the next shareholders' meeting, (4) if the directors involved in the transaction form the majority of the board, the transaction may only be approved by the unanimity of the remaining directors or by two thirds of the issued voting shares in the corporation in a shareholders' meeting, and (5) where the approval of the shareholders' meeting is required, the board will request an independent appraiser to submit to the shareholders the conclusions regarding the conditions of the transaction.

These rules are not applicable to non-material transactions in terms of amounts involved; transactions included in the ordinary course of business of the corporation, according to the policies approved by the board; and transactions with another entity of which the corporation owns at least 95% of its shares or rights.

Non-compliance with these rules does not invalidate the transaction, but the persons involved will be obligated to transfer the benefit accrued thereby from the transaction to the corporation and are liable for the potential damages suffered by the corporation. These rules apply to all publicly-traded corporations and to their subsidiaries, regardless of their corporate type.

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We believe that we have complied with the applicable requirements of the Chilean Corporations Law in all transactions with related parties and affirm that we will continue to comply with such requirements.

As of December 31, 2010, 2011 and 2012, loans to related parties totaled Ch\$125,620 million, Ch\$87,950 million and Ch\$170,957 million, respectively, and related party receivables, other than loans, totaled Ch\$22,739 million, Ch\$22,022 million and Ch\$47,251 million, respectively. See note 33 to our financial statements for a more detailed accounting of transactions with related parties.

LOANS TO RELATED PARTIES

As of December 31, 2010, 2011 and 2012, loans to related parties were as follows:

	2010		
	Operating Companies	Investment Companies	Individuals⁽¹⁾
	(in millions of Ch\$)		
Loans and receivables to customers			
Commercial loans	117,043	2,466	306
Mortgage loans	-	-	4,184
Consumer loans	1	-	1,931
Loans and receivables to customers - gross	117,044	2,466	6,421
Provision for loan losses	(291)	(4)	(16)
Loans and receivables to customers, net	116,753	2,462	6,405
Other	1,240		
	2011		
	Operating Companies	Investment Companies	Individuals⁽¹⁾
	(in millions of Ch\$)		
Loans and receivables to customers			
Commercial loans	83,374	2,509	1,012
Mortgage loans	-	-	6,105
Consumer loans	4	-	819
Loans and receivables to customers - gross	83,378	2,509	7,936
Provision for loan losses	(5,866)	-	(7)
Loans and receivables to customers, net	77,512	2,509	7,929
Other	8,930		
	2012		
	Operating Companies	Investment Companies	Individuals⁽¹⁾
	(in millions of Ch\$)		
Loans and receivables to customers			
Commercial loans	138,675	13,682	791
Mortgage loans	-	-	16,231
Consumer loans	817	-	6,337
Loans and receivables to customers – gross	139,492	13,682	23,359
Provision for loan losses	(5,023)	(201)	(352)
Loans and receivables to customers, net	134,469	13,481	23,007
Other	9,627	-	2,468

(1) Includes debt obligations that are equal to or greater than UF3,000 indexed-liked units of account, equivalent to Ch\$68.5 million as of December 31, 2012.

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All loans were made in the ordinary course of business, were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and did not involve more than the normal risk of collectability or present other unfavorable features. During 2010, 2011 and 2012, and in accordance with IFRS, the largest amounts of related party loans outstanding amounted to Ch\$128,297 million, Ch\$112,812 million and Ch\$173,625 million, respectively.

OTHER TRANSACTIONS WITH RELATED PARTIES

During 2010, 2011 and 2012, we had the following income (expenses) from services provided to (by) related parties:

Company	Year ended December 31,		
	2010	2011	2012
	Income (expenses)	Income (expenses)	Income (expenses)
	(in millions of Ch\$)		
Inversiones Corpgroup Interhold Limitada	(1,931)	(1,993)	(2,059)
Nexus S.A.	(922)	(900)	(916)
Transbank S.A.	(2,110)	(2,367)	(2,492)
Recaudaciones y Cobranzas S.A.	(792)	(985)	(1,217)
Redbanc S.A.	(800)	(1,442)	(1,539)
Fundación Corpgroup Centro Cultural	(133)	(2,203)	(624)
Fundación Descubreme	–	–	(66)
Inmobiliaria e Inversiones San Francisco Ltda.	(174)	(177)	(264)
Asesorías Santa Josefina Ltda.	(146)	(151)	(147)
Inmobiliaria e Inversiones Boquiñeni Ltda.	(66)	(58)	–
Promoservice S.A.	(372)	(1,032)	(1,438)
Compañía de Seguros Vida Corp. S.A.	(226)	(281)	(362)
Inmobiliaria Edificio Corp Group S.A.	(2,445)	(2,357)	(2,552)
Empresa Periodística La Tercera S.A.	(36)	(244)	(183)
SMU S.A. Rendic Hnos S.A.	(15)	(1,447)	(36)
Inmobiliaria e Inversiones B y F Limitada	(712)	(1,441)	–
Corpbanca Investment Valores S.A. Comisionista de Bolsa	–	–	765
Corpbanca Investment Trust S.A. Sociedad Fiduciaria	–	–	984
	(10,880)	(17,078)	(12,146)

These transactions were carried out on terms normally prevailing in the market at the date of the transaction.

C. INTERESTS OF EXPERTS AND COUNSEL

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

See “Item 17. Financial Statements”.

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LEGAL PROCEEDINGS

We are not involved in any legal or arbitration proceedings that we believe are reasonably likely to have a material adverse effect on us or our operations. We are not involved in any material legal or arbitration proceedings in which any of our directors, any member of our senior management or any of our affiliates is either a party adverse to us or our subsidiaries or has a material interest adverse to us or our subsidiaries. We are involved in collections proceedings initiated by us in the normal course of business and certain proceedings against us in the ordinary course of banking business.

DIVIDEND POLICY

Under the Chilean Corporations Law, as defined herein, Chilean open stock companies, such as ours, are generally required to distribute at least 30% of their net income each year, unless otherwise agreed by the unanimous consent of our shareholders. Provided that the statutory minimum is observed, Chilean law allows a majority of the shareholders to change and approve our dividend policy for any given period. In the event of any loss of capital or of the legal reserve, no dividends can be distributed so long as such loss is not recovered from earnings or otherwise. No dividends above the legal minimum can be distributed if doing so would result in the bank exceeding its indebtedness ratio or its lending limits.

The balance of our distributable net income is generally retained for use in our business (including for the maintenance of any required legal reserves). Although our Board of Directors currently intends to pay regular annual dividends, the amount of dividend payments will depend upon, among other factors, our then current level of earnings, capital and legal reserve requirements, as well as market conditions, and there can be no assurance as to the amount or timing of future dividends. Our actual dividend policy is to distribute at least 50% of each fiscal year net income, calculated as total net income for the period less an amount which maintains capital constant in real terms. Dividend distributions in 2010, 2011 and 2012 each amounted to 100%, 100% and 50% of net income for the previous fiscal year, respectively.

In the event that dividends are paid, holders of ADSs will be entitled to receive dividends to the same extent as the owners of common shares. Dividends received by holders of ADSs will, absent changes in Chilean exchange controls or other laws, be converted into U.S. dollars and distributed net of currency exchange expenses and fees of the depository and will be subject to Chilean withholding tax, currently imposed at the rate of 35% (which may be subject to credits in certain cases). Owners of ADSs are not charged with any fees with respect to cash or stock dividends.

B. SIGNIFICANT CHANGES

At the extraordinary shareholders meeting held on November 6, 2012, CorpBanca's shareholders approved a proposal by the Board of Directors to (i) cancel the common shares that were authorized pursuant to the terms agreed to at the extraordinary shareholders meeting held on April 10, 2012 but were not subscribed, and (ii) approved a capital increase in the amount of 47,000,000,000 common shares. On November 27, 2012, the Board of Directors authorized the issuance of 47,000,000,000 common shares.

The common shares were sold in (i) a registered offering in the United States and elsewhere outside of Chile on January 18, 2013, (ii) a local offering in Chile on January 18, 2013, and (iii) a preferential offering period beginning on January 16, 2013 and ending on February 14, 2013. CorpBanca's shareholders subscribed approximately 99% of the newly issued shares.

On January 16, 2013, CorpBanca issued US\$800 million aggregate principal amount of 3.125% Senior Notes. CorpBanca expects to use the net proceeds of this offering for general corporate purposes, primarily to fund lending activities.

On February 8, 2013, our subsidiary, CorpBanca Colombia, issued two series of subordinated bonds in the local Colombian market in the aggregate principal amount of US\$140 million. CorpBanca Colombia expects to use the net proceeds of these offerings to fund the growth of CorpBanca Colombia.

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At the ordinary shareholder meeting on March 7, 2013, our shareholders approved the following proposals: a proposal by the Board of Directors to distribute 50% of net income generated during 2012 in the form of a dividend, and the monthly compensation for the members of the Board of Directors in the amount of UF100 for each Director, and UF600 for the Chairman of the Board of Directors.

ITEM 9. OFFER AND LISTING DETAILS

A. OFFER AND LISTING DETAILS

PRICE HISTORY

The table below shows, for the periods indicated, high and low closing prices (in nominal Chilean pesos) of the common shares on the Santiago Stock Exchange and of our ADSs on the New York Stock Exchange.

	Santiago Stock Exchange		New York Stock Exchange	
	Common Shares		ADSs	
	High	Low	High	Low
	(Ch\$ per share ⁽¹⁾)		(US\$ per ADS ⁽²⁾)	
Annual Price History				
2008	3.38	2.31	35.15	16.90
2009	4.10	2.40	42.40	19.26
2010	8.90	4.10	94.00	39.00
2011	8.78	5.81	93.76	17.05
2012	7.40	5.50	23.08	17.11
Quarterly Price History				
2011 1st Quarter ⁽³⁾	8.78	6.85	93.76	21.10
2011 2nd Quarter	7.82	7.10	25.70	22.09
2011 3rd Quarter	7.38	5.81	24.77	17.00
2011 4th Quarter	7.10	6.02	21.72	16.80
2012 1st Quarter	7.40	6.37	23.08	19.61
2012 2nd Quarter	6.70	6.18	21.26	18.32
2012 3rd Quarter	6.36	5.50	19.42	17.11
2012 4th Quarter	6.43	5.60	21.00	17.77
Monthly Price History				
October 2012	6.33	5.60	20.50	17.77
November 2012	6.40	5.94	21.00	18.50
December 2012	6.43	6.14	20.40	19.25
January 2013	6.85	6.44	21.66	20.32
February 2013	6.98	6.72	22.19	21.15
March 2013	6.96	6.44	22.06	20.67
April 2013 ⁽⁴⁾	6.64	6.14	20.94	19.34

Sources: Santiago Stock Exchange Official Quotation Bulletin; NYSE.

(1) Chilean pesos per share reflect nominal price at trade date.

(2) Price per ADS in US\$: one ADS represents 5,000 common shares.

(3) On February 23, 2011, CorpBanca changed the ratio of the ADSs from 5,000 common shares to one ADS to 1,500 common shares to one ADS.

(4) Through April 30, 2013.

As of the date of this Annual Report, no trading suspensions relating to our common shares have occurred.

B. PLAN OF DISTRIBUTION

Not applicable.

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C. MARKETS

Our common shares are traded on the Santiago Stock Exchange under the symbol “CorpBanca”. Our ADSs have been listed since November 1, 2004 on the New York Stock Exchange under the symbol “BCA”.

D. SELLING SHAREHOLDER

Not applicable.

E. DILUTION

Not applicable.

F. EXPENSES OF THE ISSUE

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. SHARE CAPITAL

Not applicable.

B. MEMORANDUM AND ARTICLES OF INCORPORATION

Set forth below is material information concerning our share capital and a brief summary of the significant provisions of our by-laws, as defined below, and Chilean law. This description contains material information concerning the shares, but does not purport to be complete and is qualified in its entirety by reference to our by-laws, the General Banking Law, the Chilean Corporations Law and the Chilean Securities Market Law each referred to below.

GENERAL

Shareholder rights in a Chilean bank that is also an open-stock (public) corporation are governed by the corporation’s by-laws, which effectively serve the purpose of both the articles or certificate of incorporation and the by-laws of a company incorporated in the United States, by the General Banking Law and secondarily, to the extent not inconsistent with the latter, by the provisions of Chilean Corporations Law applicable to publicly traded corporations except for certain provisions which are expressly excluded. Article 137 of the Chilean Corporations Law provides that all provisions of the Chilean Corporations Law take precedence over any contrary provision in a corporation’s by-laws. Both the Chilean Corporations Law and our by-laws provide that legal actions by shareholders against us (or our officers or directors) to enforce their rights as shareholders or by one shareholder against another in their capacity as such are to be brought in Chile in arbitration proceedings, notwithstanding the plaintiff’s right to submit the action to the ordinary courts of Chile.

The Chilean securities markets are principally regulated by the SVS under the Chilean Securities Market Law and the Chilean Corporations Law. In the case of banks, compliance with these laws is supervised by the SBIF. These two laws provide for disclosure requirements, restrictions on insider trading and price manipulation and protection of minority investors. The Chilean Securities Market Law sets forth requirements relating to public offerings, stock exchanges and brokers, and outlines disclosure requirements for companies that issue publicly offered securities. The Chilean Corporations Law sets forth the rules and requirements for establishing open stock corporations while eliminating government supervision of closed (closely-held) corporations. Open stock (public) corporations are those that voluntarily or are legally required to register their shares in the Securities Registry.

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BOARD OF DIRECTORS

The Board of Directors has 9 regular members and 2 alternate members, elected by shareholder vote at General Shareholders' Meetings. The directors may be either shareholders or non-shareholders of the Company. There is no age limit for directors.

A director remains in office for three years and may be re-elected indefinitely. If for any reason, the General Shareholders' Meeting in which the new appointments of directors are to be made is not held, the duties of those serving as such shall be extended until their replacements are designated, in which case, the Board of Directors shall convene a meeting at the earliest possible time in order to effect the appointments.

The directors are entitled to compensation for the performance of their duties. The amount of their compensation is determined annually at the General Shareholders' Meeting. In addition, payments in the form of wages, fees, travel accounts, expense accounts, dues as representatives of the Board of Directors and other cash payments, payments in kind or royalties of any sort whatsoever, may be paid to certain directors for the performance of specific duties or tasks in addition to their functions as directors imposed upon them specifically by the General Shareholders' Meeting. Any special compensation is timely notified at the General Shareholders' Meeting, and for that purpose, a detailed and separate entry shall be made in CorpBanca's Annual Report to investors, which shall expressly indicate the complete name of each of the directors receiving special compensation.

Without prejudice to any other incapacity or incompatibility established by the Chilean Corporations Law and the General Banking Law, the following may not be directors: (a) those persons who have been sentenced or are being tried, either as principals or accessories, for crimes punishable with a penalty of temporary or permanent suspension from or incapacity to hold public office, (b) those persons who have been declared bankrupt and have not been rehabilitated, (c) members of the Chilean Congress, (d) directors or employees of any other financial institutions, brokers and security traders, together with its directors, officers, executives and managers; employees appointed by the President of the Republic and employees or officers of (i) the State, (ii) any public service, public institution, semi-public institution, autonomous entity or state-controlled company, or any such entity, a Public Entity, or (iii) any enterprise, corporation or public or private entity in which the State or a Public Entity has a majority interest, has made capital contributions, or is represented or participating, provided that persons holding positions in teaching activities in any of the above entities may be directors, and (e) the bank's employees, which shall not prevent a director from holding on a temporary basis and for a term not to exceed ninety days the position of General Manager. The Chief Executive Officer may not be elected as a director.

For purposes of the appointment of directors, each shareholder shall have the right to one vote per share for purposes of appointing a single person, or to distribute his votes among candidates as he may deem convenient, and the persons obtaining the largest number of votes in the same and single process shall be awarded positions, until all positions have been filled. The election of the regular and alternate board members shall be carried out separately. For purposes of casting votes, the Chairman and the Secretary, together with any other persons that may have been previously designated by at the meeting to sign the minutes thereof, shall issue a certificate giving evidence of the oral votes of shareholders attending, following the order of the list of attendance being taken.

Each shareholder shall be entitled, however, to cast his vote by means of a ballot signed by him, stating whether he signs for his own account or as a representative. This entitlement notwithstanding, in order to expedite the voting process, it can be ordered that the vote be taken alternatively or by oral vote or by means of ballots. At the time of polling, the Chairman may instruct that the votes be read aloud, in order for those in attendance to count for them the number of votes issued and verify the outcome of the voting process.

Every appointment of directors, or any changes in the appointment of directors, shall be transcribed into a public deed before a notary public, published in a newspaper of Santiago and notified to the Superintendency of Banks and Financial Institutions, by means of the filing of a copy of the respective public deed. Likewise, the appointments of General Manager, Manager and Deputy Managers shall be communicated and transcribed into a public deed.

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If a director ceases to be able to perform his or her duties, whether by reason of conflict of interest, limitation, legal incapacity, impossibility, resignation or any other legal cause, the vacancy shall be filled as follows: (a) the positions of regular directors shall be filled by an alternate director, and (b) the positions of alternate directors vacated upon the application of (a) above, and the positions of regular directors if a regular director's position cannot be filled pursuant to clause (a) because both alternate members have already become regular members, shall be filled by the Board of Directors on its first meeting after the vacancy occurs. Board members appointed pursuant to clause (b) will remain in the position until the next General Shareholders' Meeting, where the appointment may be ratified, in which case, the replacement director will remain in his or her position until the expiration of the term of the director he or she replaced and shall act as full director.

The alternate directors may temporarily replace regular directors in case of their absence or temporary inability to attend a board meeting. The alternate board members are always entitled to attend and speak at board meetings. They will be entitled to vote at such meetings only when a regular member is absent and such alternate member acts as the absent member's replacement.

During the first meeting following the General Shareholders' Meeting, the Board of Directors shall elect, by an absolute majority and in separate and secret votes, from among its members, a Chairman, a First Vice Chairman and a Second Vice Chairman. If no one were to obtain such majority, the election will be repeated among those who obtained the three greatest majorities, adding the blank votes to the person who obtained the greatest number of votes. In case of a tie the vote shall be repeated and if a tie were to occur again, there shall be a drawing. The Chairman, the First Vice President and the Second Vice President may be reelected indefinitely.

The Board of Directors meets in ordinary sessions at least once a month, held on pre-set dates and times determined by the Board. Extraordinary meetings are held whenever called by the Chairman, whether at his own will or upon the request of one or more directors, so long as the Chairman determines in advance that the meeting is justified, except if the request is made by the absolute majority of the directors in office, in which case the meeting shall be held without such prior determination. The extraordinary meetings may only address those matters specifically included in the agenda for the extraordinary meeting, except that, if the meeting is attended by all the directors in office, they may agree otherwise by a unanimous vote. Notifications of meetings of the Board of Directors shall be made by certified letter sent to the addressed of each director registered with the bank, at least 5 days in advance of the date on which the ordinary or extraordinary session should be held. The 5-day period shall be calculated from the date on which the letter is placed in the mail.

The quorum for the Board of Directors' Meeting is five of its members. Resolutions shall be adopted by the affirmative vote of the absolute majority of the attending directors. In the event of a tie, the person acting as the Chairman of the meeting shall cast a deciding vote.

Directors having a vested interest in a negotiation, act, contract or transaction that is not related to the bank business, either as principal or as representative of another person, shall communicate such fact to the other directors. If the respective resolutions are approved by the Board, it shall be in accordance with the prevailing company's interest and fair market conditions and director's interest must be disclosed at the next General Shareholders' Meeting by the Chairman of such Board meeting.

The discussions and resolutions of the Board of Directors shall be recorded in a special book of minutes maintained by the Secretary. The relevant minutes shall be signed by the directors attending the meeting and by the Board of Directors, or his alternate. If a director determines that the minutes for a meeting are inaccurate or incomplete, he is entitled to record an objection before actually signing the minutes. The resolutions adopted may be carried out prior to the approval of the minutes at a subsequent meeting. In the event of death, refusal or incapacity for any reason of any of the directors attending to sign the minutes, such circumstance shall be recorded at the end of the minutes stating the reason for the impediment.

The directors are personally liable for all of the acts they effect in the performance of their duties. Any director who wishes to disclaim responsibility for any act or resolution of the Board of Directors must to record his opposition in the minutes, and the Chairman must report the opposition at the following General Shareholders' Meeting.

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The Board will represent the bank in and out of court and, for the performance of the bank's business, a circumstance that will not be necessary to prove before third parties, it will be empowered with all the authorities and powers of administration that the law or the by-laws do not set as exclusive to the General Shareholders' Meeting, without being necessary to grant any special power of attorney, even for those acts that the law requires to do so. This provision is notwithstanding the judicial representation of the bank that is part of the General Manager's authorities. The Board may delegate part of its authority to the General Manager, to the Managers, Deputy Managers or Attorneys of the bank, a Director, a Commission of Directors, and for specifically determined purposes, in other persons.

CAPITALIZATION

Under Chilean law, the shareholders of a company, acting at an extraordinary shareholders' meeting, have the power to authorize an increase in such company's capital with the authorization of the SBIF. When an investor subscribes for issued shares, the shares are registered in such investor's name, even if not paid for, and the investor is treated as a shareholder for all purposes except with regard to receipt of dividends and the return of capital; provided that the shareholders may, by amending the by-laws, also grant the right to receive dividends or distributions of capital. The investor becomes eligible to receive dividends and returns of capital once it has paid for the shares (if it has paid for only a portion of such shares, it is entitled to receive a corresponding pro-rata portion of the dividends declared and/or returns of capital with respect to such shares unless the company's by-laws provide otherwise). If an investor does not pay for shares for which it has subscribed on or prior to the date agreed upon for payment, the board of directors of the company is obligated to initiate legal action to recover outstanding amounts unless holders of two thirds of the issued shares in an extraordinary shareholders meeting authorizes the board of directors to refrain from pursuing the collection, in which case the company's capital will be reduced to the amount actually paid. In the case of banks, authorized shares and issued shares which have not been paid for within the period fixed for their payment are cancelled and are no longer available for issuance by the company.

Article 22 of Chilean Corporations Law states that the purchaser of shares of a company implicitly accepts its by-laws and any agreements adopted at shareholders' meetings.

OWNERSHIP RESTRICTIONS

Under Article 12 of the Chilean Securities Market Law and the regulations of the SBIF, shareholders of open stock corporations are required to report the following to the SVS and the Chilean stock exchanges:

- any direct or indirect acquisition or sale of shares that results in the holder's acquiring or ceasing to own, directly or indirectly, 10% or more of an open stock corporation's share capital, and
- any direct or indirect acquisition or sale of shares or options to buy or sell shares, in any amount, if made by a holder of 10% or more of an open stock corporation's capital or if made by a director, liquidator, main officer, general manager or manager of such corporation.

The foregoing requirements also apply to the acquisition or sale of securities or agreements which price or return depends or is conditioned (all or in a significant part) to changes or movements in the price of such shares. The report shall be made the day following the execution of the transaction.

In addition, majority shareholders must state in their report whether their purpose is to acquire control of the company or if they are making a financial investment. A beneficial owner of ADSs representing 10% or more of our share capital will be subject to these reporting requirements under Chilean law. The Chilean Securities Market Act also sets forth certain regulations on takeovers of corporations.

Under Article 54 of the Chilean Securities Market Law and the regulations of the SVS, persons or entities intending to acquire control, directly or indirectly, of a publicly traded company, regardless of the acquisition vehicle or procedure, and including acquisitions made through direct subscriptions or private transactions, are also required to inform the public of such acquisition at least 10 business days before the date on which the transaction is to be completed, but in any case, as soon as negotiations regarding the change of control begin (i.e., when

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information and documents concerning the target are delivered to the potential acquirer) through a filing with the SVS, the stock exchanges and the companies controlled by and that control the target and through a notice published in two Chilean newspapers, which notice must disclose, among other information, the person or entity purchasing or selling and the price and conditions of any negotiations.

Prior to such publication, a written communication to such effect must be sent to the target corporation, the controlling corporation, the corporations controlled by the target corporation, the SVS, and to the Chilean stock exchanges on which the securities are listed.

In addition to the foregoing, Article 54A of the Chilean Securities Market Law requires that within two business days of the completion of the transactions pursuant to which a person has acquired control of a publicly traded company, a notice shall be published in the same newspapers in which the notice referred to above was published and notices shall be sent to the same persons mentioned in the preceding paragraphs.

A beneficial owner of ADSs intending to acquire control of us will be subject to the foregoing reporting requirements.

The provisions of the aforementioned articles do not apply whenever the acquisition is being made through a tender or exchange offer.

Title XXV of the Chilean Securities Market Law on tender offers and the regulations of the SVS provides that the following transactions shall be carried out through a tender offer:

- an offer which allows a person to take control of a publicly traded company (*sociedad anónima abierta*), unless (i) the shares are being sold by a controlling shareholder of such company at a price in cash which is not substantially higher than the market price and the shares of such company are actively traded on a stock exchange, (ii) those shares are acquired (a) through a capital increase, (b) as a consequence of a merger, (c) by inheritance, or (d) through a forced sale;
- an offer for all the outstanding shares of a publicly traded company (*sociedad anónima abierta*) upon acquiring two thirds or more of its voting shares, in which case such controlling shareholder must offer to purchase the remaining shares from the investing shareholders in a tender offer, unless (i) the controlling shareholder has reached 2/3 of the voting shares through a tender offer for all of the shares of the company, or (ii) it reaches such percentage as a result of a reduction of the capital of the company by operation of law (this offer must be made at a price not lower than the price at which appraisal rights may be exercised, that is, book value if the shares of the company are not actively traded or, if the shares of the company are actively traded, the weighted average price at which the stock has been traded during the two months immediately preceding the acquisition); and
- an offer for a controlling percentage of the shares of a listed operating company if such person intends to take control of the company (whether listed or not) controlling such operating company, to the extent that the operating company represents 75% or more of the consolidated net worth of the holding company.

Article 200 of the Chilean Securities Market Law prohibits any shareholder that has taken control of a publicly traded company to acquire, within the period of 12 months from the date of the transaction that permitted such shareholder to take control of the publicly traded company, a number of shares equal to or higher than 3% of the outstanding issued shares of the target without making a tender offer at a price per share not lower than the price paid at the time of the change of control transaction. However, if the acquisition is made on a stock exchange and on a pro rata basis, the controlling shareholder may purchase a higher percentage of shares, if so permitted by the regulations of the stock exchange.

Title XV of the Chilean Securities Market Law sets forth the basis to determine what constitutes control of a business group and a related party while Title XXV establishes a special procedure for acquiring control of an open stock corporation through a tender offer. The Chilean Securities Market Law defines control as the power of a person, or group of persons acting pursuant to a joint action agreement, to direct the majority of the votes in the shareholders meetings of the corporation, or to elect the majority of members of its board of directors, or to

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influence the management of the corporation significantly. Significant influence is deemed to exist in respect of the person or group of persons acting together pursuant to a joint action agreement holding, directly or indirectly, at least 25% of the voting share capital, unless:

- another person or group of persons acting pursuant to a joint action agreement, directly or indirectly, control a stake equal to or higher than the percentage controlled by such person or group,
- the person or group does not control, directly or indirectly, more than 40% of the voting share capital and the percentage controlled is lower than the sum of the shares held by other shareholders holding more than 5% of the voting share capital, and
- in cases where the SVS has ruled otherwise, based on the distribution or atomization of the overall shareholding.

According to the Chilean Securities Market Law a joint action agreement is an agreement among two or more parties which, directly or indirectly, own shares in a corporation at the same time and whereby they agree to participate with the same interest in the management of the corporation or in taking control of the same. The law presumes that such an agreement exists between:

- a principal and its agents,
- spouses and relatives up to certain level of kindred,
- entities within the same business group, and
- an entity and its controller or any of its members.

Likewise, the SVS may determine that a joint action agreement exists between two or more entities considering, among others, the number of companies in which they simultaneously participate and the frequency with which they vote identically in the election of directors, appointment of managers and other resolutions passed at shareholders' meetings.

According to Article 96 of the Chilean Securities Market Law a business group is a group of entities with such ties in their ownership, management or credit liabilities that it may be assumed that the economic and financial action of such members is directed by, or subordinated to, the joint interests of the group, or that there are common credit risks in the credits granted to, or securities issued by, them. According to the Chilean Securities Market Law the following entities are part of the same business group:

- a company and its controlling person,
- all the companies with a common controlling person and the common controlling person, and
- all the entities that the SVS declare to be part of the business group due to one or more of the following reasons:
 - a substantial part of the assets of the company are involved in the business group, whether as investments in securities, equity rights, loans or guaranties,
 - the company has a significant level of indebtedness and that the business group has a material participation as a lender or guarantor, and
 - when the controller is a group of entities, that the company is a member of a controlling person of the entities mentioned in the first two bullets above and there are grounds to include it in the business group.

Article 36 of the General Banking Law states that as a matter of public policy, no person or company may acquire, directly or indirectly, more than 10% of the shares of a bank without the prior authorization of the SBIF, which may not be unreasonably withheld. The prohibition would also apply to beneficial owners of ADSs. In the absence of such authorization, any person or group of persons acting in concert would not be permitted to exercise voting rights with respect to the shares or ADSs acquired. In determining whether or not to issue such an authorization, the SBIF considers a number of factors enumerated in the General Banking Law, including the financial stability of the purchasing party.

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Article 35 *bis* of the General Banking Law requires the prior authorization of the SBIF is required for:

- the merger of two or more banks,
- the acquisition of all or a substantial portion (more than one third) of a banks' assets and liabilities by another bank,
- the control by the same person, or controlling group, of two or more banks, or
- a substantial increase in the share ownership by a controlling shareholder of a bank (understood as either acquiring a majority or two thirds of the bank's shares).

Such prior authorization is required solely when the acquiring bank or the resulting group of banks would own a significant market share in loans (*colocaciones*), defined by the SBIF to be more than 15% of all loans in the Chilean banking system. The intended purchase, merger or expansion may be denied by the SBIF pursuant to a report from the Chilean Central Bank's Counsel. Alternatively, a purchase, merger or expansion, when the acquiring bank or resulting group would have a market share in loans defined by the SBIF to be more than 20% of all loans in the Chilean banking system, may be conditioned on one or more of the following:

- that the bank or banks maintain an effective net equity higher than 8% and up to 14% of their risk weighted assets,
- that the technical reserve established in Article 65 of the General Banking Law be applicable when deposits exceed one and a half times the resulting bank's paid-in capital and reserves, or
- that the margin for interbank loans be diminished to 20% of resulting bank's effective net equity.

If the acquiring bank or resulting group would have a market share in loans defined by the SBIF to be more than 15% but less than 20%, the authorization will be conditioned on the bank or banks maintaining an effective net equity not lower than 10% of their risk-weighted assets for the time set forth by the SBIF, which may not be less than one year. The calculation of risk-weighted assets is based on a five-category risk classification system applied to a bank's assets that is based on the Basel Committee recommendations.

According to the General Banking Law a bank may not grant loans to related parties on more favorable terms than those generally offered to non-related parties. Article 84 No. 2 of the General Banking Law and the regulations issued by the SBIF create the presumption that natural persons who are holders of shares and who beneficially own more than 1% of the shares are related to the bank and imposes certain restrictions on the amounts and terms of loans made by banks to related parties. This presumption would also apply to beneficial owners of ADSs representing more than 1% of the shares, and accordingly the limitations of Article 84 No. 2 would be applicable to such beneficial owners. Finally, according to the regulations of the SBIF, Chilean banks that issue ADSs are required to inform the SBIF if any person, directly or indirectly, acquires ADSs representing 5% or more of the total amount of shares of capital stock issued by such bank.

Article 16 *bis* of the General Banking Law provides that the individuals or legal entities which, individually or with other people, directly control a bank and who individually own more than 10% of its shares shall send to the SBIF reliable information on their financial situation in the form and within the time set forth in Resolution No. 3,156 of the SBIF.

PREEMPTIVE RIGHTS AND INCREASES OF SHARE CAPITAL

The Chilean Corporations Law provides that whenever a Chilean company issues new shares for consideration, it must offer to its existing shareholders the right to purchase a sufficient number of shares to maintain their existing ownership percentages in the company. Pursuant to this requirement, preemptive rights in connection with any future issue of shares will be offered by us to the depositary as the registered owner of the shares underlying the ADSs. However, the depositary will not be able to make such preemptive rights available to holders of ADSs unless a registration statement under the Securities Act is effective with respect to the underlying shares or an exemption from the registration requirements thereunder is available.

We intend to evaluate, at the time of any preemptive rights offering, the practicality under Chilean law and Central Bank regulations in effect at the time of making such rights available to our ADS holders, as well as the costs and potential liabilities associated with registration of such rights and the related common shares under the

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Securities Act, and the indirect benefits to us of thereby enabling the exercise by all or certain holders of ADSs of their preemptive rights and any other factors we consider appropriate at the time, and then to make a decision as to whether to file such registration statement. We cannot assure you that any registration statement would be filed. If we do not file a registration statement and no exemption from the registration requirements under the Securities Act is available, the depositary will attempt to sell such holders' preemptive rights and distribute the proceeds thereof, after deduction of its expenses and fees, if a premium can be recognized over the cost of such sale. In the event that the depositary is not able, or determines that it is not feasible, to sell such rights at a premium over the cost of any such sale, all or certain holders of ADSs may receive no value for such rights. The inability of all or certain holders of ADSs to exercise preemptive rights in respect of common shares underlying such ADSs could result in such holders not maintaining their percentage ownership of the common shares following such preemptive rights offering unless such holder made additional market purchases of ADSs or common shares.

Under Chilean law, preemptive rights are exercisable or freely transferable by shareholders during a period that cannot be less than 30 days following the grant of such rights. During such period (except for shares as to which preemptive rights have been waived), Chilean open stock corporations are not permitted to offer any newly issued shares for sale to any third party. For an additional 30-day period thereafter, a Chilean company is not permitted to offer any unsubscribed shares for sale to third parties on terms which are more favorable than those offered to its shareholders. Thereafter, unsubscribed shares may be offered through any Chilean stock exchange without any indication of price. Unsubscribed shares that are not sold on a Chilean stock exchange can be sold to third parties only on terms no more favorable for the purchaser than those offered to shareholders.

At the extraordinary shareholders meeting held on November 6, 2012, CorpBanca's shareholders approved a proposal by the Board of Directors to (i) cancel the common shares that were authorized pursuant to the terms agreed to at the extraordinary shareholders meeting held on April 10, 2012 but were not subscribed, and (ii) approved a capital increase in the amount of 47,000,000,000 common shares. On November 27, 2012, the Board of Directors authorized the issuance of 47,000,000,000 common shares.

The common shares were sold in (i) a registered offering in the United States and elsewhere outside of Chile on January 18, 2013, (ii) a local offering in Chile on January 18, 2013, and (iii) a preferential offering period beginning on January 16, 2013 and ending on February 14, 2013. CorpBanca's shareholders subscribed approximately 99% of the newly issued shares.

SHAREHOLDERS' MEETINGS AND VOTING RIGHTS

An ordinary annual meeting of shareholders is held within the first four months of each year, generally in February and must be called by the Board of Directors. The ordinary annual meeting of shareholders is the corporate body that approves the annual financial statements, approves all dividends in accordance with the dividend policy proposed by the Board of Directors, elects the members of our Board of Directors and approves any other matter which does not require an extraordinary shareholders' meeting. The last ordinary annual meeting of our shareholders was held on February 15, 2013.

Extraordinary meetings may be called by our Board of Directors when deemed appropriate, and ordinary or extraordinary meetings must be called by our Board of Directors when requested by shareholders representing at least 10% of the issued voting shares or by the SBIF. Notice to convene the ordinary annual meeting or an extraordinary meeting is given by means of three notices which must be published in a newspaper of our corporate domicile (currently Santiago) designated by the shareholders at their annual meeting and if a shareholder fails to make such designation, the notice must be published in the Official Gazette pursuant to legal regulations. The first notice must be published not less than 15 days nor more than 20 days in advance of the scheduled meeting. Notice must also be mailed 15 days in advance to each shareholder and to the SBIF, SVS and the Santiago, Valparaiso and Electronic Stock Exchanges. Currently, we publish our official notices in the Diario La Tercera.

The quorum for a shareholders' meeting is established by the presence, in person or by proxy, of shareholders representing at least an absolute majority of the issued common shares; if a quorum is not present at the first meeting, the meeting can be reconvened (in accordance with the procedures described in the previous paragraph) and, upon the meeting being reconvened, shareholders present at the reconvened meeting are deemed to

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constitute a quorum regardless of the percentage of the shares represented. The shareholders' meetings pass resolutions by the affirmative vote of an absolute majority of those voting shares present or represented at the meeting. Only shareholders registered with us on the fifth day prior to the dates of the meeting are entitled to attend and vote their shares.

Only shareholders registered with us on the fifth day prior to the date of a meeting are entitled to attend and vote their shares. A shareholder may appoint another individual (who need not be a shareholder) as his proxy to attend and vote on his behalf. Proxies addressed to us that do not designate a person to exercise the proxy are taken into account in order to determine if there is a sufficient quorum to hold the meeting, but the shares represented thereby are not entitled to vote at the meeting. Every shareholder entitled to attend and vote at a shareholders' meeting has one vote for every share subscribed. Under our by-laws, directors are elected by cumulative voting. Each shareholder has one vote per share and may cast all of his or her votes in favor of one nominee or may apportion his or her votes among any number of nominees.

The following matters can only be considered at a special shareholders' meeting:

- our dissolution;
- a merger, transformation, division or other change in our corporate form or the amendment of our by-laws;
- the issuance of bonds or debentures convertible into shares;
- the conveyance of 50% or more of our assets or the submission of, or changes to any business plan that contemplates the sale of more than 50% of the assets of the company;
- the conveyance of 50% or more of the assets of a subsidiary, if represent at least 20% of our total assets, and any transfer of shares of a subsidiary that implies the Company loses control of such subsidiary;
- granting of a security interest or a personal guarantee in each case to secure the obligations of third parties, unless to secure or guarantee the obligations of a subsidiary, in which case the approval of the Board of Directors will suffice; and
- other matters that require shareholder approval according to Chilean law or our by-laws.

The matters referred to in the first five items listed above may only be approved at a meeting held before a notary public, who shall certify that the minutes are a true record of the events and resolutions of the meeting.

The by-laws establish that resolutions are passed at shareholders' meetings by the affirmative vote of an absolute majority of those shares present or represented at the meeting. However, under the Chilean Corporations Law, the vote of a two-thirds majority of the outstanding voting shares is required to approve any of the following actions:

The vote required at any shareholders' meeting to approve any of the following actions, however, is a two-thirds majority of the issued shares:

- a change in corporate form, merger or spin-off,
- an amendment to our term of existence or early dissolution,
- a change in corporate domicile,
- a decrease of corporate capital,
- the approval of capital contributions in kind and a valuation of the assets contributed,
- a modification of the authority reserved for the shareholders' meetings or limitations on the powers of our Board of Directors,
- a reduction in the number of members of our Board of Directors,
- the conveyance of 50% or more of the corporate assets, regardless of whether it includes liabilities, or the submission of or change to any business plan that contemplates the conveyance of 50% or more of the corporate assets,
- the conveyance of 50% or more of the assets of a subsidiary, if represent at least 20% of our total assets, and any transfer of shares of a subsidiary that implies the Company loses control of such subsidiary,
- any non-cash distribution in respect of the shares,

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- the creation of security interests to secure third-party obligations in excess of 50% of the corporate assets, unless granted to a subsidiary,
- the acquisition of our own shares, when, and or the terms and conditions permitted by law,
- the approval of material related-party transactions according to Article 147 of the Chilean Corporation Act, or
- all other matters provided for in our by-laws.

An amendment of our by-laws aimed at the creation, modification, renewal or suppression of preferences, must be approved with the favorable vote of two-thirds majority of the shares of the affected series.

Shareholders may accumulate their votes for the election of directors and cast the same in favor of one person.

In general, Chilean law does not require a Chilean open stock corporation to provide the level and type of information that U.S. securities laws require a reporting company to provide to its shareholders in connection with a solicitation of proxies. However, shareholders are entitled to examine the books of the company within the 15-day period before the ordinary annual meeting. Under Chilean law, a notice of a shareholders' meeting listing matters to be addressed at the meeting must be mailed not fewer than 15 days prior to the date of such meeting, and, in cases of an ordinary annual meeting, shareholders must have available an annual report of the company's activities which includes audited financial statements. In addition to these requirements, we regularly provide, and management currently intends to continue to provide, together with the notice of shareholders' meeting, a proposal for the final annual dividend.

The Chilean Corporations Law provides that whenever shareholders representing 10% or more of the issued voting shares so request, a Chilean company's annual report must include, in addition to the materials provided by the board of directors to shareholders, such shareholders' comments and proposals in relation to the company's affairs. Similarly, the Chilean Corporations Law provides that whenever the board of directors of an open stock corporation convenes an ordinary meeting of the shareholders and solicits proxies for that meeting, or distributes information supporting its decisions, or other similar material, it is obligated to include as an annex to its annual report any pertinent comments and proposals that may have been made by shareholders owning 10% or more of the company's voting shares who have requested that such comments and proposals be so included.

Only shareholders registered as such with us on the fifth business day prior to the date of a meeting are entitled to attend and vote their shares. A shareholder may appoint another individual (who need not be a shareholder) as his proxy to attend and vote on his behalf. Every shareholder entitled to attend and vote at a shareholders' meeting has one vote for every share subscribed.

DIVIDEND, LIQUIDATION AND APPRAISAL RIGHTS

Under the Chilean Corporations Law, Chilean companies are generally required to distribute at least 30% of their earnings as dividends. In the event of any loss of capital or of the legal reserve, no dividends can be distributed so long as such loss is not recovered. Also, no dividends of a bank above the legal minimum can be distributed if doing so would result in the bank exceeding its indebtedness ratio or its lending limits.

Dividends that are declared but not paid by the date set for payment at the time of declaration are adjusted from the date set for payment to the date such dividends are actually paid. The right to receive a dividend lapses if it is not claimed within five years from the date the dividend is payable.

We may declare a dividend in cash or in shares. When a share dividend is declared above the legal minimum (which minimum must be paid in cash), our shareholders must be given the option to elect to receive cash. Our ADS holders may, in the absence of an effective registration statement under the Securities Act or an available exemption from the registration requirement thereunder, effectively be required to receive a dividend in cash.

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In the event of our liquidation, the holders of fully paid shares would participate equally and ratably, in proportion to the number of paid-in shares held by them, in the assets available after payment of all creditors.

In accordance with the General Banking Law, our shareholders would have no appraisal rights in the event of a business combination or otherwise.

APPROVAL OF FINANCIAL STATEMENTS

Our Board of Directors is required to submit our audited financial statements to the shareholders annually for their approval at the Ordinary General Shareholders Meeting. The approval or rejection of such financial statements is entirely within our shareholders' discretion. If our shareholders reject our financial statements, our Board of Directors must submit new financial statements not later than 60 days from the date of such rejection. If our shareholders reject our new financial statements, our entire Board of Directors is deemed removed from office and a new Board of Directors is elected at the same meeting. Directors who individually approved such rejected financial statements are disqualified for re-election for the ensuing period.

REGISTRATIONS AND TRANSFERS

Our common shares are registered by an administration agent named DCV Registros S.A. This entity is responsible for our shareholders' registry. In the case of jointly owned common shares, an attorney-in-fact must be appointed to represent the joint owners in dealings with us.

C. MATERIAL CONTRACTS

The following is a brief summary of our material contracts currently in force. A copy of each of these contracts has been included as an exhibit hereto. See "Item 19. Exhibits".

Sublease Automatic Teller Machine Contract

On November 26, 2008, we entered into a contract with SMU S.A., Rendic Hermanos S.A., Supermercados Bryc S.A. and Distribuidora Super Diez S.A., each a related party, to sublease CorpBanca space in order to install automatic teller machines in the supermarket chains administrated by the previously mentioned corporations. The contract covers a term from November 26, 2008 to June 30, 2019. CorpBanca prepaid the lessors UF1,152,213 for the total amount and term of the spaces subleased. For further information, see note 32 to our consolidated financial statements included herein.

Systems Operations Services Agreement

We have entered into a Systems Operations Services Agreement with IBM, initially dated March 30, 2001, and covering a term from April 1, 2001 through April 15, 2006 which can be renegotiated periodically. The contract now covers a term from April 16, 2008 to April 30, 2018. Under this agreement, IBM provides outsourcing Computer System Operations services to us and we are obligated to pay fees amounting to UF2,821.7 per month.

Service Contract

We have entered into a Service Contract with our affiliate CorpGroup. This agreement is dated July 6, 2001 and covered a five-year term which is automatically renewed for one-year periods thereafter. Under this agreement, CorpGroup provides us with professional and technical consulting including preparation of financial statements, implementing financial and administrative procedures; preparing, analyzing, and providing legal advisory services; and analyzing economic, financial sectors and feasibility of investment plans. Under this agreement, we pay fees of approximately UF6,250 per month.

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Software Consulting and Development Agreement

We have entered into a Software Consulting and Development Agreement, for the Integrated Banking System (IBS), dated as of October 4, 2001, with Datapro, Inc. The contract covers a five-year term for system maintenance and adjustments, which is automatically renewable at the end of the term. The contract includes an initial charge for development and user license of US\$380,000.00 and a schedule of additional fees for services provided as well as a monthly maintenance fee.

Redbanc Agreement

We have entered into an agreement to participate in the automated teller machine network operated by Redbanc S.A., dated as of April 1, 2001. The contract covers a three-year term which is automatically and successively renewed for equal three-year periods. The purpose of this agreement is to provide services to facilitate the performance of banking objectives. This includes the installation, operation, maintenance, and development of equipment, devices, systems, and services used for the management and operation of automated and non-automated cash and point-of-sale machines and the related services. Redbanc shall invoice and charge us a different monthly fee for each of the services connected to the automated teller machine network.

D. EXCHANGE CONTROLS

The Central Bank of Chile is responsible for, among other things, monetary policies and exchange controls in Chile. Foreign investments can be registered with the Foreign Investment Committee under Decree Law No. 600 of 1974, as amended, or can be registered with the Central Bank of Chile under the Central Bank Act and the *Compendio de Normas de Cambios Internacionales*, or the Central Bank Foreign Exchange Regulations or the Compendium. The Central Bank Act is a constitutional law requiring a “special majority” vote of the Chilean Congress to be modified.

The Central Bank Foreign Exchange Regulations were amended on April 19, 2001. The main objective of these amendments was to facilitate capital movements from and into Chile and encourage foreign investment. According to the new Central Bank Foreign Exchange Regulations, investors are allowed to freely enter into any kind of foreign exchange transaction, the only restriction being that investors must inform the Central Bank of Chile about certain operations which they have conducted and must conduct certain operations through the Formal Exchange Market. The types of information related to equity investment that must be reported to the Central Bank of Chile by non-Chilean residents include the occurrence of, among other things, any assignment, substitution, changes in organizational status, change in the form of the investment, or material changes to the terms of the agreement governing the foreign currency transaction. Transactions that are required to be conducted through the Formal Exchange Market include transactions involving foreign commercial bank loans or Chilean company issued bonds, deposits made in Chilean financial institutions by foreign depositors, and equity investments and contributions of capital by foreign investors. The Formal Exchange Market entities through which transactions are conducted will report such transactions to the Central Bank of Chile.

Pursuant to the provisions of Chapter XIV of the Compendium, it is not necessary to seek the Central Bank of Chile’s prior approval in order to establish an ADR facility. The Central Bank of Chile only requires that (i) any foreign investor acquiring shares to be converted into ADSs who has actually brought funds into Chile for that purpose shall bring those funds through the Formal Exchange Market, (ii) any foreign investor acquiring shares to be converted into ADSs informs the Central Bank of Chile of the investment in the terms and conditions described below, (iii) all remittances of funds from Chile to the foreign investor upon the sale of the shares underlying the ADSs or from dividends or other distributions made in connection therewith, shall be made through the Formal Exchange Market, and (iv) all remittances of funds to the foreign investor, whether or not from Chile, shall be informed to the Central Bank of Chile in the terms and conditions described below.

When the shares to be converted into ADSs have been acquired by the foreign investor with funds brought into Chile through the Formal Exchange Market, a registration form shall be filed with the Department of International Financial Operations of the Central Bank by the foreign investor acting through an entity of the Formal Exchange Market on or before the date on which the foreign currency is brought into Chile. However, if the funds were brought into Chile with a different purpose and subsequently were used to acquire shares to be converted into ADSs, the Department of International Financial Operations of the Central Bank of Chile then shall be informed of

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such investment by the Custodian within ten days following the end of each fifteen-day period on which the Custodian has to deliver periodic reports to the Central Bank of Chile. If the funds were not brought into Chile, a registration form shall be filed with the Department of International Financial Operations of the Central Bank of Chile by the foreign investor itself or through an entity of the Formal Exchange Market within first 10 days of the month following the date on which the proceeds were used. Any foreign investor (other than the depository) who has acquired shares and wishes to convert the same into ADSs shall assign to the depository, prior to any such conversion, any foreign investment rights it may have pursuant to Chapter XIV of the Compendium. Any such assignment shall be filed with the Central Bank of Chile within the first 10 days of the month following its execution.

All payments in U.S. dollars in connection with the ADS facility made from Chile shall be made through the Formal Exchange Market. Pursuant to Chapter XIV of the Compendium no previous authorization from the Central Bank of Chile is required for the remittance of U.S. dollars obtained in the sale of the shares underlying ADSs or from dividends or other distributions made in connection therewith. The entity of the Formal Exchange Market participating in the transfer shall provide certain information to the Central Bank of Chile on the next banking business day. In the event there are payments made outside Chile, the foreign investor shall provide the relevant information to the Central Bank of Chile directly or through an entity of the Formal Exchange Market within the first 10 days of the month following the date on which the payment was made.

Under Chapter XIV of the Compendium payments and remittances of funds from Chile are governed by the rules in effect at the time the payment or remittance is made. Therefore, any change made to Chilean laws and regulations after the date hereof will affect foreign investors who have acquired ADSs or shares to be converted into ADSs. There can be no assurance that further Central Bank of Chile regulations or legislative changes to the current foreign exchange control regime in Chile will not restrict or prevent foreign investors to purchase and remit abroad U.S. dollars, nor can there be any assessment to the duration or impact of such restrictions, if imposed.

This situation is different from the one governing ADSs issued by Chilean companies prior to April 19, 2001. Prior to such date, ADSs representing shares of stock of Chilean corporations were subject to Chapter XXVI of the Compendium, which addressed the issuance of ADSs by Chilean companies and foreign investment contracts entered into among the issuer of the shares, the Central Bank of Chile and the depository pursuant to Article 47 of the Central Bank Act. Chapter XXVI of the Compendium and the corresponding foreign investment contracts granted foreign investors the vested right to acquire dollars with the proceeds obtained in the sale of the underlying shares of stock, or from dividends or other distributions made in connection therewith and remit them abroad. On April 19, 2001, the Central Bank of Chile eliminated Chapter XXVI of the Compendium and made the establishment of new ADR facilities subject to the provisions of Chapter XIV of the Compendium. All foreign investment contracts executed under the provisions of Chapter XXVI of the Compendium remain in full force and effect and are governed by the provisions in effect at the time of their execution.

The foregoing is a summary of the Central Bank of Chile's regulations with respect to the issuance of ADSs representing common shares as in force and effect as of the date hereof. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of Chapter XIV of the Compendium, a copy of which is available from CorpBanca upon request.

There can be no assurance that further Central Bank of Chile regulations or legislative changes to the current foreign exchange control regime in Chile will not restrict or prevent foreign investors from purchasing or remitting U.S. dollars, or that further restrictions applicable to foreign investors which affect their ability to remit the capital, dividends or other benefits in connection with the shares of stock will not be imposed by the Central Bank of Chile in the future, nor can there be any assessment to the duration or impact of such restrictions, if imposed.

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E. TAXATION

CHILEAN TAX CONSIDERATIONS

The following discussion is based on material Chilean income tax laws presently in force, including Ruling No. 324 of January 29, 1990 of the Chilean Internal Revenue Service and other applicable regulations and rulings. The discussion summarizes the material Chilean income tax consequences of an investment in the ADSs or common shares received in exchange for ADSs by an individual who is not domiciled in or a resident of Chile or a legal entity that is not organized under the laws of Chile and does not have a permanent establishment located in Chile, which we refer to as a foreign holder. For purposes of Chilean law, an individual holder is a resident of Chile if he or she has resided in Chile for more than six consecutive months in one calendar year or for a total of more than six months, whether consecutive or not, in two consecutive tax years. An individual holder is domiciled in Chile if he or she resides in Chile with the purpose of staying in Chile (such purpose to be evidenced by circumstances such as the acceptance of employment within Chile or the relocation of his or her family to Chile). This discussion is not intended as tax advice to any particular investor, which can be rendered only in light of that investor's particular tax situation.

Under Chilean law, provisions contained in statutes such as tax rates applicable to foreign holders, the computation of taxable income for Chilean purposes and the manner in which Chilean taxes are imposed and collected may be amended only by another statute. In addition, the Chilean tax authorities issue rulings and regulations of either general or specific application interpreting the provisions of Chilean tax law. Absent a retroactive law, Chilean taxes may not be assessed retroactively against taxpayers who act in good faith relying on such rulings and regulations, but Chilean tax authorities may change said rulings and regulations prospectively. There is no general income tax treaty in force between Chile and the United States (although a treaty has been signed it has not yet been ratified by each country and therefore is not yet effective).

CASH DIVIDENDS AND OTHER DISTRIBUTIONS

Cash dividends paid by us with respect to the ADSs or common shares held by a Foreign Holder will be subject to a 35% Chilean withholding tax, which is withheld and paid over by us. We refer to this as the Chilean withholding tax. A credit against the Chilean withholding tax is available based on the level of corporate income tax, or first category tax, actually paid by us on the taxable income to which the dividend is imputed; however, this credit does not reduce the Chilean withholding tax on a one-for-one basis because it also increases the base on which the Chilean withholding tax is imposed. In addition, distribution of book income in excess of retained taxable income is subject to the Chilean withholding tax, but such distribution is not eligible for the credit. In case such withholding is determined to be excessive at the end of the year, foreign holders will have rights to file for the reimbursement of the excess withholding. Under Chilean income tax law, for purposes of determining the level of the first category tax that has been paid by us, dividends generally are assumed to have been paid out of our oldest retained taxable profits. The first category tax rate is 17%. The Chilean government is, however, considering tax reform that eventually will set the first category tax rate at 20%. According to the transitory change by law 24.455, dated November 31, 2010, the tax rate for the 2011 year is 20%, 2012 is 18.5% and 17% for subsequent years. However, according to the change by law 20.630, dated September 27, 2012, the tax rate for the 2013 year and for subsequent years is 20%. The foregoing tax consequences apply to cash dividends paid by us. Dividend distributions made in property (other than common shares) will be subject to the same Chilean tax rules as cash dividends.

CAPITAL GAINS

Gains realized on the sale, exchange or other disposition by a foreign holder of ADSs (or ADRs evidencing ADSs) will not be subject to Chilean taxation, provided that such disposition occurs outside Chile. The deposit and withdrawal of common shares in exchange for ADRs will not be subject to any Chilean taxes.

Gains recognized on a sale or exchange of common shares received in exchange for ADSs (as distinguished from sales or exchanges of ADSs representing such common shares) by a foreign holder will be subject to both the first category tax and the Chilean withholding tax (the former being creditable against the latter) if (1) the foreign holder has held such common shares for less than one year since exchanging ADSs for the common shares, (2) the foreign holder acquired and disposed of the common shares in the ordinary course of its business or as a regular trader of stock, or (3) the sale is made to a company in which the foreign holder holds an interest (10% or more of the shares in the case of open stock corporations). A provisional 20% withholding tax is imposed on the amount of the sale or exchange of common shares received in exchange for ADSs. In all other cases, gain on the disposition of common shares will be subject only to the first category tax levied as a sole tax. However, in these latter cases, if it is impossible to determine the taxable capital gain, a 5% withholding will be imposed on the total amount to be remitted abroad without any deductions as a provisional payment of the total tax due.

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The tax basis of common shares received in exchange for ADSs will be the acquisition value of such shares. The valuation procedure set forth in the deposit agreement, which values common shares that are being exchanged at the highest price at which they trade on the Santiago Stock Exchange on the date of the exchange, generally will determine the acquisition value for this purpose. Consequently, the conversion of ADSs into common shares and sale of such common shares for the value established under the deposit agreement will not generate a capital gain subject to taxation in Chile to the extent that the sale price is equal to the acquisition value at the time of redemption as discussed above. In the event the sale price exceeds the acquisition value of such shares determined as explained above, such capital gain will be subject to first category tax and the Chilean withholding tax as discussed above.

The distribution and exercise of preemptive rights relating to the common shares will not be subject to Chilean taxation. Amounts received in exchange for the shares or assignment of preemptive rights relating to the shares will be subject to both the first category tax and the Chilean withholding tax (the former being creditable against the latter to the extent described above).

The Chilean Internal Revenue Service has not enacted any rule nor issued any ruling about the applicability of the following norms to the foreign holders of ADRs.

Pursuant to an amendment to the Chilean Income Tax Law published on November 7, 2001 (Law No. 19,768, amended by Law 20,448, dated August 13, 2010), the sale and disposition of shares of Chilean public corporations which are actively traded on stock exchanges is exempted from Chilean taxes on capital gains if the sale or disposition was made on a local stock exchange so long as the shares were subscribed on a public stock exchange. However, Law N°20,448 limited this benefit to shares acquired and sold on a local stock exchange, with which it is unlikely that it will apply to the sale of shares resulting from an exchange of ADSs. Investors who request delivery of ADSs in the form of common shares should consult with their tax advisor to determine whether such shares will be eligible for the foregoing exemption.

Exempt capital gains - Article 106 of the Chilean Income Tax Law

According to Article 106 of the Chilean Income Tax law, the sale and disposition of shares of Chilean public corporations which are significantly traded on a Chilean stock exchange by foreign institutional investors, such as mutual funds, pension funds and others, is exempt from any Chilean tax on capital gains if the sale or disposition was made through a Chilean stock exchange or a tender offer.

A foreign institutional investor is an entity that is either:

- a fund that makes public offers of its shares in a country in which public debt has been rated investment grade by an international risk classification agency qualified by the local exchange regulator (the SVS);
- a fund that is registered with a regulatory entity of a country in which public debt has been rated investment grade by an international risk classification agency qualified by the SVS, provided that the investments in Chile, including securities issued abroad that represent Chilean securities, held by the fund represent less than 30% of its share value;
- a fund that holds investments in Chile that represent less than 30% of its share value, provided that it proves that no more than 10% of its share value or right for benefits is directly or indirectly owned by Chilean residents;
- a pension fund that is exclusively formed by individuals that receive their pension on account of capital accumulated in the fund or its main purpose is to finance the funds of individuals and it is regulated and supervised by the competent foreign authority;
- a fund regulated by Chilean Law No. 18,657 (referred to as Foreign Capital Investment Funds Law), in which case all holders of its shares must reside abroad or be qualified as local institutional investors; or

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- another kind of institutional foreign investor that complies with the characteristics defined by a regulation with the prior report of the SVS and the Chilean Internal Revenue Service.

In order to be entitled to the exemption, foreign institutional investors, during the time in which they operate in Chile must:

- be organized abroad and not be domiciled in Chile;
- prove their qualification as foreign institutional investors as mentioned above;
- not participate, directly or indirectly, in the control of the issuers of the securities in which it invests and not hold, directly or indirectly, 10% or more of such companies' capital or profits;
- execute an agreement in writing with a Chilean bank or securities broker in which the intermediary is responsible for the execution of purchase and sale orders and for the verification, at the time of the respective remittance, that such remittances relate to capital gains that are exempt from income tax in Chile or, if they are subject to income tax, that the applicable withholdings have been made; and
- register in a special registry with the Chilean Internal Revenue Service.

Exempt capital gains - Article 107 of the Chilean Income Tax Law

According to Article 107 of the Chilean Income Tax Law, the sale and disposition of shares of Chilean public corporations which are significantly traded on a Chilean stock exchange is not levied by any Chilean tax on capital gains if the sale or disposition was made:

- on a local stock exchange authorized by the SVS or in a tender offer process according to Title XXV of the Chilean Securities Market Law, so long as the shares (1) were purchased on a public stock exchange or in a tender offer process pursuant to Title XXV of the Chilean Securities Market Law, (2) are newly issued shares issued in a capital increase or incorporation of the corporation, (3) were acquired as a result of the exchange of convertible securities, or (4) were a contribution or redemption of securities in accordance with Article 109 of the Chilean Income Tax Law. In this case, gains exempted from Chilean taxes shall be calculated using the criteria set forth in the Chilean Income Tax Law; or
- within 90 days after the shares would have ceased to be significantly traded on the stock exchange. In such case, the gains exempted from Chilean taxes on capital gains will be up to the average price per share of the last 90 days in which the shares were significantly traded on the stock exchange. Any gains above the average price will be taxable capital gains.

For purpose of the bullets above, shares are considered to be significantly traded on a Chilean stock exchange when they (1) are registered in the securities registry, (2) are registered in a Chilean Stock exchange; and (3) have an adjusted presence equal to or above 25% or have a "Market Maker" according to the SVS Ruling No 327 dated January 17, 2007. Currently, our shares are considered to be significantly traded on a Chilean stock exchange.

OTHER CHILEAN TAXES

No Chilean inheritance, gift or succession taxes apply to the transfer or disposition of the ADSs by a foreign holder but such taxes generally will apply to the transfer at death or by a gift of common shares by a foreign holder. No Chilean stamp, issue, registration or similar taxes or duties apply to foreign holders of ADSs or common shares.

WITHHOLDING TAX CERTIFICATES

Upon request, we will provide to foreign holders appropriate documentation evidencing the payment of the Chilean withholding tax.

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U.S. FEDERAL INCOME TAX CONSIDERATIONS

This section is a summary of certain U.S. federal income tax consequences applicable to the acquisition, ownership and disposition by a U.S. holder (as defined below) of ADSs or common shares. This summary applies to you only if you are a U.S. holder and you hold your ADSs or common shares as capital assets (generally, property held for investment) for U.S. federal income tax purposes. This summary is not a comprehensive description of all of the tax consequences that may be relevant to a decision to purchase, hold or dispose of our ADSs or common shares.

This section does not apply to you if you are a U.S. holder subject to special rules, including for example:

- a dealer in securities,
- a trader in securities that elects to use a mark-to-market method of accounting for securities holdings,
- a regulated investment company,
- a real estate investment trust,
- a tax-exempt organization,
- a bank or other financial institution,
- a life insurance company,
- a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) or a partner or owner therein,
- a person liable for alternative minimum tax,
- a person that actually or constructively owns 10% or more of the bank's shares,
- a person that holds ADSs or common shares as part of a straddle, a hedging, conversion or constructive sale transaction, or
- a person whose functional currency is not the U.S. dollar.

This section is based on the Internal Revenue Code of 1986, as amended, or the Code, its legislative history, existing and proposed regulations, published rulings, and court decisions, all as of the date of this Annual Report. These laws are subject to change, possibly on a retroactive basis. This summary does not address any U.S. state or local or non-U.S. tax considerations or any U.S. federal estate, gift or alternative minimum tax considerations. On February 4, 2010, a comprehensive income tax treaty between the United States and Chile was signed, however such treaty has not yet been ratified by each country and therefore is not yet effective. It is unclear at this time when such treaty will be ratified by both countries. You should consult your tax advisor regarding the ongoing status of this treaty and, if ratified, the impact such treaty would have on the consequences described in this Annual Report.

As used herein, the term "U.S. holder" means a beneficial owner of ADSs or common shares who is:

- an individual who is a citizen or resident of the United States,
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof, or the District of Columbia,
- an estate whose income is subject to U.S. federal income tax regardless of its source, or
- a trust if such trust validly elects to be treated as a U.S. person (as defined under the Code) for U.S. federal income tax purposes or if (1) a court within the United States is able to exercise primary supervision over its administration, and (2) one or more U.S. persons have the authority to control all of the substantial decisions of such trust.

If a partnership (or other entity treated as such for U.S. federal income tax purposes) holds the ADSs or common shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the ADSs or common shares should consult its tax advisor with regard to the U.S. federal income tax treatment of its investment in the ADSs or common shares.

Prospective investors should consult their tax advisors as to the particular tax considerations applicable to them relating to the acquisition, ownership and disposition of our ADSs or common shares, including the applicability of U.S. federal, state and local tax laws and non-U.S. tax laws.

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OWNERSHIP OF ADSs

In general

The discussion below assumes that the representations contained in the deposit agreement are true and that the obligations in the deposit agreement and any related agreement will be performed in accordance with the terms. For U.S. federal income tax purposes, if you are a holder of ADSs, you generally will be treated as the owner of our common shares represented by such ADSs. Accordingly, deposits or withdrawals of common shares for ADSs will not be subject to U.S. federal income tax. The U.S. Treasury Department has expressed concern that depositaries for ADRs, or other intermediaries between the holders of shares of an issuer and the issuer, may be taking actions that are inconsistent with the claiming of U.S. foreign tax credits by U.S. holders of such receipts or shares. These actions would also be inconsistent with claiming the reduced rate for “qualified dividend income” described below. Accordingly, the analysis regarding the availability of a U.S. foreign tax credit for Chilean withholding taxes and sourcing rules described below and availability of the reduced rate for qualified dividend income could be affected by future actions that may be taken by the U.S. Treasury Department.

Taxation of distributions

Subject to the passive foreign investment company, or PFIC, rules discussed below, if you are a U.S. holder, the gross amount of any distribution of cash or property (including the net amount of Chilean taxes withheld, if any, on the distribution, after taking into account the credit for first category tax, as discussed above under “—Chilean Tax Considerations—Cash Dividends and Other Distributions”), paid by the bank out of its current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) will be includable in gross income as ordinary dividend income. You must include any Chilean tax withheld from such distribution in gross income even though you do not in fact receive it. The dividend is taxable to you when you, in the case of common shares, or the depositary, in the case of ADSs, receive the dividend, actually or constructively. Distributions in excess of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the ADSs or common shares and thereafter as either long-term or short-term capital gain, depending on whether you have held our ADSs or common shares for more than one year at the time of the distribution. The bank does not currently maintain, and does not intend to maintain, calculations of our earnings and profits in accordance with U.S. federal income tax principles. Consequently, a U.S. investor should treat the entire amount of any distribution received as a dividend. As used below, the term “dividend” means a distribution that constitutes a dividend for U.S. federal income tax purposes.

If you are a non-corporate U.S. holder, dividends paid to you may constitute qualified dividend income and be taxable to you at reduced rate provided that (1) certain holding period requirements are met, (2) the ADSs or common shares are readily tradable on an “established securities” market in the United States, and (3) the bank is not a PFIC. Under U.S. Internal Revenue Service authority, or IRS, ADSs are considered for purposes of clause (2) above to be readily tradable on an established securities market in the United States because they are listed on the New York Stock Exchange. Based on existing guidance, it is not entirely clear whether dividends received with respect to the common shares will be treated as qualified dividend income because the common shares are not themselves listed on a U.S. exchange. Moreover, as discussed below, under “—Passive Foreign Investment Company rules”, we believe that we will not be treated as a PFIC for U.S. federal income tax purposes with respect to our 2012 and current taxable year, and based on our current expectations regarding the value and nature of our assets, the sources and nature of our income, relevant market and shareholder data and our current business plans, we do not anticipate becoming a PFIC in the future. However, there can be no assurance in this regard because the PFIC determination is made annually and is based on the portion of our assets (including goodwill) and income that is characterized as passive under the PFIC rules and our continued qualification for an exception to the PFIC rules for certain foreign banks. You should consult your tax advisor regarding the availability of the reduced rate for dividends paid with respect to our ADSs or common shares. Dividends paid by us generally will not be eligible for the dividends-received deduction available to certain U.S. corporations.

The amount of the dividend distribution that you must include in your income as a U.S. holder will be the U.S. dollar value of the Chilean peso payments made, determined at the spot Chilean peso/U.S. dollar rate on the date the dividend distribution is actually or constructively received by you or the depositary, regardless of whether

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the payment is in fact converted into U.S. dollars at that time. If the dividend is converted to U.S. dollars on the date of receipt, a U.S. holder generally will not recognize a foreign currency gain or loss. However, if the U.S. holder converts the Chilean pesos into U.S. dollars on a later date, the U.S. holder must include in income any gain or loss resulting from any exchange rate fluctuations. The gain or loss will be equal to the difference between (1) the U.S. dollar value of the amount included in income when the dividend was received, and (2) the amount received on the conversion of the Chilean pesos into U.S. dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date you convert the payment into U.S. dollars will be treated as ordinary income or loss and will not be eligible for the reduced tax rate applicable to qualified dividend income. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. U.S. holders should consult their own tax advisors regarding the tax consequences to them if the bank pays dividends in Chilean pesos or any other non-U.S. currency. The amount of any distribution of property other than cash will be the fair market value of such property on the date of distribution.

Subject to certain limitations (including minimum holding period requirements), Chilean income tax withheld (after taking into account the credit for first category tax, when available) and paid over to Chile will generally be creditable or deductible against your U.S. federal income tax liability. If the amount of Chilean withholding tax initially withheld from a dividend is determined under applicable Chilean law to be excessive, however (as described above under “—Chilean Tax Considerations—Cash Dividends and Other Distributions”), the excess tax may not be creditable. Special rules apply in determining the foreign tax credit limitation with respect to dividends received by individuals that are subject to the reduced tax rate for qualified dividends. Dividends will be income from sources outside the United States and generally be categorized as “passive category income” for most U.S. holders for U.S. foreign tax credit purposes. A U.S. holder that does not elect to claim a credit for any foreign income taxes paid during the taxable year may instead claim a deduction in respect of such foreign income taxes, provided that the U.S. holder elects to deduct (rather than credit) all foreign income taxes paid or accrued for the taxable year. This discussion does not address special rules that apply to U.S. holders who, for purposes of determining the amount of the foreign tax credit, take foreign income taxes into account when accrued. The rules governing foreign tax credits are complex and a U.S. holder should consult its own tax advisor regarding the availability of foreign tax credits under its particular circumstances.

Taxation of dispositions

Subject to the PFIC rules discussed below, if you are a U.S. holder and you sell, exchange or otherwise dispose of your ADSs or common shares in a taxable disposition, you will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between the U.S. dollar value of the amount that you realize and your tax basis, determined in U.S. dollars, in your ADSs or common shares. Any such gain or loss will be long-term capital gain or loss if your ADSs or common shares have been held for more than one year. Certain non-corporate U.S. holders (including individuals) may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to limitations.

If you are a U.S. holder of our ADSs or common shares, the initial tax basis of your ADSs or common shares will be the U.S. dollar purchase price or, if purchased in Chilean pesos, the U.S. dollar value of the Chilean peso-denominated purchase price determined on the date of purchase. If the common shares are treated as being traded on an “established securities market,” a cash basis U.S. holder, or, if it elects, an accrual basis U.S. holder, will determine the U.S. dollar value of the cost of such common shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. If you convert U.S. dollars to Chilean pesos and immediately use the currency to purchase common shares, such conversion generally will not result in taxable gain or loss to you.

The amount realized generally will be equal to the amount of cash or the fair market value of any other property received. With respect to the sale, exchange or other taxable disposition of our common shares, if the payment received is in Chilean pesos, the amount realized generally will be the U.S. dollar value of the payment received determined on (1) the date of receipt of payment in the case of a cash basis U.S. holder, and (2) the date of disposition in the case of an accrual basis U.S. holder. If our common shares are treated as being traded on an “established securities market,” a cash basis U.S. holder, or, if it elects, an accrual basis U.S. holder, will determine the U.S. dollar value of the amount realized by translating the amount received at the spot rate of exchange on the settlement date of the sale.

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If a Chilean income tax is withheld on the sale, exchange or other taxable disposition of our ADSs or common shares, the amount realized by a U.S. holder will include the gross amount of the proceeds of that sale, exchange or other taxable disposition before deduction of the Chilean income tax. Capital gain or loss, if any realized by a U.S. holder on the sale, exchange or other taxable disposition of ADSs or common shares generally will be treated as U.S. source gain or loss for U.S. foreign tax credit purposes. Consequently, in the case of a gain from the disposition of a common share that is subject to Chilean income tax, the U.S. holder may not be able to benefit from the foreign tax credit for that Chilean income tax (i.e. because the gain from the disposition would be U.S. source), unless the U.S. holder can apply the credit against U.S. federal income tax payable on other income from foreign sources. Alternatively, the U.S. holder may take a deduction for the Chilean income tax, provided that the U.S. holder elects to deduct all foreign taxes paid or accrued for the taxable year. The rules governing foreign tax credits are complex and a U.S. holder should consult its own tax advisor regarding the availability of foreign tax credits under its particular circumstances.

Passive Foreign Investment Company rules

Based upon our current estimates, expectations and projections of the value and classification of our assets, the sources and nature of our income and our use of the net proceeds of this offering, we believe that the bank's ADSs and common shares should not be treated as stock of a PFIC for U.S. federal income tax purposes for the current year or in the foreseeable future, but this conclusion is a factual determination that is made annually and there can be no assurance that we will not be considered a PFIC for the current year or any subsequent year. Our actual PFIC status for our current taxable year ending December 31, 2013 will not be determinable until after the close of our current taxable year ending December 31, 2013 and accordingly, there is no guarantee that we will not be a PFIC for 2013 or any future taxable year.

In general, if you are a U.S. holder, the bank will be a PFIC with respect to you if for any taxable year in which you held the bank's ADSs or common shares:

- at least 75% of the bank's gross income for the taxable year is "passive income", or
- at least 50% of the value, determined on the basis of a quarterly average, of the bank's assets is attributable to assets that produce or are held for the production of passive income.

Passive income for this purpose generally includes dividends, interest, royalties, rents, annuities and gains from assets that produce passive income. We will be treated as owning our proportionate share of the assets and earnings and our proportionate share of the income of any other corporation in which we own, directly or indirectly, at least 25% by value of the stock of another corporation. If we are a PFIC for any year during which you hold our ADSs or common shares, you will generally be required to treat our ADSs or common shares as stock in a PFIC for all succeeding years during which you hold our ADSs or common shares, even if the bank does not otherwise meet the PFIC tests for such year.

We are unable to determine with certainty that we are not a PFIC because the application of the PFIC rules to banks is unclear under present U.S. federal income tax law. Banks generally derive a substantial part of their income from assets that are interest bearing or that otherwise could be considered passive under the PFIC rules. The IRS has issued a notice and has proposed regulations, or the active bank exception, that exclude from passive income any income derived in the active conduct of a banking business by a qualifying foreign bank. The IRS notice and proposed regulations each have different requirements for qualifying as a foreign bank, and for determining the banking income that may be excluded from passive income under the active bank exception. Moreover, the proposed regulations have been outstanding since 1994 and will not be effective unless finalized.

We believe that we should qualify as an active bank under both the notice and the proposed regulations, assuming that the proposed regulations are finalized in their current form. Accordingly, based on our present regulatory status under Chilean law, the present nature of our activities including the planned offering of ADSs, and

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the present composition of our assets and sources of income, we do not believe we were a PFIC for the taxable year ending December 31, 2012 (the latest period for which the determination can be made) and we do not expect to be a PFIC for the current year or for any future years.

However, because a PFIC determination is a factual determination that must be made following the close of each taxable year and is based on, among other things, the market value of our assets and shares, and because the proposed regulations (although proposed to be retroactive in application) are not currently in force, our PFIC status may change and there can be no assurance that we will not be considered a PFIC for the current year or any subsequent year. If the bank is treated as a PFIC for any year in which you hold ADSs or common shares, and you are a U.S. holder that did not make a mark-to-market election, as described below, you will be subject to special rules with respect to:

- any gain you realize on the sale or other disposition (including certain pledges) of your ADSs or common shares, and
- any “excess distribution” that the bank makes to you (generally, any distributions to you during a single taxable year that are greater than 125% of the average annual distributions received by you in respect of the ADSs or common shares during the three preceding taxable years or, if shorter, your holding period for the ADSs or common shares).

Under these rules:

- the gain or excess distribution will be allocated ratably over your holding period for the ADSs or common shares,
- the amount allocated to the taxable year in which you realized the gain or excess distribution will be taxed as ordinary income,
- the amount allocated to each prior year, with certain exceptions, will be taxed at the highest tax rate in effect for that year, and
- the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or “excess distribution” cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the ADSs or common shares cannot be treated as capital, even if you hold the ADSs or ordinary shares as capital assets. If we were a PFIC, certain subsidiaries and other entities in which we have a direct or indirect interest may also be PFICs, or Lower-tier PFICs. Under attribution rules, U.S. holders would be deemed to own their proportionate shares of Lower-tier PFICs and would be subject to U.S. federal income tax according to the rules described above on (1) certain distributions by a Lower-tier PFIC and (2) certain dispositions of shares of a Lower-tier PFIC, in each case as if the U.S. holder held such shares directly, even though such U.S. holder had not received the proceeds of those distributions or dispositions.

Alternatively, a U.S. holder of “marketable stock” (as defined below) may make a mark-to-market election. If you make this election, you will not be subject to the PFIC rules described above. Instead, in general, you will include as ordinary income each year the excess, if any, of the fair market value of your ADSs or common shares at the end of the taxable year over your adjusted basis in your ADSs or common shares. These amounts of ordinary income will not be eligible for the reduced tax rates applicable to qualified dividend income or long-term capital gains. You will also be allowed to take an ordinary loss in respect of both (1) the excess, if any, of the adjusted basis of your ADSs or common shares over their fair market value at the end of the taxable year and (2) any loss realized on the actual sale or disposition of the ADSs or common shares, but in each case only to the extent of the net amount of previously included income as a result of the mark-to-market election. Any loss on an actual sale of your ADSs or common shares would be a capital loss to the extent it exceeds any previously included mark-to-market income not offset by previous ordinary deductions. Your basis in the ADSs or common shares will be adjusted to reflect any such income or loss amounts.

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The mark-to-market election is available only for “marketable stock,” which is stock that is regularly traded in other than *de minimis* quantities on at least 15 days during each calendar quarter on a qualified exchange, including the NYSE, or other market, as defined in applicable regulations. The ADSs are listed on the NYSE, and we expect, although no assurance can be given, that they will be regularly traded on the NYSE. It is unclear whether the common shares will be treated as “marketable stock” for purpose of the mark-to-market rules. In addition, the mark-to-market election generally would not be effective for any Lower-tier PFICs. You are urged to consult your own tax advisors regarding the U.S. federal income tax consequences that would arise if we are treated as a PFIC while you hold ADSs or common shares.

In addition, notwithstanding any election you make with regard to the ADSs or common shares, dividends that you receive from us will not constitute qualified dividend income to you, and therefore not eligible for the reduced tax rate described above, if the bank is a PFIC either in the taxable year of the distribution or any preceding taxable year during which you held our ADSs or common shares. Instead, you must include the gross amount of any such dividend paid by us out of the bank’s accumulated earnings and profits (as determined for U.S. federal income tax purposes) in your gross income, and these amounts will be subject to tax at rates applicable to ordinary income.

If you hold ADSs or common shares that are treated as PFIC shares with respect to you, you will be required to file IRS Form 8621 in any year in which you have in effect a mark-to-market election, receive a direct or indirect distribution, or recognize gain on any direct or indirect disposition with respect to our ADSs or common shares. Additionally, under recently enacted legislation, if you hold ADSs or common shares in any year in which we are a PFIC, the U.S. Treasury Department may require you to file an annual report containing such information as the U.S. Treasury Department may require.

In addition, if we are a PFIC, we do not intend to prepare or provide you with the information necessary to make a “qualified electing fund” election, which, like the mark-to-market election, is a means by which U.S. taxpayers may elect out of the tax treatment that generally applies to PFICs.

You are urged to consult your tax advisor regarding the application of the PFIC rules to your investment in ADSs or common shares, including the availability and advisability of making an election to avoid the adverse tax consequences of the PFIC rules should we be considered a PFIC for any taxable year and the application of the recently enacted legislation to your particular situation.

Recently enacted legislation — Medicare tax

Recently enacted legislation imposes a 3.8% tax with respect to certain individuals, trusts and estates on the lesser of (1) modified adjusted gross income in excess of US\$200,000 (US\$250,000 for joint-filers), and (2) net investment income. For these purposes, net investment income will generally include any dividends paid to you with respect to the ADSs or common shares and any gain realized on the sale, exchange or other taxable disposition of an ADS or common share.

Backup withholding tax and information reporting requirements

U.S. backup withholding tax and information reporting requirements generally apply to certain payments to certain non-exempt holders of ADSs or common shares. Information reporting generally will apply to payments of dividends on, and to proceeds from the sale or redemption of, ADSs or common shares made within the United States, or by a U.S. payor or U.S. middleman, to a holder of ADSs or common shares, other than an exempt recipient. A payor will be required to withhold U.S. backup withholding tax from any payments of dividends on, or the proceeds from the sale or redemption of, ADSs or common shares within the United States, or by a U.S. payor or U.S. middleman, to a holder, other than an exempt recipient, if such holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, such U.S. backup withholding tax requirements.

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Backup withholding is not an additional tax. Any U.S. backup withholding tax generally will be allowed as a credit against the holder's U.S. federal income tax liability or, to the extent the withheld amount exceeds such liability, refunded upon the timely filing of a U.S. federal income tax return.

Recently enacted legislation imposes new reporting requirements on certain U.S. investors in connection with the holding of certain foreign financial assets, including our ADSs or common shares, either directly or through certain foreign financial institutions, if the aggregate value of all of such assets exceeds US\$50,000. This new legislation also imposes penalties if such investor is required to submit such information to the IRS and fails to do so. You should consult your tax advisor regarding the application of these new reporting requirements to your particular situation.

The above description is not intended to constitute a complete analysis of all tax consequences relating to the purchase, ownership or disposition of the ADSs or common shares. Investors deciding on whether or not to invest in ADSs or common shares should consult their own tax advisors concerning the tax consequences of their particular situations.

F. DIVIDENDS AND PAYING AGENTS

Not applicable.

G. STATEMENT BY EXPERTS

Not applicable.

H. DOCUMENTS ON DISPLAY

We are subject to the information requirements of the Exchange Act, except that as a foreign issuer, we are not subject to the proxy rules or the short-swing profit disclosure rules of the Exchange Act. In accordance with these statutory requirements, we file or furnish reports and other information with the SEC. Reports and other information filed or furnished by us with the SEC may be inspected and copied at the public reference facilities maintained by the SEC at Room 1024, 100 F Street, N.E., Washington, D.C. 20549, and at the SEC's regional offices at 233 Broadway, New York, New York 10279 and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies of such material may also be inspected at the offices of the New York Stock Exchange, 11 Wall Street, New York, New York 10005, on which our ADSs are listed. In addition, the SEC maintains a website that contains information filed electronically with the SEC, which can be accessed on the internet at <http://www.sec.gov>. The information contained on this website does not form part of this annual report on Form 20-F.

Additional documents concerning CorpBanca which are referred to in this Annual Report may be inspected at our offices at Rosario Norte 660, Las Condes, Santiago, Chile.

I. SUBSIDIARY INFORMATION

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

GENERAL

This section describes the financial risks, liquidity risk and market risks to which we are exposed in our business activities. Additionally, an explanation is included of the internal tools and regulatory methods used to control these risks, portfolios over which these market risks approach are applied and quantitative disclosures that demonstrate the level of exposure to financial risk we assumed.

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The principal types of inherent risk in our business are market, liquidity, operational and credit risk. The effectiveness with which we are able to manage the balance between risk and reward is a significant factor in our ability to generate long-term stable earnings growth. Our senior management places great emphasis on risk administration.

The composition of our assets, liabilities and shareholders' equity as of December 31, 2012 by currency and term is as follows:

	As of December 31, 2012					Percentage
	Ch\$	UF	Ch\$ indexed to US\$	Foreign Currency	Total	
	(in millions of constant Ch\$ except for percentages)					
Assets						
Cash and due from banks	225,215	–	298,335	120,455	644,005	4.8%
Other assets:						
Less than 1 year	3,248,280	1,521,740	191,439	1,411,600	6,373,060	47.1%
From 1 to 3 years	488,063	466,698	139,386	624,986	1,719,132	12.7%
More than 3 years	1,170,378	2,079,925	11,341	1,091,693	4,353,338	32.2%
Bank premises and equipment (2)	513,852	–	222	32,694	546,768	4.0%
Allowances for losses	(104,609)	–	–	(5,170)	(109,779)	(0.8)%
Total	5,541,179	4,068,363	640,724	3,276,258	13,526,524	100.0%
Percentage of total assets	41.0%	30.1%	4.7%	24.3%	100.0%	
Liabilities and Shareholders' Equity						
Non-interest-bearing deposits (1)	766,045	5,908	95,898	313,707	1,181,558	8.7%
Other liabilities:						
Less than 1 year	5,279,993	747,896	1,485,135	809,110	8,322,134	61.5%
From 1 to 3 years	332,359	318,602	69,549	769,221	1,489,731	11.0%
More than 3 years	58,526	1,457,042	9,006	–	1,524,574	11.3%
Shareholders' equity (2)	633,750	274,744	–	100,033	1,008,527	7.5%
Total	7,070,673	2,804,192	1,659,588	1,992,071	13,526,524	100.0%
Percentage of total liabilities and shareholders' equity	52.3%	20.7%	12.3%	14.7%	100.0%	

(1) Includes checking accounts, banker's drafts and transactions payable.

(2) Our shareholders' equity, which includes undistributed net income, and bank premises and equipment are denominated in Chilean pesos, but the amounts at which they are carried on the balance sheet are adjusted to reflect the effects of inflation.

POLICIES

Our policy with respect to asset and liability management is to maximize our net interest income and return on assets and equity while managing interest rate, liquidity and foreign exchange risks while remaining within the limits provided by Chilean banking regulations and internal risk policies and limits.

Our asset and liability management policies are developed by our Asset & Liability Committee, or our A&L Committee, following guidelines established by our Board of Directors. The A&L Committee is composed of eleven members, including a director, the Chief Executive Officer, the Division Manager—Treasury and International, the Financial Risk Manager, our Chief Financial Officer, and the Division Managers of Management Control and Planning, Retail Banking, Non-Banking Financial Services and Commercial Banking, represented by the Managers of the Corporate and Commercial Banking Divisions. The role of the Financial Risk Manager and the A&L Committee is to ensure that our treasury and international division's operations are consistently in compliance with our internal risk policies and limits, as well as applicable regulations. The A&L Committee typically meets once per month. Senior members of our treasury and international division meet regularly with the A&L Committee and outside consultants to discuss our asset and liability position. The members of our financial risk management department are not employed in our banking operations or treasury and international division.

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Our treasury and international division manages trading activities following the guidelines set by the A&L Committee and CorpBanca's credit risk and market risk and control departments. The market risk and control department's activities consist of (i) applying VaR techniques (as discussed below), (ii) marking to market our fixed income portfolio, derivatives portfolio and measuring daily profit and loss from trading activities, (iii) comparing VaR and other exposures against the established limits, and (iv) providing information about trading activities to the A&L Committee, other members of senior management and the treasury and international division.

Our market risk analysis focuses on managing risk exposure relating to (i) the interest rate risk relating to fixed income portfolio (comprised of a "trading" portfolio and "an available-for-sale" portfolio), which contains mainly Chilean government bonds, Colombian government bonds, corporate bonds, letters of credit loans issued by third parties and interest rate derivatives, (ii) the interest rate risk relating to asset and liability positions, (iii) liquidity risk, and (iv) our net foreign currency position, which includes all of our assets and liabilities in foreign currencies (mainly U.S. dollars), including derivatives that hedge certain foreign currency mismatches that arise between investments and the funding thereof.

MARKET RISK

Market risk is the risk of losses due to unexpected changes in interest rates, foreign exchange rates, inflation rates and other rates or prices. We are exposed to market risk mainly as a result of the following activities:

- Trading in financial instruments, which exposes us to interest rate and foreign exchange rate risk,
- Engaging in banking activities, which subjects us to interest rate risk, since a change in interest rates affected gross interest income, gross interest expense and customer behavior,
- Engaging in banking activities, which exposes us to inflation rate risk, since a variation in CPI or expected inflation affects gross interest income, gross interest expense and customer behavior,
- Trading in the local equity market, which subjects us to potential losses caused by fluctuations of the stock market, and
- Investing in assets or funding with liabilities whose returns or accounts are denominated in currencies other than the Chilean peso, which subjects us to foreign exchange risk between the Chilean peso and such other currencies.

Interest Rate Sensitivity

A key component of our asset and liability policy is the management of interest rate sensitivity. Interest rate sensitivity is the relationship between market interest rates and net interest income due to the maturity or re-pricing characteristics of interest-earning assets and interest bearing liabilities. For any given period, the pricing structure is matched when an equal amount of such assets and liabilities mature or re-price in that period. Any mismatch of interest-earning assets and interest bearing liabilities is known as a gap position. A positive gap denotes asset sensitivity and means that an increase in interest rates would have a positive effect on net interest income while a decrease in interest rates would have a negative effect on net interest income. Accordingly, a negative gap denotes liability sensitivity and means that a decrease in interest rates would have a positive effect on net interest income while an increase in interest rates would have a negative effect on net interest income.

Our interest rate sensitivity strategy takes into account not only the rates of return and the underlying degree of risk, but also liquidity requirements, including minimum regulatory cash reserves, mandatory liquidity ratios, withdrawal and maturity of deposits, capital costs and additional demand for funds. Our maturity mismatches and positions are monitored by our A&L Committee and are managed within established limits.

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Exchange Rate Sensitivity

In recent years, our operating income has benefited from fluctuations in the exchange rate between the Chilean peso and the U.S. dollar due to our policy. However, devaluation or appreciation of the Chilean peso against the U.S. dollar or other currencies in which we hold non-hedged positions could be expected to have the following principal effects:

- If we maintain a net asset position (or positive gap) in U.S. dollars and a devaluation of the Chilean peso against the dollar occurs, we would record a related gain, and if an appreciation of the Chilean peso occurs, we would record a related loss,
- If we maintain a net liability position (or negative gap) in U.S. dollars and a devaluation of the Chilean peso against the dollar occurs, we would record a related loss, and if an appreciation of the Chilean peso occurs, we would record a related gain,
- If the inflation rate, reflected on a UF-value variation, for a period exceeded the devaluation of the Chilean peso against the U.S. dollar during the same period, we would record a related gain if it had a net asset position (or positive gap) in UFs which exceeded a net liability position (or negative gap) in U.S. dollars, and we would record a related loss if we had a net liability position (or negative gap) in U.S. dollars which exceeded a net asset position (or positive gap) in UFs. The same effect would occur if there were an appreciation of the Chilean peso against the U.S. dollar, and
- If the inflation rate, reflected on a UF-value variation, for a period were lower than the rate of devaluation of the Chilean peso against the U.S. dollar during the same period, we would record a related gain if we maintained a net asset position (or positive gap) in U.S. dollars and a net liability position (or negative gap) in UFs and, accordingly, we would record a related loss if we had a net liability position (or negative gap) in U.S. dollars and a net asset position (or positive gap) in UFs.

Our internal and regulatory market risk methods share common requirements, taking into account different types of businesses and markets. The following table which delineates between the internal and regulatory tools we use to control market risk:

Tools ⁽¹⁾	Internal Limits/Tools		Regulatory Limits/Tools	
	Trading	Non-Trading	Trading	Non-Trading
AIS	–	X	< X	< X
MVS	–	X	< X	< X
CFM	X	X	< X	< X
KR	APR>10% Equity	APR>10% Equity	Exp MR+ APR> 8% Equity	Exp MR+ APR> 8% Equity
ST	X	X	X	X
VaR	X	X	–	–
DV(90) sensitivity	–	–	–	–
LCR (3 and 20)	X	X	–	–
MMAWC	X	X	–	–
NAC	X	X	–	–

(1) The abbreviated terms used in the table are as follows:

<i>AIS</i>	Annual Income Sensitivity. This analysis measures the impact on the bank's interest margin (interest income less interest expense) of a 100 bps shift over the course of twelve months.
<i>MVS</i>	Market Value Sensitivity. The market value sensitivity of the asset—or liability-associated cash flow in the event of a parallel shift in the corresponding yield curve of 100bps.
<i>CFM</i>	Cash Flow Mismatches.
<i>KR</i>	Capital Requirements.
<i>ST</i>	Stress Testing.
<i>VaR</i>	Value at Risk.
<i>DV(90) sensitivity</i>	Portfolio's market value sensitivity in the event of a parallel shift in the corresponding yield curve of 90bps.
<i>LCR 3 and 20</i>	Liquidity coverage ratio for 3 and 20 business days, where LCR(x) is computed Liquid Assets / Net Cash flows for the next "x" days, x being = 3 or 20.
<i>MMAWC</i>	Daily limit set on wholesale clients' deposits' maturity (in Chilean pesos).
<i>NAC</i>	Notional Amounts by Currency. Corresponds to the maximum allowable daily limit of net foreign currency positions in foreign currency.

REGULATORY METHOD TO CONTROL MARKET RISK

On an unconsolidated basis, we must separate our balance sheet in two distinct categories; trading portfolio (*Libro de Negociación*) and unconsolidated non-trading, or structural, portfolio (*Libro de Banca*). The trading portfolio as defined by the SBIF includes all instruments valued at market prices, free of any restrictions for their

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immediate sale and that are frequently bought and sold by the bank and are maintained with the intention of selling them in the short-term in order to profit from short-term price variations. The non-trading portfolio is defined as all instruments in the balance sheet not considered in the trading portfolio.

We must also report the following absolute risk levels:

Trading Portfolio

Exposure to interest rate risk: Interest rate risk of the trading portfolio is basically a sensitivity analysis that calculates potential losses assuming an increase in nominal rate yields curves, real rates and foreign currency rates by 75 to 350 basis point.

Exposure to foreign currency risk: The foreign currency risk is calculated using sensitivity factors linked to the credit risk rating of the issuing country.

Market risk exposure of options: options risk is calculated using sensitivity factors called delta, gamma and vega that basically measure the sensitivity of the value of the options to changes in the price of the underlying security and its volatility.

Non-trading Portfolio

Exposure to short-term interest rate risk; sensitivity analysis that is calculated for assets and liabilities with maturities of less than 1 year, assuming a 200 basis point parallel shift of the nominal yield curve, 400 for real rates and 200 for foreign interest rates.

Exposure to inflation risk; sensitivity analysis that is calculated for our net position in assets and liabilities, comprised of UF-denominated instruments, assuming a 200 basis point adverse impact on the related yield curve.

Exposure to long-term interest rate risk; sensitivity analysis that is calculated for assets and liabilities with maturities from 1 to over 20 years, assuming a 200 basis point parallel shift of the nominal yield curve, 400 for real rates and 200 for foreign interest rates.

The SBIF has defined various limits for these risks.

- 1) EMR limit. A bank's regulatory capital must be greater or equal to the sum of the exposure to market risk multiplied by the minimum capital adequacy ratio defined in the General Banking Law. In other words:

$$RC - ((k * RWA) + EMR) \geq 0$$

Where:

RC: Regulatory capital as defined by the General Banking Law.

k: Minimum capital adequacy ratio, in the case CorpBanca is required to have a capital adequacy ratio above 8%.

RWA: Consolidated risk weighted assets as defined by the General Banking Law.

EMR: Exposure to market risk, CorpBanca's EMR is equal to its interest rate exposure for its trading portfolio plus currency risk for the bank's position.

- 2) Limit on exposure to short term interest rate and inflation risk of our non-trading portfolio. CorpBanca's exposure to short term interest rate and inflation risk of the non-trading portfolio cannot exceed 25% of its unconsolidated net interest income plus fees sensitive to interest rate volatility.

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Compensated net position Zones 1 and 2	Min (adjusted net asset position in Zones 1 and 2, absolute value of adjusted net liability position in Zones 1 and 2)
Compensated net position Zones 2 and 3	Min (adjusted net asset position in Zone 3 and Zone 2 (deducting adjusted net asset position that have been compensated for with net liability positions in Zone 1), absolute value of adjusted net liability position in Zone 3 and Zone 2 (deducting adjusted net liability positions that have been compensated for with net liability positions in Zone 1))
Compensated net position Zones 1- 3	Min (Adjusted net asset position in Zone 3 and Zone 1 (deducting adjusted net asset position that have been compensated for with net liability positions in Zone 2), absolute value of adjusted net liability position in Zone 3 and Zone 1 (deducting adjusted net liability positions that have been compensated for with net liability positions in Zone 2))

The following table illustrates the value of the different factors used for calculating the interest rate risk of the trading portfolio:

Zone	Period	Change in interest rate (bp)						Vertical Adjustment Factor	Horizontal adjustment factor		
		Sensitivity factor			Within the zones	Between Adjacent Zones	Between zones 1 and 3				
		Ch\$	UF	FX					a Ch\$	A UF	A FX
Zone 1	1 Up to 30 days	125	350	125	0.0005	0.0014	0.0005	β = 10%	• ₁ = 40%	• ₁₂ = 40%	• ₁₃ = 100%
	2 31 days to 3 mths	125	350	125	0.0019	0.0047	0.0020	β = 10%	• ₁ = 40%	• ₁₂ = 40%	• ₁₃ = 100%
	3 3 – 6 mths	125	350	125	0.0042	0.0088	0.0044	β = 10%	• ₁ = 40%	• ₁₂ = 40%	• ₁₃ = 100%
	4 6 – 9 mths	125	350	125	0.0060	0.0116	0.0072	β = 10%	• ₁ = 40%	• ₁₂ = 40%	• ₁₃ = 100%
	5 9 mths – 1 year	125	350	125	0.0059	0.0140	0.0100	β = 10%	• ₁ = 40%	• ₁₂ = 40%	• ₁₃ = 100%
Zone 2	6 1 – 2 years	100	125	100	0.0124	0.0166	0.0133	β = 10%	• ₂ = 30%	• ₁₂ = 40%	• ₁₃ = 100%
	7 2 – 3 years	100	100	100	0.0191	0.0211	0.0211	β = 10%	• ₂ = 30%	• ₁₂ = 40%	• ₁₃ = 100%
	8 3 – years	100	100	100	0.0248	0.0281	0.0281	β = 10%	• ₂ = 30%	• ₂₃ = 40%	• ₁₃ = 100%
Zone 3	9 4 – 5 years	75	75	75	0.0221	0.258	0.0258	β = 10%	• ₃ = 30%	• ₂₃ = 40%	• ₁₃ = 100%
	10 5 – 7 years	75	75	75	0.0263	0.0320	0.0320	β = 10%	• ₃ = 30%	• ₂₃ = 40%	• ₁₃ = 100%
	11 7 – 10 years	75	75	75	0.0307	0.0401	0.0401	β = 10%	• ₃ = 30%	• ₂₃ = 40%	• ₁₃ = 100%
	12 10 – 15 years	75	75	75	0.0332	0.0486	0.0486	β = 10%	• ₃ = 30%	• ₂₃ = 40%	• ₁₃ = 100%
	13 15 – 20 years	75	75	75	0.0317	0.0534	0.0534	β = 10%	• ₃ = 30%	• ₂₃ = 40%	• ₁₃ = 100%
	14 > 20 years	75	75	75	0.0278	0.0539	0.0539	β = 10%	• ₃ = 30%	• ₂₃ = 40%	• ₁₃ = 100%

Foreign Currency Risk: Regulatory Method

The foreign currency risk as defined by the Central Bank is equal to:

$$\left[\left(\sum_i PNA_i x \sigma_i - \sum_j PNA_j x \sigma_j \right) \right] \left[\left(\left| \sum_i PNA_i x \sigma_i - \sum_j PNA_j x \sigma_j \right| \right) \right] + PNA_{oro} x \sigma_i$$

Max

Where:

- PNA : Net asset position
- PNP : Net liabilities position
- PNo τ o : Net gold position
- si : Sensitivity factor for each currency

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j	: Foreign currency
∑	: Summation
	: Absolute value
Max	: Maximum value

Interest Rate and Inflation Risk of Non-trading Portfolio: Regulatory Method

The short-term interest rate risk and inflation risk of non-trading portfolio as defined by Central bank is equal to:

$$\sum_m^M \left| \sum_{t=1}^5 (A_{mX} P_{mt}) x \mu_t \right| + |PN_{URX} \tau| + |\Delta\Phi|$$

The long-term interest rate risk of the non-trading portfolio is calculated according to the following formula:

$$\sum_m^M \left| \sum_{t=1}^{14} (A_{mX} P_{mt}) x P_{mt} \right|$$

Where:

Amt	: Non-trading Assets (Chilean pesos, inflation linked and foreign currency)
Pmt	: Non-trading Liabilities (Chilean pesos, inflation linked and foreign currency)
mt	: Sensitivity factor associated with interest rate movement
NPur	: Net position in inflation linked instruments, including those subject to price level restatement
t	: Factor that measures the sensitive to movements in the inflation index. This factor is equal a 2%
Δφ	: Effect on fees from shifts in interest rate and assumes a 200 basis point movement
r	: Sensitivity factor to increase in interest rates
T	: Time period
M	: Currency (Chilean pesos, inflation linked and foreign currency)
∑	: Summation
	: Absolute value

Period		Change in interest rate (bp)			Sensitivity factor short term	Sensitivity factor long term (p mt)		
		Ch\$	UF	FX	(μt)	Ch\$	UF	FX
1	Up to 30 days	200	400	200	0.0192	0.0008	0.0016	0.0008
2	31 days to 3 mths	200	400	200	0.0167	0.0030	0.0063	0.0031
3	3 – 6 mths	200	400	200	0.0125	0.0067	0.0140	0.0070
4	6 – 9 mths	200	400	200	0.0075	0.0110	0.0231	0.0116
5	9 mths - 1 year	200	400	200	0.0025	0.0152	0.0320	0.0160
6	1 – 2 years	200	300	200		0.0248	0.0399	0.0266
7	2 – 3 years	200	200	200		0.0382	0.0422	0.0422
8	3 - years	200	200	200		0.0496	0.0563	0.0563
9	4 – 5 years	200	200	200		0.0591	0.0690	0.0690
10	5 – 7 years	200	200	200		0.0702	0.0856	0.0856
11	7 – 10 years	200	200	200		0.0823	0.1076	0.1076
12	10 – 15 years	200	200	200		0.0894	0.1309	0.1309
13	15 – 20 years	200	200	200		0.0860	0.1450	0.1450
14	> 20 years	200	200	200		0.0762	0.1480	0.1480

As of December 31, 2012, our interest rate risk gap (less than one year), measured according to the above methodology, was 65% of our interest rate gross margin (profit or loss explained by the interest rate gap between balance assets and liabilities). As of the same date, our interest rate risk gap for long-term assets and liabilities was 35% of our regulatory capital. In each case, the interest rate risk gaps were in compliance with current Chilean regulations. Assets and liabilities included in this calculation belong to the above-mentioned unconsolidated non-trading, or structural, portfolio.

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Assumptions and Limitations of Scenario Simulations/sensitivity Analysis (Regulatory Method)

Our scenario simulation methodology should be interpreted in light of the limitations of our models, which include:

- The scenario simulation assumes that the volumes remain on balance sheet and that they are always renewed at maturity, omitting the fact that credit risk considerations and pre-payments may affect the maturity of certain positions.
- This model assumes set shifts in interest rates and sensitivity factors for different time periods and does not take into consideration any other scenario for each time period or other sensitivity factors.
- The model does not take into consideration the sensitivity of volumes to these shifts in interest rates.
- The model does not take into consideration our subsidiaries which are subject to market risks.

Quantitative Disclosures about Market Risk: Regulatory Method

The following table illustrates our market risk exposure according to the Chilean regulatory method as of December 31, 2010, 2011 and 2012:

	As of December 31,		
	2010	2011	2012
	(in millions of Ch\$)		
Market risk of trading portfolio	24,300	23,916	51,988
8% x risk weighted assets	473,244	623,942	919,553
Subtotal	497,544	647,858	971,541
Limit = regulatory capital	794,647	1,104,474	1,270,202
Available margin	297,103	456,616	298,661
Market risk of short-term non-trading portfolio	56,683	74,169	51,253
Limit = 35% of (net interest income + net fee income sensitive to interest rates)	91,687	79,835	78,624
Available margin	35,004	5,666	27,370
Market risk of long-term non-trading portfolio	128,618	125,461	119,311
Limit = 27% of regulatory capital	214,554	298,208	337,314
Available margin	85,936	172,747	218,002

Below is a quantitative and qualitative description of our markets risks tools according to our internal guidelines. Our policies establish a set of tools for monitoring market risks both, statistical and sensitive approaches, being main tools Value at Risk methodology.

VaR Methodology

General

We use Value-at-Risk (VaR) methodology as a statistical tool to measure and control interest rate, currency, inflation and volatility risk inherent to the Bank trading activities

As calculated by CorpBanca, VaR is an estimate of the maximum expected loss in the market value of a given portfolio over a one-day horizon at a one-tailed 95% confidence interval. In other words, it is the maximum one-day loss, expressed in Chilean pesos that CorpBanca would expect to suffer on a given portfolio 95% of the time, subject to certain assumptions and limitations discussed below. Conversely, it is the minimum loss figure that CorpBanca would expect to exceed only 5% of the time. VaR provides a single estimate of market risk that is comparable from one market risk to the other.

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The VaR measure is calculated through historical simulation methodology, with a moving timeframe of the last 300 days market data, and full valuation approach. Such moving timeframe is used for the proprietary trading portfolio and the market making portfolio. The confidence level used is 95% for one day holding period.

We use VaR estimates to alert senior management whenever the statistically expected losses in our fixed income portfolio and net foreign currency position exceed certain pre-set levels which we believe to be prudent.

The following table illustrates the relationship between our net foreign currency position and VaR (incremental VaR), as of December 31, 2012:

Currency	Limit (absolute value)	Net Position	Inc. VaR 95%	VaR 95%
	US\$		Ch\$	
USD	45,000,000	(39,677,779)	67,110,351	190,203,750
EUR	20,000,000	13,625,647	(660,629)	58,810,012
JPY	10,000,000	114,163	(432,493)	430,389
GBP	10,000,000	29,045	24,495	103,541
AUD	5,000,000	5,194	12,123	25,419
MXN	5,000,000	35,187	(2,068)	179,826
PEN	5,000,000	–	–	–
BRL	5,000,000	(2,447)	(9,607)	15,265
COP	5,000,000	–	–	–

(1) The abbreviated terms used in the table are:

Inc. VaR
VaR

Incremental VaR measures the impact of small changes in position through weighting scaled portfolio rating.
Value at Risk estimates at 95% confidence level.

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Limits

The proprietary trading portfolio is used to generate profits through risk taking with the market. The proprietary trading daily limits has been set at Ch\$250,000,000. The market making portfolio represents risk taking made through decisions with respect to acceptable levels of client positions. The market making portfolio daily limits has been set at Ch\$700,000,000. Such limits are subject to revaluation and revision every year or at the determination of the A&L Committee.

The following table illustrates our limits, as well as our low, average and high VaR by interest rate risk and foreign currency exchange rate risk for December 31, 2012:

	Limit	VaR(95%)			
		As of December 31, 2012	Low	Average	High
Trading activities		541,550,411	237,390,760	517,588,400	941,108,670
Diversification adjustment		(192,332,769)			
Interest rate		498,005,354	231,285,768	508,026,904	939,063,415
Currency		235,877,826	2,891,868	84,444,843	277,866,564
Proprietary trading	250,000,000	190,242,827	5,659,991	88,932,087	284,322,183
Diversification adjustment		(4,139,644)			
Interest rate		3,273,812	3,273,812	41,141,818	213,901,713
Currency		191,108,659	0	62,886,392	229,820,665
Market making trading	700,000,000	473,796,037	237,620,560	492,369,067	785,262,052
Diversification adjustment		(82,919,500)			
Interest rate		495,810,424	241,791,974	488,141,222	808,999,485
Currency		60,905,113	5,810,906	42,694,291	254,692,952

(1) The definitions of the terms used in the table are:

Diversification Adjustment
Interest Rate
Currency

This takes into account the correlating effects of having assets in the portfolio whose asset values do not move up and down together.
Value at Risk for Interest Rate Risk at 95% confidence level.
Value at Risk for Currency Risk at 95% confidence level.

Over the course of 300 days, we observed that in our proprietary trading portfolio VaR is exceeded 9 times out of every 300 trading days, while our market marking portfolio exceeded VaR 18 times out of every 300 trading days. Both results are within the acceptable range according to the Kupiec Excess Frequency Test.

The determination of our VaR models as statistically appropriate is performed in accordance with the Kupiec Excess Frequency Test and Basel committee guidelines. During 2012, no changes were made to the VaR methodology and assumptions.

Assumptions and Limitations of VaR Model

The historical simulation methodology assumes that the distribution of one day changes in market risk factors observed in the last 300 days is a good predictor for the next day market risk factor changes distribution.

Historical data used in the model may not provide an accurate estimate of risk factor changes in the future. In particular, the use of historical data may fail to capture the risk of possible extreme adverse market movements independent of the time range utilized. For example, the use of extended periods of historical data might erroneously lead to a significant decrease in volatility especially after the Asian crisis.

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To check the model estimation accuracy, we apply the Kupiec Excess Frequency Test, which is described in note 34.

Other limitations that have to be taken in account when interpreting the model results are:

- Reliable historical risk factor data may not be readily available for certain instruments in our portfolio. A one-day time horizon may not fully capture the market risk positions that cannot be liquidated or hedged within one day.
- The VaR measure is computed with positions at the closing of business day. The trading positions may change substantially during the course of the trading day.

Non-statistical Tools for Controlling Market Risk

In addition to VaR methodology, we seek to control market risk in our portfolio through certain non-statistical tools, which are approved by the A&L Committee. The A&L Committee sets certain limits based on guidance from our Board of Directors as to our business strategy, market volatility, liquidity of our assets and overall risk tolerance. Generally, the A&L Committee updates our market risk limits at least once a year.

Sensitivity Simulation

We use a sensitivity simulation above trading and available-for-sale portfolios, for evaluating the change in portfolio's market value. This tool is complementary to VaR, like a form to measure portfolio's sensitivity independent of volatility level. We assume 90 basis points in the available-for-sale portfolio, within a limit of 5% of regulatory capital.

Volume Limits

Net Foreign Currency Position: Maximum Net Position. We set an absolute limit on the size of our net foreign currency position. As of December 31, 2012, the limit in effect was US\$ 45 million in net U.S. dollar positions, and the equivalent of US\$ 20 million in net Euro positions. This limit is a useful measure in limiting our exposure to foreign exchange and interest rate risks. These limits are determined by the A&L Committee and are calculated and monitored daily by the Market Risk and Control Department.

Interest rate Sensitivity

For a non-trading portfolio we do gap analysis by means of sensitive the mismatches between assets and liabilities, estimating the risk:

$$\text{Risk} = \sum \text{Gap}_j * \Delta r_j * \text{Dur}_j$$

GAP_j: mismatches between assets and liabilities in tenor j.
Dur_j: average duration of cash flows in tenor j.
Dr_j: interest rate shock.

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The following table sets forth the re-pricing of our interest-earning assets and interest bearing liabilities as of December 31, 2012 and may not reflect interest rate gap positions at other times. In addition, variations in interest rate sensitivity may exist within the re-pricing periods presented due to the differing re-pricing dates within the period. Variations may also arise among the different currencies in which interest rate positions are held.

	Up to 30 days	31-60 days	61-90 days	91-180 days	181-365 days	1-3 years	Over 3 years	Total
(in millions of constant Ch\$ as of December 31, 2012, except for percentages)								
Interest-earning assets								
Current accounts in foreign banks	348,068	-	-	-	-	-	-	348,068
Trading portfolio financial assets	36,133	8,941	4,471	555	1,109	18,082	90,607	159,898
Investments under agreements to resell	7,767	7,815	3,907	608	1,216	-	-	21,313
Loans and receivables from banks, net	390,928	6,053	3,027	3,437	6,873	23,979	48,074	482,371
Loans and receivables from customers, net	1,375,708	1,125,558	562,779	713,805	1,427,610	1,352,126	3,436,304	9,993,890
Financial investments available-for-sale	15,820	42,075	21,037	102,838	205,675	126,939	598,051	1,112,435
Held to maturity	15,617	3,653	1,827	6,639	13,277	9,756	54,208	104,977
Total interest-earning assets	2,190,041	1,194,095	597,048	827,882	1,655,760	1,530,882	4,227,244	12,222,952
Interest-bearing liabilities								
Investments under agreements to repurchase	124,448	88,849	44,424	-	-	-	-	257,721
Time deposits and saving accounts	2,602,869	1,370,432	685,216	702,458	1,404,917	428,645	97,568	7,292,105
Borrowings from financial institutions	189,695	159,730	79,865	132,151	264,302	138,451	5,327	969,521
Debt issued	3,782	2,982	1,491	42,633	85,265	215,848	1,534,603	1,886,604
Other financial obligations	6,100	310	154	465	930	1,204	8,957	18,120
Total interest-bearing liabilities	2,926,894	1,622,303	811,150	877,707	1,755,414	784,148	1,646,455	10,424,071
Asset/liability gap	(736,853)	(428,208)	(214,102)	(49,825)	-99,654	746,734	2,580,789	1,798,881
Cumulative gap	(736,853)	(1,165,061)	(1,379,163)	(1,428,988)	(1,528,642)	(781,908)	1,798,881	-
Ratio of cumulative gap to cumulative								
Total interest earning assets	(33.65%)	(34.43%)	(34.64%)	(29.71%)	(23.65%)	(9.78%)	14.72%	0.00%

A sudden increase of 100 basis points in the interest rate applicable to our interest rate gap would cause a decrease in the market value of these financial investments of Ch\$9,573 million (US\$19.98 million) as of December 31, 2012.

Duration Analysis

We perform duration analysis by monitoring the changes in the present value of the assets in our portfolio associated with changes in the reference yield of 100 basis points, we perform duration analysis on a daily basis.

Our non-statistical tools include certain limits we establish on our exposure to foreign currency risk and interest rate risk. Our disclosure about currency risk takes into account our base currency (functional currency), the Chilean peso, and our exposure to other currencies. These exposures are monitored through the net balance positions plus derivative positions. Limits on the position in each currency are monitored and controlled by the Market Risk Unit. Investors should view these limits as the maximum exposure to currency risk that the bank is willing to incur.

Our disclosure about interest rate risk reflects the regulatory limits on the banking book exposures. Short term limits reflect the exposure affecting the: (i) net interest margin based on the bank's structural position, (ii) the bank's structural position caused by inflation; and (iii) fees at risk when key prices and rate are subject to a change determined by regulation. This measure cannot exceed the average margin of interest and inflation accumulated during the past twelve months by a certain percentage that is defined by the bank's Board of Directors and reflects the bank's willingness to accept short term interest rate risk. Investors should view limits on usage as the maximum volatility on the bank's net interest margin that the bank is willing to face. Long term limits reflect the effect of market value sensitivity on the balance sheet. Each long term limit includes variable for unpredictability in key prices and rates as set by our regulator and reflects the changes caused by inflation and yield curve or term structure of interest rates in a stressed scenario. Investors should view these limits as the sum of effects that may impact the value of our stock under a common stress scenario defined by our regulator. The cash flows mismatch measures the difference between the sum of the outflows and inflows at 30 and 90 days. The 30 day cash flows mismatch is compared to regulatory required capital and the 90 days mismatch is compared to twice the regulatory required capital. A greater cash flows mismatch represents a greater liquidity risk. This ratio is regulatory and should be communicated by all banks, so each investor can compare the information described above and identify the banks that have greater liquidity risk.

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Stress Test

Scenario Analysis

We use a set of multiple scenarios to carry out a stress test of our assets and liabilities that aim to analyze the impact of extreme market conditions and to adopt policies and procedures in an effort to protect our capital and results against such contingencies. We apply this tool to measure interest rate risk relating to our trading and available-for-sale fixed rate portfolios, as well as exchange rate risk relating to our exposure to foreign currencies, and inflation risk relating to our gap in inflation indexed assets and liabilities.

We use historically correlated and non-correlated, hypothetical and prospective scenarios as possible sets of market conditions to analyze our portfolios under stress conditions.

Sensitivity Analysis

We apply sensitivity analysis above certain financial positions: currency gaps, mismatches between assets and liabilities in both our inflation-indexed (UF) and non inflation-indexed portfolios and banking book interest rate gaps. We perform a hypothetical simulation by calculating the potential loss that would be reflected in our financial results relating to an extreme movement of exchange rate, inflation index and interest rates.

The most important assumption utilized in our portfolio scenario simulations and sensitivity analysis is the usage of a 100 basis point shift in the yield curve. We use a 100 basis point shift since a sudden shift of this magnitude is considered realistic and would result in significant effects on our financial results.

Our scenario simulation methodology should be interpreted in light of the limitations of our models, which include:

The scenario simulation assumes that the volumes remain on balance sheet and that they are always renewed at maturity, omitting the fact that credit risk considerations and pre-payments may affect the maturity of certain positions.

The model does not take into consideration the sensitivity of volumes to these shifts in interest rates.

The shift is simulated to occur in just one day, and the loss is assumed to happen in the same time period.

As of December 31, 2012, a sudden increase of 100 basis points in the interest rate would cause a decrease in CorpBanca's market value of Ch\$ 60,260 million (US\$ 125.76 million).

Disclosures Regarding Derivative Financial Instruments

We enter into transactions involving derivative instruments particularly foreign exchange contracts, as part of our asset and liability management and in acting as a dealer to satisfy our clients' needs. These transactions arise from forward exchange contracts which are of two types: (i) transactions covering two foreign currencies and (ii) transactions covering Chilean pesos against the U.S. dollar.

Foreign exchange forward contracts involve an agreement to exchange the currency of one country for the currency of another country at an agreed-upon price and settlement date. These contracts are generally standardized contracts, normally for periods between 1 and 180 days and are not traded in a secondary market; however, in the normal course of business and with the agreement of the original counterparty, they may be terminated or assigned to another counterparty.

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When we enter into a forward exchange contract, we analyze and approve the credit risk (the risk that the counterparty might default on its obligations). Subsequently, on an ongoing basis, we monitor the possible losses involved in each contract. To manage the level of credit risk, we deal with counterparties of good credit standing, enter into master netting agreements whenever possible and, when appropriate, obtain collateral.

The Central Bank of Chile requires that foreign exchange forward contracts be made only in U.S. dollars and other major foreign currencies. Most of our forward contracts are made in U.S. dollars against the Chilean peso or the UF. In September 1997, the Central Bank of Chile changed its regulations with respect to foreign currency forward contracts. We may now enter into foreign currency forward contracts with companies organized and located outside of Chile, including foreign subsidiaries of Chilean companies.

Unrealized gains, losses, premiums and discounts arising from foreign exchange forward contracts are shown under other assets and other liabilities.

The following table summarizes our derivative portfolio as of December 31, 2010:

	Notional amounts of contracts with maturity in				
	Up to 3 months	From 3 to 12 months	More than 12 months	Gross Unrealized Gains	Gross Unrealized Losses
	(in millions of Ch\$)				
Derivatives held-for-trading					
Foreign currency forwards	3,628,811	2,423,162	443,209	79,048	91,868
Interest rate swaps	145,220	712,681	4,052,876	51,672	38,368
Foreign currency swap	66,983	95,380	1,058,631	72,644	44,325
Options call of currency	2,191	1,633	–	12	1
Options put of currency	3,513	491	–	254	2
Derivatives held-for-hedging					
Foreign currency forwards	11,990	–	–	241	–
Interest rate swaps	–	–	–	–	–
Foreign currency swaps	13,056	–	21,443	196	697
Liquidity Risk	–	–	–	204,067	175,261

The following table summarizes our derivative portfolio as of December 31, 2011:

	Notional amounts of contracts with maturity in				
	Up to 3 months	From 3 to 12 months	More than 12 months	Gross Unrealized Gains	Gross Unrealized Losses
	(in millions of Ch\$)				
Derivatives held-for-trading					
Foreign currency forwards	4,774,162	2,090,350	174,618	66,605	60,570
Interest rate swaps	1,583,067	2,055,175	1,689,879	100,917	67,965
Foreign currency swap	12,506	164,186	585,444	76,282	32,612
Options call of currency	3,396	2,332	206	140	114
Options put of currency	3,004	4,182	96	76	22
Derivatives held-for-hedging					
Interest rate swaps	105	697,200	351,522	4,962	2,244
Foreign currency swaps	–	–	58	–	3,345
Liquidity Risk	–	–	–	248,982	166,872

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The following table summarize our derivative portfolio as of December 31, 2012:

	Notional amounts of contracts with maturity in				
	Up to 3 months	From 3 to 12 months	More than 12 months	Gross Unrealized Gains	Gross Unrealized Losses
	(in millions of Ch\$)				
Derivatives held-for-trading					
Foreign currency forwards	6,386,608	2,346,547	253,571	58,249	62,794
Interest rate swaps	550,021	1,152,021	4,430,469	98,576	74,290
Foreign currency swap	157,476	296,442	2,420,473	104,629	51,323
Options call of currency	75,646	65,871	2,108	303	1,114
Options put of currency	36,646	43,790	1,940	1,070	663
Derivatives held-for-hedging					
Interest rate swaps	–	703,522	336,819	5,118	1,997
Foreign currency swaps	–	51,418	113,622	82	1,663
Liquidity Risk	–	–	–	268,027	193,844

	Fair Value				
	Positions	Unrealized	Realized	Net Effect	
	Assets	Liabilities	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
As of December 2011					
Derivatives held-for-trading					
Foreign currency forwards	66,605	60,570	6,035	(4,679)	14,176
Interest rate swaps	100,917	67,965	32,952	(38,172)	10,542
Foreign currency swaps	76,282	32,612	43,670	39,914	55,265
Foreign currency call options	140	114	26	154	169
Foreign currency put options	76	22	54	40	(158)
Total derivatives held-for-trading	244,020	161,283	82,737	(2,743)	79,994

	Fair Value					Foreign Exchange	Adjustments
	Positions	Unrealized	Realized	Total			
	Assets	Liabilities	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(loss)	Gain/(loss)
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Total derivatives held-for-hedging	4,962	5,589	(627)	(27,150)	(27,777)	(26,373)	(1,404)
Total	248,982	166,872					

	Fair Value				
	Positions	Unrealized	Realized	Net Effect	
	Assets	Liabilities	Gain/(Loss)	Gain/(Loss)	Gain/(loss)
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
As of December 2012					
Derivatives held-for-trading					
Foreign currency forwards	58,249	62,794	(4,545)	(717)	(11,297)
Interest rate swaps	98,576	74,290	24,286	16,095	7,429
Foreign currency swaps	104,629	51,323	53,306	17,064	26,700
Foreign currency call options	303	1,114	(811)	1,257	420
Foreign currency put options	1,070	663	407	72	425
Total derivatives held-for-trading	262,827	190,184	72,643	33,771	23,677

	Fair Value					Foreign Exchange	Adjustments
	Positions	Unrealized	Realized	Total			
	Assets	Liabilities	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(loss)	Gain/(loss)
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Total derivatives held-for-hedging	5,200	3,660	1,540	583	2,123	4,627	(2,504)
Total	268,027	193,844					

Liquidity risk arises in the general funding for our financing, trading and investment activities. It includes the risk of unexpected increases in the cost of funding the portfolio of assets at appropriate maturities and rates, the risk of being unable to liquidate a position in a timely manner at a reasonable price and the risk that we will be required to repay liabilities earlier than anticipated. Our general policy is to maintain sufficient liquidity to ensure our ability to honor withdrawals of deposits, make repayments of other liabilities at maturity, extend loans and meet our working capital needs.

Regulatory Observance

The minimum amount of liquidity is determined by the reserve requirements set by the Central Bank of Chile. These reserve requirements are currently 9% of demand deposits and 3.6% of time deposits. We are currently in compliance with these requirements. In addition, we are subject to a technical requirement applicable to Chilean banks pursuant to which we must hold a certain amount of assets in cash or in highly liquid instruments, if the aggregate amount of the following liabilities

exceeds 2.5 times the amount of our net capital base:

1. Deposits in checking accounts,
2. Other demand deposits or obligations payable on demand and incurred in the ordinary course of business,
3. Other deposits unconditionally payable immediately or within a term of less than 30 days, and
4. Time deposits payable within ten days.

Chilean regulations also require that gaps between assets and liabilities maturing within 30 days not exceed a bank's net capital base and the gaps between assets and liabilities maturing within 90 days not exceed twice the bank's net capital base.

As of December 31, 2012, the ratio of our gap between 30-day or less of liabilities and assets to capital and reserves was 0%. As of December 31, 2012, the ratio of our gap between 90-day or less liabilities and assets to our capital and reserves was 58%.

Internal Methods

In addition to the tools we use to control regulatory liquidity risk described above, we have also set internal liquidity limits. In particular, our Financial Risk Department measures two liquidity indicators:

Minimum Liquidity Requirement: In order to ensure that the bank will permanently hold enough liquid assets to meet all payments derived from deposits made by third parties in the bank, we consider a limit on the minimum amount of liquid assets to be held on a daily basis. The amount of money to be paid as a result of deposit payments for the next three-day period cannot rise above the total amount of liquid assets held by the bank as defined by the Chilean Central Bank in its liquidity facilities regulations. As of December 31, 2012, the amount of our liquid assets was Ch\$ 1,042,642 million (US\$ 2,175.992 million) while deposits to be paid the next three days amounted to Ch\$ 93,956 million (US\$ 196.086 million).

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Liquidity Coverage Ratio (LCR). We seek to ensure that, even under adverse conditions, we have access to the funds necessary to cover client needs, maturing liabilities and capital requirements. As part of our policy, we have developed an internal liquidity model which we refer to as the razón de cobertura de liquidez (liquidity coverage ratio, or LCR). The purpose of the LCR model is to evaluate our funding capacity assuming a hypothetical scenario of illiquidity.

Our Financial Risk Department applies the LCR model on a daily basis. The LCR is based on a stress scenario which assumes that an unusually large proportion of liabilities will be withdrawn over the next 20 days according with a stressed volatility. At the same time, liquid assets have to cover excess requirements. The proportion between liquid assets over liabilities withdrawn must be over 0.7 for us to maintain a normal liquidity level. As of December 31, 2012, LCR was 0.86.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

AMERICAN DEPOSITARY SHARES

Fees and Expenses

Effective as of May 7, 2012, Deutsche Bank Trust Company Americas serves as the depositary for our ADSs. Holders of the ADRs are required to pay the fees set forth in the table below to the depositary, and the depositary may refuse to provide any service for which a fee is assessed until the applicable fee has been paid. The depositary may decide, in its sole discretion, to seek payment by either billing holders or by deducting the fee from one or more cash dividends or other cash distributions.

<u>Depositary service</u>	<u>Fee payable by ADR holders</u>
Issuance and delivery of ADRs, including in connection with share distributions, stock splits or other distributions (except when converted to cash); exercise rights; cancellation or withdrawal of ADSs, including cash distributions in connection with a cancellation or withdrawal	US\$5.00 (or less) per 100 ADSs (or fraction thereof)
Any distribution of cash proceeds to ADS registered holders, including cash dividends or sale of rights and other entitlements not made pursuant to a cancellation or withdrawal	US\$2.00 (or less) per 100 ADS
Operation and maintenance costs	US\$2.00 (or less) per 100 ADS
<u>Direct and indirect payments by the depositary</u>	
Transfer and registration of shares on our share register to or from the name of the Depositary or its agent when you deposit or withdraw shares	–
Cable, telex and facsimile transmissions and electronic transmissions (when expressly provided in the deposit agreement)	–
Any fees, charges and expenses incurred in connection with the conversion of foreign currency, compliance with exchange control regulations and other regulatory requirements	–
Taxes and other governmental charges the depositary or the custodian have to pay on any ADS or share underlying an ADS, for example, stock transfer taxes, stamp duty, or withholding taxes	–
Any fees and expenses incurred by the depositary in connection with the delivery of deposited securities, including any fees of a central depositary for securities in the local market, where applicable	–
Any other fees, charges costs or expenses incurred by the depositary or its agents for servicing the deposited securities	–

Any other charges and expenses of the depositary under the deposit agreement will be paid by the Company upon agreement between the depositary and the Company. All fees and charges may, at any time and from time to time, be changed by agreement between the depositary and the Company but, in the case of fees and charges payable by ADS holders and beneficial owners, only in the manner contemplated by Article 20 of the ADR.

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The depositary reimburses the Company for certain expenses incurred by the Company that are related to the ADR facility upon such terms and conditions as the Company and the depositary have agreed and may hereinafter agree from time to time. The depositary may make available to the Company a set amount or a portion of the depositary fees charged in respect of the ADR facility or otherwise upon such terms and conditions as the Company and the depositary may agree from time to time.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

As of December 31, 2012, CorpBanca, under the supervision and with the participation of our management, including the Chief Executive Officer and the Chief Financial Officer, performed an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). There are inherent limitations to the effectiveness of any control system, including the possibility of human error and the circumvention or overriding of disclosure controls and procedures. Accordingly, even effective disclosure controls and procedures can provide only reasonable assurance of achieving their control objectives.

Based upon the evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective in ensuring that information relating to us, including our consolidated subsidiaries, required to be disclosed in the reports that we file under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (2) accumulated and communicated to the management, including principal financial officers as appropriate to allow timely decisions regarding required disclosure.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by the International Accounting Standards Board (IFRS-IASB).

Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets,
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS-IASB and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors, and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

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Because of its inherent limitations, internal control over financial reporting, no matter how well designed, may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As allowed by SEC guidance, as of December 31, 2012, management excluded from its assessment of internal control over financial reporting, an assessment of internal control over financial reporting of CorpBanca Colombia, which we acquired in a two-step transaction on May 29, 2012 (acquiring a 51% interest) and June 22, 2012 (acquiring a 40.9% interest), and became our subsidiary. CorpBanca Colombia's financial statements constitute 18% of total assets, 26% of net interest income, 21% of net service fee income, 25% of total operating income, net of loan losses, interest and fees, and 23% of income before income taxes that were reflected in our consolidated financial statements as of and for the year ended December 31, 2012.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2012 based on the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, (COSO). Based on this assessment, our management concluded that our internal control over financial reporting was effective as of December 31, 2012.

Our independent registered public accounting firm, Deloitte, has audited the consolidated financial statements included in this Annual Report, and as part of their audit, has issued their report, included herein, on the effectiveness of our internal control over financial reporting as of December 31, 2012.

ATTESTATION REPORT OF THE REGISTERED PUBLIC ACCOUNTING FIRM



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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of CorpBanca

We have audited the internal control over financial reporting of Corpbanca and subsidiaries (the "Bank") as of December 31, 2012, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Bank's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Bank's internal control over financial reporting based on our audit.

As described in Management's Annual Report on Internal Control Over Financial Reporting, management excluded from its assessment the internal control over financial reporting at CorpBanca Colombia, which was acquired on May 29, 2012 (51.00%) and June 22, 2012 (40.93%) and whose financial statements constitute 18% of total assets, 26% of net interest income, 21% of net service fee income, 25% of total operating income, net of loan losses, interest and fees, and 23% of income before income taxes of the consolidated financial statement amounts as of and for the year ended December 31, 2012. Accordingly, our audit did not include the internal control over financial reporting at CorpBanca Colombia.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in

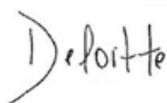
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reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Bank maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States of America), the consolidated financial statements as of and for the year ended December 31, 2012 of the Bank and our report dated May 15, 2013 expressed an unqualified opinion on those consolidated financial statements and included an explanatory paragraph concerning the translation of Chilean peso amounts into U.S. dollar amounts in conformity with the basis stated in Note 1.x and that such U.S. dollar amounts are presented solely for the convenience of readers in the United States of America.



Santiago, Chile
May 15, 2013

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no significant changes in our internal controls over financial reporting identified in connection with the evaluation required by paragraph (d) of 17 CFR 240.13a-15 or 240.15d-15 that occurred during the period covered by this Annual Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. RESERVED

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

We believe that each of the members of our Audit Committee qualifies as an “audit committee financial expert” within the meaning of this Item 16A, in that (i) each has an understanding of IFRS and financial statements, (ii) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves, (iii) significant experience auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the financial statements and experience supervising persons engaged in such activities, (iv) an understanding of internal control over financial accounting and reporting, and (v) an understanding of the functions of an audit committee.

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ITEM 16B. CODE OF ETHICS

We have adopted a code of ethics, as defined in Item 16B of Form 20-F under the Exchange Act. Our code of ethics applies to our Chief Executive Officer, Chief Financial Officer, principal accounting officer and persons performing similar functions, as well as to our directors and other employees without exception. A copy of our code of ethics, as amended, along with our Code of Conduct in the Securities Market, is attached as an exhibit to this Annual Report.

No waivers been granted to the code of ethics since its adoption that applies to the persons indicated above.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the fees billed to us by our independent auditors during the fiscal years ended December 31, 2010, 2011 and 2012:

	Year ended December 31,		
	2010	2011	2012
	(in millions of Ch\$)		
Audit fees	490	478	596
Audit-related fees	169	–	–
Tax fees	46	37	10
All other fees	202	854	668
Total	907	1,369	1,274

Audit fees in the above table are the aggregate fees billed by Deloitte in connection with the audit of our financial statements and services that are normally provided by Deloitte in connection with statutory and regulatory filings or engagements.

Audit-related fees in the above table are the aggregate fees billed by Deloitte for the audit and review of our filings under the Securities Act.

Tax fees in the above table are the aggregate fees billed by Deloitte for tax compliance, tax advice, and tax planning.

Other services are fees billed to us by Deloitte in connection with consulting work and advice on accounting matters (which are unrelated to the auditing of the accounts).

PRE-APPROVAL POLICIES AND PROCEDURES

Our Audit Committee approves all audit, audit-related services, tax services and other services provided by Deloitte. Any services provided by Deloitte that are not specifically included within the scope of the audit must be pre-approved by the Audit Committee prior to any engagement.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

CorpBanca's audit committee does not meet the requirements of Exchange Act Rule 10A-3 because Alejandro Ferreiro Yazigi and Juan Echeverría González do not meet the Exchange Act Rule 10A-3(b)(1) independence requirements. CorpBanca is relying on the general exemption contained in Exchange Act Rule 10A-3(c)(3), which provides an exemption from NYSE's listing standards relating to audit committees for foreign companies like CorpBanca. CorpBanca's reliance on Rule 10A-3(c)(3) does not, in its opinion, materially adversely affect the ability of its audit committee to act independently and to satisfy the other requirements of Exchange Act Rule 10A-3.

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ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

The following table sets out certain information concerning purchases of our shares registered under Section 12 of the Exchange Act by us or any affiliated purchaser during fiscal year 2012:

Period	(a) Total number of shares purchased	(b) Average price paid per share (in Ch\$)	(c) Total number of shares purchased as part of publicly announced plans or programs	(d) Maximum number of shares that may yet be purchased under the plan or programs
January 2012				
February 2012				
March 2012				
April 2012				
May 2012	11,923,200,000	6.25	11,923,200,000	
June 2012	6,287,824,260	6.25	6,287,824,260	
July 2012	16,241,056	5.98	16,241,056	
August 2012				
September 2012				
October 2012				
November 2012				
December 2012				
Total	18,227,265,316	6.16	18,227,265,316	

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

Pursuant to Section 303A.11 of the Listed Company Manual of the New York Stock Exchange, "foreign private issuers" are required to provide a summary of the significant ways in which their corporate governance practices differ from those corporate governance standards required of U.S. companies by the New York Stock Exchange. As a Chilean bank, our corporate governance standards are governed by our by-laws, the General Banking Law, the Chilean Corporations Law, the *Ley de Mercado de Valores No. 18,045*, or the Securities Market Law, and the regulations issued by the SBIF. The following chart notes these differences:

NYSE Corporate Governance Standards

Listed companies must have a majority of independent directors and independence test.

CorpBanca's Practices

Publicly traded companies (*sociedades anónimas abiertas*) must designate at least one independent director and a Directors Committee, if they have a market capitalization equal to or greater than the equivalent of 1,500,000 *unidades de fomento*, and at least 12.5% of its issued shares with voting rights are held by shareholders who individually control or own less than 10% of such shares. Under Chilean law, directors elected by a group or class of shareholders have the same duties to the company and to the shareholders as do the remaining directors, and all transactions with the company in which a director has an interest, either personally (which includes the director's spouse and certain relatives) or as a representative of a third party, requires a report from the directors committee and the prior approval by the board of directors and must be entered into the interest of the Company and on market terms and conditions. Such transactions must be reviewed by the Directors Committee and disclosed at the subsequent shareholders' meeting.

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Non-management directors must meet at regularly scheduled executive sessions without management.

Listed companies must have a nominating/corporate governance committee composed entirely of independent directors. The committee must have a written charter addressing the committee's purpose and responsibilities, which must include: identifying, and selecting or recommending, qualified individuals to serve as board members; developing and recommending corporate governance guidelines; and overseeing the evaluation of the board and management.

NYSE Corporate Governance Standards

Listed companies must have a compensation committee composed entirely of independent directors. The committee must have a written charter addressing an annual performance evaluation of the committee and addressing the committee's purpose and responsibilities, which must include: (i) determining and approving the CEO's compensation level based on an evaluation of the CEO's performance in light of relevant corporate goals and objectives, (ii) making recommendations with respect to non-CEO executive officer compensation, and (iii) producing a committee report on executive officer compensation.

Shareholders must have the opportunity to vote on all equity-compensation plans and material revisions thereto, subject to limited exemptions.

Listed companies must have a compensation committee composed entirely of independent directors. The committee must have a written charter addressing an annual performance evaluation of the committee and addressing the committee's purpose and responsibilities, which must include: (i) determining and approving the CEO's compensation level based on an evaluation of the CEO's performance in light of relevant corporate goals and objectives, (ii) making recommendations with respect to non-CEO executive officer compensation, and (iii) producing a committee report on executive officer compensation.

Chilean Law establishes that our executive officers may not serve as directors and therefore, all of our directors are non-management. Our Board of Directors meets regularly on a monthly basis.

Under Chilean law we are not required to have, and do not have, a nominating/corporate governance committee. Under Chilean law, the only committees that are required are the Audit Committee, the Directors Committee, the Anti-Money Laundering Committee and the Anti-Terrorism Finance Committee.

CorpBanca's Practices

Under Chilean law we are not required to have a compensating committee. Our Board of Directors establishes the compensation of our Chief Executive Officer and does a performance evaluation. The Directors Committee examines the compensation program of executive officers.

Our compensation policies do not provide for equity compensation plans.

Under Chilean law we are not required to have a compensating committee. Our Board of Directors establishes the compensation of our Chief Executive Officer and does a performance evaluation. The Directors Committee examines the compensation program of executive officers.

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Shareholders must have the opportunity to vote on all equity-compensation plans and material revisions thereto, subject to limited exemptions.

Listed companies must adopt and disclose corporate governance guidelines. The guidelines must address: (i) director qualification standards, (ii) director responsibilities, (iii) director access to management, (iv) director compensation, (v) director orientation and continuing education, (vi) management succession, and (vii) annual performance evaluation of the board.

Listed companies must adopt and disclose a code of business conduct and ethics for directors, officers and employees, and promptly disclose waivers thereof for directors or executive officers.

NYSE Corporate Governance Standards

Listed companies must have an audit committee that meets the requirements of Exchange Act Rule 10A-3 or be exempt therefrom. If the company has an audit committee, each member must meet Exchange Act Rule 10A-3(b)(1) independence requirements or be exempt therefrom. In particular, Exchange Act Rule 10A-3(b)(1) requires that each member of the audit committee be a member of the board of directors of the issuer, and must otherwise be independent.

Our compensation policies do not provide for equity compensation plans.

Under Chilean law we are not required to adopt or disclose our corporate governance guidelines. We follow corporate governance guidelines established by Chilean laws which include, among others: (i) active participation of directors in our main committees, (ii) the requirement that all employees must sign and be knowledgeable of our code of ethics, (iii) a separation of functions — our commercial segment is separated from the back office and risk segments, main credit decisions are taken in committee, (iv) monthly review by the audit committee of internal audit reports and (v) the appointment of an officer who oversees compliance with the code of ethics.

We have a code of business and ethics conduct which drives business and ethic conduct of our Chief Executive Officer, chief financial officer and each employee. This code must be signed by each of our employees and is published in our intranet; it is included as an exhibit in this Annual Report.

CorpBanca's Practices

In May 2003, the SBIF adopted a resolution requiring that, from January 2004, all Chilean banks establish an audit committee composed of two or more members, two of whom must be directors appointed by the board of directors. The SBIF recommends that at least one of the members of the audit committee, who must also be a member of the board of directors, be experienced with respect to the accounting procedures and financial aspects of banking operations. The members of the audit committee appointed by the board of directors must be independent according to the criteria set by the board of directors. In furtherance of the independence of the audit committee, our board of directors has determined that audit committee members should not, for the last three years, have held positions as our principal executive officers, have performed professional services for us, have commercial commitments with us or with any of our affiliates or related persons, or have relations with other entities related to us from which they have received material payments. Moreover, they may not accept any payment or other compensatory fee from us, other than in their capacity as members of the audit committee or of other committees. All the members of the audit committee receive a monthly remuneration.

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ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

Not applicable.

ITEM 18. FINANCIAL STATEMENTS

See the following items starting at page F-1:

- (a) Report of Independent Registered Public Accounting Firm
- (b) Consolidated Statement of Financial Position as of 2012 and 2011
- (c) Consolidated Statement of Income for the three years ended December 31, 2012
- (d) Consolidated Statement of Comprehensive Income for the three years ended December 31, 2012
- (e) Statement of Changes in Shareholders' Equity for the three years ended December 31, 2012
- (f) Consolidated Statement of Cash Flows for each of the three years ended December 31, 2012
- (g) Notes to the Consolidated Financial Statements.

ITEM 19. EXHIBITS

The following exhibits are filed as part of this Annual Report:

Exhibit 1.1	Articles of Incorporation and By-laws (<i>estatutos sociales</i>) of CorpBanca, including amendments thereto (English language translation).
Exhibit 2.(a).1**	Form of Amended and Restated Deposit Agreement, dated as of May 7, 2012, by and among CorpBanca, Deutsche Bank Trust Company Americas, as depositary, and the registered holders and beneficial owners from time to time of American Depositary Shares evidenced by American Depositary Receipts issued thereunder, including a form of American Depositary Receipt.
Exhibit 2.(a).3	Underwriting Agreement dated January 15, 2013, between CorpBanca and Banco BTG Pactual S.A., acting through its Cayman Islands Branch, relating to CorpBanca's American Depositary Shares.
Exhibit 2.(b).1	Indenture dated January 15, 2013, between CorpBanca and Deutsche Bank Trust Company Americas, as Trustee, related to CorpBanca's 3.125% Senior Notes due 2018.
Exhibit 2.(b).2	First Supplemental Indenture dated January 15, 2013, between CorpBanca and Deutsche Bank Trust Company Americas, as Trustee, related to CorpBanca's 3.125% Senior Notes due 2018.
Exhibit 2.(b).3	Form of Global Note due 2018 (included in Exhibit 2.(b).1).
Exhibit 2.(a).2*	Form of CorpBanca Share Certificate (English language translation).
Exhibit 3.1*****	Consolidated Text of the Share Purchase Agreement, dated December 6, 2011, by and among Banco Santander, S.A., Corpbanca, and Inversiones Corpgroup Interhold Limitada (including the modifications agreed to by the parties on February 21, 2012)
Exhibit 3.2*****	Addendum No. 1 to Share Purchase Agreement, dated February 21, 2012, by and among Banco Santander, S.A., Corpbanca, and Inversiones Corpgroup Interhold Limitada

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Exhibit 4.(a).1*	Systems Operations Services Agreement, dated as of March 30, 2001, between IBM de Chile S.A.C. and CorpBanca (English language translation).
Exhibit 4.(a).2*	Service Contract, dated as of July 6, 2001, between Corp Group Interhold S.A. and CorpBanca (English language translation).
Exhibit 4.(a).3*	Software Consulting and Development Agreement, “IBS” Integrated Banking System, dated as of October 4, 2001, between Datapro, Inc. and CorpBanca (English language translation).
Exhibit 4.(a).4*	Agreement to Participate in the Automated Teller Machine Network Operated by Redbanc S.A., dated as of April 1, 2001, among Redbanc S.A. and CorpBanca (English language translation).
Exhibit 4.(a).5****	Sublease Automatic Teller Machine Contract, dated as of November 26, 2008, among SMU S.A., Rendic Hermanos S.A., Supermercados Bryc S.A. and Distribuidora Super Diez S.A. and CorpBanca (English language translation).
Exhibit 4.(a).6	Credit Agreement, dated as of July 24, 2012, by and among CorpBanca, as borrower, Standard Chartered Bank, as administrative agent, HSBC Securities (USA) Inc. and Wells Fargo Securities, LLC, as lead arrangers and book-runners, and Commerzbank Aktiengesellschaft, as lead arranger.
Exhibit 8.1	List of subsidiaries of CorpBanca.
Exhibit 11.1****	English language translation of CorpBanca’s Code of Ethics, as amended.
Exhibit 11.2***	English language translation of CorpBanca’s Code of Conduct in the Securities Market
Exhibit 12.1	Certification of the chief executive officer of CorpBanca required under Rule 13a-14(a) or Rule 15d-14(a), pursuant to Section 302 of the Sarbanes Oxley Act of 2002.
Exhibit 12.2	Certification of the chief financial officer of CorpBanca required under Rule 13a-14(a) or Rule 15d-14(a), pursuant to Section 302 of the Sarbanes Oxley Act of 2002.
Exhibit 13.1	Certification of the chief executive officer of CorpBanca required under Rule 13a-14(a) or Rule 15d-14(a), pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 13.2	Certification of the chief financial officer of CorpBanca required under Rule 13a-14(a) or Rule 15d-14(a), pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 15.1	Consent of Deloitte & Touche Sociedad de Auditores y Consultores Ltda.

* Incorporated by reference to our Form 20-F (File No. 001-32305) filed on September 24, 2004.

** Incorporated by reference to our registration statement on Form F-6 (File No. 333-119251) filed on April 30, 2012.

*** Incorporated by reference to our annual report on Form 20-F (File No. 001-32305) filed on June 29, 2007.

**** Incorporated by reference to our annual report on Form 20-F (File No. 001-32305) filed on June 30, 2009.

***** Incorporated by reference to our annual report on Form 20-F (File No. 001-32305) filed on April 30, 2012.

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SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

CORPBANCA

/s/ Eugenio Gigogne Miqueles

Name: Eugenio Gigogne Miqueles
Title: Chief Financial Officer

Date: May 15, 2013

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CORPBANCA AND SUBSIDIARIES
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As of December 31, 2010, 2011 and 2012

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Deloitte
Auditores y Consultores Limitada
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Corpbanca

We have audited the accompanying consolidated statements of financial position of Corpbanca and subsidiaries (the “Bank”) as of December 31, 2012 and 2011, and the related consolidated statements of income, comprehensive income, changes in shareholders’ equity, and cash flows for each of the three years in the period ended December 31, 2012. These consolidated financial statements are the responsibility of the Bank’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States of America). 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 statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Corpbanca and subsidiaries as of December 31, 2012 and 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS-IASB”).

Our audits also comprehended the translation of Chilean peso amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1.x. The translation into U.S. dollars has been made solely for the convenience of readers in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States of America), the Bank’s internal control over financial reporting as of December 31, 2012, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated May 15, 2013 expressed an unqualified opinion on the Bank’s internal control over financial reporting.

A handwritten signature of the Deloitte firm, written in blue ink, appearing as a stylized cursive "Deloitte".

Santiago, Chile
May 15, 2013

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CORPBANCA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
For the years ended December 31, 2011 and 2012
(In millions of Chilean pesos - MCh\$)

ASSETS	Notes	12.31.2011	12.31.2012	12.31.2012
		MCh\$	MCh\$	ThUS\$ (Note 1x)
Cash and deposits in banks	4	265,747	520,228	1,085,708
Cash in the process of collection	4	96,230	123,777	258,321
Trading portfolio financial assets	5	166,039	159,898	333,705
Investments under agreements to resell	6	23,251	21,313	44,480
Derivative financial instruments	7	248,982	268,027	559,368
Loans and receivables from banks	8	304,098	482,371	1,006,701
Loans and receivables from customers, net	9	6,711,945	9,993,890	20,857,104
Financial investments available-for-sale	10	843,250	1,112,435	2,321,636
Held to maturity investments	10	21,962	104,977	219,085
Investment in other companies	11	3,583	5,793	12,090
Intangible assets	12	12,239	481,682	1,005,263
Property, plant and equipment, net	13	57,225	65,086	135,834
Current taxes	14	6,278	-	-
Deferred income taxes	14	25,080	37,144	77,519
Other assets	15	102,775	149,903	312,845
TOTAL ASSETS		<u>8,888,684</u>	<u>13,526,524</u>	<u>28,229,660</u>
LIABILITIES				
Current accounts and demand deposits	16	682,720	1,112,675	2,322,137
Cash in the process of collection	4	36,948	68,883	143,758
Obligations under repurchase agreements	6	130,549	257,721	537,860
Time deposits and saving accounts	16	4,824,378	7,682,675	16,033,632
Derivative financial instruments	7	166,872	193,844	404,550
Borrowings from financial institutions	17	663,626	969,521	2,023,376
Debt issued	18	1,522,773	1,886,604	3,937,315
Other financial obligations	18	20,053	18,120	37,816
Current income tax provision	14	-	9,057	18,902
Deferred income taxes	14	25,352	117,753	245,749
Provisions	19	42,030	125,939	262,833
Other liabilities	20	30,981	75,205	156,952
TOTAL LIABILITIES		<u>8,146,282</u>	<u>12,517,997</u>	<u>26,124,879</u>
SHAREHOLDERS' EQUITY				
Attributable to equity holders of the Bank:				
Capital	22	507,108	638,234	1,331,985
Reserves		139,140	275,552	575,073
Accumulated other comprehensive income		(5,639)	(31,881)	(66,535)
Retained earnings:		99,184	72,252	150,789
Retained earnings from prior periods		16,897	13,190	27,527
Net income for the year	22	119,142	119,102	248,565
Less: Accrual for mandatory dividends		(36,855)	(60,040)	(125,303)
		739,793	954,157	1,991,312
Non controlling interest	22	2,609	54,370	113,469
TOTAL SHAREHOLDERS' EQUITY		<u>742,402</u>	<u>1,008,527</u>	<u>2,104,781</u>
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		<u>8,888,684</u>	<u>13,526,524</u>	<u>28,229,660</u>

Notes 1 to 38 are an integral part of these consolidated financial statements

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CORPBANCA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
For the years ended December 31, 2010, 2011 and 2012
(In millions of Chilean pesos - MCh\$)

	Notes	<u>12.31.2010</u> MCh\$	<u>12.31.2011</u> MCh\$	<u>12.31.2012</u> MCh\$	<u>12.31.2012</u> ThUS\$ (Note 1 x)
Interest income	23	387,639	528,622	762,992	1,592,353
Interest expense	23	(163,229)	(335,622)	(506,116)	(1,056,257)
Net interest income		<u>224,410</u>	<u>193,000</u>	<u>256,876</u>	<u>536,097</u>
Income from service fees	24	68,453	72,404	105,178	219,505
Expenses from service fees	24	(10,232)	(12,042)	(19,534)	(40,767)
Net service fee income		<u>58,221</u>	<u>60,362</u>	<u>85,644</u>	<u>178,738</u>
Trading and investment income, net	25	(9,410)	97,745	54,994	114,772
Foreign exchange gains (losses), net	26	44,611	(26,783)	30,696	64,062
Other operating income	31	8,832	9,507	18,708	39,043
Trading and investment, foreign exchange gains and other operating income		<u>44,033</u>	<u>80,469</u>	<u>104,398</u>	<u>217,877</u>
Operating income before provision for loan losses		<u>326,664</u>	<u>333,831</u>	<u>446,918</u>	<u>932,711</u>
Provisions for loan losses	27	(52,351)	(40,754)	(51,575)	(107,636)
Total operating income, net of loan losses, interest and fees		<u>274,313</u>	<u>293,077</u>	<u>395,343</u>	<u>825,075</u>
Personnel salaries expenses	28	(71,034)	(76,461)	(120,714)	(251,928)
Administration expenses	29	(46,793)	(55,141)	(88,783)	(185,289)
Depreciation and amortization	30	(7,117)	(7,461)	(18,092)	(37,758)
Impairment	30	(427)	-	-	-
Other operating expenses	31	(7,312)	(13,643)	(26,055)	(54,376)
Total operating expenses		<u>(132,683)</u>	<u>(152,706)</u>	<u>(253,644)</u>	<u>(529,351)</u>
Total net operating income		<u>141,630</u>	<u>140,371</u>	<u>141,699</u>	<u>295,724</u>
Income attributable to investment other companies	11	296	250	367	766
Income before income taxes		<u>141,926</u>	<u>140,621</u>	<u>142,066</u>	<u>296,490</u>
Income taxes	14	(20,353)	(23,303)	(22,913)	(47,819)
Net income for the year		<u>121,573</u>	<u>117,318</u>	<u>119,153</u>	<u>248,671</u>
Attributable to:					
Equity holders of the Bank		122,550	119,142	119,102	248,565
Non controlling interest		(977)	(1,824)	51	106
Earnings per share attributable to equity holders of the Bank		Ch\$	Ch\$	Ch\$	US\$
Basic earnings per share	22	0.54	0.50	0.43	0.001
Diluted earning per share	22	0.54	0.50	0.43	0.001

Notes 1 to 38 are an integral part of these consolidated financial statements

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CORPBANCA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2010, 2011 and 2012
(In millions of Chilean pesos - MCh\$)

	Notes	<u>12.31.2010</u> MCh\$	<u>12.31.2011</u> MCh\$	<u>12.31.2012</u> MCh\$	<u>12.31.2012</u> ThUS\$ (Note 1 x)
Net income for the year		121,573	117,318	119,153	248,671
Other Comprehensive Income					
Financial instruments available-for-sale	22	4,836	(1,258)	(5,368)	(11,203)
Exchange differences on translation	22	(1,014)	1,238	(25,157)	(52,502)
Hedge of net investment in foreign operation	22	963	(1,264)	757	1,580
Cash flow hedge	22	-	(2,576)	3,146	6,566
Other comprehensive income (loss) before income taxes		4,785	(3,860)	(26,622)	(55,560)
Income tax relating to financial instruments available-for-sale	14	(822)	461	888	1,853
Income tax relating to hedge of net investment in foreign operations	14	(164)	220	(147)	(307)
Income tax relating to cash flow hedge	14	-	298	(361)	(753)
Total other comprehensive income (loss)		3,799	(2,881)	(26,242)	(54,767)
Comprehensive income for the year		125,372	114,437	92,911	193,904
Attributable to:					
Equity Holders of the bank		124,395	116,261	92,860	193,798
Non Controlling interest	22	(977)	(1,824)	51	106

Notes 1 to 38 are an integral part of these consolidated financial statements

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CORPBANCA AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended December 31, 2010, 2011 and 2012
(In millions of Chilean pesos - MCh\$, except for number of shares)

	Number of shares (Millions)	Paid-in Capital MCh\$	Reserves MCh\$	Accumulated other comprehensive income					Retained earnings			Total attributable to equity holders of the Bank MCh\$	Non controlling interest MCh\$	Total Shareholders' equity MCh\$	
				Financial investment available-for-sale MCh\$	Hedge of net investment in foreign operation MCh\$	Derivatives for Cash Flow Coverage MCh\$	Income tax other comprehensive income MCh\$	Exchange differences on translation MCh\$	Accumulated other comprehensive income MCh\$	Retained earnings from previous periods MCh\$	Net income for the year MCh\$				Accrual for mandatory dividends MCh\$
Shareholders' equity as of December 31 2009	221,854	326,038	25,054	(6,353)	-	-	1,080	(1,284)	(6,557)	205,368	-	(42,554)	507,349	-	507,349
Increase or decrease in capital and reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	3,920	3,920
Dividends paid	-	-	-	-	-	-	-	-	-	(85,109)	-	42,554	(42,555)	-	(42,555)
Accrual for mandatory dividends	-	-	-	-	-	-	-	-	-	-	-	(59,522)	(59,522)	-	(59,522)
Sale of treasury shares	5,055	16,341	-	-	-	-	-	-	-	-	-	-	16,341	-	16,341
Higher value of shares sold	-	-	1,352	-	-	-	-	-	-	-	-	-	1,352	-	1,352
Comprehensive income for the period	-	-	-	4,836	963	-	(986)	(1,014)	3,799	-	122,550	-	126,349	(977)	125,372
Shareholders' equity as of December 31 2010	226,909	342,379	26,406	(1,517)	963	-	94	(2,298)	(2,758)	120,259	122,550	(59,522)	549,314	2,943	552,257
Distribution of prior year's net income	-	-	-	-	-	-	-	-	-	122,550	(122,550)	-	-	-	-
Shareholders' equity as of December 31 2010	226,909	342,379	26,406	(1,517)	963	-	94	(2,298)	(2,758)	242,809	-	(59,522)	549,314	2,943	552,257
Increase or decrease in capital and reserves	23,449	57,860	112,734	-	-	-	-	-	-	-	-	-	170,594	1,490	172,084
Capitalization of retained earnings	-	106,869	-	-	-	-	-	-	-	(106,869)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	(119,043)	-	59,522	(59,521)	-	(59,521)
Accrual for mandatory dividends	-	-	-	-	-	-	-	-	-	-	-	(36,855)	(36,855)	-	(36,855)
Comprehensive income for the period	-	-	-	(1,258)	(1,264)	(2,576)	979	1,238	(2,881)	-	119,142	-	116,261	(1,824)	114,437
Shareholders' equity as of December 31 2011	250,358	507,108	139,140	(2,775)	(301)	(2,576)	1,073	(1,060)	(5,639)	16,897	119,142	(36,855)	739,793	2,609	742,402
Distribution of prior year's net income	-	-	-	-	-	-	-	-	-	119,142	(119,142)	-	-	-	-
Shareholders' equity as of December 31 2011	250,358	507,108	139,140	(2,775)	(301)	(2,576)	1,073	(1,060)	(5,639)	136,039	-	(36,855)	739,793	2,609	742,402
Increase or decrease in capital and reserves	43,000	131,126	136,412	-	-	-	-	-	-	-	-	-	267,538	2,430	269,968
Capitalization of retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	(122,849)	-	36,855	(85,994)	-	(85,994)
Accrual for mandatory dividends	-	-	-	-	-	-	-	-	-	-	-	(60,040)	(60,040)	-	(60,040)
Comprehensive income for the period	-	-	-	(5,368)	757	3,146	380	(25,157)	(26,242)	-	119,102	-	92,860	51	92,911

Acquisition Subsidiary in Colombia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	49,280	49,280
Shareholders' equity as of December 31 2012	293,358	638,234	275,552	(8,143)	456	570	1,453	(26,217)	(31,881)	13,190	119,102	(60,040)	954,157	54,370	1,008,527	
Shareholders' equity as of December 31 2012	293,358	1,331,985	575,073	(16,994)	952	1,190	3,032	(54,715)	(66,535)	27,527	248,565	(125,303)	1,991,312	113,469	2,104,781	
ThUS\$ (Note 1 x)	293,358	1,331,985	575,073	(16,994)	952	1,190	3,032	(54,715)	(66,535)	27,527	248,565	(125,303)	1,991,312	113,469	2,104,781	

Notes 1 to 38 are an integral part of these consolidated financial statements

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CORPBANCA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2010, 2011 and 2012
(In millions of Chilean pesos - MCh\$)

	Notes	<u>12.31.2010</u> MCh\$	<u>12.31.2011</u> MCh\$	<u>12.31.2012</u> MCh\$	<u>12.31.2012</u> ThUS\$ (Note 1 x)
CASH FLOW FROM OPERATING ACTIVITIES:					
Income before income taxes		141,926	140,621	142,066	296,490
Non controlling Interest		(977)	(1,824)	51	106
Charges (credits) to income not representing cash flow:					
Depreciation and amortization	30	7,117	7,461	18,092	37,758
Provision for loan losses	27	67,060	52,732	66,452	138,684
Provisions and write-offs for assets received in lieu of payment	31	27	26	-	-
Contingency provisions	31	1,360	1,657	4,902	10,230
Adjustment to market value for financial investments available-for-sale and derivatives		15,795	(49,023)	10,055	20,985
Net interest income	23	(224,410)	(193,000)	(256,876)	(536,097)
Net fees and income from services	24	(58,221)	(60,362)	(85,644)	(178,738)
Net foreign exchange gains (losses)	26	(44,611)	26,783	(30,696)	(64,062)
Deferred taxes		(3,485)	984	(12,305)	(25,680)
Other charges (credits) to income not representing cash flows		11,203	19,878	21,105	44,046
Subtotals		(87,216)	(54,067)	(122,798)	(256,278)
Increase/decrease in operating assets and liabilities:					
Loans and receivables to customers and banks		(644,672)	(1,788,377)	(2,209,523)	(4,611,243)
Investments under agreements to resell		(31,951)	51,512	89,407	186,591
Trading portfolio financial assets		(81,329)	27,230	215,854	450,484
Financial investments available-for-sale		(60,649)	49,061	(82,802)	(172,807)
Held to maturity investments		-	(18,126)	839	1,751
Other assets and liabilities		13,976	31,569	(48,921)	(102,097)
Time deposits and saving accounts		591,816	1,172,048	1,831,498	3,822,310
Currents accounts and demand deposits		115,912	70,656	165,322	345,025
Obligations under repurchase agreements		(276,163)	(54,232)	135,635	283,068
Dividends received from investments in other companies	11	296	250	367	766
Foreign borrowings obtained		572,500	1,013,562	1,204,730	2,514,254
Repayment of foreign borrowings		(542,357)	(809,997)	(1,137,045)	(2,372,996)
Net (decrease) increase of other obligations with banks		111,146	(42,629)	(511)	(1,066)
Interest paid		(163,234)	(332,758)	(503,612)	(1,051,031)
Interest received		387,639	528,622	762,992	1,592,353
Income tax paid		(20,353)	(23,303)	(22,913)	(47,819)
Repayment of other borrowings		(3,396)	(3,834)	(3,452)	(7,204)
Net cash (used in) provided by operating activities		(118,035)	(182,813)	275,067	574,061
CASH FLOW FROM INVESTING ACTIVITIES:					
Purchase of property, plant and equipment		(5,940)	(10,911)	(23,495)	(49,034)
Acquisition of Banco CorpBanca Colombia, S.A. net of cash acquired	11	-	-	(476,358)	(994,152)
Proceeds from sales of property, plant and equipment		286	-	6,069	12,666
Sale of assets received in lieu of payment or in foreclosure		1,636	482	3,996	8,340
Net cash (used in) provided by investment activities		(4,018)	(10,429)	(489,788)	(1,022,180)
CASH FLOW FROM FINANCING ACTIVITIES:					
Issued debt		403,073	344,103	966,627	2,017,337
Redemption of issued debt		(60,095)	(61,792)	(697,916)	(1,456,541)
Capital increase	22	-	170,594	267,538	558,348
Proceeds from sale of treasury shares		16,341	-	-	-
Dividends Paid	22	(85,109)	(119,043)	(122,849)	(256,384)
Net cash provided (used in) provided by financing activities		274,210	333,862	413,400	862,760
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		152,157	140,620	198,679	414,640
Cash and cash equivalents at beginning of year		241,564	393,721	534,341	1,115,162
Cash and cash equivalents at end of year	4	393,721	534,341	733,020	1,529,802

Notes 1 to 38 are an integral part of these consolidated financial statements

CORPBANCA AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2011 and 2012

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 General Information

Corporate information

Corpbanca is a banking corporation organized pursuant to the laws of the Republic of Chile that provides a broad range of general banking services to its clients, who are from natural persons to large corporations. Corpbanca and its subsidiaries (hereinafter jointly referred to as the “Bank” or “Corpbanca”) offer commercial and consumer banking services, including factoring, collections, leasing, securities and insurance brokerage, mutual funds and management of investment funds and bank investments.

1.2 Summary of significant accounting policies

Basis of preparation

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS – IASB).

For purposes of these financial statements we use certain terms and conventions. References to “US\$”, “US dollars” and “dollars” are to United States dollars, references to “Chilean pesos,” “pesos” or “Ch\$” are to Chilean pesos, references to “Colombia pesos”, or “Cop\$” are to Colombian pesos and references to “UF” are to Unidades de Fomento. The UF is an inflation-indexed Chilean monetary unit with a value in Chilean pesos that changes daily to reflect changes in the official Consumer Price Index (“CPI”) of the Instituto Nacional de Estadísticas (the Chilean National Institute of Statistics) for the previous month.

The UF is revalued in monthly cycles. Each day in the period beginning on the tenth day of the current month through the ninth day of the succeeding month, the nominal peso value of the UF is indexed up (or down in the event of deflation) in order to reflect a proportionate amount of the change in the Chilean Consumer Price Index (“CPI”) during the prior calendar month. As of December 31, 2012, 2011 and 2010, one UF equaled Ch\$ 22,840.75, Ch\$22,294.03, and Ch\$21,455.55, respectively. The effect of any changes in the nominal peso value of our UF-denominated interest earning assets and interest bearing liabilities is reflected in our results of operations as an increase (or decrease, in the event of deflation) in interest income and expense, respectively.

The main accounting policies adopted in preparing these financial statements are described below.

a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corpbanca, its subsidiaries, the New York Branch and Colombian subsidiaries that participate in the consolidation as of December 31, 2012 and 2011, and include the necessary adjustments and reclassifications to the financial statements of subsidiaries, the New York Branch and Colombian subsidiaries to bring their accounting policies and valuation criteria into line with those applied by the Bank, in accordance with IFRS—IASB.

All intragroup balances, transactions, income and expenses are eliminated in full on consolidation.

For consolidation purposes, the financial statements of the New York Branch, the financial statements of Colombian subsidiaries whose functional currency is the U.S. dollar and Colombian pesos respectively has been translated into Chilean pesos as described in Note 1 e) below.

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CORPBANCA AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2011 and 2012

Subsidiaries

Subsidiaries are those entities over which the Bank has the ability to exercise control. Control is presumed to exist when the Bank owns, directly or indirectly through subsidiaries, more than 50% of the voting power of an entity, or the Bank owns 50% or less of the voting power of an entity but it has the power over more than half of the voting rights by virtue of an agreement with other investors. Control is understood as the power to govern the financial and operating policies of an entity, so as to obtain benefits from its activities.

The aggregate total assets and total net operating income of subsidiaries represent 20.50% and 43.03%, respectively, of the consolidated total assets and total net operating income as of December 31, 2012 (2.3% and 13.6% in 2011, respectively).

The consolidated Group is detailed below:

	Country	Functional currency	Direct and Indirect Ownership								
			As of December 31, 2012			As of December 31, 2011			As of December 31, 2010		
			Direct %	Indirect %	Total %	Direct %	Indirect %	Total %	Direct %	Indirect %	Total %
Corpbanca Corredores de Bolsa S.A.	Chile	\$	99.990	0.010	100.00	99.990	0.010	100.00	99.990	0.010	100.00
Corpbanca Administradora General de Fondos S.A.	Chile	\$	99.996	0.004	100.00	99.996	0.004	100.00	99.996	0.004	100.00
Corpbanca Asesorías Financieras S.A.	Chile	\$	99.990	0.010	100.00	99.990	0.010	100.00	99.990	0.010	100.00
Corpbanca Corredores de Seguros S.A. Corp Legal S.A.	Chile	\$	99.990	0.010	100.00	99.990	0.010	100.00	99.990	0.010	100.00
Corpbanca Agencia de Valores S.A.	Chile	\$	99.990	0.010	100.00	99.000	1.000	100.00	99.000	1.000	100.00
Corpbanca New York Branch	EE.UU	US\$	100.000	-	100.00	100.000	-	100.00	100.000	-	100.00
SMU CORP S.A. ¹	Chile	\$	51.000	-	51.00	51.000	-	51.00	51.000	-	51.00
Banco Corpbanca Colombia S.A. ²	Colombia	COP\$	91.931	-	91.93	-	-	-	-	-	-
Corpbanca Investment Valores Colombia S.A. ²	Colombia	COP\$	-	87.218	87.22	-	-	-	-	-	-
Corpbanca Investment Trust Colombia S.A. ⁴	Colombia	COP\$	-	86.871	86.87	-	-	-	-	-	-

1. SMU Corp S.A. was incorporated on September 2, 2009. Its capital was fully paid in on October 10, 2010.

2. These subsidiaries are supervised by the Colombian Superintendency of Finance which maintains a supervision agreement with the SBIF as a condition to the fact that Corpbanca has acquired control of these subsidiaries. For details of the transaction and their respective dates of acquisition, see Note 11 to the financial statements.

Associates

Associates are entities over which the Bank has the ability to exercise significant influence but not control or joint control. It is presumed that the Bank has the ability to exercise significant influence when it holds, directly or indirectly, more than 20% of the voting rights in an entity. Associates are accounted for using the equity method.

Special Purpose Entities (“SPE”)

SIC Interpretation 12—Consolidation—*Special purpose entities* (SIC 12) addresses when a special purpose entity should be consolidated by a reporting entity under the consolidation principles in IAS 27. Under SIC 12, the Bank must consolidate a special purpose entity when, in substance, it controls the SPE. The control of an SPE by the Bank may be indicated if:

- in substance, the activities of the SPE are being conducted on behalf of the Bank according to its specific business needs so that the Bank obtains benefits from the SPE’s operation,

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- in substance, the Bank has the decision-making power to obtain the majority of the benefits of the activities of the SPE or, by setting up an 'autopilot' mechanism, the Bank has delegated these decision-making powers,
- in substance, the Bank has rights to obtain the majority of the benefits of the SPE and therefore may be exposed to risks incidents to the activities of the SPE.
- in substance, the Bank retains the majority of the residual or ownership risks related to the SPE or its assets in order to obtain benefits from its activities, and

The Bank's management has concluded that no SPE entities exist that require inclusion in these consolidated financial statements.

Investments in other companies

Investments in other companies are those where the Bank neither has control nor exercise significant influence. Investments in these companies are measured at cost (See Note 11).

Fund Management

Certain subsidiaries of Corpbanca manage and administer assets held in mutual funds and other investment vehicles on behalf of investors. The assets, liabilities, results of operations and cash flows of these entities are not included in these consolidated financial statements except when the Bank controls the entity. At December 31, 2010, 2011 and 2012, or the years ended December 31, 2010, 2011 and 2012, the Bank does not control or consolidate any funds.

b) Non-controlling interest

The non-controlling interest represents the equity and net income in a subsidiary not attributable, directly or indirectly, to the Bank. The non-controlling interest is disclosed as a separate line item within equity in the consolidated statements of financial position and as a separate line item within the consolidated statements of income.

c) Business Combinations and Goodwill

Business combinations are accounted for under the acquisition method. The cost of an acquisition is measured as the sum of the consideration transferred, measured at fair value at the acquisition date, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the net identifiable assets acquired. (See Note 11 as to Bank's election of fair value for the acquisitions during 2012.) Acquisition costs incurred are expensed and included in administrative expenses.

When Corpbanca and subsidiaries acquires a business, it assesses the identifiable assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and other relevant conditions at the date of acquisition. This includes the separation of embedded derivatives from host contracts.

If the business combination is done in stages, the acquirer's stake previously held in the acquired assets, measured at fair value at the date of the respective acquisition, is remeasured at fair value at the acquisition date in which Corpbanca and its subsidiaries take control and the resulting gain or loss is recognized.

Any contingent consideration that must be transferred by the acquirer is recognized at its fair value at the acquisition date. Subsequent changes to the fair value of contingent consideration are recognized in accordance with IAS 39 "Financial Instruments: Recognition and Measurement", either as profit or loss or as a change in other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled as part of equity.

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Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Goodwill amounts are established at the date of acquisition of the business and are subsequently measured at such amounts less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the cash-generating unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the cash-generating unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

d) Operating segments

Corpbanca provides financial information by operating segments in accordance with IFRS 8—*Operating segments* (IFRS 8) to disclose information to enable users of its financial statements to evaluate the nature and financial effects of its business activities in which it engages and the economic environments in which it operates so as to:

- Better understand the Bank's performance;
- Better evaluate its future cash projections; and
- Better judge the Bank as a whole.

The Bank discloses separate information for each operating segment that has been identified and that exceeds the quantitative thresholds established for a segment that is evaluated regularly by the Chief Operating Decision Maker ("CODM") in deciding how to allocate resources and in assessing performance. The "CODM" is the Chief Executive Officer.

Operating segments with similar economic characteristics often have a similar long-term financial performance. Two or more segments may be aggregated into a single operating segment only if aggregation is consistent with the core principles of IFRS 8 and the segments have similar economic characteristics and are similar in each of the following respects:

- i. the nature of the products and services;
- ii. the nature of the production processes;
- iii. the type or class of customers that use their products and services;
- iv. the methods used to distribute their products or provide their services; and
- v. if applicable, the nature of the regulatory environment, for example, banking, insurance, or utilities.

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The Bank reports separately information on each operating segment that meets any of the following quantitative thresholds:

- i. Its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all the operating segments.
- ii. The absolute amount of its reported profit or loss is 10% or more of, in absolute terms, the greater of: (i) the combined reported profit of all the operating segments that did not report a loss; and (ii) the combined reported loss of all the operating segments that reported a loss.
- iii. Its assets represent 10% or more of the combined assets of all the operating segments.

The Bank's business activities are primarily conducted in the domestic market and have strategically aligned its operations into four divisions composed of seven reportable segments based on its market segmentation and the needs of its customers and trading partners. The seven reportable segments are Large, Corporate and Real Estate Companies, Companies, Traditional and Private Banking, Lower Income Retail Banking, Treasury and International, Non-banking Financial Services and Colombia. The CODM manages these reportable segments using an internal profitability reporting system and reviews their segments on the basis of gross operational margin and only uses average balances to evaluate performance and allocate resources.

Commercial banking:

- Large, Corporate, and Real Estate Companies Division includes companies that belong to the major economic groups, specific industry, and companies with sales over US\$30 million; this division also includes real estate companies and financial institutions.
- *Companies*—includes a full range of financial products and services for companies with annual sales under US\$30 million. Leasing and factoring have been included in this business segment.

Retail banking:

- *Traditional and Private Banking*—offers, among other products, checking accounts, consumer loans, credit cards and mortgage loans to middle and upper income segments.
- *Lower income retail banking*—which corresponds to Banco Condell, offers among other products, consumer loans, credit cards and mortgage loans to the low-to-middle income segments.

Treasury and International:

- Primarily includes treasury activities such as financial management, funding, liquidity and international businesses.

Non-banking financial services:

- Services rendered by our subsidiaries, which include insurance brokerage, financial advisory service, asset management and securities brokerage.

Colombia

- All banking services rendered

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e) Functional currency and foreign currency

The Bank has determined the Chilean Peso as its functional currency and the presentation currency for its consolidated financial statements. The functional currency is the currency of the primary economic environment in which the Bank operates. Consequently, all balances and transactions denominated in currencies other than Chilean Pesos are considered as denominated in “foreign currencies”.

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

- Assets and liabilities are translated at the closing exchange rate as of December 31, 2012 and 2011.
- Income, expenses and cash flows are translated at the exchange rate at the date of the transactions.
- Equity components are translated at the historical exchange rates.

The resulting exchange differences of translating into Chilean pesos the functional currency balances of the consolidated entities whose functional currency is other than the Chilean Peso, are recorded and accumulated as “Exchange differences on translation” within the line item “Accumulated other comprehensive income” in equity. On the disposal of those foreign subsidiaries, all of the exchange differences accumulated in equity in respect to those operations attributable to the equity holders of the Bank are reclassified to net income.

In preparing the consolidated financial statements, transactions in currencies other than the Bank’s functional currency are recognized at the rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the closing exchange rates. Exchange differences on monetary items are recognized in net income in the period in which they arise. The amount of net foreign exchange gains and losses within the statements of income includes the recognition of the effects of fluctuations in the exchange rates on monetary assets and liabilities denominated in foreign currencies

Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

Assets and liabilities in foreign currencies are shown at their equivalent value in pesos, calculated at exchange rate of \$ 479.16 per U.S. \$ 1 (\$519.08 per U.S. \$ 1 at December 31, 2011) and an exchange rate of \$ 0.2711 per COP\$1 Colombian Peso, both at December 31, 2012.

The foreign exchange gains (losses) presented within consolidated statements of income for the years ended December 31, 2010, 2011 and 2012 of MCh\$44,611, MCh\$(26,783) and MCh\$30,696, respectively, include the exchange differences for exchange rate fluctuations over monetary foreign currency-denominated assets and liabilities, and the gains (losses) obtained from the Bank’s foreign exchange currencies operations.

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f) Assets and liabilities measurement and classification criteria

f.1 The criteria for measuring the assets and liabilities presented in the statements of financial position are the following:

- Assets and liabilities measured at amortized cost:

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

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments and receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

- Assets measured at fair value:

Fair value of an asset or liability is the amount for which an asset could be exchanged or a liability could be settled between knowledgeable, willing parties in an arm's length transaction. The most objective evidence of the fair value of an asset or liability is the price that would be paid in an active market ("quoted price" or "market price").

When there is no quoted price in an active market to determine the amount of the fair value for a certain asset or liability, the price established in recent transactions of similar instruments is considered in order to estimate its fair value.

In those cases when fair value of a financial asset or a financial liability cannot be reliably measured, such asset or liability is measured at cost less any identified impairment losses at the end of each reporting period.

f.2 Classification of financial assets for measurement purposes

Financial assets are initially classified into the various categories used for management and measurement purposes.

Financial assets are included for measurement purposes in one of the following categories:

- Financial assets at fair value through profit and loss: this category includes the financial assets held for trading which are acquired principally for the purpose of generating a profit in the short term from fluctuations in their prices. This category includes the trading portfolio financial assets and derivative financial instruments not designated and effective as hedging instruments.
- Available-for-sale financial assets: this category includes debt and equity securities not classified as "held-to-maturity investments", "loans and accounts receivable from banks and customers" or "financial assets at fair value through profit or loss."

Held-to-maturity investments: this category includes debt instruments traded in an active market, with fixed maturity and with fixed or determinable payments, for which the Bank has both the intention and proven ability to hold to maturity.

- Loans and accounts receivable from banks and customers: this category includes financing granted to third parties, based on their nature, regardless of the type of borrower and the form of financing. Includes loans and accounts receivable from customers, interbank loans, and finance lease transactions in which the consolidated entities act as lessors.

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f.3 Classification of financial assets for presentation purposes

Financial assets are classified by their nature into the following line items in the consolidated financial statements:

- Cash and deposits in banks: Cash balances, checking accounts and on-demand deposits with the Central Bank of Chile and other domestic and foreign financial institutions.
- Cash in the process of collection: This item includes short-term, in transit items that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rate.
- Trading portfolio financial assets: This item includes financial instruments for trading purposes and investments in mutual funds which must be adjusted to their fair value in the same way as instruments acquired for trading.
- Derivative financial instruments: This item includes the positive fair value of derivative financial instruments including embedded derivatives separated from hybrid financial instruments. (See Note 7).
- Loans and receivables from banks: This item includes the balances of transactions with domestic and foreign banks, including the Central Bank of Chile, other than those reflected in the preceding items.
- Loans and receivables from customers: This item includes loans that are non-derivative financial assets for which fixed or determined amounts are charged, that are not listed on an active market and which the Bank does not intend to sell immediately or in the short term. When the Bank is the lessor in a lease, and it substantially transfers the risks and benefits incidental to the leased asset, the transaction is presented in loans.
- Financial investments available-for-sale: This item includes debt and equity securities not classified in any of the other categories.

Held-to-maturity investments: this category includes debt instruments traded in an active market, with fixed maturity and with fixed or determinable payments, for which the Bank has both the intention and proven ability to hold to maturity.

- Obligations under repurchase agreements: This item includes the balances of purchases of financial instruments under securities resale agreements.

f.4 Classification of financial liabilities for measurement purposes

Financial liabilities are initially classified into the various categories used for management and measurement purposes.

Financial liabilities are classified for measurement purposes into one of the following categories:

- Financial liabilities at fair value through profit or loss: Financial liabilities issued to generate a short-term profit from fluctuations in their prices, financial derivatives not deemed to qualify for hedge accounting and financial liabilities arising from definitive sales of financial assets purchased under resale agreements or borrowed (“short positions”).
- Financial liabilities at amortized cost: financial liabilities, regardless of their type and maturity, not included in any of the aforementioned categories which arise from the borrowing activities of financial institutions, regardless of their form and maturity.

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f.5 Classification of financial liabilities for presentation purposes

Financial liabilities are classified by their nature into the following line items in the consolidated financial statements:

- Current accounts and demand deposits. This item includes all on-demand obligations except for term savings accounts, which are not considered on-demand instruments in view of their special characteristics. Obligations whose payment may be required during the period are deemed to be on-demand obligations; i.e., operations which become callable the day after the closing date are not treated as on-demand obligations.
- Cash in the process of collection: This item includes the balances of asset purchases that are not settled on the same day and for sales of foreign currencies not delivered.
- Obligations under repurchase agreements: This item includes the balances of sales of financial instruments under securities repurchase and loan agreements.
- Time deposits and saving accounts: This item shows the balances of deposit transactions in which a term at the end of which they become callable has been stipulated.
- Derivative financial instruments: This item includes financial derivative contracts with negative fair values, whether they are for trading or for account hedging purposes, as set forth in Note 7.
- Borrowings from financial institutions: This item includes obligations due to other domestic banks, foreign banks, or the Central Bank of Chile, which were not classified in any of the previous categories.
- Debt issued: This encompasses three items. They are obligations under letters of credit, subordinated bonds, and senior bonds.
- Other financial obligations: This item includes credit obligations to persons distinct from other domestic banks, foreign banks, or the Central Bank of Chile, for financing purposes or operations in the regular course of business.

f.6 Measurement of financial assets and financial liabilities

(i) Measurement of financial assets

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit and loss are initially measured at fair value. Transaction costs are recognized immediately in profit or loss. Subsequent to initial recognition financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in net income.

For “trading portfolio financial assets” fair value is based on market prices or valuation models prevailing on the closing date of the financial statements. Gains or losses from changes in fair value, as well as gains or losses from their trading are included in line item “Trading and investment income” within the statement of income. Accrued interest income and indexation adjustments are also included as “Trading and investment income”.

All purchases and sales of trading instruments to be delivered within the deadline period established by market regulations and conventions are recognized on the trade date, which is the date on which the commitment is made to purchase or sell the asset.

For “derivative financial instruments” including foreign exchange forwards, interest rate futures, currency and interest rate swaps, interest rate options, and other derivative instruments, fair value is obtained from market quotes, discounted cash flow models and option valuation models, as appropriate. Derivatives contracts are presented on the statement of financial position as an asset when their change in fair value is positive and as a liability when the change is negative in the line item “Derivative financial instruments.”

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their risk is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value with changes in fair value recognized in net income.

On initial recognition, derivative contracts are designated by the Bank as a trading derivative or as a hedging instrument for hedge accounting purposes.

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The changes in the fair value of trading derivatives are recorded in line item "Trading and investment income" within the consolidated statements of income.

If the derivative is designated as a hedging instrument in a hedge relationship, this may be: (1) a fair value hedge of assets or liabilities or firm commitments; (2) a hedge of cash flows related to recognized assets or liabilities or expected transactions; or (3) hedge of a net investment in a foreign operation.

A hedging relationship qualifies for hedge accounting if, and only if, all of the following conditions are met: (a) at the inception of the hedge there is formal designation and documentation of the hedging relationship; (b) the hedge is expected to be highly effective; (c) the effectiveness of the hedge can be reliably measured and; (d) the hedge is assessed on an ongoing basis and determined to have been highly effective throughout the financial reporting periods for which the hedge was designated.

Transactions with derivatives that do not qualify for hedge accounting are recognized and presented as trading derivatives, even if they provide an effective economic hedge for managing risk positions.

When a derivative instrument hedges the risk exposure to changes in the fair value of a recognized asset or liability, the asset or liability is recorded at its fair value with respect to the specific risk hedged. Gains or losses from measuring the fair value of the item hedged and the hedging derivative instrument are recognized in the income statement.

If the hedged item in a fair value hedge is a firm commitment, the changes in the fair value of the firm commitment with respect to the hedged risk are recognized as assets or liabilities with the corresponding gain or loss recognized in the income statement. The gains or losses from measuring the fair value of the hedging derivative instrument are also recorded in the income statement. When an asset or liability is acquired or assumed as a result of the firm commitment, the initial carrying amount of the acquired asset or assumed liability is adjusted to include the cumulative change in the fair value of the firm commitment attributable to the hedged risk that was recognized in the statement of financial position.

When a derivative instrument hedges exposure to variability in cash flows of recognized assets or liabilities, or highly probable forecasted transactions, the effective portion of the changes in fair value with regard to the risk hedged is recognized in other comprehensive income. Any ineffective portion is immediately recognized in the income statement. The accumulated gains or losses recognized in other comprehensive income are reclassified to the income statement in the same period or periods in which the assets or liabilities affect the income statement.

When a derivative instrument hedges exposure to variability in the amount of the Bank's interest in the net assets of a foreign operation, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income and the ineffective portion is recognized in net income. The gain or loss on the hedging instrument relating to the effective portion of the hedge that has been recognized in other comprehensive income is reclassified from equity to the income statement as a reclassification adjustment on the disposal or period disposal of the foreign operation.

The types of derivatives into which we enter are disclosed in Note 7 to these financial statements. They may include (please note description at Note 7) the following (which instruments may or may not qualify under IAS 39 for hedging treatment for accounting purposes):

Inflation forwards and inflation swaps: Derivatives used to hedge the economic value of inflation indexed structures such as inflation indexed assets funded with nominal liabilities.

OIS – Swaps: Derivatives used to hedge the economic value of long-term assets funded with short-term liabilities, fixing repricing of the short-term liabilities.

USD-CLP Fx Forwards: Used to hedge U.S. dollar denominated assets which are funded by Chilean peso denominated short-term liabilities

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(b) Available-for-sale financial assets.

Instruments available for sale are initially recognized at fair value, including transaction costs. Subsequent to initial recognition, available for sale investments are measured at fair value less any impairment losses. Gains or losses from changes in fair value are recognized in other comprehensive income within line item "Financial instruments available-for-sale". When these investments are sold or impaired, the cumulative gains or losses previously accumulated in the financial investment available for sale reserve in equity are transferred to the income statement and reported under line item "Trading and investment income, Net".

All purchases and sales of investment instruments to be delivered within the deadline period established by market regulations and conventions are recognized on the trade date, which is the date on which the commitment is made to purchase or sell the asset.

Investment instruments designated as hedging instruments are measured using the requirements established for hedge accounting.

(c) Held-to-maturity investments

Held-to-maturity investments are measured at amortized cost using the effective interest method. Amortized cost is understood to be the acquisition cost of a financial asset or liability plus or minus, as appropriate, the principal repayments and the cumulative amortization (taken to income statement) of the difference between the initial cost and the maturity amount. In the case of held-to-maturity investments, amortized cost furthermore includes any reductions for impairment losses.

(d) Loans and accounts receivables from banks and customers

Loans and accounts receivables are measured at amortized cost using the effective interest rate method, less any impairment.

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

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments and receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

(ii) Measurement of financial liabilities

In general, financial liabilities are measured at amortized cost, as defined above, except for those financial liabilities designated as hedged items (or hedging instruments) in hedging relationships which are measured at fair value.

f.7 Valuation techniques

Financial instruments at fair value, determined on the basis of quotations in active markets, include government debt securities, private sector debt securities, shares, short positions, and fixed-income securities issued.

In cases where quotations cannot be observed. Management makes its best estimate of the price that the market would set using its own internal models. In most cases, these models use data based on observable market parameters as significant inputs and, in very specific cases, they use significant inputs not observable in market data. Various techniques are employed to make these estimates, including the extrapolation of observable market data and extrapolation techniques.

The best evidence of the fair value of a financial instrument on initial recognition is the transaction price, unless the value of the instrument can be obtained from other market transactions performed with the same or similar instruments or can be measured by using a valuation technique in which the variables used include only observable market data, mainly interest rates.

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The main valuation techniques used as of December 31, 2011 and 2012 by the Bank's internal models to determine the fair value of derivatives are as follows:

- i. In the valuation of financial instruments permitting static hedging (mainly "forwards" and "swaps"), the "present value" method is used. Estimated future cash flows are discounted using the interest rate curves of the related currencies. The interest rate curves are generally observable market data.
- ii. In the valuation of financial instruments requiring dynamic hedging (mainly structured options and other structured instruments), the Black-Scholes model is normally used. Where appropriate, observable market inputs are used to obtain factors such as the bid-offer spread, exchange rates, volatility, correlation indexes and market liquidity.
- iii. In the valuation of certain financial instruments exposed to interest rate risk, such as interest rate futures, caps and floors, the present value method (futures) and the Black-Scholes model (plain vanilla options) are used. The main inputs used in these models are observable market data, including the related interest rate curves, volatilities, correlations and exchange rates.

The fair value of the financial instruments arising from the aforementioned internal models considers contractual terms and observable market data, which include interest rates, credit risk, exchange rates, the quoted market price of raw materials and shares, volatility and prepayments, among other things. The valuation models are not significantly subjective, since these methodologies can be adjusted and evaluated, as appropriate, through the internal calculation of fair value and the subsequent comparison with the related actively traded price.

f.8 Offsetting of financial instruments

Financial asset and liability balances are offset only if there is a legally enforceable right to offset the recorded amounts and the Bank intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

f.9 Derecognition of financial assets and liabilities

The accounting treatment of financial asset transfers is conditioned by the degree and form in which risks and benefits associated with the assets are transferred to third parties:

1. If the Bank transfers substantially all the risks and rewards to third parties, as in the case of unconditional sales of financial assets, sales under repurchase agreements at fair value at the date of repurchase, sales of financial assets with a purchased call option or written put option deeply out of the money, utilization of assets in which the assignor does not retain subordinated debt nor grants any credit enhancement to the new holders, and other similar cases, the transferred financial asset is removed from the consolidated statements of financial position and any rights or obligations retained or created in the transfer are simultaneously recorded.
2. If the Bank retains substantially all the risks and rewards associated with the transferred financial asset, as in the case of sales of financial assets under repurchase agreements to repurchase at a fixed price or at the sale price plus interest, securities lending agreements under which the borrower undertakes to return the same or similar assets, and other similar cases, the transferred financial asset is not removed from the consolidated statements of financial Position and continues to be measured by the same criteria as those used before the transfer. However, the following items are recorded:
 - a) An associated financial liability for an amount equal to the consideration received; this liability is subsequently measured at amortized cost.

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- b) Both the income from the transferred (but not removed) financial asset as well as any expenses incurred on the new financial liability.
3. If the Bank neither transfers nor substantially retains all the risks and rewards associated with the transferred financial asset—as in the case of sales of financial assets with a purchased call option or written put option that is not deeply in or out of the money, securitization of assets in which the transferor retains a subordinated debt or other type of credit enhancement for a portion of the transferred asset, and other similar cases—the following distinction is made:
- a) If the assigning entity does not retain control of the conveyed financial assets: it is written-off the balance sheet and any right or obligation withheld or created as a consequence of such transfer is recognized.
 - b) If the assignor entity retains control of the conveyed financial asset: it continues to recognize it in the balance sheet for a value equal to its exposure to value changes that might be experienced and it recognizes a financial liability associated with the conveyed financial asset. The net value of the asset conveyed and the associated liability is the amortized cost of the rights and obligations withheld, (if the conveyed asset is measured according to its amortized cost), or according to the fair value of the rights and obligations thus obtained, (if the conveyed assets are measured at their fair value).

In line with the foregoing, financial assets are only written-off the balance sheet when the rights over the cash flows that they generate are extinguished or when their implicit or ensuing risks and benefits have been substantially conveyed to third parties. Similarly financial liabilities are only written off of the balance sheet when the obligations that they generate are extinguished or when they are acquired, with the intention of either to cancel them or to resell them.

f.10 Impairment of financial assets

Financial assets, other than those measured at fair value through net income, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a 'loss event'), and that loss event (or events) has an impact on

the estimated future cash flows of a financial asset or group of financial assets that can be reliably estimated. It may not be possible to identify a single, discrete event that caused the impairment.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its costs is considered to be objective evidence of impairment. For available-for-sale debt instruments, objective evidence of impairment could include significant financial difficulty of the issuer or breach of contract (such as a default or delinquency in payments); to the extent it becomes probable that the issuer will enter bankruptcy or financial re-organization; or the cessation of an active market for that financial asset because of financial difficulties.

Additionally, certain categories of financial assets, such as loans and receivables from banks and customers, that are not deemed to be impaired individually are also assessed for impairment on a collective basis. For loans and receivables from banks and customers that are deemed to be impaired, the interest accrual is suspended, when there are reasonable doubts as to their full recovery and/or the collection of the related interest for the amounts and on the dates initially agreed upon, after taking into account the guarantees received to secure (fully or partially) collection of the related balances. Collections relating to impaired loans and advances are used to reduce the accrued interest and the remainder, if any, to reduce the principal amount outstanding. The amount of the financial assets that would be deemed to be impaired had the conditions thereof not been renegotiated is not material with respect to the Group's financial statements taken as a whole. For further information on accounting policies for impairment of loans and receivables. (See Note 1.g allowances for loan losses below).

For financial assets carried at amortized cost, the amount of impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

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For financial assets carried at cost, the amount of impairment loss recognized is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

For debt securities included in the "Available-for-sale financial asset" portfolio, impairment losses are equal to the difference between their acquisition cost (net of any principal repayment and amortization) and current fair value, less any impairment loss previously recognized in the consolidated statements of income.

The carrying amount of the financial asset is reduced by the impairment loss directly with the exception of loans and receivables from banks and customers, where the carrying amount is reduced through the use of an allowance account ('allowance for loan losses'). When a loan and receivable is considered uncollectible, and it has been covered with an allowance for doubtful accounts previous to its write-off, it is written off against the corresponding allowance for loan losses by charging and releasing provision through the income statement. Subsequent recoveries of amounts previously written off are credited against the income statement.

When an available-for-sale financial asset is considered to be impaired, cumulative unrealized gains and losses previously recognized in other comprehensive income are reclassified to the income statement in the period.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through net income to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available-for-sale equity securities, impairment losses previously recognized in net income are not reversed through income. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated under the heading "financial instruments available-for-sale."

In respect of available-for-sale debt securities, impairment losses are subsequently reversed through net income if an increase in fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

g) Allowances for loan losses

Allowance for loan losses are determined on an "individual" basis when they correspond to customers that are individually evaluated, and considering their size or level of exposure make it necessary to analyze them on a case-by-case basis and, are referred to as "collectively evaluated" when they correspond to a large number of loans whose amounts are not individually significant and relate to individuals or small-size companies.

The impairment losses on these assets are determined:

- individually, for all significant loans and for those which, although not significant, cannot be classified as part of homogenous groups of loans with similar characteristics, i.e., by type of loan, customer's industry and geographical location, type of guarantee, age of past-due amounts, etc.
- collectively, in all other cases.

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Criteria for determining impairment losses may consist of

- becoming aware of a significant financial difficulty on the part of the customer;
- when there is evidence of a deterioration of the customer's ability to pay, either because it is in arrears or for other reasons, and/or
- It becomes probable that the customer will enter bankruptcy or other financial reorganisation;
- observable data at a portfolio (collectively analyzed) level indicating that there is a measurable decrease in the estimated future cash flows, although the decrease cannot yet be ascribed to individual financial assets in the portfolio – such as adverse changes in the payment status of customers in the portfolio or national or local economic conditions that correlate with defaults on the assets in the portfolio.

Write-offs

Loans and receivables are written off (the entire unpaid principal balance and related accrued interest balance) when we have determined that there is no longer any realistic prospect of recovery of part or all of the loans and receivable. The typical time frames from initial impairment to write-off are as follows:

Type of loans	Deadline
Consumer loans with or without collaterals	6 months
Consumer leasing	6 months
Other non-real estate leasing operations	12 months
Other operations without collaterals	24 months
Commercial loans with collaterals	36 months
Real estate leasing (commercial and mortgage)	36 months
Mortgage loans	48 months

Initial impairment starts from the date on which all or part of the loans and receivables fall into arrears.

Subsequent payments received from written-off loans and receivables are recognized in the income statement as recoveries.

h) Transactions Involving Repurchase Agreements and Securities Lending

Pursuant to agreements to resell, we purchase financial instruments, which are recorded as assets under the heading "Investments under agreement to resell", and accrete interest under the effective interest rate method through the maturity date of the contract.

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We also enter into repurchase agreements. In this regard, investments sold subject to a repurchase obligation and which serve as security for the loan are recorded under the heading “Trading portfolio financial assets” or “Financial investments available-for-sale”, respectively. A repurchase obligation is classified as a liability and recorded as “Obligations under repurchase agreements” and accrete interest under the effective interest rate method through the maturity date of the contract.

i) Revenue and expense recognition

The most significant criteria used by the Bank to recognize revenue and expenses are summarized as follows:

i.1 Interest revenue, interest expense and similar items

Interest revenue and expense are recorded on an accrual basis using the effective interest method.

The recognition of accrued interest in the consolidated income statement is suspended for loans individually classified as impaired and for those loans for which impairment losses have been assessed collectively. This interest is recognized as income, when collected, as a reversal of the related impairment losses.

Dividends received from investments in other companies are recognized in income when the right to receive them has been entitled, and are presented under item; “Income attributable to investments in other companies”.

The Bank ceases accruing interest on the basis of contractual terms on the principal amount of any asset that is classified as an impaired. Thereafter, the Bank recognizes as interest income the accretion of the net present value of the written down amount of the loan due to the passage of time based on the original effective interest rate of the loan. On the other hand, any interest collected on assets classified as impaired is accounted for on a cash basis.

Nonaccrual loans are returned to an accrual status when: (i) in a period of a at least four months a customer made consecutive payments for past due obligations; (ii) future cash flow payments are consistent with expected future cash flows to be received; and (iii) the customer’s conditions improve after the original nonaccrual status classification.

i.2 Commissions, fees, and similar items

Fee and commission income and expenses are recorded in the consolidated statements of income based on criteria that differ according to their nature. The main criteria are:

- Income/expenses arising from transactions or services that are performed over a period of time are recorded over the life of such transactions or services.
- Income/expenses originated by a specific act are recognized when the specific act has occurred.

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i.3 Non-finance income and expenses

Non-finance income and expenses are recognized on an accrual basis.

i.4 Loan arrangement fees

Loan arrangement fees, mainly loan origination and application fees, are accrued and recorded in the consolidated statements of Income using the effective interest method.

j) Property, plant and equipment

Property, plant and equipment consist of buildings, land, furniture, vehicles, computer hardware and other fixtures owned by the Bank or acquired under finance leases.

Property, plant and equipment for own use

Property, plant and equipment for own use including, are measured at acquisition cost less accumulated depreciation and accumulated impairment losses. Property, plant and equipment also includes assets received in lieu of payment which are intended to be held for continuing own use (See Note 1.k.) below) and assets acquired under finance leases (See Note 1.l.) below).

Depreciation is calculated using the straight line method over the acquisition cost of assets minus their residual value. The land on which buildings and other structures stand has an indefinite life and, therefore, is not subject to depreciation.

The Bank applies the following useful lives to the fixed assets that comprise its total assets:

Item	Useful life (Years)
Buildings	75
Facilities	10
Furniture	10
Vehicles	10
Office equipment	10
Security instruments and implements	5
Other minor assets	5

The consolidated entities assess at the end of each reporting date whether there is any indication that the carrying amount of any of their tangible assets exceeds its recoverable amount; if so, the carrying amount of the asset is reduced to its recoverable amount and future amortization charges are adjusted in proportion to the revised carrying amount and to the new remaining useful life, if the useful life needs to be re-estimated.

Similarly, if there is an indication of a recovery in the value of a tangible asset, the consolidated entities record the reversal of the impairment loss recognized in prior periods and adjust the future amortization charges accordingly. In no circumstance may the reversal of an impairment loss on an asset increase its carrying value above the one it would have had if no impairment losses had been recorded in prior years.

The estimated useful lives of the items of property, plant and equipment held for own use are reviewed at least at the end of each reporting period to determine significant changes therein. If changes are detected, the useful lives of the assets are adjusted by correcting the amortization charge to be recorded in the consolidated statements of income in future years on the basis of the new useful lives.

Maintenance expenses are recorded as an expense in the period in which they are incurred.

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k) Assets received or awarded in lieu of payment

Assets received or awarded in lieu of payment of loans and accounts receivable from customers are initially recognized at the price agreed by the parties, or otherwise, when the parties do not reach an agreement, at the value at which the Bank is awarded those assets at a judicial settlement. Such values approximate the assets' market value as the valuations are determined from market-based evidence by appraisals undertaken by professionally qualified appraisers at the time of the receipt of the assets.

l) Leasing

a. Finance leases

Finance leases are leases that substantially transfer all the risks and rewards incidental to ownership of the leased asset to the lessee.

When the Bank acts as the lessor of an asset, the sum of the present value of the lease payments receivable from the lessee plus the guaranteed residual value, which is generally the exercise price of the lessee's purchase option at the end of the lease term, is recorded as loans to third parties and is therefore included under "Loans and accounts receivable from customers, net" in the consolidated statements of financial position.

When the Bank act as lessees, they show the cost of the leased assets in the consolidated statements of financial position based on the nature of the leased asset, and simultaneously record a liability for the same amount (which is the lower of the fair value of the leased asset and the sum of the present value of the lease payments payable to the lessor plus, if appropriate, the exercise of the purchase option). The depreciation policy for these assets is consistent with that for property, plant and equipment for own use.

In both cases, the finance revenues and finance expenses arising from these contracts is credited and debited, respectively, to "Interest income" and "Interest expense" in the consolidated statements of income so as to achieve a constant rate of return over the lease term.

b. Operating leases

In operating leases, ownership of the leased asset and substantially all the risks and rewards incidental thereto remain with the lessor.

When the consolidated entities act as the lessor, they present the acquisition cost of the leased assets under property, plant and equipment. The depreciation policy for these assets is consistent with that for similar items of property, plant and equipment held for own use. Income from operating leases is recorded on a straight line basis under "Other operating income" in the consolidated statements of income.

When the consolidated entities act as the lessees, the lease expenses, including any incentives granted by the lessor, are charged on a straight line basis to "Administrative and other expenses" in the consolidated statements of income.

m) Intangible assets

Intangible assets are identified as non-monetary assets (separate from Other assets) without physical substance that arise as a result of a legal transaction or that are internally developed by the consolidated entities. These are assets whose cost may be reliably estimated and for which the consolidated entities consider it probable to recognize future economic benefits.

Intangible assets are initially recognized at their acquisition or production cost and are subsequently measured at cost less accumulated amortization and accumulated impairment losses. The amortization is calculated using the straight line method over the acquisition cost of assets minus their residual value.

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n) Contingent assets and liabilities

Contingent assets and liabilities are those operations or commitments in which the bank assumes a credit risk upon committing itself to third parties, before the occurrence of a future fact, to make a payment or disbursement that must be recovered from its clients.

The Bank keeps a record of the following balances -related to commitments or to liabilities of its own line of business- in memorandum accounts: Collaterals and guarantees, confirmed foreign letters of credit, documentary letters of credit issued, bank vouchers, inter-bank vouchers, freely disposable lines of credit, other credit commitments and other contingencies.

o) Income and Deferred taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable income for the year, which differs from net income as reported in the consolidated statements of income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax is recognized in the consolidated statement of financial position on temporary differences between the carrying amount of assets and in the consolidated statements of financial position and their corresponding tax bases used in the computation of taxable income. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which those deductible temporary differences can be utilized. Deferred tax assets and liabilities are not recognized if the temporary differences arise from goodwill or from initial recognition (other than in business combination) of other assets and liabilities that affects neither the taxable income nor the accounting income.

The carrying amount of deferred taxes is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. The future effects of changes in tax legislation or in tax rates is recognized in deferred taxes from the date the law approving such changes is enacted and published.

On July 31, 2010, Law No. 20,455 was enacted and published in the Diario Oficial. This law, among other things temporarily increases tax rates for fiscal years 2011 and 2012 (20% and 18.5%, respectively), and returns back to 17% in 2013.

On September 27, 2012, Law No. 20630 became effective which introduced tax reforms to finance the education system and also to improve the tax system by closing loopholes and eliminating certain tax exemptions. The main change was that the tax rate was increased from 17% to 20%, this new rate will be applicable from January 1, 2012.

Current and deferred tax are recognized in net income, except when they relate to items that are recognized in other comprehensive income or in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or in equity respectively.

p) Employee Benefits

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Vacation expense

The annual cost of employee vacations and benefits are recorded on an accrual basis.

Short term benefits

Regarding the short-term benefits, these correspond to current liabilities as measured by the undiscounted amount that the Bank expects to pay as a result of the unused entitlement.

Other long-term benefits

Correspond to remuneration (other post-employment benefits, termination benefits and equity compensation benefits) which will be applied within twelve months of the end of the period in which the employees render the related service. The amount recognized as a liability is the total net present value of the obligations at the end of the reporting period minus the fair value at the close of the reporting period of plan assets (if any) against which the obligations are settled directly.

Retirement Plans

For defined benefit retirement plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Actuarial gains and losses that exceed 10 per cent of the greater of the present value of the Bank's defined benefit obligation and the fair value of plan assets as at the end of the prior year are amortized over the expected average remaining working lives of the participating employees. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and as reduced by the fair value of plan assets, if applicable.

q) Cash and cash equivalents

For the preparation of the cash flow statement, the Bank applied the indirect method, in which, starting with the Bank's consolidated income before taxes, non-monetary transactions are subsequently incorporated, as well as income and expenses associated with cash flows classified as investing or financing activities.

The preparation of the cash flow statements takes the following items into account:

- a) Cash flows: the inflow or outflow of cash and cash equivalents, which includes Central Bank of Chile deposits, Domestic bank deposits, and Foreign bank deposits.
- b) Operating activities: correspond to normal activities performed by the Bank, as well as other activities that cannot be classified as either investing or financing.
- c) Investing activities: correspond to the acquisition, sale or disposal by other means, of long-term assets and other investments not included in cash and cash equivalents.
- d) Financing activities: activities that produce changes in the size and composition of net Shareholders' equity and liabilities that are not part of operating activities or investing activities.

In the statement of cash flows, cash and cash equivalents are defined as cash balances and bank deposits plus the net balance of cash in the process of collection. Cash and cash equivalents balances and their reconciliation to the cash flow statement are detailed in Note 4 of these financial statements.

The provision for loan losses presented in the operating section does not agree to the amount presented in the statements of income because, for cash flow statement purposes, the provision for loan losses excludes recoveries of assets previously written-off.

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r) Use of estimates

The preparation of the financial statements requires Management to make estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

In certain cases, generally accepted accounting principles require that assets or liabilities be recorded or disclosed at their fair values. The fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable parties, in an arm's length transaction. Where available, quoted market prices in active markets have been used as the basis for measurement. Where quoted market prices in active markets are not available, the Bank has estimated such values based on the best information available, including the use of modeling and other valuation techniques.

The Bank has established allowances to cover incurred losses, therefore to estimate the allowances, they must be regularly evaluated taking into consideration factors such as changes in the nature and volume of the loan portfolio, trends in forecasted portfolio quality, credit quality and economic conditions that may adversely affect the borrowers' payment capacity. Increases in the allowances for loan losses are reflected as "Provisions for loan losses" in the Consolidated Statement of Income. Loans are charged-off when management determines that a loan or a portion thereof is uncollectible. Charge-offs are recorded as a reduction of the provisions for loan losses.

The relevant estimates and assumptions are regularly reviewed by the Bank's Management to quantify certain assets, liabilities, revenues, expenses, and commitments. Revised accounting estimates are recorded in the period in which the estimate is revised and in any affected future period.

These estimates, made on the basis of the best available information, mainly refer to:

- Impairment losses of certain assets (Notes 8, 9, 10, and 30)
- The useful lives of tangible and intangible assets (Notes 12, 13, and 30)
- Provisions (note 19)
- Valuation of goodwill (Notes 11, 12 and 30)
- The fair value of assets and liabilities (Notes 5, 7, 10 and 33)
- Commitments and contingencies (Note 21)
- Current and deferred taxes (Note 14)

s) Mandatory dividends

The Bank recognizes as a liability, the portion of net income to be distributed as dividends in compliance with Corporations Law (30%) or in accordance with its dividend policy. This liability called "Accrual for mandatory dividends" is presented deducting "Retained earnings" in the Statement of Changes in Shareholders Equity.

At the Shareholders Meeting, held in February 2012, it was approved as dividend policy effective from 2012 to distribute an amount equivalent to at least 50% out of net income.

For the year ended December 31, 2012, the Bank provisioned 50% of its net income as mandatory dividend; while for the year ended December 31, 2011, the Bank provisioned the minimum 30%, required by Law, of its net income.

t) Factored receivables

Factored receivables are valued at the purchase price of the loan. The price difference between the amounts paid and the actual face value of the receivables is earned and recorded as interest income over the financing period.

u) Earnings per share

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

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Diluted earnings per share are determined in a similar manner as Basic Earnings per share, but the net income attributable to equity holders of the bank and the weighted average number of outstanding shares is adjusted to take into account the potential diluting effect of stock options, warrants, and convertible debt.

As of December 31, 2010, 2011 and 2012, the Bank did not have instruments that generated diluting effects on income attributable to equity holders of the Bank.

v) Temporary acquisition (assignment) of assets

Purchases (sales) of financial assets under non-optional resale (repurchase) agreements at a fixed price (“repos”) are recorded in the consolidated statements of financial position as financing granted (received) based on the nature of the debtor (creditor) under “Deposits in the Central Bank of Chile,” “Deposits in financial institutions” or “Loans and receivable from customers”.

Differences between the purchase and sale prices are recorded as interest over the of the contract term.

w) Assets under management and investment funds managed by the Bank

The assets managed by Corpbanca Administradora General de Fondos S.A. and Corpbanca Investment Trust Colombia S.A. which are owned by third parties are not included in the consolidated statements of financial position. The relevant management fees are included in “Income from service fees” in the consolidated statements of income.

Accounting standards introduced by the International Accounting Standards Board (IASB)

a) The following new standards and interpretations have been adopted in these financial statements:

Amendments to IFRSs	Effective date
<i>IAS 12, Income Taxes – Deferred tax: Recovery of underlying assets</i>	Annual periods beginning on or after January 1, 2012.
IFRS 7, Financial Instruments: Disclosures – Disclosures - Transfers of financial assets	Annual periods beginning on or after July 1, 2011.

Amendments to IAS 12, Income Taxes

On December 20, 2010, the IASB published Deferred Tax: Recovery of Underlying Assets – Amendments to IAS 12. The amendments provide an exception to the general principle in IAS 12 Income Taxes (IAS 12) that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset.

Specifically, the amendments provide an exception to the principle when deferred tax assets or deferred tax liabilities arise from investment property measured using the fair value model in IAS 40 Investment Property (IAS 40) and for investment property acquired in a business combination if it is subsequently measured using the fair value model in IAS 40. For the purposes of measuring deferred tax, the amendments introduce a rebuttable presumption that the carrying amount of such an asset will be recovered entirely through sale. The presumption can be rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits over time, rather than through sale. The amendments to IAS 12 should be applied retrospectively requiring a retrospective restatement of all deferred tax assets or deferred tax liabilities within the scope of the amendment, including those that were initially recognized in a business combination. The effective date of the amendments is for annual periods beginning on or after January 1, 2012. Earlier application is permitted. These amendments have had no impact on these financial statements.

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Amendments to IFRS 7, Financial Instruments: Disclosure

On October 7, 2010, the IASB issued Disclosures – Transfers of Financial Assets (Amendments to IFRS 7 Financial Instruments: Disclosure) that increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures of transactions where a financial asset is transferred but the transferor retains some level of continuing exposure (referred to as “continuing involvement”) in the asset. The amendments also require disclosure where transfers of financial assets are not evenly distributed throughout the period (e.g., where transfers occur near the end of a reporting period). The amendments are applicable for annual periods beginning on or after July 1, 2011, with early adoption permitted. Disclosures are not required for comparative periods before the date of initial application of the amendments. These amendments have had no impact on these financial statements.

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

As of the date of issuance of these consolidated financial statements, the following accounting pronouncements have been issued by the IASB. These pronouncements are new pronouncements or amendments, revisions, modifications, or interpretations of existing pronouncements. Further, the application of the below pronouncements is not mandatory until the dates noted below.

New Standards, Interpretations and Amendments	Effective date
IFRS 9, <i>Financial Instruments – Classification and Measurement</i>	Annual periods beginning on or after January 1, 2015.
IFRS 10, <i>Consolidated Financial Statements</i>	Annual periods beginning on or after January 1, 2013
IFRS 11, <i>Joint Arrangements</i>	Annual periods beginning on or after January 1, 2013
IFRS 12, <i>Disclosure of interests with Other Entities</i>	Annual periods beginning on or after January 1, 2013
IAS 27 (2011), <i>Separate Financial Statements</i>	Annual periods beginning on or after January 1, 2013
IAS 28 (2011), <i>Investments in Associates and Joint Ventures</i>	Annual periods beginning on or after January 1, 2013
IFRS 13, <i>Fair Value Measurements</i>	Annual periods beginning on or after January 1, 2013

Amendments to Standards	Effective date:
IAS 1, <i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i>	Annual periods beginning on or after July 1, 2012
IAS 19, <i>Employee benefits (2011)</i>	Annual periods beginning on or after January 1, 2013
IAS 32, <i>Financial instruments: presentation – Clarified requirements for offsetting of financial assets and financial liabilities and amends disclosures</i>	Annual periods beginning on or after January 1, 2014
IFRS 7, <i>Financial Instruments: Disclosures – Amendments enhancing disclosures about transfers of financial assets</i>	Annual periods beginning on or after July 1, 2011.
IFRS 10, <i>Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Involvement with Other Entities – Transition Guidance</i>	Annual periods beginning on or after January 1, 2013
<i>Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)</i>	Annual periods beginning on or after January 1, 2014

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IFRS 9, *Financial Instruments*

On November 12, 2009, the IASB issued IFRS 9 Financial Instruments (IFRS 9). This Standard introduces new requirements for the classification and measurement of financial assets and is effective from 1 January 2013 with early adoption permitted. IFRS 9 specifies how an entity shall classify and measure its financial assets. This Standard requires that all financial assets be classified on the basis of an entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial assets are either measured at amortized cost or at fair value. Only those financial assets measured at amortized cost are tested for impairment. Additionally, on 28 October 2010, the IASB published a revised version of IFRS 9. The revised standard retains the requirements for classification and measurement of financial assets that were published in November 2009 but adds guidance on the classification and measurement of financial liabilities. As part of its restructuring of IFRS 9, the IASB also copied the guidance on derecognition of financial instruments and related implementation guidance from IAS 39 to IFRS 9. This new guidance concludes the first part of Phase 1 of the Board's project to replace IAS 39. The other phases, impairment and hedge accounting, are not yet completed.

The guidance included in IFRS 9 on the classification and measurement of financial liabilities is unchanged from the classification criteria for financial liabilities currently contained in IAS 39. In other words, financial liabilities will continue to be measured either wholly, or in part, at amortized cost or at fair value through profit or loss (FVTPL). The concept of bifurcating embedded derivatives from a financial liability host contract also remains unchanged. Financial liabilities held for trading would continue to be measured at FVTPL, and all other financial liabilities would be measured at amortized cost unless the fair value option is applied, using the existing criteria in IAS 39.

However, there are two differences compared to IAS 39:

- The presentation of the effects of changes in fair value attributable to a liability's credit risk; and
- The elimination of the cost exemption for derivative liabilities to be settled by delivery of unquoted equity

On December 16, 2011, the IASB issued Mandatory Effective Date of IFRS 9 and Transition Disclosures, deferring the mandatory effective date of both the 2009 and 2010 versions to annual periods beginning on or after January 1, 2015. Prior to the amendments, application of IFRS 9 was mandatory for annual periods beginning on or after January 1, 2013. The amendments modify the requirements for transition from IAS 39 Financial Instruments: Recognition and Measurement to IFRS 9. In addition, the amendments also modify IFRS 7 Financial Instruments: Disclosures to add certain requirements in the reporting period containing the date of initial application of IFRS 9.

The amendments are effective for annual periods beginning on or after January 1, 2015, allowing early application.

Management has not yet completed the process of evaluating the impact that will result from the adoption of this standard.

IFRS 10, *Consolidated Financial Statements*

On May 12, 2011, the IASB issued IFRS 10 Consolidated Financial Statements, which is a replacement of IAS 27 Consolidated and Separate Financial Statements and SIC – 12 Consolidation – Special Purpose Entities. The objective of IFRS 10 is to have a single basis for consolidation for all entities, regardless of the nature of the investee, and that basis is control. The definition of control includes three elements: power over an investee, exposure or rights to variable returns of the investee and the ability to use power over the investee to affect the investor's returns. IFRS 10 provides detailed guidance on how to apply the control principle in a number of situations, including agency relationships and holdings of potential voting rights. An investor would reassess whether it controls an investee if there is a change in

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facts and circumstances. IFRS 10 replaces those parts of IAS 27 that address when and how an investor should prepare consolidated financial statements and replaces SIC – 12 in its entirety. The effective date of IFRS 10 is January 1, 2013, with earlier application permitted under certain circumstances.

Management has evaluated the impact of the application of this new standard and has concluded that it will have no impact on the Bank's financial statements.

IFRS 11, Joint Arrangements

On May 12, 2011, the IASB issued IFRS 11 Joint Arrangements which supersedes IAS 31 Interests in Joint Ventures and SIC – 13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers. IFRS 11 classifies joint arrangements as either joint operations (combining the existing concepts of jointly controlled assets and jointly controlled operations) or joint ventures (equivalent to the existing concept of a jointly controlled entity). A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. IFRS 11 requires the use of the equity method of accounting for interests in joint ventures thereby eliminating the proportionate consolidation method. The effective date of IFRS 11 is January 1, 2013, with earlier application permitted under certain circumstances.

Management has evaluated the impact of the application of this new standard and has concluded that it will have no impact on the Bank's financial statements.

IFRS 12, Disclosure of Interests in Other Entities

On May 12, 2011, the IASB issued IFRS 12 Disclosure of Interests in Other Entities which requires extensive disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 establishes disclosure objectives and specifies minimum disclosures that an entity must provide to meet those objectives. An entity should disclose information that helps users of its financial statements evaluate the nature and risks associated with interests in other entities and the effects of those interests on its financial statements. The disclosure requirements are extensive and significant effort may be required to accumulate the necessary information. The effective date of IFRS 12 is January 1, 2013 but entities are permitted to incorporate any of the new disclosures into their financial statements before that date.

Management has evaluated the impact of the application of this new standard and has concluded that it will not have a significant impact on the Bank's financial statements.

IAS 27 (2011), Separate Financial Statements

IAS 27 (2008) Consolidated and Separate Financial Statements has been amended for the issuance of IFRS 10 but retains the current guidance for separate financial statements.

Management has evaluated the impact of the application of this new standard and has concluded that it will have no impact on the Bank's financial statements.

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IAS 28 (2011), Investment in Associates and Joint Ventures

IAS 28 Investments in Associates has been amended for conforming changes based on the issuance of IFRS 10 and IFRS 11.

Management has evaluated the impact of the application of this new standard and has concluded that it will have no impact on the Bank's financial statements.

IFRS 13, Fair Value Measurement

On May 12, 2011, the IASB issued IFRS 13 Fair Value Measurement, which establishes a single source of guidance for fair value measurement under IFRS. The Standard applies to both financial and non-financial items measured at fair value. Fair value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date" (i.e., an exit price). IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, and applies prospectively from the beginning of the annual period in which the Standard is adopted.

Management has evaluated the impact of the application of this new standard and has concluded that it will not have a significant impact on the Bank's financial statements.

Amendments to IAS 1, Presentation of Financial Statements

On June 16, 2011, the IASB issued Presentation of Items of Other Comprehensive Income (amendments to IAS 1). The amendments retain the option to present profit or loss and other comprehensive income in either a single continuous statement or in two separate but consecutive statements. Items of other comprehensive income are required to be grouped into those that will and will not subsequently be reclassified to profit or loss. Tax on items of other comprehensive income is required to be allocated on the same basis. The measurement and recognition of items of profit or loss and other comprehensive income are not affected by the amendments, which are applicable for reporting periods beginning on or after July 1, 2012 with earlier application permitted.

Management does not believe that there will be any impact on its financial statements as a result of the adoption of this amendment.

Amendment to IAS 19, Employee Benefits

On June 16, 2011, the IASB issued amendments to IAS 19 Employee Benefits (2011) that change the accounting for defined benefit plans and termination benefits. The amendments require the recognition of changes in the defined benefit obligation and in plan assets when those changes occur, eliminating the corridor approach and accelerating the recognition of past service costs. Changes in the defined benefit obligation and plan assets are disaggregated into three components: service costs, net interest on the net defined benefit liabilities (assets) and remeasurements of the net defined benefit liabilities (assets). Net interest is calculated using high quality corporate bond yield. This may be lower than the rate used to calculate the expected return on plan assets, resulting in a decrease in net income. The amendments are effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. Retrospective application is required with certain exceptions.

Management has not yet completed the process of evaluating the impact that will result from the adoption of this standard.

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Amendment to IAS 32, Financial Instruments: Presentation

In December 2011, the IASB amended the accounting requirements and disclosures related to offsetting of financial assets and financial liabilities by issuing amendments to IAS 32 Financial Instruments: Presentation and IFRS 7 Financial Instruments: Disclosures. These amendments are the result of the IASB and US Financial Accounting Standards Board (“FASB”) undertaking a joint project to address the differences in their respective accounting standards regarding offsetting of financial instruments. The new disclosures are required for annual and interim periods beginning on or after January 1, 2013 and the clarifying amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014. Both require retrospective application for comparative periods.

Management has not yet completed the process of evaluating the impact that will result from the adoption of this standard.

Amendment to IFRS 7, Financial Instruments: Disclosures

IFRS 7 Financial Instruments: Disclosures was amended to require information about all recognized financial instruments that are offset in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation. The amendments also require disclosure of information about recognized financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not offset under IAS 32. The IASB believes that these disclosures will allow financial statement users to evaluate the effect or potential effect of netting arrangements, including rights of offset associated with an entity’s recognized financial assets and recognized financial liabilities, on the entity’s financial position. The amendments are effective for annual periods beginning on or after January 1, 2013. Early application is permitted.

Management has evaluated the impact of the application of this new standard and has concluded that it will not have a significant impact on the Bank’s financial statements.

Amendments to IFRS 10, Consolidated Financial Statements; IFRS 11, Joint Arrangements and IFRS 12, Disclosure of Involvement in Other Entities – Transition Guidance

On June 28, 2012, the IASB published Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities (Amendments to IFRS 10, IFRS 11, and IFRS 12). The amendments are intended to provide additional transition relief in IFRS 10, IFRS 11 and IFRS 12 by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Also, amendments to IFRS 11 and IFRS 12 eliminate the requirement to provide comparative information for periods prior to the immediately preceding period. The effective date of these amendments is for annual periods beginning on or after 1 January 2013, as aligned with the effective dates of IFRS 10, IFRS 11 and IFRS 12.

Management has not yet completed the process of evaluating the impact that will result from the adoption of this standard.

Investment Entities – Amendments to IFRS 10 – Consolidated Financial Statements; IFRS 12 – Disclosures of Involvement in Other Entities and IAS 27 – Separate Financial Statements

On October 31, 2012, the IASB published “Investment Entities (amendments to IFRS 10, IFRS 12 and IAS 27)”, providing an exemption from consolidation of subsidiaries under IFRS 10 ‘Consolidated Financial Statements’ for entities which meet the definition of an ‘investment entity’, such as certain investment funds. Instead, such entities would measure their investment in particular subsidiaries at fair value through profit or loss in accordance with IFRS 9 ‘Financial Instruments’ or IAS 39 ‘Financial Instruments: Recognition and Measurement’.

The amendments also require additional disclosure about why the entity is considered an investment entity, details of the entity’s unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries. In addition, the amendments require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated). The amendments are effective for annual periods beginning on or after January 1, 2014, with early application permitted.

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Management has not yet completed the process of evaluating the impact that will result from the adoption of this standard.

x) Convenience translation to U.S. dollars

The Bank maintains its accounting records and prepares its consolidated financial statements in Chilean pesos. The U.S. dollar amounts disclosed in the accompanying financial statements are presented solely for the convenience of the reader at the December 31, 2012 closing exchange rate of Ch\$479.16 per US\$1.00. This translation should not be construed as representing that the Chilean peso amounts actually represent or have been, or could be, converted into U.S. dollars at such a rate or at any other rate.

NOTE 2 - ACCOUNTING CHANGES

No accounting changes have taken place in comparison with the prior periods presented.

NOTE 3 - SEGMENT INFORMATION

The reportable segment information is defined by the Bank based on its different business units, which differ primarily in the risks and returns that affect them.

The reportable segments and criteria used to report to the CODM are in accordance with IFRS 8, *Operating Segments*.

The Bank's business activities are primarily conducted in the domestic market and have strategically aligned its operations into four divisions composed of seven reportable segments based on its market segmentation and the needs of its customers and trading partners. The seven reporting business segments are Large, Corporate and Real Estate Companies, Companies, Traditional and Private Banking, Lower Income Retail Banking, Treasury and International, Non-banking Financial Services and Colombia. The Bank manages these reportable segments using an internal profitability reporting system. The CODM reviews their segments on the basis of gross operational margin and only uses average balances to evaluate performance and allocate resources.

Descriptions of each business segment are as follows:

Commercial Banking

- Large, Corporate, and Real Estate Companies Reportable Segment includes companies that belong to the major economic groups, specific industries, and companies with sales over US\$30 million; this reportable segment also includes real estate companies and financial institutions.
- Companies Reportable Segment - includes a full range of financial products and services to companies with sales under US\$30 million. Leasing and factoring is included in this reportable segment.

Retail Banking

- Traditional and Private Banking Reportable Segment - offers, among other products, checking accounts, consumer loans, credit cards and mortgage loans to middle and upper income customers.
- Lower Income Retail Banking Reportable Segment - offers, among other products, consumer loans, credit cards and mortgage loans to the traditionally underserved low-to-middle income customers.

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Treasury and International

- Primarily includes our treasury activities such as financial management, funding and liquidity as well as our international business.

Non-Banking Financial Services

- These are services performed by our subsidiaries which include insurance brokerage, financial advisory services, asset management and securities brokerage.

Colombia

This comprises the business operations of Corpbanca Colombia and subsidiaries in that country; the main business carried out in Colombia comes from individuals and small and medium-size entity Banking, Banking and Treasury businesses and institutions; and services.

Colombia has been identified as a separate operating segment based on the business activities described above; that their operating results are regularly reviewed by the CODM which results form the basis for decisions about allocated resources and assessments of performance; and discrete financial information is available.

Geographical information

The Group operates in three main geographical areas: Chile, Colombia and the United States.

The revenue from external customers (revenues are attributed to countries on the basis of the customer's location) that come from these three geographic areas are the following:

	Revenue from external customers		
	2010	2011	2012
	MCh\$	MCh\$	MCh\$
CorpBanca Chile	222,149	188,136	182,218
Revenues attributed from Chile	222,149	188,136	182,218
CorpBanca Colombia	-	-	66,288
CorpBanca New York	2,261	4,864	8,370
Revenues attributed from foreign countries	2,261	4,864	74,658
Total revenues from external customers	224,410	193,000	256,876

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Non – current assets and others that correspond to the three geographic areas are the following:

ASSETS	Notes	CorpBanca	CorpBanca	CorpBanca	12.31.2011	CorpBanca	CorpBanca	CorpBanca	12.31.2012
		Chile	Colombia	New York	MCh\$	Chile	Colombia	New York	MCh\$
Cash and deposits in banks	4	265,725	-	22	265,747	349,940	170,278	10	520,228
Cash in the process of collection	4	96,230	-	-	96,230	123,162	614	1	123,777
Investments in associates	11	3,583	-	-	3,583	3,583	2,210	-	5,793
Intangible assets	12	12,077	-	162	12,239	458,211	23,347	124	481,682
Property, plant and equipment, net	13	57,112	-	113	57,225	55,640	9,347	99	65,086
Current taxes	14	6,278	-	-	6,278	-	-	-	-
Deferred income taxes	14	24,429	-	651	25,080	28,805	7,920	419	37,144
Other assets	15	102,656	-	119	102,775	133,185	16,036	682	149,903
					<u>569,157</u>				<u>1,383,613</u>

The accounting policies of the reportable segments are the same as those described in the summary of accounting policies. The Bank earns most of its income in the form of interest income, fee and commission income and income from financial operations.

Hence, this disclosure furnishes information on how the Bank is managed as of December 31, 2012.

a) **Income statement: (note that “Gross operational margin” as the selected measure of segment profit or loss is reconciled within the table to “Income before taxes” as required under IFRS 8):**

	For the Period Ending December 31, 2010								
	Commercial Banking		Retail Banking					Colombia	Total
	Large, Corporate and Real Estate Companies	Companies	Traditional and Private Banking	Lower Income Retail Banking	Treasury and International	Non- banking Financial Services			
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	
Net Interest income	36,363	48,132	54,457	20,667	62,717	2,074	-	224,410	
Net services fees income	13,060	12,523	22,525	3,318	(357)	7,152	-	58,221	
Trading and investment income, net	758	(2,564)	-	-	(11,324)	3,720	-	(9,410)	
Foreign exchange gains (losses), net	9,024	4,063	72	-	28,646	2,806	-	44,611	
Other operating income	-	3,657	-	-	185	4,990	-	8,832	
Provision for loan losses	(1,873)	(26,051)	(21,132)	(12,429)	1,360	7,774	-	(52,351)	
Gross Operational Margin	<u>57,332</u>	<u>39,760</u>	<u>55,922</u>	<u>11,556</u>	<u>81,227</u>	<u>28,516</u>	<u>-</u>	<u>274,313</u>	
Other income and expenses	-	10	22	-	-	264	-	296	
Total Operating Expenses	(9,152)	(16,715)	(54,170)	(19,784)	(12,173)	(20,689)	-	(132,683)	
Income before taxes	<u>48,180</u>	<u>23,055</u>	<u>1,774</u>	<u>(8,228)</u>	<u>69,054</u>	<u>8,091</u>	<u>-</u>	<u>141,926</u>	
Averages Loans	2,493,947	1,138,838	1,297,209	147,617	89,003	-	-	5,166,615	
Averages Investments	-	-	-	-	783,358	-	-	783,358	

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	For the Period Ending December 31, 2011														
	Business Banking		Retail Banking						Total						
	Large, Corporate and Real Estate Companies	Companies	Traditional and Private Banking	Lower Income Retail Banking	Treasury and International	Non- banking Financial Services	Colombia	Other							
										MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Net Interest income										39,200	48,382	52,815	17,719	18,975	15,909
Net services fees income	18,862	11,215	22,316	4,182	(408)	4,195	-	60,362							
Trading and investment income, net	(4,893)	-	3,703	-	89,078	9,857	-	97,745							
Foreign exchange gains (losses), net	16,668	4,961	272	-	(52,302)	3,618	-	(26,783)							
Other operating income	-	3,049	-	-	-	6,458	-	9,507							
Provision for loan losses	(12,699)	(6,625)	(14,660)	(6,756)	-	(14)	-	(40,754)							
Gross Operational Margin	57,138	60,982	64,446	15,145	55,343	40,023	-	293,077							
Other income and expenses	3,405	429	24	-	-	(3,608)	-	250							
Total Operating Expenses	(16,549)	(26,432)	(50,144)	(18,194)	(11,604)	(29,783)	-	(152,706)							
Income before taxes	43,994	34,979	14,326	(3,049)	43,739	6,632	-	140,621							
Averages Loans	2,798,129	1,212,146	1,616,774	124,211	82,748	138	-	5,834,146							
Averages Investments	-	-	-	-	749,467	-	-	749,467							

	For the Period Ending December 31, 2012														
	Business Banking		Retail Banking						Total						
	Large, Corporate and Real Estate Companies	Companies	Traditional and Private Banking	Lower Income Retail Banking	Treasury and International	Non- banking Financial Services	Colombia	Other							
										MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Net Interest income										41,751	56,120	56,972	18,664	3,010	14,071
Net services fees income	21,802	13,052	21,693	6,517	(237)	4,923	17,894	-	85,644						
Trading and investment income, net	1,525	-	3,650	-	19,316	9,624	20,879	-	54,994						
Foreign exchange gains (losses), net	13,579	5,537	679	-	9,791	(1,000)	2,110	-	30,696						
Other operating income	-	2,461	726	-	-	5,388	10,133	-	18,708						
Provision for loan losses	(2,146)	(14,567)	(6,915)	(7,724)	-	558	(20,781)	-	(51,575)						
Gross Operational Margin	76,511	62,603	76,805	17,457	31,880	33,564	96,523	-	395,343						
Other income and expenses	7,899	31	(685)	-	-	(6,531)	(347)	-	367						
Total Operating Expenses	(19,276)	(28,935)	(60,511)	(18,870)	(14,513)	(47,680)	(58,653)	(5,206)	(253,644)						
Income before taxes	65,134	33,699	15,609	(1,413)	17,367	(20,647)	37,523	(5,206)	142,066						
Averages Loans	3,867,956	1,522,997	2,027,349	135,115	79,655	134	1,792,586	-	9,425,792						
Averages Investments	-	-	-	-	837,858	-	187,386	-	1,025,244						

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b) **Assets and Liabilities**

	As of December 31, 2011							Total MCh\$	
	Business Banking		Retail Banking			Treasury and International MCh\$	Non- banking Financial Services MCh\$		Colombia MCh\$
	Large, Corporate and Real Estate Companies MCh\$	Companies MCh\$	Traditional and Private Banking MCh\$	Lower Income Retail Banking MCh\$	-				
Loans:									
Mortgage	-	13,967	1,157,441	4,520	-	-	-	1,175,928	
Consumer	34	2,635	257,690	162,753	-	9	-	423,121	
Commercial	3,687,033	1,266,682	538,981	134	27,188	-	-	5,520,018	
Loans before provisions	3,687,067	1,283,284	1,954,112	167,407	27,188	9	-	7,119,067	
Provisions for loan losses	(34,083)	(30,407)	(29,636)	(12,330)	-	3,432	-	(103,024)	
Loans net of allowances (*)	3,652,984	1,252,877	1,924,476	155,077	27,188	3,441	-	7,016,043	
Trading portfolio financial assets	-	-	-	-	166,039	-	-	166,039	
Investments under agreements to resell	-	-	-	-	23,251	-	-	23,251	
Derivative financial instruments	-	-	-	-	248,982	-	-	248,982	
Financial investments available-for-sale	-	-	-	-	843,250	-	-	843,250	
Held to maturity investments	-	-	-	-	21,962	-	-	21,962	
Assets unallocated to any reportable segment (**)	-	-	-	-	-	-	-	569,157	
Total assets	3,652,984	1,252,877	1,924,476	155,077	1,330,672	3,441	-	8,888,684	
Current Accounts and demand deposits	133,423	194,503	139,245	-	335	-	-	467,506	
Other sight balances	26,038	25,708	24,881	5,702	58	132,827	-	215,214	
Time Deposits and saving accounts	1,000,507	405,621	581,298	6,477	2,802,830	27,645	-	4,824,378	
Obligations under repurchase agreements	-	-	-	-	60,824	69,725	-	130,549	
Derivative financial instruments	-	-	-	-	164,233	2,639	-	166,872	
Borrowings from financial institutions	-	-	-	-	500,612	163,014	-	663,626	
Debt issued	-	-	-	-	1,522,773	-	-	1,522,773	
Liabilities unallocated to any reportable segment (***)	-	-	-	-	-	-	-	155,364	
Equity	-	-	-	-	-	-	-	742,402	
Total liabilities and equity	1,159,968	625,832	745,424	12,179	5,051,665	395,850	-	8,888,684	

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	As of December 31, 2012								
	Business Banking		Retail Banking			Treasury and International	Non-banking Financial Services	Colombia	Total
	Large, Corporate and Real Estate Companies	Companies	Traditional and Private Banking	Lower Income Retail Banking	MCh\$				
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Loans:									
Mortgage	-	20,475	1,357,486	4,451	30	-	149,533	1,531,975	
Consumer	93	3,440	309,033	163,708	-	-	600,382	1,076,656	
Commercial	4,697,614	1,505,174	677,903	112	19,390	-	1,077,216	7,977,409	
Loans before provisions	4,697,707	1,529,089	2,344,422	168,271	19,420	-	1,827,131	10,586,040	
Provisions for loan losses	(36,279)	(33,337)	(26,172)	(12,887)	-	3,409	(4,513)	(109,779)	
Loans net of allowances (*)	4,661,428	1,495,752	2,318,250	155,384	19,420	3,409	1,822,618	10,476,261	
Trading portfolio financial assets	-	-	-	-	55,379	-	104,519	159,898	
Investments under agreements to resell	-	-	-	-	21,313	-	-	21,313	
Derivative financial instruments	-	-	-	-	249,261	-	18,766	268,027	
Financial investments available-for-sale	-	-	-	-	894,085	-	218,350	1,112,435	
Held to maturity investments	-	-	-	-	22,081	-	82,896	104,977	
Assets unallocated to any reportable segment (**)	-	-	-	-	-	-	-	1,383,613	
Total assets	4,661,428	1,495,752	2,318,250	155,384	1,261,539	3,409	2,247,149	13,526,524	
Current Accounts and demand deposits	142,563	242,168	169,590	5	578	5,090	279,594	839,588	
Other sight balances	46,606	35,558	30,190	7,247	8	117,868	35,610	273,087	
Time Deposits and saving accounts	864,235	548,440	902,002	12,077	3,851,679	-	1,504,242	7,682,675	
Obligations under repurchase agreements	-	-	-	-	219,599	38,122	-	257,721	
Derivative financial instruments	-	-	-	-	173,658	-	20,186	193,844	
Borrowings from financial institutions	-	-	-	-	513,118	255,473	200,930	969,521	
Debt issued	-	-	-	-	1,809,043	-	77,561	1,886,604	
Liabilities unallocated to any reportable segment (***)	-	-	-	-	-	-	-	414,957	
Equity	-	-	-	-	-	-	-	1,008,527	
Total liabilities and equity	1,053,404	826,166	1,101,782	19,329	6,567,683	416,553	2,118,123	13,526,524	

(*) Loans and receivables (bank and customers) net of allowances for loan losses as of December 31, 2011 and 2012.

(**) Assets unallocated to any reportable segment correspond to the following:

	Notes	12.31.2011	12.31.2012
		MCh\$	MCh\$
ASSETS			
Cash and deposits in banks	4	265,747	520,228
Cash in the process of collection	4	96,230	123,777
Investments in associates	11	3,583	5,793
Intangible assets	12	12,239	481,682
Property, plant and equipment, net	13	57,225	65,086
Current taxes	14	6,278	-
Deferred income taxes	14	25,080	37,144
Other assets	15	102,775	149,903
		569,157	1,383,613

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(***) Liabilities unallocated to any reportable segment correspond to the following:

LIABILITIES	Notes	<u>12.31.2011</u> MCh\$	<u>12.31.2012</u> MCh\$
Cash in the process of collection	4	36,948	68,883
Other financial obligations	18	20,053	18,120
Current income tax provision	14	-	9,057
Deferred income taxes	14	25,352	117,753
Provisions	19	42,030	125,939
Other liabilities	20	30,981	75,205
		<u>155,364</u>	<u>414,957</u>

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NOTE 4 - CASH AND CASH EQUIVALENTS

a) Detail of cash and cash equivalents

The detail of the balances included under cash and cash equivalents is as follows:

	As of December 31,	
	2011	2012
	MCh\$	MCh\$
Cash and deposits in banks		
Cash	77,180	127,617
Deposits in the Central Bank of Chile	3,114	38,416
Deposits in national banks	1,178	6,127
Foreign deposits	184,275	348,068
Subtotal Cash and deposits in banks	<u>265,747</u>	<u>520,228</u>
Cash in the process of collection, net	59,282	54,894
Highly liquid financial instruments (1)	186,061	138,409
Investments under agreements to resell (2)	23,251	19,489
Total cash and cash equivalents	<u>534,341</u>	<u>733,020</u>

(1) Corresponds to those financial instruments in the trading portfolio and available-for-sale portfolio with maturities that do not exceed three months from their dates of acquisition.

This detail is presented below:

	Notes	As of December 31,	
		2011	2012
		MCh\$	MCh\$
Trading Portfolio financial assets	€5.00	38,551	59,477
Financial investment Available-for-sale portfolio	€10.00	147,510	78,932
Highly liquid financial instruments		<u>186,061</u>	<u>138,409</u>

(2) Corresponds to investments under agreements to resell with maturities that do not exceed three months from their dates of acquisition.

	Notes	As of December 31,	
		2011	2012
		MCh\$	MCh\$
Investment under agreement to resell	6	23,251	19,489

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b) Cash in the process of collection

Cash in the process of collection is short-term, amounts in transit of collection that are both readily convertible to known amounts of cash and so near its maturity that it presents insignificant risk of change in value.

	<u>As of December 31,</u>	
	<u>2011</u>	<u>2012</u>
	MCh\$	MCh\$
Assets		
Outstanding notes from other banks	28,403	48,516
Funds receivable	<u>67,827</u>	<u>75,261</u>
Subtotal assets	<u>96,230</u>	<u>123,777</u>
Liabilities		
Funds Payable	<u>36,948</u>	<u>68,883</u>
Subtotal liabilities	<u>36,948</u>	<u>68,883</u>
Net items in course of collection	<u>59,282</u>	<u>54,894</u>

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NOTE 5 - TRADING PORTFOLIO FINANCIAL ASSETS

The detail of the financial instruments classified as trading financial assets is as follows:

	As of December 31,	
	2011	2012
	MCh\$	MCh\$
Chilean Central Bank and Government securities:		
Chilean Central Bank - bonds	9,541	2,543
Chilean - Central Bank notes	5,613	-
Other Chilean Central Bank and government securities	-	-
Other national institution securities:		
Bonds	2,012	2,102
Notes	125,319	28,218
Other Securities	11,102	276
Foreign Institution Securities:		
Bonds	840	101,114
Notes	-	-
Other foreign Securities	968	3,409
Mutual funds Investments:		
Funds managed by related organizations	3,420	6,336
Funds managed by third parties	7,224	15,900
Total	<u>166,039</u> (*)	<u>159,898</u> (*)

Chilean Central Bank and Government securities as of December 31, 2011, includes investments purchased under agreements to resell amounting to MCh\$4,759.

As of December 31, 2012, investments purchased under agreement to resell have an average maturity of 0 days (12 days in 2011).

(*) This total includes MCh\$59,477 (MCh\$38,551 in 2011), included in Note 4 "Cash and cash equivalents", which corresponds to those financial instruments with maturities that do not exceed three months from their dates of acquisition.

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NOTE 6 - INVESTMENT AND OBLIGATIONS UNDER REPURCHASE AGREEMENTS

a) The Bank purchases financial instruments agreeing to resell them at a future date. As of December 31, 2011 and 2012 the instruments acquired under agreements to resell are as follows:

	As of December 31, 2011			
	Less than three months	More than three months and less than one year	More than one Year	Total
	MCh\$	MCh\$	MCh\$	MCh\$
Government and Chilean Central Bank Securities:				
Chilean Central Bank Securities	-	-	-	-
Treasury Bonds and Notes	2,450	-	-	2,450
Other fiscal securities	-	-	-	-
Other securities issued locally:				
Other local bank securities	10,965	-	-	10,965
Bonds and company business papers	2,773	-	-	2,773
Other securities issued locally	7,063	-	-	7,063
Securities issued abroad:				
Government and Central Bank securities	-	-	-	-
Other Securities issued abroad	-	-	-	-
Mutual Funds Investments:				
Funds managed by related companies	-	-	-	-
Funds managed by third parties	-	-	-	-
Total	<u>23,251(*)</u>	<u>-</u>	<u>-</u>	<u>23,251</u>

	As of December 31, 2012			
	Less than three months	More than three months and less than one year	More than one Year	Total
	MCh\$	MCh\$	MCh\$	MCh\$
Government and Chilean Central Bank Securities:				
Chilean Central Bank Securities	-	-	-	-
Treasury Bonds and Notes	-	-	-	-
Other fiscal securities	-	-	-	-
Other securities issued locally:				
Other local bank securities	-	-	-	-
Bonds and company business papers	2,687	-	-	2,687
Other securities issued locally	16,802	1,824	-	18,626
Securities issued abroad:				
Government and Central Bank securities	-	-	-	-
Other Securities issued abroad	-	-	-	-
Mutual Funds Investments:				
Funds managed by related companies	-	-	-	-
Funds managed by third parties	-	-	-	-
Total	<u>19,489(*)</u>	<u>1,824</u>	<u>-</u>	<u>21,313</u>

(*) This total includes MCh\$23,251 (MCh\$19,489 in 2011), included in Note 4 "Cash and cash equivalents", which corresponds to those financial instruments with maturities that do not exceed three months from their dates of acquisition.

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b) The Bank obtains funds by selling financial instruments and committing itself to buy them back at future dates, plus interest at a fixed rate.

As of December 31, 2011 and 2012, obligations under repurchase agreements are the following:

	As of December 31, 2011			
	Less than three months	More than three months and less than one year	More than one Year	Total
	MCh\$	MCh\$	MCh\$	MCh\$
Government and Chilean Central Bank Securities:				
Chilean Central Bank Securities	60,535	-	-	60,535
Treasury Bonds and Notes	-	-	-	-
Other fiscal securities	-	-	-	-
Other securities issued locally:				-
Other local bank securities	69,841	173	-	70,014
Bonds and company business papers	-	-	-	-
Other securities issued locally	-	-	-	-
Securities issued abroad:				-
Government and Central Bank securities	-	-	-	-
Other Securities issued abroad	-	-	-	-
Mutual Funds Investments:				-
Funds managed by related companies	-	-	-	-
Funds managed by third parties	-	-	-	-
Total	<u>130,376</u>	<u>173</u>	<u>-</u>	<u>130,549</u>

	As of December 31, 2012			
	Less than three months	More than three months and less than one year	More than one Year	Total
	MCh\$	MCh\$	MCh\$	MCh\$
Government and Chilean Central Bank Securities:				
Chilean Central Bank Securities	105,071	-	-	105,071
Treasury Bonds and Notes	28,053	-	-	28,053
Other fiscal securities	-	-	-	-
Other securities issued locally:				-
Other local bank securities	-	-	-	-
Bonds and company business papers	124,597	-	-	124,597
Other securities issued locally	-	-	-	-
Securities issued abroad:				-
Government and Central Bank securities	-	-	-	-
Other Securities issued abroad	-	-	-	-
Mutual Funds Investments:				-
Funds managed by related companies	-	-	-	-
Funds managed by third parties	-	-	-	-
Total	<u>257,721</u>	<u>-</u>	<u>-</u>	<u>257,721</u>

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NOTE 7 - DERIVATIVE FINANCIAL INSTRUMENT AND HEDGE ACCOUNTING

A. As of December 31, 2011 and 2012, the Bank holds the following portfolio of derivative financial instruments:

A.1) Derivatives financial assets

	As of December 31, 2011			Fair Value
	Up to 3 months	3 months to 1 year	Over one year	
	MCh\$	MCh\$	MCh\$	
Foreign Currency Forwards	2,662,116	1,031,861	95,805	66,605
Interest rate Swap	1,687,940	2,317,793	1,938,378	105,879
Foreign Currency Swap	12,506	164,186	556,444	76,282
Foreign Currency Call Options	2,764	988	110	140
Foreign Currency Put Options	1,005	3,265	96	76
Total	4,366,331	3,518,093	2,590,833	248,982

	As of December 31, 2012			Fair Value
	Up to 3 months	3 months to 1 year	Over one year	
	MCh\$	MCh\$	MCh\$	
Foreign Currency Forwards	3,108,044	1,278,090	156,061	58,249
Interest rate Swap	183,175	848,620	2,500,860	103,694
Foreign Currency Swap	127,849	149,673	1,575,290	104,711
Foreign Currency Call Options	24,192	26,999	1,940	303
Foreign Currency Put Options	30,850	32,163	168	1,070
Total	3,474,110	2,335,545	4,234,319	268,027

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A.2) Derivatives financial liabilities

	As of December 31, 2011			
	Up to 3 months	3 months to 1 year	Over one year	Fair Value
	Mch\$	Mch\$	Mch\$	Mch\$
Foreign Currency Forwards	2,112,046	1,058,489	78,813	60,570
Interest rate Swap	127	434,582	103,023	70,209
Foreign Currency Swap	-	-	87,080	35,957
Foreign Currency Call Options	632	1,344	96	114
Foreign Currency Put Options	1,999	917	-	22
Total	2,114,804	1,495,332	269,012	166,872

	As of December 31, 2012			
	Up to 3 months	3 months to 1 year	Over one year	Fair Value
	MCh\$	MCh\$	MCh\$	MCh\$
Foreign Currency Forwards	3,278,564	1,068,457	97,510	62,794
Interest rate Swap	366,846	1,006,923	2,266,428	76,287
Foreign Currency Swap	29,627	198,187	958,805	52,986
Foreign Currency Call Options	51,454	38,872	168	1,114
Foreign Currency Put Options	5,796	11,627	1,772	663
Total	3,732,287	2,324,066	3,324,683	193,844

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B. Hedge accounting

Fair value hedges:

The Bank uses interest rate swaps as hedging instruments to hedge its exposure to the fair value of the hedged item (bonds issued and commercial loans).

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Below is a detail by maturity of hedged items and hedging instruments as of December 31, 2011 and 2012 under fair value hedges.

	As of December 31, 2011			
	Within 1 year MCh\$	Between 1 and 3 years MCh\$	Between 3 and 6 years MCh\$	Over 6 years MCh\$
Hedged Items				
Corporate Bonds	-	-	20,000	22,800
Loans	-	-	-	6,071
Investment	-	-	-	62
Demand deposits	289,600	-	-	-
Total	289,600	-	20,000	28,933
Hedging instrument				
Interest rate Swaps	289,600	-	20,000	28,871
Foreign currency Forwards	-	-	-	62
Total	289,600	-	20,000	28,933

	As of December 31, 2012			
	Within 1 year MCh\$	Between 1 and 3 years MCh\$	Between 3 and 6 years MCh\$	Over 6 years MCh\$
Hedged Items				
Corporate Bonds	-	-	-	-
Loans	-	95,890	78,171	45,407
Investment	40,000	12,466	-	-
Demand deposits	-	-	-	-
Total	40,000	108,356	78,171	45,407
Hedging instrument				
Interest rate Swaps	40,000	9,505	70,000	45,407
Foreign currency Forwards	-	98,851	8,171	-
Total	40,000	108,356	78,171	45,407

Cash flow hedges:

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Below is a detailed account of hedged items and hedging instruments by maturity as of December 31, 2011 and 2012, under cash flow hedges.

	As of December 31, 2011			
	Within 1 year MCh\$	Between 1 and 3 years MCh\$	Between 3 and 6 years MCh\$	Over 6 years MCh\$
Hedged Items				
Loans	-	360,669	-	-
Demand Deposits	512,600	-	-	-
Total	512,600	360,669	-	-
Hedging instrument				
Foreign currency Forwards	-	58,018	-	-
Interest rate Swaps	512,600	302,651	-	-
Total	512,600	360,669	-	-
	As of December 31, 2012			
	Within 1 year MCh\$	Between 1 and 3 years MCh\$	Between 3 and 6 years MCh\$	Over 6 years MCh\$
Hedged Items				
Loans	127,430	72,885	-	-
Demand Deposits	587,510	145,622	-	-
Total	714,940	218,507	-	-
Hedging instrument				
Foreign currency Forwards	663,522	211,907	-	-
Interest rate Swaps	51,418	6,600	-	-
Total	714,940	218,507	-	-

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The effective portion of increase/decrease in fair value of the hedging instruments of the hedged items from cash flow hedges, MCh\$ (2,576) (Note 22 – Shareholders Equity) and the ineffective portion of increase/decrease in fair value of the hedging instruments of the hedged items from cash flow hedges, MCh\$139 (Note 26 – Net Foreign Exchange Income (losses) – Foreign exchange gains (losses) on hedging derivatives, as of December 31, 2011 and 2012, respectively, were as follows:

	<u>Effective portion</u>	<u>Ineffective portion</u>
	<u>As of December 31, 2011</u>	
	<u>MCh\$</u>	<u>MCh\$</u>
Demand Deposits	(1,613)	108
Loans	(963)	31
Net flows	(2,576)	139

	<u>Effective portion</u>	<u>Ineffective portion</u>
	<u>As of December 31, 2012</u>	
	<u>MCh\$</u>	<u>MCh\$</u>
Demand Deposits	64	(2)
Loans	506	4
Net flows	570	2

Hedging net investment in foreign operations:

The Bank has a foreign operation (New York Branch) whose functional currency (US dollars) is other than the Bank's functional currency. When translating the results of operations and financial position of this foreign operation into the Bank's functional and presentation currency, the Bank recognizes foreign exchange differences in other comprehensive income until it disposes of the foreign operation. For this reason, the Bank decided to hedge the foreign currency risk arising from its net investment in this foreign operation and has designated non-derivative financial instruments as hedging instruments. Gains or losses relating the hedging instrument relating to the effective portion of the hedge are recognized in other comprehensive income and accumulated under the heading hedge of a net investment in foreign operation within equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss. Gains or losses on the hedging instrument relating to the effective portion accumulated in equity are reclassified to profit or loss on the disposal of the foreign operation.

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Gains or losses on the hedge of the net investment in its foreign operation that have been recognized in other comprehensive income and accumulated in equity are as follows:

	For the years ended December 31,		
	2010	2011	2012
	MCh\$	MCh\$	MCh\$
Beginning balance	-	799	(245)
Gains (losses) on hedge of net investment in foreign operation, before tax	963	(1,264)	757
Reclassification adjustments to profit or loss, before tax	-	-	-
Income tax relating to hedges of net investments in foreign operations	(164)	220	(147)
Closing balance	<u>799</u>	<u>(245)</u>	<u>365</u>

No ineffective portion was recognized in profit or loss for the years ended December 31, 2012, 2011 and 2010.

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NOTE 8 - LOANS AND RECEIVABLES TO BANKS

a) As of December 31, 2011 and 2012, loans and receivables to banks are as follows:

	<u>As of December 31,</u>	
	<u>2011</u>	<u>2012</u>
	MCh\$	MCh\$
Local Banks		
Loans to local banks	13,047	-
Allowances for loans losses	(373)	-
Subtotal	<u>12,674</u>	<u>-</u>
Foreign Banks		
Loans to foreign banks	64,258	81,281
Other debts with foreign banks	27,289	11,114
Allowances for loans losses	(151)	(178)
Subtotal	<u>91,396</u>	<u>92,217</u>
Banco Central de Chile		
Restricted Deposits in the Central Bank of Chile	200,028	390,154
Subtotal	<u>200,028</u>	<u>390,154</u>
Total	<u>304,098</u>	<u>482,371</u>

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b) The movement in the allowances for loan losses as of December 31, 2011 and 2012 is as follows:

	As of December 31, 2011		
	Local Banks	Foreign Banks	Total
	MCh\$	MCh\$	MCh\$
Balance as of January 1, 2011	-	(189)	(189)
Write-offs	-	-	-
Established provisions	(375)	(110)	(485)
Released provisions	2	148	150
Impairment	-	-	-
Impairment reversal	-	-	-
Balances as of December 31, 2011	<u>(373)</u>	<u>(151)</u>	<u>(524)</u>

	As of December 31, 2012		
	Local Banks	Foreign Banks	Total
	MCh\$	MCh\$	MCh\$
Balance as of January 1, 2012	(373)	(151)	(524)
Write-offs	-	-	-
Established provisions	-	(83)	(83)
Released provisions	370	46	416
Impairment	-	-	-
Impairment reversal	-	-	-
Exchange Differences	3	10	13
Balances as of December 31, 2012	<u>-</u>	<u>(178)</u>	<u>(178)</u>

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NOTE 9 - LOANS AND RECEIVABLES TO CUSTOMERS

a) Loans and receivables to customers

As of December 31, 2011 and 2012, the composition of the loan portfolio is as follows:

As of December 31, 2011	Gross Assets			Allowances for loan losses			
	Normal Portfolio	Impaired Portfolio	Total	Individually Evaluated for impairment	Collectively evaluated for impairment	Total	Net Asset
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Commercial loans:							
Commercial loans	4,204,431	141,300	4,345,731	34,979	9,732	44,711	4,301,020
Foreign trade loans	344,525	44,456	388,981	17,519	191	17,710	371,271
Current account debtors	12,198	1,301	13,499	53	125	178	13,321
Factoring operations	92,719	2,307	95,026	1,408	383	1,791	93,235
Leasing transactions	246,075	47,651	293,726	3,850	484	4,334	289,392
Other loans and receivables	78,152	281	78,433	19	658	677	77,756
Subtotals	4,978,100	237,296	5,215,396	57,828	11,573	69,401	5,145,995
Mortgage loans:							
Letters of credit loans	95,844	6,533	102,377	-	1,323	1,323	101,054
Endorsable mutual mortgage loans	229,787	11,866	241,653	-	4,201	4,201	237,452
Other mutual mortgage loans	772,462	13,075	785,537	-	3,803	3,803	781,734
Leasing transactions	71	67	138	-	1	1	137
Other loans and receivables	43,232	2,991	46,223	-	1,055	1,055	45,168
Subtotals	1,141,396	34,532	1,175,928	-	10,383	10,383	1,165,545
Consumer loans:							
Consumer loans	246,712	20,241	266,953	-	15,279	15,279	251,674
Current account debtors	24,764	690	25,454	-	573	573	24,881
Credit card debtors	53,733	1,545	55,278	-	1,513	1,513	53,765
Consumer leasing transactions	510	219	729	-	8	8	721
Other loans and receivables	72,646	2,061	74,707	-	5,343	5,343	69,364
Subtotals	398,365	24,756	423,121	-	22,716	22,716	400,405
Total	6,517,861	296,584	6,814,445	57,828	44,672	102,500	6,711,945

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As of December 31, 2012	Gross Assets			Allowances for loan losses			
	Normal Portfolio MCh\$	Impaired Portfolio MCh\$	Total MCh\$	Individually Evaluated for impairment MCh\$	Collectively evaluated for impairment MCh\$	Total MCh\$	Net Asset MCh\$
Commercial loans:							
Commercial loans	6,337,139	116,037	6,453,176	45,690	11,606	57,296	6,395,880
Foreign trade loans	406,531	18,293	424,824	14,180	203	14,383	410,441
Current account debtors	28,798	447	29,245	357	239	596	28,649
Factoring operations	87,107	515	87,622	1,725	223	1,948	85,674
Leasing transactions	321,347	19,947	341,294	2,902	374	3,276	338,018
Other loans and receivables	157,587	1,112	158,699	310	1,232	1,542	157,157
Subtotals	7,338,509	156,351	7,494,860	65,164	13,877	79,041	7,415,819
Mortgage loans:							
Letters of credit loans	83,165	4,046	87,211	-	340	340	86,871
Endorsable mutual mortgage loans	207,886	8,741	216,627	-	2,099	2,099	214,528
Other mutual mortgage loans	1,168,425	17,782	1,186,207	-	3,535	3,535	1,182,672
Leasing transactions	-	61	61	-	3	3	58
Other loans and receivables	39,767	2,102	41,869	-	512	512	41,357
Subtotals	1,499,243	32,732	1,531,975	-	6,489	6,489	1,525,486
Consumer loans:							
Consumer loans	752,539	27,196	779,735	-	13,458	13,458	766,277
Current account debtors	28,931	467	29,398	-	780	780	28,618
Credit card debtors	153,684	3,255	156,939	-	2,905	2,905	154,034
Consumer leasing transactions	769	13	782	-	5	5	777
Other loans and receivables	107,104	2,698	109,802	-	6,923	6,923	102,879
Subtotals	1,043,027	33,629	1,076,656	-	24,071	24,071	1,052,585
Total	9,880,779	222,712	10,103,491	65,164	44,437	109,601	9,993,890

The Bank finances its customers' asset purchases, both movable and real estate, through lease contracts that are included within loans and receivables from customers. As of December 31, 2012, MCh\$171,424 corresponds to leases of movable assets (MCh\$161,876 as of December 31, 2011) and MCh\$170,713 to leases of real estate assets (MCh\$132,718 as of December 31, 2011).

Where appropriate, we obtain collateral in respect of our loans and receivables from customers. The collateral normally takes the form of a real estate mortgage (i.e., urban and rural properties, agricultural lands, maritime vessels and aircraft, mineral rights and other assets) and liens (i.e., inventories, agricultural goods, industrial goods, plantations and other property pledged as security) over the customer's assets. The existence and amount of collateral generally varies from loan to loan.

We review collateral fair values by obtaining appraisals on impaired secured loans every 18 months and on normal secured loans every three years.

We monitor collateral values between appraisals on an on-going basis in order to capture any unusual significant changes (i.e., improved conditions in the real estate industry, changes in overall economic conditions, etc.) in market-based evidence used in the appraisals. In the event that unusual significant changes occur between appraisals, the collateral values are reassessed and recalculated.

During 2012, the Bank has received assets such as homes, apartments, commercial and agricultural lands, among others, with an aggregate fair value of MCh\$2,755 (MCh\$2,129 in 2011) through the execution of guarantees.

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b) Portfolio characteristics

As of December 31, 2011 and 2012, the loan portfolio before allowances for loan losses by customer economic activity is as follows:

	National Loans		Foreign Loans		Total		Distribution Percentage as of	
	2011 MCh\$	2012 MCh\$	2011 MCh\$	2012 MCh\$	2011 MCh\$	2012 MCh\$	2011 %	2012 %
Commercial loans:								
Manufacturing	510,232	569,720	10,525	247,564	520,757	817,284	7.64%	8.09%
Mining	241,514	244,407	32,494	112,302	274,008	356,709	4.02%	3.53%
Electricity, gas and water	423,276	237,908	10,473	179,737	433,749	417,645	6.37%	4.13%
Agriculture and livestock	193,598	236,327	20,053	26,963	213,651	263,290	3.14%	2.61%
Forestry and wood extraction	39,280	38,836	-	-	39,280	38,836	0.58%	0.38%
Fishing	68,395	48,611	-	-	68,395	48,611	1.00%	0.48%
Transport	163,843	153,111	604	50,871	164,447	203,982	2.41%	2.02%
Communications	35,867	16,845	-	54,137	35,867	70,982	0.53%	0.70%
Construction	598,671	865,713	848	98,660	599,519	964,373	8.80%	9.54%
Commerce	450,957	519,220	3,187	395,650	454,144	914,870	6.66%	9.05%
Services	2,041,235	2,861,452	137,037	228,715	2,178,272	3,090,167	31.97%	30.59%
Others	233,307	223,316	-	84,795	233,307	308,111	3.42%	3.05%
Subtotals	5,000,175	6,015,466	215,221	1,479,394	5,215,396	7,494,860	76.54%	74.18%
Mortgage Loans	1,175,928	1,382,442	-	149,533	1,175,928	1,531,975	17.26%	15.16%
Consumer loans	423,121	476,275	-	600,381	423,121	1,076,656	6.21%	10.66%
Total	6,599,224	7,874,183	215,221	2,229,308	6,814,445	10,103,491	100.00%	100.00%

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c) **Allowances for loans losses**

The changes in allowances for loan losses during the years 2011 and 2012 are summarized as follows:

	Individually Evaluated for impairment	Collectively evaluated for impairment	Total
	MCh\$	MCh\$	MCh\$
Balances as January 1, 2011	54,355	49,860	104,215
Impaired portfolio write-offs:			
Commercial loans	(9,677)	(11,299)	(20,976)
Mortgage loans	-	(1,782)	(1,782)
Consumer loans	-	(31,676)	(31,676)
	(9,677)	(44,757)	(54,434)
Total Write-offs			
Established provision	42,863	51,307	94,170
Provision released	(29,713)	(11,738)	(41,451)
Balances as of December 31, 2011	57,828	44,672	102,500

	Individually Evaluated for impairment	Collectively evaluated for impairment	Total
	MCh\$	MCh\$	MCh\$
Balances as January 1, 2012	57,828	44,672	102,500
Impaired portfolio write-offs:			
Commercial loans	(8,077)	(8,871)	(16,948)
Mortgage loans	-	(3,907)	(3,907)
Consumer loans	-	(38,764)	(38,764)
	(8,077)	(51,542)	(59,619)
Total Write-offs			
Established provision	47,407	72,060	119,467
Provision released	(31,932)	(20,750)	(52,682)
Exchange rate differences	(62)	(3)	(65)
Balances as of December 31, 2012	65,164	44,437	109,601

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d) Portfolio sale

During 2011 and 2012, CorpBanca sold part of its portfolio of state-guaranteed loans and receivables (CAE for its Spanish acronym) through a competitive bidding process for awards of the Financing Facility and Administration of Loans for Studies in Higher Education Law No. 20,027. The open bidding model for financial institutions, reflected in the respective databases, allow selling a percentage of the state-guaranteed loans and receivables to third parties. On the portfolio sold, CorpBanca transferred substantially all the risks and benefits associated with this portfolio. The detail of loans and receivables sold is as follows:

As of December 31, 2011					
Number of loans	Carrying amount	Proceeds from sale	Released Provisions	Gain on sale	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
					(*)
Loans sold	36,359	61,727	65,431	(645)	4,349
Total	36,359	61,727	65,431	(645)	4,349

As of December 31, 2012					
Number of loans	Carrying amount	Proceeds from sale	Released Provisions	Gain on sale	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
			(a)	(b)	
Loans sold	30,542	52,919	56,590	-	3,671
Total	30,542	52,919	56,590	-	3,671

(*) The gain on sale is included in the category "Trading and investment income, net" in the income statement.

(a) This amount is included in the release of provisions disclosed in Note 27.

(b) The gain on sale is included under line item "trading and investment income, net" in the income statement, disclosed in Note 25, line "Other financial investments at fair value with effect on gain (losses)"

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NOTE 10- INVESTMENT INSTRUMENTS

As of December 31, 2011 and 2012, the detail of financial investments available for sale is as follows:

a) Financial investments

	As of December 31,					
	2011			2012		
	Available for sale	Held to maturity	Total	Available for sale	Held to maturity	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Chilean Central Bank and Government Securities						
Chilean Central Bank securities	307,122	-	307,122	329,066	-	329,066
Chilean Treasury Bonds	4,336	-	4,336	69,706	-	69,706
Other government securities	57,480	-	57,480	46,203	-	46,203
Other financial instruments						
Promissory notes related to deposits in local banks	380,284	-	380,284	338,747	-	338,747
Chilean mortgage finance bonds	1,056	-	1,056	349	-	349
Chilean financial institution bonds	41,702	-	41,702	66,231	-	66,231
Other local investments	44,109	11,580	55,689	41,019	10,099	51,118
Financial instruments Issued abroad						
Foreign government and central bank instruments	-	-	-	206,296	74,259	280,555
Other foreign investments	7,161	10,382	17,543	14,818	20,619	35,437
Impairment Provision	-	-	-	-	-	-
Unquoted securities in active markets						
Chilean corporate bonds	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
Impairment Provision	-	-	-	-	-	-
Total	(*)843,250	21,962	865,212	(*)1,112,435	104,977	1,217,412

As of December 31, 2012, the portfolio of financial investments available-for-sale includes unrealized gain, net of taxes, recorded in other comprehensive income of MCh\$6,485 (MCh\$1,758 as of December 31, 2011)

(*) This total includes MCh\$78.932 (MCh\$147.510 in 2011), included in Note 4 “Cash and cash equivalents”, which corresponds to those financial instruments with maturities that do not exceed three months from their dates of acquisition.

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b) The movements of the investments available-for-sale portfolio as of December 31, 2011 and 2012 are as follows:

	As of December 31, 2011			Fair value MCh\$
	Cost MCh\$	Gross unrealized gains MCh\$	Gross unrealized losses MCh\$	
Chilean Central Bank and Government securities				
Chilean Central Bank and Government securities	308,237	537	(1,652)	307,122
Chilean Central Bank Notes	4,358	9	(31)	4,336
Other government securities	57,973	1	(494)	57,480
Subtotals	370,568	547	(2,177)	368,938
Other Financial Instruments				
Promissory notes related to deposits in local banks	381,433	214	(1,363)	380,284
Chilean mortgage finance bonds	1,018	38	-	1,056
Chilean financial institution bonds	42,330	-	(628)	41,702
Other local investments	43,752	590	(233)	44,109
Subtotals	468,533	842	(2,224)	467,151
Financial instruments Issued abroad				
Foreign government and central bank instruments	-	-	-	-
Other foreign investments	7,161	-	-	7,161
impairment Provision	-	-	-	-
Subtotals	7,161	-	-	7,161
Unquoted securities in active markets				
Chilean corporate bonds	-	-	-	-
Other investments	-	-	-	-
Impairment Provision	-	-	-	-
Subtotals	-	-	-	-
Totals	846,262	1,389	(4,401)	843,250

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	As of December 31, 2012			Fair value
	Cost	Gross unrealized gains	Gross unrealized losses	
	MCh\$	MCh\$	MCh\$	MCh\$
Chilean Central Bank and Government securities				
Chilean Central Bank and Government securities	332,531	-	(3,465)	329,066
Chilean Central Bank Notes	70,539	-	(833)	69,706
Other government securities	46,972	4	(773)	46,203
Subtotals	450,042	4	(5,071)	444,975
Other Financial Instruments				
Promissory notes related to deposits in local banks	340,808	92	(2,153)	338,747
Chilean mortgage finance bonds	347	3	(1)	349
Chilean financial institution bonds	67,102	2	(873)	66,231
Other local investments	41,392	-	(373)	41,019
Subtotals	449,649	97	(3,400)	446,346
Financial instruments Issued abroad				
Foreign government and central bank instruments	206,296	-	-	206,296
Other foreign investments	14,591	391	164	14,818
impairment Provision	-	-	-	-
Subtotals	220,887	391	164	221,114
Unquoted securities in active markets				
Chilean corporate bonds	-	-	-	-
Other investments	-	-	-	-
Impairment Provision	-	-	-	-
Subtotals	-	-	-	-
Totals	<u>1,120,578</u>	<u>492</u>	<u>(8,635)</u>	<u>1,112,435</u>

All of the gains (losses) from available-for-sale portfolio correspond to the sale of instruments during each reported period.

c) Impairment of investment instruments

As of December 31, 2011 and 2012, there are no indicators of impairment in the investment instrument.

All investments quoted in non-active markets and classified as available-for-sale have been recorded at their fair value.

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d) The classification of our available-for-sale securities within the fair value hierarchy is as follows:

	As of December 31, 2011			
	Available for sale Securities			
	Total	Level 1	Level 2	Level 3
	MCh\$	MCh\$	MCh\$	MCh\$
Chilean Central Bank and Government securities				
Chilean Central Bank and Government securities	307,122	307,122	-	-
Chilean Central Bank Notes	4,336	4,336	-	-
Other Chilean Central Bank and Government securities	57,480	-	57,480	-
Other Financial Instruments				
Promissory notes related to deposits in local banks	380,284	380,284	-	-
Chilean mortgage finance bonds	1,056	-	1,056	-
Chilean financial institution bonds	41,702	-	41,702	-
Other local investments	44,109	-	44,109	-
Financial instruments Issued abroad				
Foreign government and central bank instruments	-	-	-	-
Other foreign investments	7,161	263	6,898	-
Impairment Provision	-	-	-	-
Totals	<u>843,250</u>	<u>692,005</u>	<u>151,245</u>	<u>-</u>

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	As of December 31, 2012			
	Available for sale Securities			
	Total	Level 1	Level 2	Level 3
	MCh\$	MCh\$	MCh\$	MCh\$
Chilean Central Bank and Government securities				
Chilean Central Bank and Government securities	329,066	329,066	-	-
Chilean Central Bank Notes	69,706	69,706	-	-
Other government securities	46,203	-	46,203	-
Other Financial Instruments				
Promissory notes related to deposits in local banks	338,747	338,747	-	-
Chilean mortgage finance bonds	349	-	349	-
Chilean financial institution bonds	66,231	-	66,231	-
Other local investments	41,019	-	41,019	-
Financial instruments Issued abroad				
Foreign government and central bank instruments	206,296	206,296	-	-
Other foreign investments	14,818	2,764	12,054	-
Impairment Provision	-	-	-	-
Totals	<u>1,112,435</u>	<u>946,579</u>	<u>165,856</u>	<u>-</u>

NOTE 11 - INVESTMENTS IN OTHER COMPANIES

a) As of December 31, 2011 and 2012 the investments in other companies are detailed as follows:

Company	December 31, 2011		December 31, 2012	
	%	MCh\$	%	MCh\$
Nexus S.A.	13	1,057	13	1,057
Transbank S.A.	9	939	9	939
Combanc S.A.	5	135	5	135
Redbanc S.A.	3	110	3	110
Sociedad Interbancaria de Depósitos de Valores S.A.	4	75	4	75
Deceval S.A.	-	-	6	829(i)
A.C.H Colombia	-	-	4	191(i)
Redeban Multicolor S.A	-	-	2	283(i)
Cámara de Compensación Divisas de Colombia S.A.	-	-	3	30(i)
Cámara de Riesgo Central de Contraparte S.A.	-	-	1	94(i)
Shares or rights in other companies				
Santiago Stock Exchange Shares	2	1,056	2	1,056
Chilean Electronic Stock Exchange Shares	2	211	2	211
Colombia Stock Exchange	-	-	0	783(i)
Total		<u>3,583</u>		<u>5,793</u>

(i) Corresponds to investments in other companies carried out by the subsidiaries in Colombia.

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During 2010, 2011 and 2012 the Bank received dividends from its investment in other companies were the following:

	<u>2010</u> MCh\$	<u>2011</u> MCh\$	<u>2012</u> MCh\$
Dividends received	296	250	367
Totales	<u>296</u>	<u>250</u>	<u>367</u>

The movements of investment in other companies as of December 31, 2012 and 2011, were the following:

	<u>2011</u> MCh\$	<u>2012</u> MCh\$
Opening balance at January 1	3,583	3,583
Investment acquisitions	-	2,210
Investment sales	-	-
Share on income	-	-
Dividends received	-	-
Exchange rate differences	-	-
Ending balance as of December 31,	<u>3,583</u>	<u>5,793</u>

b) **Business Combination- Corpbanca Chile and Corpbanca Colombia (previously—Banco Santander Colombia S.A. or BSC)**

i) **General aspects of the operation**

CorpBanca acquired 51.00% and 40.93% on May 29, 2012 and June 22, 2012, respectively, of the voting shares of BSC which is domiciled in Colombia.

ii) **Main reasons for the acquisition**

With this acquisition, CorpBanca is looking to regionally expand and, at the same time, participate in the growing Colombian banking market whose potential is based on the solid economic prospects of Colombia and low penetration currently shown in its banking industry. The senior management and employees of CorpBanca Colombia have an in-depth knowledge of the Colombian market and the expertise to successfully develop CorpBanca. These two characteristics underly the expected success of this acquisition.

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iii) Assets acquired and liabilities assumed

The fair value of identifiable assets and liabilities of BSC to the date of acquisition, May 29, 2012, were:

ASSETS	Fair value recognized on the acquisition date	Notas
	MCh\$	
Cash and deposits in banks	98,194	(*)
Cash in course of collection	1,126	(**)
Trading portfolio financial assets	176,329	
Investments under agreements to resell	94,200	
Derivative financial instruments	14,899	
Loans and receivables to banks	23,673	(a)
Loans and receivables to customers	1,623,069	(b)
Financial investments available-for-sale	103,094	
Financial investments held-to-maturity	84,621	
Investments in other companies	6,433	
Intangible assets	265,265	
Property, plant and equipment	13,396	
Current income tax provision	-	
Deferred income taxes	5,204	
Other assets	9,798	
TOTAL ASSETS	2,519,301	
LIABILITIES		
Current accounts and demand deposits	264,730	
Cash in course of collection	-	(***)
Investments under agreements to resell	-	
Time deposits and saving accounts	1,274,633	
Derivative financial instruments	18,666	
Borrowings from financial institutions	299,744	
Debt issued	79,561	
Other financial obligations	1,187	
Current income tax provision	5,903	
Deferred income taxes	97,987	
Provisions	24,423	(c)
Other liabilities	50,991	
TOTAL LIABILITIES	2,117,825	
Total identifiable net assets at fair value	401,476	
Non-controlling interest measured at fair value (using an income approach)	(48,940)	
Goodwill arising from the acquisition	205,076	(d)
Consideration transferred for the acquisition	557,612	
Net cash received from subsidiary	99,320	(*) + (**) - (***)
Gross cash consideration	(557,612)	
Net cash consideration paid	(458,292)	

Considerations of importance in relation to the acquisition:

- The fair values presented here have been determined on a provisional basis (specifically deferred taxes, loans and receivables, intangible assets and the fair value of the non-controlling interest at June 22, 2012).
- As the initial accounting for the business combination is not complete, the Group has reported provisional amounts as noted above. Should the Group determine that such provisional amounts differ from those representing the finalized amount, they will be retrospectively adjusted.
- This business combination was accounted for using the acquisition method from the date of acquisition (May 29, 2012), which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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- At the acquisition date, a provision for a contingent liability with a fair value of MCh\$2,868, as a result of legal contingencies, has been identified and is included in the above table (include in letter c)
- The fair value of loans and receivables (both to customers and banks) amounted to MCh\$ 1,646,742 (letter a and b) of the table above). The unpaid principal balances under the contracts is MCh\$1,626,284.
- The goodwill of MCh\$205,076 (letter d) recognized is attributed to the expected synergies and other benefits arising from the combination of the assets and activities of BSC. It is not tax deductible.
- From the date of acquisition, BSC contributed MCh\$ 66,288 to net interest income, MCh\$ 17,894 to net commission income, MCh\$96,523 to net operating revenue and MCh\$32,317 to the profit before income tax for the period. Revenue and net income, had the business combination occurred as of January 1, 2012, would have been MCh\$849,668 and MCh\$ 163,920 respectively, for the year ended December 31, 2012.
- Transaction costs related to the acquisition of MCh\$246, primarily legal fees and external due diligence costs, were charged to income and are part of cash flows from operating activities in the statement of cash flows.
- The functional currency of the acquired entity is the Colombian peso and the Bank follows International Accounting Standard No. 21, “Foreign Currency Translation”.

c) Business Combination - Banco CorpBanca Colombia and Corpbanca Investment Trust Colombia (previously —Santander Investment Trust Colombia)

i.) General aspects of the operation

CorpBanca Colombia, domiciled in Colombia, acquired, 94.5% of the voting shares of Corpbanca Investment Trust Colombia S.A (CITRUST) from its parent CorpGroup which initial acquisition on the part of CorpGroup was consummated as part of the same contractual agreement of CorpBanca to acquire BSC.

ii.) Main reasons for the purchase

This acquisition is considered to be complementary to that of the CorpBanca Colombia and the reasons for acquisition are of the same nature.

iii.) Details of assets acquired and liabilities assumed

The fair value of identifiable assets and liabilities of CITRUST at the date of acquisition, June 29, 2012, was:

	Mcop\$	MCh\$
Total identifiable net assets at fair value	44,048	12,382
Non-controlling interest measured at fair value (using an income approach)	(4,670)	(1,313)
Intangible assets	36,106	10,149
Deferred income taxes	(11,915)	(3,349)
Goodwill arising from the acquisition	16,688	4,691
Consideration transferred for the acquisition	<u>80,257</u>	<u>22,560</u>
Net cash received from subsidiary	15,987	4,494
Gross cash consideration	(80,257)	(22,560)
Net cash consideration paid	<u>(64,270)</u>	<u>(18,066)</u>

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iv.) Considerations of importance in relation to the acquisition:

- The fair values presented here have been determined on a provisional basis
- As the initial accounting for the business combination is not complete, the Group has reported provisional amounts as noted above. Should the Group determine that such provisional amounts differ from those representing the finalized amount, they will be retrospectively adjusted.
- This business combination was accounted for using the acquisition method from the date of acquisition (June 29, 2012), which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- The fair value of loans and receivables (both to customers and banks) amounted to MCh\$332. The gross amount due under the contracts is the same and the Bank expects to collect the full amount.
- The goodwill of MCh\$4,691 recognized is attributed to the expected synergies and other benefits arising from the combination of the assets and activities with Corpbanca Colombia. It is not tax deductible.
- From the date of acquisition, CITRUST contributed MCh\$13 to net interest income, MCh\$ 3,489 to net commission income, MCh\$3,831 to net operating revenue and MCh\$2,470 to the profit before income tax for the period. Revenue and net income, had the business combination occurred as of January 1, 2012, would not have varied significantly from that recorded in consolidation for the year ended December 31, 2012.
- The functional currency of the acquired entity is the Colombian peso and the Bank follows International Accounting Standard No. 21, "Foreign Currency Translation".

Goodwill is tested to determine whether there is an impairment annually (as of December 31 of each year), and when circumstances indicate that its carrying amount may be impaired. The impairment of goodwill is determined by assessing the recoverable amount of each cash-generating unit (group of cash-generating units) to which the goodwill relates. When the recoverable amount of the cash-generating unit is less than its carrying amount, an impairment loss is recognized. The impairment losses relating to goodwill can not be reversed in future periods.

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NOTE 12 - INTANGIBLE ASSETS

a) Intangible assets as of December 31, 2011 and 2012 consists of the following:

<u>Concept</u>	<u>As of December 31, 2011</u>				
	<u>Useful life</u>	<u>Remaining</u>	<u>Final gross</u>	<u>Amortization</u>	<u>Net</u>
	<u>years</u>	<u>amortization</u>	<u>balance</u>	<u>and impairment</u>	<u>Carrying</u>
		<u>years</u>	<u>MCh\$</u>	<u>for the Period</u>	<u>amount</u>
				<u>MCh\$</u>	<u>MCh\$</u>
Separately acquired intangibles					
Integrated banking system	15	6	7,706	(1,182)	6,524
Computer equipment system or software	3	2	570	(261)	309
IT Projects	6	4	5,521	(1,126)	4,395
Other projects	5	4	1,097	(86)	1,011
Total			<u>14,894</u>	<u>(2,655)</u>	<u>12,239</u>

<u>Concept</u>	<u>As of December 31, 2012</u>				
	<u>Useful life</u>	<u>Remaining</u>	<u>Final</u>	<u>Amortization</u>	<u>Net</u>
	<u>years</u>	<u>amortization</u>	<u>gross</u>	<u>and impairment</u>	<u>Carrying</u>
		<u>years</u>	<u>balance</u>	<u>for the Period</u>	<u>amount</u>
			<u>MCh\$</u>	<u>MCh\$</u>	<u>MCh\$</u>
Separately acquired intangibles					
Integrated banking system (1)	15	4	6,543	(1,175)	5,368
Computer equipment system or software	3	1	13,918	(2,958)	10,960
IT Projects	6	4	13,550	(1,476)	12,074
CorpBanca Colombia acquisition (*)					
-Goodwill	-	-	201,085	-	201,085
-License	-	-	54,876	-	54,876
-Other intangibles	6	6	8,133	(475)	7,658
-Customer relationship	23	23	193,250	(4,614)	188,636
Other projects	5	4	1,227	(202)	1,025
Total			<u>492,582</u>	<u>(10,900)</u>	<u>481,682</u>

(1) Integrated Banking System (IBS) corresponds to the main operating system software of the Bank that replaced a number of systems, providing us with a single, central electronic database that gives us up-to-date customer information in each of our business lines and calculates net earnings and profitability of each product and client segment.

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b) The changes in the intangible assets during 2011 and 2012 are as follows:

	Integrated banking system MCh\$	Computer equipment system or software MCh\$	IT Projects MCh\$	Others MCh\$	Total MCh\$
Balance as of January 1, 2011	7,657	465	4,686	288	13,096
Purchases	50	161	962	937	2,110
Retirements	-	-	(7)	-	(7)
Amortization	(1,182)	(261)	(1,119)	(93)	(2,655)
Other	(1)	(56)	(127)	(121)	(305)
Balances as of December 31, 2011	<u>6,524</u>	<u>309</u>	<u>4,395</u>	<u>1,011</u>	<u>12,239</u>

	Integrated banking system MCh\$	Computer equipment system or software MCh\$	IT Projects MCh\$	Intangible arising from business combination- Colombia (*) MCh\$	Others MCh\$	Total MCh\$
Balance as of January 1, 2012	6,524	309	4,395	-	1,011	12,239
Purchases	33	6,057	8,834	477,610	578	493,112
Retirements	-	-	-	-	-	-
Amortization	(1,175)	(2,958)	(1,476)	(5,089)	(202)	(10,900)
Exchange rate differences	(14)	-	321	(20,266)	(362)	(20,321)
CorpBanca Colombia acquisition (*)	-	7,552	-	-	-	7,552
Balances as of December 31, 2012	<u>5,368</u>	<u>10,960</u>	<u>12,074</u>	<u>452,255</u>	<u>1,025</u>	<u>481,682</u>

(*) At December 31, 2012 and expressed in MCh\$, intangible assets before depreciation and exchange differences on translation amounted to MCh\$477,610, which are as follows: goodwill MCh\$205,076, license MCh\$57,263 (indefinite useful life) and other intangibles of MCh\$8,528 (6 years of useful life) and customer relationship of MCh\$191,903 (22 years of useful life) generated by the purchase of Corpbanca Colombia and goodwill MCh\$4,691 and customer relationships of MCh\$10,149 (38 years of useful life) generated by the purchase of Corpbanca Investment Trust Colombia S.A. (CITRUST).

c) As of December 31, 2011 and 2012, the Bank has entered into the following contractual commitments for the acquisition of intangible asset:

	Invested Amount 2011 MCh\$	Invested Amount 2012 MCh\$
License detail:		
Ingram Micro Chile S.A.	-	-
Mac Online Empresas y Tele Ventas Ltda.	-	-
Licenciamiento Plataforma Cognos	-	307

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d) Impairment

The goodwill and indefinitely lived intangible assets disclosed, have no impairment at the end of 2012 (in 2011 there were no such assets).

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NOTE 13 - PROPERTY, PLANT AND EQUIPMENT

a) Property, plant and equipment as of December 31, 2011 and 2012 is as follows:

As of December 31, 2011					
Item	Useful life years	Remaining amortization years	Final gross balance MCh\$	Depreciation and impairment for the Period MCh\$	Net Carrying amount MCh\$
Land and buildings	21	21	46,457	(2,357)	44,100
Equipment	5	4	6,382	(1,219)	5,163
Other	7	6	9,192	(1,230)	7,962
Total			62,031	(4,806)	57,225

As of December 31, 2012					
Item	Useful life years	Remaining amortization years	Final gross balance MCh\$	Depreciation and impairment for the Period MCh\$	Net Carrying amount MCh\$
Land and buildings	21	20	50,822	(3,755)	47,067
Equipment	5	4	9,675	(1,851)	7,824
Other	6	5	11,781	(1,586)	10,195
- Furnitures			3,055	(480)	2,575
- Leasing assets			2,250	(354)	1,896
- Others			6,476	(752)	5,724
Total			72,278	(7,192)	65,086

The useful lives presented herein are the remaining lives of the Bank's building, equipment, and other property, plant, and equipment as of the transition date to IFRS (January 1, 2009). The useful lives presented in Note 1 j) are the total useful lives of the Bank's property, plant, and equipment. Such useful lives have been determined based on our expected use considering the quality of the original construction, the environment in which the assets are located, the quality and degree of maintenance carried out, and appraisals performed by external specialists who are independent of the Bank which have been taken into consideration by management to determine the useful lives of our buildings.

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b) The changes in property, plant and equipment during 2011 and 2012 is as follows:

	<u>Land and buildings</u>	<u>Equipment</u>	<u>Other</u>	<u>Total</u>
	MCh\$	MCh\$	MCh\$	MCh\$
Balances as of January 1, 2011	43,551	5,162	4,717	53,430
Purchases	2,957	1,509	4,335	8,801
Retirements	(51)	(306)	(1)	(358)
Depreciation	(2,358)	(1,216)	(1,232)	(4,806)
Other	1	14	143	158
Balances as of December 31, 2011	<u>44,100</u>	<u>5,163</u>	<u>7,962</u>	<u>57,225</u>

	<u>Land and buildings</u>	<u>Equipment</u>	<u>Other</u>	<u>Total</u>
	MCh\$	MCh\$	MCh\$	MCh\$
Balances as of January 1, 2012	44,100	5,163	7,962	57,225
Purchases	2,335	3,335	2,323	7,993
Retirements	(3,704)	(1,508)	(578)	(5,790)
Depreciation	(3,755)	(1,851)	(1,586)	(7,192)
CorpBanca Colombia acquisition	8,092	2,692	2,075	12,859
Other	(1)	(7)	(1)	(9)
Balances as of December 31, 2012	<u>47,067</u>	<u>7,824</u>	<u>10,195</u>	<u>65,086</u>

c) As of December 31, 2011 and 2012, the Bank holds operating lease contracts that cannot be unilaterally terminated. The future payment information is detailed as follows:

Future Operating Lease Payments
Land, Buildings and Equipment

	Up to 1 Year	From 1 to 5 Year	Over 5 Years	Total
	MCh\$	MCh\$	MCh\$	MCh\$
As of December 31, 2011	5,379	20,583	25,013	50,975
As of December 31, 2012	5,847	21,145	23,511	50,503

d) As of December 31, 2011 and 2012, the Bank holds finance lease contracts that cannot be rescinded or unilaterally terminated. The future payment information is detailed as follows:

Future Finance Lease Payments
Land, Buildings and Equipment

	Up to 1 Year	From 1 to 5 Years	Over 5 Years	Total
	MCh\$	MCh\$	MCh\$	MCh\$
As of December 31, 2011	3,377	4,381	-	7,758
As of December 31, 2012	589	860	-	1,449

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NOTE 14 - CURRENT TAXES

a) Current income tax provision

At the end of each year the bank recognizes an Income Tax Provision, which is determined based on the currently applicable tax legislation. Income tax provision recognized as of December 31, 2012 was MCh\$9,057 (Recoverable current taxes MCh\$6,278 as of December 31, 2011). The income tax provision (net of recoverable taxes) is as follows:

	As of December 31, 2011	As of December 31, 2012
	MCh\$	MCh\$
Income tax, 20% tax rate	21,099	31,913
Corpbanca Colombia acquisition	-	4,192
Less:		
Monthly Provisional Payment	(25,413)	(23,675)
Tax credit for training costs	(310)	(1,595)
Tax credit for donations	(1,012)	(315)
Tax credit for property taxes on leased real estate assets	(395)	(993)
Other taxes to be recovered (1)	(247)	(470)
Total	(6,278)	9,057

(1) Corresponds to tax refunds of prior years

b) Effect on income

The tax expense for the years ended December 31, 2010, 2011 and 2012 is comprised of the following items:

	As of December 31,		
	2010	2011	2012
	MCh\$	MCh\$	MCh\$
Income Tax expense			
Current tax expense	(18,753)	(21,099)	(31,913)
Deferred taxes			
Temporary differences	(2,704)	(1,963)	9,488
Subtotal	(21,457)	(23,062)	(22,425)
Others	1,104	(241)	(488)
Net expense for income taxes	(20,353)	(23,303)	(22,913)

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c) Effective tax rate reconciliation

The table below represents the effective tax rate reconciliation for the years ended December 31, 2011 and 2012, which consists of the following items:

	2010		As of December 31, 2011		2012	
	Tax Rate %	Amount MCh\$	Tax Rate %	Amount MCh\$	Tax Rate %	Amount MCh\$
Net income before taxes	17	24,127	20	28,124	20	28,413
Other permanent differences (*)			(2)	(3,315)	(7)	(10,381)
Rate change income tax	(1)	(1,308)	(1)	(1,750)	0	204
Effect subsidiary rates Colombia—New York (**)	(2)	(2,466)	0	244	3	4,677
	14	20,353	17	23,303	16	22,913

(*) This line includes the foreign exchange effect related to the Colombia and New York entities (foreign exchange gain of MCh\$7,048 in 2012 and a foreign exchange loss of MCh\$307 in 2011).

(**) This line reflects the differences in tax rates in other jurisdictions.

d) Effect of deferred taxes on other comprehensive income

The table below represents a summary of the deferred tax effect on other comprehensive income for the years ended December 31, 2010, 2011 and 2012, which consists of the following items:

	As of December 31,		
	2010 MCh\$	2011 MCh\$	2012 MCh\$
Financial assets available-for-sale	(822)	461	888
Hedge of a net investment in New York Branch	(164)	220	(147)
Cash Flow hedge	-	298	(361)
Total charge to other comprehensive income	(986)	979	380

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e) Effect of deferred taxes on income

Below are the effects of deferred taxes on assets, liabilities, and income assigned as a result of timing differences (*):

Concepts:	As of December 31,					
	2011			2012		
	Assets MCh\$	Liabilities MCh\$	Net MCh\$	Assets MCh\$	Liabilities MCh\$	Net MCh\$
Provisions for loans losses	16,160	-	16,160	22,258	-	22,258
Accrued interest and adjustment related to past-due loan portfolio	-	-	-	-	-	-
Unearned Price differences	4,736	-	4,736	3,500	-	3,500
Employees related provisions	117	-	117	134	-	134
Subsidiary tax loss	798	-	798	4,837	-	4,837
Depreciation of plant and equipment	-	(3,266)	(3,266)	-	(3,508)	(3,508)
Leases and other	-	(22,086)	(22,086)	-	(32,723)	(32,723)
Corpbanca Colombia Intangibles	-	-	-	-	(75,242)	(75,242)
Other	3,269	-	3,269	3,838	(6,280)	(2,442)
Total net asset (liability)	25,080	(25,352)	(272)	37,144	(117,753)	(80,609)

(*) This note incorporates the deferred tax balances of Corpbanca Colombia and its subsidiaries, which in the case of companies in Colombia, fluctuations in such balances from the date of acquisition forward are recognized in the income statement (see Note 11 “Investments in other companies”, letter b” Business Combination”).

On July 29, 2010 Law No. 20,455 was enacted, “Amends several laws to obtain resources for financing the reconstruction of the country”, which was published in the “Diario Oficial” on July 31, 2010. This law, among other things, established a temporary increase of the tax rate for years 2011 and 2012 (to 20% and 18.5%, respectively) and back again to 17% by 2013.

Law 20,630 which introduced tax reforms to finance the education system and also to improve the tax system by closing loopholes and eliminating certain tax exemptions became effective on September 27, 2012. The main change was that tax rate was increased from 17% to 20%, this new rate is applicable from January 1, 2012.

As a result of the change in the tax rate its effect on deferred tax assets and liabilities to be reversed in those years in comparison with those calculated at the prevailing rate, the Company recognizes a credit to income tax of MCh\$204 at December 31, 2012 (change of MCh\$1,750 at December 31, 2011).

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NOTE 15 - OTHER ASSETS

a) The detail of other assets is as follows:

	<u>As of December 31,</u> <u>2011</u>	<u>As of December 31,</u> <u>2012</u>
	MCh\$	MCh\$
Rentals in advance (1)	22,022	20,715
Accounts and Notes receivable	36,562	49,397
Prepaid expenses	9,982	14,105
Projects under development (2)	10,043	14,529
Assets for Leasing (3)	7,724	17,123
Assets received in lieu of payment (4)	3,497	4,038
Exchange documents without presence	276	1,960
Guarantees given by threshold effect	7,838	18,635
Other	4,831	9,401
Total	<u>102,775</u>	<u>149,903</u>

(1) Rent paid in advance for SMU ATMs (See Note 32.b)

(2) Information system and other projects under development.

(3) Fixed assets available for delivery under the financial leases. Within this item, are included items recovered from leasing kept for sale, corresponding to computers, furniture, and transportation equipment. These assets are available for a sale and have a high probability of being sold. For most of such assets, it is expect to complete the sale within one year from the date when the assets are classified as available for sale and/or lease assets recovered held for sale.

(4) The provisions for assets received in lieu of payment are recorded as a provision for the difference between initial value and any additions or currency restatement and its realizable value, where the former is greater. See letter b) below

b) The movements of assets received in lieu of payment during 2011 and 2012 is as follows:

	<u>As of December 31,</u>	
	<u>2011</u>	<u>2012</u>
	MCh\$	MCh\$
Balance as of January 1	8,654	3,497
Purchases	2,089	4,214
sales	(7,019)	(3,659)
Provision	(227)	(14)
Balance as of December 31	<u>3,497</u>	<u>4,038</u>

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NOTE 16 - CURRENT ACCOUNTS, DEMAND DEPOSITS, TIME DEPOSITS AND SAVING ACCOUNTS

As of December 31, 2011 and 2012, current accounts and demands deposits consist of the following:

	As of December 31,	
	2011	2012
	MCh\$	MCh\$
a) Current accounts and demand deposits		
Current Accounts	467,506	839,588
Other deposits and sight accounts	52,964	84,179
Other sight liabilities	68,790	38,096
Advance payments received from customers	78,533	114,144
Other sight liabilities	<u>14,927</u>	<u>36,668</u>
Total	<u>682,720</u>	<u>1,112,675</u>

As of December 31, 2011 and 2012, time deposits and saving accounts consist of the following:

	As of December 31,	
	2011	2012
	MCh\$	MCh\$
b) Time deposits and saving accounts		
Time deposits	4,806,278	7,248,774
Deposits due	-	-
Term Savings Accounts	8,707	390,570
Other term creditor Balances	<u>9,393</u>	<u>43,331</u>
Total	<u>4,824,378</u>	<u>7,682,675</u>

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NOTE 17 - BORROWINGS FROM FINANCIAL INSTITUTIONS

As of December 31, 2011 and 2012, borrowings from financial institutions include the following:

	As of December 31,	
	2011	2012
	MCh\$	MCh\$
Loans obtained from financial institutions and the Chilean Central Bank	-	-
Subtotal	-	-
Loans obtained from local financial institutions		
Bank of Tokyo Mitsubishi (Chile)	511	-
Subtotal	511	-
Loans obtained from foreign financial institutions		
Bank of America	55,736	50,896
Bank of Montreal Toronto	23,424	23,958
Banco Del Estado	10,389	9,594
Banco Latinoamericano de Comercio Exterior SA	-	19,191
Bancoldex	-	46,920
Bank of New York	-	23,479
Bank of Nova Scotia	-	14,375
Banco de Bogota Miami Agency	-	9,606
Banco Latino Bladex	-	8,718
OCBC Bank	-	7,187
Royal Bank of Scotland	5,352	21,562
BNP Paribas	87,465	-
Citibank N.A.	50,488	74,263
Commerzbank A.G.	58,863	60,947
Credit Industriel et Comercial	5,208	-
Corporacion Andina de Fomento	-	22,774
Dresdner Bank AG.	35,685	-
Deutsche Bank USA	-	40,729
ING Bank N.V Amsterdam	-	10,474
HSBC England	12,997	4,797
Intesa San Saolo SPA.	-	-
JP Morgan Chase	35,024	15,815
Landesbank Baden-Wuerttember	-	-
Standard Chartered Bank	40,813	198,640
Sumitomo Mitsui	29,652	46,265
Toronto Dominion Bank	39,179	14,375
Wachovia Bank N.A.	20,788	24,024
Bladex Pamana	20,820	23,958
Banco Crédito del Peru	10,394	-
Mercantil Commercebank	-	19,312
Wells Fargo Bank	47,711	67,101
Swedbank	7,278	7,194
Ban Bogota Panama	6,229	4,792
Bancolombia	7,786	11,078
Banco Bogota—Miami	7,791	1,492
Other banks	44,043	86,005
Subtotal	663,115	969,521
Total	663,626	969,521

The detail of borrowings from financial institutions by maturity is as follows:

	As of December 31,	
	2011	2012
	MCh\$	MCh\$
Due within 1 year	316,785	766,891
Due within 1 year but within 2 years	259,376	166,218
Due within 2 year but within 3 years	87,465	31,934
Due within 3 year but within 4 years	-	2,987
Due within 5 year but within 5 years	-	1,423
Due after 5 years	-	68

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NOTE 18- DEBT ISSUED AND OTHER FINANCIAL OBLIGATIONS

As of December 31, 2011 and 2012, the composition of these items is as follows:

	As of December 31,	
	2011	2012
	MCh\$	MCh\$
Debt issued		
Letters of credit	180,750	147,688
Bonds	933,759	1,044,124
Subordinated bonds	408,264	694,792
Subtotal	<u>1,522,773</u>	<u>1,886,604</u>
Other financial obligations		
Public Sector liabilities	14,885	10,618
Borrowings from domestic financial institutions	5,168	5,932
Foreing Borrowings	-	1,570
Subtotal	<u>20,053</u>	<u>18,120</u>
Total	<u>1,542,826</u>	<u>1,904,724</u>

Debt issued and other financial obligations classified as long and short term as are follows:

	As of December 31, 2011		
	Long Term	Short Term	Total
	MCh\$	MCh\$	MCh\$
Letters of credit	155,402	25,348	180,750
Bonds	849,297	84,462	933,759
Subordinated bonds	384,951	23,313	408,264
Debt issued	<u>1,389,650</u>	<u>133,123</u>	<u>1,522,773</u>
Other financial obligations	<u>8,952</u>	<u>11,101</u>	<u>20,053</u>

	As of December 31, 2012		
	Long Term	Short Term	Total
	MCh\$	MCh\$	MCh\$
Letters of credit	128,767	18,921	147,688
Bonds	929,949	114,175	1,044,124
Subordinated bonds	690,970	3,822	694,792
Debt issued	<u>1,749,686</u>	<u>136,918</u>	<u>1,886,604</u>
Other financial obligations	<u>10,161</u>	<u>7,959</u>	<u>18,120</u>

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The detail of letter of credits by maturity is as follows:

	As of December 31	
	2011	2012
	MCh\$	MCh\$
Due within 1 year	25,348	18,922
Due after 1 year but within 2 years	19,642	17,172
Due after 2 years but within 3 years	19,260	16,485
Due after 3 years but within 4 years	17,895	14,178
Due after 4 years but within 5 years	15,316	12,380
Due after 5 years	83,289	68,551
Total mortgage finance bonds	<u>180,750</u>	<u>147,688</u>

The detail of bonds issued is as follows:

	As of December 31				
	Expiration	Interest rate	Currency	2011	2012
	Date			MCh\$	MCh\$
BCOR-J0606	01-06-2016	4.00%	UF	40,572	32,283
BCOR-K0707	02-07-2012	3.20%	UF	45,230	-
BCOR-L0707	01-07-2017	3.40%	UF	90,290	92,575
BCOR-M1207	01-06-2013	3.40%	UF	111,152	114,175
Bonos-R0110	09-07-2020	4.00%	UF	117,322	119,781
Bonos-AI0710	01-07-2020	3.00%	UF	105,047	108,325
Bonos-AD0710	01-07-2015	3.00%	UF	44,687	46,213
Bonos-Q0110	09-01-2015	3.60%	UF	224,763	112,565
Bonos-O0110	09-07-2015	6.30%	\$	20,182	22,839
Bonos-P0110	09-07-2020	7.30%	\$	24,019	23,957
Bonos-Q0110	09-01-2015	3.60%	UF	110,495	-
BCORAE0710	01-07-2016	3.00%	UF	-	231,011
BCORAF0710	01-07-2017	3.00%	UF	-	140,400
Total bonds				<u>933,759</u>	<u>1,044,124</u>

The detail of bonds issued by maturity is as follows:

	As of December 31	
	2011	2012
	MCh\$	MCh\$
Due within 1 year	84,462	114,402
Due after 1 year but within 2 years	141,579	-
Due after 2 years but within 3 years	32,343	181,545
Due after 3 years but within 4 years	182,104	263,294
Due after 4 years but within 5 years	213,693	232,831
Due after 5 years	279,578	252,052
Total bonds	<u>933,759</u>	<u>1,044,124</u>

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The detail of subordinated bonds is as follows:

	As of December 31				
	Expiration	Interest rate	Currency	2011	2012
	Date			MCh\$	MCh\$
Series UCOR-W1197	02-11-2012	6.50%	UF	29	-
Series UCOR-X1197	02-11-2012	6.50%	UF	3,381	-
Series UCOR-Y1197	01-11-2022	6.50%	UF	8,830	8,502
Series UCOR-Z1197	01-11-2022	6.50%	UF	20,526	19,771
Series UCOR-V0808	01-08-2033	4.60%	UF	118,618	121,606
Series UCOR AA-0809	09-08-2035	4.90%	UF	109,090	111,700
Serie UCOR BN0710	01-07-2040	4.00%	UF	28,652	69,546
Serie UCOR BI0710	01-07-2035	4.00%	UF	26,638	27,271
Serie UCOR BL0710	01-07-2038	4.00%	UF	92,500	94,740
Serie UCORBF0710	01-07-2032	4.00%	UF	-	11,190
Serie UCORBJ0710	01-07-2036	4.00%	UF	-	120,235
Serie UCORBP0710	01-07-2042	4.00%	UF	-	32,670
Serie A - issued Corpbanca Colombia	30-03-2016	CPI 5 + 3.89%	COP	-	1,913
Serie B - issued CorpBanca Colombia.	07-02-2028	10.8%	COP	-	75,648
Total subordinated bonds				<u>408,264</u>	<u>694,792</u>

The detail of subordinated bonds by maturity is as follows:

	As of December 31	
	2011	2012
	MCh\$	MCh\$
Due within 1 year	23,313	-
Due after 1 year but within 2 years	18,927	-
Due after 2 years but within 3 years	18,003	-
Due after 3 years but within 4 years	17,127	10,402
Due after 4 years but within 5 years	16,296	66,571
Due after 5 years	314,598	617,819
Total subordinated bonds	<u>408,264</u>	<u>694,792</u>

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The detail of other financial obligations by maturity is as follows:

	As of December 31	
	2011	2012
	MCh\$	MCh\$
Due within 1 year	5,933	2,027
Due after 1 year but within 2 years	1,772	363
Due after 2 years but within 3 years	2,267	841
Due after 3 years but within 4 years	1,679	466
Due after 4 years but within 5 years	1,135	522
Due after 5 years	2,099	7,969
Total long term obligations	14,885	12,188

The detail of other short term financial obligations is as follows:

Amounts due to credit card operators	5,168	5,932
Total short term financial obligations :	5,168	5,932
Total other financial obligations	20,053	18,120

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NOTE 19- PROVISIONS

As of December 31, 2011 and 2012 the Bank has recorded the following provisions and changes in its provisions:

a. Other Provisions

The provisions as of December 31, 2011 and 2012 are as follows:

	<u>As of December 31</u>	
	<u>2011</u>	<u>2012</u>
	MCh\$	MCh\$
Provisions for short-term employee benefits and salaries	4,801	62,787
Accrual for mandatory dividends	36,855	60,040
Allowances for contingencies	374	3,112
Total	<u>42,030</u>	<u>125,939</u>

Short-term benefits and staff salaries

This item includes the following provisions related to: a) Provisions for staff benefits and payroll, b) Provisions compensation for years of service indemnities, c) Provisions for other employee benefits (including defined benefit plan in Colombia) and d) Provisions for vacations.

Mandatory Dividends

Corresponds to the minimum dividends to be paid.

Contingencies

Includes estimates for probable losses.

b. The provision balance changes during 2011 and 2012, were as follows:

	<u>As of December 31, 2011</u>			
	<u>Short-term benefits and staff salaries</u>	<u>Mandatory Dividends</u>	<u>Contingencies</u>	<u>Total</u>
	MCh\$	MCh\$	MCh\$	MCh\$
Balance as of January 1, 2011	7,623	59,522	587	67,732
Established provision	1,660	36,855	1,657	40,172
Provisions released	(4,482)	(59,522)	(1,870)	(65,874)
Other changes	-	-	-	-
Balance as of December 31, 2011	<u>4,801</u>	<u>36,855</u>	<u>374</u>	<u>42,030</u>

CORPBANCA AND SUBSIDIARIES
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	As of December 31, 2012			
	Short-term benefits and staff salaries	Mandatory Dividends	Contingencies	Total
	MCh\$	MCh\$	MCh\$	MCh\$
Balance as of January 1, 2012	4,801	36,855	374	42,030
Established provision	20,527	60,040	4,902	85,469
Provisions released	(9,655)	(36,855)	(6,606)	(53,116)
Colombia CorpBanca bank acquisition	47,114	-	4,577	51,691
Other changes	-	-	(135)	(135)
Balance as of December 31, 2012	62,787	60,040	3,112	125,939

Short-term benefits and staff salaries are recorded in "Personnel salaries expenses." Mandatory dividends are recorded against "Accrual for mandatory dividends" in the Shareholders Equity Statement, and the contingency provisions/(releases) are included in Other Operating (Expenses)/Income, depending on whether they are debit or a credit.

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c. Provisions for short-term employee benefits and staff salaries

	As of December 31,	
	2011	2012
	MCh\$	MCh\$
Provision for severance indemnities	517	41,904
Provision for other employee benefits	5	15,365
Provision for Vacations	4,279	5,518
Total	<u>4,801</u>	<u>62,787</u>

d. Provision for severance indemnities

	As of December 31,	
	2011	2012
	MCh\$	MCh\$
Present value of the liability at the beginning of fiscal year	154	517
Increase in existing provision	4,977	49,415
Payments	(4,460)	(8,028)
Provision released	(154)	-
Other	-	-
Total	<u>517</u>	<u>41,904(*)</u>

(*) In 2012 this amount includes amounts for MCh\$3,073 (Long-term employee benefits) and MCh\$38,766 (Retirement benefit plan) from the Colombian subsidiaries.

e) Long-term employee benefits

The Bank's employees are entitled to receive years of service awards starting with the 5th year employment anniversary and each five years thereafter. This award is paid in the month when the employee celebrates his/her corresponding employment anniversary.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	As of December
	31,
	2012
	%
Discount rate(s)	6.50
Expected rate(s) of salary increase	5.5

The movements in the present value of the defined benefit obligation and the amounts recognized in the statement of income in respect of this award are determined using the projected unit credit method and consisted of the following:

	As of December 31,
	2012
	MCh\$
Opening defined benefit obligation	2,658
Current service cost	314
Interest expense on obligations	186
Actuarial (gains)/losses	308
Benefits paid	(393)
Closing defined benefit obligation	3,073

Retirement benefit plan

The retirement pension liability is recorded based on the present value of the pension obligation for employees who meet certain statutory requirements as to age, length of service and other, determined in accordance with actuarial adjustments under the existing Colombian law.

The present value of the defined benefit obligation was measured using the Projected Unit Credit Method and the recognition of actuarial losses/gains was measured using the corridor approach.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	As of December 31,
	2012
	%
Discount rate(s)	6.50
Expected rate(s) of salary increase	5.0
Inflation rate	3.5

Amounts recognized in the income statement in respect of these defined benefit plans were as follows:

	As of December 31, 2012
	MCh\$
Current service cost	-
Interest expense on obligations	3,455
Actuarial (gains)/losses	4,029
Total	7,484

The amount included in the combined statement of financial position arising from the Bank's obligation in respect of its defined benefit plans is as follows:

	As of December 31, 2012
	MCh\$
Present value of unfunded defined benefit obligation	49,067
Deficit	49,067
Net actuarial gains (losses) not recognized	(10,301)
Net liability arising from defined benefit obligation	38,766

Movements in the present value of the defined benefit obligation in the current year were as follows:

	As of December 31, 2012
	MCh\$
Opening defined benefit obligation	47,164
Current service cost	-
Interest expense on obligation	3,455
Actuarial (gains)/losses	4,029
Benefits paid	(5,581)
Other	-
Closing defined benefit obligation	49,067

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NOTE 20 - OTHER LIABILITIES

As of December 31, 2011 and 2012, other liabilities are as follows:

	As of December 31,	
	2011	2012
	MCh\$	MCh\$
Accounts and notes payable (1)	18,768	46,173
Dividends payable	49	296
Unearned income	-	2,300
Valuation adjustments of hedging (2)	9,265	10,083
Various creditors	444	14,101
Provision for commissions and consulting fees	1,032	1,640
Other liabilities	1,423	612
Total	<u>30,981</u>	<u>75,205</u>

- (1) Groups obligations that fall to business operations, such as withholding taxes, social security contributions, balances due on purchases of materials, balances due on obligations for leasing contracts for acquisition of fixed assets and other.
- (2) Corresponds to the changes in fair value of hedged items under fair value hedges.

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NOTE 21 - CONTINGENCIES, COMMITMENTS AND RESPONSIBILITIES**a) Off-balance commitments and responsibilities:**

The Bank, its subsidiaries and its New York branch maintain off-balance sheet accounts as follows:

	As of December 31 2011 MCh\$	As of December 31 2012 MCh\$
CONTINGENT LOANS	1,791,586	2,396,064
Collaterals and Guarantees	42,252	239,800
Collaterals and Guarantees in Chilean currency	-	-
Collaterals and Guarantees in foreign currency	42,252	239,800
Confirmed foreign letters of credit	36,641	19,604
Letters of credit	66,993	80,076
Performance bonds	534,148	674,263
Interbank letters of guarantee	-	-
Cleared lines of credit	675,023	1,031,903
Other credit commitments	436,529	350,418
Other contingent loans	-	-
THIRD PARTY OPERATIONS	666,300	660,249
Collections	26,815	27,016
Foreign Collections	17,096	18,770
Domestic Collections	9,719	8,246
Placement or sale of financial securities	-	-
Placement of public securities issues	-	-
Sale of bank transaction letters of credit	-	-
Other security sales	-	-
Transferred financial assets administered by the bank	56,720	41,373
Assets assigned to Insurance Companies	56,720	41,373
Securitized assets	-	-
Other assets assigned to third parties	-	-
Third party funds under management	582,765	591,860
Financial assets under management on behalf of third parties	582,765	591,860
Other assets under management on behalf of third parties	-	-
Financial assets acquired in own name	-	-
Other assets acquired in own name	-	-
SECURITIES CUSTODY	700,989	585,424
Securities in custody held by the bank	87,794	88,672
Securities in custody deposited in another entity	527,561	410,904
Bank-issued Securities	85,634	85,848
Term deposit notes	85,634	85,848
Saleable letters of credit	-	-
Other documents	-	-
COMMITMENTS	-	-
Underwriting transaction guarantees	-	-
Asset acquisition commitments	-	-
Total	<u>3,158,875</u>	<u>3,641,737</u>

The information above only includes the most significant balances.

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b) Pending litigation

As of December 31, 2012 and 2011, there were lawsuits pending against the Bank relating to loans and other matters. In the opinion of management and the Bank's legal counsel there are no probable significant contingent losses to disclose or possible material contingent losses recorded or to be disclosed.

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c) Contingent loans

The following table details the Bank's contractual obligations:

	<u>As of December 31</u>	
	<u>2011</u>	<u>2012</u>
	MCh\$	MCh\$
Sureties and guarantees	42,252	239,800
Letters of credit	66,993	80,076
Confirmed foreign letters of credit	36,641	19,604
Performance bonds	534,148	674,263
Amounts available on lines of credit and credit cards	675,023	1,031,903
Appropriations for Higher Education Law No. 20,027	423,552	319,111
Other	12,977	31,307
Total	<u>1,791,586</u>	<u>2,396,064</u>

d) Assets held in custody

The Bank holds the following assets under management:

	<u>As of December 31</u>	
	<u>2011</u>	<u>2012</u>
	MCh\$	MCh\$
Notes under collection	26,815	27,016
Financial assets transferred to and managed by the bank	56,720	41,373
Third party resources managed by the bank	582,765	591,860
Securities held in Custody	700,989	585,424
Total	<u>1,367,289</u>	<u>1,245,673</u>

e) Guarantees

e.1) Corpbanca

Assets given as collateral

	<u>As of December 31</u>	
	<u>2011</u>	<u>2012</u>
	MCh\$	MCh\$
Securities	17,033	17,549
Deposits	52,467	-
Other	12,148	5,619
Total amount given as collateral	<u>81,648</u>	<u>23,168</u>

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e.2) Corbanca Corredores de Bolsa S.A. (CCB)

Direct commitments: At December 31, 2012 and 2011, CCB has no direct commitments.

Assets pledged as security in favor of third parties: As of December 31, 2011 and 2012, CCB has no assets pledged as security in favor of third parties.

Guarantees for transactions

2012

- On September 29, 2012, the insurance policy for US\$10,000,000 entered into with the general Insurance Company *Chubb Chile Compania de Seguros Generales* to cover officer impropriety which was expiring on September 29, 2012, was extended to September 29, 2013.
- As of December 31, 2012, the Corbanca Corredores de Bolsa S.A. keeps at the Stock Exchange of Santiago equity instruments (shares) amounting to MCh\$17,646 (MCh\$7,073 as of December 31, 2011) and fixed income securities for MCh\$501 to secure simultaneous operations.
- As of December 31, 2012, Corbanca Corredores de Bolsa S.A. has given guarantees for US\$130,137.62 (equivalent to MCh\$66)(US\$130,137.62 (MCh\$66) as of December 31, 2011) to secure transactions with foreign brokers.
- As of December 31, 2012, it also keeps at the Santiago Stock Exchange equity instruments (shares) for MCh\$5,047 (MCh\$3,436 as of December 31, 2011) to secure transactions carried out at the *Camara de Compensacion y Liquidacion de Valores*.

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Other guarantees. As of December 31, 2011, CCB had given guarantees for MCh\$52,467 to the Bank for a loan granted in 2011.

e.3) Corpbanca Agencia de Valores (CAV)

Direct commitments. At December 31, 2012 and 2011, the company has no direct commitments.

Assets pledged as security in favor of third party. As of December 31, 2012 and 2011, CAV has no assets pledged as security in favor of third parties.

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f) Other Liabilities

f.1) CorpBanca

- CorpBanca is authorized by the National Customs Service to pass on to its customers any obligations related to deferred customs duties originating from imports of assets for leasing. As of December 31, 2012 and 2011, CorpBanca has not passed on any obligations related to deferred customs duties.
- As of December 31, 2012, leasing contracts signed, but for which assets have not yet been delivered, amounts to MCh\$59,753 (MCh\$60,959 in December 2011).

f.2) CorpBanca Corredores de Seguros S.A.

To comply with Article 58° letter d) of DFL 251 of 1930 which states that “Insurance brokers, in their business activities, must comply with the requirement to obtain insurance policies as determined by the SVS, to correctly respond and fully comply with the obligations of their business and especially for damages that could result for insured parties that obtain their policy through a broker”, the Company has obtained the following policies with Consorcio Nacional de Seguros S.A.:

2012

Effective on April 15, 2012 and to expire on April 14, 2013:

Policy	Insured item	Insured Amount (UF)
10022061	Civil Liability	60,000
10022060	Guarantee	500

2011

Effective on April 15, 2011 and to expire on April 14, 2012

Policy	Insured item	Insured Amount (UF)
10019727	Civil Liability	60,000
10019725	Guarantee	500

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f.3) CorpBanca Administradora General de Fondos S.A.

2012

- As of December 31, 2012 and 2011, there are no direct or indirect commitments or contingencies for lawsuits or other legal action. The Bank has neither investment management limits or restrictions nor financial covenants arising from contracts or agreements.
- On October 9, 2012, the Bank entered into performance bonds with Banco Santander to ensure CORFO timely compliance of the obligations of the Portfolio Management Agreement and the payment of labor and social obligations to the workers of the contractor, at its due date of March 31, 2016. The amount of this performance bond is UF 15,000, equivalent in Chilean pesos corresponding to the total in UF, with no interest at the date of payment in favor of the Corporación de Fomento de la Producción, ID Tax 60.706.000-2.
- On September 29, 2012, CorpBanca Administradora General de Fondos S.A renewed the insurance policy with Chubb de Chile Compañía de Seguros Generales S.A., in order to anticipate possible situations of officer infidelity, maturing on September 29, 2013. The insured amount of the policy is MUS\$10,000.
- On August 21, 2012, the Bank extended the maturity date of the insurance policy with Chubb de Chile Compañía de Seguros Generales S.A., to anticipate potential situations of officer infidelity. The new maturity date is on September 29, 2012.
- On August 17, 2012, the Bank renewed performance bond with CorpBanca to guarantee the seriousness of the Tender Offer for Portfolio Management of the Corporación de Fomento de la Producción maturity date is November 16, 2012. The amount of this insurance policy is MCh\$11.

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- On June 18, 2012, the Bank renewed performance bond with CorpBanca to guarantee the seriousness of the Tender Offer for Portfolio Management of the Corporación de Fomento de la Producción maturity is August 16, 2012. The amount of this insurance policy is MCh\$11.

2011

- At December 31, 2011 and 2010, there are no direct or indirect commitments or contingencies for lawsuits or other legal action. The Company has no restrictions or limits management of financial indicators arising from contracts or agreements signed.
- On July 30, 2011, Corpbanca Administradora General de Fondos S.A renew the insurance policy with Chubb Insurance of Chile General Insurance Company SA, which was extended until July 30, 2011, for an amount of US\$ 10 million.
- On July 29, 2011, Corpbanca Administradora General de Fondos S.A extended the maturity of the policy with Chubb Insurance of Chile General Insurance Company SA mentioned above to August 29, 2012.
- As of August 20, 2011, Corpbanca Administradora General de Fondos S.A. has renewed the Guarantee Assurance Policy for the “Administradoras Generales de Fondos” in order to assure the faithful accomplishment of the “Administradora” obligations, by the third parties mutual fund administration and the indemnity of the damage that arises from any nonobservance under the Article 226 from the Law N°18.045. The expiration date of the obligation is January 10, 2012.

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g) Others

CorpBanca Corredores de Bolsa S.A.

During the period between January 1 and December 31, 2012 and 2011, the Company or its Chief Executive Officer received the following sanctions:

- a) Sanction applied by the SVS to the Company and the Chief Executive Officer, through Exempt Resolution No. 352 dated September 10, 2012, for violating the General Rule No. 12, the Circular No. 1819 paragraph 2 second subparagraph the Rights and Obligations Manual for Brokers of the Santiago Stock Exchange (*Manual de Derechos y Obligaciones de Corredores de la Bolsa de Comercio de Santiago*), the Circular No. 1920 of 2009 and the Internal Communication No. 10,659 of the Santiago Stock Exchange. The violations noted were for not keeping updated information for certain customers, for not keeping copies of identity cards of certain customers, for having incomplete certain contracts, and other matters. Corpbanca Corredoras de Bolsa S.A. did not present any legal or administrative action against this sanction.
- b) Sanction applied by the SVS to the Company, through Exempt Resolution No. 461, dated December 14, 2012, for violation of the requirements in the first paragraph of Article 33 of the Corporations Law, in relation to Article 188 of the Santiago Stock Exchange regulation. Such violation relates to canceling a purchase transaction of shares for MCh\$4 at the Stock Exchange without having the consent of the customer. Corpbanca Corredores de Bolsa S.A. did not present any legal or administrative action against this sanction.
- c) The Company was reprimanded by the Best Practices Committee of the Santiago Stock Exchange by resolution dated December 17, 2012 due to the delay of two days in restoring balance of MCh\$1 to a client. Corpbanca Corredores de Bolsa S.A. did not present any legal or administrative action against this sanction.

During the same period, its Board of Directors members have not been sanctioned by entities external reviewers.

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NOTE 22 - SHAREHOLDERS' EQUITY**a) Movement in Shareholders' equity accounts (attributable to equity holders of the Bank)**

As of December 31, 2012, the Bank's issued shares are represented by the following detail, ordinary shares authorized, subscribed and paid, with no par value, detailed below:

	Ordinary Shares 2011 (number of shares)	Ordinary Shares 2012 (number of shares)
Issued as of January 1	226,909,290,577	250,358,194,234
Issuance of paid shares	23,448,903,657	43,000,000,000
Issuance of outstanding shares	-	-
Repurchase of Bank's issued shares (treasury shares)	-	-
Sale of bank own issued shares	-	-
Total	<u>250,358,194,234</u>	<u>293,358,194,234</u>

Purchase and sale of shares (treasury shares)**2011- 2012**

During the years presented there were no transactions related to the purchase and sale of treasury shares.

Authorized, subscribed and paid shares

2012

Authorized, subscribed and issued shares

- The Extraordinary General Meeting of Shareholders ("EGA") held on April 10, 2012, approved: a) Cancellation of the un-subscribed shares that were authorized pursuant to the terms agreed at the EGA held on January 27, 2011, reducing the Bank's capital to 250,358,194,234 ordinary shares; and b) to increase the Bank's capital through the issuance of 48,000,000,000 new common shares without par value.
- In the Extraordinary Board of Directors Meeting held on May 10, 2012, it was agreed to exercise the powers delegated to them by the EGA (April 10, 2012), and set the price of 43,000,000,000 common shares at the amount of \$6.25 per share. The preemptive rights offering period began on May 11, 2012.
- On May 11, 2012, the Santo Domingo Group exercised all of the subscription rights it received from CorpGroup at an aggregate price of US\$100 million. As of June 9, 2012, which is the date the referred preemptive rights offering period ended, CorpBanca exercised its preemptive rights in the amount of US \$100 million, satisfying the SBIF's requirement to raise at least US \$200.0 million of capital prior to consummating the Banco Santander Colombia Acquisition.
- At the CorpBanca Special Shareholders' meeting on November 6, 2012, it was agreed to: 1) cancel the unplaced capital increase and 2) ratify the final capital increase of Ch\$638,234,417,559, divided into 293,358,194,234 common shares fully subscribed and paid through the issuance of 47,000,000,000 common shares of no par value payment.
- As of December 31, 2012, 43,000,000,000 shares of the 48,000,000,000 shares subscribed to on April 10, 2012, were paid in.

2011

At the Corpbanca's Special Shareholders meeting held on January 27, 2011, it was agreed to increase the Bank's issued capital through capitalization of retained earnings for 2009 and issuance of 40,042,815,984 ordinary, paid and no par value shares (representing 15% of new issued capital). At the Corpbanca's Special Board of Directors meeting held on May 25, 2011, and in relation to the shareholders' meeting mentioned above the following was agreed upon:

- The shareholders will have a preferential right to purchase 25,500,000,000 ordinary, paid, no par value shares.
- The preferential offer periods (all of them during the year 2011) will be as follows: (i) first period—from June 3rd to July 2nd; (ii) second period—from July 3rd to August 1st; and (iii) third period - from August 2nd to August 31st.
- The issuance of share will be offer on a preferential basis to the shareholders of the Bank who will have the right to subscribe 0.1123797088 new shares per each share registered with the Shareholders Register as of May 28, 2010.

At the Corpbanca's Special Board of Directors meeting held on June 2, 2011, the following was agreed upon:

- To set the share price at Ch\$7.35 for each one of the 25,500,000,000 shares previously mentioned.
- To confirm the periods to offer the preferred shares that were agreed to on May 25, 2011.
- The issued capital as of June 30, 2010 is represented by 228,306,683,253 shares which consist of 226,909,290,577 ordinary, authorized, subscribed, paid in and no

par value shares (figures at December 31, 2010) and 1,397,392,676 shares issued in 2011 as a result of the transaction described previously.

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- During the period from June to August 2011, a total of 23,448,903,657 subscribed and paid shares were issued for a total of MCh\$172,594.

2010

As of December 31, 2010, the Bank's issued capital consisted of 226,909,290,577 ordinary shares authorized, subscribed and paid in, with no par value (same situation as of December 31, 2009).

Capitalization of earnings

2011

At the Special Shareholder's meeting held on January 27, 2011 it was agreed to capitalize retained earnings at December 31, 2009 in the amount of MCh\$106,869.

2012

There was no capitalization of earnings in that year.

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Distribution of dividends

2011

At the Bank's Ordinary General Shareholder's meeting held on February 28, 2012 it was agreed to a dividend distribution of MCh\$122,849 equivalent to 100% of the net income for the year 2011.

2010

At the Bank's Ordinary General Shareholder's meeting held on February 24, 2011 it was agreed to a dividend distribution of MCh\$119,043 equivalent to 100% of the net income for the year 2010.

2009

At the Bank's Ordinary General Shareholder's meeting held on February 25, 2010 it was agreed to a dividend distribution of MCh\$85,109 equivalent to 100% of the net income for the year 2009.

2008

At the Bank's Ordinary General Shareholder's meeting held on February 26, 2009 it was agreed to a dividend distribution of MCh\$56,310 equivalent to 100% of the net income for the year 2008.

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b) List of major shareholders

As of December 31, 2011 the shareholder composition is as follows:

	Common Stock		
	2011		
	N° of Shares	Share %	
Corp Group Banking S.A.	128,253,046,085	51.22782%	(*)
Compañía Inmobiliaria y de Inversiones SAGA Limitada	23,084,435,510	9.22056%	(*)
Moneda S.A. AFI para Pionero Fondo de Inversión	7,547,376,000	3.01463%	
Banco de Chile por cuenta de Terceros no Residentes	5,907,402,949	2.35958%	
SN Holding S.A.	5,413,342,266	2.16224%	
Cía. de Seguros Corpvida S.A.	5,247,617,878	2.09604%	(*)
Banco Itaú por cuenta de Inversionistas	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. para Fdo. Pensión C	3,287,837,485	1.31325%	
Banco Santander por cuenta de Inv. Extranjeros	3,139,064,347	1.25383%	
The Bank of New York según Circular N° 1375 de la SVS	2,869,580,000	1.14619%	
Banchile C de B S.A.	2,717,839,791	1.08558%	
Inversiones y Valores Limitada	2,528,466,986	1.00994%	
AFP Habitat S.A. para Fdo. Pensión C	2,502,376,082	0.99952%	
AFP Capital S.A. Fondo de Pensión Tipo C	2,463,218,506	0.98388%	
Inmob. e Inversiones Boquiñeni Ltda.	2,353,758,526	0.94016%	
Celfin Capital S.A. C de B	2,255,046,125	0.90073%	
Omega Fondo de Inversión Privado	2,216,950,089	0.88551%	
Other Shareholders	33,154,103,901	13.24267%	(1) (*)
Total	250,358,194,234	100.00000%	

(1) This includes other companies related to Grupo Saieh, with a share of 1.12612%

(*) In summary and according to the above, the Group's share Saieh in CorpBanca and subsidiaries amounts to 63.67054%.

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As of December 31, 2012 the list of major shareholders as follows:

	Common Stock			
	Año 2012			
	N° Acciones	% participación		
Corp Group Banking S.A.	134,057,111,401	45.69741%	(3)	(*)
Compañía Inmobiliaria y de Inversiones SAGA Limitada	22,132,275,510	7.54445%	(3)	(*)
Corp Group Inversiones Bancarias Limitada	11,923,200,000	4.06438%		(*)
Moneda S.A. AFI para Pionero Fondo de Inversión	8,819,044,000	3.00624%		
Banco de Chile por cuenta de Terceros no Residentes	8,103,259,765	2.76224%		
Sierra Nevada Investments Chile Dos Ltda.	7,806,400,000	2.66105%		
Banco Itaú por cuenta de Inversionistas	6,731,191,399	2.29453%		
Cía. de Seguros Corpvida S.A.	6,148,916,714	2.09604%		(*)
SN Holding S.A.	5,413,342,266	1.84530%		
Deutsche Bank Trust Company Americas (ADRS)	4,800,378,500	1.63635%		
Banco Santander por cuenta de Inv. Extranjeros	4,569,792,478	1.55775%		
CRN Inmobiliaria Limitada	4,094,312,030	1.39567%		
AFP Provida S.A. para Fdo. Pensión C	4,008,710,262	1.36649%		
Inv. Las Nieves S.A.	3,790,725,224	1.29218%		
CorpBanca Corredores de Bolsa S.A.	3,619,576,194	1.23384%		
AFP Habitat S.A. para Fdo. Pensión C	3,502,047,948	1.19378%		
BCI C de B S.A.	2,671,307,937	0.91060%	(1)	(*)
Celfin Capital S.A. C de B	2,655,065,985	0.90506%		
AFP Capital S.A. Fondo de Pensión Tipo C	2,388,331,813	0.81414%		
Compañía de Seguros Corpseguros S.A.	2,386,454,421	0.81350%		(*)
Other Shareholders	43,736,750,387	14.90899%	(2) (4)	(*)
Total	293,358,194,234	100.00000%		

- (2) Includes 500,000,000 shares in custody, owned by Corp Group Banking SA
- (3) This group includes Deutsche Securities Corredores de Bolsa Ltda. which includes 730,400,000 shares in custody, owned Compañía Inmobiliaria y de Inversiones SAGA Limitada
- (4) With custody actions described in (1) and (2) above, Corp Group Banking SA reaches a 45.86786% participation and Compañía Inmobiliaria y de Inversiones SAGA Limitada 7.79343%.
- (5) This includes other companies related to Grupo Saieh, with a share of 0.27044%
- (*) In summary and according to the above, the Group's share Saieh in CorpBanca and subsidiaries amounts to 60.90565%.

c) Dividends

The distribution of dividends of the Bank is as follows:

Year	Income attributable to equity holders	To reserves or retains earnings	Intended Dividends	Percentage Distributed	N° of Shares	Dividend per share (in MC\$)
	MCh\$	MCh\$	MCh\$	%		
2011 (Sharehold Meeting, February 2012)	122,849	-	122,849	100%	250,358,194,234	0.491
2010 (Shareholders Meeting, February 2011)	119,043	-	119,043	100%	226,909,290,577	0.525
2009 (Sharehold Meeting, February 2010)	85,109	-	85,109	100%	226,909,290,577	0.375

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d) As of December 31, the Basic and diluted earnings per share are the following:

	2011		2012	
	N° Shares	Total	N° Shares	Total
	Millions	MCh\$	Millions	MCh\$
Basic and diluted earnings per share				
Basic earnings per share				
Net income for the year	-	119,142	-	119,102
Weighted average number of shares outstanding	238,829	-	277,831	-
Adjusted number of shares	238,829	-	277,831	-
Basic earnings per share (Chilean pesos)	-	0.500	-	0.429
Diluted earnings per share				
Net income for the year	-	119,142	-	119,102
Weighted average number of shares outstanding	238,829	-	277,831	-
Diluted effects	-	-	-	-
Adjusted number of shares	238,829	-	277,831	-
Diluted earnings per share (Chilean pesos)	-	0.500	-	0.429

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e) **Other Comprehensive Income**

Other Comprehensive Income	2010	2011	2012
	MCh\$	MCh\$	MCh\$
Exchange differences on translation—New York Branch—Colombia			
Gains (losses) on exchange differences on translation, before tax	(1,014)	1,238	(25,157)
Other comprehensive income, before tax, exchange differences on translation	(1,014)	1,238	(25,157)
Financial instruments available—for—sale			
Gains (losses) on remeasuring financial instruments available—for—sale, before tax	4,836	(1,258)	(5,368)
Other comprehensive income, before tax, financial instruments available	4,836	(1,258)	(5,368)
Cash flow hedges			
Gains (losses) on cash flow hedges, before tax	-	(2,576)	3,146
Other comprehensive income, before tax, cash flow hedges	-	(2,576)	3,146
Hedges of net investment in foreign operations			
Gains (losses) on hedges of net investment in foreign operations, before tax	963	(1,264)	757
Other comprehensive income, before tax, Hedges of net investment in foreign operations	963	(1,264)	757
Other comprehensive income, before tax	4,785	(3,860)	(26,622)
Income tax relating to components of other comprehensive income			
Income tax relating to instruments available—for—sale	(822)	461	888
Income tax relating to hedges of net investment in foreign operations	(164)	220	(147)
Income tax relating to cash flow hedge	-	298	(361)
Aggregated income tax relating to components of other comprehensive income	(986)	979	380
Other comprehensive income, after tax	3,799	(2,881)	(26,242)

f) **Non - Controlling interest:**

This item reflects the net amount of the subsidiaries' net equity attributable to equity instruments which do not belong to the Bank either directly or indirectly, including the part that has been attributed to income for the period.

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The non controlling interest in the subsidiaries' equity is summarized as follows:

2010

Subsidiaries	Non-controlling %	Equity MCh\$	Net Income (1) MCh\$	Other Comprehensive Income MCh\$	Comprehensive Income MCh\$
SMU CORP S.A.	49.00%	2,943	(977)	-	(977)

2011

Subsidiaries	Non-controlling %	Equity MCh\$	Net Income (1) MCh\$	Other Comprehensive Income MCh\$	Comprehensive Income MCh\$
SMU CORP S.A.	49.00%	2,609	(1,824)	-	(1,824)

2012

Subsidiaries	Non-controlling %	Equity MCh\$	Net Income (1) MCh\$	Other Comprehensive Income MCh\$	Comprehensive Income MCh\$
SMU CORP S.A.	49.00%	3,074	(1,965)	-	(1,965)
CorpBanca Colombia and subsidiaries	8.07%	51,296	2,016	-	2,016
		54,370	51	-	51

As for the movement of non-controlling interest, we have the following:

	As of December 31		
	2010 MCh\$	2011 MCh\$	2012 MCh\$
Balance at January 1	3,920	2,943	2,609
Net income for the year (1)	(977)	(1,824)	51
Change in non-controlling interest	-	1,490	2,430
Non-controlling interest arising on the acquisition of CorpBanca Colombia	-	-	49,280
Total	<u>2,943</u>	<u>2,609</u>	<u>54,370</u>

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NOTE 23 - INTEREST INCOME AND EXPENSE

a) The composition of interest income and inflation-indexing for the years ended December 31, 2010, 2011 and 2012 is as follows:

	As of December 31,								
	2010			2011			2012		
	Interest	Inflation (1)	Total	Interest	Inflation (1)	Total	Interest	Inflation (1)	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Normal Portfolio									
Investments under agreements to resell	2,876	746	3,622	3,016	18	3,034	1,604	71	1,675
Loans and receivables to banks	729	-	729	2,983	-	2,983	11,524	-	11,524
Commercial loans	158,281	21,177	179,458	238,510	50,507	289,017	407,363	47,354	454,717
Mortgage Loans	44,677	22,512	67,189	48,043	39,930	87,973	65,705	26,964	92,669
Consumer Loans	73,937	275	74,212	67,839	1,702	69,541	115,172	1,088	116,260
Financial investments	24,425	11,931	36,356	24,347	20,750	45,097	41,775	10,889	52,664
Other interest income	1	2,382	2,383	5,747	904	6,651	3,171	702	3,873
Subtotals	304,926	59,023	363,949	390,485	113,811	504,296	646,314	87,068	733,382
Impaired loan portfolio									
Interest Recovery									
Commercial loans	15,406	2,152	17,558	14,276	3,351	17,627	9,696	1,365	11,061
Mortgage Loans	1,679	626	2,305	1,326	842	2,168	723	311	1,034
Consumer Loans	2,634	1,193	3,827	4,510	21	4,531	17,507	8	17,515
Financial investments	-	-	-	-	-	-	-	-	-
Other Income on interest	-	-	-	-	-	-	-	-	-
Subtotals	19,719	3,971	23,690	20,112	4,214	24,326	27,926	1,684	29,610
Total interest income	324,645	62,994	387,639	410,597	118,025	528,622	674,240	88,752	762,992

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b)

The detail of interest expenses for the years ended December 31, 2010, 2011 and 2012 is the following:

	As of December 31,								
	2010			2011			2012		
	Interest	Inflation (1)	Total	Interest	Inflation (1)	Total	Interest	Inflation (1)	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Demand Deposits	(19)	(40)	(59)	(15)	(82)	(97)	(1,935)	(94)	(2,029)
Investments under agreements to repurchase	(4,959)	(54)	(5,013)	(8,148)	(315)	(8,463)	(15,697)	(54)	(15,751)
Deposits and Time Deposits	(77,103)	(8,873)	(85,976)	(193,555)	(11,062)	(204,617)	(346,776)	(12,865)	(359,641)
Borrowings from financial institutions	(7,324)	-	(7,324)	(8,466)	-	(8,466)	(14,771)	-	(14,771)
Debt issued	(39,861)	(22,901)	(62,762)	(56,435)	(52,147)	(108,582)	(70,095)	(38,460)	(108,555)
Other financial obligations	(795)	(413)	(1,208)	(604)	(525)	(1,129)	(1,073)	(264)	(1,337)
Other interest expenses	-	(892)	(892)	-	(1,404)	(1,404)	(24)	(1,504)	(1,528)
Hedge accounting gains(losses)	48	(43)	5	(2,864)	-	(2,864)	(2,504)	-	(2,504)
Total Interest Expenses	(130,013)	(33,216)	(163,229)	(270,087)	(65,535)	(335,622)	(452,875)	(53,241)	(506,116)

- (1) The inflation indexing is the result of changes in the Unidades de Fomento (“UF”). The UF is an inflation-index Chilean monetary unit with a value in Chilean pesos that changes daily to reflect changes in the official Consumer Price Index (“CPI”) of the Instituto Nacional de Estadísticas (the Chilean National Institute of Statistics) for the previous month. The effect of any changes in the nominal peso value of our UF-denominated interest earning assets and interest bearing liabilities is reflected in our results of operations as an increase (or decrease, in the event of deflation) in interest income and expense, respectively.

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NOTE 24 - FEES AND INCOME FROM SERVICES

Fees and income from services and the related expenses for the years ended December 31, 2010, 2011 and 2012 are summarized as follows:

	As of December 31,		
	2010	2011	2012
	MCh\$	MCh\$	MCh\$
a) Income from fees and services			
Lines of credit and overdrafts	9,098	7,740	12,384
Letters of credit and guarantees	4,789	4,460	7,915
Card services	9,068	10,602	16,479
Account administration	6,698	6,353	7,116
Collections, billings and payments	8,587	9,586	20,591
Management and brokerage commissions for securities	3,931	4,321	4,083
Investments in mutual funds and others	8,188	6,406	9,220
Insurance brokerage	7,930	8,161	9,024
Financial advisors	5,690	10,756	11,245
Other fees earned	3,780	3,334	6,153
Other payments for services rendered	694	685	968
Total Income from fees and services	68,453	72,404	105,178

	As of December 31,		
	2010	2011	2012
	MCh\$	MCh\$	MCh\$
b) Expenses from services			
Credit card transactions	(6,557)	(6,963)	(9,089)
Brokerage	(467)	(259)	(2,480)
Commissions on interbank transactions	(571)	(702)	(961)
Other paid commissions	(1,495)	(2,184)	(2,914)
Transaction processing	(68)	(129)	(377)
Contract Services for customer benefits	(131)	(237)	(20)
Foreign trade	(267)	(916)	(1,133)
Expenses on return commissions	(676)	(652)	(1,195)
Commissions spent by loans and services to customers	-	-	(1,365)
Total expenses from services	(10,232)	(12,042)	(19,534)

The fees earned through transactions with letters of credit are recorded under "Interest income" within the consolidated statements of income.

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NOTE 25 - NET TRADING AND INVESTMENT INCOME

Trading and investment income recognized on the consolidated statements of income for the years ended December 31, 2010, 2011 and 2012 is as follows:

	As of December 31,		
	2010	2011	2012
	MCh\$	MCh\$	MCh\$
Trading instruments	6,856	13,109	19,922
Derivative financial instruments (see note 7)	(14,327)	79,994	23,677
Other financial investments at fair value with effect on gain (losses)	942	(1,364)	5,764
Financial investments available-for-sale	(3,288)	6,403	5,526
Profit on bank-issued time deposit repurchase	450	82	74
Loss on bank-issued time deposit repurchase	(44)	(7)	(158)
Other	1	(472)	189
Total trading and investment income, net	<u>(9,410)</u>	<u>97,745</u>	<u>54,994</u>

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NOTE 26 - NET FOREIGN EXCHANGE INCOME (LOSSES)

This item includes the income earned from foreign currency trading, the differences arise from converting monetary items in a foreign currency to the functional currency and those generated by non-monetary assets in a foreign currency at the time of their disposal.

The detail of net foreign exchange gains (losses) for the years ended December 31, 2010, 2011 and 2012 is as follows:

	As of December 31,		
	2010	2011	2012
	MCh\$	MCh\$	MCh\$
Gains (losses) of foreign currency exchange differences			
Net gains (losses) of foreign currency exchange positions	45,700	(7,219)	26,108
Other foreign currency exchange gains(losses)	(26)	3,257	3,524
Subtotals	45,674	(3,962)	29,632
Net earnings on exchange rate adjustments			
Adjustments to loan to customers	(775)	835	(557)
Adjustments to investment instruments	-	3,048	(3,226)
Adjustments to other liabilities	318	(331)	220
Fair value gains (losses) on hedging derivatives (*)	(606)	(26,373)	4,627
Subtotales	(1,063)	(22,821)	1,064
Total	44,611	(26,783)	30,696

(*) **The Fair value gains (losses) on hedging derivatives for the December 31, 2010, 2011 and 2012 is a follows:**

	Cash Flows (CF) or Fair Value (FV) Hedge	Fair Value		Gain/(loss) See Note 7
		Assets MCh\$	Liabilities MCh\$	
As of December 31, 2010				
Derivatives held-for-hedging				
Foreign currency Forwards	FV	241	-	(24)
Interest rate swaps	FV	196	697	(582)
Subtotal		437	697	(606)
				Reclassified from OCI
Foreign currency swaps	CF	-	-	-
Interest rate swaps	CF	-	-	-
Subtotal		-	-	-
Total derivatives held-for-hedging		437	697	(606)

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	Cash Flows (CF) or Fair Value (FV) Hedge	Fair Value		Gain/(loss) See Note 7
		Assets MCh\$	Liabilities MCh\$	
As of December 31, 2011				
Derivatives held-for-hedging				
Foreign currency swap	FV	-	2,936	(2,360)
Foreign currency swaps	FV	2,877	374	(7,141)
Subtotal		2,877	3,310	(9,501)
				Reclassified from OCI
Foreign currency swaps	CF	-	409	(892)
Interest rate swaps	CF	2,085	1,870	(15,980)
Subtotal		2,085	2,279	(16,872)
Total derivatives held-for-hedging				
Total derivatives held-for-hedging		4,962	5,589	(26,373)
As of December 31, 2012				
Derivatives held-for-hedging				
Foreign currency swap	FV	82	284	5,365
Foreign currency swaps	FV	2,978	24	838
Subtotal		3,060	308	6,203
				Reclassified from OCI
Foreign currency swaps	CF	-	1,379	172
Interest rate swaps	CF	2,140	1,973	(1,748)
Subtotal		2,140	3,352	(1,576)
Total derivatives held-for-hedging				
Total derivatives held-for-hedging		5,200	3,660	4,627

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NOTE 27- PROVISION FOR LOAN LOSSES

The changes in provision for loan losses recorded on the income statement for the years ended December 31, 2010, 2011 and 2012 is as follows:

	For the year ended December 31, 2010				
	Loans and receivables from customers				
	Loans and receivables from banks	Commercial loans	Mortgage Loans	Consumer Loans	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Recognized provision:					
Individual Analysis	(196)	(31,414)	-	(2)	(31,612)
Group Analysis	-	(10,883)	(3,341)	(47,505)	(61,729)
Charge to income for provisions recognized	(196)	(42,297)	(3,341)	(47,507)	(93,341)(*)
Used provisions:					
Individual Analysis	13	12,349	-	1	12,363
Group Analysis	-	5,825	119	7,974	13,918
Credit to income for provisions used	13	18,174	119	7,975	26,281(*)
Recovery of assets previously written-off	-	2,726	90	11,893	14,709
Net charge to income	(183)	(21,397)	(3,132)	(27,639)	(52,351)

	For the year ended December 31, 2011				
	Loans and receivables from customers				
	Loans and receivables from banks	Commercial loans	Mortgage Loans	Consumer Loans	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Recognized provision:					
Individual Analysis	(141)	(52,997)	-	(1)	(53,139)
Group Analysis	-	(17,037)	(3,669)	(35,021)	(55,727)
Charge to income for provisions recognized	(141)	(70,034)	(3,669)	(35,022)	(108,866)(*)
Used provisions:					
Individual Analysis	150	39,063	-	1	39,214
Group Analysis	-	8,072	441	8,407	16,920
Credit to income for provisions used	150	47,135	441	8,408	56,134(*)
Recovery of assets previously written-off	19	1,787	574	9,598	11,978
Net charge to income	28	(21,112)	(2,654)	(17,016)	(40,754)

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	For the year ended December 31, 2012				
	Loans and receivables from customers				
	Loans and receivables from banks	Commercial loans	Mortgage Loans	Consumer Loans	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Recognized provision:					
Individual Analysis	(83)	(47,405)	-	(2)	(47,490)
Group Analysis	-	(15,861)	(6,480)	(49,719)	(72,060)
Charge to income for provisions recognized	(83)	(63,266)	(6,480)	(49,721)	(119,550)(*)
Used provisions:					
Individual Analysis	416	31,930	-	2	32,348
Group Analysis	-	4,687	5,995	10,068	20,750
Credit to income for provisions used	416	36,617	5,995	10,070	53,098(*)
Recovery of assets previously written-off	-	3,824	1,039	10,014	14,877
Net charge to income	333	(22,825)	554	(29,637)	(51,575)

(*) Consolidated Statements of Cash Flows, in the amounts respectively of 2010 MCh\$ 67,060; 2011 MCh\$ 52,732; and 2012 MCh\$ 66,452.

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NOTE 28- PERSONNEL SALARIES EXPENSES

Personnel salaries expenses for the years ended December 31, 2010, 2011 and 2012 are as follows:

	As of December 31,		
	2010	2011	2012
	MCh\$	MCh\$	MCh\$
Personnel remunerations	(40,462)	(46,382)	(72,430)
Bonuses and gratifications/awards	(21,132)	(19,508)	(37,566)
Severance indemnities	(5,215)	(3,600)	(4,429)
Training Expenses	(718)	(832)	(753)
Other personnel expenses	(3,507)	(6,139)	(5,536)
Total	<u>(71,034)</u>	<u>(76,461)</u>	<u>(120,714)</u>

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NOTE 29- ADMINISTRATION EXPENSES

Administration expenses for the years ended December 31, 2010, 2011 and 2012 are as follows:

	As of December 31,		
	2010	2011	2012
	MCh\$	MCh\$	MCh\$
Maintenance and repair of fixed assets	(1,693)	(2,095)	(5,372)
Office rentals	(5,853)	(6,831)	(9,853)
Equipment rentals	(2,216)	(2,279)	(2,925)
Insurance premiums	(256)	(988)	(4,470)
Office supplies	(906)	(879)	(1,019)
IT and communications expense	(3,067)	(3,867)	(5,252)
Lighting, heating and other services	(2,565)	(2,628)	(3,657)
Security Service and transportation of securities	(1,433)	(1,379)	(1,453)
Public relations expense and staff travel expenses	(977)	(1,672)	(1,979)
Legal and Notary Costs	(161)	(169)	(475)
Technical report fees	(7,279)	(7,956)	(10,099)
Professional services fees	(643)	(592)	(599)
Securities classification fees	(96)	(181)	(66)
Penalties	(17)	(16)	(487)
Comprehensive management ATMs	-	(1,822)	(2,634)
Other administration expenses	(7,915)	(9,043)	(8,829)
Subtotal	(35,077)	(42,397)	(59,169)
Subcontracted services	(3,288)	(4,399)	(11,871)
Data processing	(2,534)	(3,212)	(6,580)
Sales	(56)	(66)	(168)
Loan valuation	(104)	(274)	(62)
Others	(594)	(847)	(5,061)
			-
Board of Directors Expenses	(564)	(784)	(1,029)
Remunerations	(564)	(784)	(991)
Other Board of Directors expenses	-	-	(38)
Marketing and advertising	(5,021)	(4,411)	(7,494)
Real estate taxes, contributions and levies	(2,843)	(3,150)	(9,220)
Real estate taxes	(293)	(282)	(356)
Patents	(549)	(686)	(822)
Other taxes	(53)	(25)	(5,266)
Contributions to SBIF	(1,948)	(2,157)	(2,776)
Total	(46,793)	(55,141)	(88,783)

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CORPBANCA AND SUBSIDIARIES
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NOTE 30 - DEPRECIATION, AMORTIZATION AND IMPAIRMENT

a) Depreciation and amortization expenses for the years ended December 31, 2010, 2011 and 2012 are as follows:

	For the years ended December 31,		
	2010	2011	2012
	MCh\$	MCh\$	MCh\$
Depreciation and amortization			
Depreciation of property, plant and equipment (Note 13)	(4,805)	(4,806)	(7,192)
Amortization of intangibles assets (Note 12)	(2,312)	(2,655)	(10,900)
Balances as of December 31,	<u>(7,117)</u>	<u>(7,461)</u>	<u>(18,092)</u>

b) Impairment losses for the years ended December 31, 2010, 2011 and 2012 are detailed below:

	For the years ended December 31,		
	2010	2011	2012
	MCh\$	MCh\$	MCh\$
Impairment of financial investments available-for-sale	-	-	-
Impairment of financial investments held-to-maturity	-	-	-
Impairment of property, plant and equipment	(427)	-	-
Impairment of Goodwill and Intangibles	-	-	-
Total	<u>(427)</u>	<u>-</u>	<u>-</u>

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NOTE 31- OTHER OPERATING INCOME AND EXPENSES**a) Other operating income**

The detail of other operating income is as follows:

	As of December 31,		
	2010	2011	2012
	MCh\$	MCh\$	MCh\$
Revenues for assets received in lieu of payment			
Assets received in lieu of payment provision released	-	-	213
Gain on sales of assets received in lieu of payment	859	872	2,686
Others	-	416	36
Subtotal	<u>859</u>	<u>1,288</u>	<u>2,935</u>
Contingency provisions used			
Other contingency provisions	77	156	6,606
Subtotal	<u>77</u>	<u>156</u>	<u>6,606</u>
Other Revenues			
Gain on sales of property, plant and equipment	557	17	1,335
Gain on sale of investment in other companies	-	3,192	-
Compensation insurance companies	-	-	32
Subtotal	<u>557</u>	<u>3,209</u>	<u>1,367</u>
Other income	558	952	960
Leasing contributions revenue	1,594	1,016	1,473
Other operating income -Subsidiaries	3,123	854	1,271
Gain on sales of leased assets	645	1,048	444
Other operating income -Leasing	754	820	224
Incentives for card use international brands	-	-	726
Returning insurance administration	-	-	2,044
Revenues from leasing loans expenses recovered	665	164	658
Subtotal	<u>7,339</u>	<u>4,854</u>	<u>7,800</u>
Total	<u>8,832</u>	<u>9,507</u>	<u>18,708</u>

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b) Other operating expenses

Other operating expenses for the years ended December 31, 2010, 2011 and 2012 are the following:

	As of December 31,		
	2010	2011	2012
	MCh\$	MCh\$	MCh\$
Provisions and expenses for assets received in lieu of payment			
- Provisions for assets received in lieu of payment	(27)	(229)	-
- Maintenance expenses of assets received in lieu of payment	(357)	(115)	(208)
Subtotal	(384)	(344)	(208)
Contingency provisions			
- Other contingency provisions	(1,360)	(1,657)	(4,902)
Subtotal	(1,360)	(1,657)	(4,902)
Other expenses			
- Other expenses	(5,568)	(11,642)	(20,945)
Subtotal	(5,568)	(11,642)	(20,945)
Total	(7,312)	(13,643)	(26,055)

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NOTE 32 - RELATED PARTY TRANSACTIONS

As defined in IAS 24, a related party is: (a) a person or a close member of that person's family related to a reporting entity if that person (i) has control or joint control of the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) an entity is related to a reporting entity if (i) the entity and the reporting entity are members of the same group; (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); (iii) both entities are joint ventures of the same third party; (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity; (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity; (vi) the entity is controlled or jointly controlled by a person identified in (a) or; (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Transactions that the Bank entered into with related parties as of December 31, 2011 and 2012 are specified below:

a) Loans granted to related parties

Loan granted to related parties as of December 31, 2011 and 2012 are as follows:

2011	Operating Companies	Investment Companies	Individuals(1)
	MCh\$	MCh\$	MCh\$
Loans and receivables to customers:			
Commercial loans	83,374	2,509	1,012
Mortgage Loans	-	-	6,105
Consumer Loans	4	-	819
Loans and receivables to customers—gross	83,378	2,509	7,936
Provision for loan losses	(5,866)	-	(7)
Loans and receivables to customers, net	<u>77,512</u>	<u>2,509</u>	<u>7,929</u>
Other	8,930	-	-
2012			
	Operating Companies	Investment Companies	Individuals(1)
	MCh\$	MCh\$	MCh\$
Loans and receivables to customers:			
Commercial loans	138,675	13,682	791
Mortgage Loans	-	-	16,231
Consumer Loans	817	-	6,337
Loans and receivables to customers—gross	139,492	13,682	23,359
Provision for loan losses	(5,023)	(201)	(352)
Loans and receivables to customers, net	<u>134,469</u>	<u>13,481</u>	<u>23,007</u>
Other	9,627	-	2,468

(1) Includes loans that are equal to or greater than U.F. 3,000 (equivalent to MCh\$68.6 in 2012 and MCh\$69.9 in 2011).

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b) Other transactions with related parties

During the years ended December 31, 2011 and 2012, the Bank entered into the following transactions with related parties for amounts exceeding UF1,000.

As of December 31, 2011:

Company	Description	Notes	Asset (Liability)	Effect on Statement of Income	
				Income	(expense)
			MCh\$	MCh\$	MCh\$
Inmobiliaria Edificio Corpgroup S.A.	Corporate office rent and building costs		-	-	2,357
Transbank S.A.	Credit Card processing		-	-	2,367
Corp Group Interhold S.A.	Management advisory services		-	-	1,993
Operadora de Tarjeta de Crédito Nexus S.A.	Credit card processing		-	-	900
Redbanc S.A.	Automatic teller machine administration		-	-	1,442
Recaudaciones y Cobranzas S.A.	Office rent and credit collection		-	-	985
Proservicen S.A.	Advertising services		-	-	1,032
Compañía de Seguros Vida Corp S.A.	Brokerage of insurance premiums and office rent		-	-	281
Inmobiliaria e Inversiones San Francisco Ltda.	Financial advisory services		-	-	177
Asesorías Santa Josefina Ltda.	Financial advisory and management services		-	-	151
Fundación Corpgroup Centro Cultural	Donations		-	-	2,203
Inmobiliaria e Inversiones Boquiñeni Ltda.	Financial advisory services		-	-	58
Empresa Periodística La Tercera S.A.	Advertising services		-	-	244
Inmobiliaria e Inversiones B y F Limitada	Financial advisory services		-	-	1,441
SMU S.A., Rendic Hnos S.A.	Prepaid rent for space for ATMs	15	22,022	-	1,447

As of December 31, 2012:

Company	Description	Notes	Asset (Liability)	Effect on Statement of Income	
				Income	(expense)
			MMS\$	MMS\$	MMS\$
Inmobiliaria Edificio Corpgroup S.A.	Corporate office rent and building costs		-	-	2,552
Transbank S.A.	Credit Card processing		-	-	2,492
Corp Group Interhold S.A.	Management advisory services		-	-	2,059
Redbanc S.A.	Automatic teller machine administration		-	-	1,539
Proservicen S.A.	Advertising services		-	-	1,438
Recaudaciones y Cobranzas S.A.	Office rent and credit collection		-	-	1,217
Operadora de Tarjeta de Crédito Nexus S.A.	Credit card processing		-	-	916
Fundación Corpgroup Centro Cultural	Donations		-	-	624
Fundación Descúbreme	Donations		-	-	66
Compañía de Seguros Vida Corp S.A.	Brokerage of insurance premiums and office rent		-	-	362
Inmobiliaria e Inversiones San Francisco Ltda.	Financial advisory services		-	-	264
Empresa Periodística La Tercera S.A.	Advertising services		-	-	183
Asesorías Santa Josefina Ltda.	Financial advisory and management services		-	-	147
SMU S.A., Rendic Hnos S.A.	Prepaid rent for space for ATMs	15	20,715	-	36
Corpbanca Investment Valores S.A. Comisionista de Bolsa	Corporate office rent and building costs		11,024	845	80
Corpbanca Investment Trust S.A. Sociedad Fiduciaria	Corporate office rent and building costs		15,512	1,151	167

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These transactions were carried out at arm's length.

In accordance with IAS 24, the relationship of all listed companies in the above table falls under the category "other related parties".

c) Other assets and liabilities with related parties

As of December 31, 2011:

Company	Description	Notes	Balance Asset (Liability) MCh\$	Effect on Statement of Income	
				Income MCh\$	(expense) MCh\$
Fundación Corpgroup Centro Cultural	Donations		-	-	2,203

As of December 31, 2012:

Company	Description	Notes	Balance Asset (Liability) MCh\$	Effect on Statement of Income	
				Income MCh\$	(expense) MCh\$
Fundación Corpgroup Centro Cultural	Donations		-	-	624
Fundación Descúbreme	Donations		-	-	66

d) Other assets and liabilities with related parties

	As of December 31,	
	2011 MCh\$	2012 MCh\$
ASSETS		
Derivative financial instruments	19,780	17,746
LIABILITIES		
Derivative financial instruments	97	4,820
Demand deposits	14,713	20,804
Deposits and other time deposits	14,060	13,769

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e) Operating income /expenses from related party transactions

Type of recognized income or expense	As of December 31,					
	2010		2011		2012	
	<u>Income</u>	<u>Expenses</u>	<u>Income</u>	<u>Expenses</u>	<u>Income</u>	<u>Expenses</u>
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Interest revenue	5,743	412	7,466	3,194	8,640	25,759
Income and expenses on fees and services	160	6	769	(2)	342	18
Gain and loss on trading	-	-	-	-	-	-
Gain and Loss on other financial transactions	-	-	-	-	-	-
Foreign currency exchanges	-	-	-	-	-	-
Operating support expense	-	10,035	-	13,434	541	13,829
Other income and expense	-	-	1	-	-	67
Total	<u>5,903</u>	<u>10,453</u>	<u>8,236</u>	<u>16,626</u>	<u>9,523</u>	<u>39,673</u>

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f) Contracts with related parties

2011

Company	Description
Inmobiliaria Edificio Corpgroup S.A.	Corporate office rent and building costs
Transbank S.A.	Credit card processing
Corp Group Interhold S.A.	Management advisory services
Operadora de Tarjeta de Crédito Nexus S.A.	Credit card processing
Redbanc S.A.	Automatic teller machine administration
Recaudaciones y Cobranzas S.A.	Office rent and credit collection
Proservicen S.A.	Promotional services
Compañía de Seguros Vida Corp S.A.	Brokerage of insurance premiums and office rent
Inmobiliaria e Inversiones San Francisco Ltda.	Financial advisory services
Asesorías Santa Josefina Ltda.	Financial advisory and management service
Fundación Corpgroup Centro Cultural	Donations
Inmobiliaria e Inversiones Boquiñeni Ltda.	Financial advisory services
Empresa Periodística La Tercera S.A.	Advertising services
Inmobiliaria e Inversiones B y F Limitada	Financial advisory services
SMU S.A., Rendic Hnos S.A.	Rental of ATM's locations

2012

Company	Description
Inmobiliaria Edificio Corpgroup S.A.	Corporate office rent and building costs
Transbank S.A.	Credit card processing
Corp Group Interhold S.A.	Management advisory services
Redbanc S.A.	Automatic teller machine administration
Proservicen S.A.	Promotional services
Recaudaciones y Cobranzas S.A.	Office rent and credit collection
Operadora de Tarjeta de Crédito Nexus S.A.	Credit card processing
Fundación Corpgroup Centro Cultural	Donations
Compañía de Seguros Vida Corp S.A.	Brokerage of insurance premiums and office rent
Inmobiliaria e Inversiones San Francisco Ltda.	Financial advisory services
Empresa Periodística La Tercera S.A.	Advertising services
Asesorías Santa Josefina Ltda.	Financial advisory and management services
SMU S.A., Rendic Hnos S.A.	Rental of ATMs locations
Corpbanca Investment Valores S.A. Comisionista de Bolsa	Office rentals
Corpbanca Investment Trust S.A. Sociedad Fiduciaria	Synergies Contract
	Office rentals
	Synergies Contract
	Network usage contract

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g) Remunerations to members of the board and key management personnel

Remunerations paid to key management personnel are sets forth in table below:

	<u>2011</u>	<u>2012</u>
	MCh\$	MCh\$
Short term employee remuneration	15,588	24,869
Severance indemnities	1,098	731
Total	<u>16,686</u>	<u>25,600</u>

2012

For the year ended December 31, 2012, the members of the Board of Directors received remuneration for MCh\$552.

For the year ended December 31, 2012, the members of the Directors Committee and Audit Committee received remunerations for MCh\$237.

The total remuneration paid to key management personnel of the Bank for the year ended December 31, 2012 was MCh\$16,033.

In addition, and as established in our Bonus Policy as established jointly by the Division Management—Human Resources and Development and the Chief Executive Officer, certain bank executives were paid bonuses based on the completion of goals

2011

For the year ended December 31, 2011, the members of the Board of Directors received remuneration for MCh\$713.

For the year ended December 31, 2011, the members of the Directors Committee and Audit Committee received remunerations for MCh\$92.

The total remuneration paid to key management personnel of the Bank for the year ended December 31, 2011 was MCh\$13,608.

In addition, and as established in our Bonus Policy as established jointly by the Division Management—Human Resources and Development and the Chief Executive Officer, certain bank executives were paid bonuses based on the completion of goals.

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h) Key management personnel

As of December 31, 2011 and 2012, the composition of the Bank's key management personnel is as follows:

Position	Number of Executives	
	2011	2012
Directors	44	44
Chief Executive Officer - at Group level	1	1
Chief Executive Officers - at the Subsidiaries	6	10
Division Managers	12	23
Department Managers	76	147
Deputy Managers	120	114
Vicepresident	-	8

i) Transactions with key management personnel

During 2010, 2011 and 2012 transactions with key personnel were carried out as follows:

	Income		
	MCh\$		
	2010	2011	2012
Credit Cards	31	28	133
Consumer loans	26	62	490
Commercial loans	13	45	51
Mortgages loans	244	445	895

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CORPBANCA AND SUBSIDIARIES
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NOTE 33 - FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The estimated fair value of an asset or liability is the amount for which an asset could be exchanged and liability could be settled between knowledgeable, willing parties in an arm's length transaction. The most objective and reference of the fair value of an asset or liability is the price that would be paid in an organized and transparent market ("quoted price" or "market price").

For financial assets and financial liabilities for which there is no active market price available, fair value is estimated by using recent similar transactions and, in the absence thereof, current values or other valuation techniques based on mathematical valuation models that have been sufficiently verified by the international financial community and pertinent regulatory bodies. These models take into account the specific features of the asset or liability to be valued and the different types of risks associated to the asset or liability.

These fair value assessments are subjective by nature, since their price estimation is based on a number of assumptions. For that reason, the fair value estimation process is affected by the variables that the assumptions are targeted to, such as interest rates, prepayment options and covenants. Thus, it is possible that such a fair value estimate might not entirely correspond to independent prices.

Determination of the fair value of financial instruments

A summary of the fair value of the financial assets and liabilities as of December 31, 2011 and 2012 is detailed below, including those that have not been presented at fair value in these Financial Statements.

	Notes	As of December 31,			
		2011		2012	
		Carrying Amount MCh\$	Estimated Fair Value MCh\$	Carrying Amount MCh\$	Estimated Fair Value MCh\$
ASSETS					
Cash and due from banks	4	265,747	265,747	520,228	520,228
Cash in the process of collection	4	96,230	96,230	123,777	123,777
Trading portfolio financial assets	5	166,039	166,039	159,898	159,898
Investments under agreements to resell	6	23,251	23,251	21,313	21,313
Derivative financial instruments	7	248,982	248,982	268,027	268,027
Loans and receivables to banks	8	304,098	304,098	482,371	482,371
Loans and receivables to customers	9	6,711,945	6,753,036	9,993,890	10,033,332
Financial investments available-for-sale	10	843,250	843,250	1,112,435	1,112,435
Financial investments held-to- maturity	10	21,962	21,835	104,977	101,941
LIABILITIES					
Current accounts and demand deposits	16	682,720	682,720	1,112,675	1,112,675
Cash in the process of collection	4	36,948	36,948	68,883	68,883
Obligations under repurchase agreements	6	130,549	130,549	257,721	257,721
Time deposits and saving accounts	16	4,824,378	4,826,737	7,682,675	7,669,588
Derivative financial instruments	7	166,872	166,872	193,844	193,844
Borrowings from financial institutions	17	663,626	687,883	969,521	967,380
Debt issued	18	1,522,773	1,480,306	1,886,604	1,899,283
Other financial obligations	18	20,053	20,053	18,120	18,120

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In addition, the fair value estimates presented above, do not attempt to estimate the value of earnings generated by the Bank's current or future business activities and, as such, do not represent the value of the Bank as an operational company. Below is a summary of the methods used to estimate the fair value of financial instruments:

a) Cash, Cash in the process of collection, Bank Deposits and financial instruments included in other liabilities

Cash, cash in the process of collection, bank deposits, and financial instruments included in other liabilities are recorded at their face value given their short-term and highly liquid nature.

b) Trading instruments, available for sale investment instruments, held-to-maturity investments, Investments under agreements to resell and Obligations under repurchase agreements

The estimated fair value of these financial instruments was determined by using quoted market prices, available dealer quotes, or market prices of financial instruments with similar characteristics or valuation models. Obligations under repurchase agreements that mature in less than one year are considered to have a fair value which is not materially different from their book value. For fair value estimates of debt instruments, we take into account variables and additional inputs; to the extent they are applicable, including estimated prepayment rates and issuers' credit risk.

c) Loans and accounts receivables to customers and banks

For floating-rate loans that re-priced frequently and have no significant change in credit quality, the estimated fair values are based on their carrying values.

Fixed rate loans are valued using models that discount expected future cash flows.

The probability of default and recovery rate information is generally sourced from historical information maintained by the Bank. Therefore, our expected cash flows already reflect assumptions about the uncertainty in future default.

Credit quality is taken into consideration by the use of observable interest rates charged by lenders for loans of credit ratings which we may deem to be similar to those used by the Bank based on our understanding of the local market from which such credit ratings are derived. We do not believe that remaining term to repayment (including prepayment risk) is of sufficient importance to our fair value estimate as evidenced by internal sensitivity analyses performed based on historical information.

These models calculate fair value based on observable interest rates and unobservable credit spreads. Unobservable credit spreads are determined by extrapolating observable spreads.

Where there is significant uncertainty regarding loan performance, valuation is based on the underlying collateral, whose value is determined through property-specific information such as third party valuation reports and bids for the underlying properties.

d) Current accounts, demand deposits, Time deposits and saving accounts

The fair value disclosed for non-interest bearing deposits and savings accounts is the amount payable at the reporting date and, as a result, is equal to the carrying amount. Fair value for time deposits is estimated using a discounted cash flow calculation that applies interest rates currently offered to a schedule of aggregated expected monthly maturities on time deposits. The value of long-term relationships with depositors is not taken into account in estimating the disclosed fair values.

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e) Debt issued, Borrowings from financial institutions, and other financial obligations

Fair values for these financial instruments are estimated using discounted cash flow analyses, using interest rates currently being offered for incremental current loans with similar types of loan agreements, with similar maturities.

f) Financial instruments included in other assets

Fair values for these financial instruments are estimated using discounted cash flow analyses, based on discount rates implicit in transactions that generated these balances, which are similar to comparable instruments with similar risk assessments.

g) Financial derivative contracts

The estimated fair value of forward currency contracts was determined by using quoted market prices of financial instruments with similar characteristics and valuation models.

The fair value of interest rate swaps represents the estimated amount that the Bank expects to receive or pay out in order to settle the contracts or agreements, taking into account the payment term structure of the interest rate yield, underlying volatility, and credit risk for counterparties.

In the absence of market price quotes (direct or indirect) for a particular derivative instrument, current values or other valuation techniques based on mathematical valuation models such as Black-Scholes, Hull and Monte Carlo simulations, are used, taking into account the relevant variables, such as option volatility, underlying appreciable correlations, credit risk of the counterparty, volatility of the implicit price volatility, speed at which volatility returns to median value, and correlation between a market variable and its volatility, among others.

Fair value measurement and hierarchy levels

Based on hierarchy levels established by IAS 39.

The financial assets and liabilities recognized at fair value in the financial statements are classified according to the following order of hierarchy:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Bank has the ability to access at the measurement date: for example Central Bank securities, time deposit in Ch\$ and inflation-indexed for under a year.

Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly: for example, derivative agreement on currency and interest rate (forward in foreign currency, IPC Swap, libor swap etc.), Corporate Bonds, Bank notes

Level 3: Inputs are unobservable inputs for the asset or liability: The hierarchy level used to classify the estimates, is based on the lowest significant level input incorporated into the fair value.

The hierarchy level under which the instrument is classified is based on the lowest significant level input. The following table presents the assets and liability which are measured at fair value on a recurrent base as of December 31, 2012 and 2011 as classified by the hierarchy level.

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December 31, 2012	Notes	Fair Value Amount	Fair Value Measurement at reporting date using		
			Quoted prices in Active Markets for identical assets (Level 1)	Significant Other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
ASSETS					
Trading securities	5	159,898	140,619	19,279	-
Available-for-sale securities	10*	1,112,435	953,800	158,635	-
Derivatives	7	268,027	-	235,056	32,971
Total		1,540,360	1,094,419	412,970	32,971
LIABILITIES					
Derivatives	7	193,844	20,186	167,845	5,813
Total		193,844	20,186	167,845	5,813

December 31, 2011	Notes	Fair Value Amount	Fair Value Measurement at reporting date using		
			Quoted prices in Active Markets for identical assets (Level 1)	Significant Other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
ASSETS					
Trading securities	5	166,039	166,039	-	-
Available-for-sale securities	10	843,250	692,005	151,245	-
Derivatives	7	248,982	-	216,008	32,974
Total		1,258,271	858,044	367,253	32,974
LIABILITIES					
Derivatives	7	166,872	-	159,964	6,908
Total		166,872	-	159,964	6,908

For the years ended December 31, 2011 and 2012 there have been no reclassifications between levels 1 and 2.

Valuation of financial instruments in Level 2:

The available-for-sale securities classified in level 2, are measured using a valuation technique which primarily is comprised of the use of discounted cash flow models incorporating assumptions that are supported by observable inputs from quoted market sources using bootstrapping, a method for constructing a fixed-income yield curve from the prices of a set of coupon-bearing products. The majority of such securities are traded on an over-the-counter or an inactive market.

Instrument	Yield Curve Name	Quote convention	Market Quote Source	Fair Value Model
Central Bank of Chile Bond	CurvaBCP	TIR	Santiago Exchange	Discounted contractual cash flows
Central Bank of Chile Bond	CurvaBCU	TIR	Santiago Exchange	Discounted contractual cash flows
Central Bank of Chile Bond	CurvaPRC	TIR	Santiago Exchange	Discounted contractual cash flows
Central Bank of Chile Bond	CurvaCeros	TIR	Santiago Exchange	Discounted contractual cash flows
Treasury Bond	CurvaBR	TIR	Santiago Exchange	Discounted contractual cash flows
Central Bank of Chile Bond	CurvaPDBC	TIR	Santiago Exchange	Discounted contractual cash flows
Financial Institution Deposits	CurvaDPF1	TIR	Santiago Exchange	Discounted contractual cash flows
Financial Institution Deposits	CurvaDPF2	TIR	Santiago Exchange	Discounted contractual cash flows
Financial Institution Deposits	CurvaDPR	TIR	Santiago Exchange	Discounted contractual cash flows
Mortgage Security	Letras Hipotecarias	TIR	Santiago Exchange	Discounted contractual cash flows
Corporate Bond	Bonos Corporativos	TIR	Santiago Exchange - Bloomberg	Discounted contractual cash flows

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Valuation of financial instruments in Level 3:

The following table presents a rollforward of Level 3 fair value measurements of financial instruments for 2012

	Assets	Liabilities	Total
Opening balance - January 1, 2011	-	-	-
Total gains or losses			
- in profit or loss	-	-	-
- in other comprehensive income	-	-	-
Purchases	32,974	(6,908)	26,066
Issues	-	-	-
Disposals/settlements	-	-	-
Transfer out of level 3	-	-	-
Closing balance - December 31, 2011	32,974	(6,908)	26,066

	Assets	Liabilities	Total
Opening balance - January 1, 2012	32,974	(6,908)	26,066
Total gains or losses			
- in profit or loss	(3)	1,095	1,092
- in other comprehensive income	-	-	-
Purchases	-	-	-
Issues	-	-	-
Disposals/settlements	-	-	-
Transfer out of level 3	-	-	-
Closing balance - December 31, 2012	32,971	(5,813)	27,158

Reconciliation of Level 3 fair value measurements of financial instruments. Amounts are in millions Chilean pesos.

The financial instruments measured at level 3 are the interest rate swaps indexed to the TAB rate. The TAB rate is a weighted interbank inflation-linked deposit rate observed among Chilean financial institutions that is published and provided by the Chilean Banking Association. Interest rate swaps indexed to the TAB rate are usually offered to nonfinancial institutions in order to hedge their TAB rate indexed debts. These interest rate swaps are traded on the OTC market and have lower market liquidity. The fair value measurement method applied involves creating a yield curve/term structure that allows the quantification of the unknown cash flows indexed to the TAB rate. This yield curve/term structure is created by using an OIS Swap (an overnight indexed swap), plus a spread that reflects the liquidity premiums. The difference between the TAB rate and the overnight rate is called TAB basis, which is needed for the TAB yield curve modeling. As of December 31, 2012, no reasonably possible alternative assumptions would change the fair values of these Level 3 instruments significantly .

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NOTE 34- RISK MANAGEMENT

1. Introduction:

As part of its business activities, the Bank is exposed to various types of risks primarily in terms of financial instruments. A description of the Bank's main business activities and policies with regard to risk management is as follows:

Risk Management Structure:

Board of Directors

At CorpBanca, the Board plays a leading role in the field of Corporate Governance, and is responsible for establishing and monitoring the Bank's risk management structure, for which purpose it has a system of corporate governance aligned with international trends and Chilean regulations, Superintendency for Banks and Financial Institutions. One of the main functions of the Board is to monitor, assess, and lead senior management to ensure that actions conform to best practices. In order to do this, various committees, support areas, codes and manuals have been implemented, which provide staff behavior guidelines and allow them to assist in the development of the Bank's risk management control related functions.

Board of Directors and Audit Committee

The purpose of the Board of Directors Committee is to strengthen self-regulation within the Bank, enabling a more efficient Board performance by ensuring that operational controls are in place over all its activities. To this effect, among other functions, it is responsible for reviewing the accounting and financial reports of transactions with related parties and the remuneration and compensation plan systems for Managers and Senior Executives.

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The purpose of the Auditing Committee is to encourage the effectiveness of the internal control systems at the Bank and their compliance with regulations. Furthermore, it should strengthen and support both the Banks Comptroller Management function as well as its autonomy from Management and in turn be the link with and coordinate all tasks between internal auditing and the External Auditors as well as being a nexus between these and the Board of Directors of the Bank.

At a Board Meeting on August 30, 2011, it was agreed that the Board of Directors take over in addition to its own functions those which, in accordance with current regulations are the responsibility of the Audit Committee, calling themselves then the “Board of Directors and Audit Committee.”

Credit Committees

These committees are comprised of executives belonging to the Management Offices of Business, Risk, and/or Directors, having as their main purpose the resolution of different operations and their respective conditions, which represent credit risks for the Bank. In addition, the Executive Committee, our highest recourse authority, assesses eventual amendments, modifications, and/or updates to our Credit Policies.

Commercial Risk Committee

The Commercial Risk Committee is responsible for evaluating the policies and procedures of implemented risks, as well as for recommending actions or alternatives in order to help to maximize the risk-return ratio for all segments within the retail and commercial businesses, and for maintaining a risk quality consistent with the Bank’s expected return levels. This Committee proposes policies and strategies to enhance all of the processes for managing credit risk, in order to assess and monitor the Bank’s internal processes to ensure compliance with and fulfillment of objectives.

Asset and Liability Committee (ALCO)

The ALCO is responsible for generating the policy framework governing the management of financial risks in accordance with the guidelines defined by the Board of Directors and the existing rules as to review the macroeconomic and financial risks taken and the results obtained. According to the above, its main function is divided into commercial and financial, relating to the adoption of strategies that guide the Bank in respect of the composition of its assets and liabilities, income and expenditure flows and transactions with financial instruments. When considering the various options available decisions are made that ensure the highest profitability and sustainable support at a risk level consistent with the nature of the transaction under existing internal standards and institutional standards.

Committee on the Prevention of Money Laundering and Terrorist Financing

This is an internal body assigned to prevent money laundering and terrorism financing, whose primary purpose is to plan and coordinate all policy procedures and compliance activities on the subject. It also monitors work conducted by the Compliance Officer, and makes decisions relating to the improvement of any proposed control measures.

Compliance Committee

Its main purpose is to ensure the compliance with the rules set forth in the Codes of Conduct and other complimentary norms, creating and developing the necessary compliance procedures, as well as interpreting, managing and supervising

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the norms of action therein contained, and resolving any potential conflicts that may arise from the application of such rules and norms. The Compliance Committee is formed by one Officer, the Chief Executive Officer, the Legal Services Division Manager, the Organizational Development Division Manager and the Compliance Officer.

Comptroller

The Comptroller's Division's main purpose is to support the Board of Directors and Senior Management in safeguarding the maintenance, application, and performance of our internal control system, as well as to monitor general compliance with our rules and procedures.

Code of General Conduct and Market Information Management Handbook

CorpBanca's goal is to continue advancing towards being the best bank and having first-class human resources. All employees and Directors of CorpBanca and its Subsidiaries are subject to ethical norms that are based on guiding principles and values designed to uphold the highest standards.

In response to our client's trust and recognition, which are determining factors in the success of our institution, all employees and Officers must carefully commit to that compliance with the Code of General Conduct adopted in 2008 by the Management and Auditors' Committee.

2. Main risks affecting the Bank:

The main types of risks related to our business activities are market, liquidity, operational, and credit risks. The effectiveness with which we can manage the balance between risk and profitability is an important factor in determining our capability to generate sustainable profit growth on a long term basis. Our senior management focuses greatly on risk management.

2.1 Quantitative and qualitative information about Credit Risk:

Proper risk management, in all areas, and in particular with respect to Credit Risk, constitutes one of the fundamental pillars with respect to the performance of our portfolio, by ensuring that we maintain an adequate risk/return ratio.

Credit Risk management at CorpBanca is based on the following core elements:

- Credit Policies.
- Credit Processes.
- Solid risk culture consistent with our strategy.
- Regulated, preventive, and forward-looking risk assessment.
- Human Resources with high level of expertise in credit determinations.
- Active involvement of the Credit Risk Manager during the approval process, using a segmented market structure.
- Defined Tracking and Collections Processes, with the participation of Business, Risk, and Asset Rating and Control areas.
- Risk culture transmission within the Bank, by offering internal and external Training programs for the Business and Risk sectors.
- The Division Manager for Companies Credit Risk performs the "checks and balances" task with respect to the Business Areas.

In addition, we have a Credit Committee structure relating to Customer Risk Ratings, with powers that are principally vested in the committees involving the Risk Managers. The concurrence of Bank Directors is required with respect to certain amounts.

These committees define the levels of individual and collective exposure levels with clients, as well as any applicable mitigating conditions, including guarantees and credit agreements, among others.

Pursuant to our risk management tools, our portfolio is divided into:

Normal Risk Portfolio
Watch List Portfolio
Default Portfolio

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Normal Risk Portfolio

The risk involved is reviewed in the following events:

- New credit proposals, including renewals of credit lines and special transactions.
- As determined by the Asset Rating and Control Management Office.
- Every time an account executive determines the occurrence of relevant changes to the customer's risk factors that merit higher risk treatment.
- Through a monthly sample reflected by the warning signals system.
- Through the regular review of our various centers of responsibility.

Watch List Portfolio

To safeguard the quality of the loan portfolio, the Bank has established that the customer Watch List must include the following types of portfolios, depending on the type of problems that affect them :

- Special Watch Portfolio
- Default Portfolio

Watch List Portfolio ("WL")

It is important to note that credits included within these categories do not necessarily represent expected losses for us.

An asset in WL presents weaknesses that can be corrected. As such, it must receive special attention from the Business Areas and is subject to active control and monitoring measures by the Asset Rating and Control Management Office.

An asset in WL is managed by the Business Areas, which must comply with action plans established by the Watch List Committee.

Portfolios in WL, in addition, are reviewed by the Watch List Committee, which is comprised by the Division Manager for Companies Credit Risk and/or the Credit Risk Managers, the Asset Rating and Control Manager, and the Business Area Managers, according to the following schedule:

Every 4 months	Customer review under the following strategies: Exit strategy Pursuit of collateral Reduction of risk through renegotiation, heavier collection efforts
Every 6 months	Follow-up
Every 2 months	Structured Exit In the event the loan remains unpaid,

The WL Committee conducts special surveillance reviews of all customers with debts in excess of MCh\$50 million.

The Manager of Risk of each business segment and the Asset Rating and Control Manager are responsible to oversee the follow-up and compliance by the account executive with the action and agreement plans of the Watch List Committee.

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Plans of action

Every debtor on the watch list must have a defined action plan. The action plan is agreed to by account executives and the Asset Rating and Control Management Office (“GCCA”), and is reviewed by the Watch List Committee.

The action plans consist of:

Customers with an exit plan The Bank takes a full risk exit decision. These customers must have a defined payment plan.	V1
Customers with a plan to increase their collateral	V2
Customers with a plan to reduce exposure. Reduce debt to an amount at which the Bank feels comfortable.	V3
Customers with a monitoring plan. Lower degree of concern, for example: monitoring a company’s committed and not specified capitalization, specific payments arrears, payment of claims disputed by the insurance company.	V4
Customers with a structured payment plan. A defined payment plan for the full debt, needing only control of timely paid installments.	V5
Satisfactory Asset Customers. Customers who have exited the system due to satisfactorily complying with the action plans agreed.	V6
Variables that determine the classification of a Watch List asset	
1. An analysis of warning signs, could include:	
• Customer Warning Signs	
Change of ownership, partners or guarantors Issues among partners Change in the marital status of guarantors Changes in the ownership of fixed assets Labor issues Quality of financial information	
• Other Warning Signs	
Reduction in sales Reduction in the gross and operational margins Increase in cash flow cycles (inventory and accounts receivable turnover ratios) High retirement rates among partners Increase in investments and account receivables corresponding to related entities Structural changes in pertinent markets	
• Payment Behavior	
Continued renewal requests Continued internal overdrafts	

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Payment defaults for 30 days in the Financial System and/or Defaulted Portfolio

Returned documents (checks)

2. Customer Risk Rating.

Client merits rating A6 classification or worse,

3. Customer Analysis

Review of business circumstances and changes in the financial situation due to credit line renewals or requests for one-time credits.

Who obtains access to The Watch List

- Account Executives
- Risk Managers
- Approval Committees, as required,
- Defaulted and Expired Portfolio Committees
- Asset Rating and Control Manager
- Business Managers

Who grants access to the Watch List

The Asset Rating and Control Manager

The Asset Rating and Control Management, who grants the access, changes the plans under Watch List and/or excludes the clients from this segment.

The Asset Rating and Control Management Office is the only body that can amend, modify or exclude a client from the Watch List.

How is a client excluded from the Watch List.

Upon request to the committee, which reviews the background and either approves or rejects.

How is the Business Area notified of Committee resolutions.

Through a minute issued by the Asset Rating and Control Management Office.

Normalization Portfolio

The Bank maintains a functional area dealing with loans defined as the Normalization Portfolio. The activities of the area include:

- Analysis of the status of borrowers to assess chances of recovery;
- Establishing strategies and action plans to arrive at negotiated payment schedules;
- Making the decision, based on the compliance with negotiated payment schedules, about whether to transfer customers to court collection;
- Supervising and monitoring the progress of legal collection; and
- Establishing mechanisms for the control and monitoring of impaired customers and the transfer of such customers to the function area of Normalization.

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On a monthly basis, compliance with the above functional assignments is monitored by the Asset Rating and Control Management Office.

The portfolio itself is reviewed monthly by a Committee composed of the Chief Executive Officer, the Division Manager for Company Credit Risk, the Normalization area manager, the normalization area sub-manager and the Asset Rating and Control Manager.

Financial Derivatives Agreements

We maintain strict controls over our open positions in derivative agreements negotiated directly with counterparties. In all cases, credit risk is limited to the fair value of those agreements that are favorable to us (active position), which represent a small fraction of the notional values of those instruments. This exposure to credit risk is managed as part of client loan limits, in addition to potential exposures due to market fluctuations. In order to mitigate risk, we usually operate with deposit margins of the counterparties.

Contingent Commitments

We use several instruments that, notwithstanding their exposure to credit risk, are not reflected in the Balance Sheet: personal guaranties, documented letters of credit, guarantees and commitments to grant loans.

Personal guaranties represent an irrevocable payment obligation. In the event that a guaranteed client defaults on obligations to third parties secured by us, it the corresponding payments are made, such that these transactions represent the same exposure to credit risk as a common loan.

Letters of credit are documented bank commitments on behalf of a client, which are guaranteed by assets in transit to which such letter is related, such that letter of credit represents less risk than direct indebtedness. Guaranties are contingent commitments that become effective only if a client defaults on its obligation to execute certain actions, as agreed with third parties.

With respect to our commitments to grant loans, we are potentially exposed to losses in an amount equal to the total unused amount of the commitment. However, the probable amount of losses is less than the total unused amount of the commitment. We monitor the maturity of credit lines because, generally, long term commitments have a higher credit risk than short term commitments.

Financial Instruments

For these types of assets, we measure the probability of an unrecoverable issuer default by using internal and external ratings, such as independent risk rating agencies.

Maximum Exposure to Credit Risk

The following table presents the distribution, by financial asset, of our maximum exposure to credit risk, as of December 31, 2011 and 2012, for different balance sheet components, including derivatives, and without deducting security interests in personal or real property or other credit improvements.

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	Notes	Maximum exposure	
		2011 MCh\$	2012 MCh\$
Loans and receivables to banks	8	304,098	482,371
Loans and receivables to customers	9	6,711,945	9,993,890
Derivative financial instruments	7	248,982	268,027
Investments under agreements to resell	6	23,251	21,313
Financial investments available-for-sale	10	843,250	1,112,435
Financial investments held-to-maturity	10	21,962	104,977
Other assets	15	102,775	149,903
Total		<u>8,256,263</u>	<u>12,132,916</u>

For further detail of the concentration by financial security type, please refer to the specific Notes referenced above.

For financial assets recognized on the balance sheet, maximum exposure to credit risk represents the balance sheet carrying value after allowance for impairment.

An analysis of credit risk concentration by industry of loans is as follows:

	Notes	2011			2012		
		Maximum gross exposure MCh\$	Maximum net exposure (1) MCh\$	%	Maximum gross exposure MCh\$	Maximum net exposure MCh\$	%
Manufacturing		520,757	513,996	9.98%	817,284	808,665	10.90%
Mining		274,008	270,451	5.25%	356,709	352,947	4.76%
Electricity, gas and water		433,749	428,118	8.32%	417,645	413,241	5.57%
Agriculture and Livestock		213,651	210,877	4.10%	263,290	260,513	3.51%
Forestry and wood extraction		39,280	38,770	0.75%	38,836	38,427	0.52%
Fishing		68,395	67,507	1.31%	48,611	48,098	0.65%
Transport		164,447	162,312	3.15%	203,982	201,831	2.72%
Communications		35,867	35,401	0.69%	70,982	70,233	0.95%
Construction		599,519	591,735	11.50%	964,373	954,203	12.87%
Commerce		454,144	448,248	8.71%	914,870	905,221	12.21%
Services		2,178,272	2,149,992	41.77%	3,090,167	3,057,578	41.23%
Others		233,307	228,588	4.47%	308,111	304,862	4.11%
Subtotal Commercial Loans	9	5,215,396	5,145,995	100%	7,494,860	7,415,819	100%
Mortgage Loans	9	423,121	400,405		1,076,656	1,052,585	
Consumer Loans	9	1,175,928	1,165,545		1,531,975	1,525,486	
Total		<u>6,814,445</u>	<u>6,711,945</u>		<u>10,103,491</u>	<u>9,993,890</u>	

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(1) Net of allowances

Collateral

For purposes of credit risk mitigation, we hold collateral in our favor. The main collateral provided by customers is included below:

For loans to companies, the main collateral is: Machinery or equipment, Site-specific real estate development projects, and Sites or Urban Real Estate.

For loans to individuals, the main collateral is: Houses, Apartments and Automobiles.

Credit quality by financial asset class

With regard to credit quality, such is described consistent with the standards issued by the Superintendency for Banks and Financial Institutions. A detail is summarized as follows:

December 31, 2011

	Individual Portfolio										Group Portfolio			General Total MCh\$	
	Normal Portfolio										Normal Portfolio	Impaired Portfolio	Total MCh\$		
	A1 MCh\$	A2 MCh\$	A3 MCh\$	A4 MCh\$	A5 MCh\$	A6 MCh\$	B1 MCh\$	B2 MCh\$	Impaired MCh\$	Total MCh\$	MCh\$	MCh\$			MCh\$
Loans and receivables to banks	200,028	36,851	67,701	42	-	-	-	-	-	-	304,622	-	-	-	304,622
Loans and receivables to customers															
Commercial loans:															
General Commercial loans	236,229	1,002,989	1,227,123	1,039,390	439,597	9,011	14,203	4,594	73,174	4,046,310	231,295	68,126	299,421	4,345,731	
Foreign Trade loans	-	53,245	93,925	144,847	36,568	7,432	357	-	42,190	378,564	8,151	2,266	10,417	388,981	
Lines of credit and overdrafts	-	1,299	5,526	245	1,066	1	49	4	135	8,325	4,008	1,166	5,174	13,499	
Factored receivables	-	8,755	28,677	36,988	15,308	290	54	-	356	90,428	2,647	1,951	4,598	95,026	
Leasing contracts	-	11,495	16,698	106,405	89,018	592	2,439	-	37,655	264,302	19,428	9,996	29,424	293,726	
Other outstanding loans	-	171	42	519	125	12	-	2	22	893	77,281	259	77,540	78,433	
Subtotal Commercial loans	236,229	1,077,954	1,371,991	1,328,394	581,682	17,338	17,102	4,600	153,532	4,788,822	342,810	83,764	426,574	5,215,396	
Consumer loans															
Mortgage loans	-	-	-	-	-	-	-	-	-	-	398,364	24,757	423,121	423,121	
Total loans and receivable to customers	236,229	1,077,954	1,371,991	1,328,394	581,682	17,338	17,102	4,600	153,532	4,788,822	1,882,570	143,053	2,025,623	6,814,445	
Financial investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

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December 31, 2012

	Individual Portfolio										Group Portfolio			General Total MCh\$
	Normal Portfolio										Normal Portfolio	Impaired Portfolio	Total	
	A1 MCh\$	A2 MCh\$	A3 MCh\$	A4 MCh\$	A5 MCh\$	A6 MCh\$	B1 MCh\$	B2 MCh\$	Impaired MCh\$	Total MCh\$	MCh\$	MCh\$		
Loans and receivables to banks	463,159	9,080	10,310	-	-	-	-	-	-	482,549	-	-	-	482,549
Loans and receivables to customers														
Commercial loans:														
General Commercial loans	127,381	1,068,995	1,548,114	1,967,759	911,992	36,551	61,696	22,809	78,178	5,823,475	591,842	37,859	629,701	6,453,176
Foreign Trade loans	-	18,758	162,015	132,106	39,748	20,515	23,009	2,856	18,036	417,043	7,524	257	7,781	424,824
Lines of credit and overdrafts	-	492	6,336	11,285	2,530	126	100	44	186	21,099	7,885	261	8,146	29,245
Factored receivables	-	-	19,817	36,031	23,673	1,505	415	35	322	81,798	5,631	193	5,824	87,622
Leasing contracts	-	5,455	19,130	123,453	111,864	10,336	20,683	218	18,636	309,775	30,208	1,311	31,519	341,294
Other outstanding loans	-	234	358	2,026	392	51	16	2	826	3,905	154,508	286	154,794	158,699
Subtotal Commercial loans	127,381	1,093,934	1,755,770	2,272,660	1,090,199	69,084	105,919	25,964	116,184	6,657,095	797,598	40,167	837,765	7,494,860
Consumer loans	-	-	-	-	-	-	-	-	-	-	1,043,027	33,629	1,076,656	1,076,656
Mortgage loans	-	-	-	-	-	-	-	-	-	-	1,499,243	32,732	1,531,975	1,531,975
Total loans and receivable to customers	127,381	1,093,934	1,755,770	2,272,660	1,090,199	69,084	105,919	25,964	116,184	6,657,095	3,339,868	106,528	3,446,396	10,103,491
Financial investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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The overdue analysis by financial asset class is as follows:

	December 31, 2011			Total
	1-29 days	30-89 days	90 days or more	
	MCh\$	MCh\$	MCh\$	
Loans and receivables to banks	-	-	-	-
Loans and receivables to customers:				
Commercial loans	6,233	8,823	38,326	53,382
Mortgage loans	806	736	5,974	7,516
Consumer loans	2,007	1,648	2,079	5,734
Financial investments	-	-	-	-
Total	<u>9,046</u>	<u>11,207</u>	<u>46,379</u>	<u>66,632</u>

	December 31, 2012			Total
	1-29 days	30-89 days	90 days or more	
	MCh\$	MCh\$	MCh\$	
Loans and receivables to banks	-	-	-	-
Loans and receivables to customers:				
Commercial loans	35,226	11,735	41,792	88,753
Mortgage loans	3,128	1,857	7,272	12,257
Consumer loans	2,662	1,745	2,208	6,615
Financial investments	-	-	-	-
Total	<u>41,016</u>	<u>15,337</u>	<u>51,272</u>	<u>107,625</u>

The fair value of the collateral of overdue but not impaired loans was MCh\$163,604 as of December 31, 2011 and MCh\$223,509 as of December 31, 2012.

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The following tables details assets and liabilities by currency as of December 31, 2011 and 2012:

As of December 31, 2011	Notes	US\$ MCh\$	Euro MCh\$	Yen MCh\$	Sterling pound MCh\$	Colombian pesos MCh\$	Other currencies MCh\$	UF MCh\$	Pesos MCh\$	TC MCh\$	Total
Cash and due from bank	4	186,339	3,429	38	44	-	270	-	75,627	-	265,747
Cash in the process of collection	4	45,217	853	-	1,936	-	24	-	48,200	-	96,230
Trading portfolio financial assets	5	1,810	-	-	-	-	-	13,806	150,423	-	166,039
Investments under agreements to resell	6	172	-	-	-	-	-	984	22,095	-	23,251
Derivative financial instruments	7	118,094	-	-	-	-	-	-	130,888	-	248,982
Loans and receivables to banks	8	104,445	-	-	-	-	-	-	199,653	-	304,098
Loans and receivables to customers	9	1,148,263	6,184	-	146	-	-	2,959,001	2,590,812	7,539	6,711,945
Financial investments available-for-sale	10	7,162	-	-	-	-	-	471,511	330,625	33,952	843,250
Financial investments held-to-maturity	10	10,382	-	-	-	-	-	11,580	-	-	21,962
Investments in other companies	11	-	-	-	-	-	-	-	3,583	-	3,583
Intangible assets	12	161	-	-	-	-	-	-	12,078	-	12,239
Property, plant and equipment	13	115	-	-	-	-	-	-	57,110	-	57,225
Current income tax provision	14	-	-	-	-	-	-	-	6,278	-	6,278
Deferred income taxes	14	651	-	-	-	-	-	-	24,429	-	25,080
Other Assets	15	8,195	334	38	38	-	210	45	93,915	-	102,775
Total Assets		1,631,006	10,800	76	2,164	-	504	3,456,927	3,745,716	41,491	8,888,684
Current accounts and demand deposits	16	98,593	2,404	-	1,942	-	80	2,822	576,879	-	682,720
Cash in the process of collection	4	14,718	414	-	-	-	4	-	21,812	-	36,948
Obligations under repurchase agreements	6	672	-	-	-	-	-	1,699	128,178	-	130,549
Time deposits and saving accounts	16	763,984	333	-	-	-	-	336,693	3,723,367	1	4,824,378
Derivative financial instruments	7	66,582	-	-	-	-	-	441	99,849	-	166,872
Borrowings from financial institutions	17	656,497	7,019	-	146	-	-	-	36	-	663,626
Debt issued	18	-	-	-	-	-	-	1,478,388	44,385	-	1,522,773
Other financial obligations	18	-	-	-	-	-	-	11,443	5,781	2,829	20,053
Current income tax provision	14	-	-	-	-	-	-	-	-	-	-
Deferred income taxes	14	-	-	-	-	-	-	-	25,352	-	25,352
Provisions	19	1,841	-	-	-	-	-	-	40,189	-	42,030
Other Liabilities	20	1,369	-	-	-	-	-	2,060	27,552	-	30,981
Total Liabilities		1,604,256	10,170	-	2,088	-	84	1,833,546	4,693,308	2,830	8,146,282
Net Assets (liabilities)		26,750	630	76	76	-	420	1,623,381	947,592	38,661	742,402
Contingent loans	21	387,909	5,213	3,741	73	-	-	-	1,394,650	-	1,791,586
Net asset (liability) position		414,659	5,843	3,817	149	-	420	1,623,381	447,058	38,661	2,533,988

The analysis, by contractual maturity, of assets and liabilities can be found in Note 35.

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As of December 31, 2012	Notes	US\$ MCh\$	Euro MCh\$	Yen MCh\$	Sterling pound MCh\$	Colombian pesos MCh\$	Other currencies MCh\$	UF MCh\$	Pesos MCh\$	TC MCh\$	Total
Cash and due from bank	4	274,232	1,487	61	1,157	114,912	313	-	128,066	-	520,228
Cash in the process of collection	4	24,081	1,344	-	7	614	582	-	97,149	-	123,777
Trading portfolio financial assets	5	357	-	-	-	104,519	-	5,128	49,894	-	159,898
Investments under agreements to resell	6	72	-	-	-	-	-	1,009	20,232	-	21,313
Derivative financial instruments	7	155,142	-	-	-	4,699	-	-	108,186	-	268,027
Loans and receivables to banks	8	91,443	-	-	-	804	-	-	390,124	-	482,371
Loans and receivables to customers	9	1,462,191	34,378	-	104	1,637,625	-	3,487,311	3,366,221	6,060	9,993,890
Financial investments available-for-sale	10	23,059	-	-	-	218,350	-	481,512	382,188	7,326	1,112,435
Financial investments held-to-maturity	10	11,982	-	-	-	82,896	-	10,099	-	-	104,977
Investments in other companies	11	-	-	-	-	2,210	-	-	3,583	-	5,793
Intangible assets	12	123	-	-	-	23,347	(227)	-	458,439	-	481,682
Property, plant and equipment	13	99	-	-	-	9,347	-	-	55,640	-	65,086
Current income tax provision	14	-	-	-	-	-	-	-	-	-	-
Deferred income taxes	14	419	-	-	-	7,920	-	-	28,805	-	37,144
Other Assets	15	23,323	145	-	-	15,071	-	24	111,340	-	149,903
Total Assets		2,066,523	37,354	61	1,268	2,222,314	668	3,985,083	5,199,867	13,386	13,526,524
Current accounts and demand deposits	16	77,318	608	-	45	309,562	46	5,908	719,188	-	1,112,675
Cash in the process of collection	4	18,579	990	251	1,113	457	636	-	46,857	-	68,883
Obligations under repurchase agreements	6	13,455	-	-	-	-	-	-	244,266	-	257,721
Time deposits and saving accounts	16	840,994	2,329	-	-	1,504,242	-	740,654	4,594,455	1	7,682,675
Derivative financial instruments	7	94,820	-	-	-	5,568	-	30	93,426	-	193,844
Borrowings from financial institutions	17	953,856	2,297	-	104	13,671	99	-	(506)	-	969,521
Debt issued	18	-	-	-	-	77,561	-	1,762,222	46,821	-	1,886,604
Other financial obligations	18	-	-	-	-	1,570	-	8,583	6,544	1,423	18,120
Current income tax provision	14	15	-	-	-	8,647	-	-	395	-	9,057
Deferred income taxes	14	-	-	-	-	14,650	-	-	103,103	-	117,753
Provisions	19	2,841	-	-	-	51,754	-	-	71,344	-	125,939
Other Liabilities	20	(27,078)	30,789	(190)	7	25,208	89	1,410	44,970	-	75,205
Total Liabilities		1,974,800	37,013	61	1,269	2,012,890	870	2,518,807	5,970,863	1,424	12,517,997
Net Assets (liabilities)		91,723	341	-	(1)	209,424	(202)	1,466,276	(770,996)	11,962	1,008,527
Contingent loans	21	1,384,964	13,591	98	146	573,937	-	-	423,328	-	2,396,064
Net asset (liability) position		1,476,687	13,932	98	145	783,361	-	1,466,276	(347,668)	11,962	3,404,591

The analysis, by contractual maturity, of assets and liabilities can be found in Note 35.

2.2 Quantitative and qualitative disclosures about Market Risk

General

This section describes liquidity risks, and market risks to which Corpbanca is exposed in its business activities. Additionally, it includes an explanation of the internal tools and the regulatory methods used to control these risks, the portfolios to which these risks apply, and quantitative information showing the level of exposure to financial risk assumed by us.

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a. Financial Market Risk

Represents the risk of losses related to adverse changes in market prices corresponding to financial assets and financial liabilities. This risk is closely related to the volatility of the market (interest market rates, exchange rates, and prices) and to its negative impact in the value of the assets and liabilities.

It is classified by:

Interest Rate

Represents risk of losses caused by adverse shifts in interest rates over time. This is generated by increases in the yield curve or decreases in the yield curve with respect to the risk free performance and are parallel and non-parallel. These shifts have an impact on long and short term results.

Spread

Risk of losses related to adverse shifts in existing spreads on the yields of the different financial assets and liabilities, which can reflect particular liquidity conditions of those assets, deterioration of credit conditions, or specific pre-payment clauses the exercise of which can result in a deterioration of our capability to create future margin.

Exchange Rate

Currency risk is defined as the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

Optionality

Risk of financial losses related to positions in explicit or implicit options in the balance sheet, purchased or delivered, including, for example, those related to mortgage credits and education credits.

Liquidity Risk

Liquidity Risk is the risk that an entity has difficulties in obtaining the necessary funds to meet its obligations with respect to financial liabilities.

The liquidity risk is related to:

- a) Complying with contractual obligations in a timely manner;
- b) Liquidating positions without significant losses caused by abnormal volumes of operation;
- c) Avoiding regulatory penalties caused by default on regulatory indexes; and
- d) Financing business and treasury activities in a competitive fashion.

On a daily basis, we are exposed to cash capital requirements related, among others, to transfers from checking accounts, long-term deposit payments, guarantee payments, disbursements of transactions involving derivatives, etc. In accordance with regularly accepted banking practices, we do not maintain enough cash to cover the balance of such positions because, according to prior experience, only a minimum amount of funds will be withdrawn, something that can be foreseen with a high degree of certainty.

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The Bank maintains limits on a small portion of liquid assets to enable it to meet its obligations for the next 30 days.

Moreover, the Bank must meet regulatory limits for maturity mismatches.

These regulatory limits affect mismatches between future flows of income and expenses, and are the following:

- i. mismatches of up to 30 days for all currencies limited to up to one time basic capital
- ii. mismatches of up to 30 days for foreign currencies limited to up to one time the basic capital;
- iii. mismatches of up to 90 days for all currencies limited to up to two times the basic capital.

Considering the nature of transactions, we adopt an adjusted methodology in order to measure mismatches and compliance with regulatory limits. This methodology allows us to consider, in the measurement of the mismatches, a portion of on-demand deposits, deposits with fixed maturities, and saving accounts. Although contractually funds can be disbursed at any time, they tend to remain in the Bank for relatively long periods of time, a tendency that we can foresee with reasonable confidence.

We are exposed to the effects of exchange rate volatility, which are stated or indexed in its financial and cash flow statements. The Board of Directors establishes limits on net exposure levels by currency and on hedging positions during the day and at closing, which are reviewed on a daily basis.

The subsidiaries maintain liquid assets bases that allow them to meet obligations The liquidity coverage ratio which are required are:

- i. Liquidity coverage ratio for a period of 7 days which should be > 1
- ii. Liquidity coverage ratio for a period of to 15 days which must be > 1
- iii. Liquidity coverage ratio for a period of to 30 days which must be > 1

In the case of NY Corpbanca such ratios are:

- i. Liquidity coverage ratio for a period of 3 days must be > 1
- ii. 30 days Mismatch < 1 time line more capital committed to the bank
- iii. 90 days Mismatch < 2 times more capital committed to the online bank.

In the case of SMU: its liquidity coverage ratio for a period of 3 days must be > 1

Two sources of risk are identified:

Endogenous: risk situations caused by controllable corporate decisions:

- Low liquidity due to reduced liquid assets bases or mismatches between significant assets and liabilities.
- Low diversification or high concentration of financial and commercial assets according to issuer, maturity, and risk factors.
- Poor hedges relationships management in terms of hedge effectiveness, correlation between changes in value, sensitivity ratios of hedged items, and hedging instruments (derivatives), among others.
- Adverse corporate reputational effects that result in lack of or non-competitive access to financing.

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Exogenous: risk situations caused by shifts in financial markets and which are not within our control:

- Extreme unexpected shifts or corrections/events in local and international markets.
- Regulatory changes, intervention by currency authorities, among others.

b. PRINCIPLES OF MANAGEMENT ON FINANCIAL RISKS

CorpBanca and its subsidiaries have established a set of business principles that ensure the proper functioning of the management of financial risks:

- CorpBanca and its subsidiaries manage their own portfolios in line with corporate levels of tolerance to the level of market risk, their standards of liquidity, profitability and annual plans.
- Business is conducted in accordance with established policies, appropriate boundaries, standards of conduct, procedures and controls clearly delegated authority and in compliance with laws and regulations.
- The non-proprietary and proprietary portfolios should be managed in a manner consistent with the definitions made by management, avoiding concentrations of risk that could have an adverse effect on their income or financial position.
- The organizational structure of CorpBanca and its subsidiaries ensures effective separation of duties, so investing activities, monitoring, accounting, risk management and measurement are performed and reported independently.
- The aim of the process of managing market risk is to identify, measure and manage risk / return ratio, within established risk tolerance, ensuring that these activities are conducted with appropriate safeguards.
- CorpBanca and its affiliates regularly monitor its exposure to market extreme movements and consider these results to the establishment and review of policies and limits for taking risk in their portfolios.
- The business areas are responsible for managing proprietary positions within approved limits and provide the General Manager and Board explanations of any breach of limits as to amount, terms and / or conditions.
- Products and their limits are subject to Board approval. The limits should be reviewed at least annually.
- CorpBanca and its affiliates may invest in new products and participate in their markets only after it has made a full assessment of the activity to determine if it is within the tolerated risk level and the objectives and business plans and have established appropriate controls and limits on the activity.
- Limits, terms and conditions set should be monitored daily and independently of the areas that originate and administer, and any excess must be reported no later than the next day.
- The models used for financial reporting and risk measurement are verified and approved independently.

c. ORGANIZATIONAL STRUCTURE AND CORPORATE GOVERNANCE

Board of Directors and ALCO (A&L)

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The Group is a modern financial institution in defining the role of the Board with the various investment committees specialized in making financial decisions.

The Board of Directors is ultimately responsible for financial management with the responsibility to ensure a comprehensive manner for internal and regulatory compliance to shareholders.

The Bank's Board has delegated making financial decisions to the Asset and Liability Committee (ALCO), the latter being the highest authority on financial matters for the Bank. The ALCO is composed of the two Vice Presidents of the Bank's Board, a Director, General Manager of the Bank, and International Finance Division Manager, Planning Division Manager, Control and Risk Management, Finance Manager and Risk Manager (financial). The ALCO makes the financial decisions that the organization embodies. This Committee is responsible for generating the policy framework governing the management of financial risks in accordance with the guidelines established by the Board and the existing rules as to review of the macroeconomic and financial risks assumed and the results obtained.

As part of the Bank's financial institutions, there are committees which specialize in the implementation of financial strategies wherein lies the responsibility for daily and weekly monitoring the macroeconomic variables (Interest rate, liquidity premiums, inflation, etc.), balance of risks and performance strategies: Journal Committee, Committee of Balance Sheet, Liquidity Committee, Committee for Proprietary Positions and Customer Committee.

International and Treasury Division

The International and Treasury Division is responsible for providing the necessary resources to the business areas in order to ensure a healthy structure of financing and liquidity. Likewise, it must generate income through the development of financial solutions in treasury and foreign commerce products for clients in our different segments.

We have established different interrelated specialized units, through which investment and financing decisions are reached. These units not only support our business pillars, but also constitute units of business that determine the profitability of invested capital, complementing our traditional banking business: Balance Sheet Management, Long-Term Portfolio and Trading Activities.

Balance Sheet Management

The Bank has a unit responsible for liquidity management, in Finance and International Division, whose mandate is to efficiently manage mismatches between assets and liabilities, securing permanent financing and competitive assets as well as to secure the timely payment of obligations and compliance with regulatory margins at all times.

Additionally, the Bank has a unit responsible for managing the balance mandated to efficiently manage the Bank's balance sheet, ensuring the sustainable generation of net interest income by way of managing the risk of inflation and interest rates.

The Bank's assets consist of mortgage loans (mainly denominated fixed rate), commercial loans, consumer loans (including overdrafts and cards) and education credits.

The Bank's liability structure comprises mainly of demand deposits, time deposits from retail and wholesale customers, which mostly have a maturity of less than one year. The liability structure also includes a portion of long-term and senior subordinated debt.

The Bank manages its balance sheet in order to maximize net income from fees and maintaining a ratio of deposits for which no interest is paid on time deposits to short-term deposits, providing loans for longer periods to take advantage of the slope of the yield curve within the context of financial risk management to be arranged by senior management.

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Portfolio Management Long Term

Additionally, we have a unit that is responsible for managing a portfolio of non-derivative financial instruments with the purpose of capturing differentials in the yield curve and/or shifts in rate structures to generate capital gains. Derivative instruments in this portfolio are only and exclusively utilized for hedging purposes (economic and accounting) or in order to capture premiums between the fixed income and the derivatives market.

Trading Activities

We have a trading area that is responsible for the active trading of instruments of high liquidity, including central bank bonds, bank notes and/or corporate bonds, derived from interest rate or currency.

This area is responsible for (a) identifying short-term income opportunities by capturing transitory arbitrage opportunities in prices and yield curve differentials (base and spreads), (b) managing financial risks arising from transactions with clients, and (c) creating high added-value financial solutions by obtaining returns consistent with the financial risks of existing credits.

Financial Risk Management

The Bank has a Financial Risk Management Office (under the Management Division for Planning and Control), the main purpose of which is to identify, measure, and control financial risks, by communicating to the appropriate levels of management changes in our identified risk profiles and by anticipating scenarios that may compromise our short, medium or long term financial situation.

The Financial Risk Management Office is responsible for ensuring regulatory and internal compliance related to financial risks, ensuring compliance with the standards and recommendations of regulators and with good business practices provided by the Basel Committee.

On a daily basis, the Financial Risk Management Office reports on exposures and is responsible for reporting any excess above the limit structure approved by upper management.

Policies, limits and methodologies are approved annually by the A&L Committee and/or the Board of Directors.

d. Counterparty risk

As a result of our client activity, we have counterparty exposures generated by the probability that our customers default on their payments with respect to financial derivative agreements, as originally agreed. We set levels of credit risk by setting limits to the concentration of such risk in individual customers, groups of customers, and country and industry segments. Such risks are under permanent review by the Risk Division, and the limits per customer, groups of customers, products, and industry and country, are reviewed and approved at least once a year by our Board of Directors and our Senior Risk Committees.

Our exposure to credit risks is managed through a regular analysis of the customers' capacity and potential customers compliance with payment obligations in accordance with contractual terms of such loans, and is mitigated by obtaining guarantees.

We have strict controls over open positions in derivative agreements directly negotiated with counterparties. Our exposure to credit risk is managed as part of our limits for loans to clients, jointly with potential exposures caused by market fluctuations.

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e. Market Risk

Measurement Tools: Market Risk

The market risk measurement is based on universally accepted tools to use and measure: Value at Risk, Sensitivity of Net Interest Income and Financial Margin among others, supplemented with stress testing market risk scenarios that analyze hypothetical and historical scenarios.

Value at Risk

The Bank uses a “Value at Risk” (VaR) model to quantify the market risk of Proprietary Trading and Market Making portfolios. Through this measure, the currency, interest rate, inflation and volatility risks inherent to trading activities are monitored, taking in account interactions and correlations between these risk factors. There were no changes made to VaR methodology or assumptions during 2012.

Annually, the board reviews and establishes the VaR limits for both portfolios. The Financial Risk Management Unit is responsible for calculating and reporting on its use.

The VaR is calculated using a historical simulation confidence level of 95% and a moving timeframe of 300 days.

Table 1 summarizes the VaR limits and historical consumptions statistics for 2012. The VaR limit is MCh\$ 250 for Proprietary Trading Portfolio, and MCh\$ 700 for Market Making Portfolio.

		VaR (95%,1d)				
		Limit	12/31/2012	Min	Average	Max
TRADING ACTIVITIES			541,550,411	237,390,760	517,588,400	941,108,670
	<i>Diversification Adjustment</i>		(192,332,769)			
	<i>Interest Rate</i>		498,005,354	231,285,768	508,026,904	939,063,415
	<i>Currency</i>		235,877,826	2,891,868	84,444,843	277,866,564
PROPRIETARY TRADING		250,000,000	190,242,827	5,659,991	88,932,087	284,322,183
	<i>Diversification Adjustment</i>		(4,139,644)			
	<i>Interest Rate</i>		3,273,812	3,273,812	41,141,818	213,901,713
	<i>Currency</i>		191,108,659	0	62,886,392	229,820,665
MARKET MAKING TRADING		700,000,000	473,796,037	237,620,560	492,369,067	785,262,052
	<i>Diversification Adjustment</i>		(82,919,500)			
	<i>Interest Rate</i>		495,810,424	241,791,974	488,141,222	808,999,485
	<i>Currency</i>		60,905,113	5,810,906	42,694,291	254,692,952

Table 1: VaR limits and historical consumptions statistics for 2012. Amounts are in Chilean pesos.

Diversification Adjustment; This takes into account the correlating effects of having assets in the portfolio whose asset values do not move up and down together

Interest rate: Value at Risk for interest rate risk at 95% confidence level

Currency: Value at Risk for currency risk at 95% confidence level

Graphically, VaR limits versus consumption on both portfolios are shown in the following graphs: As can be seen in figure 1, Proprietary Trading Portfolio VaR has exceeded the limit only once, on May 8th. Figure 2 shows that the Market Making Portfolio VaR limit which was exceeded on May 30th. Both excesses were properly reported to the Board.

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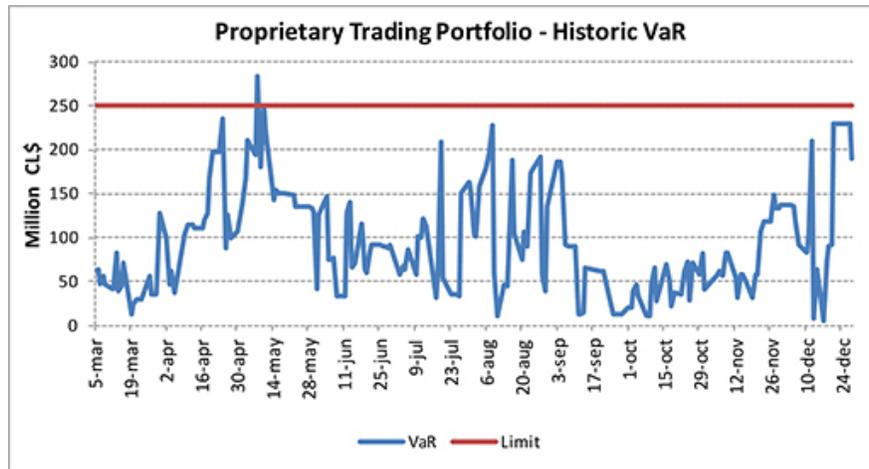


Figure 1: Historical Proprietary Trading Portfolio VaR consumption. Amounts are in millions Chilean pesos.



Figure 2: Historical Market Making Portfolio VaR consumption. Amounts are in millions Chilean pesos

The determination of our VaR models as statistically appropriate is performed in accordance with Kupiec Excess frequency test and Basel Committee guidelines.

Over the course of the last 255 days since December 28th, 2012, the Proprietary Trading Portfolio losses exceeded VaR measure 4 times, as can be seen in figure 3. The excess frequency is 1.57%, meaning that the VaR model for this portfolio is measuring higher risk than the realized, according to the Kupiec Excess Frequency Test, as is shown in figure 4.

Using the same timeframe, the Market Making Portfolio losses exceeded VaR measure 16 times (figure 5), with an excess frequency of 6.27%. According to the Kupiec Excess Frequency Test, shown in figure 6, the VaR measure for Market Making Portfolio is in the acceptance zone.

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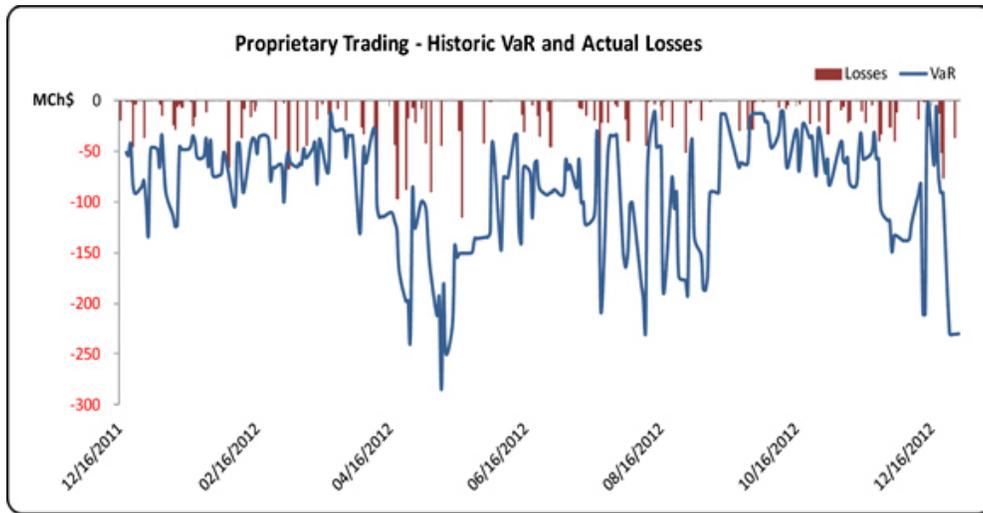


Figure 3: Proprietary Trading Portfolio VaR consumption and actual losses.

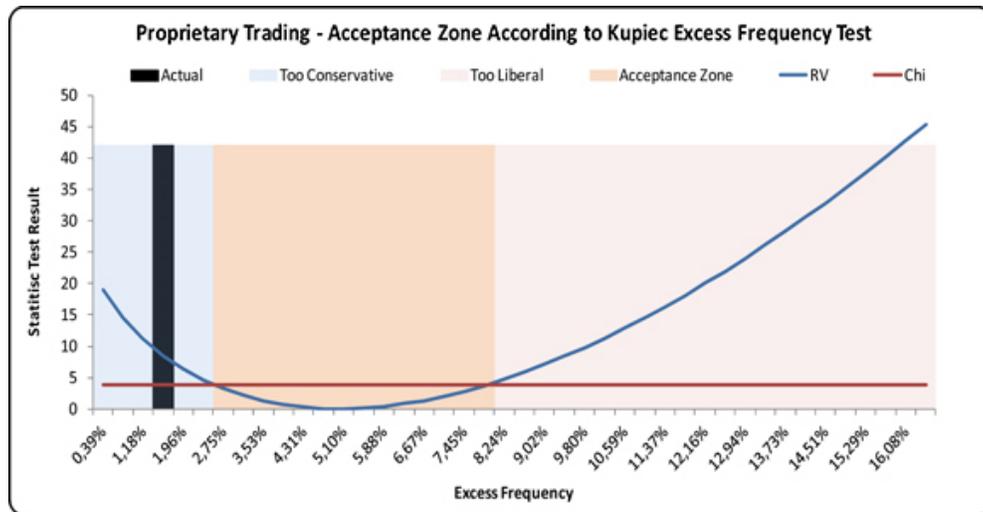


Figure 4: Proprietary Trading Portfolio VaR measure Kupiec Excess Frequency Test

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Figure 5: Market Making Portfolio VaR consumption and actual losses.

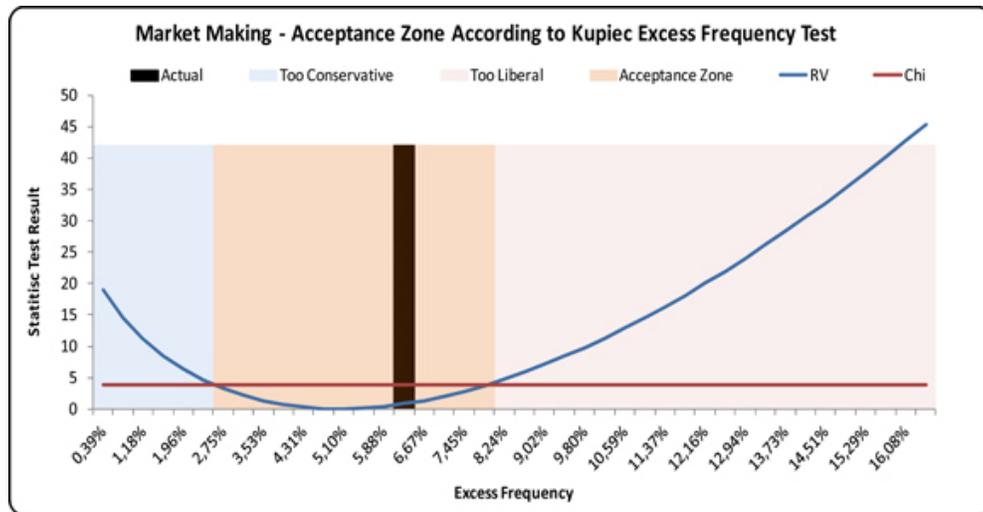


Figure 6: Market Making Portfolio VaR measure Kupiec Excess Frequency Test

For the case of subsidiaries with proprietary positions, using the same VaR methodology to quantify market risk which is subject to the proprietary positions of subsidiaries, in the same way one can conclude that at year end 2012 the VaR reached the following uses:

Brokerage (CorpBanca Corredores de Bolsa).

- Total VaR : MCh\$22.095, Limit MCh\$250.000.
- Fixed income securities VaR : MCh\$14.418, Limit MCh\$200.000.

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- Stock VaR : MCh\$5.743, Limit MCh\$120.000.
- FX VaR : MCh\$16.169, Limit MCh\$45.000.

New York

- Total VaR : US\$22, Limit ThUS\$350.

General Funds Management (CorpBanca Administradora General de Fondos)

- Total VaR : MCh\$3.544, Limit MCh\$24.156.

Net Interest margin and Market value sensitivity

To supplement the provisions of the standard, the Bank uses the sensitivity of equity and net interest margin to quantify the interest rate risk of long and short term respectively.

Both measures include total assets and liabilities in the balance sheet with exception of the Trading Portfolios.

Interest rate sensitivity is measured:

- On a contractual maturity date in the case of fixed income products
- On the next date of repricing in the case of floating rate products

The following non paid assets and cost-free liabilities are registered as non-interest-rate-sensitive:

- Cash flow
- Other assets and liabilities
- Deteriorated loans
- Provisions
- Capital and reserves

Changes in equity are determined by assuming a parallel shift of 100 pbs under interest rate structures. The calculation is made separately for national currency and foreign currency (USD and the rest of the currencies). The total risk is the sum of the absolute value of both items.

On an annual basis, the ALCO reviews and approves limits on interest rate risk. Short Term Limit: 7% Net Interest Margin, Long Term Limit: 17.5% of regulatory capital.

In December 2012 the use of both limits was 32% and 28% for the risk of short and long term, respectively. Meanwhile, “the average utilization” was 52% and 30% for the limit of short and long term.

Similarly to the case Corpbanca New York ALCO approved limits on interest rate risk. Short Term Limit: 17% Net Interest Margin, Long Term Limit: 25% of the Capital; the use of year-end 2012 was 40% and 1% respectively.

Stress Testing

Stress tests complement traditional measures of risk such as “VaR”, with emphasis on events that are “in the tail of the income distribution.” The stress testing program includes parallel and non-parallel movements in the yield curve, movements in inflation compensation structure, volatility shocks and historical settings.

In each scenario impacts are quantified: Basic Capital, Income and Capital Adequacy Index (Basel I), being calculated establishing proposals for actions to follow that are reported by Financial Risk Management at ALCO.

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Balance Sheet Management

We have a unit that is responsible for balance sheet management, the purpose of which is to efficiently manage the balance sheet, ensuring the generation of a sustainable financial margin by managing inflation and interest rate risk.

Our assets are comprised of mortgage (mainly fixed income), commercial and consumer loans.

Our liabilities include fixed rate deposits payable on demand and upon maturity to clients that, in most cases, have maturities of less than a year. The structure of long-term debt includes senior/subordinated loans.

We manage our balance sheet with the goal of maximizing net interest margin by maintaining a proportion of deposits payable on demand under which no interest is paid, as well as short term deposits, and by granting loans for longer periods which allow us to benefit from the slope of the yield curve within the context of the financial risk management previously agreed-to by senior management.

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Other use of tools to manage risk

a. Currency risk

The Bank is exposed to exchange rate movements that are expressed or indexed to its financial positions and cash flows. Annually, the board sets limits for levels of net exposure by currency at the end of the day, which is monitored daily by Financial Risk Management.

<i>Currency</i>	<i>Limit (Absolute Value) [USD]</i>	<i>Net Position [USD]</i>	<i>Inc. VaR 95% [Ch\$]</i>	<i>VaR 95% [Ch\$]</i>
USD	45,000,000	- 39,677,779	67,110,351	190,203,750
EUR	20,000,000	13,625,647	- 660,629	58,810,012
JPY	10,000,000	114,163	- 432,493	430,389
GBP	10,000,000	29,045	24,495	103,541
AUD	5,000,000	5,194	12,123	25,419
MXN	5,000,000	35,187	- 2,068	179,826
PEN	5,000,000	-	-	-
BRL	5,000,000	- 2,447	- 9,607	15,265
COP	5,000,000	-	-	-

Table 2: Net foreign currency positions

Incremental VaR; Incremental VaR measures the impact of small changes in position through weighting scaled by portfolio rating.

VaR: Value at risk estimates, at 95% confidence level.

The VaR for the individual currencies will never be exceeded by such foreign currency's net position at any date

The next figures present the historical currency exposures in USD, EUR and JPY, our most traded currencies.

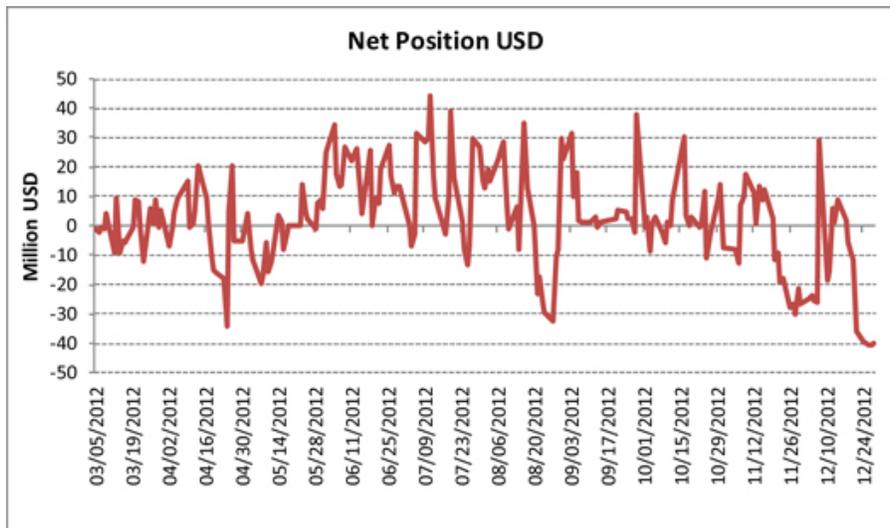


Figure 7: Historical currency exposure in USD.

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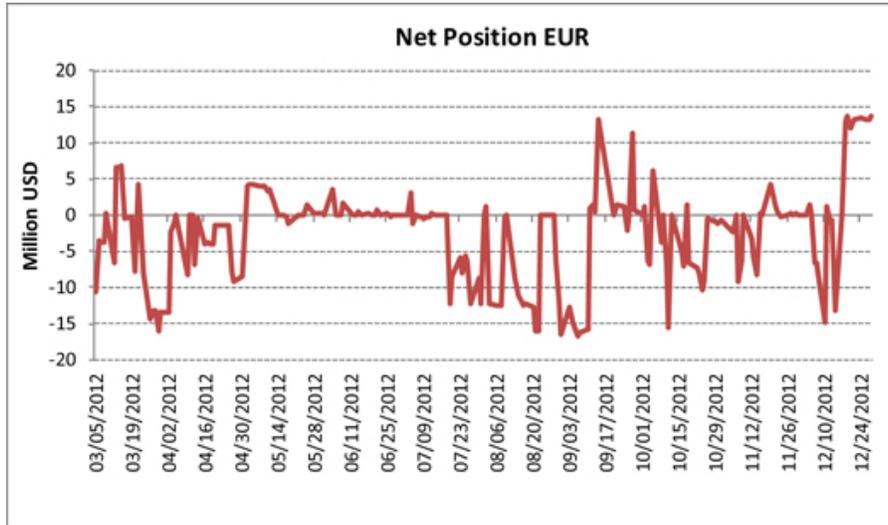


Figure 8: Historical currency exposure in EUR.

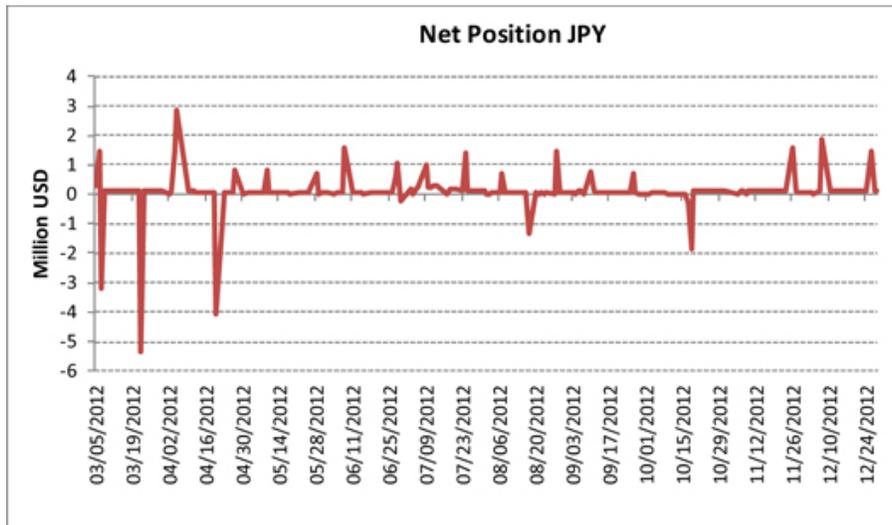


Figure 9: Historical currency exposure in JPY.

b. Interest rate risk

The Bank is exposed to volatility in the structure of market interest rates. As a result of changes in interest rates, margins may increase, but can also be reduced and even cause losses in the event that adverse movements are in force.

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The Board sets limits to the effects of mismatches in the banking book (which includes all positions that are not for trading) on the margin and on the economic value of its assets, compliance with which must be reported monthly to the Superintendency of banks and Financial Institutions.

At December 31, 2012, these limits were MCh\$78,624 and MCh\$337,314, for the risk of short and long term, respectively, and the exposure was MCh\$27,370 and MCh\$218,002 respectively.

The following table shows the structural exposure of interest rate assets and liabilities at their periods of change or renewal. Otherwise the expiration dates of the transactions (consolidated figures) are used.

	Utilization
Short Term Interest Rate Risk	21,752
Inflation Risk	25,900
Fees at Risk	3,601
Long Term Interest Rate Risk	119,311
Interest Rate Optionality	—

Short Term Limit CP (35%)	78,624
Long Term Limit LP (27%)	337,314

at Risk (Short term)	51,253
Short Term Interest Rate Risk	21,752
Inflation Risk	25,900
Low Fees and Commissions Sens.	3,601

Short term Margin Exp at Risk (Long term)	27,370
Long Term Interest Rate Risk	119,311
Interest Rate Optionality	-

Long Term Margin Exp.	218,002
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at Risk (Short Term)	65%
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at Risk (Long Term)	35%
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Table 3: Exposure of the Book of Business (Banking). Figures in Millions of Pesos.

Tenor	CLP Net position	CLF Net position	USD Net position	Yield Curve			Rate Shock			Market Value Sensitivity (MVS), 100 bps		
										CLP	CLF	USD
1M	566,403	33,873	(55,715)	5.13%	10.69%	0.23%	1%	1%	1%	(220)	(12)	23
3M	(786,735)	194,864	(10,743)	5.13%	7.35%	0.25%	1%	1%	1%	1,213	(293)	18
6M	(548,592)	170,614	(2,302)	5.15%	4.68%	0.39%	1%	1%	1%	1,882	(589)	8
9M	(121,601)	133,520	11,521	5.19%	3.60%	0.59%	1%	1%	1%	685	(771)	(70)
1Y	(201,794)	165,375	6,997	5.23%	3.01%	0.74%	1%	1%	1%	1,570	(1,338)	(59)
2Y	101,841	268,404	(13,010)	5.27%	2.65%	0.36%	1%	1%	1%	(1,311)	(3,678)	188
3Y	(114,990)	35,388	7,983	5.33%	2.44%	0.44%	1%	1%	1%	2,330	(789)	(191)
4Y	187,262	77,311	12,313	5.36%	2.34%	0.55%	1%	1%	1%	(5,016)	(2,356)	(406)
5Y	195,991	(37,279)	5,666	5.40%	2.28%	0.72%	1%	1%	1%	(6,370)	1,425	(235)
7Y	109,659	271,866	19,581	5.46%	2.28%	1.03%	1%	1%	1%	(4,349)	(13,311)	(1,044)
10Y	73,173	111,304	54,947	5.54%	2.34%	1.53%	1%	1%	1%	(3,540)	(7,181)	(3,818)
15Y	48,009	442,671	25,066	5.61%	2.41%	2.12%	1%	1%	1%	(2,688)	(37,278)	(2,190)
20Y	15	232,444	-	5.68%	2.47%	2.52%	1%	1%	1%	(1)	(23,525)	-
+20Y	20	(490,002)	-	5.71%	2.50%	2.65%	1%	1%	1%	(1)	53,025	-
	(491,339)	1,610,353	62,304							(15,816)	(36,671)	(7,776)

MVS	60,260
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Table 4: Term structure, Book of Business Assuming that assets and financial liabilities at December 31, 2012 remain to maturity without any action by the Bank to alter the exposure to interest rate risk, an immediate and sustained increase in market interest rates of 1 % during expiration would reduce net income by approximately MCh\$60,260.

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Table 3 and Table 4 reflect the regulatory limits on the banking book exposures. Short term limits reflect the exposure affecting the:

- (i) net interest margin based on the bank's structural position
- (ii) the bank's structural position caused by inflation
- (iii) fees at risk when key prices and rate are subject to a change determined by the regulation

This measure cannot exceed the average margin of interest and inflation P&L accumulated during the past twelve months in a certain percentage that is defined by the bank's board of Directors and reflects the bank's willingness to accept short term interest risk.

Note in table 3 the limit consumption is 65 % at 78.624 million pesos. Investors should view these limits as the maximum volatility on the bank's net interest margin (amount) that the bank administration is willing to face.

Long term limits reflect the effect of market value sensitivity on the balance sheet. The limit consumption can be seen on table 3 with 35% consumption at 337.314 million pesos. Each long term limit includes an unexpected variation in key prices and rates that is set by our regulator and reflects the change caused by inflation and yield curve / term structure of interest rates in a stressed scenario. Investors should view these limits as the sum of effects that may impact the value of our stock under a common stress scenario defined by our regulator, which offers a common benchmark for the industry.

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c. Market risk (Trading Book)

Market risks arise from exposures to interest rate risk positions and prices in trading and currency risk on global positions.

The Central Bank of Chile establishes a regulatory limit for the sum of the interest rate risk on positions for trading (including derivatives) and the currency risk. The Bank, individually, should keep under those limits and report weekly to the Superintendency of Banks and Financial Institutions on their positions in risk and compliance with these limits. The Bank must also report monthly to the SVS risk on positions in consolidated subsidiaries and branches abroad.

The regulatory limit established that the regulatory capital must be sufficient to cover the sum of 8% of risk weighted assets for credit and market risk. As of December 31, 2012, exposure to interest rate risk was: trading book, MCh\$43,470; currency risk, MCh\$7,737; and MCh\$781 for optionality risk.

	Utilization
Interest Rate Risk	43,470
Currency Risk	7,737
IR Option Risk	727
FX Option Risk	54

Market Risk Exposure	51,988
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Credit Risk Exposure (8% of Risk Weighted Assets)	919,553
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Effective Capital	1,270,202
Available Margin	350,649

Table 5: Figures for the bank, millions of Chilean Pesos.

2.3 Quantitative and Qualitative Disclosures About Liquidity Risk

Measurement Tools: Liquidity Risk

The tools used to measure and control liquidity risk are:

- Mismatches accumulated at different times
- Coverage Ratios: Current assets / liabilities
- Concentration of depositors
- Liquidity Stress Testing

Finally, on the basis of continuous monitoring, the Bank reviews all aspects of the liquidity management process in light of potential risks to which it is exposed in this area. The liquidity contingency planning is an integral component of this review, and aims to provide a framework for establishing appropriate actions in event of a liquidity crisis. For this purpose the bank has a "Liquidity Contingency Plan" which is reviewed and approved annually by the Board of Director and ALCO.

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Accumulated mismatches reported to December 31, 2012 are as follows:

Term	7 Days	15 Days	30 Days	60 Days	90 Days	180 Days	360 Days	>> 360 Days	Total Bandas
Liabilities without maturity	(318,340)	(1,455)	(2,960)	(5,915)	(8,855)	(17,131)	(21,026)	(418,155)	(793,837)
Unconditional Money-term Savings	(203)	(314)	(314)	(397)	(397)	(531)	(478)	-	(2,635)
Giro term savings Deferred	(28)	(39)	(39)	(53)	(53)	(50)	(71)	(5,177)	(5,509)
Liabilities to Central Bank	-	-	-	(52,802)	(81,481)	-	-	-	(134,283)
Lines with the Central Bank	-	-	-	-	-	-	-	-	-
Interbank and covenants	-	-	-	-	-	-	-	-	-
Lines with domestic banks	-	-	-	-	-	-	-	-	-
Deposits and repos	(303,819)	(401,503)	(646,940)	(972,574)	(743,220)	(1,151,737)	(1,048,527)	(949,146)	(6,217,466)
Correspondent banks	(14,826)	(9,633)	(11,985)	(96,220)	(26,549)	(253,837)	(61,506)	(41,140)	(515,696)
Credit lines with foreign banks	-	-	-	-	-	-	-	-	-
Liabilities Lyrics	(5,174)	-	-	(1,331)	(1,048)	(6,075)	(12,002)	(160,175)	(185,805)
Long-term debt	(16,700)	(5,796)	-	(5,416)	-	(123,447)	(35,067)	(2,254,701)	(2,441,127)
Other liabilities	(158,085)	-	(57)	(56,989)	(90)	(308)	(1,904)	(9,044)	(226,477)
Other lines of credit	-	-	-	-	-	-	-	-	-
Cash outflows	(817,175)	(418,740)	(662,295)	(1,191,697)	(861,693)	(1,553,116)	(1,180,581)	(3,837,538)	(10,522,835)
Funds available	657,740	-	-	-	-	-	-	-	657,740
Financial Investments (Trading and Available for Sale)	383,759	321,708	160,705	-	-	-	-	-	866,172
Interbank loans	-	-	-	-	-	-	-	-	-
Lines with domestic banks	-	-	-	-	-	-	-	-	-
Commercial loans without credit lines	131,598	96,878	269,626	318,874	388,974	591,203	712,473	4,500,068	7,009,694
Overdraft loans of credit and commercial	(5,722)	(5,722)	(4,904)	(1,635)	(2,452)	3,270	3,270	62,938	49,043
Consumer loans without credit lines	199	2,667	4,397	12,569	13,950	45,204	92,908	327,034	498,929
Overdraft loans of credit and consumption	(1,047)	(785)	(785)	(785)	(523)	1,047	262	19,624	17,007
Housing mortgage loans	-	5,253	2,866	9,043	9,165	28,521	55,131	1,893,551	2,003,530
Term Financial Investments	-	-	929	-	-	-	1,005	9,053	10,988
Other credit transactions or commitments without lines of credit	106,553	-	-	-	-	-	-	-	106,553
Other lines of credit	-	-	-	-	-	-	-	-	-
Derivative contracts	(912)	100	(7,073)	834	7,001	728	3,110	21,545	25,333
Cash inflows	1,272,168	420,099	425,761	338,900	416,115	669,973	868,159	6,833,813	11,244,989
Static cash Flows	454,993	1,359	(236,534)	(852,797)	(445,578)	(883,143)	(312,422)	2,996,275	
Cumulative Cash Flows	454,993	456,352	219,818	(632,979)	(1,078,557)	(1,961,700)	(2,274,122)	722,153	
		Total 30 days	Total 90 days						
Internal limiting		834,327	1,668,653						
Internal clearance		1,054,148	590,098						

Table 6: Accumulated mismatches. Figures in millions of Chilean Pesos.

Operational Risk

CorpBanca adopts the Basel Committee's definition of operational risk, which is presented below:

“The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events”.

These risks, if not handled appropriately, can result in service unavailability, information deficiencies, financial losses, increased costs, loss of professional reputation or failure to maintain or increase market share.

For its operational risk management, CorpBanca has established and imposed an appropriate structure of responsibilities, which is detailed below:

2.4 Quantitative and Qualitative Disclosures About Operational Risk

Operational Risk Management Roles and Responsibilities:

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Board of Directors

The Board of Directors must ensure that the management mechanisms used to manage operational risk, such as the definition of roles and responsibilities (outlined in this policy), are consistent with the guidelines laid out by our shareholders on this subject.

Operational Risk and Information Safety Committee

It is responsible for maintaining a visible commitment with respect to the management of operational risks, at the most senior executive level.

Area in charge of Operational Risk Management

Its mission is to identify, promote, implement and follow up on the execution of a policy framework for managing operational risk, which must be consistent with our approach, objectives and strategic goals.

Division Management

The Division Management areas are in charge of managing operational risk within their respective divisions. Their responsibilities, among others, include:

- Implementing operational risk policy in their respective business units.
- The more significant operational risk management responsibilities within their respective divisions include the following activities:
 - Risk awareness.
 - Risk assessment (both qualitative and quantitative).
 - Risk improvement.
 - Providing direct support in the monitoring of their business unit's operational risk.

I. Operational Risk Management Process

The CorpBanca Operational Risk Management model takes into account the following activities or roles:

Creation of Risk Awareness

1 Training and communication

Communicating and providing ongoing training with respect to the threats faced by our business, along with business-oriented training: such activities are crucial to meeting objectives. Operational risks assessment is based on identifying potential threats to the business process, assessing their impact, and conducting a subsequent evaluation of the controls needed to mitigate operational risk.

2 Assessment

Operational risks assessment is based on identifying potential threats to the business process, assessing their impact, and conducting a subsequent evaluation of the controls needed to mitigate operational risk.

3 Improvement

Every Division Manager must ensure that operational risks are reviewed regularly and that any appropriate measures are taken.

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Shareholders' equity requirement

Consistent with Chile's General Banking Law, we must maintain a ratio of at least 8%, net of required provisions between Effective Shareholders' Equity and Consolidated Assets Weighted by risk, and a ratio of at least 3%, net of required provisions, between our Equity Base and Total Consolidated Assets. For such purposes, effective Equity is determined according to our Equity and Reserves or Equity Base with the following adjustments:

- a. subordinated bonds with a 50% limit of the Equity Base are added, and
- b. the balance of Goodwill assets or surcharges paid, and investments in companies not involved in the consolidation are subtracted.

Assets are weighted based on their risk categories, to which we assign a risk percentage based on the amount of capital needed to back each one of those assets. Five risk categories are applied (0%, 10%, 20%, 60% and 100%). For example, cash, deposits in other banks, and financial securities issued by the Central Bank of Chile have a 0% risk factor, which means that, consistent with current regulations, no capital is needed to back these assets. Fixed assets carry a 100% risk, which means that a mandatory capital equivalent of 8% of the value of these assets must be available.

In determining risk assets with conversion factors on notional values, we take into account all derivative securities negotiated off-exchange, thereby obtaining a credit risk exposure amount (or "credit equivalent"). The off-balance contingent loans are also considered to be "credit equivalent" in terms of weighting.

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For the years ended December 31, 2011 and 2012 the ratio of assets and risk weighted assets is as follows:

	Notes	Consolidated Assets		Risk-Weighted Assets	
		2012 MCh\$	2011 MCh\$	2012 MCh\$	2011 MCh\$
On-Balance Sheet Assets (net of provisions):					
Cash and deposits in banks	4	520,228	265,747	-	-
Cash in the process of collection	4	123,777	96,230	57,291	29,338
Trading portfolio financial assets	5	159,898	166,039	43,966	46,149
Investments under agreements to resell	6	21,313	23,251	21,313	23,251
Derivative financial instruments		634,698	559,847	421,033	396,927
Loans and receivables to banks	8	482,371	304,098	89,341	93,861
Loans and receivables to customers, net	9	9,993,890	6,711,945	9,372,147	6,264,216
Financial investments available-for-sale	10	1,112,435	843,250	169,123	142,059
Financial investments held-to-maturity	10	104,977	21,962	104,977	21,962
Investments in other companies	11	5,793	3,583	5,793	3,583
Intangible assets		280,597	12,239	280,597	12,240
Property, plant and equipment, net	13	65,086	57,225	65,086	57,223
Income taxes	14	-	6,278	-	628
Deferred income taxes	14	37,144	25,080	3,714	2,508
Other assets	15	149,903	102,775	149,903	102,775
Off-Balance sheet assets:		-	-	-	-
Contingent loans		1,185,300	744,672	711,180	446,803
Total risk-weighted assets		14,877,410	9,944,221	11,495,465	7,643,524
		Amount		Ratio	
		2012	2011	2012	2011
		MCh\$	MCh\$		
Basic Capital		954,157	739,793	6.41%	7.44%
Effective Equity		1,282,414	1,118,908	11.16%	14.64%

Risk Concentration

The Bank operates mainly in Chile, so most of its financial instruments are concentrated in that country. See Note 9 of the financial statements for a detail of the concentration of the Bank's loans accounts receivable by industry.

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NOTE 35 - MATURITY OF ASSETS AND LIABILITIES

a) Maturity of financial assets

Below are the main financial assets grouped according to their remaining terms, including interest accrued as of December 31, 2011 and 2012. As these are trading or available-for-sale securities, they are included at fair value and under the term at which they may be sold.

As of December 31, 2011								
Notes	Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 3 years	From 3 years to 6 years	Over 6 years	TOTAL	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	
Trading portfolio financial assets	6	24,551	15,915	100,032	13,472	6,299	5,770	166,039
Investments under agreements to resell	7	19,360	1,344	864	1,683	-	-	23,251
Derivative financial instruments	8	16,526	31,953	39,665	30,473	66,273	64,092	248,982
Loans and receivables to banks	9	217,124	22,836	10,241	17,379	36,518	-	304,098
Loans and receivables to customers(*)	10	597,076	495,860	1,107,380	1,274,972	1,542,713	1,627,312	6,645,313
Commercial loans		556,368	462,281	969,521	998,917	1,320,132	785,394	5,092,613
Mortgage loans		2,012	7,557	32,330	106,697	168,890	840,543	1,158,029
Consumer Loans		38,696	26,022	105,529	169,358	53,691	1,375	394,671
Financial investments available-for-sale	11	66,861	76,586	191,473	224,834	247,624	35,872	843,250
Financial investments held-to-maturity	11	11,122	-	1,777	2,960	5,190	913	21,962

(*) Excluding the amounts for which the maturity date has expired, totaling MCh\$66,632 as of December 31, 2011.

As of December 31, 2012								
Notes	Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 3 years	From 3 years to 6 years	Over 6 years	TOTAL	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	
Trading portfolio financial assets	6	36,133	13,412	1,664	18,082	35,751	54,856	159,898
Investments under agreements to resell	7	7,767	11,722	1,824	-	-	-	21,313
Derivative financial instruments	8	25,733	21,105	32,710	75,228	50,017	63,234	268,027
Loans and receivables to banks	9	390,928	9,080	10,310	23,979	48,074	-	482,371
Loans and receivables to customers(*)	10	1,375,708	1,688,337	2,141,415	1,352,126	1,335,250	1,993,429	9,886,265
Commercial loans		1,156,968	1,630,872	1,903,044	960,963	804,830	870,390	7,327,067
Mortgage loans		50,698	29,203	128,536	131,893	200,807	972,094	1,513,231
Consumer Loans		168,042	28,262	109,835	259,270	329,613	150,945	1,045,967
Financial investments available-for-sale	11	15,820	63,112	308,513	126,939	395,138	202,913	1,112,435
Financial investments held-to-maturity	11	15,617	5,480	19,916	9,756	19,239	34,969	104,977

(*) Excluded the amounts for which the maturity date has expired, totaling MCh\$107,625 as of December 31, 2012.

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b) Maturity of financial liabilities

Below are the main financial liabilities grouped according to their remaining terms, including interest accrued to December 31, 2011 and 2012:

		As of December 31, 2011						
Notes	Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 3 years	From 3 years to 6 years	Over 6 years	TOTAL	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	
Obligations under repurchase agreements	7	61,271	15,151	53,057	1,070	-	-	130,549
Time deposits and saving accounts (*)	17	1,955,951	1,482,915	1,281,733	79,164	821	15,087	4,815,671
Derivative financial instruments	8	12,689	25,121	33,841	29,975	37,697	27,549	166,872
Borrowings from financial institutions	18	79,992	132,937	430,619	20,078	-	-	663,626
Debt issued	19	6,615	3,762	88,905	172,023	553,156	698,312	1,522,773

(*) Exclude term savings accounts totaling MCh\$8,707 during 2011.

		As of December 31, 2012						
Notes	Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 3 years	From 3 years to 6 years	Over 6 years	TOTAL	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	
Obligations under repurchase agreements	7	124,448	133,273	-	-	-	-	257,721
Time deposits and saving accounts (*)	17	2,602,869	2,055,648	2,107,375	428,645	69,325	28,243	7,292,105
Derivative financial instruments	8	25,784	20,444	33,183	52,228	43,275	18,930	193,844
Borrowings from financial institutions	18	189,695	239,595	396,453	138,451	5,327	-	969,521
Debt issued	19	3,782	4,473	127,898	215,848	540,976	993,627	1,886,604

(*) Exclude term savings accounts totaling MCh\$390,570 during 2012.

NOTE 36 - LEASING - LOANS AND RECEIVABLES TO CUSTOMERS

The following table reflects the maturity of leasing contracts as of December 31, 2011 and 2012.

	Note	As of December 31	
		2011	2012
		Net Leasing MCh\$	Net Leasing MCh\$
Up to 1 month		12,392	11,310
From 1 month to 3 months		14,957	16,100
From 3 months to 1 year		60,557	65,168
From 1 year to 3 years		95,458	106,679
From 3 years to 6 years		42,630	55,647
Over 6 years		64,256	83,949
Total	9 (*)	290,250	338,853

(*) Includes commercial leasing transactions of MCh\$289,392, mortgage leasing transactions of MCh\$137 and consumer leasing transactions of MCh\$721 as of December 2011.

(*) Includes commercial leasing transactions of MCh\$338,018 mortgage leasing transactions of MCh\$58 and consumer leasing transactions of MCh\$777 as of December 2012.

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NOTE 37— FOREIGN CURRENCY POSITION

Assets and liabilities denominated in foreign currencies or indexed to changes in exchange rates are summarized below:

	Payable in Foreign currency		Payable in Chilean Peso (*)		Total	
	12.31.12 ThUS\$	12.31.11 ThUS\$	12.31.12.12 ThUS\$	12.31.11 ThUS\$	12.31.12 ThUS\$	12.31.11 ThUS\$
ASSETS						
Cash and due from banks	818,436	366,264	-	-	818,436	366,264
Cash in the process of collection	55,572	92,528	-	-	55,572	92,528
Trading portfolio financial assets	218,875	3,486	-	-	218,875	3,486
Investments under agreements to resell	150	330	-	-	150	330
Derivative financial instruments	333,586	227,505	-	-	333,586	227,505
Loans and receivables to customers and banks	6,733,753	2,224,309	12,647	14,524	6,746,400	2,238,833
Financial investments available-for-sale	503,817	13,795	15,289	65,409	519,106	79,204
Held to maturity investments	198,009	-	-	-	198,009	-
Investments other companies	4,612	-	-	-	4,612	-
Intangible assets	48,508	312	-	-	48,508	312
Property, plant and equipment, net	19,714	217	-	-	19,714	217
Current taxes	-	-	-	-	-	-
Deferred income taxes	17,403	1,254	-	-	17,403	1,254
Other assets	80,430	16,984	-	-	80,430	16,984
TOTAL ASSETS	9,032,865	2,946,984	27,936	79,933	9,060,801	3,026,917
LIABILITIES						
Current accounts and demand deposits	808,872	198,466	-	-	808,872	198,466
Cash in the process of collection	45,968	29,158	-	-	45,968	29,158
Obligations under repurchase agreements	28,080	1,293	-	-	28,080	1,293
Time deposits and saving accounts	4,899,334	1,472,443	2	1	4,899,336	1,472,444
Derivative financial instruments	209,508	128,268	-	-	209,508	128,268
Borrowings from financial institutions	2,024,432	1,278,536	-	-	2,024,432	1,278,536
Debt issued	161,869	-	-	-	161,869	-
Other financial obligations	3,276	-	2,970	5,449	6,246	5,449
Current taxes	18,077	-	-	-	18,077	-
Deferred income taxes	30,574	-	-	-	30,574	-
Provisions	113,939	3,550	-	-	113,939	3,550
Other Liabilities	60,157	2,639	-	-	60,157	2,639
TOTAL LIABILITIES	8,404,086	3,114,353	2,972	5,450	8,407,058	3,119,803

(*) Includes transactions denominated in foreign currencies but that are settled in pesos.

CORPBANCA AND SUBSIDIARIES
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NOTE 38— SUBSEQUENT EVENTS

CORPBANCA

a) Bond Issue

On January 10, 2013, the terms were agreed to for a bond issuance in the international markets up to an amount of MUS \$800 for a 5 year term, with repayment at maturity and interest payments of 3.125% payable semi-annually in the months July and January of each year.

Such bonds were registered with the Securities and Exchange Commission (SEC) under the rules of the Securities Act of the United States of America of 1933.

The senior unsecured notes were placed at a yield of 3.24% per year, equivalent to a spread of 245 basis points per year over the Treasury rate of U.S. five years.

As stated in the prospectus supplement filed with the SEC, the net amount of the placement will be used by the bank to increase its market placements and fund other general corporate activities.

b) Capital Increase

At the Extraordinary Board of Directors Meeting held on January 15, 2013, it was agreed to publicly communicate the share price for the issuance of 47,000,000 no par value ordinary shares agreed to at the Extraordinary Shareholders Meeting held on November 6, 2012. The share price was set at \$6.25. It was also communicated that the preferential rights period was extended for a period of 30 days (from January 16, 2013 to February 14, 2013) per share.

On January 16, 2013, the shareholders, Corp Group Banking S.A., Inmobiliaria de Inversiones Saga Ltda., and RCC Private Investment Fund, communicated to the Bank that they have irrevocably decided to not exercise their preferential right to subscribe to 10,466,310,111 shares entitled under the share issuance mentioned in the preceding paragraph.

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Also a total of 12,015,233,260 shares were placed through the Santiago Stock Exchange, through a mechanism called auction order book.

On February 7, 2013, the International Finance Corporation (IFC), IFC Capitalization Fund, LP, and IFC African, Latin American and Caribbean Fund, LP, all agencies of the World Bank Group, subscribed to and paid in, under the capital increase and within the preferential period, a total of 16,998,586,200 shares issued by CorpBanca, for a total amount of MCh\$106,241. Such subscription and payment was added to the existing subscription announced by CorpBanca upon completion of the international road show that resulted in the placement of 10,680,200,621 shares.

c) Increased participation in Corpbanca Investment Trust Colombia S.A. (CG Investment Colombia S.A.)

On January 25, 2013, CorpBanca acquired 413,012 shares from CG Investment Colombia S.A., resulting in an increase of its ownership interest to 92.36 %.

d) Board of Directors

At the Board of Directors Meeting held on February 15, 2013, the Annual Shareholder Meeting was scheduled for March 7, 2013. At such meeting the distribution as dividends of 50% of 2012 net income in the amount of MCh\$60,040, equivalent to \$0.17 dividend per share, was approved.

At the Annual Shareholders Meeting, held on March 7, 2013, the entire Board of Directors of Corpbanca S.A. was elected. The new 9 members of the Board and 2 alternate directors elected were as follows:

Bank:

Nine Board Members

- Jorge Andrés Saieh Guzmán
- Gustavo Arriagada Morales
- Hugo Verdegaal
- José Luis Mardones Santander
- Jorge Zelume Zaror
- Fernando Aguad Dagach

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- 4- Francisco León Déllano
- Francisco Mobarec Asfura
- Rafael Guilisasti Gana

Two Alternate Directors

- María Catalina Saieh Guzmán
- Ana Holuigue Barros

At the Extraordinary Boards of Directors Meeting of CorpBanca S.A. held on March 12, 2013, the Chairman, First and Second Vice Chairman of the Board, were elected as follows:

- Jorge Andres Saieh Guzman Chairman
- Fernando Aguad Dagach First Vice Chairman
- Jorge Selume Zaror Second Vice Chairman

CORPBANCA ADMINISTRADORA GENERAL DE FONDOS S.A.

On January 9, 2013, Corpbanca Administradora General de Fondos S.A. adjusted the portfolio of the mutual fund named Corp Custodia, due to an excess of 0.1% in value of the portfolio over the limit required by Circular No. 1990 and Circular No. 1579, both issued by the SVS.

This adjustment resulted in a change in the value of mutual fund units between the dates sets forth in the following table:

Fund	Unit Value 07/01/2013	Unit Value 08/01/2013	Variation%
CORP CUSTODIA SERIE UNICA	1,063.6715	1,065.0413	0.1288

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a) Guarantees given

On January 7, 2013, Corpbanca Administradora General de Fondos provided the following guarantees to ensure the fulfillment of its obligations as investment manager in accordance with Article 226 of the Stock Market Law 18,045. The guarantees will be effective for the period from January 10, 2013 to January 10, 2014:

N°	Beneficiary	UF Coverage
40123423	Fondo Mutuo Corp Acciones Chilenas	10,000
40123725	Fondo Mutuo Corp Acciones Latinoamerica	10,000
40123814	Fondo Mutuo Corp Ahorro Internacional	10,000
40123903	Fondo Mutuo Corp Asia	10,000
40123920	Fondo Mutuo Corp Bonos Corporativos	10,000
40124098	Fondo Mutuo Corp Capital Alto Crecimiento	10,000
40124128	Fondo Mutuo Corp Capital Balanceado	10,000
40124152	Fondo Mutuo Corp Capital Moderado	10,000
40124187	Fondo Mutuo Corp Commodities	10,000
40124195	Fondo Mutuo Corp Custodia	10,000
40124217	Fondo Mutuo Corp Depósito	10,000
40124233	Fondo Mutuo Corp Eficiencia	10,000
40124241	Fondo Mutuo Corp Emea	10,000
40124268	Fondo Mutuo Corp Europa	10,000
40125388	Investment A	10,000
40125434	Fondo Mutuo Corp Investment C	10,000
40125507	Investment D	10,000
40125515	Más Ingreso	10,000
40125531	Oportunidad Dólar	10,000
40125574	Fondo Mutuo Corp Selección Nacional	10,000
40125604	Selecto Global	10,000
40125620	USA	10,000
40125680	Más Valor	11,000
40125698	Más Patrimonio	22,000
40125744	Más Futuro	22,000
40125760	Selecto	27,000
40142665	Oportunidad	68,000
40125779	FIP Corp Rentas Inmobiliarias.	10,000
40125795	FIP Corp Full Depósito I	10,000
40142770	Clientes de Administración de Cartera de Terceros	128,000

b) Board of Directors

At the Twenty-Eighth Annual Shareholders Meeting, held on April 5, 2013, the proposal made by the Board of Directors to distribute as dividends, which will be paid in 2013, was approved.

c) Liquidation of Mutual Fund called Corp Custodia

On May 8, 2013, the mutual fund called Corp Custody, was liquidated. All proceeds from the liquidation were distributed to the mutual fund participants on April 1, 2013.

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CORPBANCA CORREDORES DE BOLSA S.A

- On January 7, 2013, an outstanding amount due to the shareholders as a result of the capital decrease of MCh\$36,285 was paid as agreed to at the Extraordinary Shareholders Meeting held on September 26, 2012. The capital of Corpbanca Corredores de Bolsa S.A. after the capital decrease was MCh\$38,514 divided into 1,111,721 no par value ordinary shares.
- On January 31, 2013, Mr. Hugo Lavados Montes resigned as a member of the Board of Directors and Chairman of Corpbanca Corredores de Bolsa S.A., effective immediately.
- At the Extraordinary Board of Directors Meeting of CorpBanca Corredores de Bolsa S.A. held on March 27, 2013, Mr. Cristian Donoso Larraín resigned as Chief Executive Officer of Corpbanca Corredores de Bolsa S.A. effective on April 30, 2013. At the same meeting Mr. Paul Meyer Black was elected as the new Chief Executive Officer of Corpbanca Corredores de Bolsa S.A. effective on May 1, 2013.
- At the Twentieth Annual Shareholders Meeting of Corpbanca Corredores de Bolsa S.A. held on April 25, 2013, the Board of Directors, was elected as follows:
 - Jose Francisco Sánchez Figueroa
 - Alberto Selman Hasbún
 - Jose Manuel Garrido Bouzo
 - Cristian Canales Palacios
 - Américo Becerra Morales

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SMU CORP S.A

a) Board of Directors

On March 27, 2013, Mr. José Manuel Concha Ureta resigned as a member of the Board of Directors of SMU CorpS.A.

b) Capital Increase

At the Extraordinary Shareholders Meeting of SMU Corp S.A.held on March 12, 2013, it was approved to issue additional capital in the amount of MCh\$3,040 through the issue of 3,800 no par value, of a single series shares. This issue shares will be subscribed to and paid in over a 2-year period from the date of this meeting.

BANCO CORPBANCA COLOMBIA S.A.

a) Issuance of bonds

On February 7, 2013, two tranches of subordinated bonds for a total amount of MCop\$250,000 (MUS\$140) were issued in the Colombian capital markets. The first tranche was for MCop\$146,000 (MUS\$82) at an annual interest rate of 4% plus inflation and a maturity of 15 years. The second tranche was for MCop\$104,000 (MUS\$58) at an annual interest rate of 3.89% plus inflation and a maturity of 10 years.

b) Dividend distribution

At the Shareholders' Meeting of CorpBanca Investment Trust Colombia S.A. held during March 2013, it was agreed to distribute the 2012 net income as follows:

CorpBanca Investment Trust Colombia .SA.

	MM\$COP
Net Income	9,818.0
Release of Fiscal Reserve	390.9
Total available Assembly	10,208.9
Reserve taxable income portfolio	466.6

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Banco CorpBanca Colombia .SA.

	MMSCOP
Net Income	136,413.8
For Legal Reserve	<u>136,413.8</u>
Total available Assembly	-

CorpBanca Investment Trust Colombia S.A.

	MCop\$
Net income	9,818
Release of Fiscal Reserve	<u>391</u>
Total distributable net income	<u>10,209</u>
Reserve for portfolio fiscal returns	(466)
Total available net income for distribution	<u>9,743</u>

Cash dividends for MCop\$288 (dividend per share of \$Cop38.29 for a total number of 7,510,522 shares) were paid in April 2013. Banco CorpBanca Colombia received MCop\$272 and Corpbanca Chile received MCop\$16. The remaining MCop\$9,455 were transferred to the Fiscal Reserve.

At the Shareholders' Meeting of Banco Corpbanca Colombia S.A., held in March 2013, it was agreed to transfer 100% of the 2012 net income for MCop\$136,413.8 to the Fiscal Reserve.

e) Other

In March 2013, Circular No. 050 issued on November 30, 2012 became effective. Such circular required to entities that are oversight by the Colombian Financial Superintendency to value their financial investments using information from price providers.

During 2012, the Colombian Financial Superintendency issued regulations that will become effective in 2013, as follows:

Providers prices for Valuations Circular 050 issued on November 30, 2012, amended external circulars numbers 006, 033 and 039 , and require entities to value financial investments using information from price providers.

Tax reform (Law 1607 issued on December 26, 2012).

The main changes to the Colombian tax regulation that will be effective in 2013 are as follows:

- **Income Tax and Supplement.** This will reduce the corporate income tax rate from 33% to 25% beginning on January 1, 2013.

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- **Income tax for equity CREE.** Beginning on January 1, 2013, income tax for equity was created. (CREE for its Spanish acronym). The taxable base of the CREE would be similar to the taxable base of the Colombian income tax. However it does not allow the subtraction of tax credits and allows only certain of the tax exemptions permitted for the Colombian income tax. For the years 2013, 2014 and 2015, the applicable CREE tax rate will be 9% from 2016 on will be 8%.
- **CREE Exemptions.** The CREE reduced the Payroll taxes from 9% to 4% as well as reduced the social security contributions. The CREE will also eliminate the 8.5% employer' health contribution for those employees earning less than 10 minimum wages (approximately US\$3.150 for 2012). Payroll taxes and social security reductions must be applicable before July 1, 2013.

CORPBANCA CORREDORES DE SEGUROS S.A.

a) Board of Directors

At the Annual Shareholders Meeting of Corpbanca Corredores de Seguros S.A., held on March 08, 2013, the Board of Directors was elected as follows:

- Andres Covacevich Cornejo
- Americo Becerra Morales
- Francisco Guzman Bauza
- Pablo de la Cerda Merino
- Oscar Cerda Urrutia

b) Dividend distributions

At the Sixteenth Annual Shareholders Meeting of Corpbanca Corredores de Seguros S.A., held on March 8, 2013, it was agreed to distribute 100% of the profits for the year 2012 as dividends.

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Capital Increase

At the Extraordinary Shareholders' Meeting of Corpbanca Corredores de Seguros S.A. held on March 8, 2013, a capital increase of MCh\$ 5,764 through the issue of 295,428,604 registered no par value shares of a single series was agreed to. The shares were placed at a price of \$ 19.510 each and were subscribed to and paid in during the month of April 2013.

CORPLEGAL S.A

Board of Directors

At The Board of Directors Meeting of Corplegal S.A., held on January 23, 2013, Mr. Oscar Cerda Urrutia resigned, as Director. At the same meeting Mr. Hector Neira Torres was elected as his replacement.

In the period between January 1 and May 15, 2013, date of issue of these financial statements, there have been no other subsequent events that could materially affect the financial statements.

Juan Vargas Matta
Accounting Manager

Fernando Massú Tare
Chief Manager

BY-LAWS
Corpbanca

ENGLISH TRANSLATION
CORPBANCA

BYLAWS

TITLE I

Name, Domicile, Existence and Objective

ARTICLE ONE. The corporation (*sociedad anónima*) called “**CORPBANCA**” shall be governed by the present By-laws, by the General Banks Act, by the precepts applicable to public corporations when they agree or do not violate the precepts hereof, and by such other laws and regulations as are currently in effect or may be issued in the future in this regard.

ARTICLE TWO. The Bank shall have its corporate domicile in the city of Santiago, where its Headquarters or Main Office shall operate, without prejudice to being able to open, maintain and eliminate branches within and outside the country, upon authorization from the applicable authority.

ARTICLE THREE. The Bank shall exist indefinitely.

ARTICLE FOUR. The objective of the Bank is to execute and enter into all acts, contracts, transactions or businesses which the General Banks Act and other legal provisions and precepts allow Banks to undertake without prejudice to expanding or restricting its scope of action in accordance with such legal provisions as are issued in the future, without necessitating the amendment of the present Bylaws.

TITLE II

Capital and Stock

ARTICLE FIVE. The Bank’s capital is \$781.559.178.559 represented by 340.358.194.234 common shares, all without par value. The capital shall be modified annually of law, pursuant to Article 10 of Law No. 18,046, when the Regular Meeting of Shareholders approves the distribution of the revaluation of the capital stock for each fiscal year.

ARTICLE SIX. When a shareholder does not pay in a timely manner all or part of the value of the stock subscribed to by him, the Bank may: a) sell on a Securities Market, at the expense and risk of the shareholder in arrears, the number of shares required to pay down the unpaid balances and transfer expenses, reducing ownership to the number of shares remaining; b) nullify the subscription in whole or in part and reduce ownership to the number of shares effectively paid in, selling the remaining shares on a Securities Exchange; and c) pursue payment through ordinary or executory action on all the debtor’s assets.

ARTICLE SEVEN. The Bank does not recognize nor allow fractions of shares. In the event that one or more shares belong jointly to several persons, the co-owners are obligated to appoint an agent for all of them to act before the Bank.

ARTICLE EIGHT. A Registry shall be kept of all shareholders, noting the number of shares each holds and only such persons as appear registered in the Registry may exercise the rights of such.

The Bank is not responsible for deciding on the transfer of stock and shall register, without further ado, such transfers as are submitted to it, provided that they follow the minimum formalities specified by the Regulation.

ARTICLE NINE. In cases of usufruct, the stock shall be registered in the Shareholders Registry in the name of the owner and of the usufructuary, stating the existence, modalities and terms of the usufruct. Unless otherwise stipulated in the Law or by agreement, the owner and the usufructuary shall act by mutual consent before the Bank.

TITLE III

Management

ARTICLE TEN. The management of the Bank shall be performed by the Board of Directors, without prejudice to the authorities which legal, regulatory and statutory precepts reserve for the Meeting of Shareholders.

ARTICLE ELEVEN. The Board of Directors shall be comprised of nine members selected by the shareholders who may also elect two alternate Directors. The directors shall hold office for three years, may be reelected indefinitely and shall be completely renewed at the end of each period.

In its first meeting after the Regular Meeting of Shareholders, the Board of Directors shall elect from among its members a Chairman, a First Vice President and a Second Vice President, who shall also hold said positions for the Bank and the Meeting of Shareholders. The appointments shall be made by an absolute majority of all members of the Board of Directors, in a separate and secret vote. If no one were to obtain such majority, the election will be repeated among those who obtained the three greatest majorities, adding the blank votes to the person who obtained the greatest number of votes. In case of a tie the vote shall be repeated and if a tie were to occur again, there shall be a drawing. The Chairman, the First Vice President and the Second Vice President may be reelected indefinitely.

If one or more vacancies occur among full Directors, the Board of Directors, at its first meeting, shall proceed to appoint the replacement or replacements, who shall hold office until the next regular meeting of shareholders, at which the final appointment shall be made. The Director or Directors so appointed by the Meeting shall hold office only for such time remaining to be completed in the term of the replaced Director or Directors. Until the Board of Directors appoints the replacement or replacements, the alternate Director shall act as full director. In case of a vacancy in the position of alternate Director, the same procedure as described above shall be followed for the appointment of the replacement.

ARTICLE TWELVE. Directors shall be compensated for their duties; the amount of compensation shall be established annually by the Regular Meeting of Shareholders.

The Annual Report submitted for the information of the Regular Meeting of Shareholders, shall contain all compensation which the Directors have received during the respective fiscal year, including such as derives from functions or jobs other than the exercise of their position or for agency expenses, travel expenses, royalties and, in general, any other income. Such special compensation shall be presented in detail and itemized in the Report, assigning value to compensation that does not consist of money.

ARTICLE THIRTEEN. The Board of Directors represents the Bank in court and out of court, and for the achievement of its corporate objective, which shall not be necessary to prove to third parties, it is invested with all authorities of management and disposal which the Law or the By-laws do not establish as exclusive of Meetings of Shareholders, without requiring any special power of attorney whatsoever, even for such acts or contracts as with respect to which the laws require such circumstance. The foregoing does not prevent the judicial agency of the Bank incumbent upon the General Manager, who is legally invested with the authorities established in both paragraphs of Article 7 of the Code of Civil Procedure and shall have a right to vote in Meetings of the Board of Directors, being liable with the members thereof for all decisions prejudicial to the Bank and the shareholders, when his divergent opinion is not contained in the Minutes.

The Board of Directors may delegate part of its authority to Managers, Assistant Managers or Attorneys of the Bank, to a Director or a committee of Directors, and for specifically determined objects, to other persons.

ARTICLE FOURTEEN. Meetings of the Board of Directors may take place with an absolute majority of full Directors and resolutions shall be adopted by an absolute majority of attending Directors, except in such cases in which the Bylaws or the Law require a special quorum or majorities. Tied votes shall be broken by the vote of whoever chairs the meeting.

ARTICLE FIFTEEN. The Bank may only enter into acts or contracts in which one or more Directors have a personal interest or an interest as a representative of another person, when such transactions are known and approved by the Board of Directors and are in accordance with equitable conditions similar to prevailing market conditions. Resolutions in that regard adopted by the Board of Directors shall be reported to the next Meeting of Shareholders by the person who chairs such; it is necessary to cite this matter in the notification for the Meeting of Shareholders.

The authorization cited by Articles 2144 and 2145 of the Civil Code may only be agreed with the favorable vote of 2/3 of the Directors in office and shall be adopted with the exclusion of the person or persons involved. The same rule shall be applicable for the Bank to be able to contract with the General Manager, with the Managers and Assistant Managers, or with the spouses and relatives thereof up to the first degree of consanguinity or affinity.

ARTICLE SIXTEEN. The Board of Directors shall meet at least once a month. There shall be regular and special meetings of the Board of Directors. The former shall be held on dates predetermined by the Board of Directors itself. The latter shall be held when specifically called by the Chairman, or upon indication from one or more Directors, after decision made by the Chairman on the need for the meeting, unless it is requested by an absolute majority of Directors, in which case the meeting shall necessarily be held without a prior decision.

Only the matters specifically indicated in the notification may be handled in special sessions.

Notifications of meetings of the Board of Directors shall be made by certified letter sent to the addressed of each Director registered with the Bank, at least 5 days in advance of the date on which the Regular or Special Session should be held. The 5-day period shall be calculated from the date on which the letter is placed in the mail.

ARTICLE SEVENTEEN. Should a member of the Board of Directors cease to attend sessions for a 3-month period without permission or just cause, shall lose his position.

TITLE IV

The Chairman and Vice President

ARTICLE EIGHTEEN. The Chairman of the Bank, beyond the special authorities and obligations granted to him by legal, regulatory and statutory precepts, shall have the following authority:

- a) To chair Meetings of the Board of Directors and Sessions of the Meeting of Shareholders;
- b) To certify resolutions of the Board of Directors wherein the General Manager, Managers and Assistant Managers are appointed, and resolutions of the Board of Directors and the Meeting of Shareholders when necessary, without prejudice to the Meeting of Shareholders or the Board of Directors appointing another person to that end; and
- c) To report to the next Meeting of Shareholders the opposition documented in the minutes of the Board of Directors' meetings, of any Director who has thus sought to exempt himself from responsibility for any act or resolution by the Board of Directors.

ARTICLE NINETEEN. In case of an absence by or impediment of the Chairman of the Bank, he shall be replaced in his functions by the First Vice President and, in the absence thereof, by the second Vice President.

TITLE V

The General Manager

ARTICLE TWENTY. Beyond the authorities and duties he has as a factor and without prejudice to such authorities as the Board of Directors grants to other persons, the General Manager has the following authority:

- a) To propose to the Board of Directors such measures to improve performance of the corporate business;

-
- b) To propose the measures required for the adequate organization and functioning of the Bank;
 - c) To promote, foster and supervise the business of the Bank, issuing pertinent instructions to the Managers and Assistant Managers;
 - d) To direct and manage the Bank, as well as to resolve and undertake corporate business, all pursuant to the policies and guidelines agreed by the Meetings of Shareholders and the Board of Directors;
 - e) To organize the services and offices, the accounting and books of the Bank, to apply the Regulations and to monitor the preparation of the Balance Sheets and Profit and Loss Statements;
 - f) To implement the decisions of the Board of Directors and to act as Secretary thereof as well as Secretary of the Meetings of Shareholders, except if another person is specifically appointed for these positions;
 - g) To present to the Board of Directors, at the end of each year, the Bank's General Balance Sheet;
 - h) To certify the resolutions of the Board of Directors and Meetings of Shareholders, when necessary, as well as to sign the certified and uncertified instruments corresponding to the acts or contracts agreed by such Bodies, without prejudice to the authority of the Board of Directors or the Meeting of Shareholders, as the case may be, to appoint another person. To prove the respective resolution, it shall be sufficient to insert a copy thereof in the certified document, certified by the authorized Notary that it agrees with the corresponding act;
 - i) To attend meetings of the Board of Directors, in whose deliberations he may take part, without a right to vote;
 - j) To report to the Board of Directors, in each regular session, all acquisitions or transfers of real or personal property, tangible or intangible;
 - k) The custody of the corporate books and records, and to assure that they be prepared with the regularity required by Law and the supplementary precepts thereof.

ARTICLE TWENTY-ONE. The Board of Directors may appoint one or more Managers or Assistant Managers, and their authorities and obligations shall be stated in the mandates granted to them to that end.

ARTICLE TWENTY-TWO. The General Manager may be replaced by such Bank Executives as the Board of Directors determines, and in the order of priority it indicates.

TITLE VI

Meetings of Shareholders

ARTICLE TWENTY-THREE. Shareholders shall meet in Regular or Special Meetings of Shareholders.

The former shall be held once yearly, on any day during the four months following the date of the Balance Sheet, to make decisions regarding the matters of which it should be aware without it being necessary to cite them in the respective notification.

Extraordinary Meetings of Shareholders may be held at any time, when so required by corporate needs, to decide on any matter which the Law or the By-laws attribute to the Meeting of Shareholders and provided that such matters are indicated in the corresponding notification.

When a Special Meeting must decide on matters inherent to a Regular Meeting, the operation and resolutions thereof shall be subject, as pertinent, to the quorums applicable to the latter class of Meetings.

ARTICLE TWENTY-FOUR. The following are matters incumbent upon Regular Meetings:

- 1) Examination of the Bank's position and the reports of the External Auditors, approval or rejection of the Management Report, the Balance Sheet and financial Statements and reports presented by Directors and Liquidators;
- 2) The distribution of each fiscal year's profit and, especially, the distribution of dividends;
- 3) The selection or removal of full and alternate members of the Board of Directors, Liquidators, and management auditors; and
- 4) In general, any matter of corporate interest that is not inherent to a Special Meeting.

ARTICLE TWENTY-FIVE. The following are matters incumbent upon Special Meetings:

- 1) The dissolution of the Bank;
- 2) The transformation, merger or division of the Bank and amendment of its By-laws;
- 3) The transfer of the Bank's fixed assets and liabilities, or all its assets; and
- 4) Such other matters as are the responsibility or competency of the Meeting of Shareholders by Law or the Bylaws.

The matters cited in 1), 2) and 3) may only be agreed in a Meeting held before a Notary, who shall certify that the minutes are a true expression of what occurred and was agreed in the meeting.

ARTICLE TWENTY-SIX. Meetings of Shareholders shall meet on first notification, unless the Law or By-laws establish greater majorities, with an absolute majority of the voting stock issued, and on second notification with such as are present or represented, regardless of the number thereof, and resolutions shall be adopted by an absolute majority of the voting shares present or represented.

Notices of the second notification may only be published once the Meeting of Shareholders to be held upon first notification has failed and, in any case, the new Meeting of Shareholders shall be called to be held within the 45 days after the date established for the Meeting not held.

Meetings of Shareholders shall be chaired by the Chairman of the Board or by whoever is performing his duties and whoever holds the position of secretary, if any, or in the absence thereof, the Manager shall act as such.

ARTICLE TWENTY-SEVEN. Resolutions of the Special Meeting of Shareholders shall require the affirmative vote of 2/3 of voting shares issued when related to the following matters:

- 1) The division of the Bank and its merger with another;
- 2) The dissolution of the Bank;
- 3) A change in corporate domicile;
- 4) A reduction in the capital stock;
- 5) A change in the authorities reserved for the Meeting of Shareholders or the limitations of the authorities of the Board of Directors;
- 6) The transfer of the Bank's assets and liabilities or all of its assets;
- 7) The method of distributing corporate profits; and
- 5) Any others as indicated in the by-laws.

ARTICLE TWENTY-EIGHT. The Board of Directors may only be removed as a whole by a Regular or Special Meeting of Shareholders, and as a result, the individual or collective removal of one or more of its members shall not be allowed.

ARTICLE TWENTY-NINE. Only the holders of stock registered in the Shareholders Registry 5 days in advance of the date on which the respective Meeting is to be held may participate in the Meetings and exercise their rights to speak and vote.

ARTICLE THIRTY. In elections made in the Meetings of Shareholders, each shareholder shall have one vote per share he holds or represents and may accumulate his votes in favor of a single person or distribute them in the manner he deems appropriate, and those who in a sole and single election win the greatest number of votes shall be declared elected, until the number of persons who must be elected is reached.

ARTICLE THIRTY-ONE. In the elections that must be made in the Meetings of Shareholders, shareholders shall vote on ballots signed by them, stating whether they are doing so on their own behalf or as proxies. The Chairman, when the count is made, shall read the votes allowed such that all those present may calculate the votes by themselves and may prove the truth of the result.

The provisions of the preceding paragraph do not prevent that by unanimous agreement of the shareholders present with a right to vote, voting be dispensed with and the election take place by acclamation.

TITLE VII

The Balance Sheet and Other Financial Statements and Records

ARTICLE THIRTY-TWO. On December 31 of each year the Bank shall prepare a General Balance Sheet.

The Board of Directors shall submit for the consideration of the Regular Meeting of Shareholders a reasoned Management Report on the position of the Bank in the last fiscal year, accompanied by the General Balance Sheet, the Statement of Profit and Loss and the report submitted by the External Auditors. All these documents shall clearly reflect the equity position of the company at the close of the fiscal year and the profits earned or the losses suffered.

The Management Report shall include as an appendix a truthful summary of the comments and proposals made by shareholders who hold or represent 10% or more of the voting stock issued, related to the course of corporate business and provided that such shareholders so request.

Likewise, all information sent by the Board of Directors to the shareholders in general, based on the calling of the Meeting, requests for powers of attorney, reasoning for its decisions or other similar matters, shall include pertinent comments and proposals made by the shareholders cited in the previous paragraph.

ARTICLE THIRTY-THREE. The Bank shall publish the Balance Sheet, the Statement of Profit and Loss and such other information as determined by the Superintendency of Banks and Financial Institutions, in a wide-circulation newspaper in the place of the corporate domicile, under the terms and conditions established in paragraph two of No. 4 of Article 65 of the General Banks Act.

If the Balance Sheet and Statement of Profit and Loss are altered by the Meeting of Shareholders, the changes shall be published in the same newspaper where such documents were published pursuant to the first paragraph, within 15 days of the Meeting of Shareholders.

TITLE VIII

Dissolution and Liquidation

ARTICLE THIRTY-FOUR. The Bank shall not record, without approval from the Superintendency of Banks and Financial Institutions, the transfer or conveyance of stock leading to the dissolution of the bank, because all the company's stock would become the property of a single person.

ARTICLE THIRTY-FIVE. When dissolution occurs because all the stock is in the possession of a single person, or for any reason contained in the By-laws, the Board of Directors shall document these events in a certified document within a period of 30 days from the occurrence thereof, and an extract thereof shall be recorded and published in the manner stipulated in Article 28 of the General Banks Law.

When dissolution derives from a revocation decision by the Superintendency, the Board of Directors shall cause this circumstance to be noted in the margin of the company's registration and publish notification thereof one time in the Official Record, reporting this circumstance.

Once 60 days have elapsed following the occurrence of the aforementioned events without the formalities established in the preceding paragraphs having been completed, any Director, shareholder or interested third party may perform them.

Failure to comply with the requirements established in the preceding paragraphs shall cause the company's Directors to be jointly and severally liable for such damages and injuries as are caused by such noncompliance.

ARTICLE THIRTY-SIX. In case of dissolution of the Bank, it shall be liquidated by a liquidating committee appointed by the Meeting of Shareholders, without prejudice to the authorities granted by Law to the Superintendency of Banks and Financial Institutions. Except upon unanimous decision otherwise by the voting stock issued, the liquidating committee shall be comprised of the liquidators.

The Liquidators may not take office unless all the formalities that the Law indicates for the dissolution of the company have been performed. Meanwhile, the last Board of Directors shall continue to manage the Bank.

The liquidating committee shall appoint a Chairman from among its members, who shall represent the Bank in court and out.

TITLE IX

Jurisdiction

ARTICLE THIRTY-SEVEN. Any difference that occurs among the shareholders in their capacities as such, or between them and the Bank or its Administrators, either during the life of the company or during the liquidation thereof, based on or by reason of the existence, validity, application, interpretation, performance, scope or nullity of the articles of incorporation, shall be sent precisely and necessarily for a decision by a general arbiter, who shall decide pursuant to the law and shall have the authorities of an arbitrator in terms of the procedure. The arbiter shall be appointed by the parties by joint agreement and, in the absence thereof, the Ordinary Courts of Justice of Santiago; in the latter case, he shall have the authorities of a legal arbiter and his appointment shall befall a person who has acted as an attorney authorized to practice before the Honorable Court of Appeals of Santiago and the Honorable Supreme Court, for a period of no less than one year. A lack of agreement shall be assumed based on the request that either party makes to the Courts of Justice, requesting the appointment of an arbiter.

TRANSITIONAL ARTICLES

TRANSITIONAL ARTICLE. The Bank's current capital is \$781.559.178.559 represented by 340.358.194.234 common shares, all without par value, as indicated in Article Five of these By-laws, and it is subscribed and paid as follows: a) With the sum of \$638.234.417.559 represented by 293.358.194.234 common shares, all without par value, fully subscribed and paid. b) With the sum of \$143.324.761.000 represented by 47.000.000.000 common shares, all without par value, which will be paid at a price to be determined by the Bank's Board of Directors freely and not subject to any minimum price, as it was resolved in the Special Meeting of Shareholders held on November 6, 2012. The total amount of the payment shares shall be issued, subscribed and paid during a maximum period not exceeding 3 years, from November 6, 2012.

CORPBANCA
(a Chilean corporation)

6,166,500,000 Common Shares in the form of
American Depositary Shares
(without par value)

Underwriting Agreement

January 15, 2013

Banco BTG Pactual S.A. – Cayman Branch
Butterfield House
68 Fort Street
Grand Cayman, Cayman Islands

Ladies and Gentlemen:

CorpBanca, a banking corporation (*sociedad anónima bancaria*) organized under the laws of the Republic of Chile (the “Company”), and Fernando Agud Dagach, a shareholder of the Company (the “Selling Shareholder”) propose, subject to the terms and conditions stated herein, to issue and sell to Banco BTG Pactual S.A. acting through its Cayman Islands Branch (“BTG”) (the “Underwriter”), 6,166,500,000 common shares, without par value, of the Company (the “Common Shares”), in the form of American Depositary Shares (“ADSs” and together with the Common Shares, the “Securities”).

The Common Shares to be represented by ADSs are to be deposited pursuant to an amended and restated deposit agreement (the “Deposit Agreement”), dated as of May 7, 2012 among the Company, Deutsche Bank Trust Company Americas, as depositary (the “Depositary”), and the holders from time to time of the American Depositary Receipts (the “ADRs”) to be issued under the Deposit Agreement and evidencing the ADSs. Each ADS represents 1,500 Common Shares. All references to “U.S. dollars” or “\$” herein are to United States dollars. The ADSs are listed on the New York Stock Exchange (the “NYSE”) and trade under the ticker symbol “BCA”.

The Company and the Selling Shareholder are offering the Securities as part of an offering in the United States and elsewhere outside Chile. The Company and the Selling Shareholder may offer Common Shares to the public in Chile concurrently with this offering. Investors who wish to purchase Common Shares must settle in Chile through Celfin Capital S.A. Corredores de Bolsa (“Celfin”).

The Underwriter will purchase the Securities from the Company and the Selling Shareholder, on the basis of the representations, warranties and agreements set forth in this Agreement and subject to the conditions and other provisions herein.

On December 6, 2011, the Company and Inversiones CorpGroup Interhold Limitada (formerly Corp Group Interhold S.A.) (“CorpGroup”) entered into a purchase agreement with Banco Santander, S.A. pursuant to which the Company and CorpGroup acquired a 91.9% and 7.4% equity interest in Banco Santander Colombia S.A. (now known as Banco CorpBanca Colombia S.A. or “CorpBanca Colombia”), respectively, and certain of CorpBanca Colombia’s subsidiaries (the “CorpBanca Colombia Acquisition”).

On October 9, 2012, an affiliate of CorpGroup, HB Acquisition S.A.S., a company organized under the laws of the Republic of Colombia (the “Acquirer”), entered into a share purchase agreement with Inversiones Timón S.A.S., Inversiones Carrón S.A.S. and Comercial Camacho Gómez S.A.S. (the “Sellers”), pursuant to which the Acquirer agreed to acquire up to 100% equity interest in Helm Bank S.A. (“HelmBank”) from the Sellers and third parties (the acquisition of HelmBank is hereinafter called the “Helm Acquisition”). The closing of the Helm Acquisition is subject to the obtaining of the regulatory approvals from the competent Chilean, Colombian, Panamanian and Cayman authorities, the obtaining of the resources needed to finance the purchase price and other customary conditions for this type of transaction. A portion of the net proceeds generated by the offering will be used towards the financing of the Helm Acquisition.

SECTION 1. Representations and Warranties by the Company. The Company represents and warrants to, and agrees with, the Underwriter that:

(a) *Registration Statements and Prospectuses.* (i) An “automatic shelf registration statement” as defined under Rule 405 under the Act of 1933, as amended, (the “Act”) (such Act, together with the rules and regulations of the U.S. Securities and Exchange Commission (the “Commission”) promulgated thereunder), on Form F-3ASR (File No. 333-173509) in respect of the Securities has been filed with the Commission not earlier than three years prior to the date hereof; such registration statement, and any post-effective amendment thereto, became effective on filing; and no stop order suspending the effectiveness of such registration statement or any part thereof has been issued, and, to the best knowledge of the Company, no proceeding for that purpose has been initiated or threatened by the Commission, and no notice of objection of the Commission to the use of such registration statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Act has been received by the Company (the base prospectus filed as part of such registration statement, in the form in which it has most recently been filed with the Commission on or prior to the date of this Agreement, is hereinafter called the “Base Prospectus”; any preliminary prospectus (including any preliminary prospectus supplement) relating to the Securities filed with the Commission pursuant to Rule 424(b) under the Act is hereinafter called a “Preliminary Prospectus”; the various parts of such registration statement, including any prospectus supplement relating to the Securities that is filed with the Commission and

deemed by virtue of Rule 430B to be part of such registration statement, each as amended at the time such part of the registration statement became effective, are hereinafter collectively called the "Registration Statement"; the Base Prospectus, as amended and supplemented by the documents listed in Schedule I hereto immediately prior to the Applicable Time (as defined in Section 1(e) hereof), is hereinafter called the "Pricing Prospectus"; the form of the final prospectus relating to the Securities filed with the Commission pursuant to Rule 424(b) under the Act in accordance with Section 5(a) hereof is hereinafter called the "Prospectus"; any reference herein to the Base Prospectus, the Pricing Prospectus, any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 6 of Form F-3 under the Act, as of the date of such prospectus, as the case may be; any reference to any amendment or supplement to the Base Prospectus, any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any post-effective amendment to the Registration Statement, any prospectus supplement relating to the Securities filed with the Commission pursuant to Rule 424(b) under the Act and any documents filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and incorporated therein, in each case after the date of the Base Prospectus, such Preliminary Prospectus, or the Prospectus, as the case may be; any reference to any amendment to the Registration Statement shall be deemed to refer to and include any annual report of the Company filed pursuant to Section 13(a) or 15(d) of the Exchange Act after the effective date of the Registration Statement that is incorporated by reference in the Registration Statement; and any "issuer free writing prospectus" as defined in Rule 433 under the Act relating to the Securities is hereinafter called an "Issuer Free Writing Prospectus"); and (ii) the Company and the Depositary have also filed with the Commission a registration statement on Form F-6 (No. 333-181036) filed on April 30, 2012, Form F-6/A (No. 333-181036) filed on May 2, 2012, and a related prospectus, which may be in the form of an ADR certificate (the "Registration Statement on Form F-6"), for the registration under the Act of the ADSs evidenced by ADRs, have filed such amendments thereto and such amended prospectuses as may have been required to the date hereof, and will file such additional amendments thereto and such amended prospectuses as may hereafter be required. The Registration Statement on Form F-6, as amended at the time it becomes effective (including by the filing of any post-effective amendments thereto), and the prospectuses included therein, as then amended, are hereinafter called the "ADR Registration Statement" and the "ADR Prospectus," respectively.

(b) *Effectiveness of ADR Registration Statement and Prospectuses.* No order preventing or suspending the use of any ADR Registration Statement, ADR Prospectus, Preliminary Prospectus or any Issuer Free Writing Prospectus has been issued by the Commission, and each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with the information furnished in writing to the Company by the Underwriter expressly for use

therein. For purposes of this Agreement, the only information furnished or to be furnished by the Underwriter to the Company for inclusion in the Registration Statement, the ADR Registration Statement, any Preliminary Prospectus, any Issuer Free Writing Prospectus, the ADR Prospectus, or the Prospectus consists of the information set forth in the first sentence of the second paragraph and footnote (1) in the third paragraph under the heading “General”, and in the first, second and third paragraphs under the heading “Price Stabilization and Short Positions” under the caption “Underwriting” in the Prospectus (collectively, the “Underwriter Information”).

(c) *Effectiveness of Prospectuses.* No order preventing or suspending the use of any Prospectus or Preliminary Prospectus has been issued by the Commission, and each Prospectus or Preliminary Prospectus, at the time of filing thereof, complied in all material respects with the Act and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation and warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to the Underwriter Information furnished to the Company in writing by the Underwriter expressly for use in any Prospectus, Preliminary Prospectus or any Issuer Free Writing Prospectus.

(d) *Issuer Free Writing Prospectus.* The Company has not prepared, made, used, authorized, approved or referred to and will not prepare, make, use, authorize, approve or refer to any “written communication” (as defined in Rule 405 under the Act) that constitutes an offer to sell or solicitation of an offer to buy the Securities (each such communication by the Company or their agents and representatives (other than a communication referred to in clauses (i), (ii) and (iii) below) an “Issuer Free Writing Prospectus”) other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Act or Rule 134 under the Act, (ii) the Preliminary Prospectus, (iii) the Prospectus, (iv) the documents listed on Schedule I hereto and (v) any electronic road show or other written communications, in each case approved in writing in advance by the Underwriters. Each such Issuer Free Writing Prospectus complied in all material respects with the Act, has been or will be (within the time period specified in Rule 433) filed in accordance with the Act (to the extent required thereby) and, when taken together with the Preliminary Prospectus filed prior to the first use of such Issuer Free Writing Prospectus, did not, and at the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation and warranty with respect to any statements or omissions made in each such Issuer Free Writing Prospectus in reliance upon and in conformity with the Underwriter Information furnished to the Company in writing by the Underwriter expressly for use in any Issuer Free Writing Prospectus.

(e) *Accurate Disclosure.* For the purposes of this Agreement, the “Applicable Time” is 5:30p.m. (Eastern Time) on the date of this Agreement. The Pricing Prospectus, as of the Applicable Time and as of the Closing Date, did not and will not

include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and each Issuer Free Writing Prospectus, each as amended or supplemented as of the Applicable Time, listed on Schedule I(a) hereto does not conflict with the information contained in the Registration Statement, the Pricing Prospectus or the Prospectus and each such Issuer Free Writing Prospectus, as supplemented by and taken together with the Pricing Prospectus, as of the Applicable Time, did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to statements or omissions made in an Issuer Free Writing Prospectus in reliance upon and in conformity with the Underwriter Information.

(f) *Incorporation by Reference.* The documents incorporated by reference in the Pricing Prospectus and the Prospectus, including the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2011, filed on April 30, 2012 with the Commission, as amended on Form 20-F/A filed on May 16, 2012, when they became effective or were filed with the Commission, as the case may be, conformed in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder, and none of such documents contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; any further documents so filed and incorporated by reference in the Prospectus or any further amendment or supplement thereto, when such documents become effective or are filed with the Commission, as the case may be, will conform in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with the Underwriter Information; and no such documents were filed with the Commission since the Commission's close of business on the business day immediately prior to the date of this Agreement and prior to the execution of this Agreement.

(g) *Financial Statements of the Company.* The consolidated financial statements of the Company included or incorporated by reference in the Registration Statement, the Pricing Prospectus and the Prospectus, together with the related schedules and notes (together the "Company Financial Statements") present fairly in all material respects the financial position of the Company and its consolidated subsidiaries at the dates indicated and their results of operations, changes in shareholders' equity and cash flows for the periods specified, and the Company Financial Statements have been prepared in conformity with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and applied on a consistent basis throughout the periods involved. The selected financial data and the summary financial information of the Company included in the Pricing Prospectus and

Prospectus present fairly the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included in the Registration Statement.

(h) *Financial Statements of CorpBanca Colombia.* The consolidated financial statements included or incorporated by reference in the Registration Statement, the Pricing Prospectus and the Prospectus, together with the related schedules and notes, present fairly in all material respects the financial position of CorpBanca Colombia and its consolidated subsidiaries as of the dates indicated and the results of operations, changes in shareholders' equity and statement of cash flows of CorpBanca Colombia and its consolidated subsidiaries for the periods specified, including the years ended December 31, 2011 and December 31, 2010 and the nine months ended September 30, 2012 (together the "CorpBanca Colombia Financial Statements"), and the CorpBanca Colombia Financial Statements have been prepared in conformity with IFRS as issued by the International Accounting Standards Board and applied on a consistent basis throughout the periods involved.

(i) *Pro Forma Financial Statements.* The Company's pro forma condensed combined financial statements and the related notes thereto, giving effect to the CorpBanca Colombia Acquisition as if the acquisition had occurred as of January 1, 2011, including the unaudited condensed combined balance sheet for the year ended December 31, 2011 and statements of income for the year ended December 31, 2011 and the nine months ended September 30, 2012, included in the Pricing Prospectus and the Prospectus (the "Pro Forma Financial Statements") present fairly in all material respects the information shown therein, have been prepared in accordance with the Commission's rules and guidelines with respect to pro forma financial statements and have been properly compiled on the bases described therein, and the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate to give effect to the transactions and circumstances referred to therein.

(j) *Compliance with Securities Regulations.* (i) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement and the Prospectus will conform, in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder and do not and will not, as of the applicable effective date as to each part of the Registration Statement and as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with the Underwriter Information; (ii) the ADR Registration Statement, and the ADR Prospectus and any amendments or supplements thereto will conform in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder and do not and will not, as of the applicable effective date as to each part of the ADR Registration Statement and as of the applicable filing date as to the ADR Prospectus and any amendment or supplement thereto, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein

or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with the Underwriter Information.

(k) *No Material Adverse Change in Business.* (A) As of the date hereof, (1) Neither the Company nor any of its “significant subsidiaries” as such term is defined in Rule 1-02(w) of Regulation S-X (“Significant Subsidiaries”), all of which are listed on Schedule II hereto, has sustained since the date of the latest audited financial statements included or incorporated by reference in the Pricing Prospectus, any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Prospectus, (2) since the respective dates as of which information is given in the Registration Statement, the Pricing Prospectus and the Prospectus, there has not been any change in the capital stock or long term debt of the Company or any of its Significant Subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, shareholders’ equity or results of operations of the Company and its Significant Subsidiaries taken as a whole, whether or not arising from transactions in the ordinary course of business (a “Material Adverse Effect”) otherwise than as set forth or contemplated in the Pricing Prospectus, (3) there have been no transactions entered into by the Company or any of its subsidiaries other than those in the ordinary course of business, which are material with respect to the Company and its Significant Subsidiaries considered as one enterprise and (4) except for annual dividends on the Common Shares in amounts per share that are consistent with past practice, there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock; (B) as of the date hereof, to the best knowledge of the Company, since the respective dates as of which information with respect to Helm Bank is given in the Registration Statement, the Pricing Prospectus and the Prospectus, there has not been any Material Adverse Effect with respect to Helm Bank otherwise than as set forth or contemplated in the Pricing Prospectus.

(l) *Title to Property.* The Company and its Significant Subsidiaries have good and marketable title to all real property and good and marketable title to all personal property owned by them, in each case free and clear of all liens, encumbrances and defects except such as are described in the Registration Statement, Pricing Prospectus and Prospectus or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and its Significant Subsidiaries; and any real property and buildings held under lease by the Company and its Significant Subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not materially interfere with the use made and proposed to be made of such property and buildings by the Company and its Significant Subsidiaries.

(m) *Good Standing of Company and its Significant Subsidiaries.* Each of the Company and its Significant Subsidiaries has been duly organized and is validly existing as a corporation in good standing under the laws of its respective jurisdiction of

organization, with power and authority (corporate or otherwise) to own its respective properties and conduct its respective business as described in the Registration Statement, Pricing Prospectus and Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except where the failure to be in good standing, to have such power and authority or to be so qualified would not have, individually or in the aggregate, a Material Adverse Effect.

(n) *Capitalization.* The Company has an authorized capitalization as set forth in the Registration Statement, Pricing Prospectus and the Prospectus and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and non assessable and conform to the description of the Common Shares contained in the Registration Statement, Pricing Prospectus and Prospectus; and all of the issued shares of capital stock of each Significant Subsidiary, of the Company has been duly and validly authorized and issued, are fully paid and non assessable and (except for directors' qualifying shares) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims.

(o) *Authorization of Agreement.* Each of this Agreement and the Deposit Agreement has been duly authorized, executed and delivered by the Company and, assuming this Agreement has been duly executed and delivered by the Underwriter, each constitutes a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally, except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law) and except that rights to indemnity and contribution thereunder may be limited by applicable law and public policy.

(p) *Authorization and Description of Securities.* The Securities to be issued and sold by the Company to the Underwriter have been duly and validly authorized for sale to the Underwriter pursuant to this Agreement, and when issued, paid for and delivered in accordance with this Agreement and, in the case of the ADSs, the Deposit Agreement, will be validly issued and fully paid and non-assessable; such Common Shares may be freely deposited with the Depositary against issuance of ADRs evidencing ADSs; the ADSs and the underlying Common Shares are freely transferable by the Company to the Underwriter in the manner contemplated by this Agreement; ownership title to such Common Shares, free and clear of all liens, encumbrances or claims will be transferred to the Depositary on behalf of the Underwriter at the Time of Delivery (as defined in Section 4(a)); there are no restrictions on subsequent transfers of such Common Shares or the ADSs to be delivered to the Underwriter, except as described in the Prospectus under "Description of our Common Shares" and "Description of the American Depositary Shares;" the Common Shares, the ADRs and the ADSs conform in all material respects to all statements relating thereto contained in the Prospectus and such descriptions conform in all material respects to the rights set

forth in the instruments defining the same; no holder of the Securities will be subject to personal liability by reason of being such a holder; and at the Time of Delivery (as defined in Section 4(a)), the holders of outstanding shares of capital stock of the Company are not entitled to preemptive or other similar rights with respect to the Securities to be sold pursuant to this Agreement.

(q) *Validity of ADRs.* Upon the due issuance by the Depositary of ADRs evidencing ADSs being delivered at the Time of Delivery against the deposit of Common Shares in accordance with the provisions of the Deposit Agreement, such ADRs evidencing ADSs will be duly and validly issued under the Deposit Agreement and persons in whose names such ADRs evidencing ADSs are registered will be entitled to the rights of registered holders of ADRs evidencing ADSs specified therein and in the Deposit Agreement.

(r) *No Limitation on Vote, Transfer and Payment of Dividends.* Except as set forth in the Deposit Agreement, the Prospectus or the documents incorporated by reference therein, there are no limitations under Chilean law on the rights of holders of Common Shares, ADSs or ADRs evidencing ADSs to hold or vote or transfer their respective securities, and no approvals and/or filings are currently required in Chile (including any foreign exchange or foreign currency approvals) in order for the Company to pay dividends declared by the Company to the holders of Common Shares, including the Depositary, other than the Company's requirement to report to the Central Bank of Chile any paid dividends within the first ten calendar days of the month following the payment of such dividend in accordance with Chapter XIV of the Central Bank Foreign Exchange Regulation. All dividends and other distributions declared and payable on the Common Shares may be paid in pesos exchangeable into U.S. dollars to the Depositary subject only to a Chilean withholding tax of 35% (which may be reduced by certain tax credits discussed in the Prospectus under the caption "Taxation – Chilean Taxation") but otherwise free and clear of any tax, duty, withholding or deduction imposed by or in Chile.

(s) *No Conflicts of Transaction Documents with Various Matters.* (i) The issue and sale of the Securities and the compliance by the Company with, and the execution, delivery and performance of this Agreement and the Deposit Agreement and the consummation of the transactions contemplated herein and therein and in the Registration Statement, the ADR Registration Statement, the Pricing Prospectus and the Prospectus will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its Significant Subsidiaries is a party or by which the Company or any of its Significant Subsidiaries is bound or to which any of the property or assets of the Company or any of its Significant Subsidiaries is subject, except for any such conflict, breach, violation or default that would not, individually or in the aggregate, have a Material Adverse Effect; nor will such action result in any violation of any law or statute or any order, rule or regulation, judgment, order, writ or clause of any arbitrator, court or governmental agency, administrative body or body having jurisdiction over the Company or any of its Significant Subsidiaries or any of their respective properties, assets or operations,

except for any such violation that would not, individually or in the aggregate, have a Material Adverse Effect; nor will such action result in any violation of the provisions of the Certificate of Incorporation or By-laws (*estatutos sociales*) or similar organizational documents of the Company, and (ii) no consent, approval, authorization, order, registration, filing or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Securities or the consummation by the Company of the transactions contemplated by this Agreement, the Deposit Agreement, the Registration Statement, the ADR Registration Statement, the Pricing Prospectus and the Prospectus except (A) the approvals of and filings with the Chilean Superintendency of Banks and Financial Institutions (*Superintendencia de Bancos e Instituciones Financieras*, or “SBIF”), and the Santiago Stock Exchange, relating to the offering of the Securities which have been already obtained and are in full force and effect, and except that final executed copies of this Agreement and the Prospectus must be filed with the SBIF; (B) such as have been already obtained or as may be required under the Act or the rules and regulations of the Commission thereunder or state securities or Blue Sky laws in connection with the purchase and distribution of the Securities by the Underwriter; and (C) such as may be required under the securities laws of jurisdictions other than Chile or the United States.

(t) *No Existing or Current Violation or Default.* Neither the Company nor any of its Significant Subsidiaries is (A) in violation of its Certificate of Incorporation or By-laws or similar organizational documents, (B) in default in the performance or observance of any material obligation, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound, or (C) in violation of any law, statute, rule, regulation, judgment, order, writ or decree of any arbitrator, court, governmental body, regulatory body, administrative agency or other authority, body or agency having jurisdiction over the Company or any of its subsidiaries or any of their respective properties, assets or operations, except in the case of clauses (B) and (C), for such violations that would not, singly or in the aggregate, result in a Material Adverse Effect.

(u) *Description of Common Shares and ADSs.* The statements set forth in the Registration Statement, Pricing Prospectus and Prospectus under the captions “Description of Common Shares” and “Description of American Depositary Shares,” insofar as they purport to constitute a summary of the terms of the Common Shares and ADSs, respectively, under the caption “Tax Considerations”, and under the caption “Underwriting”, insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate, complete and fair.

(v) *Absence of Proceedings.* Other than as set forth in the Pricing Prospectus and Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its Significant Subsidiaries is a party or of which any property of the Company or any of its Significant Subsidiaries is the subject which, if determined adversely to the Company or any of its Significant Subsidiaries, would individually or in the aggregate have a Material Adverse Effect on the current or future financial position, shareholders’ equity or results of operations of the Company and its Significant Subsidiaries; and, to the Company’s knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others.

(w) *Possession of Licenses and Permits.* The Company and its Significant Subsidiaries possess such permits, licenses, approvals, consents and other authorizations (collectively, "Governmental Licenses") issued by the appropriate Chilean, Colombian, Spanish or United States regulatory agencies or bodies and has made all necessary filings required under any federal, state, local or foreign law, regulation or rule and has obtained all Governmental Licenses necessary to conduct the business now operated by them, except where the failure to have such Governmental Licenses or to make such filings would not, singly or in the aggregate, result in a Material Adverse Effect; the Company and its Significant Subsidiaries are in compliance with the terms and conditions of all such Governmental Licenses and their respective filing requirements, except where the failure so to comply would not, singly or in the aggregate, result in a Material Adverse Effect; all of the Governmental Licenses are valid and in full force and effect, except when the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect would not, singly or in the aggregate, result in a Material Adverse Effect; and neither the Company nor any of its Significant Subsidiaries has received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses or any federal, state, local or foreign law, regulation or rule or any decree, order or judgment applicable to the Company or its Significant Subsidiaries which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a Material Adverse Effect.

(x) *Accuracy of Exhibits.* There are no contracts or documents which are required to be described in the Registration Statement, the Pricing Prospectus, the Prospectus or the documents incorporated by reference therein or to be filed as exhibits thereto which have not been so described and filed as required.

(y) *Chilean Taxation.* Other than as set forth in the Registration Statement, the Pricing Prospectus, the Prospectus or any document incorporated by reference therein, under current Chilean law and regulations, no transaction tax, stamp duty or similar tax or duty or withholding or other taxes are payable by or on behalf of the Underwriter to Chile or any political subdivision or taxing authority thereof or therein in connection with the sale and delivery of the Securities by the Company as contemplated by this Agreement or in connection with the execution, delivery or enforcement of this Agreement or the Deposit Agreement or in connection with the deposit of Common Shares under the Deposit Agreement, except (i) that any other payment, compensation or reimbursement of cost made to persons domiciled or residing outside of Chile is subject to a withholding tax at a rate of up to 35%, except if (a) the payment is deemed a "*comisión mercantil*" pursuant to the Commercial Code of Chile and timely reported to the Chilean Internal Revenue Service and, thus, benefits from the tax exemption established under the provisions of paragraph 2 of Article 59 of the Chilean Income Tax Law, in which case such payment is exempted from withholding tax, or (b) the payment is deemed a technical assistance service fee, in which case it will be generally subject to a 15% withholding tax, provided that the beneficiary is not a "related entity" or

domiciled or a resident in any of the countries considered “tax havens” or harmful preferential tax regimens included in the list issued from time to time by the Ministry of Finance of Chile for such purposes, or (c) the payment is made to a resident of a country or jurisdiction with which Chile has entered into a double tax treaty, and (ii) for taxes, if any, imposed on the net income of the Underwriter, if, other than as a result of the offer and sale of the Securities contemplated hereby, it has a branch or a permanent establishment in Chile or is treated as carrying on business in Chile.

(z) *Investment Company Act.* The Company is not and, after giving effect to the offering and sale of the Securities and the application of the proceeds thereof, will not be an “investment company”, as such term is defined in the Investment Company Act of 1940, as amended (the “Investment Company Act”).

(aa) *Registration Rights.* Except with respect to our controlling shareholder, Corp Group Banking S.A., there are no persons with registration rights or other similar rights to have any securities registered pursuant to the Registration Statement or otherwise registered by the Company under the Act and, except as set forth in the Registration Statement, (i) no person has the right, contractual or otherwise, to cause the Company to issue or sell to it any shares of Common Shares or shares of any other capital stock or other equity interests of the Company, (ii) no person has any preemptive rights, resale rights, rights of first refusal or other rights to purchase any shares of Common Shares or shares of any other capital stock or other equity interests of the Company, and (iii) no person has the right to act as an underwriter or as a financial advisor to the Company in connection with the offer and sale of the Securities, in the case of each of the foregoing clauses (i), (ii) and (iii), whether as a result of the filing or effectiveness of the Registration Statement or the sale of the Securities as contemplated thereby or otherwise.

(bb) *Well-Known Seasoned Issuer.* (A) (i) At the time of filing the Registration Statement, (ii) at the time of the most recent amendment thereto for the purposes of complying with Section 10(a)(3) of the Act (whether such amendment was by post-effective amendment, incorporated report filed pursuant to Section 13 or 15(d) of the Exchange Act or form of prospectus), and (iii) at the time the Company or any person acting on its behalf (within the meaning, for this clause only, of Rule 163(c) under the Act) made any offer relating to the Securities in reliance on the exemption of Rule 163 under the Act, the Company was a “well-known seasoned issuer” as defined in Rule 405 under the Act; and (B) at the earliest time after the filing of the Registration Statement that the Company or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) under the Act) of the Securities, the Company was not an “ineligible issuer” as defined in Rule 405 under the Act.

(cc) *Chilean Independent Accountants.* Deloitte & Touche Sociedad de Auditores y Consultores Ltda. (“Deloitte Chile”), who has audited the Company Financial Statements included or incorporated by references in the Registration Statement, Pricing Prospectus and the Prospectus, and have audited the Company’s internal control over financial reporting and management’s assessment thereof, are independent public accountants as required by the Act, the Exchange Act, and the

Public Company Accounting Oversight Board, and are registered as independent auditors (*auditores independientes*) with the Superintendency of Securities and Insurance (*Superintendencia de Valores y Seguros*, or “SVS”) and the SBIF.

(dd) *Colombian Independent Accountants*. Deloitte & Touche LTDA. (“Deloitte Colombia”), who has audited the CorpBanca Colombia Financial Statements included in the Registration Statement, Pricing Prospectus and the Prospectus, are independent public accountants as required by the Act, the Exchange Act, and Rule 101 of the AICPA’s Code of Professional Conduct and its interpretations and rulings, and are registered as independent auditors (*auditores independientes*) within the applicable rules and regulations at the *Junta General de Contadores*, the Colombian accounting oversight entity, and as otherwise required by Colombian law and accounting standards.

(ee) *Payment of Taxes*. All material tax returns required to be filed by the Company and each of its Significant Subsidiaries have been filed or the Company has requested extensions thereof, and all material taxes and other assessments of a similar nature (whether imposed directly or through withholding) including any interest, additions to tax or penalties applicable thereto due or claimed to be due from such entities have been paid, other than those being contested in good faith and for which adequate reserves have been provided.

(ff) *Accounting Controls*. The Company and each of its Significant Subsidiaries, to the extent applicable, maintain effective internal control over financial reporting (as defined under Rule 13a-15 and 15d-15 under the Exchange Act Regulations) and a system of internal accounting controls sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management’s general or specific authorization; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain accountability for assets; (C) access to assets is permitted only in accordance with management’s general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as described in the Registration Statement, the Pricing Prospectus and the Prospectus, since the end of the Company’s most recent audited fiscal year, there has been (1) no material weakness in the Company’s internal control over financial reporting (whether or not remediated) and (2) no change in the Company’s internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting. The Company and each of its Significant Subsidiaries, to the extent applicable, maintain an effective system of disclosure controls and procedures (as defined in Rule 13a-15 and Rule 15d-15 under the Exchange Act Regulations) that comply with the requirements of the SVS and the SBIF and the Exchange Act, to the extent applicable, and designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission’s rules and forms, and is accumulated and communicated to the Company’s management, including its principal executive officer or officers and principal financial officer or officers by others within those entities, as appropriate, to allow timely decisions regarding disclosure; and such disclosure controls and procedures are effective.

(gg) *No Change Over Financial Reporting.* Except as disclosed in the Registration Statement, the Pricing Prospectus, the Prospectus or any documents incorporated by reference therein, since the date of the latest audited financial statements included or incorporated by reference in the Pricing Prospectus, there has been no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(hh) *Insurance.* Except as disclosed in the Registration Statement, the Pricing Prospectus and the Prospectus, the Company and its Significant Subsidiaries carry or are entitled to the benefits of insurance in such amounts and covering such risks as is generally maintained by companies of established repute engaged in the same or similar business, and all such insurance is in full force and effect.

(ii) *Absence of Labor Dispute.* Neither the Company nor any of its subsidiaries is engaged in any unfair labor practice; except for matters which would not, individually or in the aggregate, have a Material Adverse Effect, (i) there is (A) no unfair labor practice complaint pending or, to the Company's best knowledge, threatened against the Company or any of its Significant Subsidiaries before any government entity and no grievance or arbitration proceeding arising out of or under collective bargaining agreements is pending or threatened, (B) no strike, labor dispute, slowdown or stoppage pending or, to the Company's best knowledge, threatened against the Company or any of its Significant Subsidiaries and (C) no union representation dispute currently existing concerning the employees of the Company or any of its Significant Subsidiaries, and (ii) to the Company's best knowledge, (A) no union organizing activities are currently taking place concerning the employees of the Company or any of its subsidiaries and (B) there has been no violation of any federal, state, local or foreign law or regulation relating to discrimination in the hiring, promotion or pay of employees, any applicable wage or hour laws or any provision of the Employee Retirement Income Security Act of 1974, as amended, or the rules and regulations promulgated thereunder (collectively, "ERISA") concerning the employees of the Company or any of its Significant Subsidiaries.

(jj) *No Prohibited ERISA Transaction.* No "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended from time to time (the "Code")), "accumulated funding deficiency" (as defined in Section 302 of ERISA) or any of the events set forth in Section 4043(c) of ERISA (other than events with respect to which the 30-day notice requirement under Section 4043 of ERISA has been waived) to the best of the Company's knowledge, has occurred, exists or is reasonably expected to occur with respect to any employee benefit plan (as defined in Section 3(3) of ERISA) which the Company or any of its subsidiaries maintains, contributes to or has any obligation to contribute to, or with respect to which the Company or any of its subsidiaries has any liability, direct or indirect, contingent or otherwise (each, a "Plan"); each Plan is in compliance in all

material respects with applicable law, including ERISA and the Code; neither the Company nor any of its subsidiaries has (i) failed to timely make all required contributions to each Plan, or (ii) incurred or expects to incur liability under Title IV of ERISA with respect to the termination of, or withdrawal from, any Plan, in each case except as would not have a Material Adverse Effect; and each Plan that is intended to be qualified under Section 401(a) of the Code is so qualified, and nothing has occurred, whether by action or failure to act, which could reasonably be expected to cause the loss of such qualification, except as would not have a Material Adverse Effect.

(kk) *OFAC*. None of the Company, any of its subsidiaries or, to the best knowledge of the Company, any director, officer, agent, employee, affiliate or representative of the Company or any of its subsidiaries is an individual or entity (“Person”) currently the subject or target of any sanctions administered or enforced by the United States Government, including, without limitation, the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) or other relevant sanctions authority (collectively, “Sanctions”); and the Company will not directly or indirectly use the proceeds of the sale of the Securities, or lend, contribute or otherwise make available such proceeds to any subsidiaries, joint venture partners or other Person, to fund any activities of or business with any Person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions or in any other manner that will result in a violation by any Person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions.

(ll) *Statistical and Market-Related Data*. Any statistical and market-related data included in the Registration Statement, the Pricing Prospectus and the Prospectus are based on or derived from sources that the Company believes to be reliable and accurate in all material respects.

(mm) *Compliance with the Sarbanes-Oxley Act*. There is and has been no failure on the part of the Company or, to the Company’s best knowledge, on the part of any of the Company’s officers or directors, in their capacities as such, to comply in all material respects with any provision of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith applicable to the Company as of the date hereof.

(nn) *Foreign Corrupt Practices Act*. Neither the Company nor, to the best knowledge of the Company, any director, officer, agent, employee, affiliate or other person acting on behalf of the Company or any of its subsidiaries is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the “FCPA”), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any “foreign official” (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA and the Company and, to the best knowledge of the Company, its affiliates have

conducted their businesses in compliance with the FCPA and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

(oo) *Money Laundering Laws*. The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the “Money Laundering Laws”), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

(pp) *Environmental Matters*. Except as described in the Registration Statement, Pricing Prospectus and Prospectus and except as would not, singly or in the aggregate, result in a Material Adverse Effect, (A) neither the Company nor any of its subsidiaries is in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy, permit or rule of common law or any judicial or administrative interpretation thereof including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products, asbestos-containing materials or mold (collectively, “Hazardous Materials”) or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials and (B) neither the Company nor any of its subsidiaries is conducting, funding or responsible for clean-up or remediation of Hazardous Materials.

(qq) *Possession of Intellectual Property*. The Company and its Significant Subsidiaries own or possess, or can acquire on reasonable terms, adequate patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names or other intellectual property (collectively, “Intellectual Property”) necessary to carry on the business now operated by them, except where the inability to do so would not, singly or in the aggregate, have a Material Adverse Effect and neither the Company nor any of its Significant Subsidiaries has received any notice or is otherwise aware of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interest of the Company or any of its Significant Subsidiaries therein, and which infringement or conflict (if the subject of any unfavorable decision, ruling or finding) or invalidity or inadequacy, singly or in the aggregate, would result in a Material Adverse Effect.

(rr) *Passive Foreign Investment Company*. Based on proposed Treasury regulations, which are proposed to be effective for taxable years after December 31, 1994, the Company believes that it was not a Passive Foreign Investment Company (“PFIC”) within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended, for the year ended December 31, 2011 and it does not anticipate becoming a PFIC for future taxable years (taking into account, among other factors, the effect to the offering and sale of the Securities and the application of the proceeds thereof).

(ss) *Waiver of Immunity by the Company*. The Company and its obligations under this Agreement are subject to civil and commercial law and to suit and neither the Company nor any of its properties, assets or revenues has any right of immunity under Chilean or New York law from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from setoff or counterclaim, from the jurisdiction of any Chilean, New York State or U.S. federal court, from service of process, attachment upon or prior to judgment, or attachment in aid of execution of judgment, or from execution of a judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of a judgment, in any such court, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Agreement and, to the extent that the Company or any of its properties, assets or revenues may have or may hereafter become entitled to any such right of immunity in any such court in which proceedings may at any time be commenced, the Company has waived or will waive such right to the extent permitted by law and has consented to such relief and enforcement as provided in Section 18 of this Agreement.

(tt) *Consent to Jurisdiction*. Appointment of Agent for Service of Process. The Company has the power to submit, and pursuant to this Agreement has legally, validly, effectively and irrevocably submitted to the exclusive personal jurisdiction of any federal or state court in the State of New York, County of New York, and has validly and irrevocably waived any objection to the laying of the venue of any such suit, action or proceeding brought in any such court and has the power to designate, appoint and empower, and pursuant to this Agreement has legally, validly and effectively designated, appointed and empowered, CorpBanca New York Branch, 845 Third Avenue, 5th Floor, New York, New York 10022 (“Authorized Agent”) as its agent for service of process in any suit or proceeding based on or arising under this Agreement in any federal or state court in the State of New York, County of New York, as provided in Section 19 of this Agreement.

(uu) *Judgments*. Any final and conclusive monetary judgment against the Company of any New York State or Federal court sitting in New York City based upon this Agreement and the Deposit Agreement shall be recognized and enforced by the courts of the Republic of Chile, without re-examining or re-litigating the merits of the original action, provided the following conditions are met (the existence or non-existence of which would be determined by the *Corte Suprema de Justicia* (Supreme Court of Chile)): (A) if there is a treaty between Chile and the country where the judgment was rendered with respect to the enforcement of foreign judgments, the provisions of such treaty will apply, (B) in the absence of a treaty, the rules of reciprocity

will apply to the enforcement of judgments; if the country where the judgment was passed does not recognize judgments of Chilean courts, such foreign judgments may not be enforced in Chile, and (C) if the previous rules cannot be applied, the monetary judgment of foreign courts will have in Chile the same effect as the judgments given by Chilean courts, *provided that*: (w) the foreign monetary judgment does not contain anything contrary to the laws of Chile, (x) the foreign monetary judgment is not contrary to public policy of Chile and does not affect in any way properties situated in Chile, which are subject exclusively to the jurisdiction of local courts, (y) the defendant against whom the enforcement is sought has been given personal notice of the proceedings in accordance with Chilean law and has been afforded a real opportunity to appear before the foreign court and defend his case, which are factual issues that must be established when obtaining in Chile the enforcement of a foreign monetary judgment. Personal service made upon the Company's process agent, assuming that manner of service to be valid under the local law of the place where service was made, would constitute due notice. However, under Chilean law, service of process by mail will not be deemed to constitute due service of process for the above purposes, and (z) the foreign monetary judgment is final (i.e., not subject to any recourse), conclusive and enforceable under the laws of the country where it was rendered. Upon compliance with the above, the courts in the Republic of Chile shall enforce a final and conclusive monetary judgment rendered by any New York State or Federal court sitting in New York City, in accordance with the procedure applicable to the enforcement of final and conclusive foreign judgments in Chile under the provisions of the Chilean Civil Procedure Code (*Código de Procedimiento Civil*). To enforce a foreign judgment in Chile, a judgment must be submitted to the Supreme Court of Chile, in the form of a legalized and officially translated copy. The Supreme Court of Chile will hear arguments from the party against whom enforcement is sought, but such hearing will be limited to aspects relating to such enforcement and not to substantive issues resolved in the foreign judgment. As of the date hereof, there is no treaty between the Republic of Chile and the United States on the enforcement of foreign judgments. In practice, due to the difficulties of proving in each case whether the reciprocity rule on the enforcement of foreign judgments applies or not in respect of a specific country, the Supreme Court of Chile's approach on the matter has generally been the examination of whether circumstances in letters (w) and (x) above are duly met by such foreign judgment.

(vv) Except as described in the Registration Statement, the ADR Registration Statement, and the Prospectus, there are no contracts, agreements or understandings in relation to the offering of the ADSs or the Common Shares underlying the ADSs between the Company and any person that would give rise to a valid claim against the Company, the Underwriter or Celfin for a brokerage commission, finder's fee or other like payment.

(ww) No forward-looking statement (within the meaning of Section 27A of the Act and Section 21E of the Exchange Act) contained in the Registration Statement, the Pricing Prospectus and the Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(xx) Any certificate signed by any officer of the Company pursuant to Section 9 and delivered to the Underwriter or to the counsel for the Underwriter for the benefit of the Underwriter shall be deemed a representation and warranty by the Company to the Underwriter as to the matters covered thereby.

(yy) The Company is a “foreign private issuer” as defined in Rule 3b-4 under the Exchange Act as of the date hereof.

SECTION 2. Representations and Warranties by the Selling Shareholder. The Selling Shareholder represents and warrants to, and agrees with, the Underwriter that:

(a) The Selling Shareholder has, and will have, valid and marketable title to the Securities to be sold by it; upon the sale of such Securities to the Underwriter pursuant to this Agreement (whether the time of purchase or any additional time of purchase, as the case may be), all right, title and interest in such Securities will be transferred to the Underwriter free and clear of any claim, lien, encumbrance, security interest, community property right, restriction on transfer or other defect in title;

(b) The Selling Shareholder has and, at the Time of Delivery (whether the time of purchase or any additional time of purchase, as the case may be), will have full legal right, power and capacity, and all authorizations and approvals required by law (other than those imposed by the Act and state securities or blue sky laws), to (i) enter into this Agreement, (ii) sell, assign, transfer and deliver such Securities in the manner provided in this Agreement, (iii) deposit such Securities in the account (s) designated by Celfin, (iv) make the representations, warranties and agreements made by such Selling Shareholder herein and therein;

(c) This Agreement has been duly executed and delivered by the Selling Shareholder, and is a legal, valid and binding agreement of the Selling Shareholder enforceable in accordance with its terms;

(d) The Registration Statement complied when it became effective, complies as of the date hereof and, as amended or supplemented, at the time of purchase, each additional time of purchase, if any, and at all times during which a prospectus is required by the Act to be delivered (whether physically or through compliance with Rule 172 under the Act or any similar rule) in connection with any sale of Securities, will comply, in all material respects, with the requirements of the Act; the ADR Registration Statement complied when it became effective, complies as of the date hereof and, as amended or supplemented, at the time of purchase, each additional time of purchase, if any, and at all times during which a prospectus is required by the Act to be delivered (whether physically or through compliance with Rule 172 under the Act or any similar rule) in connection with any sale of Securities, will comply, in all material respects, with the requirements of the Act; the Registration Statement did not, as of the date of its effectiveness, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; the ADR Registration Statement did not, as of date of its effectiveness, contain an untrue statement of a material fact or omit to state a material fact required to

be stated therein or necessary to make the statements therein not misleading; the Preliminary Prospectus complied, at the time it was filed with the SEC, and complies as of the date hereof, in all material respects with the requirements of the Act; at no time during the period that begins on the earlier of the date of the Preliminary Prospectus and the date the Preliminary Prospectus was filed with the SEC and ends at the time of purchase did or will the Preliminary Prospectus, as then amended or supplemented, include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and the Pricing Prospectus, as of the Applicable Time, and as of the Closing Date, did not and will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; the Prospectus will comply, as of its date, the date that it is filed with the SEC, the time of purchase, each additional time of purchase, if any, and at all times during which a prospectus is required by the Act to be delivered (whether physically or through compliance with Rule 172 under the Act or any similar rule) in connection with any sale of Securities, in all material respects, with the requirements of the Act (including, without limitation, Section 10(a) of the Act); at no time during the period that begins on the earlier of the date of the Prospectus and the date the Prospectus is filed with the SEC and ends at the later of the time of purchase, the latest additional time of purchase, if any, and the end of the period during which a prospectus is required by the Act to be delivered (whether physically or through compliance with Rule 172 under the Act or any similar rule) in connection with any sale of Securities did or will the Prospectus, as then amended or supplemented, include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; at no time during the period that begins on the date of such Issuer Free Writing Prospectus and ends at the time of purchase did or will any Issuer Free Writing Prospectus include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Selling Shareholder makes no representation or warranty with respect to any statement contained in the Registration Statement, the ADR Registration Statement, any Preliminary Prospectus, the Pricing Prospectus, the Prospectus or any Issuer Free Writing Prospectus in reliance upon and in conformity with information concerning the Underwriter and furnished in writing by or on behalf of such Underwriter through you to the Company expressly for use in the Registration Statement, the ADR Registration Statement, such Preliminary Prospectus, the Pricing Prospectus, the Prospectus or such Issuer Free Writing Prospectus;

(e) The Selling Shareholder has no reason to believe, after due inquiry, that the representations and warranties of the Company contained in Section 1 hereof are not true and correct in all material respects;

(f) All information with respect to the Selling Shareholder included in the Registration Statement, the Preliminary Prospectus, the Pricing Prospectus or the Prospectus complied and will comply with all applicable provisions of the Act and Exchange Act;

(g) The sale of the Securities to be sold by the Selling Shareholder pursuant to this Agreement is not prompted by any information concerning the Company or any Significant Subsidiary of the Company which is not set forth in the Registration Statement (excluding exhibits thereto), the Preliminary Prospectus, the Pricing Prospectus and the Prospectus;

(h) Neither the Selling Shareholder nor any of its affiliates has taken, directly or indirectly, any action designed to, or which has constituted or might reasonably be expected to cause or result in, under the Exchange Act or otherwise, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities;

(i) There are no affiliations or associations between any member of FINRA and the Selling Shareholder, except as set forth in the Registration Statement (excluding exhibits thereto), the Preliminary Prospectus, the Pricing Prospectus and the Prospectus; none of the proceeds received by such Selling Shareholder from the sale of the Securities pursuant to this Agreement will be paid to a member of FINRA or any affiliate of such member;

(j) At the time of purchase, each additional time of purchase, and at the time of settlement, all stock transfer or other taxes, if any, that are required to be paid in connection with the sale and transfer of the Securities to be sold by the Selling Shareholder to the Underwriter hereunder, shall have been fully paid or provided for by such Selling Shareholder, and all laws imposing such taxes shall have been fully complied with;

(k) No approval, authorization, consent or order of or filing with any federal, state, local or foreign governmental or regulatory commission, court, board, body, authority or agency, or of or with any self-regulatory organization or other non-governmental regulatory authority (including, FINRA), is required in connection with the sale of the Securities to be sold by the Selling Shareholder, or the consummation by such Selling Shareholder of the transactions contemplated by this Agreement and the Deposit Agreement, other than registration of the Securities under the Act, which has been effected, and any necessary qualification under the securities or blue sky laws of the various jurisdictions in which the Securities are being offered by the Underwriter;

(l) The Selling Shareholder has not, prior to the execution of this Agreement, offered or sold any Securities by means of any "prospectus" (within the meaning of the Act), or used any "prospectus" (within the meaning of the Act) in connection with the offer or sale of the Securities, in each case other than the then most recent Preliminary Prospectus;

(m) Neither the execution, delivery and performance of this Agreement, nor the sale by the Selling Shareholder of the Securities pursuant to this Agreement or the other transactions contemplated hereby or thereby, will conflict with, result in any breach or violation of or constitute a default under (or constitute any event which with notice, lapse of time or both would result in any breach or violation of or constitute a

default under) (i) any indenture, mortgage, deed of trust, bank loan or credit agreement or other evidence of indebtedness, or any license, lease, contract or other agreement or instrument to which such Selling Shareholder is a party or by which such Selling Shareholder or any of its properties may be bound or affected, or (ii) any federal, state, local or foreign law, regulation or rule, or (iii) any decree, judgment or order applicable to such Selling Shareholder;

(n) The Selling Shareholder has the power to submit, and pursuant to this Agreement has legally, validly, effectively and irrevocably submitted to the exclusive personal jurisdiction of any federal or state court in the State of New York, County of New York, and has validly and irrevocably waived any objection to the laying of the venue of any such suit, action or proceeding brought in any such court and has the power to designate, appoint and empower, and pursuant to this Agreement has legally, validly and effectively designated, appointed and empowered, CorpBanca New York Branch, 845 Third Avenue, 5th Floor, New York, New York 10022 (“Authorized Agent”) as its agent for service of process in any suit or proceeding based on or arising under this Agreement in any federal or state court in the State of New York, County of New York, as provided in Section 19 of this Agreement.

SECTION 3. Offer of Securities.

(a) Subject to the terms and conditions herein set forth, the Company agrees to issue and sell and the Selling Shareholder agrees to sell, in each case, severally and not jointly, to the Underwriter through the *subasta de libro de órdenes*, and the Underwriter agrees to purchase from the Company and the Selling Shareholder, at a purchase price equal to US\$19.3320 per ADS, each representing 1,500 shares of Common Stock, the number of Securities set forth opposite the name of the Underwriter in in Schedule III hereto. The Underwriter proposes to offer the Securities for sale upon the terms and conditions set forth in the Prospectus.

SECTION 4. Settlement.

(a) *Delivery of Securities to DTC.* The Securities to be purchased by the Underwriter hereunder, in definitive form, and in such authorized denominations and registered in such names as the Underwriter may request upon at least forty eight hours’ prior notice to the Company and the Selling Shareholder, shall be delivered by or on behalf of the Company and the Selling Shareholder to the Underwriter, through the facilities of The Depository Trust Company (“DTC”), for the account of the Underwriter, against payment by or on behalf of the Underwriter of the purchase price in Chilean Pesos therefor by wire transfer of Federal (same-day) funds to the accounts specified by (i) the Company and (ii) the Selling Shareholder, both sent to the Underwriter at least forty-eight hours in advance. The Company and the Selling Shareholder will cause the certificates representing the Securities to be made available for checking and packaging at least twenty-four hours prior to the Time of Delivery (as defined below) with respect thereto at the office of DTC or its designated custodian (the “Designated Office”). The time and date of such delivery and payment shall be, with respect to the Securities, 9:30 a.m., New York City time, on January 18, 2013 or such other time and date as the Underwriter and the Company may agree upon in writing (the “Time of Delivery”).

(b) *Delivery of Documents.* The documents to be delivered at the Time of Delivery by or on behalf of the parties hereto pursuant to Section 9 hereof, including the cross receipt for the Securities and any additional documents requested by the Underwriter pursuant to Section 9 (v) and (x) hereof, will be delivered at the offices of Underwriter's counsel: Shearman & Sterling LLP, 599 Lexington Avenue, New York, NY 10022 (the "Closing Location"), and the Securities will be delivered at the Designated Office, all at the Time of Delivery. A meeting will be held at the Closing Location at 10 a.m., New York City time, on the New York Business Day next preceding the Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For the purposes of this Section 4, "New York Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close.

(c) *Delivery of ADRs.* The ADRs evidencing ADSs shall be delivered to the Underwriter at the Time of Delivery for the account of the Underwriter, with any transfer, stamp or similar taxes or any withholding or other taxes imposed by Chile or any taxing authority thereof or therein payable in connection with the initial delivery of the ADRs, ADSs or Common Shares to the Underwriter, the Depositary or the persons in whose names the Underwriter has requested ADRs evidencing ADSs to be initially issued at the Time of Delivery, duly paid by the Company and the Selling Shareholder against payment of the purchase price thereof in accordance with this Section 4. Any transfer taxes or stamp duties or any withholding or other taxes payable on any transfer subsequent to the delivery of ADRs in accordance with this Section 4 shall not be the responsibility of the Company nor the Selling Shareholder.

SECTION 5. Covenants of the Company. The Company agrees with the Underwriter:

(a) *Required Filings.* To prepare the Prospectus in a form approved by you and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement or as otherwise permitted pursuant to Rule 424(b); to make no further amendment or any supplement to the Registration Statement, the Base Prospectus or the Prospectus prior to the Time of Delivery which shall be disapproved by you promptly after reasonable notice thereof; to advise you, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any amendment or supplement to the Prospectus has been filed and to furnish you with copies thereof; to file promptly all other material required to be filed by the Company with the Commission pursuant to Rule 433(d) under the Act; to file promptly all reports required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c) or 15(d) of the Exchange Act subsequent to the date of the Prospectus and for so long as the delivery of a prospectus (or in lieu

thereof, the notice referred to in Rule 173(a) under the Act) is required in connection with the offering or sale of the Securities; to advise you, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus in respect of the Securities, of any notice of objection of the Commission to the use of the Registration Statement or any post effective amendment thereto pursuant to Rule 401(g)(2) under the Act, of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or the Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus or suspending any such qualification, to promptly use its best efforts to obtain the withdrawal of such order; and in the event of any such issuance of a notice of objection, promptly to take such steps including, without limitation, amending the Registration Statement or filing a new registration statement, at its own expense, as may be necessary to permit offers and sales of the Securities by the Underwriter (references herein to the Registration Statement shall include any such amendment or new registration statement).

(b) *Amendments or Supplements.* If required by Rule 430B(h) under the Act, to prepare a form of prospectus in a form approved by you and to file such form of prospectus pursuant to Rule 424(b) under the Act not later than may be required by Rule 424(b) under the Act; and to make no further amendment or supplement to such form of prospectus which shall be disapproved by you promptly after reasonable notice thereof.

(c) *Blue Sky Qualifications.* Promptly from time to time to take such action as you may reasonably request to qualify the Securities for offering and sale under the securities laws of such jurisdictions as you may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Securities, provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction.

(d) *Delivery of Prospectuses.* Prior to 10:00 a.m., New York City time, on the New York Business Day next succeeding the date of this Agreement and from time to time, to furnish the Underwriter with written and electronic copies of the Prospectus in New York City in such quantities as you may reasonably request, and, if the delivery of a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is required at any time prior to the expiration of nine months after the time of issue of the Prospectus in connection with the offering or sale of the Securities and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is delivered, not misleading, or, if for

any other reason it shall be necessary during such same period to amend or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Act or the Exchange Act, to notify you and upon your request to file such document and to prepare and furnish without charge to the Underwriter and to any dealer in securities as many written and electronic copies as you may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance; and in case the Underwriter is required to deliver a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) in connection with sales of any of the Securities at any time nine months or more after the time of issue of the Prospectus, upon your request but at the expense of the Underwriter, to prepare and deliver to the Underwriter as many written and electronic copies as you may request of an amended or supplemented Prospectus complying with Section 10(a)(3) of the Act.

(e) *Rule 158.* To make generally available to its securityholders as soon as practicable, but in any event not later than sixteen months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158).

(f) *Restriction on Sale of Securities.* During the period beginning from the date hereof and continuing to and including the date 90 days after the date of the Prospectus, not to (i) offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise transfer or dispose of, directly or indirectly, or file with the Commission a registration statement under the Act relating to, any Common Shares, directly or represented by ADSs, any security that constitutes the right to receive Common Shares or ADSs or any securities of the Company convertible into or exercisable or exchangeable for Common Shares, directly or represented by ADSs, or file any registration statement under the Act with respect to any of the foregoing; or (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Common Shares or ADSs or any such other securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Shares or ADSs or such other securities, in cash or otherwise (other than the Common Shares or ADSs to be sold hereunder or pursuant to employee stock option plans existing on, or upon the conversion or exchange of convertible or exchangeable securities outstanding as of, the date of this Agreement), without the prior written consent of the Underwriter.

(g) *Filing Fees.* To pay the required Commission filing fees relating to the Securities within the time required by Rule 456(b)(1) under the Act without regard to the proviso therein and otherwise in accordance with Rules 456(b) and 457(r) under the Act.

(h) *Use of Proceeds*. To use the net proceeds received by it from the sale of the Securities pursuant to this Agreement in the manner specified in the Pricing Prospectus under the caption “Use of Proceeds”.

(i) *Indemnification for Stamp Taxes, etc.* The Company agrees to indemnify and hold harmless the Underwriter against any documentary, stamp or similar transfer or issue tax, or fees, including any interest and penalties, which are or may be required to be paid to Chile or any political subdivision or taxing authority thereof or therein on or in connection with the creation, offer and distribution of the Common Shares or ADSs or on the execution or delivery of this Agreement.

(j) *Listing*. The Company will use its best efforts to effect the listing of the Common Shares on the Santiago Stock Exchange. The Company will use its best efforts to effect the supplemental listing of the ADSs on the NYSE and will file with the NYSE and the Santiago Stock Exchange all documents and notices required by such stock exchanges of companies that have securities listed thereon.

(k) *Electronic License*. Upon request of the Underwriter, to furnish, or cause to be furnished, to the Underwriter an electronic version of the Company’s trademarks, servicemarks and corporate logo for use on the website, if any, operated by the Underwriter for the purpose of facilitating the on-line offering of the Securities (the “License”); *provided, however*, that the License shall be used solely for the purpose described above, is granted without any fee and may not be assigned or transferred.

(l) *Deposit of Common Shares*. Prior to the Time of Delivery, the Company will deposit or cause to be deposited Common Shares with the Depositary in accordance with the provisions of the Deposit Agreement so that the ADRs evidencing the ADSs to be delivered to the Underwriter at the Time of Delivery are executed, countersigned and issued by the Depositary against receipt of such Common Shares and delivered to the Underwriter at such Time of Delivery.

(m) *Absence of Stabilization*. The Company agrees not to (and to use its best efforts to cause its affiliates not to) take, directly or indirectly, any action which is designed to or which constitutes or which might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company.

(n) *Reports*. The Company will furnish to the Depositary and to holders of ADRs, upon request, directly or through the Depositary, such reports and other information described in the Prospectus under the caption “Available Information” in accordance with the procedures stated thereunder.

(o) *Additional Reports*. For a period of three years from the date hereof, upon request, the Company will furnish to the Underwriter copies of (A) all reports or other communications (financial or otherwise) furnished to holders of ADSs and (B) any reports and financial statements furnished to or filed with the Commission, the NYSE, the SVS, the Santiago Stock Exchange or any national securities exchange and thereafter made available to the general public, *provided* that any such reports,

communications or financial statements that are furnished to or filed with the Commission and generally made available to the public shall be deemed to have been furnished to the Underwriter.

(p) *Ongoing Compliance.* The Company, during the period when the Prospectus is required to be delivered under the Act or the Exchange Act, will file all documents required to be filed with the Commission pursuant to the Exchange Act within the time periods required by the Act and the Commission's rules under the Exchange Act.

(q) *No Market Manipulation.* During the period beginning on the date hereof and ending on the later of the Time of Delivery and the date of the completion of the placement of the Securities, as evidenced by a notice in writing from the Underwriter to the Company, (A) the Company will not, and will cause its subsidiaries and all other parties acting on its behalf not to, without giving reasonable notice of its intention to do so to the Underwriter (unless prevented from doing so by applicable law or regulation), issue any public announcement or participate in any press or other financial conference, except in the ordinary course of business, which (1) could reasonably be expected to have a material effect on the price or distribution of the Securities or (2) contradict any of the information contained in the Prospectus and will not issue any such public announcement or participate in any press or other financial conference, except in the ordinary course of business, to which the Underwriter shall reasonably object, and (B) the Company will notify the Underwriter promptly of any event or development making untrue or incorrect in any material respect, or of any change materially affecting, any of the representations, warranties, agreements or indemnities made by it herein at any time prior to the Time of Delivery and will take such steps as may be reasonably requested by the Underwriter to remedy or publicize the same.

SECTION 6. Certain Covenants of the Selling Shareholder. The Selling Shareholder agrees with the Underwriter:

(a) Not, at any time at or after the execution of this Agreement, to offer or sell any Securities by means of any "prospectus" (within the meaning of the Act), or use any "prospectus" (within the meaning of the Act) in connection with the offer or sale of the Securities, in each case other than the Prospectus;

(b) Not to take, directly or indirectly, any action designed to or which may constitute or which might reasonably be expected to cause or result in, under the Exchange Act or otherwise, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities;

(c) To pay or cause to be paid all taxes, if any, on the transfer and sale of the Securities being sold by the Selling Shareholder;

(d) To advise you promptly, and if requested by you, to confirm such advice in writing, so long as a prospectus is required by the Act to be delivered (whether physically or through compliance with Rule 172 under the Act or any similar rule) in

connection with any sale of Securities, of (i) any material change in the Company's condition (financial or otherwise), prospects, earnings, business or properties, (ii) any change in information in the Registration Statement, any Preliminary Prospectus, the Prospectus or any Issuer Free Writing Prospectus relating to the Selling Shareholder or (iii) any new material information relating to the Company or relating to any matter stated in the Registration Statement, any Preliminary Prospectus or the Prospectus which comes to the attention of the Selling Shareholder;

SECTION 7. Issuer Free Writing Prospectuses.

(a) *Prior Consent.* Each of the Company and the Selling Shareholder represent and agree that, without the prior consent of the Underwriter, it has not made and will not make any offer relating to the Securities that would constitute a "free writing prospectus" as defined in Rule 405 under the Act; the Underwriter represents and agrees that, without the prior consent of the Company or the Selling Shareholder, that it has not made and will not make any offer relating to the Securities that would constitute a free writing prospectus, other than (i) a free writing prospectus that contains no "issuer information" (as defined in Rule 433(h)(2) under the Act) that was not included (including through incorporation by reference) in the Preliminary Prospectus or a previously filed Issuer Free Writing Prospectus, (ii) any Issuer Free Writing Prospectus listed on Schedule I or prepared pursuant to Section 1(d) above (including any electronic road show), or (iii) any free writing prospectus prepared by the underwriter and approved by the Company and Selling Shareholder in advance in writing.

(b) *Compliance with the Act.* The Company has complied and will comply with the requirements of Rule 433 under the Act applicable to any Issuer Free Writing Prospectus, including timely filing with the Commission or retention where required and legending.

(c) *Conflicting Information.* The Company and the Selling Shareholder agree that if at any time following issuance of an Issuer Free Writing Prospectus any event occurred or occurs as a result of which such Issuer Free Writing Prospectus would conflict with the information in the Registration Statement, the ADR Registration Statement, the Pricing Prospectus or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, the Company will give prompt notice thereof to the Underwriter and, if requested by the Underwriter, will prepare and furnish without charge to the Underwriter an Issuer Free Writing Prospectus or other document which will correct such conflict, statement or omission; *provided, however*, that this Section 7(c) shall not apply to any statements or omissions in an Issuer Free Writing Prospectus made in reliance upon and in conformity with the Underwriter Information.

SECTION 8. Payment of Expenses. The Company agrees that, whether or not the Offering is consummated, it undertakes to, promptly upon the written request of the Underwriter, reimburse the Underwriter for all reasonable costs and expenses (which can be billed from time-to-time) and any applicable taxes incurred by the Underwriter in

connection with the Offering, including, without limitation: (i) the fees, disbursements and expenses of the Underwriter's local and international counsels as mutually agreed upon by the Company and the Underwriter; (ii) fees and expenses relating to the settlement of the Securities through Pershing and the listing of the Securities on the relevant stock exchange; (iii) the costs of printing and distribution to or on behalf of the underwriters of any preliminary and final offering memoranda, prospectuses or other disclosure documents in connection with the Offering; (iv) out-of-pocket travel expenses of the Underwriter, including due diligence and the Underwriter's roadshow expenses; and (v) all customary roadshow expenses, including the cost of any internet based roadshow; provided that all such expenses incurred in the aggregate by the Underwriter on its own behalf in connection therewith shall be mutually agreed upon by the Company and the Underwriter. The Company shall be solely responsible for the fees, disbursements and expenses of Company's local and international counsels. Notwithstanding anything in this section to the contrary, any expenses in excess of the amount set forth herein, shall nonetheless be borne by the Company, if such expense is approved in writing by the Company prior to the incurrence of any such expense.

SECTION 9. Conditions of Underwriter's Obligations. The obligations of the Underwriter hereunder shall be subject, in its discretion, to the condition that all representations and warranties and other statements of the Company and the Selling Shareholder herein are, at and as of the Time of Delivery, true and correct, the condition that the Company and the Selling Shareholder shall have performed all of its obligations hereunder theretofore to be performed, and the following additional conditions:

(a) *Effectiveness of Registration Statement*. The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) under the Act within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 5(a) hereof; all material required to be filed by the Company pursuant to Rule 433(d) under the Act shall have been filed with the Commission within the applicable time period prescribed for such filings by Rule 433; no stop order suspending the effectiveness of the Registration Statement or the ADR Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission and no notice of objection of the Commission to the use of the Registration Statement, or the ADR Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Act shall have been received; no stop order suspending or preventing the use of the Prospectus or any Issuer Free Writing Prospectus shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to your reasonable satisfaction.

(b) *Opinion of U.S. Counsel for Underwriter*. Shearman & Sterling LLP, U.S. counsel for the Underwriter, shall have furnished to the Underwriter such written opinion

or opinions, dated the Time of Delivery, in form and substance satisfactory to the Underwriter, as well as such other related matters as the Underwriter may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters.

(c) *Opinion of Chilean Counsel for Underwriter.* Claro y Cía., Chilean counsel for the Underwriter, shall have furnished to the Underwriter such written opinion or opinions, dated the Time of Delivery, in form and substance satisfactory to the Underwriter as well as such other related matters as the Underwriter may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters.

(d) *Opinion of U.S. Counsel for Depositary.* Ziegler, Ziegler & Associates LLP, counsel for the Depositary, shall have furnished to the Underwriter their written opinion (a form of such opinion is attached as Annex A hereto), dated the Time of Delivery, in form and substance satisfactory to the Underwriter, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters.

(e) *Opinion of U.S. Counsel for Company.* Dechert LLP, US counsel for the Company, shall have furnished to the Underwriter their written opinion (a draft of such opinion is attached as Annex B hereto), dated the Time of Delivery, in form and substance reasonably satisfactory to the Underwriter.

(f) *Opinion of Chilean Counsel for Company.* Barros & Errázuriz Abogados, Chilean counsel for the Company, shall have furnished to the Underwriter their written opinion (a draft of such opinion is attached as Annex C hereto), dated the Time of Delivery, in form and substance satisfactory to the Underwriter.

(g) *Opinion of Colombian Counsel for Company.* Posse Herrera Ruiz, Colombian counsel for the Company, shall have furnished to the Underwriter their written opinion (a draft of such opinion is attached as Annex D hereto), dated the Time of Delivery, in form and substance satisfactory to the Underwriter.

(h) *Opinion of Chilean Counsel for Selling Shareholder.* Guerrero & Asociados, Chilean counsel for the Selling Shareholder, shall have furnished to the Underwriter their written opinion (a draft of such opinion is attached as Annex E hereto), dated the Time of Delivery, in form and substance satisfactory to the Underwriter.

(i) *Chilean Accountant's Comfort Letter.* At the time of the execution of this Agreement, the Underwriter shall have received from Deloitte Chile, the independent registered public accounting firm for the Company, a letter, dated the date hereof, addressed to the Underwriter, in form and substance satisfactory to the Underwriter, covering the relevant financial information in the Registration Statement and Pricing Prospectus, including the Company Financial Statements and the Pro Forma Financial Statements with a cut-off date no more than three business days before the date of the comfort letter.

(j) *Colombian Accountant's Comfort Letter.* At the time of the execution of this Agreement, the Underwriter shall have received from Deloitte Colombia, the independent registered public accounting firm for CorpBanca Colombia, a letter, dated the date hereof, addressed to the Underwriter, in form and substance satisfactory to the Underwriter, covering the relevant financial information in the Pricing Prospectus, including the CorpBanca Colombia Financial Statements with a cut-off date no more than three business days before the date of the comfort letter.

(k) *Chilean Accountant's Bring-down Comfort Letter.* At the Time of Delivery, the Underwriter shall have received from Deloitte Chile a letter, dated as of the Time of Delivery, addressed to the Underwriter, in the form satisfactory to the Underwriter, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (i) of this Section, with a cut-off date no more than three business days before the date of the comfort letter.

(l) *Colombian Accountant's Bring-down Comfort Letter.* At the Time of Delivery, the Underwriter shall have received from Deloitte Colombia a letter, dated as of the Time of Delivery, addressed to the Underwriter, in the form satisfactory to the Underwriter, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (j) of this Section, with a cut-off date no more than three business days before the date of the comfort letter.

(m) *Deposit Agreement.* The Deposit Agreement shall be in full force and effect.

(n) *Certificate of Depositary.* At the Time of Delivery, the Underwriter shall have received a certificate of the Depositary, in form and substance satisfactory to the Underwriter, executed by one of its authorized officers with respect to the deposit with the custodian under the Deposit Agreement of the Common Shares underlying the ADSs to be purchased against issuance of the ADRs evidencing such ADSs, the execution, issuance, countersignature and delivery of the ADRs evidencing such ADSs pursuant to the Deposit Agreement and such other matters related thereto as the Underwriter may reasonably request.

(o) *Delivery of Documents to Underwriter.* On or prior to the Time of Delivery, there shall have been delivered to the Underwriter a copy, certified by a duly authorized signatory of the Company, of (i) the By-laws of the Company, as amended, and (ii) all resolutions of the shareholders and of the board of directors of the Company authorizing (x) the offering and the issuance of the Common Shares and the ADSs and (y) the execution of this Agreement and the Deposit Agreement and the entry into and performance of the transactions contemplated thereby.

(p) *Chilean Offer.* Contemporaneously with or prior to the purchase by the Underwriter of the Securities, the sale of shares in the form of Common Shares to Celfin according to the *subasta de libro de órdenes* shall have occurred.

(q) *No Change in Financial Position.* (i) Neither the Company nor any of its subsidiaries shall have sustained since the date of the latest audited financial statements included or incorporated by reference in the Pricing Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Prospectus or any document incorporated by reference therein, and (ii) since the respective dates as of which information is given in the Pricing Prospectus there shall not have been any change in the capital stock or long term debt of the Company or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, shareholders' equity or results of operations of the Company and its subsidiaries, otherwise than as set forth or contemplated in the Pricing Prospectus or any document incorporated by reference therein, the effect of which, in any such case described in clause (i) or (ii), is in your judgment so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Securities on the terms and in the manner contemplated in the Prospectus.

(r) *No Force Majeure.* On or after the Applicable Time there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the NYSE or the Santiago Stock Exchange; (ii) a suspension or material limitation in trading in the Company's securities on the NYSE or the Santiago Stock Exchange; (iii) a general moratorium on commercial banking activities declared by either Federal or New York State or Chilean or Colombian authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States or Chile or Colombia; (iv) the outbreak or escalation of hostilities involving the United States or Chile or Colombia or the declaration by the United States or Chile or Colombia, respectively, of a national emergency or war; (v) the imposition of the proposal of exchange controls by any governmental authority in Chile or Colombia; or (vi) the occurrence of any other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (iv) or (vi) in your judgment makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Securities on the terms and in the manner contemplated in the Prospectus.

(s) *Delivery of Prospectuses.* The Company shall have complied with the provisions of Section 5(d) hereof with respect to the furnishing of prospectuses on the New York Business Day next succeeding the date of this Agreement.

(t) *Approval of Listing.* At the Time of Delivery, the ADSs shall have been duly listed on the NYSE, subject to official notice of issuance, and the Common Shares shall be approved for listing and shall be eligible for trading on the Santiago Stock Exchange.

(u) *Lock-up Agreements.* The Company has obtained and delivered to the Underwriter executed copies of a lock-up agreement (a form of such letter is attached as Annex F) from the persons listed in Schedule IV, substantially to the effect set forth in Annex F hereof in form and substance satisfactory to the Underwriter.

(v) *Officers' Certificate*. The Company and the Selling Shareholder shall have furnished or caused to be furnished to the Underwriter at the Time of Delivery certificates of officers of the Company and the Selling Shareholder satisfactory to the Underwriter, as to the accuracy of the representations and warranties of the Company and the Selling Shareholder herein at and as of such time, as to the performance by the Company and the Selling Shareholder of all of their obligations hereunder to be performed at or prior to such time, as to the matters set forth in subsections (a) and (s) of this Section and as to such other matters as the Underwriter may reasonably request.

(w) *Financial Planning Vice President Certificate*. On the date of this Agreement and on the Closing Date, Helm Bank shall have furnished to the Underwriter a certificate, dated the respective dates of delivery thereof and addressed to the Underwriter, of its Financial Planning Vice President with respect to certain financial data contained in each of the Pricing Prospectus and the Prospectus, in form and substance reasonably satisfactory to the Underwriter.

(x) *Termination of Agreement*. If any condition specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement may be terminated by the Underwriter by notice to the Company and the Selling Shareholder at any time at or prior to the Time of Delivery and such termination shall be without liability of any party to any other party except as provided in Section 8 and except that Sections 1, 10, 11, 12, 18, 19, 20, 21, 22 and 23 shall survive any such termination and remain in full force and effect.

SECTION 10. Indemnification.

(a) *Indemnification of Underwriter*. The Company and the Selling Shareholder agree to indemnify and hold harmless the Underwriter, its officers, directors, employees and affiliates (as such term is defined in Rule 501(b) under the Act (each, an "Affiliate")) and each person, if any, who controls the Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), including any information deemed to be a part thereof pursuant to Rule 430B, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact included (A) in any preliminary prospectus, any Issuer Free Writing Prospectus, the Pricing Prospectus or the Prospectus (or any amendment or supplement thereto) or (B) in any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the offering of the Securities ("Marketing Materials"), including any road show or investor presentations made to investors by the Company (whether in

person or electronically), or the omission or alleged omission in any preliminary prospectus, Issuer Free Writing Prospectus, Prospectus or in any Marketing Materials of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that (subject to Section 10(c) below) any such settlement is effected with the written consent of the Company;

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of one counsel chosen by BTG (together with local counsel in each jurisdiction)), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in the Registration Statement (or any amendment thereto), including any information deemed to be a part thereof pursuant to Rule 430B, the Pricing Prospectus or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with the Underwriter Information.

(b) *Indemnification of Company, Directors, Officers and Selling Shareholder.* The Underwriter agrees to indemnify and hold harmless the Company, its directors, its officers and each person, if any, who controls the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act and the Selling Shareholder, against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto), including any information deemed to be a part thereof pursuant to Rule 430B, the Pricing Prospectus or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with the Underwriter Information.

(c) *Actions against Parties; Notification.* Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to

Section 10(a) above, counsel to the indemnified parties shall be selected by the Underwriter, and, in the case of parties indemnified pursuant to Section 10(b) above, counsel to the indemnified parties shall be selected by the Company. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 10 or Section 11 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) *Settlement without Consent if Failure to Reimburse.* If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 10(a) (ii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

SECTION 11. Contribution.

(a) If the indemnification provided for in Section 10 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Shareholder, on the one hand, and the Underwriter, on the other hand, from the offering of the Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Selling Shareholder, on the one hand, and of the Underwriter, on the other hand, in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

(b) The relative benefits received by the Company and the Selling Shareholder, on the one hand, and the Underwriter, on the other hand, in connection with the offering of the Securities pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the Securities pursuant to this Agreement (before deducting expenses) received by the Company and the Selling Shareholder, on the one hand, and the total underwriting discount received by the Underwriter, on the other hand, in each case as set forth on the cover of the Prospectus, bear to the aggregate initial public offering price of the Securities as set forth on the cover of the Prospectus.

(c) The relative fault of the Company and the Selling Shareholder, on the one hand, and the Underwriter, on the other hand, shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company, the Selling Shareholder or by the Underwriter and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(d) The Company, the Selling Shareholder and the Underwriter agree that it would not be just and equitable if contribution pursuant to this Section 11 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 11. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 11 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

(e) Notwithstanding the provisions of this Section 11, the Underwriter shall not be required to contribute any amount in excess of the underwriting commissions received by it in connection with the Securities underwritten by it and distributed to the public.

(f) No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(g) For purposes of this Section 11, each person, if any, who controls the Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act and the Underwriter's Affiliates and selling agents shall have the same rights to contribution as the Underwriter, and each director of the Company, each officer of the Company, and each person, if any, who controls the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act and the Selling Shareholder shall have the same rights to contribution as the Company.

SECTION 12. Representations, Warranties and Agreements to Survive. The respective indemnities, agreements, representations and warranties of the Company, the Selling Shareholder and the Underwriter, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of the Underwriter or any controlling person of the Underwriter, or the Company, or any officer or director or controlling person of the Company, or the Selling Shareholder and shall survive delivery of and payment for the Securities.

SECTION 13. Notices.

(a) All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriter shall be delivered or sent by mail, telex or facsimile transmission to BTG Pactual US Capital LLC, 601 Lexington Avenue, 57th Floor, New York, NY 10022, Attention: Transactions Advisory Group; and if to the Company shall be delivered or sent by mail, telex or facsimile transmission to the address of the Company set forth in the Registration Statement, Attention: Secretary. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

(b) In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriter is required to obtain, verify and record information that identifies its clients, including the Company and the Selling Shareholder, which information may include the name and address of its clients, as well as other information that will allow the Underwriter to properly identify its clients.

SECTION 14. Parties. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriter, the Company, the Selling Shareholder and, to the extent provided in Sections 10 and 13 hereof, the officers and directors of the Company and each person who controls the Company or the Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Securities from the Underwriter shall be deemed a successor or assign by reason merely of such purchase.

SECTION 15. Time. Time shall be of the essence of this Agreement. As used herein, the term "business day" shall mean any day when the Commission's office in Washington, D.C. and the Central Bank of Chile in Santiago de Chile are open for business.

SECTION 16. No Advisory or Fiduciary Relationship. The Company and the Selling Shareholder acknowledge and agree that (i) the purchase and sale of the Securities pursuant to this Agreement is an arm's-length commercial transaction between the Company and the Selling Shareholder, on the one hand, and the

Underwriter, on the other, (ii) in connection therewith and with the process leading to such transaction the Underwriter is acting solely as a principal and not the agent or fiduciary of the Company and the Selling Shareholder, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Company or the Selling Shareholder with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether the Underwriter has advised or is currently advising the Company or the Selling Shareholder on other matters) or any other obligation to the Company or the Selling Shareholder except the obligations expressly set forth in this Agreement and (iv) the Company and the Selling Shareholder has consulted their own legal and financial advisors to the extent they deemed appropriate. The Company and the Selling Shareholder agree that they will not claim that the Underwriter has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Company and the Selling Shareholder, in connection with such transaction or the process leading thereto.

SECTION 17. Merger. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Company, the Selling Shareholder and the Underwriter with respect to the subject matter hereof.

SECTION 18. Waiver of Immunity. To the extent that the Selling Shareholder, the Company or any of its properties, assets or revenues may have or may hereafter become entitled to, or have attributed to the Company, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from setoff or counterclaim, from the jurisdiction of any Chilean, New York State or U.S. federal court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution of judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any such court in which proceedings may at any time be commenced, with respect to the obligations and liabilities of the Company and the Selling Shareholder, or any other matter under or arising out of or in connection with this Agreement, the Company and the Selling Shareholder hereby irrevocably and unconditionally waive such right to the extent permitted by law, and agrees not to plead or claim any such immunity.

SECTION 19. Consent to Jurisdiction. The Company and the Selling Shareholder, by its execution and delivery of this Agreement, agree that service of process may be made upon the Authorized Agent, in the United States of America in any suit or proceeding against the Company and/or the Selling Shareholder instituted by the Underwriter or any person controlling the Underwriter based on or arising under this Agreement or the transactions contemplated herein which may be instituted in any federal or state court in the Borough of Manhattan, The City of New York, State of New York, and hereby irrevocably consents and submits to the exclusive jurisdiction of any such court in personam in respect of any such suit or proceeding. Nothing herein shall in any way be deemed to limit the ability of the Underwriter and the other persons referred to in Sections 7 and 8 to serve any such legal process, summons, notices and documents in any other manner permitted by applicable law or to obtain jurisdiction over the Company or the Selling Shareholder or bring actions, suits or proceedings against

the Company and/or the Selling Shareholder, in such other jurisdictions, and in such manner, as may be permitted by applicable law. The Company and the Selling Shareholder hereby irrevocably and unconditionally waive, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any of the aforesaid actions, suits or proceedings arising out of or in connection with this Agreement or the transactions contemplated herein brought in the federal courts or the courts of the State of New York located in the State of New York, County of New York and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

SECTION 20. Judgment Currency. The Company and the Selling Shareholder agree to indemnify the Underwriter, its officers, directors, employees and Affiliates and each person, if any, who controls the Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, and the Underwriter agrees to indemnify the Company, its directors, each of its officers who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act and the Selling Shareholder in respect of any judgment being given in connection with this Agreement, the Prospectus, the Registration Statement or the ADR Registration Statement for which indemnification is provided by such person pursuant to Section 10 of this Agreement and any such judgment or order being paid in a currency (the "Judgment Currency") other than U.S. dollars against any loss incurred, as incurred, as a result of any variation as between (i) the spot rate of exchange in New York at which the Judgment Currency would have been convertible through normal banking procedures in the City of New York into U.S. dollars as of the date such judgment or order is entered, and (ii) the spot rate of exchange at which the indemnified party is first able to purchase U.S. dollars through normal banking procedures in the City of New York with the amount of the Judgment Currency actually received by the indemnified party. If, alternatively, the indemnified party receives a profit as a result of such currency conversion, it will return any such profits to the indemnifying party (after taking into account any taxes or other costs arising in connection with such conversion and repayment). The foregoing indemnity shall constitute a separate and independent, several and not joint, obligation of the Company, the Selling Shareholder and the Underwriter and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "spot rate of exchange" shall include any premiums and costs of exchange payable in connection with the purchase of, or conversion into, the relevant currency.

SECTION 21. Governing Law. This Agreement and any matters related to this transaction shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflict of laws that would result in the application of any law other than the laws of the State of New York. The Company and the Selling Shareholder agree that any suit or proceeding arising in respect of this Agreement or the transactions contemplated hereby will be tried exclusively in the U.S. District Court for the Southern District of New York or, if that court does not have subject matter jurisdiction, in any state court located in The City and County of New York and the Company and the Selling Shareholder agree to submit to the exclusive jurisdiction of, and to venue in, such courts.

SECTION 22. TRIAL BY JURY. THE COMPANY, THE SELLING SHAREHOLDER AND THE UNDERWRITER HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 23. Payments Free and Clear. All payments to be made by the Company or the Selling Shareholder under this Agreement shall be paid free and clear of and without deduction or withholding for or on account of, any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature, imposed by Chile, or by any department, agency or other political subdivision or taxing authority thereof, and all interest, penalties or similar liabilities with respect thereto (collectively, "Chilean Taxes"). If any Chilean Taxes are required by law to be deducted or withheld in connection with such payments, the Company or the Selling Shareholder will increase the amount paid so that the full amount of such payment is received by the Underwriter. The Company and the Selling Shareholder will furnish to the Underwriter official acknowledgment of the relevant tax authority evidencing any payment of any Chilean Taxes in respect of which the Company and the Selling Shareholder have paid any increased amounts pursuant to this paragraph.

SECTION 24. Disclosure of Tax Consequences. Notwithstanding anything herein to the contrary, the Company and the Selling Shareholder are authorized to disclose to any persons the U.S. federal and state income tax treatment and tax structure of the potential transaction and all materials of any kind (including tax opinions and other tax analyses) provided to the Company and the Selling Shareholder relating to that treatment and structure, without the Underwriter's imposing any limitation of any kind. However, any information relating to the tax treatment and tax structure shall remain confidential (and the foregoing sentence shall not apply) to the extent necessary to enable any person to comply with securities laws. For this purpose, "tax structure" is limited to any facts that may be relevant to that treatment.

SECTION 25. Termination.

(a) The Underwriter may terminate this Agreement, by notice to the Company and the Selling Shareholder, at any time at or prior to the Time of Delivery (i) if there has been, since the time of execution of this Agreement or since the respective dates as of which information is given in the Prospectus (exclusive of any supplement thereto) or the Pricing Prospectus, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (ii) if there has occurred any material adverse change in the financial markets in Chile, Colombia or in the United States or the international financial markets, any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in Chilean, Colombian or

the United States national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the judgment of the Underwriter, impracticable or inadvisable to market the Securities or to enforce contracts for the sale of the Securities, or (iii) if trading in any securities of the Company has been suspended or materially limited by the Santiago Stock Exchange, if trading in the Common Shares or ADSs, if any, has been suspended by the Commission or the NYSE, or if trading generally on the Santiago Stock Exchange or the NYSE has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by any of said exchanges or by such system or by order of the Commission, FINRA or any other United States or Chilean governmental authority, or (iv) a material disruption has occurred in commercial banking or securities settlement or clearance services in the United States or with respect to Clearstream or Euroclear systems in Europe, or (v) if a banking moratorium has been declared by any of Chilean, U.S. federal or New York authorities; and

(b) If this Agreement is terminated pursuant to this Section, such termination shall be without liability of any party to any other party except as provided in Section 8 hereof, and provided further that Sections 1, 10, 11, 12, 18, 19, 20, 21, 22 and 23 shall survive such termination and remain in full force and effect.

SECTION 26. Counterparts. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such respective counterparts shall together constitute one and the same instrument.

If the foregoing is in accordance with your understanding, please sign and return to us one for the Company and the Underwriter plus one for each counsel counterparts hereof, and upon the acceptance hereof by you, this letter and such acceptance hereof shall constitute a binding agreement between the Underwriter and the Company.

Very truly yours,

CORPBANCA

By: _____ /s/ Cristián Canales Palacios
Name: Cristián Canales Palacios
Title: Director - Legal & Control

[Signature Page to Underwriting Agreement]

Accepted as of the date hereof:

INVERSIONES Y VALORES LTDA.

By: _____ /s/ Fernando Aguad Dagach

Name: Fernando Aguad Dagach
Title: C.E.O. Inversiones y Valores Ltda.

Accepted as of the date hereof:

Banco BTG Pactual S.A. – Cayman Branch

By: /s/ Jillian Wallach

Name: Jillian Wallach

Title: Attorney-in-fact

[Signature Page to Underwriting Agreement]

SCHEDULE I

(a) Issuer Free Writing Prospectuses (included in the Pricing Prospectus):

1. None

(b) Additional Information Included in the Pricing Prospectus :

1. The initial price to the public of the Securities.

Ch\$6.25 (US\$19.7531)

SCHEDULE II

List of Significant Subsidiaries

CorpBanca Colombia S.A.

SCHEDULE III

<u>Underwriter</u>	<u>Total Number of ADSs to be Purchased</u>
Banco BTG Pactual S. A. – Cayman Branch	4,111,000
Total	4,111,000

SCHEDULE IV

Names of Persons Subject to Lock-up

CorpGroup

Alvaro Saieh Bendeck Chairman of the Board of CorpGroup

CorpBanca's Board of Directors

Jorge Andrés Saieh Guzmán Chairman
Fernando Aguad Dagach First Vice Chairman
Jorge Selume Zaror Second Vice Chairman
Julio Barriga Silva Director
Rafael Guilisasti Gana Director
Ana Beatriz Holuigue Barros Director
Francisco León Délano Director
Francisco Mobarec Asfura Director
Gustavo Arriagada Director
María Catalina Saieh Guzmán Alternate Director
Charles Naylor del Río Alternate Director

CorpBanca's Executive Officers

Fernando Massú Tare Chief Executive Officer
Mario Chamorro Carrizo Executive Director – Strategic Projects
Cristián Canales Palacios Director – Legal Services & Control &
Eugenio Gigogne Miqueles Chief Financial Officer

CORPBANCA

and

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Trustee, Registrar, Paying Agent and Transfer Agent

and

DEUTSCHE BANK LUXEMBOURG S.A.,
as Luxembourg Paying Agent and Transfer Agent

INDENTURE

Dated as of

January 15, 2013

Providing for Issuance of Securities in Series

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THIS INDENTURE dated as of January 15, 2013 (the “Indenture”), among CORPBANCA, a Chilean banking corporation (*sociedad anónima bancaria*) (hereinafter called the “Bank”), having its principal office at Rosario Norte 660, Las Condes, Santiago, Chile, and Deutsche Bank Trust Company Americas, a New York banking corporation, as trustee (in such capacity, the “Trustee”), Registrar, Paying Agent, and Transfer Agent, and Deutsche Bank Luxembourg S.A. as Luxembourg Paying Agent and Luxembourg Transfer Agent.

Recitals of the Bank

The Bank has duly authorized the execution and delivery of this Indenture to provide for the issuance of its debentures, notes, bonds or other evidences of indebtedness, to be issued in one or more fully registered series.

All things necessary to make this Indenture a valid agreement of the Bank, in accordance with its terms, have been done.

Agreements of the Parties

To set forth or to provide for the establishment of the terms and conditions upon which the Securities are to be authenticated, issued and delivered, and in consideration of the premises and the purchase of Securities by the Holders thereof, it is mutually covenanted and agreed as follows, for the equal and proportionate benefit of all Holders of the Securities or of a series thereof, as the case may be:

ARTICLE 1

Definitions and Other Provisions of General Application

Section 1.1 Definitions. For all purposes of this Indenture and of any indenture supplemental hereto, except as otherwise expressly provided or unless the context otherwise requires:

- (a) the terms defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular;
- (b) all other terms used herein that are defined in the Trust Indenture Act or by Commission rule under the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;
- (c) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles and, except as otherwise herein expressly provided, the term “generally accepted accounting principles” with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted in the Republic at the date of such computation;

(d) all references in this instrument to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision; and

(e) “including” and words of similar import shall be deemed to be followed by “without limitation.”

“Act,” when used with respect to any Securityholder, has the meaning specified in Section 1.4(a).

“Additional Amounts” has the meaning specified in Section 3.8.

“Affiliate” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “control,” when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Authenticating Agent” means any Person authorized by the Trustee to authenticate Securities under Section 6.14.

“Bank” means the Person named as the “Bank” in the first paragraph of this instrument until a successor corporation shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Bank” shall mean such successor corporation.

“Bank Request” and “Bank Order” mean, respectively, a written request or order signed in the name of the Bank by any two of the following: its Chairman of the Board, Vice Chairman of the Board, President or a Vice President, its Treasurer, Assistant Treasurer, its Controller, Assistant Controller, its Secretary or Assistant Secretary, its principal financial officer, its principal accounting officer or any other officer, employee or agent of the Bank duly authorized by a Board Resolution, and delivered to the Trustee.

“Bankruptcy Law” has the meaning specified in Section 5.1.

“Board of Directors” means either the board of directors of the Bank or any duly authorized committee of that board.

“Board Resolution” means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Board of Directors of the Bank to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

“Business Day” means each day which is neither a Saturday, Sunday or other day on which banking institutions in New York and Santiago are authorized or required by law or executive order to be closed.

“Clearstream, Luxembourg” means Clearstream Banking, societe anonyne, or any successor securities clearing agency.

“Commission” means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

“Corporate Trust Office” means the office of the Trustee in New York, New York at which at any particular time its corporate trust business shall be principally administered, which office at the date hereof is located at 60 Wall Street, New York, New York 10005; and such other officers as the Trustee may designate from time to time.

“Defaulted Interest” has the meaning specified in Section 3.7.

“Depository” means, unless otherwise specified by the Bank pursuant to either Section 2.4 or 3.1, with respect to Securities of any series issuable or issued as a Global Security, The Depository Trust Company, New York, New York, or any successor thereto registered as a clearing agency under the Exchange Act or other applicable statute or regulation.

“Euroclear” means Euroclear Bank, S.A./N.V., as operator of the Euroclear system.

“Event of Default” has the meaning specified in Section 5.1.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Global Security” means, with respect to any series of Securities issued hereunder, a Security which is executed by the Bank and authenticated and delivered by the Trustee to the Depository or pursuant to the Depository’s instruction, all in accordance with this Indenture and an indenture supplemental hereto, if any, or Board Resolution and pursuant to a Bank Request, which shall be registered in the name of the Depository or its nominee and which shall represent, and shall be denominated in an amount equal to the aggregate principal amount of, all of the Outstanding Securities of such series or any portion thereof, in either case having the same terms, including the same original issue date, date or dates on which principal is due, and interest rate or method of determining interest.

“Holder,” when used with respect to any Security, means a Securityholder.

“Indebtedness” means, with respect to any Person (without duplication), (a) any liability of such Person (1) for borrowed money or under any reimbursement obligation relating to a letter of credit, financial bond or similar instrument or agreement, (2) evidenced by a bond, note, debenture or similar instrument or agreement (including a purchase money obligation) given in connection with the acquisition of any business, properties or assets of any kind (other than a trade payable or a current liability arising in the ordinary course of business or a performance bond or similar obligation) or (3) for the payment of money relating to any obligations under any capital lease of real or personal property; and (b) any amendment, supplement, modification, deferral, renewal, extension or refunding of any liability of the types

referred to in clause (a) above. For the purpose of determining any particular amount of Indebtedness under this definition, guarantees of (or obligations with respect to letters of credit or financial bonds supporting) Indebtedness otherwise included in the determination of such amount shall also not be included.

“Indenture” or “this Indenture” means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof and shall include the terms of particular series of Securities established as contemplated by Section 3.1.

“Interest,” when used with respect to an Original Issue Discount Security which by its terms bears interest only after Maturity, means interest payable after Maturity.

“Interest Payment Date,” when used with respect to any series of Securities, means the Stated Maturity of any installment of interest on those Securities.

“Judgment Currency” has the meaning specified in Section 1.16.

“Lien” means any mortgage, pledge, lien, security interest, charge or other encumbrance (including any conditional sale or other title retention agreement or lease in the nature thereof other than a title retention agreement in connection with the purchase of goods in the ordinary course of business).

“Luxembourg Paying Agent” means a Paying Agent with respect to the Securities located in Luxembourg that is selected by the Bank, which shall initially be Deutsche Bank Luxembourg S.A.

“Maturity,” when used with respect to any Securities, means the date on which the principal of any such Security becomes due and payable as therein or herein provided, whether on a Repayment Date, at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

“Officers’ Certificate” means a certificate signed by one of the following: the Chairman of the Board, the Vice Chairman of the Board, the President or a Vice President, the Treasurer, an Assistant Treasurer, the Controller, an Assistant Controller, the Secretary or an Assistant Secretary of the Bank, its principal financial officer, its principal accounting officer or any other officer, employee or agent of the Bank duly authorized by a Board Resolution, and delivered to the Trustee.

Wherever this Indenture requires that an Officers’ Certificate be signed also by an engineer or an accountant or other expert, such engineer, accountant or other expert (except as otherwise expressly provided in this Indenture) may be in the employ of the Bank, and shall be acceptable to the Trustee, whose acceptance shall not be unreasonably withheld.

“Opinion of Counsel” means a written opinion of counsel, who may (except as otherwise expressly provided in this Indenture) be an employee of or of counsel to the Bank. Such counsel shall be acceptable to the Trustee, whose acceptance shall not be unreasonably withheld.

“Original Issue Discount Security” means any Security deemed an Original Issue Discount Security for United States Federal income tax purposes.

“Outstanding,” when used with respect to Securities or Securities of any series, means, as of the date of determination, all such Securities theretofore authenticated and delivered under this Indenture, except:

(a) such Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) such Securities for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent in trust for the Holders of such Securities; provided that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made; and

(c) such Securities in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, or which shall have been paid pursuant to the terms of Section 3.6 (except with respect to any such Security as to which proof satisfactory to the Trustee is presented that such Security is held by a Person in whose hands such Security is a legal, valid and binding obligation of the Bank).

In determining whether the Holders of the requisite principal amount of such Securities Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, (i) the principal amount of any Original Issue Discount Security that shall be deemed to be Outstanding shall be the amount of the principal thereof that would be due and payable as of the date of the taking of such action upon a declaration of acceleration of the Maturity thereof and (ii) Securities owned by the Bank or any other obligor upon the Securities, if any, or any Affiliate of the Bank or of such other obligor, if any, shall be disregarded and deemed not to be Outstanding. In determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which a Responsible Officer of the Trustee knows to be owned by the Bank or any other obligor upon the Securities, if any, or any Affiliate of the Bank or such other obligor, if any, shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee’s right to act as owner with respect to such Securities and that the pledgee is not the Bank or any other obligor upon the Securities or any Affiliate of the Bank or such other obligor.

“Paying Agent” means Deutsche Bank Trust Company Americas, Deutsche Bank Luxembourg, S.A., and any other Person authorized by the Bank to pay the principal of (and premium, if any) or interest on any Securities on behalf of the Bank.

“Person” means any individual, corporation, partnership, limited liability company, joint venture, association, company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Place of Payment” means, with respect to any series of Securities issued hereunder, the city or political subdivision so designated with respect to the series of Securities in question in accordance with the provisions of Section 3.1, which if not so designated shall be The City of New York.

“Predecessor Securities” of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 3.6 in lieu of a lost, destroyed or stolen Security shall be deemed to evidence the same debt as the lost, destroyed or stolen Security.

“Redemption Date,” when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

“Redemption Price,” when used with respect to any Security to be redeemed, means the price specified in such Security or pursuant to this Indenture at which it is to be redeemed pursuant to this Indenture or, if not specified, at 100% of the principal amount thereof.

“Regular Record Date” for the interest payable on any Security on any Interest Payment Date means the date specified in such Security or pursuant to this Indenture as the Regular Record Date, irrespective of whether such date is a Business Day.

“Relevant Indebtedness” means any past or future Indebtedness in the form of, or represented by bonds, notes, debentures, loan stock or other securities which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in any stock exchange, over-the-counter or other securities market, having an original maturity of more than one year from its date of issue.

“Relevant Jurisdiction” has the meaning specified in Section 3.8.

“Repayment Date,” when used with respect to any Security to be repaid at the option of the Holder, means the date fixed for such repayment in such Security or pursuant to this Indenture.

“Repayment Price,” when used with respect to any Security to be repaid at the option of the Holder, means the price specified in such Security or pursuant to this Indenture at which it is to be repaid pursuant to such Security.

“Republic” means the Republic of Chile.

“Required Currency” has the meaning specified in Section 1.16.

“Responsible Officer,” when used with respect to the Trustee, means any officer within the corporate trust department of the Trustee having direct responsibility for the administration of this Indenture.

“Securities Act” means the Securities Act of 1933, as amended.

“Security” or “Securities” means any note or notes, bond or bonds, debenture or debentures, or any other evidences of indebtedness, as the case may be, of any series authenticated and delivered from time to time under this Indenture.

“Security Register” shall have the meaning specified in Section 3.5.

“Security Registrar” means the Person who keeps the Security Register specified in Section 3.5.

“Securityholder” means a Person in whose name a Security is registered in the Security Register.

“Senior Indebtedness” means indebtedness of the Bank other than Subordinated Indebtedness.

“Senior Securities” mean Securities of a series issued under this Indenture that are not by their terms made subject to the subordination provisions of Article Eleven.

“Special Record Date” for the payment of any Defaulted Interest (as defined in Section 3.7) means a date fixed by the Trustee pursuant to Section 3.7.

“Stated Maturity,” when used with respect to any Security or any installment of principal thereof or interest thereon, means the date specified in such Security as the fixed date on which the principal of such Security or such installment of principal or interest is due and payable.

“Subordinated Indebtedness” means any indebtedness of the Bank (including any liability, whether actual or contingent, under any guarantee or indemnity) in respect of any notes, bonds or other debt securities which is subordinated in right of payment at least to, or the repaying of or payment in respect of which is expressed to be conditional upon, the complete payment of the claims of all unsubordinated creditors of the obligor of such indebtedness.

“Subordinated Securities” mean Securities of a series issued under this Indenture that are by their terms made subject to the subordination provisions of Article Eleven.

“Subsidiary” means any corporation or other business entity of which the Bank owns or controls (either directly or through one or more other Subsidiaries) more than 50% of the issued share capital or other ownership interests, in each case having ordinary voting power to elect or appoint directors, managers or trustees of such corporation or other business entity (whether or not capital stock or other ownership interests or any other class or classes shall or might have voting power upon the occurrence of any contingency).

“Taxes” has the meaning specified in Section 3.8.

“Transfer Agent” means Deutsche Bank Trust Company Americans, Deutsche Bank Luxembourg, S.A., and any other Person authorized by the Bank to effectuate the exchange or transfer of any Security on behalf of the Bank hereunder.

“Transparency Directive” has the meaning specified in Section 10.9.

“Trust Indenture Act” or “TIA” means the Trust Indenture Act of 1939, as amended, as in force at the date as of which this instrument was executed, except as provided in Section 9.5.

“Trustee” means the Person named as the Trustee in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Trustee” shall mean and include each Person who is then a Trustee hereunder. If at any time there is more than one such Person, “Trustee” as used with respect to the Securities of any series shall mean the Trustee with respect to the Securities of that series.

“U.S. Government Obligations” means securities that are (x) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (y) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof or any other Person, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any obligation or a specific payment of principal of or interest on any such obligation held by such custodian for the account of the holder of such depository receipt, provided that (except as required by law) such custodian shall not be authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the obligation or the specific payment of principal of or interest on the obligation evidenced by such depository receipt.

“Vice President,” when used with respect to the Bank or the Trustee, means any vice president, whether or not designated by a number or a word or words added before or after the title “vice president,” including an assistant vice president.

Section 1.2 Compliance Certificates and Opinions. Upon any application or written request by the Bank to the Trustee to take any action under any provision of this Indenture, the Bank shall furnish to the Trustee an Officers’ Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of counsel providing such Opinion all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance by or on behalf of the Bank with a condition or covenant provided for in this Indenture (except for the written statement required by Section 10.4) shall include

- (a) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;
- (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

Section 1.3 Form of Documents Delivered to Trustee. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to the other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Bank may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Bank stating that the information with respect to such factual matters is in the possession of the Bank, unless counsel providing such Opinion of Counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Section 1.4 Acts of Securityholders. (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Securityholders or Securityholders of any series may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Securityholders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee, and, where it is hereby expressly required, to the Bank. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Securityholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 6.1) conclusive in favor of the Trustee and the Bank, if made in the manner provided in this Section.

(b) The fact and date of the execution by any person of any such instrument or writing may be proved by the affidavit of a witness to such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds certifying that the individual signing such instrument or writing acknowledged to him the execution thereof.

Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The ownership of Securities shall be proved by the Security Register.

(d) If the Bank shall solicit from the Holders any request, demand, authorization, direction, notice, consent, waiver or other action, the Bank may, at its option, by Board Resolution, fix in advance a record date for the determination of Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other action, but the Bank shall have no obligation to do so. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other action may be given before or after the record date, but only the Holders of record at the close of business on the record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of Securities outstanding have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other action, and for that purpose the Securities Outstanding shall be computed as of the record date; provided that no such authorization, agreement or consent by the Holders on the record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than six months after the record date.

(e) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Security shall bind the Holder of every Security issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Bank in reliance thereon whether or not notation of such action is made upon such Security.

(f) Without limiting the foregoing, a Holder entitled hereunder to give or take any such action with regard to any particular Security may do so with regard to all or any part of the principal amount of such Security or by one or more duly appointed agents each of which may do so pursuant to such appointment with regard to all or any different part of such principal amount.

Section 1.5 Notices, etc., to Trustee and Bank. Any request, demand, authorization, direction, notice, consent, waiver or Act of Securityholders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(a) the Trustee by any Securityholder or by the Bank shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Trust Office, Attention:

Deutsche Bank Trust Company Americas
Trust and Agency Services
60 Wall Street, 27th Floor
MS NYC60-2710

New York, New York 10005
Fax: 732-578-4635
Attn: Corporates Team Deal Manager – Corpbanca

With a copy to:

Deutsche Bank Trust Company Americas
c/o Deutsche Bank National Trust Company
Trust and Agency Services
100 Plaza One, Mailstop JCY03-0699
Jersey City, New Jersey 07311
Fax: 732-578-4635
Attn: Corporates Team Deal Manager – Corpbanca, or

(b) the Bank by the Trustee or by any Securityholder shall be sufficient for every purpose hereunder (except as otherwise expressly provided herein or, in the case of a request for repayment, as specified in the Security carrying the right to repayment) if made, given, furnished or filed in writing to or with the Bank at its principal office, Attention:

CorpBanca
660 Rosario Norte. Las Condes,
Santiago, Chile
Fax.: +56-2-2660-2366
Attn: Cristián Canales Palacios.

Section 1.6 Notices to Securityholders; Waiver. Where this Indenture or any Security provides for notice to Securityholders of any event, such notice shall be sufficiently given (unless otherwise herein or in such Security expressly provided) if in writing and mailed, first-class postage prepaid, to each Securityholder affected by such event, at its address as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Securityholders is given by mail, neither the inadvertent failure to mail such notice, nor any defect in any notice so mailed, to any particular Securityholder shall affect the sufficiency of such notice with respect to other Securityholders. Where this Indenture or any Security provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Securityholders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In addition, so long as the Securities are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market and it is required by the rules of such exchange, all notices to Holders of Securities will be published in English: (a) in a leading newspaper having a general circulation in Luxembourg (which currently is expected to be *Luxemburger Wort*); or (b) on the website of the Luxembourg Stock Exchange at <http://www.bourse.lu>. Notices will be deemed to have been given on the date of mailing or of publication as aforesaid or, if published on different dates, on the date of the first such

publication. If publication as provided above is not practicable, notices will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve.

Neither the failure to give any notice to a particular Holder, nor any defect in a notice given to a particular Holder, will affect the sufficiency of any notice given to other Holders.

In case, by reason of the suspension of regular mail service as a result of a strike, work stoppage or otherwise, it shall be impractical to mail notice of any event to any Securityholder when such notice is required to be given pursuant to any provision of this Indenture, then any method of notification as shall be satisfactory to the Trustee and the Bank shall be deemed to be a sufficient giving of such notice.

Section 1.7 Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.8 Successors and Assigns. All covenants and agreements in this Indenture by the Bank shall bind its successors and assigns, whether so expressed or not.

Section 1.9 Separability Clause. In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.10 Benefits of Indenture. Nothing in this Indenture or in any Securities, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any Authenticating Agent, any Paying Agent, any Transfer Agent the Security Registrar and the Securityholders (or such of them as may be affected thereby), any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 1.11 Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the conflict of laws provisions thereof.

Section 1.12 Consent to Jurisdiction and Service of Process. (a) The Bank irrevocably consents to the exclusive jurisdiction of any court of the State of New York or any United States Federal court sitting, in each case, in the Borough of Manhattan, The City of New York, New York, United States of America, and any appellate court from any thereof. The Bank irrevocably waives, to the fullest extent permitted by law, any objection to any suit, action or proceeding that may be brought in connection with this Indenture or the Securities in such courts on the grounds of venue or on the ground that any such suit, action or proceeding has been brought in an inconvenient forum. The Bank agrees that final judgment in any such suit, action or proceeding brought in such court shall be conclusive and binding upon the Bank and may be enforced in any court to the jurisdiction of which the Bank is subject by a suit upon such judgment; provided that service of process is effected upon the Bank in the manner provided by this Indenture.

(b) The Bank agrees that service of all writs, process and summonses in any suit, action or proceeding brought in connection with this Indenture or the Securities against the Bank in any court of the State of New York or any United States Federal court sitting, in each case, in the Borough of Manhattan, The City of New York, may be made upon CorpBanca New York Branch, 845 Third Avenue, 5th Floor, New York, New York 10022, whom the Bank irrevocably appoints as its authorized agent for service of process. The Bank represents and warrants that CorpBanca New York Branch, the Bank's authorized representative in the United States, has agreed to act as the Bank's agent for service of process. The Bank agrees that such appointment shall be irrevocable so long as any of the Securities remain outstanding or until the irrevocable appointment by the Bank of a successor in The City of New York as its authorized agent for such purpose and the acceptance of such appointment by such successor. The Bank further agrees to take any and all action, including the filing of any and all documents and instruments that may be necessary to continue such appointment in full force and effect as aforesaid. If CorpBanca New York Branch shall cease to act as the agent for service of process for the Bank, the Bank shall appoint without delay another such agent and provide prompt written notice to the Trustee of such appointment. With respect to any such action in any court of the State of New York or any United States Federal court, in each case, in the Borough of Manhattan, The City of New York, service of process upon CorpBanca New York Branch as the authorized agent of the Bank for service of process, and written notice of such service to the Bank, shall be deemed, in every respect, effective service of process upon the Bank.

(c) Nothing in this Section shall affect the right of any party to serve legal process in any other manner permitted by law or affect the right of any party to bring any action or proceeding against any other party or its property in the courts of other jurisdictions.

Section 1.13 Waiver of Immunity. To the extent that the Bank or any of its properties, assets or revenues may have or may hereafter become entitled to, or have attributed to it, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any thereof, from setoff or counterclaim, from the jurisdiction of any Chilean, New York or U.S. federal court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution of judgment, or from execution of judgment, or from other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, instituted in any state or federal court in the Borough of Manhattan, the City of New York, New York, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Indenture or the Securities brought by the Trustee or a Securityholder, the Bank, to the fullest extent permitted by law, hereby irrevocably and unconditionally waives and agrees not to plead or claim any such immunity and consents to such relief and enforcement.

Section 1.14 Legal Holidays. In any case where any Interest Payment Date, Redemption Date or Stated Maturity of any Security shall not be a Business Day at any Place of Payment, then payment of interest or principal (and premium, if any) need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such Place of Payment with the same force and effect as if made on the Interest Payment Date, Redemption Date or Stated Maturity, and no interest, shall accrue on such payment for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity, as the case may be.

Section 1.15 Judgment Currency. The Bank agrees, to the fullest extent that it may effectively do so under applicable law, that (a) if for the purpose of obtaining judgment in any court it is necessary to convert the sum due in respect of the principal of, or premium or interest, if any, on the Securities of any series (the "Required Currency") into a currency in which a judgment will be rendered (the "Judgment Currency"), the rate of exchange used shall be the rate at which, in accordance with normal banking procedures, the Trustee could purchase the Required Currency with the Judgment Currency and (b) its obligations under this Indenture to make payments in the Required Currency (i) shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment (whether or not entered in accordance with subsection (a)), in any currency other than the Required Currency, except to the extent that such tender or recovery shall result in the actual receipt, by the payee, of the full amount of the Required Currency expressed to be payable in respect of such payments, (ii) shall be enforceable as an alternative or additional cause of action for the purpose of recovering in the Required Currency the amount, if any, by which such actual receipt shall fall short of the full amount of the Required Currency so expressed to be payable and (iii) shall not be affected by judgment being obtained for any other sum due under this Indenture.

Section 1.16 Counterparts. This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 1.17 No Recourse Against Others. A director, officer, employee or shareholder, as such, of the Bank, shall not have liability for any obligations of the Bank under the Securities or this Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Security, each Holder shall waive and release all such liability. The waiver and release shall be part of the consideration for the issue of the Securities.

Section 1.18 USA Patriot Act. The parties hereto acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act), all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. To the extent permitted by Chilean or other applicable law, the parties to this Indenture agree that they will provide to the Trustee such information as it may request, from time to time, in order for the Trustee to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provide.

Section 1.19 Force Majeure. The Trustee shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Trustee that prevents the Trustee from performing such act or fulfilling such duty, obligation or responsibility hereunder (including but not limited to any act of God or war, civil unrest, local or national disturbance or disaster, any act of terrorism, or the unavailability of the Federal Reserve Bank wire, facsimile or other wire or communication

facility); it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

ARTICLE 2
Security Forms

Section 2.1 Forms Generally. The Securities shall have such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with applicable laws or regulations or with the rules of any securities exchange, or as may, consistently herewith, be determined by the person or persons executing such Securities, as evidenced by their execution of the Securities. Any portion of the text of any Security may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Security.

The definitive Securities shall be printed, lithographed or engraved or produced by any combination of these methods on steel engraved borders or may be produced in any other manner, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities, subject, with respect to the Securities of any series, to the rules of any securities exchange on which such Securities are listed.

Section 2.2 Forms of Securities. Each Security shall be in the form of Exhibit A hereto or in one of the forms approved from time to time by or pursuant to a Board Resolution or established in one or more indentures supplemental hereto. Prior to the delivery of a Security to the Trustee for authentication in any form approved by or pursuant to a Board Resolution, the Bank shall deliver to the Trustee the Board Resolution by or pursuant to which such form of Security has been approved, which Board Resolution shall have attached thereto a true and correct copy of the form of Security which has been approved thereby or, if a Board Resolution authorizes a specific person or persons to approve a form of Security, a certificate of such person or persons approving the form of Security attached thereto. Any form of Security approved by or pursuant to a Board Resolution must be acceptable as to form to the Trustee, such acceptance to be evidenced by the Trustee's authentication of Securities in that form or a certificate signed by a Responsible Officer of the Trustee and delivered to the Bank.

Section 2.3 Form of Trustee's Certificate of Authentication. The form of Trustee's Certificate of Authentication for any Security issued pursuant to this Indenture shall be substantially as follows:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated:

DEUTSCHE BANK TRUST COMPANY AMERICAS,

as Trustee,

By: DEUTSCHE BANK NATIONAL TRUST COMPANY

By: _____
Authorized Signatory

Section 2.4 Securities Issuable in the Form of a Global Security. (a) If the Bank shall establish pursuant to Sections 2.2 and 3.1 that the Securities of a particular series are to be issued in whole or in part in the form of one or more Global Securities, then the Bank shall execute and the Trustee or its agent shall, in accordance with Section 3.3 and the Bank Request delivered to the Trustee or its agent thereunder, authenticate and make available for delivery such Global Security or Securities which (i) shall represent, and shall be denominated in an amount equal to the aggregate principal amount of, the Outstanding Securities of such series to be represented by such Global Security or Securities or such portion thereof as the Bank shall specify in a Bank Request, (ii) shall be registered in the name of the Depository for such Global Security or Securities or its nominee, (iii) shall be held by the Trustee as custodian for the Depository or pursuant to the Depository's instruction and (iv) shall bear a Global Securities Legend (as defined in Section 2.5 hereto).

(b) Notwithstanding any other provisions of this Section 2.4 or of Section 3.5, but subject to the provisions of paragraph (c) below, unless the terms of a Global Security expressly permit such Global Security to be exchanged in whole or in part for individual Securities, a Global Security may be transferred, in whole but not in part and in the manner provided in Section 3.5, only to a nominee of the Depository for such Global Security, to the Depository, to a successor Depository for such Global Security selected or approved by the Bank or to a nominee of such successor Depository.

(c) (i) If at any time the Depository for a Global Security notifies the Bank that it is unwilling or unable to continue as Depository for such Global Security or if at any time the Depository for the Securities for such series ceases to be a clearing agency registered under the Exchange Act or other applicable statute or regulation, the Bank shall appoint a successor Depository with respect to such Global Security. If a successor Depository for such Global Security is not appointed by the Bank within 90 days after the Bank receives such notice or becomes aware of such ineligibility, the Bank will execute, and the Trustee or its agent, upon receipt of a Bank Request for the authentication and delivery of individual Securities of such series in exchange for such Global Security, will authenticate and make available for delivery,

individual Securities of such series of like tenor and terms in an aggregate principal amount equal to the principal amount of the Global Security in exchange for such Global Security.

(ii) The Bank may at any time and in its sole discretion determine that the Securities of any series or portion thereof issued or issuable in the form of one or more Global Securities shall no longer be represented by such Global Security or Securities. In such event the Bank will execute, and the Trustee, upon receipt of a Bank Request for the authentication and delivery of individual Securities of such series in exchange in whole or in part for such Global Security, will authenticate and make available for delivery individual Securities of such series of like tenor and terms in definitive form in an aggregate principal amount equal to the principal amount of such Global Security or Securities representing such series or portion thereof in exchange for such Global Security or Securities.

(iii) If an Event of Default under the Securities of any series has occurred and is continuing and all principal of and premium, if any, and accrued interest on such Securities shall have become immediately due and payable as provided by Section 5.2 and the Trustee has been advised by counsel that in connection with such Event of Default it is necessary or appropriate for the Trustee or the Securityholders to obtain possession of such Securities, the Trustee may, in the reasonable exercise of its discretion, determine that the Securities of such series represented by Global Securities shall no longer be represented by such Global Securities. In such event, the Bank agrees to execute and the Trustee will authenticate and deliver, in exchange for such Global Securities, individual Securities of such series of like tenor and terms in definitive form in an aggregate principal amount equal to the principal amount of such Global Securities representing such series or portion thereof.

(iv) If specified by the Bank pursuant to Sections 2.2 and 3.1 with respect to Securities issued or issuable in the form of one or more Global Securities, the Depository for such Global Security or Securities may surrender such Global Security or Securities in exchange in whole or in part for individual Securities of such series of like tenor and terms in definitive form on such terms as are acceptable to the Bank and such Depository. Thereupon the Bank shall execute, and the Trustee or its agent shall authenticate and make available for delivery, without service charge, (A) to each Person specified by such Depository a new Security or Securities of the same series of like tenor and terms and of any authorized denomination as requested by such Person in aggregate principal amount equal to and in exchange for such Person's beneficial interest in the Global Security or Securities; and (B) to such Depository a new Global Security or Securities of like tenor and terms and in an authorized denomination equal to the difference, if any, between the principal amount of the surrendered Global Security or Securities and the aggregate principal amount of Securities delivered to the Holders thereof.

(v) In any exchange provided for in any of the preceding four paragraphs, the Bank will execute and the Trustee or its agent will authenticate and make available for delivery individual Securities in definitive registered form in authorized denominations. Upon the exchange of the entire principal amount of a Global Security for individual Securities, such Global Security shall be cancelled by the Trustee or its agent. Except as provided in the preceding paragraph, Securities issued in exchange for a Global Security pursuant to this Section (A) shall be registered in such names and in such authorized

denominations as the Depository for such Global Security, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee or the Security Registrar and (B) shall bear any legend set forth on such Global Security (other than a legend relating to such Global Security's status as a Global Security) or which is reasonably necessary to comply with applicable law. The Trustee or the Security Registrar shall deliver such Securities to the Persons in whose names such Securities are so registered.

(d) Subject to the provisions of Section 6.1, the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith shall, by a Responsible Officer or Officers of the Trustee, determine that the proceeding so directed would involve the Trustee in personal liability.

Section 2.5 Global Security Legend.

(a) Each Global Security shall also bear the following legend on the face thereof:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC" OR THE "DEPOSITARY"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS NOTE IS A GLOBAL SECURITY AS REFERRED TO IN THE INDENTURE HEREINAFTER REFERENCED. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR THE INDIVIDUAL SECURITIES REPRESENTED HEREBY, THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

EACH PURCHASER OR HOLDER OF THE NOTES OR ANY INTEREST THEREIN, INCLUDING ANY TRANSFEREE THEREOF, BY SUCH PURCHASE OR HOLDING, SHALL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT (I) IT IS NOT AND IS NOT ACTING ON BEHALF OF A PERSON WHO IS OR WILL BE (A) AN EMPLOYEE BENEFIT PLAN SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1986, AS AMENDED ("ERISA"), A PLAN SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), OR ANOTHER EMPLOYEE BENEFIT PLAN SUBJECT TO U.S. FEDERAL, STATE OR LOCAL LAW, OR TO NON-U.S. LAW, THAT IS SIMILAR TO ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), OR (II) ITS PURCHASE AND HOLDINGS OF NOTES DOES NOT AND WILL NOT RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA OR THE CODE OR A VIOLATION OF SIMILAR LAW.

(b) In the event that Securities are issued with "original issue discount" for U.S. federal income tax purposes, the relevant Global Security shall also bear the legend described in Section 1.1275-3(b) of the U.S. Treasury Regulations.

ARTICLE 3

The Securities

Section 3.1 General Title; General Limitations; Issuable in Series; Terms of Particular Series . The aggregate principal amount of Securities which may be authenticated and delivered and Outstanding under this Indenture is not limited.

The Securities may be issued in one or more series up to an aggregate principal amount of Securities as from time to time may be authorized by the Board of Directors. All Securities of each series under this Indenture shall in all respects be equally and ratably entitled to the benefits hereof with respect to such series without preference, priority or distinction on account of the actual time of the authentication and delivery or Stated Maturity of the Securities of such series.

Each series of Securities shall be created either by or pursuant to a Board Resolution or by or pursuant to an indenture supplemental hereto. The Securities of each such series may bear such date or dates, be payable at such place or places, have such Stated Maturity or Maturities, be issuable at such premium over or discount from their face value, bear interest at such rate or rates (which may be fixed or floating), from such date or dates, payable in such installments and on such dates and at such place or places to the Securityholders registered as such on the related Regular Record Dates, or may bear no interest, and may be redeemable or repayable at such Redemption Price or Prices or Repayment Price or Prices, as the case may be, whether at the option of the Holder or otherwise, and upon such terms, all as shall be provided for in or pursuant to the Board Resolution or in or pursuant to the supplemental indenture creating that series. The Bank may from time to time, without the consent of Holders of a series of Securities, issue further securities having terms and conditions identical to those of such series of Securities, except with respect to (i) Issue Date, (ii) the first Interest Payment Date, and (iii) the amount of interest payable on the first Interest Payment Date of such series of Securities, so that any further issue is consolidated and forms a single series with such series of Securities. Notwithstanding any statement in the Indenture to the contrary, the Bank will not issue additional new Securities that are treated for non-tax purposes as a single series with the original new Securities but are treated as a separate series for U.S. federal income tax purposes unless such additional new Securities are assigned separate CUSIP and ISIN numbers from the original new Securities. There may also be established in or pursuant to a Board Resolution or in or pursuant to a supplemental indenture prior to the issuance of Securities of each such series, provision for, among other things:

- (a) the exchange or conversion of the Securities of that series, at the option of the Holders thereof, for or into new Securities of a different series or other securities or other property, including shares of capital stock of the Bank or any Subsidiary of the Bank or securities directly or indirectly convertible into or exchangeable for any such shares;
- (b) a sinking or purchase fund or other analogous obligation;

(c) if other than U.S. dollars, the currency or currencies or units based on or related to currencies (including Euros) in which the Securities of such series shall be denominated and in which payments of principal of, and any premium and interest on, such Securities shall or may be payable;

(d) if the principal of (and premium, if any) or interest, if any, on the Securities of such series are to be payable, at the election of the Bank or a holder thereof, in a currency or currencies or units based on or related to currencies (including Euros) other than that in which the Securities are stated to be payable, the period or periods within which, and the terms and conditions upon which, such election may be made;

(e) if the amount of payments of principal of (and premium, if any) or interest, if any, on the Securities of such series may be determined with reference to an index based on (i) a currency or currencies or units based on or related to currencies (including Euros) other than that in which the Securities are stated to be payable, (ii) changes in the price of one or more other securities or groups or indexes of securities or (iii) changes in the prices of one or more commodities or groups or indexes of commodities, or any combination of the foregoing, the manner in which such amounts shall be determined;

(f) if the aggregate principal amount of the Securities of that series is to be limited, such limitations;

(g) the exchange of Securities of that series, at the option of the Holders thereof, for other Securities of the same series of the same aggregate principal amount of a different authorized kind or different authorized denomination or denominations, or both;

(h) the appointment by the Trustee of an Authenticating Agent in one or more places other than the location of the office of the Trustee with power to act on behalf of the Trustee and subject to its direction in the authentication and delivery of the Securities of any one or more series in connection with such transactions as shall be specified in the provisions of this Indenture or in or pursuant to the Board Resolution or the supplemental indenture creating such series;

(i) the portion of the principal amount of Securities of the series, if other than the total principal amount thereof, which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 5.2 or provable in bankruptcy pursuant to Section 5.4;

(j) any Event of Default with respect to the Securities of such series, if not set forth herein and any additions, deletions or other changes to the Events of Default set forth herein that shall be applicable to the Securities of such series (including a provision making any Event of Default set forth herein inapplicable to the Securities of that series);

(k) any covenant solely for the benefit of the Securities of such series and any additions, deletions or other changes to the provisions of Article Ten or any definitions relating to such Article that shall be applicable to the Securities of such series (including

a provision making any Section of such Article inapplicable to the Securities of such series);

(l) applicability of Article Twelve of this Indenture to the Securities of such series;

(m) if the Securities of the series shall be issued in whole or in part in the form of a Global Security or Global Securities, the terms and conditions, if any, upon which such Global Security or Global Securities may be exchanged in whole or in part for other individual Securities; and the Depositary for such Global Security or Global Securities (if other than the Depositary specified in Section 1.1 hereof);

(n) the subordination of the Securities of such series to any other indebtedness of the Bank, including the Securities of any other series;

(o) whether such Securities shall be issued as part of a new or existing series of Securities and the title of such Securities (which shall distinguish the Securities of the series from Securities of another series); and

(p) any other terms of the series, which shall not be inconsistent with the provisions of this Indenture,

all upon such terms as may be determined in or pursuant to a Board Resolution or in or pursuant to a supplemental indenture with respect to such series. All Securities of the same series shall be substantially identical in tenor and effect, except as to denomination.

The form of the Securities of each series shall be established pursuant to the provisions of this Indenture in or pursuant to the Board Resolution or in or pursuant to the supplemental indenture creating such series. The Securities of each series shall be distinguished from the Securities of each other series in such manner, reasonably satisfactory to the Trustee, as the Board of Directors may determine.

Unless otherwise provided with respect to Securities of a particular series, the Securities of any series may only be issuable in registered form, without coupons.

Any terms or provisions in respect of the Securities of any series issued under this Indenture may be determined pursuant to this Section by providing in a Board Resolution or supplemental indenture for the method by which such terms or provisions shall be determined.

Section 3.2 Denominations. The Securities of each series shall be issuable in such denominations and currency as shall be provided in the provisions of this Indenture or in or pursuant to the Board Resolution or in or pursuant to the supplemental indenture creating such series. In the absence of any such provisions with respect to the Securities of any series, the Securities of that series shall be issuable only in U.S. dollars in fully registered form without coupons in denominations of U.S.\$1,000 and any integral multiple thereof.

Section 3.3 Execution, Authentication and Delivery and Dating. The Securities shall be executed on behalf of the Bank by any two of the following: its Chairman of

the Board, its Vice Chairman of the Board, its President, one of its Vice Presidents, its Treasurer, its Secretary or one of its Assistant Secretaries, its principal financial officer, its principal accounting officer or any other officer, employee or agent of the Bank duly authorized by or pursuant to a Board Resolution to execute the Securities. The signature of any of these officers, employees or agents on the Securities may be manual or facsimile.

Securities bearing the manual or facsimile signatures of individuals who were at any time the proper officers, employees or agents of the Bank shall bind the Bank, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Bank may deliver Securities executed by the Bank to the Trustee for authentication; and the Trustee shall, upon Bank Order, authenticate and make available for delivery such Securities as provided in this Indenture and not otherwise.

Prior to any such authentication and delivery, the Trustee shall be entitled to receive, in addition to any Officers' Certificate and Opinion of Counsel required to be furnished to the Trustee pursuant to Section 1.2, and the Board Resolution and any certificate relating to the issuance of the series of Securities required to be furnished pursuant to Section 2.2, an Opinion of Counsel stating that:

- (a) all laws and requirements with respect to the execution and delivery by the Bank of such Securities have been complied with, the Bank has the corporate power to issue such Securities and such Securities have been duly authorized and delivered by the Bank and, assuming due authentication and delivery by the Trustee, constitute legal, valid and binding obligations of the Bank enforceable in accordance with their terms (subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and to general principles of equity) and entitled to the benefits of this Indenture, equally and ratably with all other Securities, if any, of such series Outstanding; and
- (b) such other matters as the Trustee may reasonably request;

and, if the authentication and delivery relates to a new series of Securities created by an indenture supplemental hereto, also stating that all laws and requirements with respect to the form and execution by the Bank of the supplemental indenture with respect to that series of Securities have been complied with, the Bank has corporate power to execute and deliver any such supplemental indenture and has taken all necessary corporate action for those purposes and any such supplemental indenture has been executed and delivered and constitutes the legal, valid and binding obligation of the Bank enforceable in accordance with its terms (subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and to general principles of equity).

The Trustee shall not be required to authenticate such Securities if the issue thereof will adversely affect the Trustee's own rights, duties or immunities under the Securities and this Indenture.

Unless otherwise provided in the form of Security for any series, all Securities shall be dated the date of their authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature of an authorized officer, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder.

Section 3.4 Temporary Securities. Pending the preparation of definitive Securities of any series, the Bank may execute, and, upon receipt of the documents required by Section 3.3, together with a Bank Order, the Trustee shall authenticate and make available for delivery, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities. In the case of Securities of any series, such temporary Securities may be in global form.

If temporary Securities of any series are issued, the Bank will cause definitive Securities of such series to be prepared without unreasonable delay. After the preparation of definitive Securities, the temporary securities of such series shall be exchangeable for definitive Securities of such series upon surrender of the temporary Securities of such series at the office or agency of the Bank in a Place of Payment, without charge to the Holder; and upon surrender for cancellation of any one or more temporary Securities the Bank shall execute and the Trustee shall authenticate and make available for delivery in exchange therefor a like principal amount of definitive Securities of such series of authorized denominations and of like tenor and terms. Until so exchanged the temporary Securities of such series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of such series.

Upon any exchange of a portion of a temporary Global Security for a definitive Global Security or for the individual Securities represented thereby pursuant to this Section 3.4 or Section 3.5, the temporary Global Security shall be endorsed by the Trustee to reflect the reduction of the principal amount evidenced thereby, whereupon the principal amount of such temporary Global Security shall be reduced for all purposes by the amount so exchanged and endorsed.

Section 3.5 Registrar, Paying Agents and Transfer Agents. (a) The Bank shall keep or cause the Trustee as registrar and transfer agent for the Securities to keep a register (herein sometimes referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Bank shall provide for the registration of Securities, or of Securities of a particular series, and for transfers of Securities or of Securities of such series. Any such register shall be in written form or in any other form capable of being converted into written form within a reasonable time. If the Bank maintains such Security Register, at all reasonable times the information contained in such register or registers shall be available for inspection by the Trustee at the office or agency to be maintained by the Bank as provided in Section 10.2.

(i) The Bank will maintain a Paying Agent and Transfer Agent with offices in the Borough of Manhattan, New York City, and, for so long as any Securities are listed

on the Luxembourg Stock Exchange for trading on the Euro MTF market and the rules of the exchange so require, the Bank will maintain a Paying Agent and Transfer Agent in Luxembourg. The Bank will use its best efforts to maintain a Paying Agent that is not obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such directive.

(ii) The Bank shall enter into any appropriate agency agreements with any Registrar, Paying Agent or Transfer Agent not a party to this Indenture, which shall implement the provisions of this Indenture that relate to such agent. The Bank shall notify the Trustee in writing of the name and address of any such agent. If the Bank fails to maintain a Registrar, Paying Agent or Transfer Agent in the Borough of Manhattan, New York City, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 6.7.

(b) Subject to Section 2.4, upon surrender for transfer of any Security of any series at the relevant office or agency of the Bank in a Place of Payment, the Bank shall execute, and the Trustee shall authenticate and make available for delivery, in the name of the designated transferee or transferees, one or more new Securities of such series of any authorized denominations, of a like aggregate principal amount and Stated Maturity and of like tenor and terms.

(c) Subject to Section 2.4, at the option of the Holder, Securities of any series may be exchanged for other Securities of such series of any authorized denominations, of a like aggregate principal amount and Stated Maturity and of like tenor and terms, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the Bank shall execute, and the Trustee shall authenticate and make available for delivery, the Securities which the Securityholder making the exchange is entitled to receive.

(d) All Securities issued upon any transfer or exchange of Securities shall be the valid obligations of the Bank, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such transfer or exchange.

(e) Every Security presented or surrendered for transfer or exchange shall (if so required by the Bank or the Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Bank and the Security Registrar duly executed, by the Holder thereof or his attorney duly authorized in writing.

(f) Unless otherwise provided in the Security to be transferred or exchanged, no service charge shall be made on any Securityholder for any registration of transfer or exchange of Securities, but the Bank may (unless otherwise provided in such Security) require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Securities, other than exchanges pursuant to Section 3.4 or 9.6 not involving any transfer.

(g) The Bank shall not be required (i) to issue, transfer or exchange any Security of any series during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Securities of such series selected for redemption under Section 12.3 and ending at the close of business on the date of such mailing, (ii) to transfer or exchange any Security so selected for redemption in whole or in part, except for the portion of such Security not so selected for redemption or (iii) to transfer or exchange any Security between any Regular Record Date and the related Interest Payment Date.

(h) None of the Bank, the Trustee, any agent of the Trustee, any Paying Agent or the Security Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Global Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(i) Neither the Bank nor the Trustee shall have any responsibility or obligation to any participant in the Depositary, any Person claiming a beneficial ownership interest in the Securities under or through the Depositary or any such participant, or any other Person which is not shown on the Security Register as being a Holder, with respect to (i) the Securities; (ii) the accuracy of any records maintained by the Depositary or any such participant; (iii) the payment by the Depositary or any such participant of any amount in respect to the principal of or premium or interest on the Securities; (iv) any notice which is permitted or required to be given to Securityholders under this Indenture; or (v) any consent given or other action taken by the Depositary as Holder of Securities.

(j) The Bank: initially appoints the Trustee as Security Registrar, Paying Agent and Transfer Agent, and Deutsche Bank Luxembourg S.A. as Paying Agent and Transfer Agent in Luxembourg in connection with this Indenture and the Securities on its behalf. The Bank may at any time and from time to time authorize any Person to act as Security Registrar in place of the Trustee with respect to any series of Securities issued under this Indenture.

Section 3.6 Mutilated, Destroyed, Lost and Stolen Securities. If (i) any mutilated Security is surrendered to the Trustee or the Bank, and the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Security, and (ii) there is delivered to the Bank and the Trustee such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Bank or the Trustee that such Security has been acquired by a bona fide purchaser, the Bank shall execute and upon its request the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security or in exchange for such mutilated Security, a new Security of like tenor, series, Stated Maturity and principal amount, bearing a number not contemporaneously Outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Bank in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Bank may require the payment of a sum sufficient to cover any tax or other governmental charge that may be

imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security issued pursuant to this Section in lieu of any destroyed, lost or stolen Security or in exchange for such mutilated Security shall constitute an original additional contractual obligation of the Bank, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of the same series duly issued hereunder.

The provisions, of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

Section 3.7 Payment of Interest; Interest Rights Preserved. Unless otherwise provided with respect to such Security pursuant to Section 3.1, interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest.

Any interest on any Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the registered Holder on the relevant Regular Record Date by virtue of its having been such Holder; and, except as hereinafter provided, such Defaulted Interest may be paid by the Bank, at its election in each case, as provided in clause (a) or clause (b) below:

(a) The Bank may elect to make payment of any Defaulted Interest to the Persons in whose names any such Securities (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Bank shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each such Security and the date of the proposed payment, and at the same time the Bank shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Bank of such Special Record Date and, in the name and at the expense of the Bank, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to the Holder of each such Security at its address as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such

Defaulted Interest shall be paid to the Persons in whose names such Securities (or their respective Predecessor Securities) are registered on such Special Record Date and shall no longer be payable pursuant to the following clause (b).

(b) The Bank may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Bank to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

If any installment of interest on any Security, the Interest Payment Date of which is on or prior to the Redemption Date for such Security, is not paid or duly provided for on or prior to such Redemption Date in accordance with the foregoing provisions of this Section, such interest shall be payable as part of the Redemption Price of such Security.

Subject to the foregoing provisions of this Section, each Security delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

Section 3.8 Taxation. (a) All payments of or in respect of principal, interest and premium, if any, on each Security shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, fines, penalties, assessments or other governmental charges (or interest on any of the foregoing) (collectively, "Taxes") imposed, levied, collected, withheld or assessed by, within or on behalf of the Republic (or any political subdivision or governmental authority thereof or therein having power to tax) or any other jurisdiction from or through which the Bank makes any payment under the Securities (or any political subdivision or governmental authority thereof or therein having power to tax) (a "Relevant Jurisdiction"), unless such withholding or deduction is required by law. In that event, the Bank will pay the Holders of such Securities or the Trustee, as the case may be, such additional amounts ("Additional Amounts") as may be necessary to ensure that the net amounts received by the Holders of such Securities or the Trustee, as the case may be, after the Bank makes such withholding or deduction shall not be less than the respective amounts of principal, interest and premium, if any, that would have been received in respect of such Securities in the absence of such withholding or deduction, except that no such Additional Amounts shall be payable in respect of any Security (i) in the case of payments for which presentation of such Security is required, presented for payment more than 30 days after the later of (x) the date on which such payment first became due and (y) if the full amount payable has not been received in the Place of Payment by the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Holders by the Trustee, except to the extent that the Holder would have been entitled to such Additional Amounts on presenting such Security for payment on the last day of such 30-day period; (ii) for any estate, inheritance, gift, sales, transfer, excise, personal property or similar Taxes; (iii) held by or on behalf of a Holder who is liable for Taxes imposed in respect of such Security by reason of such Holder or beneficial owner of the Security having some present or former, direct or indirect, connection with a Relevant Jurisdiction other than the mere holding of such Security or the receipt of principal, interest or premium, if any, or the enforcement of rights in respect

thereof; (iv) for any Taxes which are payable other than by deduction or withholding from payments of principal of, or interest or premium on the Securities or by direct payment by the Bank in respect of claims made against the Bank; (v) to the extent the Taxes giving rise to such Additional Amounts would not have been imposed (or would have been reduced) but for the failure of a Holder or a beneficial owner of a Security to provide any required certification, documentation or other information concerning the nationality, residence, identity or connection with the Relevant Jurisdiction or to make other similar claim for exemption to the Relevant Jurisdiction, if, after having been requested in writing by the Bank to provide such applicable certification, documentation or information or to make such a claim, such Holder or beneficial owner fails to do so within 30 days; provided that in no event shall such obligation to provide such certification, documentation or information require such Holder or beneficial owner to provide any more onerous information, documents, or other evidence than would be required to be provided had such Holder or beneficial owner been required to provide the U.S. Internal Revenue Service Forms W-8BEN, W-8ECI, W-8EXP and/or W-8IMY that (a) imposes on such Person any material unreimbursed cost or expense or (b) requires the disclosure of any material nonpublic information to any unrelated Person; (vi) any withholding or deduction imposed on a payment to an individual and that is required to be made pursuant to any law implementing or complying with, or introduced in order to conform to, any European Union Directive on the taxation of savings; (vii) any Taxes which would have been avoided by a Holder presenting the relevant Security (if presentation is required) or requesting that such payment be made to another paying agent in a member state of the European Union; or (viii) any combination of the above. In addition, no Additional Amounts shall be paid with respect to any payment to any Holder of Securities who is a fiduciary or a partnership or other than the sole beneficial owner of such Securities to the extent that the beneficiary or settlor with respect to such fiduciary, the member of such partnership or the beneficial owner of such Securities would not have been entitled to Additional Amounts had such beneficiary, settlor, member or beneficial owner held such Securities directly. All references in this Indenture to principal, interest, premium and other amounts payable hereunder shall be deemed to include references to any Additional Amounts payable under this Section with respect to such principal, interest, premium or other amounts. Refunds, if any, of Taxes with respect to which the Bank pays Additional Amounts shall be for the account of the Bank.

(b) The Bank shall promptly pay when due any present or future stamp, transfer, court or documentary taxes or any other excise or property taxes, charges or similar levies imposed in connection with the initial execution, delivery or registration of each Security or any other document or instrument referred to herein or therein and except as provided in Section 3.5 with respect to the transfer or exchange of a Security. The Bank shall indemnify and make whole the Holders for any such stamp, transfer, court or documentary taxes or other excise or property taxes, charges or similar levies payable by the Bank as provided in this clause (b) paid by such Holders. Without limiting the generality of the foregoing, the Bank shall pay the stamp tax imposed on the aggregate principal amount of any Securities of any series issued hereunder within such time period as may be required by applicable law.

(c) At least 10 Business Days prior to the first Interest Payment Date for the Securities of each series, and, if there has been any change with respect to the matters set forth in the below-mentioned certificate, at least 10 Business Days prior to each Interest Payment Date for the Securities of such series, the Bank shall furnish to the Trustee an Officers' Certificate

instructing the Trustee as to any circumstances in which payments of principal of, premium, if any, or interest on any Securities of such series (including Additional Amounts) due on such date shall be subject to deduction or withholding for or on account of any taxes and the rate of any such deduction or withholding. The Bank covenants to indemnify the Trustee and any other Paying Agents for, and to hold each harmless against, any loss, liability or expense reasonably incurred without negligence, bad faith or willful misconduct on their part, arising out of or in connection with actions taken or not taken by any of them in reliance on any certificate furnished to them pursuant to this paragraph or the failure to furnish any such certificate. The obligations of the Bank under the preceding sentence shall survive payment of all the Securities of such series, the satisfaction and discharge of this Indenture and the resignation or removal of the Trustee, the Registrar or any Paying Agent. Any certificate required by this Section to be provided to the Trustee and any other Paying Agent shall be deemed to be duly provided if telecopied to the Trustee and such other Paying Agent. Upon request, the Bank shall provide the Trustee with documentation reasonably satisfactory to the Trustee evidencing the payment of taxes in respect of which the Bank has paid any Additional Amounts. Copies of such documentation shall be made available by the Trustee to the Holders or the other Paying Agents, as applicable, upon request therefor.

Section 3.9 Persons Deemed Owners. The Bank, the Trustee and any agent of the Bank or the Trustee may treat the Person in whose name any Security is registered in the Security Register as the owner of such Security for the purpose of receiving payment of principal of (and premium, if any), and (subject to Section 3.7) interest on, such Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Bank, the Trustee nor any agent of the Bank or the Trustee shall be affected by notice to the contrary.

Section 3.10 Cancellation. All Securities surrendered for payment, redemption, transfer, conversion or exchange or credit against a sinking fund, if any, shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and, if not already cancelled, shall be promptly cancelled by the Trustee. The Bank may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Bank may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly cancelled by the Trustee. No Security shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted by this Indenture. The Trustee shall dispose of all cancelled Securities in accordance with its customary procedures and shall deliver a certificate of such disposition to the Bank; provided, however, that the Trustee shall not be required to destroy such cancelled Securities.

Section 3.11 Computation of Interest. Unless otherwise provided as contemplated in Section 3.1, interest on the Securities of each series shall be calculated on the basis of a 360-day year of twelve 30-day months.

Section 3.12 Medium-term Securities. Notwithstanding any contrary provision herein, if all Securities of a series are not to be originally issued at one time, it shall not be necessary for the Bank to deliver to the Trustee an Officers' Certificate, Board Resolution, supplemental indenture, Opinion of Counsel or Bank Request otherwise required pursuant to Sections 2.2, 3.1 and 3.3 at or prior to the time of authentication of each Security of such series if such documents are delivered to the Trustee or its agent at or prior to the authentication upon

original issuance of the first Security of such series to be issued; provided that any subsequent request by the Bank to the Trustee to authenticate Securities of such series upon original issuance shall constitute a representation and warranty by the Bank that as of the date of such request, the statements made in the Officers' Certificate delivered pursuant to Section 1.2 shall be true and correct as if made on such date.

An Officers' Certificate, supplemental indenture or Board Resolution delivered by the Bank to the Trustee in the circumstances set forth in the preceding paragraph may provide that Securities which are the subject thereof will be authenticated and delivered by the Trustee or its agent on original issue from time to time upon the telephonic instruction or written order of a person or persons designated in such Officers' Certificate, Board Resolution or supplemental indenture (any such telephonic instructions to be confirmed promptly in writing by such person or persons) and that such person or persons are authorized to determine, consistent with such Officers' Certificate, supplemental indenture or Board Resolution, such terms and conditions of said Securities as are specified in such Officers' Certificate, supplemental indenture or Board Resolution.

Section 3.13 CUSIP Numbers. The Bank in issuing the Securities may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Securityholders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Bank will promptly notify, and in any event within ten (10) Business Days, the Trustee of any change in the "CUSIP" numbers.

ARTICLE 4

Satisfaction and Discharge

Section 4.1 Satisfaction and Discharge of Indenture. This Indenture shall cease to be of further effect with respect to any series of Securities (except as to any surviving rights of conversion, transfer or exchange of Securities of such series expressly provided for herein or in the form of Security for such series), and the Trustee, on demand of and at the expense of the Bank, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture as to such series, when

(a) either

(i) all Securities of that series theretofore authenticated and delivered (other than (i) Securities of such series which have been mutilated, destroyed, lost or stolen and which have been replaced or paid as provided in Section 3.6, and (ii) Securities of such series for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Bank and thereafter repaid to the Bank or discharged from such trust, as provided in Section 10.3) have been delivered to the Trustee cancelled or for cancellation; or

(ii) all such Securities of that series not theretofore delivered to the Trustee cancelled or for cancellation

(A) have become due and payable, or

(B) will become due and payable at their Stated Maturity within one year, or

(C) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Bank,

and the Bank, in the case of (A), (B) or (C) above, has deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose an amount sufficient to pay and discharge the entire indebtedness on such Securities not theretofore delivered to the Trustee cancelled or for cancellation, for principal (and premium, if any) and interest to the date of such deposit (in the case of Securities which have become due and payable), or to the Stated Maturity or Redemption Date, as the case may be;

(b) the Bank has paid or caused to be paid all other sums payable hereunder by the Bank with respect to the Securities of such series;

(c) the Bank has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for or relating to the satisfaction and discharge of this Indenture with respect to the Securities of such series have been complied with; and

(d) the Bank shall have delivered to the Trustee an Opinion of Counsel to the effect that payment of amounts deposited in trust with the Trustee as provided in clause (a) hereof will not be subject to future taxes, duties, fines, penalties, assessments or other governmental charges imposed, levied, collected, withheld or assessed by, within or on behalf of the Republic or any political subdivision or governmental authority of either or in either having power to tax, except to the extent that Additional Amounts in respect thereof shall have been deposited in trust with the Trustee as provided in clause (a) hereof.

Notwithstanding the satisfaction and discharge of this Indenture with respect to any series of Securities, the obligations of the Bank to the Trustee with respect to that series under Section 6.7 shall survive and the obligations of the Trustee under Sections 4.2 and 10.3 shall survive.

Section 4.2 Application of Trust Money. All money and obligations deposited with the Trustee pursuant to Section 4.1 or Article Twelve and all money received by the Trustee in respect of such obligations shall be held in trust and applied by it, in accordance with the provisions of the series of Securities in respect of which it was deposited and this Indenture, to the payment, either directly or through any Paying Agent (including the Bank acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money and obligations have been

deposited with or received by the Trustee; but such money and obligations need not be segregated from other funds except to the extent required by law.

ARTICLE 5

Remedies

Section 5.1 Events of Default. “Event of Default,” wherever used herein, means

(a) with respect to any series of Senior Securities any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body), unless such event is either inapplicable to a particular series (to the extent expressly provided in the form of Senior Security for such series) or it is specifically deleted or modified in the supplemental indenture creating such series of Senior Securities or in the form of Senior Security for such series:

(i) default by the Bank in the payment of any principal of the Senior Securities of that series when due and payable, whether at Maturity, upon redemption or otherwise; or

(ii) default by the Bank in the payment of any interest or any Additional Amounts when due and payable on any Senior Security of that series and the continuance of such default for a period of 30 days; or

(iii) default in the performance or observance of any other term, covenant, warranty or obligation of the Bank in the Senior Securities of such series or this Indenture, not otherwise expressly defined as an Event of Default in (i) or (ii) above, and the continuance of such default for more than 60 days after there has been received by the Bank from the Trustee or by Holders of at least 25% in aggregate principal amount of the Senior Securities of that series then Outstanding, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a “Notice of Default” hereunder; or

(iv) if any of the Bank’s Indebtedness (as defined below) or that of its Subsidiaries becomes due and repayable prematurely by reason of an event of default (however described) or the Bank or any of its Subsidiaries fails to make any payment in respect of any Indebtedness on the due date for such payment or within any originally applicable grace period, provided that no such event as aforesaid shall constitute an Event of Default unless such Indebtedness either alone or when aggregated with other Indebtedness in respect of which one or more of the events mentioned in this paragraph (iv) has occurred shall amount to at least U.S.\$40,000,000 (or its equivalent in any other currency on the basis of the middle spot rate for any relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates); or

(v) the entry of an order for relief against the Bank under any Bankruptcy Law by a court or regulatory entity having jurisdiction in the premises or a decree or order by a court or regulatory entity having jurisdiction in the premises adjudging the Bank a bankrupt or insolvent under any other applicable law, or the entry of a decree or order approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Bank under any Bankruptcy Law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official under any Bankruptcy Law, including a “*síndico*”) of the Bank or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days; or

(vi) the consent by the Bank to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any Bankruptcy Law, or the consent by it to the filing of any such petition or to the appointment of a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official under any Bankruptcy Law, including a “*síndico*”) of the Bank or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Bank in furtherance of any such action; or

(vii) any other Event of Default provided in the supplemental indenture or Board Resolutions under which such series of Senior Securities is issued or in the form of Senior Security for such series.

(b) with respect to any series of Subordinated Securities any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body), unless such event is either inapplicable to a particular series (to the extent expressly provided in the form of Subordinated Security for such series) or it is specifically deleted or modified in the supplemental indenture or Board Resolutions creating such series of Subordinated Securities or in the form of Subordinated Security for such series:

(i) default by the Bank in the payment of any principal of the Subordinated Securities of that series when due and payable, whether at Maturity or otherwise, and the continuance of such default for a period of 30 days; or

(ii) default by the Bank in the payment of any interest or any Additional Amounts when due and payable on any Subordinated Security of that series and the continuance of such default for a period of 30 days; or

(iii) default in the performance or observance of any other term, covenant, warranty or obligation of the Bank in the Subordinated Securities of

such series or this Indenture, not otherwise expressly defined as an Event of Default in (i) or (ii) above, and the continuance of such default for more than 60 days after there has been given, by registered or certified mail, to the Bank by the Trustee or by Holders of at least 25% in aggregate principal amount of the Subordinated Securities of that series then Outstanding, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a “Notice of Default” hereunder; or

(iv) the entry of an order for relief against the Bank under any Bankruptcy Law by a court or regulatory entity having jurisdiction in the premises or a decree or order by a court or regulatory entity having jurisdiction in the premises adjudging the Bank a bankrupt or insolvent under any other applicable law, or the entry of a decree or order approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Bank under any Bankruptcy Law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official under any Bankruptcy Law, including a “*síndico*”) of the Bank or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days; or

(v) the consent by the Bank to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any Bankruptcy Law, or the consent by it to the filing of any such petition or to the appointment of a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official under any Bankruptcy Law, including a “*síndico*”) of the Bank or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Bank in furtherance of any such action; or

(vi) any other Event of Default provided in the supplemental indenture or Board Resolution under which such series of Subordinated Securities is issued or in the form of Subordinated Security for such series.

The term “Bankruptcy Law” as used in this Section means (i) articles 120 et seq. of the Chilean Banking Law (D.F.L. 3 of 1997, as amended), (ii) the Chilean “Ley de Quiebras” (Law No. 18,175, as amended) or (iii) any other applicable law that amends, supplements or supersedes the Chilean Banking Law and/or the Ley de Quiebras, and any applicable bankruptcy, insolvency, reorganization or other similar law of any applicable jurisdiction.

Section 5.2 Acceleration of Maturity; Rescission and Annulment. If an Event of Default with respect to any series of Senior Securities described in paragraph (i), (ii), (iii), (iv) or, if applicable, (vii), of Section 5.1(a) occurs and is continuing with respect to the Senior Securities of any series, then and in each and every such case, unless the principal of all the Senior Securities of such series shall have already become due and payable, either the Trustee or the Holders of not less than 25% in aggregate principal amount of the Senior Securities of such

series then Outstanding hereunder (each such series acting as a separate class), by notice in writing to the Bank (and to the Trustee if given by Holders), may declare the principal amount (or, if the Senior Securities of such series are Original Issue Discount Securities, such portion of the principal amount of such Senior Securities as may be specified in the terms thereof) of all the Senior Securities of such series then Outstanding and all accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Senior Securities of such series contained to the contrary notwithstanding. If an Event of Default with respect to any series of Senior Securities described in paragraph (v) or (vi) of Section 5.1 (a) occurs and is continuing, then the principal amount (or, if any Senior Securities are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms thereof) of the Senior Securities then Outstanding and all accrued interest thereon shall, without any notice to the Bank or any other act on the part of the Trustee or any Holder of the Senior Securities, become and be immediately due and payable, anything in the Chilean Banking Law, this Indenture or in the Senior Securities contained to the contrary notwithstanding.

At any time after such a declaration of acceleration has been made with respect to the Senior Securities of any series and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in aggregate principal amount of the Outstanding Senior Securities of such series, by written notice to the Bank and the Trustee, may rescind and annul such declaration and its consequences if:

(a) the Bank has paid or deposited with the Trustee a sum sufficient to pay:

(i) all overdue installments of interest on the Outstanding Senior Securities of such series;

(ii) the principal of (and premium, if any, on) any Outstanding Senior Securities of such series which have become due otherwise than by such declaration of acceleration, and interest thereon at the rate or rates prescribed therefor by the terms of the Senior Securities of such series, to the extent that payment of such interest is lawful;

(iii) interest upon overdue installments of interest at the rate or rates prescribed therefor by the terms of the Senior Securities of such series, to the extent that payment of such interest is lawful; and

(iv) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and all other amounts due the Trustee under Section 6.7; and

(b) all Events of Default with respect to such series of Senior Securities, other than the nonpayment of the principal of the Senior Securities of such series which have become due solely by such acceleration, have been cured or waived as provided in Section 5.13.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

Section 5.3 Collection of Indebtedness and Suits for Enforcement by Trustee. The Bank covenants that if:

- (a) default is made in the payment of any installment of interest on any Security of any series of Senior Securities when such interest becomes due and payable; or
- (b) default is made in the payment of the principal of (or premium, if any, on) any such Security at the Maturity thereof; or
- (c) default is made in the payment of any sinking or purchase fund or analogous obligation when the same becomes due by the terms of the Securities of any such series,

and any such default continues for any period of grace provided with respect to the Securities of such series, the Bank will, upon demand of the Trustee, pay to it, for the benefit of the Holder of any such Security of such series (or the Holders of any such series in the case of clause (c) above), the whole amount then due and payable on any such Security (or on the Securities of any such series in the case of clause (c) above) for principal (and premium, if any) and interest, with interest, to the extent that payment of such interest shall be legally enforceable, upon the overdue principal (and premium, if any) and upon overdue installments of interest, at such rate or rates as may be prescribed therefor by the terms of any such Security (or of Securities of any such series in the case of clause (c) above); and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and all other amounts due the Trustee under Section 6.7.

If the Bank fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid (and including reasonable costs and expenses of such proceeding or other enforcement action), and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Bank or any other obligor upon the Securities of such series and collect the money adjudged or decreed to be payable in the manner provided by law out of the property of the Bank or any other obligor upon such Securities of such series, wherever situated.

If an Event of Default with respect to any series of Securities occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Securityholders of such series by such appropriate judicial proceedings as the Trustee in its sole discretion may determine or as the Securityholders of a majority of the aggregate principal amount of all Securities Outstanding shall direct the Trustee (after receiving such indemnification and advances for expenses from such Securityholders as the Trustee may require) in order to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy or legal or equitable right vested in the Trustee by this Indenture or by law. However, under Chilean law, the Trustee will have no right to accelerate payments of principal or interest on the Subordinated Securities of any series upon the occurrence of or following an Event of Default.

No remedy conferred upon or reserved to the Trustee (or to the Securityholders) by this Indenture is intended to be exclusive of any other remedy. Each remedy shall be cumulative and shall be in addition to every other remedy given hereunder or otherwise to the Trustee or to the Securityholders or now or hereafter existing. No delay in exercising or omission to exercise any remedy, right or power accruing upon the occurrence of any Event of Default shall impair the remedy, right or power, or shall be construed to be a waiver of any Event of Default or acquiescence therein. Every remedy, right and power may be exercised from time to time and as often as may be deemed to be expedient. No waiver of any Event of Default, whether by the Trustee or by the Securityholders, shall extend to or shall affect any subsequent Event of Default or shall impair any remedy, right or power consequent thereon.

Section 5.4 Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Bank or any other obligor upon the Securities or the property of the Bank or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Bank for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceedings or otherwise,

(a) to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary and advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and all other amounts due the Trustee hereunder and of the Securityholders allowed in such judicial proceeding, and

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any receiver, assignee, trustee, liquidator, sequestrator (or other similar official, including a “*síndico*”) in any such judicial proceeding is hereby authorized by each Securityholder to make such payment to the Trustee and in the event that the Trustee shall consent to the making of such payments directly to the Securityholders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee hereunder.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Securityholder any plan or reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Securityholder in any such proceeding.

Section 5.5 Trustee May Enforce Claims Without Possession of Securities. All rights of action and claims under this Indenture or the Securities of any series may be prosecuted and enforced by the Trustee without the possession of any of the Securities of such series or, the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses,

disbursements and advances of the Trustee, its agent and counsel, be for the ratable benefit of the Holders of the Securities of the series in respect of which such judgment has been recovered.

Section 5.6 Application of Money Collected. Any money collected by the Trustee with respect to a series of Securities pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, upon presentation of the Securities of such series and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee (acting in any capacity hereunder) and/or to Deutsche Bank Luxembourg S.A. (acting in any capacity hereunder).

SECOND: To the payment of the amounts then due and unpaid upon the Securities of that series for principal (and premium, if any), interest and Additional Amounts, if any, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal (and premium, if any) and interest, respectively.

Section 5.7 Limitation on Suits. No Holder of any Security of any series shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture or the Securities or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

- (a) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to Securities of such series;
- (b) the Holders of not less than 25% in aggregate principal amount of the Outstanding Securities of such series shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;
- (c) such Holder or Holders have offered to the Trustee indemnity reasonably satisfactory to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request;
- (d) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and
- (e) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in aggregate principal amount of the Outstanding Securities of such series;

it being understood and intended that no one or more Securityholders of such series shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Securityholders of such series, or to obtain or to seek to obtain priority or preference over any

other such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and proportionate benefit of all the Holders of all Securities of such series (it being understood that the Trustee shall have no duty or responsibility to determine whether any action of a Securityholder is prejudicial to other Securityholders).

Section 5.8 Unconditional Right of Securityholders to Receive Principal, Premium and Interest. Notwithstanding any other provisions in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional to receive payment of the principal of (and premium, if any) and (subject to Sections 3.7 and 12.1) interest on such Security on the respective Stated Maturities expressed in such Security (or, in the case of redemption or repayment, on the Redemption Date or Repayment Date, as the case may be) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder; provided, however, that the rights of the Holders of Subordinated Securities of any series to obtain repayment of the Securities of such series is subject to applicable provisions of Chilean law providing for the mandatory conversion of the Securities, either in whole or in part, into shares of common stock of the Bank under certain circumstances, including circumstances relating to insolvency, reorganization or similar events.

Section 5.9 Restoration of Rights and Remedies. If the Trustee or any Securityholder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, then and in every such case the Bank, the Trustee and the Securityholders shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Securityholders shall continue as though no such proceeding had been instituted.

Section 5.10 Rights and Remedies Cumulative. Except as otherwise provided in the last paragraph of Section 3.6, no right or remedy herein conferred upon or reserved to the Trustee or to the Securityholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.11 Delay or Omission Not Waiver. No delay in exercising or omission to exercise any remedy, right or power accruing upon the occurrence of any Event of Default shall impair the remedy, right or power, or shall be construed to be a waiver of any Event of Default or acquiescence therein. Every remedy, right and power may be exercised from time to time and as often as may be deemed to be expedient. No waiver of any Event of Default, whether by the Trustee or by the Securityholders, shall extend to or shall affect any subsequent Event of Default or shall impair any remedy or right consequent thereon.

Section 5.12 Control by Securityholders. The Holders of a majority in aggregate principal amount of the Outstanding Securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to the Securities of such series; provided that

(a) the Trustee shall have the right to decline to follow any such direction if the Trustee, being advised by counsel, determines that the action so directed may not lawfully be taken or would conflict with this Indenture or if the Trustee in good faith shall determine that the proceedings so directed would involve it in personal liability or be unjustly prejudicial to the Holders not taking part in such direction, and

(b) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

Section 5.13 Waiver of Defaults. The Holders of not less than a majority in aggregate principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series waive any default hereunder with respect to such series and its consequences, except a default not theretofore cured

(a) in the payment of the principal of (or premium, if any) or interest on any Security of such series, or in the payment of any sinking or purchase fund or analogous obligation with respect to the Securities of such series, or

(b) in respect of a covenant or provision hereof which under Article Nine cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series adversely affected thereby.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 5.14 Undertaking for Costs. All parties to this Indenture agree, and each Holder of any Security by its acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Securityholder, or group of Securityholders, holding in the aggregate more than 10% in principal amount of the Outstanding Securities of any series to which the suit relates, or to any suit instituted by any Securityholder for the enforcement of the payment of the principal of (or premium, if any) or interest on any Security on or after the respective Stated Maturities expressed in such Security (or, in the case of redemption or repayment, on or after the Redemption Date or Repayment Date).

Section 5.15 Waiver of Stay or Extension Laws. The Bank covenants to the extent that it may lawfully do so that it will not at any time insist upon or plead or in any manner whatsoever claim or take the benefit or advantage of any stay or extension law wherever enacted now or at any time hereafter in force which may affect the covenants or the performance of this Indenture and the Bank to the extent that it may lawfully do so hereby expressly waives all

benefit or advantage of any such law and covenants that it will not hinder delay or impede the execution of any power herein granted to the Trustee but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE 6

The Trustee

Section 6.1 Certain Duties and Responsibilities. (a) Except during the continuance of an Event of Default with respect to any series of Securities,

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture with respect to the Securities of such series, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) the Trustee may, with respect to Securities of such series, conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(b) In case an Event of Default with respect to any series of Securities has occurred and is continuing, the Trustee shall exercise with respect to the Securities of such series such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(i) this subsection shall not be construed to limit the effect of subsection (a) of this Section;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in aggregate principal amount of the Outstanding Securities of any series relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power

conferred upon the Trustee, under this Indenture with respect to the Securities of such series; and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity and/or security against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

(e) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder as Registrar, Paying Agent and Transfer Agent and to each Registrar, Payment Agent or Transfer Agent appointed hereunder, and to each other agent, custodian and other Person employed to act hereunder.

Section 6.2 Notice of Defaults. Within 90 days after the Trustee becomes aware of any default hereunder with respect to Securities of any series, the Trustee shall transmit by mail to all Securityholders of such series, as their names and addresses appear in the Security Register, notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived and in the case of any series of Subordinated Securities such notice shall state that no acceleration of the Securities is permitted under Chilean law; provided, however, that, except in the case of a default in the payment of the principal of (or premium, if any) or any interest or Additional Amounts on any Security of such series or in the payment of any sinking or purchase fund installment or analogous obligation with respect to Securities of such series, the Trustee shall be protected in withholding such notice if it determines that the withholding of such notice is in the interests of the Securityholders of such series; and provided further that in the case of any default of the character specified in Section 5.1(a)(iii) and 5.1(b)(iii) with respect to Securities of such series no such notice to Securityholders of such series shall be given until at least 30 days after the occurrence of all of the conditions thereof. For the purpose of this Section, the term "default," with respect to Securities of any series, means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to Securities of such series.

Section 6.3 Certain Rights of Trustee. Except as otherwise provided in Section 6.1:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Bank mentioned herein shall be sufficiently evidenced by a Bank Request or Bank Order and a Board Resolution and, as reasonably requested by the Trustee, be accompanied by an Opinion of Counsel and Officers' Certificate;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

(d) the Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Securityholders pursuant to this Indenture, unless such Securityholders shall have offered to the Trustee security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Bank, personally or by agent or attorney;

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(h) the Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture; and

(i) the Trustee shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Securities and this Indenture.

(j) In no event shall the Trustee be liable to any Person for special, punitive, indirect, consequential or incidental loss or damage of any kind whatsoever (including

but not limited to lost profits), even if the Trustee has been advised of the likelihood of such loss or damage.

(k) The Trustee may reasonably request that the Issuer deliver an Officers' Certificate setting forth the names of individuals and titles of officers authorized at such times to take specified actions pursuant to this Indenture.

Section 6.4 Not Responsible for Recitals or Issuance of Securities. The recitals contained herein and in the Securities or any other document in connection with the sale of the Securities, except for certificates executed and delivered by the Trustee in connection herewith, including the certificates of authentication, and any documents attached to such certificates, shall be taken as the statements of the Bank, and the Trustee assumes no responsibility for their correctness. The Trustee shall not be responsible for and makes no representations as to the validity or sufficiency of this Indenture or of the Securities, except that the Trustee represents that it has duly authorized, executed and delivered this Indenture, has the power to authenticate the Securities and has the ability to perform its obligations hereunder. The Trustee shall not be accountable for the use or application by the Bank of Securities or the proceeds thereof, and it shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee.

Section 6.5 May Hold Securities. The Trustee, any Paying Agent, the Security Registrar or any other agent of the Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 6.8 and 6.13, may otherwise deal with the Bank with the same rights it would have if it were not Trustee, Paying Agent, Security Registrar or such other agent.

Section 6.6 Money Held in Trust. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Bank.

Section 6.7 Compensation and Reimbursement. The Bank agrees

(a) to pay to the Trustee (acting in any capacity hereunder) and any other agent, Paying Agent or otherwise acting hereunder or in connection herewith from time to time such compensation as the Bank and the Trustee and any agent hereunder shall from time to time agree to in writing for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and expenses and disbursements of its agents and counsel); and

(c) to indemnify the Trustee (acting in any capacity hereunder) and any other agent, Paying Agent or otherwise acting hereunder or in connection herewith and any predecessor Trustee for, and to hold it harmless against, any loss, liability or expense

incurred without negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of this trust, including the reasonable costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

As security for the performance of the obligations of the Bank under this Section, the Trustee shall have a lien prior to the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of principal of (and premium, if any) or interest on particular Securities.

When the Trustee (acting in any capacity hereunder, and/or its agents acting pursuant to the direction of the Trustee) incurs expenses or renders services in connection with an Event of Default specified in Section 5.1(a)(v), Section 5.1(a)(vi), Section 5.1(b)(iv) or Section 5.1(b)(v), the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any applicable Federal or state bankruptcy, insolvency or other similar law.

The provisions of this Section 6.7 shall survive payment in full of the Securities, the resignation or removal of the Trustee and the termination of this Indenture.

Section 6.8 Disqualification; Conflicting Interests. The Trustee for the Securities of any series issued hereunder shall be subject to the provisions of Section 310(b) of the Trust Indenture Act during the period of time provided for therein. In determining whether the Trustee has a conflicting interest as defined in Section 310(b) of the Trust Indenture Act with respect to the Securities of any series, there shall be excluded for purposes of the conflicting interest provisions of such Section 310(b) the Securities of every other series issued under this Indenture. Nothing herein shall prevent the Trustee from filing with the Commission the application referred to in the second to last paragraph of Section 310(b) of the Trust Indenture Act.

Section 6.9 Corporate Trustee Required; Eligibility. There shall at all times be a Trustee hereunder with respect to each series of Securities, which shall be a corporation organized and doing business under the laws of the United States of America or of any State, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least U.S.\$50,000,000, and subject to supervision or examination by United States Federal or State authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee with respect to any series of Securities shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 6.10 Resignation and Removal; Appointment of Successor. (a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 6.11.

(b) The Trustee may resign with respect to any series of Securities at any time by giving written notice thereof to the Bank. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed with respect to any series of Securities at any time by Act of the Holders of a majority in aggregate principal amount of the Outstanding Securities of that series, delivered to the Trustee and to the Bank. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the delivery of such Act, the removed Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(d) If at any time:

(i) the Trustee shall fail to comply with Section 310(b) of the Trust Indenture Act pursuant to Section 6.8 with respect to any series of Securities after written request therefor by the Bank or by any Securityholder who has been a bona fide Holder of a Security of that series for at least six months, or

(ii) the Trustee shall cease to be eligible under Section 6.9 with respect to any series of Securities and shall fail to resign after written request therefor by the Bank or by any such Securityholder, or

(iii) the Trustee shall become incapable of acting with respect to any series of Securities, or

(iv) the Trustee shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (A) the Bank by a Board Resolution may remove the Trustee, with respect to the Securities of that series, or in the case of clause (iv), with respect to all series, or (B) subject to Section 5.14, any Securityholder who has been a bona fide Holder of a Security of such series for at least 6 months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee with respect to the series, or, in the case of clause (iv), with respect to all series.

(e) If the Trustee shall resign, be removed or become incapable of acting with respect to any series of Securities, or if a vacancy shall occur in the office of the Trustee with respect to any series of Securities for any cause, the Bank, by a Board Resolution, shall promptly appoint a successor Trustee for that series of Securities. If, within one year after such resignation, removal or incapacity, or the occurrence of such vacancy, a successor Trustee with respect to such series of Securities shall be appointed by Act of the Holders of a majority in aggregate principal amount of the Outstanding Securities of such series delivered to the Bank and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee with respect to such series and supersede the successor Trustee appointed by the Bank with respect to such series. If no successor Trustee

with respect to such series shall have been so appointed by the Bank or the Securityholders of such series and accepted appointment in the manner hereinafter provided, any Securityholder who has been a bona fide Holder of a Security of that series for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to such series.

(f) The Bank shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series by mailing written notice of such event by first-class mail, postage prepaid, to the Securityholders of that series as their names and addresses appear in the Security Register and, if and so long as the Securities are listed on the Luxembourg Stock Exchange for trading on the Euro MTF market and the rules of the exchange so require, the successor Trustee shall also publish notice as described in Section 1.6. Each notice shall include the name of the successor Trustee and the address of its Corporate Trust Office.

Section 6.11 Acceptance of Appointment by Successor. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Bank and to the predecessor Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the predecessor Trustee shall become effective with respect to any series as to which it is resigning or being removed as Trustee, and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the predecessor Trustee with respect to any such series; but, on request of the Bank or the successor Trustee, such predecessor Trustee shall, upon payment of its reasonable charges, if any, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the predecessor Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such predecessor Trustee hereunder with respect to all or any such series, subject nevertheless to its lien, if any, provided for in Section 6.7. Upon reasonable request of any such successor Trustee, the Bank shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts.

In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Bank, the predecessor Trustee and each successor Trustee with respect to the Securities of any applicable series may execute and deliver an indenture supplemental hereto which shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the predecessor Trustee with respect to the Securities of any series as to which the predecessor Trustee is not being succeeded shall continue to be vested in the predecessor Trustee, and shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be Trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee.

No successor Trustee with respect to any series of Securities shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible with respect to that series under this Article.

Section 6.12 Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and make available for delivery the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

Section 6.13 Preferential Collection of Claims Against Bank. (a) Subject to subsection (b) of this Section, if the Trustee shall be or shall become a creditor, directly or indirectly, secured or unsecured, of the Bank within three months prior to a default, as defined in subsection (c) of this Section, or subsequent to such a default, then, unless and until such default shall be cured, the Trustee shall set apart and hold in a special account for the benefit of the Trustee individually, the Holders of the securities and the holders of other indenture securities (as defined in subsection (c) of this Section):

(i) an amount equal to any and all reductions in the amount due and owing upon any claim as such creditor in respect of principal or interest, effected after the beginning of such three-month period and valid as against the Bank and its other creditors, except any such reduction resulting from the receipt or disposition of any property described in paragraph (ii) of this subsection, or from the exercise of any right of set-off which the Trustee could have exercised if a petition in bankruptcy had been filed by or against the Bank upon the date of such default; and

(ii) all property received by the Trustee in respect of any claim as such creditor, either as security therefor, or in satisfaction or composition thereof, or otherwise, after the beginning of such three-month period, or an amount equal to the proceeds of any such property, if disposed of, subject, however, to the rights, if any, of the Bank and its other creditors in such property or such proceeds.

Nothing herein contained, however, shall affect the right of the Trustee

(A) to retain for its own account (i) payments made on account of any such claim by any Person (other than the Bank) who is liable thereon, and (ii) the proceeds of the bona fide sale of any such claim by the Trustee to a third person, and (iii) distributions made in cash, securities or other property in respect of claims filed against the Bank in bankruptcy or receivership or in proceedings for reorganization pursuant to the Federal Bankruptcy Act, or applicable State law or other similar law;

(B) to realize, for its own account, upon any property held by it as security for any such claim, if such property was so held prior to the beginning, of such three-month period;

(C) to realize, for its own account, but only to the extent of the claim hereinafter mentioned, upon any property held by it as security for any such claim, if such claim was created after the beginning of such three-month period and such property was received as security therefor simultaneously with the creation thereof, and if the Trustee shall sustain the burden of proving that at the time such property was so received the Trustee had no reasonable cause to believe that a default as defined in subsection (c) of this Section would occur within three months; or

(D) to receive payment on any claim referred to in paragraph (B) or (C), against the release of any property held as security for such claim as provided in paragraph (B) or (C), as the case may be, to the extent of the fair value of such property.

For the purposes of paragraphs (B), (C) and (D), property substituted after the beginning of such three-month period for property held as security at the time of such substitution shall, to the extent of the fair value of the property released, have the same status as the property released, and, to the extent that any claim referred to in any of such paragraphs is created in renewal of or in substitution for or for the purpose of repaying or refunding any preexisting claim of the Trustee as such creditor, such claim shall have the same status as such pre-existing claim.

If the Trustee shall be required to account, the funds and property held in such special account and the proceeds hereof shall be apportioned between the Trustee, the Securityholders and the holders of other indenture securities in such manner that the Trustee, the Securityholders and the holders of other indenture securities realize, as a result of payments from such special account and payments of dividends on claims filed against the Bank in bankruptcy or receivership or in proceedings for reorganization pursuant to the Federal Bankruptcy Act or applicable State law, the same percentage of their respective claims, figured before crediting to the claim of the Trustee anything on account of the receipt by it from the Bank of the funds and property in such special account and before crediting to the respective claims of the Trustee and the Securityholders and the holders of other indenture securities dividends on claims filed against the Bank in bankruptcy or receivership or in proceedings for reorganization pursuant to the Federal Bankruptcy Act or applicable State law, but after crediting thereon receipts on account of the indebtedness represented by their respective claims from all sources other than from such dividends and from the funds and property so held in such special account. As used in this paragraph, with respect to any claim, the term "dividends" shall include any distribution with respect to such claim, in bankruptcy or receivership or proceedings for reorganization pursuant to the Federal Bankruptcy Act or applicable State law, whether such distribution is made in cash, securities, or other property, but shall not include any such distribution with respect to the secured portion, if any, of such claim. The court in which such bankruptcy, receivership or proceedings for reorganization is pending shall have jurisdiction (i) to apportion between the Trustee and the Securityholders and the holders of other indenture securities in accordance with

the provisions of this paragraph, the funds and property held in such special account and proceeds thereof, or (ii) in lieu of such apportionment, in whole or in part, to give to the provisions of this paragraph due consideration in determining the fairness of the distributions to be made to the Trustee and the Securityholders and the holders of other indenture securities with respect to their respective claims, in which event it shall not be necessary to liquidate or to appraise the value of any securities or other property held in such special account or as security for any such claim, or to make a specific allocation of such distributions as between the secured and unsecured portions of such claims, or otherwise to apply the provisions of this paragraph as a mathematical formula.

Any Trustee which has resigned or been removed after the beginning of such three-month period shall be subject to the provisions of this subsection as though such resignation or removal had not occurred. If any Trustee has resigned or been removed prior to the beginning of such three-month period, it shall be subject to the provisions of this subsection if and only if the following conditions exist:

- (i) the receipt of property or reduction of claim, which would have given rise to the obligation to account, if such Trustee had continued as Trustee, occurred after the beginning of such three-month period; and
 - (ii) such receipt of property or reduction of claim occurred within three months after such resignation or removal.
- (b) There shall be excluded from the operation of subsection (a) of this Section a creditor relationship arising from
- (i) the ownership or acquisition of securities issued under any indenture, or any security or securities having a maturity of one year or more at the time of acquisition by the Trustee;
 - (ii) advances authorized by a receivership or bankruptcy court of competent jurisdiction, or by this Indenture, for the purpose of preserving any property which shall at any time be subject to the lien of this Indenture or of discharging tax liens or other prior liens or encumbrances thereon, if notice of such advances and of the circumstances surrounding the making thereof is given to the Securityholders at the time and in the manner provided in this Indenture;
 - (iii) disbursements made in the ordinary course of business in the capacity of trustee under an indenture, transfer agent, registrar, custodian, paying agent, fiscal agent or depository, or other similar capacity;
 - (iv) an indebtedness created as a result of services rendered or premises rented; or an indebtedness created as a result of goods or securities sold in a cash transaction as defined in subsection (c) of this Section;
 - (v) the ownership of stock or of other securities of a corporation organized under the provisions of Section 25(a) of the Federal Reserve Act, as amended, which is directly or indirectly a creditor of the Bank; or

(vi) the acquisition, ownership, acceptance or negotiation of any drafts, bills of exchange, acceptances or obligations which fall within the classification of self-liquidating paper as defined in subsection (c) of this Section.

(c) For the purposes of this Section only:

(i) The term “default” means any failure to make payment in full of the principal of or interest on any of the Securities or upon the other indenture securities when and as such principal or interest becomes due and payable.

(ii) The term “other indenture securities” means securities upon which the Bank is an obligor outstanding under any other indenture (i) under which the Trustee is also trustee, (ii) which contains provisions substantially similar to the provisions of this Section and (iii) under which a default exists at the time of the apportionment of the funds and property held in such special account.

(iii) The term “cash transaction” means any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand.

(iv) The term “self-liquidating paper” means any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the Bank for the purpose of financing the purchase, processing, manufacturing, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by the Trustee simultaneously with the creation of the creditor relationship with the Bank arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.

(v) The term “Bank” means any obligor upon the Securities.

Section 6.14 Appointment of Authenticating Agent. At any time when any of the Securities remain Outstanding, the Trustee, with the approval of the Bank, may appoint an Authenticating Agent or Agents with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series issued upon exchange, registration of transfer or partial redemption thereof or pursuant to Section 3.6, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee’s certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Bank and shall at all times be a corporation organized and doing business under the laws of the United States of America, any State thereof

or the District of Columbia, authorized under such laws to act as an Authenticating Agent, having a combined capital and surplus of not less than U.S.\$50,000,000 and, if other than the Bank itself, subject to supervision or examination by United States Federal or State authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and, if other than the Bank, to the Bank. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and, if other than the Bank, to the Bank. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee, with the approval of the Bank, may appoint a successor Authenticating Agent which shall be acceptable to the Bank and shall mail written notice of such appointment by first-class mail, postage prepaid, to all Securityholders of the series with respect to which such Authenticating Agent will serve, as their names and addresses appear in the Security Register. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Trustee agrees to pay to each Authenticating Agent (other than an Authenticating Agent appointed at the request of the Bank from time to time) reasonable compensation for its services under this Section, and the Trustee shall be entitled to be reimbursed for such payments, subject to the provisions of Section 6.7.

If an appointment with respect to one or more series is made pursuant to this Section, the Securities of such series may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternate certificate of authentication in the following form:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated:

By: _____
Authorized Signatory

ARTICLE 7

Securityholders' Lists and Reports by
Trustee and Bank

Section 7.1 Bank to Furnish Trustee Names and Addresses of Securityholders. The Bank will furnish or cause to be furnished to the Trustee

(a) not more than 15 days after each Regular Record Date, in each year in such form as the Trustee may reasonably require, a list of the names and addresses of the Securityholders of such series as of such date, and

(b) at such other times as the Trustee may reasonably request in writing, within 30 days after the receipt by the Bank of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished,

excluding from any such list names and addresses received by the Trustee in its capacity as Security Registrar.

Section 7.2 Preservation of Information; Communications to Securityholders. (a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Securityholders contained in the most recent list furnished to the Trustee as provided in Section 7.1 and the names and addresses of Securityholders received by the Trustee in its capacity as Security Registrar. The Trustee may destroy any list furnished to it as provided in Section 7.1 upon receipt of a new list so furnished.

(b) If three or more Securityholders of any series (hereinafter referred to as "applicants") apply in writing to the Trustee, and furnish to the Trustee reasonable proof that each such applicant has owned a Security of such series for a period of at least six months preceding the date of such application, and such application states that the applicants' desire to communicate with other Securityholders of such series or with the Holders of all Securities with respect to their rights under this Indenture or under such Securities and is accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, then the Trustee shall, within five Business Days after the receipt of such application, at its election; either

(i) afford such applicants access to the information preserved at the time by the Trustee in accordance with Section 7.2(a), or

(ii) inform such applicants as to the approximate number of Securityholders of such series or all Securities, as the case may be, whose names and addresses appear in the information preserved at the time by the Trustee in accordance with Section 7.2(a), and as to the approximate cost of mailing to such Securityholders the form of proxy or other communication, if any, specified in such application.

If the Trustee shall elect not to afford such applicants access to such information, the Trustee shall, upon the written request of such applicants, mail to each Holder of a Security of such series or to all Securityholders, as the case may be, whose names and addresses appear in the information preserved at the time by the Trustee in accordance with Section 7.2(a), a copy of the form of proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing, unless, within five days after such tender, the Trustee shall mail to such applicants, together with a copy of the material to be mailed, a written statement to the effect that, in the opinion of the Trustee, such mailing would be contrary to the best interests of the Securityholders of such series or all Securityholders, as the case may be, or would be in violation of applicable law. Such written statement shall specify the basis of such opinion.

(c) Every Holder of Securities, by receiving and holding the same, agrees with the Bank and the Trustee that neither the Bank nor the Trustee shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Securityholders in accordance with Section 7.2(b), regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under Section 7.2(b).

Section 7.3 Reports by Trustee. (a) The term "reporting date" as used in this Section means May 15. Within 60 days after the reporting date in each year, beginning in the May 15 following the date of the Indenture, the Trustee shall transmit by mail to all Securityholders, as their names and addresses appear in the Security Register, a brief report dated as of such reporting date with respect to any of the following events which may have occurred during the 12 months preceding the date of such report (but if no such event has occurred within such period no report need be transmitted):

(i) any change to its eligibility under Section 6.9 and its qualifications under Section 6.8;

(ii) the creation of or any material change to a relationship specified in Section 310(b)(1) through Section 310(b)(10) of the Trust Indenture Act;

(iii) the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee (as such) which remain unpaid on the date of such report, and for the

reimbursement of which it claims or may claim a lien or charge, prior to that of Securities of any series, on any property or funds held or collected by it as Trustee, except that the Trustee shall not be required (but may elect) to report such advances if such advances so remaining unpaid aggregate not more than 1/2 of 1% of the principal amount of the Securities of such series outstanding on the date of such report;

(iv) any change to the amount, interest rate and maturity date of all other indebtedness owing by the Bank (or by any other obligor on the Securities) to the Trustee in its individual capacity, on the date of such report, with a brief description of any property held as collateral security therefor, except an indebtedness based upon a creditor relationship arising in any manner described in Section 6.13(b)(ii), (iii), (iv) or (vi);

(v) any change to the property and funds, if any, physically in the possession of the Trustee as such on the date of such report;

(vi) any additional issue of Securities which the Trustee has not previously reported; and

(vii) any action taken by the Trustee in the performance of its duties hereunder which it has not previously reported and which in its opinion materially affects the Securities, except action in respect of a default, notice of which has been or is to be withheld by the Trustee in accordance with, Section 6.2.

(b) The Trustee shall transmit by mail to all Securityholders, as their names and addresses appear in the Security Register, a brief report with respect to the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee (as such) since the date of the last report transmitted pursuant to subsection (a) of this Section (or if no such report has yet been so transmitted, since the date of execution of this instrument) for the reimbursement of which it claims or may claim a lien or charge, prior to that of the Securities of any series, on property or funds held or collected by it as Trustee, and which it has not previously reported pursuant to this subsection, except that the Trustee shall not be required (but may elect) to report such advances if such advances remaining unpaid at any time aggregate 10% or less of the principal amount of the Securities outstanding of such series at such time, such report to be transmitted within 90 days after such time.

(c) A copy of each such report shall, at the time of such transmission to Securityholders, be filed by the Trustee with each stock exchange upon which the Securities are listed, and also with the Commission. The Bank will notify the Trustee when the Securities are listed on any stock exchange.

Section 7.4 Reports by Bank. If the Bank is not required to file with the Commission information, documents, or reports pursuant to Section 13 or Section 15(d) of the Exchange Act, then it will file with the Trustee and the Commission the supplementary and periodic information, documents and reports required pursuant to Section 13 of the Exchange

Act in respect of a security of a “foreign private issuer” (as defined in Rule 3b-4 under the Exchange Act) listed and registered on a national securities exchange.

Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee’s receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Bank’s compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers’ Certificates).

Section 7.5 Statement by Officers as to Default. The Bank shall deliver to the Trustee, as promptly as is practicable and in any event within five days after the Bank becomes aware of the occurrence of any Event of Default, or an event which, with notice or the lapse of time or both, would constitute an Event of Default, an Officers’ Certificate setting forth the details of such Event of Default or default and the action which the Bank proposes to take with respect thereto.

ARTICLE 8

Consolidation, Merger, Conveyance or Transfer

Section 8.1 Bank May Consolidate, etc., only on Certain Terms. The Bank shall not consolidate with or merge into any other corporation or convey or transfer its properties and assets substantially as an entirety to any Person, unless:

(a) the corporation formed by such consolidation or into which the Bank is merged or the Person which acquires by conveyance or transfer the properties and assets of the Bank substantially as an entirety shall be a corporation organized and existing under the laws of the Republic or the United States of America or any State thereof, and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, the due and punctual payment of the principal of (and premium, if any) and interest on all the Securities and the performance of every covenant of this Indenture on the part of the Bank to be performed or observed;

(b) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both would become an Event of Default, shall have happened and be continuing; and

(c) the Bank has delivered to the Trustee an Officers’ Certificate and an Opinion of Counsel each stating that such consolidation, merger, conveyance or transfer and such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

Section 8.2 Successor Corporation Substituted. Upon any consolidation or merger, or any conveyance or transfer of the properties and assets of the Bank substantially as an entirety in accordance with Section 8.1, the successor corporation formed by such consolidation or into which the Bank is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Bank under this

Indenture with the same effect as if such successor corporation had been named as the Bank herein. In the event of any such conveyance or transfer, the Bank as the predecessor corporation shall be discharged from all obligations hereunder and under the Securities and may be dissolved, wound up or liquidated at any time thereafter.

ARTICLE 9

Supplemental Indentures

Section 9.1 Supplemental Indentures Without Consent of Securityholders. Without the consent of the Holders of any Securities, the Bank, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(a) to evidence the succession of another corporation to the Bank, and the assumption by any such successor of the covenants of the Bank herein and in the Securities contained; or

(b) to add to the covenants of the Bank, or to surrender any right or power herein conferred upon the Bank, for the benefit of the Holders of the Securities of any or all series (and if such covenants or the surrender of such right or power are to be for the benefit of less than all series of Securities, stating that such covenants are expressly being included or such surrenders are expressly being made solely for the benefit of one or more specified series); or

(c) to cure any ambiguity or defect, to correct or supplement any provision herein which may be inconsistent with any other provision herein so long as it does not have a material adverse effect on the rights of any Holder; or

(d) to add to this Indenture such provisions as may be expressly permitted by the TIA, excluding, however, the provisions referred to in Section 316(a)(2) of the TIA as in effect at the date as of which this instrument was executed or any corresponding provision in any similar Federal statute hereafter enacted; or

(e) to establish any form of Security, as provided in Article Two, and to provide for the issuance of any series of Securities as provided in Article Three and to set forth the terms thereof, and/or to add to the rights of the Holders of the Securities of any series; or

(f) to evidence and provide for the acceptance of appointment by another corporation as a successor Trustee hereunder with respect to one or more series of securities and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to Section 6.11; or

(g) to add any additional Events of Default in respect of the Securities of any or all series (and if such additional Events of Default are to be in respect of less than all

series of Securities, stating that such Events of Default are expressly being included solely for the benefit of one or more specified series); or

(h) to provide for the issuance of Securities in bearer form, to the extent permitted by law, with coupons as well as fully registered form; or

(i) to make any such other changes to this Indenture as shall not adversely affect the interests of the Holders of the Securities in any material respect.

No supplemental indenture for the purposes identified in clauses (b), (c) or (e) above may be entered into unless to do so would not adversely affect the interest of the Securityholders of any series; provided, further, that no supplemental indenture for the purposes identified in clause (i) above may be entered into unless to do so would not, as evidenced by an Opinion of Counsel delivered to the Trustee, adversely affect the interest of the Securityholders of any series.

Section 9.2 Supplemental Indentures with Consent of Securityholders. With the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Securities of each series adversely affected by such supplemental indenture or indentures, by Act of said Holders delivered to the Bank and the Trustee, when authorized by a Board Resolution, the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of the Securities of each such series under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Security adversely affected thereby.

(a) extend the Maturity of the principal of, or the Stated Maturity of any premium on, or any scheduled installment of interest on, any Security, or reduce the principal amount thereof or the interest or any premium thereon, or change the method of computing the amount of principal thereof or interest or premium, if any, thereon on any date or change any Place of Payment where, or the coin or currency in which, the principal of or any premium or interest (including Additional Amounts) on any Security is payable, or impair the right of Holders to institute suit for the enforcement of any such payment on or after the Maturity or the Stated Maturity, as the case may be, thereof (or, in the case of redemption or repayment, on or after the Redemption Date or the Repayment Date, as the case may be); or

(b) reduce the percentage in aggregate principal amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences, provided for in this Indenture; or

(c) modify any of the provisions of this Section or Section 5.13, except to increase any such percentage or to provide that certain other provisions of this Indenture

cannot be modified or waived without the consent of the Holder of each Outstanding Security adversely affected thereby.

The Bank may, but shall not be obligated to, fix a record date for the purpose of determining the Persons entitled to consent to any indenture supplemental hereto. If a record date is fixed, the Holders on such record date, or their duly designated proxies, and only such Persons, shall be entitled to consent to such supplemental indenture, whether or not such Holders remain Holders after such record date; provided, that unless such consent shall have become effective by virtue of the requisite percentage having been obtained prior to the date which is 90 days after such record date, any such consent previously given shall automatically and without further action by any Holder be cancelled and of no further effect.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Securityholders of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Securityholders of any other series.

It shall not be necessary for any Act of Securityholders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

Section 9.3 Execution of Supplemental Indentures. In executing or accepting the additional trusts created by any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 6.1) shall be fully protected in relying upon, in addition to the documents required by Section 1.2, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not (except to the extent required in the case of a supplemental indenture entered into under Section 9.1(d) or 9.1(f)) be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 9.4 Effect of Supplemental Indentures. Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby to the extent provided therein.

Section 9.5 Conformity with Trust Indenture Act. Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the TIA as then in effect if and to the extent such supplemental indenture is subject to the TIA.

Section 9.6 Reference in Securities to Supplemental Indentures. Securities authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Bank shall so determine, new Securities so modified as to conform, in the opinion of the Trustee and the Board of

Directors, to any such supplemental indenture may be prepared and executed by the Bank and authenticated and such Securities may be delivered by the Trustee in exchange for Outstanding Securities.

ARTICLE 10

Covenants

Section 10.1 Payment of Principal, Premium and Interest. With respect to each series of Securities, the Bank will duly and punctually pay, prior to 10:00 a.m. (New York time) on any payment date, the principal of (and premium, if any) and interest on such Securities in accordance with their terms and this Indenture.

Section 10.2 Maintenance of Office or Agency. The Bank will maintain an office or agency in each Place of Payment where Securities may be presented or surrendered for payment, where Securities may be surrendered for transfer or exchange and where notices and demands to or upon the Bank in respect, of the Securities and this Indenture may be served. The Bank will give prompt written notice to the Trustee of the location, and of any change in the location, of such office or agency. If at any time the Bank shall fail to maintain such office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the principal Corporate Trust Office of the Trustee, and the Bank hereby appoints the Trustee its agent to receive all such presentations, surrenders, notices and demands.

Section 10.3 Money for Security Payments To Be Held in Trust. If the Bank shall at any time act as its own Paying Agent for any series of Securities, it will, on or before each due date of the principal of (and premium, if any) or interest on, any of the Securities of such series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal (and premium, if any) or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided, and will promptly notify, and in any event within ten (10) Business Days, the Trustee of its action or failure to so act.

Whenever the Bank shall have one or more Paying Agents for any series of Securities, it will, on or prior to each due date of the principal of (and premium, if any) or interest on, any Securities of such series, deposit with a Paying Agent a sum sufficient to pay the principal (and premium, if any) or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal (and premium, if any) or interest, and (unless such Paying Agent is the Trustee) the Bank will promptly notify, and in any event within ten (10) Business Days, the Trustee of its action or failure to so act.

The Bank will cause each Paying Agent other than the Trustee for any series of Securities to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will

(a) hold all sums held by it for the payment of principal of (and premium, if any) or interest on Securities of such series in trust for the benefit of the Persons entitled

thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(b) give the Trustee notice of any default by the Bank (or any other obligor upon the Securities of such series) in the making of any such payment of principal (and premium, if any) or interest on the Securities of such series; and

(c) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Bank may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture with respect to any series of Securities or for any other purpose, pay, or by Bank Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Bank or such Paying Agent in respect of each and every series of Securities as to which it seeks to discharge this Indenture or, if for any other purpose, all sums so held in trust by the Bank in respect of all Securities, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Bank or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Bank, in trust for the payment of the principal of (and premium, if any) or interest on any Security of any series and remaining unclaimed for two years after such principal (and premium, if any) or interest has become due and payable shall be paid to the Bank on Bank Request, or (if then held by the Bank) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Bank for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Bank as trustee thereof, shall thereupon cease. The Trustee or such Paying Agent, before being required to make any such repayment, shall at the request and expense of the Bank mail to the Holders of the Securities as to which the money to be repaid was held in trust, as their names and addresses appear in the Security Register, a notice that such moneys remain unclaimed and that, after a date specified in the notice, which shall not be less than 30 days from the date on which the notice was first mailed to the Holders of the Securities as to which the money to be repaid was held in trust, any unclaimed balance of such moneys then remaining will be paid to the Bank free of the trust formerly impressed upon it.

The Bank initially authorizes the Trustee to act as Paying Agent for the Securities on its behalf. The Bank may at any time and from time to time authorize one or more Persons to act as Paying Agent in addition to or in place of the Trustee with respect to any series of Securities issued under this Indenture.

Section 10.4 Statement as to Compliance. The Bank will deliver to the Trustee, within 120 days after the end of each fiscal year, a written statement signed by the principal executive officer, principal financial officer or principal accounting officer of the Bank, stating that to the best of his knowledge as of the last day of such fiscal year no Event of Default had

occurred and was continuing, or, if there was any Event of Default on such day, specifying each such Event of Default known to him and the nature and status thereof.

Section 10.5 Corporate Existence. Except to the extent permitted pursuant to Article Eight, the Bank will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and will use reasonable efforts to do or cause to be done all things as in the judgment of the Bank may be reasonably necessary to preserve and keep in full force and effect its rights (charter and statutory) and franchises; provided, however, that the Bank shall not be required to preserve any such right or franchise if it shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Bank and its Subsidiaries taken as a whole and that the loss thereof would not have a material adverse effect on the Bank's financial condition or results of operations or is not disadvantageous in any material respect to the Holders.

Section 10.6 Maintenance of Properties. The Bank will cause all tangible properties useful in the conduct of its business to be maintained and kept in good condition, repair and working order, all as in the judgment of the Bank may be reasonably necessary so that its business may be properly and advantageously conducted at all times; provided, however, that nothing in this Section 10.6 shall prevent the Bank from discontinuing the operation or maintenance of any of such properties if such discontinuance is, in the judgment of the Bank, desirable in the conduct of its business and would not have a material adverse effect on the Bank's financial condition or results of operations.

Section 10.7 Maintenance of Insurance. The Bank shall maintain and shall cause each of its Subsidiaries to maintain with insurers the Bank reasonably believes to be financially sound and reputable insurance deemed adequate by the Bank with respect to its properties and business and the properties and business of its Subsidiaries against loss or damage of the kinds customarily insured against by corporations in the same or similar business and owning and/or operating properties to those owned and/or operated by the Bank or its Subsidiaries. Such insurance may be subject to co-insurance deductibility or similar clauses which in effect result in self-insurance of certain losses provided that such self-insurance is in accord with the practices of corporations in the same or similar business and adequate insurance reserves are maintained in connection with such self-insurance.

Section 10.8 Maintenance of Books and Records. The Bank shall maintain books, accounts and records in all material respects in accordance with generally accepted accounting principles as applied in the Republic or in the applicable jurisdiction.

Section 10.9 Listing. (a) In the event that any Securities are admitted to listing on the Luxembourg Stock Exchange, the Bank will use its reasonable best efforts to maintain such listing, provided that if, as a result of the European Union regulated market amended Directive 2001/34/EC (the "Transparency Directive") or any legislation implementing the Transparency Directive the Bank could be required to publish financial information either more regularly than the Bank otherwise would be required to or according to accounting principles which are materially different from the accounting principles which the Bank would otherwise use to prepare its published financial information, or the Bank determines that it is unduly burdensome to maintain a listing on the Luxembourg Stock Exchange, the Bank may delist the

Securities from the Luxembourg Stock Exchange and seek an alternative admission to listing, trading and/or quotation for the Securities on a different section of the Luxembourg Stock Exchange or by such other listing authority, stock exchange and/or quotation system inside or outside the European Union as the Bank may decide.

(b) The Bank shall notify the Trustee in writing promptly upon the listing or delisting of the Securities on any securities exchange.

Section 10.10 Further Assurances. The Bank shall, at its own cost and expense, execute and deliver to the Trustee all such other documents, instruments and agreements and do all such other acts and things as may be reasonably required, in the opinion of the Trustee, to enable the Trustee to exercise and enforce its rights under this Indenture and under the documents, instruments and agreements required under this Indenture and to carry out the intent of this Indenture.

ARTICLE 11

Subordination of Subordinated Securities

Section 11.1 Subordination to Senior Indebtedness. The indebtedness evidenced by the Subordinated Securities of any series, including their principal and the interest on them, will be subordinate and subject in right of payment, to the extent and in the manner set forth in this Article Eleven, to the prior payment in full of all Senior Indebtedness, and each Holder by accepting the Subordinated Securities agrees to and will be bound by, and deemed to have notice of all provisions of this Indenture including this Article Eleven.

Section 11.2 Priority of Senior Indebtedness Upon Distribution or Liquidation. Upon any distribution of the assets of the Bank as a result of any dissolution, winding up, liquidation or reorganization of the Bank (whether in bankruptcy, insolvency, reorganization or receivership proceedings, or in connection with an assignment for the benefit of creditors, or any other marshalling of the assets and liabilities of the Bank, or otherwise),

(a) all Senior Indebtedness will first be paid in full in cash, or provision made for its payment, before any payment is made on account of the principal of, or interest on, the indebtedness evidenced by the Subordinated Securities of any series;

(b) any payment or distribution of assets of the Bank of any kind or character, whether in cash, property or securities, to which the Holders of Subordinated Securities or the Trustee would be entitled except for the provisions of this Article Eleven, will first be paid or delivered by the Bank or by any trustee in bankruptcy, receiver, assignee for benefit of creditors, or other liquidating agent making the payment or distribution, directly to the holders of Senior Indebtedness or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any Senior Indebtedness may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the Senior Indebtedness held or represented by each, to the extent necessary to pay all Senior Indebtedness in full after

giving effect to any concurrent payment or distribution to the holders of such Senior Indebtedness, or provision for payment or distribution to them; and

(c) if, notwithstanding the foregoing, any payment or distribution of assets of the Bank of any kind or character, whether in cash, property or securities, is received by the Trustee or the Holders of Subordinated Securities before all Senior Indebtedness is paid in full, or provision made for its payment, that payment or distribution will be held in trust for the benefit of, and will be paid over or delivered to, the holders of the Senior Indebtedness or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any Senior Indebtedness may have been issued, ratably as described above, for application to the payment of all Senior Indebtedness remaining unpaid to the extent necessary to pay all Senior Indebtedness after giving effect to any concurrent payment or distribution to the holders of such Senior Indebtedness, or provision, for payment or distribution to them. For purposes of this Section 11.2, the words "cash, property or securities" will not be deemed to include shares of stock of the Bank as reorganized or readjusted, or securities of the Bank or any other corporation provided for by a plan of reorganization or readjustment, the payment of which is subordinated at least to the extent provided in this Article Eleven with respect to the Subordinated Securities to the payment of all Senior Indebtedness which may at the time be outstanding, provided that (i) the Senior Indebtedness is assumed by the new corporation, if any, resulting from any such reorganization or readjustment, and (ii) the rights of the holders of the Senior Indebtedness are not, without their consent, altered by the reorganization or readjustment.

(d) The provisions of this Article will not apply to any payment by the Bank to the Trustee under any of the provisions of Section 6.7.

The foregoing is subject to applicable Chilean law providing for the qualification of any reorganization plan by regulatory authorities and the holders of certain Indebtedness of the Bank.

Section 11.3 Subrogation of Holders of Subordinated Securities to Rights of Senior Indebtedness. Subject to the payment in full of all Senior Indebtedness, the Holders of Subordinated Securities will be subrogated to the rights of the holders of Senior Indebtedness to receive payments or distributions of assets of the Bank made on the Senior Indebtedness until the principal of and interest on the Subordinated Securities of any series is paid in full. For purposes of that subrogation, no payments or distributions to the holders of Senior Indebtedness of cash, property or securities which, except for the provisions of this Article Eleven would have been payable or distributable to the Holders of Subordinated Securities, will, as between the Bank, its creditors other than the holders of Senior Indebtedness, and the Holders of Subordinated Securities, be deemed to be payments by the Bank to or on account of the Senior Indebtedness, it being understood that the provisions of this Article Eleven are and are intended solely for the purpose of defining the relative rights of Holders of Subordinated Securities, on the one hand, and the holders of Senior Indebtedness, on the other.

Section 11.4 Bank's Obligation to Pay Unconditional. Nothing contained in this Article Eleven or elsewhere in this Indenture, or in the Subordinated Securities of any series, is

intended to or will impair, as between the Bank, its creditors other than the holders of Senior Indebtedness, and the Holders of Subordinated Securities, the obligation of the Bank, which is absolute and unconditional, to pay to the Holders of Subordinated Securities the principal of and interest on the Subordinated Securities of any series, as and when they become due and payable in accordance with their terms, or to affect the relative rights of the Holders of Subordinated Securities and creditors of the Bank other than the holders of the Senior Indebtedness, nor will anything in this Article Eleven or elsewhere in this Indenture prevent the Trustee or any Holders of Subordinated Securities from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the rights, if any, under this Article Eleven of the holders of Senior Indebtedness in respect of cash, property or securities of the Bank received upon the exercise of any such remedy.

Section 11.5 Reliance by Trustee Upon Certificate. Upon any payment or distribution of assets of the Bank referred to in this Article Eleven, the Trustee, subject to the provisions of Section 1.2, will be entitled to conclusively rely upon a certificate of the receiver, trustee in bankruptcy, liquidating trustee, agent or other person making the payment or distribution, delivered to the Trustee, for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of the Senior Indebtedness and other indebtedness of the Bank, the amount of that indebtedness or payable with regard to it, the amount or amounts paid or distributed with regard to it and all other facts pertinent to it or to this Article Eleven.

Section 11.6 Authorization of Trustee to Effect Subordination. Each Holder of Subordinated Securities by his or her acceptance of the Subordinated Securities of any series authorizes the Trustee in his or her behalf to take whatever action may be necessary or appropriate to effectuate the subordination provided in this Article Eleven and appoints the Trustee his or her attorney-in-fact for any and all such purposes.

Section 11.7 Notice to Trustee of Senior Indebtedness. The Bank will give prompt written notice to the Trustee of any dissolution, winding up, liquidation or reorganization of the Bank and of any fact known to the Bank which could prohibit the making of any payment to or by the Trustee in respect of the Subordinated Securities of any series pursuant to the provisions of this Indenture. Failure to give such notice shall not affect the subordination of such Subordinated Securities to Senior Indebtedness. The Trustee, subject to the provisions of Section 1.2, will be entitled to assume that no such event has occurred unless the Bank, or any one or more holders of Senior Indebtedness or any trustee for them, has given that written notice to the Trustee at its principal Corporate Trust Office. Notwithstanding any of the provisions of this Article Eleven or any other provision of this Indenture, the Trustee will not at any time be charged with knowledge of the existence of any facts which would prohibit the making of any payment of moneys to or by the Trustee, unless and until the Trustee has received written notice of them at its Corporate Trust Office from the Bank or from one or more holders of Senior Indebtedness or from any trustee for them; and, prior to the receipt of any such written notice, the Trustee, subject to the provisions of Section 1.2, will be entitled in all respects to assume that no such facts exist; provided, that, if on the earlier of (i) the date on which notice of redemption of any Subordinated Securities is given in accordance with Section 12.4 or (ii) a date not less than two Business Days prior to the date upon which moneys may become payable under this Indenture or the Subordinated Securities of any series for any purpose (including, without limitation, the payment of the principal or interest on any Subordinated Security) the Trustee has

not received the notice described in this Section 11.7, then, anything in this Indenture to the contrary notwithstanding, the Trustee will have full power and authority to receive the moneys and to apply them to the purpose for which they were received, and will not be bound by or obligated to enforce the terms of any notice to the contrary which may subsequently be received by it.

The Trustee shall be entitled to rely on the delivery to it of a written notice by a person representing himself to be a holder of Senior Indebtedness (or a trustee or agent on behalf of such holder) to establish, that such notice has been given by a holder of Senior Indebtedness (or a trustee or agent on behalf of any such holder). In the event that the Trustee determines in good faith that further evidence is required with respect to the right of any person as a holder of Senior Indebtedness to participate in any payment or distribution pursuant to this Article, the Trustee may request such person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Indebtedness held by such person, the extent to which such person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such person under this Article, and if such evidence is not furnished, the Trustee may defer any payment which it may be required to make for the benefit of such person pursuant to the terms of this Indenture pending judicial determination as to the rights of such person to receive such payment.

Section 11.8 Trustee's Relation to Senior Indebtedness. The Trustee will be entitled to all the rights set forth in this Article Eleven in respect of any Senior Indebtedness at any time held by it in its individual capacity to the same extent as any other holder of Senior Indebtedness and nothing in this Indenture will affect the right of the Trustee to retain for its own account payments made on Senior Indebtedness held by the Trustee for its own account. The Trustee will not have any duty to the holders of Senior Indebtedness, and will not be liable to any of them, if the Trustee will pay over or distribute to Holders of Subordinated Securities or the Bank or any other person moneys or assets or securities to which any holder of Senior Indebtedness is entitled by virtue of this Article Eleven or otherwise. The Trustee shall not be deemed to have any fiduciary duty to any holder of Senior Indebtedness. No implied covenant, or obligation, with respect to any holder of Senior Indebtedness shall be read into this Indenture.

Section 11.9 Mandatory Conversion. The foregoing is subject to applicable provisions of Chilean law providing for the mandatory conversion of the Subordinated Securities, either in whole or in part, into shares of common stock of the Bank under certain circumstances, including circumstances relating to insolvency, reorganization or similar events, and to Section 6.2 hereof.

ARTICLE 12

Redemption of Securities

Section 12.1 Applicability of Article. The Bank may reserve the right to redeem and pay before Stated Maturity all or any part of the Securities of any series, either by optional redemption, sinking or purchase fund or analogous obligation or otherwise, by provision therefor in the form of Security for such series established and approved pursuant to Section 2.2 and on such terms as are specified in such form or in the Board Resolution or indenture supplemental

hereto with respect to Securities of such series as provided in Section 3.1. Redemption of Securities of any series shall be made in accordance with the terms of such Securities and, to the extent that this Article does not conflict with such terms, the succeeding Sections of this Article.

Section 12.2 Election to Redeem; Notice to Trustee. The election of the Bank to redeem any Securities redeemable at the election of the Bank shall be evidenced by, or made pursuant to authority granted by, a Board Resolution. In case of any redemption at the election of the Bank of any Securities of any series, the Bank shall, at least 60 days prior to the Redemption Date fixed by the Bank (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date and of the principal amount of Securities of such series to be redeemed.

In the case of any redemption of Securities (i) prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture, or (ii) pursuant to an election of the Bank which is subject to a condition specified in the terms of such Securities, the Bank shall furnish the Trustee with an Officers' Certificate evidencing compliance with such restriction or condition.

Section 12.3 Selection by Trustee of Securities to be Redeemed. If less than all the Securities of like tenor and terms of any series are to be redeemed, the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, by lot or such method as the Trustee shall deem fair and appropriate and which may include provision for the selection for redemption of portions of the principal of Securities of such series of a denomination larger than the minimum authorized denomination for Securities of that series; provided, however, that the Bank shall provide to the Trustee five Business Days' (or such shorter period as may be mutually agreed) prior notice in advance of such 60 day period of the event requiring such redemption. Unless otherwise provided in the terms of a particular series of Securities, the portions of the principal of Securities so selected for partial redemption shall be equal to the minimum authorized denomination of the Securities of such series, or an integral multiple thereof, and the principal amount which remains outstanding shall not be less than the minimum authorized denomination for Securities of such series. If less than all the Securities of unlike tenor and terms of a series are to be redeemed, the particular Securities to be redeemed shall be selected by the Bank.

The Trustee shall promptly notify the Bank in writing of the Securities selected for redemption and, in the case of any Security selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Security redeemed or to be redeemed only in part, to the portion of the principal of such Security which has been or is to be redeemed.

Section 12.4 Notice of Redemption. Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the

Redemption Date, to each Holder of Securities to be redeemed, at its address appearing in the Security Register

All notices of redemption shall state:

- (a) the Redemption Date;
- (b) the Redemption Price;
- (c) if less than all Outstanding Securities of any series are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Securities to be redeemed, from the Holder to whom the notice is given;
- (d) that on the Redemption Date the Redemption Price will become due and payable upon each such Security, and that interest, if any, thereon shall cease to accrue from and after said date;
- (e) the place where such Securities are to be surrendered for payment of the Redemption Price, which shall be the office or agency of the Bank in the Place of Payment;
- (f) if applicable, that the redemption is on account of a sinking or purchase fund, or other analogous obligation; and
- (g) the CUSIP number or the Euroclear or the Clearstream Luxembourg reference numbers of such Securities, if any (or any other numbers used by a Depository to identify such Securities).

Notice of redemption of Securities to be redeemed at the election of the Bank shall be given by the Bank or, by the Trustee at the Bank's Request upon 5 Business Days' (or such shorter period as may be mutually agreed) prior notice to the Trustee in the name and at the expense of the Bank.

Section 12.5 Deposit of Redemption Price. At least one Business Day prior to any Redemption Date, the Bank shall deposit with the Trustee or with a Paying Agent (or, if the Bank is acting as its own Paying Agent, segregate and hold in trust as provided in Section 10.3) an amount of money sufficient to pay the Redemption Price of all the Securities which are to be redeemed on that date. The Bank will cause the bank through which payment of funds to the Paying Agent will be made to deliver to the Paying Agent by 10:00 a.m. (New York Time) two Business Days prior to the due date of such payment an irrevocable confirmation (by confirmed facsimile transmission or authenticated Swift MT 100 Message) of its intention to make such payment.

Section 12.6 Securities Payable on Redemption Date. Notice of Redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified and from and after such date (unless the Bank shall default in the payment of the Redemption Price) such Securities shall cease to bear interest. Upon surrender of such Securities for redemption in accordance with the

notice, such Securities shall be paid by the Bank at the Redemption Price. Installments of interest the Stated Maturity of which is on or prior to the Redemption Date shall be payable to the Holders of such Securities registered as such on the relevant Regular Record Dates according to their terms and the provisions of Section 3.7.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the Redemption Date at the rate borne by the Security, or as otherwise provided in such Security.

Section 12.7 Securities Redeemed in Part. Any Security which is to be redeemed only in part shall be surrendered at the office or agency of the Bank in the Place of Payment with respect to that series (with, if the Bank or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Bank and the Trustee duly executed by, the Holder thereof or its attorney duly authorized in writing) and the Bank shall execute and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities of the same series and Stated Maturity and of like tenor and terms, of any authorized denomination as requested by such Holder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

Section 12.8 Provisions with Respect to any Sinking Funds. Unless the form or terms of any series of Securities shall provide otherwise, in lieu of making all or any part of any mandatory sinking fund payment with respect to such series of Securities in cash, the Bank may at its option (1) deliver to the Trustee for cancellation any Securities of such series theretofore acquired by the Bank, or (2) receive credit for any Securities of such series (not previously so credited) acquired by the Bank and theretofore delivered to the Trustee for cancellation or redeemed by the Bank other than through the mandatory sinking fund, and if it does so then (i) Securities so delivered or credited shall be credited at the applicable sinking fund Redemption Price with respect to Securities of such series, and (ii) on or before the 60th day next preceding each sinking fund Redemption Date with respect to such series of Securities, the Bank will deliver to the Trustee (A) an Officers' Certificate specifying the portions of such sinking fund payment to be satisfied by payment of cash and by delivery or credit of Securities of such series acquired by the Bank or so redeemed, and (B) such Securities so acquired, to the extent not previously surrendered. Such Officers' Certificate shall also state the basis for such credit and that the Securities for which the Bank elects to receive credit have not been previously so credited and were not redeemed by the Bank through operation of the mandatory sinking fund, if any, provided with respect to such Securities and shall also state that no Event of Default with respect to Securities of such series has occurred and is continuing. All Securities so delivered to the Trustee shall be cancelled by the Trustee and no Securities shall be authenticated in lieu thereof.

If the sinking fund payment or payments (mandatory or optional) with respect to any series of Securities made in cash plus any unused balance of any preceding sinking fund payments with respect to Securities of such series made in cash shall exceed U.S.\$50,000 (or a lesser sum if the Bank shall so request), unless otherwise provided by the terms of such series of Securities, that cash shall be applied by the Trustee on the sinking fund Redemption Date with respect to Securities of such series next following the date of such payment to the redemption of

Securities of such series at the applicable sinking fund Redemption Price with respect to Securities of such series, together with accrued interest, if any, to the date fixed for redemption, with the effect provided in Section 12.6. The Trustee shall select, in the manner provided in Section 12.3, for redemption on such sinking fund Redemption Date a sufficient principal amount of Securities of such series to utilize that cash and shall thereupon cause notice of redemption of the Securities of such series for the sinking fund to be given in the manner provided in Section 12.4 (and with the effect provided in Section 12.6) for the redemption of Securities in part at the option of the Bank. Any sinking fund moneys not so applied or allocated by the Trustee to the redemption of Securities of such series shall be added to the next cash sinking fund payment with respect to Securities of such series received by the Trustee and, together with such payment, shall be applied in accordance with the provisions of this Section 12.8. Any and all sinking fund moneys with respect to Securities of any series held by the Trustee at the Maturity of Securities of such series, and not held for the payment or redemption of particular Securities of such series, shall be applied by the Trustee, together with other moneys, if necessary, to be deposited sufficient for the purpose, to the payment of the principal of the Securities of such series at Maturity.

On or before each sinking fund Redemption Date provided with respect to Securities of any series, the Bank shall pay to the Trustee in cash a sum equal to all accrued interest, if any, to the date fixed for redemption on Securities to be redeemed on such sinking fund Redemption Date pursuant to this Section 12.8.

Section 12.9 Optional Redemption in the Event of Change in Tax Treatment. The Securities of any series may be redeemed at the election of the Bank, as a whole, but not in part, subject to applicable Chilean law, at any time upon the giving of notice as provided in Section 12.4, at the Redemption Price, plus Additional Amounts, if any, together with any accrued but unpaid interest to the Redemption Date, only if (i) the Bank certifies to the Trustee immediately prior to the giving of such notice that it has or will become obligated to pay Additional Amounts with respect to the Securities (and, in the case of Additional Amounts payable in respect of Taxes imposed by Chile, such Additional Amounts are in excess of the Additional Amounts payable in respect of the 4% withholding tax payable on payments of interest on the Securities) as a result of any change in or amendment to the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of such laws or regulations, or any execution of, or amendment to, any treaty or treaties affecting taxation to which a Relevant Jurisdiction is a party, which change or amendment occurs after the date of issuance of such Securities and (ii) such obligation cannot be avoided by the Bank taking reasonable measures available to it; provided, that no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which the Bank would be obligated to pay such Additional Amounts, if a payment in respect of such Securities were then due. For this purpose, "reasonable measures" shall include a change by the Bank of the jurisdiction of the Paying Agent. With respect to the Subordinated Securities, the Bank shall only exercise the right of redemption set forth in this Section 12.9 if Article 55 of the Chilean Banking Law is amended in the future to allow for such redemption, notwithstanding such right of redemption. Prior to the Redemption Date of such Securities pursuant to this Section 12.9, the Bank shall deliver to the Trustee an Officers' Certificate, certifying that the Bank is entitled to effect such a redemption in accordance with the terms of this Indenture, and setting forth in reasonable detail a statement of the facts giving rise to such right of redemption (together with a written Opinion of Counsel to

the effect, among other things, that (a) the Bank has or will become obligated to pay such Additional Amounts as a result of a change or amendment described in this Section, (b) the Bank cannot avoid payment of such Additional Amounts by taking reasonable measures available to it and (c) all governmental approvals necessary for the Bank to effect such redemption have been obtained and are in full force and effect or specifying any such necessary approvals that as of the date of such opinion have not been obtained and that all conditions precedent to the redemption of the Securities have been satisfied).

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed all as of the day and year first above written.

CORPBANCA

by: _____ /s/ Cristián Canales Palacios
Name: Cristián Canales Palacios
Title: Director – Legal & Control

by: _____ /s/ Hernan Linetzky Mc-Manus
Name: Hernan Linetzky Mc-Manus
Title: SVP – Head of International

DEUTSCHE BANK TRUST COMPANY AMERICAS

By: Deutsche Bank National Trust Company

by: _____ /s/ Linda Reale
Name: Linda Reale
Title: Vice President

by: _____ /s/ Rodney Gaughan
Name: Rodney Gaughan
Title: Vice President

DEUTSCHE BANK LUXEMBOURG S.A.

by: _____ /s/ Linda Reale
Name: Linda Reale
Title: Attorney-in-Fact

by: _____ /s/ Rodney Gaughan
Name: Rodney Gaughan
Title: Attorney-in-Fact

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC” OR THE “DEPOSITARY”), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS NOTE IS A GLOBAL SECURITY AS REFERRED TO IN THE INDENTURE HEREINAFTER REFERENCED. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR THE INDIVIDUAL SECURITIES REPRESENTED HEREBY, THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

EACH PURCHASER OR HOLDER OF THE NOTES OR ANY INTEREST THEREIN, INCLUDING ANY TRANSFEREE THEREOF, BY SUCH PURCHASE OR HOLDING, SHALL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT (I) IT IS NOT AND IS NOT ACTING ON BEHALF OF A PERSON WHO IS OR WILL BE (A) AN EMPLOYEE BENEFIT PLAN SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1986 AS AMENDED (“ERISA”), A PLAN SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (“THE CODE”), OR ANOTHER EMPLOYEE BENEFIT PLAN SUBJECT TO U.S. FEDERAL, STATE OR LOCAL LAW, OR TO NON-U.S. LAW THAT IS SIMILAR TO ERISA OR SECTION 4975 OF THE CODE (“SIMILAR LAW”), OR (II) ITS PURCHASE AND HOLDING OF NOTES DOES NOT AND WILL NOT RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA OR THE CODE OR A VIOLATION OF SIMILAR LAW.

CORPBANCA
[]% [SENIOR/SUBORDINATED] NOTES DUE []

No. []

[principal amount]

CUSIP []

ISIN []

Common Code []

CORPBANCA, a banking corporation (“*sociedad anónima bancaria*”) duly organized and existing under the laws of the Republic of Chile (herein called the “Bank,” which term includes any successor under the Indenture hereinafter referred to), for value received, hereby promises to pay to

Cede & Co.

or registered assigns, the principal sum as set forth on the Schedule of Increases or Decreases annexed hereto at the office or agency of the Bank in the Borough of Manhattan, The City of New York, on [,] by wire transfer of immediately available funds in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest on said principal sum semiannually on [interest payment date] and [interest payment date] of each year, commencing on [first interest payment date], at said office or agency, in like coin or currency, at the rate per annum specified in the title hereof, from the [interest payment date] or [interest payment date], as the case may be, next preceding the date of this Note to which interest on the Notes has been paid or duly provided for (unless the date hereof is the date to which interest on the Notes has been paid or duly provided for, in which case from the date of this Note), or, if no interest has been paid on these Notes or duly provided for, from [,] (the “Original Issue Date”), until payment of said principal sum has been made or duly provided for. Notwithstanding the foregoing, if the date hereof is after [record date] or [record date] and before the next succeeding [interest payment date] or [interest payment date], respectively, this Note shall bear interest from such [interest payment date] or [interest payment date], as the case may be; provided, however, that if the Bank shall default in the payment of interest due on such [interest payment date] or [interest payment date], then this Note shall bear interest from the next preceding [interest payment date] or [interest payment date] to which interest on the Notes has been paid or duly provided for, or, if no interest has been paid on the Notes or duly provided for, from the Original Issue Date. The interest so payable, and punctually paid or duly provided for, on any [interest payment date] or [interest payment date] will, except as provided in the Indenture referred to on the reverse hereof, be paid by wire transfer of immediately available funds to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on the next preceding [record date] or [record date], as the case may be (herein called the “Regular Record Date”), whether or not a Business Day, or may, at the option of the Bank, unless this Note is a Global Security, be paid by check mailed to the registered address of such Person. Any such interest which is payable, but is not so punctually paid or duly provided for, shall forthwith cease to be payable to the registered Holder on such Regular Record Date and may be paid either to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by

the Trustee, notice whereof shall be given to Holders of Notes not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed and upon such notice as may be required by such exchange, if such manner of payment shall be deemed practical by the Trustee, all as more fully provided in said Indenture. Notwithstanding the foregoing, in the case of interest payable at Stated Maturity, such interest shall be paid to the same Person to whom the principal hereof is payable. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

All payments of or in respect of principal, interest and premium, if any, in respect of this Note shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, fines, penalties, assessments or other governmental charges (or interest on any of the foregoing) (collectively, "Taxes") imposed, levied, collected, withheld or assessed by, within or on behalf of the Republic (or any political subdivision or governmental authority thereof or therein having power to tax) or any other jurisdiction from or through which the Bank makes any payment under the Notes (or any political subdivision or governmental authority thereof or therein having power to tax) (a "Relevant Jurisdiction"), unless such withholding or deduction is required by law. In such event, the Bank will pay the Holders of such Notes or the Trustee, as the case may be, such additional amounts ("Additional Amounts") as may be necessary to ensure that the net amounts received by the Holders of such Notes hereof or the Trustee, as the case may be, after the Bank makes such withholding or deduction shall not be less than the respective amounts of principal, interest and premium, if any, that would have been received in respect of this Note in the absence of such withholding or deduction, except that no such Additional Amounts shall be payable in respect of this Note (i) in the case of payments for which presentation of this Note is required, presented for payment more than 30 days after the later of (x) the date on which such payment first became due and (y) if the full amount payable has not been received in the Place of Payment by the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Holders by the Trustee, except to the extent that the Holder would have been entitled to such Additional Amounts on presenting this Note for payment on the last day of such 30-day period; (ii) for any estate, inheritance, gift, sales, transfer, excise, personal property or similar Taxes; (iii) held by or on behalf of a Holder who is liable for Taxes imposed in respect of this Note by reason of such Holder or beneficial owner of such Note having some present or former, direct or indirect, connection with a Relevant Jurisdiction, other than the mere holding of this Note or the receipt of principal, interest or premium, if any, or the enforcement of rights in respect thereof; (iv) for any Taxes which are payable other than by deduction or withholding from payments of principal of, or interest or premium on the Notes or by direct payment by the Bank in respect of claims made against the Bank; (v) to the extent the Taxes giving rise to such Additional Amounts would not have been imposed (or would have been reduced) but for the failure of a Holder or a beneficial owner of a Note to provide any required certification, documentation or other information concerning the nationality, residence, identity or connection with the Relevant Jurisdiction or to make other similar claim for exemption to the Relevant Jurisdiction, if, after having been requested in writing by the Bank to provide such applicable certification, documentation or information or to make such a claim, such Holder or beneficial owner fails to do so within 30 days; provided that in no event shall such obligation to provide such certification, documentation or information require such Holder or beneficial owner to provide any more onerous information, documents, or other evidence than

would be required to be provided had such Holder or beneficial owner been required to provide the U.S. Internal Revenue Service Forms W-8BEN, W-8ECI, W-8EXP and/or W-8IMY that (a) imposes on such Person any material unreimbursed cost or expense or (b) requires the disclosure of any material nonpublic information to any unrelated Person; (vi) any withholding or deduction imposed on a payment to an individual and that is required to be made pursuant to any law implementing or complying with, or introduced in order to conform to, any European Union Directive on the taxation of savings; (vii) any Taxes which would have been avoided by a Holder presenting the relevant Note (if presentation is required) or requesting that such payment be made to another paying agent in a member state of the European Union; or (viii) any combination of the above. In addition, no Additional Amounts shall be paid with respect to any payment to any Holder of Notes who is a fiduciary or a partnership or other than the sole beneficial owner of such Notes to the extent that the beneficiary or settlor with respect to such fiduciary, the member of such partnership or the beneficial owner of such Notes would not have been entitled to Additional Amounts had such beneficiary, settlor, member or beneficial owner held such Notes directly. All references to principal, interest, premium and other amounts payable hereunder shall be deemed to include references to any Additional Amounts which may be payable as set forth in the Indenture or in this Note. Refunds, if any, of Taxes with respect to which the Bank pays Additional Amounts shall be for the account of the Bank.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been manually executed by or on behalf of the Trustee under the Indenture, this Note shall not be entitled to any benefits under the Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, CORPBANCA has caused this Note to be duly executed.

Dated: [], 2013

CORPBANCA

by: _____

Name:
Title:

by: _____

Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: [], 2013

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Trustee

by: _____
Authorized Signatory

REVERSE OF NOTE

This Note is one of the duly authorized issue of [senior/subordinated] debentures, notes, bonds or other evidences of [senior/subordinated] indebtedness (hereinafter called the “Securities”) of the Bank, of the series hereinafter specified, all issued or to be issued under and pursuant to the Indenture dated as of January 15, 2013, (herein called the “Indenture”), duly executed and delivered by the Bank, Deutsche Bank Trust Company Americas, as Trustee (the “Trustee”) registrar, paying agent and transfer agent, and Deutsche Bank Luxembourg S.A., as Luxembourg paying agent and transfer agent, to which Indenture and any other indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee and any agent of the Trustee, any Paying Agent, the Bank and the Holders of the Securities and the terms upon which the Securities are issued and are to be authenticated and delivered.

The Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest (if any) at different rates, may be subject to different redemption provisions (if any), may be subject to different sinking, purchase or analogous funds (if any), may be subject to different covenants and Events of Default and may otherwise vary as provided or permitted in the Indenture. This Note is one of the series of Securities of the Bank issued pursuant to the Indenture and designated as []% [Senior/Subordinated] Securities due [] (herein called the “Notes”), limited in aggregate principal amount to U.S.\$[]. Additional Notes of this series may be issued from time to time pursuant to the terms of the Indenture.

[In the case of Senior Securities:

The Notes are unsecured and unsubordinated obligations of the Bank and will at all times rank pari passu in right of payment with all of the Bank’s other unsecured obligations, if any, other than the subordinated notes and other obligations that are, by their terms, expressly subordinated in right of payment to the Notes. The Notes will be effectively subordinated to (i) all of the Bank’s secured indebtedness with respect to the value of the Bank’s assets securing that indebtedness, (ii) certain unsecured and unsubordinated obligations that in case of the Bank’s insolvency are granted preferential treatment pursuant to Chilean law, and (iii) all of the existing and future liabilities of the Bank’s subsidiaries, including trade payables of the Bank’s subsidiaries.]

[In the case of Subordinated Securities:

The Notes are direct, unconditional and unsecured subordinated debt obligations of the Bank. The obligations of the Bank under the Notes, whether on account of principal, interest or otherwise, are subordinated to all Senior Indebtedness (as defined herein) of the Bank as provided in the Indenture. If and to the extent that there is a deficiency in any payment in respect of the Notes, the claims of the holders of the Notes in respect of such deficiency shall be junior in right of payment to the claims of the holders of Senior Indebtedness but shall rank at least pari passu with the holders of all other Subordinated Indebtedness (as defined herein).

“Subordinated Indebtedness” means any indebtedness of the Bank (including any liability, whether actual or contingent, under any guarantee or indemnity) in respect of any notes,

bonds or other debt securities which is subordinated in right of payment at least to, or the repaying of or payment in respect of which is expressed to be conditional upon, the complete payment of the claims of all unsubordinated creditors of the obligor of such indebtedness.

“Senior Indebtedness” means indebtedness of the Bank other than Subordinated Indebtedness.]

The Notes are subject to redemption in whole, but not in part, upon not less than 30 nor more than 60 days' notice to the Holders by first-class mail at any time, at a Redemption Price equal to 100% of the principal amount plus Additional Amounts, if any, together with any accrued but unpaid interest to the Redemption Date, if (i) the Bank certifies to the Trustee immediately prior to the giving of such notice that it has or will become obligated to pay Additional Amounts with respect to the Notes (in excess of the Additional Amounts payable in respect of the 4% withholding tax payable on payments of interest on the Notes) as a result of any change in or amendment to the laws or regulations of the Republic or any political subdivision or governmental authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, or any execution of, or amendment to, any treaty or treaties affecting taxation to which Chile is a party, which change or amendment occurs after the date of issuance of the Notes, and (ii) such obligation cannot be avoided by the Bank taking reasonable measures available to it; provided, that no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which the Bank would be obligated to pay such Additional Amounts, if a payment in respect of the Notes were then due. [In the case of Subordinated Securities: The Bank shall only exercise such right of redemption if Article 55 of the General Banking Law of Chile is amended in the future to allow for such redemption.] Prior to the Redemption Date of the Notes pursuant to the Indenture, the Bank shall deliver to the Trustee an Officers' Certificate, stating that the Bank is entitled to effect such a redemption pursuant to the Indenture, and setting forth in reasonable detail a statement of the facts giving rise to such right of redemption (together with a copy of a written Opinion of Counsel to the effect that, among other things, (a) the Bank has become obligated to pay such Additional Amounts as a result of a change or amendment described herein, (b) the Bank cannot avoid payment of such Additional Amounts by taking reasonable measures available to it and (c) all governmental approvals necessary for the Bank to effect such redemption have been obtained and are in full force and effect or specifying any such necessary approvals that as of the date of such opinion have not been obtained and that all conditions precedent to the redemption of the Notes have been satisfied).

The Indenture permits, with certain exceptions as therein provided, the Bank and the Trustee to enter into supplemental indentures to the Indenture for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of modifying in any manner the rights of the Holders of the Securities of each series under the Indenture with the consent of the Holders of not less than a majority in aggregate principal amount of the Securities at the time Outstanding of each series to be adversely affected thereby on behalf of the Holders of all Securities of such series. The Indenture also permits the Holders of a majority in aggregate principal amount of the Securities at the time Outstanding of each series, on behalf of the Holders of all Securities of such series, to waive compliance by the Bank with certain provisions of the Indenture and certain defaults and their consequences with respect to such series under the Indenture. Any such consent or waiver by the Holder of this Note shall

be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Notes issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note or such other Notes. In addition, subject to certain exceptions set forth in the Indenture, without the consent of any Holder, the Bank and the Trustee may amend the Indenture or the Notes to make changes that do not adversely affect the rights of any Holder in any material respect.

The Bank may from time to time without the consent of the holders of Notes create and issue further notes, having the same terms and conditions as the Notes in all respects (or in all respects except for the payment of interest on such Notes scheduled and paid prior to such time), so that such further issue may be consolidated and form a single series with the outstanding Notes.

[In the case of Senior Securities: If an Event of Default with respect to the Notes shall occur and be continuing, the principal of all of the Notes may be declared due and payable in manner, with the effect and subject to the conditions provided in the Indenture.]

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Bank, which is absolute and unconditional, to pay the principal of and interest on this Note at the place, rate and respective times and in the coin or currency herein and in the Indenture prescribed.

The Notes are issuable in registered form without coupons in denominations of U.S.\$200,000 and any integral multiple of U.S.\$1,000. Notes may be exchanged for a like aggregate principal amount of Notes of other authorized denominations at the office or agency of the Bank in the Borough of Manhattan, The City of New York, designated for such purpose and in the manner and subject to the limitations provided in the Indenture.

The Trustee will be the Paying Agent and the Security Registrar with respect to the Notes. The Bank reserves the right at any time to vary or terminate the appointment of any Paying Agent or Security Registrar, to appoint additional or other Paying Agents and other Security Registrars, which may include the Bank, and to approve any change in the office through which any Paying Agent or Security Registrar acts; provided that there will at all times be a Paying Agent in The City of New York and there will be no more than one Security Registrar for the Notes.

For so long as any Securities are listed on the Luxembourg Stock Exchange for trading on the Euro MTF market and the rules of the exchange so require, the Bank will maintain a Paying Agent and Transfer Agent in Luxembourg. To the extent that the Luxembourg Paying Agent is obliged to withhold or deduct Tax on payments of interest or similar income, the Bank will, to the extent permitted by law, ensure that it maintains an additional Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct Tax pursuant to European Council Directive 2003/48/EC or any other Directive on the taxation of savings implementing the conclusions of the European Council of Economic and Finance Ministers (ECOFIN) meeting of June 3, 2003 or any law implementing or complying with, or introduced in order to conform to, such Directive.

Upon due presentment for registration of transfer of this Note at the office or agency of the Bank in The City of New York designated for such purpose, a new Note or Notes of authorized denominations for a like aggregate principal amount will be issued to the transferee in exchange therefor, subject to the limitations provided in the Indenture.

No charge shall be made for any such transfer or exchange, but the Bank may require payment of a sum sufficient to cover any tax or other governmental charge imposed in connection therewith.

The Bank, the Trustee and any agent of the Bank or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note is overdue, and none of the Bank, the Trustee or any such agent shall be affected by notice to the contrary.

Unless otherwise defined herein, all terms used in this Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

This Note shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the conflict of laws provisions thereof.

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to

(Print or type assignee's name, address and zip code)

(Insert assignee's soc. sec. or tax I.D. no.)

and irrevocably appoint _____ agent to transfer this Note on the books of the Bank. The agent may substitute another to act for him.

Date: _____ Your Signature: _____

Sign exactly as your name appears on the other side of this Note.

In connection with any transfer of any of the Securities evidenced by this certificate occurring prior to the expiration of the period referred to in Rule 144(k) under the Securities Act after the later of the date of original issuance of such Securities and the last date, if any, on which such Securities were owned by the Bank or any Affiliate of the Bank, the undersigned confirms that such Securities are being transferred in accordance with its terms:

CHECK ONE BOX BELOW

- (1) to the Bank; or
- (2) pursuant to an effective registration statement under the Securities Act of 1933; or
- (3) inside the United States to a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933) that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that such transfer is being made in reliance on Rule 144A, in each case pursuant to and in compliance with Rule 144A under the Securities Act of 1933; or
- (4) outside the United States in an offshore transaction within the meaning of Regulation S under the Securities Act in compliance with Rule 904 under the Securities Act of 1933; or
- (5) pursuant to another available exemption from registration provided by Rule 144 under the Securities Act of 1933.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Securities evidenced by this certificate in the name of any person other than the registered holder thereof; provided, however, that if box (5) is checked, the Trustee may require,

prior to registering any such transfer of the Securities, such legal opinions, certifications and other information as the Bank has reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933.

Your Signature

Signature Guarantee:

Date: _____
Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee

Signature of Signature Guarantee

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY

The initial principal amount of this Global Security is U.S.\$[]. The following increases or decreases in this Global Security have been made:

<u>Date of Exchange</u>	Amount of decrease in Principal Amount of this Global Security	Amount of increase in Principal Amount of this Global Security	Principal amount of this Global Security following such decrease or increase	Signature of authorized signatory of Trustee or Securities Custodian
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CROSS-REFERENCE TABLE

Trust Indenture Act Section	Indenture Section
§310 (a)(1)	6.9
(a)(2)	6.9
(a)(3)	Not Applicable
(a)(4)	Not Applicable
(a)(5)	6.9
(b)	6.8
	6.10
(c)	Not Applicable
§311	6.13
§312 (a)	7.1
(b)	7.2(a)
(c)	7.2(a)
(d)	7.2(c)
§313 (a)	7.3(a)
(b)	7.3(b)
(c)	7.3(a)
(d)	7.3(c)
§314 (a)(1) (2) (3)	7.4
(a)(4)	10.4
(b)	Not Applicable
(c)(1)	1.2
(c)(2)	1.2
(c)(3)	Not Applicable
(d)	Not Applicable
(e)	1.2
§315 (a)	6.1(a)
(b)	6.1(c)
(c)	6.2
(d)	6.1(b)
(d)(1)	6.1(c)
(d)(2)	6.1(a)
(d)(3)	6.1(c) (ii)
(e)	6.1(c) (iii)
§316 (a)	5.14
(a)(1) (A)	1.1
	5.12
(a)(1)(B)	5.14
(a)(2)	5.13
(b)	Not Applicable
(c)	5.8
§317 (a)(1)	1.4(d)
(a)(2)	5.3
(b)	5.4
§318 (a)	10.3
	1.7

Note: This Cross-Reference Table shall not, for any purpose, be deemed to be a part of the Indenture.

FIRST SUPPLEMENTAL INDENTURE

THIS FIRST SUPPLEMENTAL INDENTURE dated as of January 15, 2013 (the "Indenture"), among CorpBanca, a Chilean banking corporation (*sociedad anónima bancaria*) (hereinafter called the "Bank"), having its principal office at Rosario Norte 660, Las Condes, Santiago, Chile, and Deutsche Bank Trust Company Americas, a New York banking corporation, as trustee (in such capacity, the "Trustee"), Registrar, Paying Agent, and Transfer Agent, and Deutsche Bank Luxembourg S.A. as Luxembourg Paying Agent and Luxembourg Transfer Agent.

WITNESSETH:

WHEREAS, the Bank and the Trustee previously have entered into an indenture, dated as of January 15, 2013 (the "Original Indenture"), as supplemented by this First Supplemental Indenture, dated as of January 15, 2013 (the "First Supplemental Indenture"), and together with the Original Indenture and any further supplements thereto, the "Indenture") providing for the issuance from time to time of debt securities and debt warrants of the Bank to be issued in one or more series as provided in the Indenture;

WHEREAS, Section 9.1 of the Original Indenture provides that, subsequent to the execution of the Original Indenture and subject to satisfaction of certain conditions, the Bank and the Trustee may enter into one or more indentures supplemental to the Original Indenture to add to, change or eliminate any of the provisions of the Original Indenture in respect of one or more series of Securities (as defined in the Original Indenture);

WHEREAS, on the date hereof the Bank intends to issue pursuant to its Registration Statement on Form F-3 (File No. 333-173509) (the "Registration Statement"), dated April 14, 2011, the Prospectus Supplement dated January 3, 2013 and related Base Prospectus dated April 14, 2011 (collectively, the "Offering Document") and the Indenture, U.S.\$800,000,000 of its 3.125% Global Notes due 2018, in the form attached as Exhibit A hereto (the "Notes"), having the terms and conditions contemplated in the Offering Document as provided for in the Original Indenture, as supplemented by this First Supplemental Indenture;

WHEREAS, the Bank confirms that any and all conditions and requirements necessary to make this First Supplemental Indenture a valid, binding, and legal instrument in accordance with the terms of the Indenture have been performed and fulfilled and the execution and delivery of this First Supplemental Indenture has been in all respects duly authorized;

WHEREAS, pursuant to Section 9.1 of the Original Indenture, the Trustee is authorized to execute and deliver this First Supplemental Indenture; and

WHEREAS, the Bank has directed the Trustee to execute and deliver this First Supplemental Indenture;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein and in the Indenture and for other good and valuable consideration,

the receipt and sufficiency of which are herein acknowledged, the Bank and the Trustee hereby agree, for the equal and ratable benefit of all Holders, as follows:

ARTICLE 1
DEFINITIONS

Section 1.01. *Defined Terms.* All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Indenture, as supplemented and amended hereby. All definitions in the Original Indenture shall be read in a manner consistent with the terms of this First Supplemental Indenture.

Section 1.02. *Additional Definitions.* (a) For the benefit of the Holders of the Notes, Section 1.01 of the Original Indenture shall be amended by adding the following new definitions:

“Closing Date” means January 15, 2013.

“Offering Document” shall have the meaning set forth in the recitals to this First Supplemental Indenture.

ARTICLE 2
TERMS OF THE SECURITIES

Section 2.01. *General.* In accordance with Section 3.1 of the Original Indenture, the following terms relating to the Notes are hereby established:

(i) *Title:* The Notes shall constitute a series of Notes having the title “3.125% Global Notes due 2018.”

(ii) *Aggregate Amount:* The initial aggregate principal amount of the Notes that may be authenticated and delivered under the First Supplemental Indenture shall be U.S.\$800,000,000. Additional Notes of this series may be issued from time to time pursuant to the terms of the Indenture; *provided, however*, that notwithstanding any statement in the Indenture to the contrary, the Bank will not issue additional new Notes that are treated for non-tax purposes as a single series with the original new Notes but are treated as a separate series for U.S. federal income tax purposes.

(iii) *Ranking:* The Notes are unsecured and unsubordinated obligations of the Bank and will, other than as set forth below, at all times rank *pari passu* in right of payment with all of the Bank’s other unsecured obligations, other than obligations that are, by their terms, expressly subordinated in right of payment to the Notes. The Notes will be effectively subordinated to (i) all of the Bank’s secured indebtedness with respect to the value of its assets securing that indebtedness, (ii) certain unsecured obligations that in case of the Bank’s insolvency are granted preferential treatment pursuant to Chilean law and (iii) all of the existing and future liabilities of the Bank’s Subsidiaries, including trade payables.

(iv) *Maturity:* The entire outstanding principal of the Notes shall be payable in a single installment on January 15, 2018, (the “Notes Stated Maturity”). If any payment

date for the Notes falls on a day that is not a Business Day the related payment of principal or interest will be made on the next succeeding Business Day as if it were made on the date such payment was due, and no interest will accrue on the amount so payable for the period from and after such payment date, as the case may be. No payments in respect of the principal of the Notes shall be paid prior to the Notes Stated Maturity except in the case of the occurrence and continuation of an Event of Default as described in Section 5.1(a) of the Original Indenture, earlier redeemed at the Bank's option as described in Section 12.2 of the Original Indenture or for the tax reasons described in Section 12.9 of the Original Indenture.

(v) *Interest:* Interest on the Notes will accrue at a fixed rate of 3.125% per annum. Interest on the Notes will be payable semi-annually in arrears on each January 15 and July 15 of each year, commencing on July 15, 2013. For purposes of the calculation of interest on the Notes, "Business Day" means any weekday on which banking and trust institutions in New York and Santiago are not authorized generally or obligated by law, regulation or executive order to close.

The Notes will not be entitled to the benefit of any sinking funds.

(6) *Denomination and Form:* The Notes will be issued in denominations of \$200,000 and any integral multiple of \$1,000 and only in the form of securities entitlements in respect of one or more global notes registered in the name of Cede & Co., as nominee of the Depository Trust Company.

(7) *Optional Redemption:* Pursuant to Section 12.2 of the Original Indenture, the Notes may be redeemed by the Bank, in whole but not in part, at any time, at a redemption price equal to the greater of (i) 100.0% of the principal amount thereof, and (ii) the sum of the present values of the Remaining Scheduled Payments of principal and interest on the Notes to be redeemed (exclusive of interest accrued to the applicable redemption date) discounted to that redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 35 basis points; plus, in the case of both clause (i) and clause (ii) above, accrued and unpaid interest, and additional amounts, if any, on the principal amount of the Notes being redeemed to the date of redemption.

Notwithstanding the foregoing, payments of interest on the Notes that are due and payable on or prior to a date fixed for redemption of Notes will be payable to the holders of those Notes registered as such at the close of business on the relevant record dates according to the terms and provisions of the Indenture. In connection with such optional redemption, the following defined terms apply:

- "Comparable Treasury Issue" means the United States Treasury security or securities selected by the Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate notes of comparable maturity to the remaining term of the Notes.

-
- “Comparable Treasury Price” means, with respect to any redemption date, (A) the average of the Reference Treasury Dealer Quotations (as defined below) for that redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (B) if the Independent Investment Banker for the Notes obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.
 - “Independent Investment Banker” means one of the Reference Treasury Dealers (as defined below) appointed by us to act as the “Independent Investment Banker.”
 - “Reference Treasury Dealer” means each of Citigroup Global Markets Inc. and J.P. Morgan Securities LLC and their respective successors and two other nationally recognized investment banking firms that are Primary Treasury Dealers (as defined below) specified from time to time by us; provided that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in the United States of America (a “Primary Treasury Dealer”), we shall substitute therefor another nationally recognized investment banking firm that is a Primary Treasury Dealer.
 - “Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third Business Day preceding that redemption date.
 - “Remaining Scheduled Payments” means, with respect to each note to be redeemed, the remaining scheduled payments of the principal thereof and interest thereon that would be due after the related redemption date but for such redemption; provided that, if that redemption date is not an interest payment date with respect to such Notes, the amount of the next succeeding scheduled interest payment thereon will be reduced by the amount of interest accrued thereon to that redemption date.
 - “Treasury Rate” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity (computed as of the third Business Day immediately preceding that redemption date) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that redemption date.

(8) *Early Redemption Solely for Tax Reasons:* Pursuant to Section 12.9 of the Original Indenture, the Notes may be redeemed at the election of the Bank, as a whole, but not in part, subject to applicable Chilean law, at any time upon the giving of notice as provided in Section 12.4 of the Original Indenture, at the Redemption Price, plus Additional Amounts, if any, together with any accrued interest to the Redemption Date, only if (i) the Bank certifies to the Trustee immediately prior to the giving of such notice that it has or will become obligated to pay Additional Amounts with respect to the Notes (and, in the case of Additional Amounts payable in respect of Taxes imposed by Chile,

such Additional Amounts are in excess of the Additional Amounts payable in respect of the 4% withholding tax payable on payments of interest on the Notes) as a result of any change in or amendment to the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of such laws or regulations, or any execution of, or amendment to, any treaty or treaties affecting taxation to which a Relevant Jurisdiction is a party, which change or amendment occurs after the date of issuance of such Notes and (ii) such obligation cannot be avoided by the Bank taking reasonable measures available to it; provided, that no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which the Bank would be obligated to pay such Additional Amounts, if a payment in respect of such Notes were then due. For this purpose, "reasonable measures" shall include a change in the jurisdiction of the Paying Agent. Prior to the Redemption Date of such Notes pursuant to Section 12.9 of the Original Indenture, the Bank shall deliver to the Trustee an Officers' Certificate, certifying that the Bank is entitled to effect such a redemption in accordance with the terms of this Indenture, and setting forth in reasonable detail a statement of the facts giving rise to such right of redemption (together with a written Opinion of Counsel to the effect, among other things, that (a) the Bank has or will become obligated to pay such Additional Amounts as a result of a change or amendment described in Section 12.9 of the Original Indenture, (b) the Bank cannot avoid payment of such Additional Amounts by taking reasonable measures available to it, (c) all governmental approvals necessary for the Bank to effect such redemption have been obtained and are in full force and effect or specifying any such necessary approvals that as of the date of such opinion have not been obtained and that all conditions precedent to the redemption of the Securities have been satisfied) and (d) the redemption is permitted under the Original Indenture.

Section 2.03. *Amendments to Article 10 Relating to Covenants.*

(a) Statement Additional Covenants Applicable to the Notes: As it applies to the Notes, Article 10 of the Original Indenture shall be amended to include the following:

Section 10.11 Use of Proceeds.

The Bank will use the proceeds from the offer and sale of the Notes after the deduction of any commissions principally for general corporate purposes, primarily to fund the Bank's lending activities.

ARTICLE 3 MISCELLANEOUS

Section 3.01. *Effect of the First Supplemental Indenture*. This First Supplemental Indenture supplements the Original Indenture and shall be a part, and subject to all the terms, thereof. The Original Indenture, as supplemented and amended by this First Supplemental Indenture, is in all respects ratified and confirmed, and the Original Indenture and this First Supplemental Indenture shall be read, taken and construed as one and the same instrument. All provisions included in this First Supplemental Indenture supersede any conflicting provisions included in the Original Indenture unless not permitted by law. The provisions of this First Supplemental Indenture are intended to apply solely to the Notes and the Holders thereof and

shall not apply to any future issuance of securities by the Bank and all references to provisions of the Original Indenture herein amended and restated or otherwise modified shall have effect solely with respect to the Notes contemplated in this First Supplemental Indenture. The Trustee accepts the trusts created by the Original Indenture, as supplemented by this First Supplemental Indenture, and agrees to perform the same upon the terms and conditions of the Original Indenture, as supplemented by this First Supplemental Indenture.

Section 3.02. *Governing Law.* This First Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to the conflict of laws provisions thereof.

Section 3.03. *Trustee Makes No Representation.* The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this First Supplemental Indenture or for or in respect of the recitals contained herein, all of which are made solely by the Bank.

Section 3.04. *Effect of Headings.* The section headings herein are for convenience only and shall not affect the construction of this First Supplemental Indenture.

Section 3.05. *Counterparts.* The parties may sign any number of copies (including facsimile copies) of this First Supplemental Indenture. Each signed copy shall be an original, but all of them shall represent the same agreement.

[SIGNATURE PAGE TO FOLLOW IMMEDIATELY]

IN WITNESS WHEREOF, the parties have caused this First Supplemental Indenture to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.

CORPBANCA

by: _____ /s/ Cristián Canales Palacios
Name: Cristián Canales Palacios
Title: Director – Legal & Control

by: _____ /s/ Hernan Linetzky Mc-Manus
Name: Hernan Linetzky Mc-Manus
Title: SVP – Head of International

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Trustee

By: Deutsche Bank National Trust Company

by: _____ /s/ Linda Reale
Name: Linda Reale
Title: Vice President

by: _____ /s/ Rodney Gaughan
Name: Rodney Gaughan
Title: Vice President

DEUTSCHE BANK LUXEMBOURG S.A., as Luxembourg Paying
Agent/Transfer Agent

by: _____ /s/ Linda Reale
Name: Linda Reale
Title: Attorney-in-Fact

by: _____ /s/ Rodney Gaughan
Name: Rodney Gaughan
Title: Attorney-in-Fact

First Supplemental Indenture

EXHIBIT A

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC” OR THE “DEPOSITARY”), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS NOTE IS A GLOBAL SECURITY AS REFERRED TO IN THE INDENTURE HEREINAFTER REFERENCED. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR THE INDIVIDUAL SECURITIES REPRESENTED HEREBY, THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

EACH PURCHASER OR HOLDER OF THE NOTES OR ANY INTEREST THEREIN, INCLUDING ANY TRANSFEREE THEREOF, BY SUCH PURCHASE OR HOLDING, SHALL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT (I) IT IS NOT AND IS NOT ACTING ON BEHALF OF A PERSON WHO IS OR WILL BE (A) AN EMPLOYEE BENEFIT PLAN SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1986, AS AMENDED (“ERISA”), A PLAN SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), OR ANOTHER EMPLOYEE BENEFIT PLAN SUBJECT TO U.S. FEDERAL, STATE OR LOCAL LAW, OR TO NON-U.S. LAW, THAT IS SIMILAR TO ERISA OR SECTION 4975 OF THE CODE (“SIMILAR LAW”), OR (II) ITS PURCHASE AND HOLDING OF NOTES DOES NOT AND WILL NOT RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA OR THE CODE OR A VIOLATION OF SIMILAR LAW.

CORPBANCA
___% [SENIOR] NOTES DUE []

No. []

[principal amount]

CUSIP []

ISIN []

Common Code []

CORPBANCA, a banking corporation (“*sociedad anónima bancaria*”) duly organized and existing under the laws of the Republic of Chile (herein called the “Bank,” which term includes any successor under the Indenture hereinafter referred to), for value received, hereby promises to pay to

Cede & Co.

or registered assigns, the principal sum as set forth on the Schedule of Increases or Decreases annexed hereto at the office or agency of the Bank in the Borough of Manhattan, The City of New York, on [,] by wire transfer of immediately available funds in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest on said principal sum semiannually on [interest payment date] and [interest payment date] of each year, commencing on [first interest payment date], at said office or agency, in like coin or currency, at the rate per annum specified in the title hereof, from the [interest payment date] or [interest payment date], as the case may be, next preceding the date of this Note to which interest on the Notes has been paid or duly provided for (unless the date hereof is the date to which interest on the Notes has been paid or duly provided for, in which case from the date of this Note), or, if no interest has been paid on these Notes or duly provided for, from [,] (the “Original Issue Date”), until payment of said principal sum has been made or duly provided for. Notwithstanding the foregoing, if the date hereof is after [record date] or [record date] and before the next succeeding [interest payment date] or [interest payment date], respectively, this Note shall bear interest from such [interest payment date] or [interest payment date], as the case may be; provided, however, that if the Bank shall default in the payment of interest due on such [interest payment date] or [interest payment date], then this Note shall bear interest from the next preceding [interest payment date] or [interest payment date] to which interest on the Notes has been paid or duly provided for, or, if no interest has been paid on the Notes or duly provided for, from the Original Issue Date. The interest so payable, and punctually paid or duly provided for, on any [interest payment date] or [interest payment date] will, except as provided in the Indenture referred to on the reverse hereof, be paid by wire transfer of immediately available funds to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on the next preceding [record date] or [record date], as the case may be (herein called the “Regular Record Date”), whether or not a Business Day, or may, at the option of the Bank, unless this Note is a Global Security, be paid by check mailed to the registered address of such Person. Any such interest which is payable, but is not so punctually paid or duly provided for, shall forthwith cease to be payable to the registered Holder on such Regular Record Date and may be paid either to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Notes not less than 10 days prior to such

Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed and upon such notice as may be required by such exchange, if such manner of payment shall be deemed practical by the Trustee, all as more fully provided in said Indenture. Notwithstanding the foregoing, in the case of interest payable at Stated Maturity, such interest shall be paid to the same Person to whom the principal hereof is payable. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

All payments of or in respect of principal, interest and premium, if any, in respect of this Note shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, fines, penalties, assessments or other governmental charges (or interest on any of the foregoing) (collectively, "Taxes") imposed, levied, collected, withheld or assessed by, within or on behalf of the Republic (or any political subdivision or governmental authority thereof or therein having power to tax) or any other jurisdiction from or through which the Bank makes any payment under the Notes (or any political subdivision or governmental authority thereof or therein having power to tax) (a "Relevant Jurisdiction"), unless such withholding or deduction is required by law. In such event, the Bank will pay the Holders of such Notes or the Trustee, as the case may be, such additional amounts ("Additional Amounts") as may be necessary to ensure that the net amounts received by the Holders of such Notes hereof or the Trustee, as the case may be, after the Bank makes such withholding or deduction shall not be less than the respective amounts of principal, interest and premium, if any, that would have been received in respect of this Note in the absence of such withholding or deduction, except that no such Additional Amounts shall be payable in respect of this Note (i) in the case of payments for which presentation of this Note is required, presented for payment more than 30 days after the later of (x) the date on which such payment first became due and (y) if the full amount payable has not been received in the Place of Payment by the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Holders by the Trustee, except to the extent that the Holder would have been entitled to such Additional Amounts on presenting this Note for payment on the last day of such 30-day period; (ii) for any estate, inheritance, gift, sales, transfer, excise, personal property or similar Taxes (iii) held by or on behalf of a Holder who is liable for Taxes imposed in respect of this Note by reason of such Holder or beneficial owner of such Note having some present or former, direct or indirect, connection with a Relevant Jurisdiction, other than the mere holding of this Note or the receipt of principal, interest or premium, if any, or the enforcement of rights in respect thereof; (iv) for any Taxes which are payable other than by deduction or withholding from payments of principal of, or interest or premium on the Notes or by direct payment by the Bank in respect of claims made against the Bank; (v) to the extent the Taxes giving rise to such Additional Amounts would not have been imposed (or would have been reduced) but for the failure of a Holder or a beneficial owner of a Note to provide any required certification, documentation, or other information concerning the nationality, residence, identity or connection with the Relevant Jurisdiction or to make other similar claim for exemption to the Relevant Jurisdiction, if, after having been requested in writing by the Bank to provide such applicable certification, documentation or information or to make such a claim, such Holder or beneficial owner fails to do so within 30 days; provided that in no event shall such obligation to provide such certification, documentation or information require such Holder or beneficial owner to provide any more onerous information, documents, or other evidence than would be required to be provided had such Holder or beneficial owner been required to provide

the U.S. Internal Revenue Service Forms W-8BEN, W-8ECI, W-8EXP and/or W-8IMY that (a) imposes on such Person any material unreimbursed cost or expense or (b) requires the disclosure of any material nonpublic information to any unrelated Person; (vi) any withholding or deduction imposed on a payment to an individual and that is required to be made pursuant to any law implementing or complying with, or introduced in order to conform to, any European Union Directive on the taxation of savings; (vii) any Taxes which would have been avoided by a Holder presenting the relevant Note (if presentation is required) or requesting that such payment be made to another paying agent in a member state of the European Union; or (viii) any combination of the above. In addition, no Additional Amounts shall be paid with respect to any payment to any Holder of Notes who is a fiduciary or a partnership or other than the sole beneficial owner of such Notes to the extent that the beneficiary or settlor with respect to such fiduciary, the member of such partnership or the beneficial owner of such Notes would not have been entitled to Additional Amounts had such beneficiary, settlor, member or beneficial owner held such Notes directly. All references to principal, interest, premium and other amounts payable hereunder shall be deemed to include references to any Additional Amounts which may be payable as set forth in the Indenture or in this Note. Refunds, if any, of Taxes with respect to which the Bank pays Additional Amounts shall be for the account of the Bank.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been manually executed by or on behalf of the Trustee under the Indenture, this Note shall not be entitled to any benefits under the Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, CORPBANCA has caused this Note to be duly executed.

Dated: [], 2013

CORPBANCA

by: _____
Name:
Title:

by: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: [], 2013

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Trustee

by: _____
Authorized Signatory

REVERSE OF NOTE

This Note is one of the duly authorized issue of [senior] debentures, notes, bonds or other evidences of [senior] indebtedness (hereinafter called the “Securities”) of the Bank, of the series hereinafter specified, all issued or to be issued under and pursuant to the Indenture dated as of January 15, 2013, (herein called the “Indenture”), duly executed and delivered by the Bank, Deutsche Bank Trust Company Americas, as Trustee (the “Trustee”) registrar, paying agent and transfer agent, and Deutsche Bank Luxembourg S.A., as Luxembourg paying agent and transfer agent, to which Indenture and any other indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee and any agent of the Trustee, any Paying Agent, the Bank and the Holders of the Securities and the terms upon which the Securities are issued and are to be authenticated and delivered.

The Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest (if any) at different rates, may be subject to different redemption provisions (if any), may be subject to different sinking, purchase or analogous funds (if any), may be subject to different covenants and Events of Default and may otherwise vary as provided or permitted in the Indenture. This Note is one of the series of Securities of the Bank issued pursuant to the Indenture and designated as []% [Senior Notes] due [] (herein called the “Notes”), limited in aggregate principal amount to U.S.\$[]. Additional Notes of this series may be issued from time to time pursuant to the terms of the Indenture.

The Notes are unsecured and unsubordinated obligations of the Bank and will at all times rank pari passu in right of payment with all of the Bank’s other unsecured obligations, if any, other than the subordinated notes and other obligations that are, by their terms, expressly subordinated in right of payment to the Notes. The Notes will be effectively subordinated to (i) all of the Bank’s secured indebtedness with respect to the value of the Bank’s assets securing that indebtedness, (ii) certain unsecured and unsubordinated obligations that in case of the Bank’s insolvency are granted preferential treatment pursuant to Chilean law, and (iii) all of the existing and future liabilities of the Bank’s subsidiaries, including trade payables of the Bank’s subsidiaries.

The Notes are subject to redemption in whole, but not in part, upon not less than 30 nor more than 60 days’ notice to the Holders by first-class mail at any time, at a Redemption Price equal to 100% of the principal amount plus Additional Amounts, if any, together with any accrued but unpaid interest to the Redemption Date, if (i) the Bank certifies to the Trustee immediately prior to the giving of such notice that it has or will become obligated to pay Additional Amounts with respect to the Notes (in excess of the Additional Amounts payable in respect of the 4% withholding tax payable on payments of interest on the Notes) as a result of any change in or amendment to the laws or regulations of the Republic or any political subdivision or governmental authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, or any execution of, or amendment to, any treaty or treaties affecting taxation to which Chile is a party, which change or amendment occurs after the date of issuance of the Notes, and (ii) such obligation cannot be avoided by the Bank taking reasonable measures available to it; provided, that no such notice of

redemption shall be given earlier than 60 days prior to the earliest date on which the Bank would be obligated to pay such Additional Amounts, if a payment in respect of the Notes were then due. Prior to the Redemption Date of the Notes pursuant to the Indenture, the Bank shall deliver to the Trustee an Officers' Certificate, stating that the Bank is entitled to effect such a redemption pursuant to the Indenture, and setting forth in reasonable detail a statement of the facts giving rise to such right of redemption (together with a copy of a written Opinion of Counsel to the effect that, among other things, (a) the Bank has become obligated to pay such Additional Amounts as a result of a change or amendment described herein, (b) the Bank cannot avoid payment of such Additional Amounts by taking reasonable measures available to it and (c) all governmental approvals necessary for the Bank to effect such redemption have been obtained and are in full force and effect or specifying any such necessary approvals that as of the date of such opinion have not been obtained and that all conditions precedent to the redemption of the Notes have been satisfied).

The Indenture permits, with certain exceptions as therein provided, the Bank and the Trustee to enter into supplemental indentures to the Indenture for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of modifying in any manner the rights of the Holders of the Securities of each series under the Indenture with the consent of the Holders of not less than a majority in aggregate principal amount of the Securities at the time Outstanding of each series to be adversely affected thereby on behalf of the Holders of all Securities of such series. The Indenture also permits the Holders of a majority in aggregate principal amount of the Securities at the time Outstanding of each series, on behalf of the Holders of all Securities of such series, to waive compliance by the Bank with certain provisions of the Indenture and certain defaults and their consequences with respect to such series under the Indenture. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Notes issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note or such other Notes. In addition, subject to certain exceptions set forth in the Indenture, without the consent of any Holder, the Bank and the Trustee may amend the Indenture or the Notes to make changes that do not adversely affect the rights of any Holder in any material respect.

The Bank may from time to time without the consent of the holders of Notes create and issue further notes, having the same terms and conditions as the Notes in all respects (or in all respects except for the payment of interest on such Notes scheduled and paid prior to such time), so that such further issue may be consolidated and form a single series with the outstanding Notes.

If an Event of Default with respect to the Notes shall occur and be continuing, the principal of all of the Notes may be declared due and payable in manner, with the effect and subject to the conditions provided in the Indenture.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Bank, which is absolute and unconditional, to pay the principal of and interest on this Note at the place, rate and respective times and in the coin or currency herein and in the Indenture prescribed.

The Notes are issuable in registered form without coupons in denominations of U.S.\$200,000 and any integral multiple of U.S.\$1,000. Notes may be exchanged for a like aggregate principal amount of Notes of other authorized denominations at the office or agency of the Bank in the Borough of Manhattan, The City of New York, designated for such purpose and in the manner and subject to the limitations provided in the Indenture.

The Trustee will be the Paying Agent and the Security Registrar with respect to the Notes. The Bank reserves the right at any time to vary or terminate the appointment of any Paying Agent or Security Registrar, to appoint additional or other Paying Agents and other Security Registrars, which may include the Bank, and to approve any change in the office through which any Paying Agent or Security Registrar acts; provided that there will at all times be a Paying Agent in The City of New York and there will be no more than one Security Registrar for the Notes.

For so long as any Securities are listed on the Luxembourg Stock Exchange for trading on the Euro MTF market and the rules of the exchange so require, the Bank will maintain a Paying Agent and Transfer Agent in Luxembourg. To the extent that the Luxembourg Paying Agent is obliged to withhold or deduct Tax on payments of interest or similar income, the Bank will, to the extent permitted by law, ensure that it maintains an additional Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct Tax pursuant to European Council Directive 2003/48/EC or any other Directive on the taxation of savings implementing the conclusions of the European Council of Economic and Finance Ministers ECOFIN) meeting of June 3, 2003 or any law implementing or complying with, or introduced in order to conform to, such Directive.

Upon due presentment for registration of transfer of this Note at the office or agency of the Bank in The City of New York designated for such purpose, a new Note or Notes of authorized denominations for a like aggregate principal amount will be issued to the transferee in exchange therefor, subject to the limitations provided in the Indenture.

No charge shall be made for any such transfer or exchange, but the Bank may require payment of a sum sufficient to cover any tax or other governmental charge imposed in connection therewith.

The Bank, the Trustee and any agent of the Bank or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note is overdue, and none of the Bank, the Trustee or any such agent shall be affected by notice to the contrary.

Unless otherwise defined herein, all terms used in this Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

This Note shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the conflict of laws provisions thereof.

U.S. \$174,444,444.44

AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of July 24, 2012

among

CORPBANCA,
ACTING BY AND THROUGH ITS HEAD OFFICE IN CHILE AND ITS NEW YORK
BRANCH

as Borrower,

THE FINANCIAL INSTITUTIONS PARTY TO THIS CREDIT AGREEMENT
FROM TIME TO TIME

as Lenders,

STANDARD CHARTERED BANK

as Administrative Agent,

HSBC SECURITIES (USA) INC., STANDARD CHARTERED BANK and
WELLS FARGO SECURITIES, LLC

as Lead Arrangers and Book-Runners

and

COMMERZBANK AKTIENGESELLSCHAFT

as Lead Arranger

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EXHIBITS:

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Exhibit B-1	- Form of B Term Loan Note
Exhibit B-2	- Form of C Term Loan Note
Exhibit C	- Form of Recognition of Debt
Exhibit D-1	- Form of Notice of Borrowing
Exhibit D-2	- Form of Accession Notice
Exhibit E	- Form of Compliance Certificate
Exhibit F	- Form of Interest Setting Notice
Exhibit G	- Form of Legal Opinion of Special New York Counsel to the Borrower
Exhibit H	- Form of Legal Opinion of In-House Counsel to the Borrower
Exhibit I	- Form of Legal Opinion of Special New York Counsel to the Administrative Agent
Exhibit J	- Form of Legal Opinion of Special Chile Counsel to the Administrative Agent
Exhibit K	- Form of Master Assignment and Assumption Agreement
Exhibit L	- Form of Accession Agreement

SCHEDULES:

Schedule I	- Lenders and Loans
Schedule II	- Notice Information

AMENDED AND RESTATED CREDIT AGREEMENT

This Amended and Restated Credit Agreement, dated as of July 24, 2012 (as amended, modified or supplemented from time to time, this "Agreement"), among Corpbanca, acting by and through its head office in Chile and its New York Branch (the "Borrower"), the Lenders (as defined below), Standard Chartered Bank, as Administrative Agent (as defined below), HSBC Securities (USA) Inc., Standard Chartered Bank and Wells Fargo Securities, LLC, as lead arrangers and book-runners (collectively, the "Lead Arrangers and Bookrunners") and Commerzbank Aktiengesellschaft, as lead arranger (the "Lead Arranger").

PRELIMINARY STATEMENTS

WHEREAS, the Borrower, the Continuing Lenders, the Exiting Financial Institutions and the Exiting Administrative Agent are parties to a Credit Agreement, dated as of July 29, 2010 (the "Existing Credit Agreement");

WHEREAS, the Borrower, the Lenders and the Exiting Financial Institutions are executing and delivering the Master Assignment and Assumption Agreement pursuant to which the Exiting Financial Institutions shall on the Closing Date assign all of their respective rights and obligations under the Existing Credit Agreement and the Existing Notes to the Lenders with an A Term Loan Commitment and shall thereupon cease to be parties to the Existing Credit Agreement; and

WHEREAS, the Lenders with an A Term Loan Commitment have agreed to assume, extend and amend and restate the terms and conditions of the Existing Loans as A Term Loans, and the Lenders with a B Term Loan Commitment and the Lenders with a C Term Loan Commitment have agreed to extend additional loans hereunder, in each case upon the terms and conditions hereinafter provided.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Borrower, the Lenders, the Administrative Agent, the Lead Arrangers and Bookrunners and the Lead Arranger agree that, subject to the fulfillment of the conditions set forth in Section 3.01, the Existing Credit Agreement and the Existing Notes shall be amended and restated in their entireties by this Amended and Restated Credit Agreement and the Recognition of Debt, respectively; provided, however, that the obligations of the Borrower under Sections 2.08, 2.09, 2.12, 9.05, 9.08 and 9.15 of the Existing Credit Agreement shall survive the execution and delivery of this Agreement pursuant to the terms of Section 9.11 of the Existing Credit Agreement. The parties hereto further agree that this Amended and Restated Credit Agreement and the Recognition of Debt shall not effect a novation of any of the obligations under the Existing Credit Agreement or the Existing Notes, which obligations continue in full force and effect as set forth in the Existing Credit Agreement and the Existing Notes, as amended and restated hereby and by the Recognition of Debt.

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Section 1.01. Certain Defined Terms. As used herein, the terms “Agreement”, “Borrower”, “Lead Arrangers and Bookrunners” and “Lead Arranger” shall have the meaning set forth above and the following terms shall have the following meanings (unless otherwise indicated, such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“A Term Loan” has the meaning set forth in Section 2.01(a)(i).

“A Term Loan Commitment” means, for each Lender, the amount set forth opposite such Lender’s name on Schedule I directly below the column entitled “A Term Loan Commitment,” as the same may be terminated pursuant to Section 2.04.

“Accession Agreement” means an agreement substantially in the form of Exhibit L. “Accession Notice” means written notice in the form of the attached Exhibit D-2 signed by the chairman of the board, the chief executive officer or the chief financial officer of the Borrower.

“Additional Borrowing” means the borrowing consisting of additional C Term Loans provided pursuant to Sections 2.01(b) (if any).

“Administrative Agent” means Standard Chartered Bank in its capacity as administrative agent pursuant to Article VIII and any successor administrative agent pursuant to Section 8.07.

“Affected Lender” has the meaning set forth in Section 2.09(d).

“Affiliate” means, as to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person or any Subsidiary of such Person; provided, however, that solely for purposes of the definition of “Eligible Assignee” and Section 6.05, an Affiliate of the Borrower shall include any Person that directly or indirectly owns more than 5% of the Borrower, and any officer or director of the Borrower or such Person. The term “control” (including the terms “controlled by” or “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of a Control Percentage, by contract or otherwise.

“Alternate Rate” means, on any date of determination, a rate per annum which shall at all times be equal to the highest of:

- (a) the Prime Rate in effect on such day;
- (b) the Federal Funds Rate in effect on such day plus 0.50%; and
- (c) LIBOR in effect on such day plus 1.00%.

“Anti-Terrorism Laws” shall mean the Executive Order, the Economic Sanctions Laws and Regulations, the Bank Secrecy Act (31 U.S.C. §§ 5311 et seq.), the Money Laundering Control Act of 1986 (18 U.S.C. §§ 1956 et seq.), the PATRIOT Act and any similar law or regulation enacted in the United States, or any similar regulation or sanction enacted, administered or enforced by the United Nations Security Council, any institution of the European Union or any Governmental Authority, including, any laws, regulations, executive orders or sanctions relating to restrictive measures against the Islamic Republic of Iran.

“Applicable Lending Office” means, for each Lender, the “Applicable Lending Office” of such Lender (or of an Affiliate of such Lender) designated on Schedule II or such other office of such Lender (or an Affiliate of such Lender) as such Lender may from time to time specify to the Administrative Agent and the Borrower by written notice in accordance with the terms of this Agreement as the office by which its Loans are to be made and maintained.

“Applicable Margin” means, with respect to any Loan on any Interest Determination Date, the rate per annum set forth below under the heading “Applicable Margin” corresponding to the Debt Rating in effect on such date:

Debt Rating S&P	Applicable Margin
A- or higher	1.450%
BBB+	1.525%
BBB	1.700%
BBB-	1.950%

provided, however, that if, on any Interest Determination Date, (i) S&P shall no longer offer a Debt Rating for the Borrower, (ii) the ratings system of S&P shall have changed or (iii) S&P shall cease to be in the business of rating corporate debt obligations, then, in any such case, the Borrower and the Lending Parties shall negotiate in good faith to amend the definitions of “Applicable Margin” and/or “Debt Rating” to reflect the changes to the rating system of S&P or to utilize ratings from Moody’s Investors Service, Inc. or another debt rating agency to preserve the original intent thereof; provided, further, that, if after 30 days from the commencement of negotiations pursuant to the immediately preceding proviso the Borrower and the Lending Parties have not reached an agreement with respect to the amendments to the definitions of “Applicable Margin” and/or “Debt Rating” or whether to utilize another debt rating agency, the Applicable Margin for the Interest Period for which interest was to be calculated on such Interest Determination Date shall be 1.950%, it being understood that such Applicable Margin shall apply retroactively from the commencement of such Interest Period.

“Approved Electronic Communications” means each Communication that the Borrower is obligated to, or otherwise chooses to, provide to the Administrative Agent pursuant hereto or to the transactions contemplated hereby, including any financial statement, financial and other report, notice, request, certificate and other information material; provided that, solely with

respect to delivery of any such Communication by the Borrower to the Administrative Agent, and without limiting or otherwise affecting the Administrative Agent's right to effect delivery of such Communication by posting such Communication to the Approved Electronic Platform or the protections afforded hereby to the Administrative Agent in connection with any such posting, the term "Approved Electronic Communication" shall exclude (a) the Notice of Borrowing, (b) the Accession Notice (if any) (c) any notice of optional prepayment pursuant to Section 2.07 and any other notice relating to the payment of any principal or other amount due under any Credit Document prior to the scheduled date therefor, (d) all notices of any Default and (e) any notice, demand, communication, information, document and other material required to be delivered to satisfy any of the conditions set forth in Section 3.01 or any other condition to the Closing Date.

"Approved Electronic Platform" has the meaning set forth in Section 9.03.

"Approved Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Administrative Agent, in substantially the form of the attached Exhibit A.

"B Term Loan" has the meaning set forth in Section 2.01(a)(ii).

"B Term Loan Commitment" means, for each Lender, the amount set forth opposite such Lender's name on Schedule I directly below the column entitled "B Term Loan Commitment," as the same may be terminated pursuant to Section 2.04.

"Banco Central de Chile" means the Central Bank of Chile or any successor Governmental Authority in Chile.

"Banking Day" means any day on which banks are generally open for business in each of New York, New York, U.S. and London, United Kingdom.

"BIS Capital Ratio" means, at any date of determination, the ratio (expressed as a percentage) of (a) the effective shareholders' equity (*patrimonio efectivo*) of the Borrower as at such date to (b) its risk weighted assets (*activos ponderados por riesgo*), in each case determined in accordance with the General Banking Law of Chile (*Ley General de Bancos de Chile*) as in effect on the date of this Agreement and calculated pursuant to methodology promulgated by the Bank of International Settlements.

"Borrowing" means the (i) Initial Borrowing and/or (ii) Additional Borrowing.

"Business Day" means a day of the year (a) on which banks are not required or authorized to close in New York City, New York or Santiago, Chile and (b) on which dealings are carried on by banks in the London interbank market.

“C Term Loan” has the meaning set forth in Section 2.01(a)(iii).

“C Term Loan Commitment” means, for each Lender, the amount set forth opposite such Lender’s name on Schedule I directly below the column entitled “C Term Loan Commitment,” as the same may be terminated pursuant to Section 2.04.

“Change of Control” means the Family ceasing to either (i) beneficially own, directly or indirectly, voting securities of the Borrower (or other securities convertible into such voting securities) representing 50% or more of the combined voting power of all voting securities of the Borrower on a fully diluted basis or (ii) have the power to direct or cause the direction of the management and policies of the Borrower.

“Chile” means the Republic of Chile.

“Chilean Banking GAAP” means the accounting rules prescribed by the *Superintendencia de Bancos e Instituciones Financieras* and generally accepted accounting principles in Chile, in each case, consistently applied during a relevant fiscal period.

“Closing Date” means the date on which the conditions set forth in Section 3.01 are satisfied or, with the prior written consent of the Administrative Agent and each Lender, waived.

“Code” means the United States Internal Revenue Code of 1986, as amended.

“Colombia” means the Republic of Colombia.

“Commitment” means, with respect to any Lender, the amount set forth opposite such Lender’s name on Schedule I as its A Term Loan Commitment, B Term Loan Commitment or C Term Loan Commitment (as such C Term Loan Commitments may be increased pursuant to Section 2.02(b)), as the case may be, or if such Lender has entered into any Assignment and Acceptance after the date of this Agreement but before the Closing Date, the Commitment set forth for such Lender as its Commitment in the Register maintained by the Administrative Agent pursuant to Section 9.07(b).

“Communications” means each notice, demand, communication, information, document and other material provided for hereunder or under any other Credit Document or otherwise transmitted between the parties hereto relating to this Agreement, the other Credit Documents, the Borrower or its Affiliates, or the transactions contemplated by this Agreement or the other Credit Documents, including all Approved Electronic Communications.

“Compliance Certificate” means a certificate substantially in the form of Exhibit E.

“Continuing Lenders” means each of the Lenders party to the Existing Credit Agreement that is identified on Schedule 2 to the Master Assignment and Assumption Agreement as a “Continuing Lender.”

“Contractual Currency” has the meaning set forth in Section 9.15.

“Control Percentage” means, with respect to any Person, the percentage of the outstanding capital stock or other ownership interests of such Person having ordinary voting power that gives the direct or indirect holder of such stock or interests the power to elect a majority of the Board of Directors or similar governing body of such Person.

“Credit Documents” means (i) this Agreement, (ii) any Instrument, (iii) the Notice of Borrowing, (iv) the Accession Notice (if any), (v) the Accession Agreement (if any), (vi) the Master Assignment and Assumption Agreement, (vii) the Fee Letter, and (viii) each other agreement, instrument, or document executed by the Borrower at any time in connection with this Agreement.

“Credit Obligations” means all principal, interest, fees, reimbursements, indemnifications and other amounts, liabilities, covenants and duties now or hereafter owed or incurred by the Borrower to the Lenders, the Administrative Agent, the Lead Arrangers and Bookrunners and the Lead Arranger under this Agreement and the other Credit Documents and any increases, extensions, and rearrangements of those obligations under any amendments, supplements, and other modifications of the documents and agreements creating those obligations.

“Debt Rating” means, as of any date of determination, the rating, as determined by S&P, of the Borrower’s senior unsecured non-credit-enhanced long-term indebtedness for borrowed money, as set forth in the most recent public announcement of such rating.

“Default” means (a) an Event of Default or (b) any event or condition which with notice or lapse of time or both would, unless cured or waived, become an Event of Default.

“Derivative Obligations” means any agreement (including any master agreement and any agreement, whether or not in writing, relating to any single transaction) or other obligations in respect of any financial derivatives, including, without limitation, an interest rate swap agreement, basis swap, forward rate agreement, commodity swap, commodity option, equity or equity index swap or option, bond option, interest rate option, forward foreign exchange agreement, rate cap, collar or floor agreement, currency swap agreement, cross-currency rate swap agreement, swaption, currency option or another similar agreement (including any option to enter into or any combination of any of the foregoing), and all obligations, contingent or otherwise, directly or indirectly guaranteeing any of the foregoing. For purposes of this Agreement, the amount of the obligation of any Person under any Derivative Obligation shall be the amount determined in respect thereof as of the date of determination, based on the assumption that such Derivative Obligation had terminated at such date of determination, and in making such determination, if any agreement relating to such Derivative Obligation provides for the netting of amounts payable by and to such Person thereunder or if any such agreement provides for the simultaneous payment of amounts by and to such Person, then in each such case, the amount of such obligation shall be the net amount so determined.

“Dollars” and “\$” means lawful money of the United States of America.

“Economic Sanctions Laws and Regulations” shall mean the regulations administered by OFAC promulgated under the International Economic Emergency Powers Act (50 U.S.C. 1701 et al.) or the Trading With The Enemy Act (50 U.S.C. App. 5), U.S. extraterritorial sanctions

measures including the Iran Sanctions Act, as amended by the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010, or sanctions enacted, administered, or enforced by the United Nations Security Council or applicable jurisdictions.

“Eligible Assignee” means a (i) Lender, (ii) an Affiliate of a Lender or an Approved Fund or (iii) any Person approved by, unless an Event of Default has occurred and is continuing, the Borrower (such approval not to be unreasonably withheld, conditioned or delayed, and to be deemed given by the Borrower in the event that the Borrower does not object in writing to the Administrative Agent within five Business Days of receiving written notice from the Administrative Agent of the potential assignment to such Person); provided, however, that neither of the following shall qualify as an Eligible Assignee: (i) the Borrower or an Affiliate of the Borrower, (ii) a natural person, or (iii) in the event that article 59 No. 1, letter (b) of the Chilean income tax law, as amended, modified, supplemented or superseded from time to time, remains in effect and grants a reduced withholding tax rate to foreign or international banks or financial institutions, any Person who would not, at the time of the proposed assignment, qualify as a foreign or international bank or financial institution thereunder.

“Equity” means “*patrimonio*,” as defined by the *Superintendencia de Bancos e Instituciones Financieras*.

“Events of Default” has the meaning set forth in Section 7.01.

“Executive Order” shall mean Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001.

“Existing Credit Agreement” has the meaning set forth in the recitals hereto.

“Existing Loan” means a “Loan” under and as defined in the Existing Credit Agreement.

“Existing Note” means a “Note” under and as defined in the Existing Credit Agreement.

“Exiting Administrative Agent” means BNP Paribas, as administrative agent for the lenders party to the Existing Credit Agreement.

“Exiting Financial Institutions” means the financial institutions identified on Schedule I as “Exiting Financial Institutions.”

“Family” means, collectively, Álvaro Saieh Bendeck and his siblings, spouse or lineal descendants, the spouses of any such lineal descendants, and trusts that are primarily for the benefit of any of the foregoing (provided that any of the foregoing has the right to control such trust).

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof.

“Federal Funds Rate” means, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a New York Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding New York Business Day as so published on the next succeeding New York Business Day, and (b) if no such rate is so published on such next succeeding New York Business Day, the Federal Funds Rate for such day shall be the average rate charged to the Administrative Agent (in its individual capacity) on such day on such transactions as determined by the Administrative Agent.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System or any of its successors.

“Fee Letter” means the Fee Letter, dated as of June 13, 2012, among the Borrower, the Lead Arrangers and Bookrunners and certain Lenders party hereto.

“Filing” has the meaning set forth in Section 4.03.

“Final Maturity Date” means the earlier of (a) July 24, 2014, and (b) the date of any acceleration of maturity pursuant to Article VII; provided that if such date is not a Business Day, the Final Maturity Date shall be the immediately preceding Business Day.

“Financial Statements” means the balance sheet and related statements of operations, changes in net assets, cash flow, and stockholders’ equity dated December 31, 2011 referred to in Section 4.05(a), copies of which have been delivered to the Administrative Agent and the Lenders.

“Foreign Lender” means any Lender that is organized under the laws of a jurisdiction other than the United States of America, each State thereof or the District of Columbia.

“Governmental Authority” means any government, governmental authority, any agency, department, commission, board, authority, instrumentality, bureau, administrative or judicial body or court exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and having jurisdiction over any Lender, the Borrower or any of the Borrower’s Subsidiaries or any of their respective Properties, including, without limitation, bank regulatory or supervisory authorities, in each case whether domestic or foreign, national, federal, state, provincial, departmental, municipal or local, including, without limitation, those in Chile and the United States of America.

“Hedge Agreement” means any interest rate exchange agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging agreement.

“Indebtedness” means, for any Person:

- (a) all liabilities of such Person for borrowed money and its redemption obligations in respect of mandatorily redeemable preferred stock;
- (b) all liabilities for the deferred purchase price of any Property or services (excluding accounts payable arising in the ordinary course of business which are due in 90 days or less);
- (c) all liabilities created or arising under any conditional sales or other title retention agreement with respect to any Property acquired by such person (including, without limitation, liabilities under any such agreement which provides that the rights and remedies of the seller or lender thereunder in the event of default are limited to repossession or sale of such Property);
- (d) all liabilities under leases which shall have been or should be, in accordance with Chilean Banking GAAP, recorded as capitalized leases in respect of which such person is liable as lessee;
- (e) all Derivative Obligations;
- (f) all liabilities in respect of letters of credit or instruments serving a similar function issued or accepted for such Person’s account (whether or not representing obligations for borrowed money);
- (g) all direct or indirect guaranties (including, without limitation, “*avales*”) of such Person in respect of, and all obligations (contingent or otherwise) of such Person to purchase or otherwise acquire, or otherwise assure a creditor against loss (including, without limitation, any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution) in respect of, any indebtedness referred to above in clause (a), (b), (c), (d), (e) or (f) of any other Person; and
- (h) all indebtedness and obligations referred to above in clause (a), (b), (c), (d), (e) or (f) secured by (or for which the holder of such indebtedness or obligation has an existing right, contingent or otherwise, to be secured by) any security upon or in any Property of such Person, notwithstanding that such Person has not assumed or become liable for the payment of such indebtedness or obligation.

“Indemnitee” has the meaning set forth in Section 9.08.

“Initial Borrowing” means the borrowing consisting of the B Term Loans and C Term Loans made by the Lenders with B Term Loan Commitments and C Term Loan Commitments pursuant to Sections 2.01(a).

“Instrument” means any Note or any Recognition of Debt.

“Intangible Assets” means, with respect to any Person and as of any date of its determination, the assets of such Person that are properly classified as “intangible assets,” or the equivalent concept in Spanish, in accordance with Chilean Banking GAAP.

“Interest Determination Date” means, with respect to any Interest Period for any Loan, the second Business Day prior to the commencement of any such Interest Period.

“Interest Period” means, except as otherwise provided in Section 2.01(b)(ii), for each Loan (a) the period commencing on and including the date of such Loan and ending on (but excluding for purposes of calculating the interest payable under Section 2.06(a)) the last day of the period applicable pursuant to the provisions below and Section 2.06(c), and (b) each period commencing on and including the last day of the immediately preceding Interest Period and ending on (but excluding for purposes of calculating the interest payable under Section 2.06(a)) the last day of the period applicable pursuant to the provisions below and Section 2.06(c); provided, however, that

- (i) any Interest Period that would otherwise extend beyond the Final Maturity Date shall end on the Final Maturity Date;
- (ii) all Loans shall have the same Interest Period;

(iii) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided further that if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day; and

(iv) any Interest Period which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month in which it would have ended if there were a numerically corresponding day in such calendar month.

“Legal Requirement” means any law, statute, ordinance, decree, requirement, order, judgment, rule, regulation (or official interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority, including, without limitation, (a) any of the foregoing by any Governmental Authority in Chile relating to minimum capital or capital adequacy requirements, bank regulatory or supervisory compliance or liquidity in respect of foreign currency or short-term liabilities and (b) Regulations T, U and X.

“Lenders” means the lenders listed on the signature pages of this Agreement and/or each Eligible Assignee that should become a party to this Agreement pursuant to Section 9.07, for so long as such Lender or other Person shall be a party to this Agreement.

“Lending Party” has the meaning set forth in Section 9.09.

“LIBOR” shall mean, with respect to each Interest Period for the Loans, the rate per annum which appears on the Reuters Screen LIBOR01 Page for deposits in Dollars with maturities comparable to such Interest Period (provided that, if such Reuters Screen LIBOR01 Page is not available or if no such rate is quoted for the relevant Interest Period, then LIBOR shall mean the average of the offered quotation of two or more Reference Banks selected by the Administrative Agent from among major banks in the London interbank market for Dollar

deposits of amounts comparable to the outstanding principal amount of the Loans for which an interest rate is then being determined with maturities comparable to the Interest Period to be applicable to such Loans), determined as of 11:00 A.M. (London time) on the Interest Determination Date for such Interest Period; provided that if any such rate is below zero, LIBOR will be deemed to be zero.

“Lien” means any mortgage, lien, pledge, charge, deed of trust, security interest, or encumbrance to secure or provide for the payment of any obligation of any Person, whether arising by contract, operation of law or otherwise (including, without limitation, the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement).

“Loan” means any A Term Loan, B Term Loan and/or C Term Loan.

“Loan Loss Reserves” means “*provisiones constituidas,*” as defined by the *Superintendencia de Bancos e Instituciones Financieras*.

“Loan Loss Reserves to Non-Performing Loans Ratio” means, as of any date of determination, the ratio of Loan Loss Reserves to Non-Performing Loans.

“Majority Lenders” means, at any time, Lenders holding in the aggregate more than 50% of the then aggregate of (i) unpaid principal amount of the Loans owed to the Lenders at such time and (ii) available Commitments at such time.

“Mandate Letter” means the joint mandate letter, dated June 13, 2012, among the Borrower, the Lead Arrangers and Bookrunners and certain Lenders party hereto.

“Market Disruption Event” has the meaning set forth in Section 2.10(b).

“Market Disruption Event Notice” means any notice delivered by a Lender to the Administrative Agent notifying the Administrative Agent that such Lender has reasonably determined that the relevant rates of interest referred to in the definition of “LIBOR” in this Section 1.01 upon the basis of which the rate of interest for any Interest Period is to be determined are not likely adequate to cover its cost of making or maintaining its Loan, or maintaining any other amount hereunder not paid when due, for such Interest Period.

“Master Assignment and Assumption Agreement” means that certain Master Assignment and Assumption Agreement dated as of the date hereof, substantially in the form of Exhibit K, among certain or all of the Lenders and the Exiting Financial Institutions.

“Material Adverse Effect” means a material adverse effect on (a) the business, condition (financial or otherwise), results of operations, performance, properties or prospects of the Borrower, (b) the Borrower’s ability to perform any of its obligations under any of the Credit Documents, or (c) the legality, validity, binding effect or enforceability of any Credit Document or the rights, remedies and benefits available to any Lending Party thereunder.

“Material Agreements” means all indentures and other loan or credit agreements to which the Borrower is a party as a borrower, issuer or guarantor.

“Negotiation Period” has the meaning set forth in Section 2.10(b).

“Net Worth” means, with respect to any Person and as of any date of its determination, the excess of the assets of such Person over the sum of the liabilities of such Person and any minority interests held by such Person.

“New York Business Day” means a day of the year on which banks are not required or authorized to close in New York City, New York.

“Non-Performing Loans” means “*cartera con morosidad de 90 días o más,*” as defined by the *Superintendencia de Bancos e Instituciones Financieras*.

“Non-Performing Loans to Total Loans Ratio” means, as of any date of determination, the ratio of Non-Performing Loans to Total Loans.

“Note” means a promissory note of the Borrower payable to the order of any Lender with B Term Loan Commitments and/or C Term Loan Commitments hereunder, in substantially the form of the attached Exhibit B evidencing indebtedness of the Borrower to such Lender resulting from B Term Loans or C Term Loans, as applicable, owing to such Lender.

“Notice of Borrowing” means a written notice of borrowing in the form of the attached Exhibit D-1 signed by the chairman of the board, the chief executive officer or the chief financial officer of the Borrower.

“OFAC” has the meaning set forth in Section 5.11(b).

“Original Financial Statements” has the meaning set forth in Section 3.01(f).

“Other Taxes” has the meaning provided in Section 2.12(b).

“PATRIOT Act” shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56.

“Payment Office” means the account of the Administrative Agent maintained at Standard Chartered Bank, London (Payment To: Standard Chartered Bank, New York, SWIFT: SCBLUS33, Favor: Standard Chartered Bank, London, SWIFT: SCBLGB2L, Account No.: 3582-088442-001, Reference: Corpbanca – Loans & Agency, Attention: Matthew Breadon), or such other office as the Administrative Agent may hereafter designate in writing as such to the other parties hereto.

“Permitted Liens” means all of the following Liens:

(a) Liens imposed by law, such as landlord’s, materialmen’s, mechanics’, carriers’, workmen’s, and repairmen’s liens, and other similar liens arising in the ordinary course of business securing obligations which are not overdue for a period of more than 30 days or which are being actively contested in good faith and by appropriate proceedings for which adequate reserves have been established in accordance with Chilean Banking GAAP;

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- (b) Liens arising in the ordinary course of business out of pledges or deposits under workers compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation to secure public or statutory obligations;
- (c) Liens for taxes, assessments, or other governmental charges that are not yet delinquent, or that are being actively contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with Chilean Banking GAAP;
- (d) Liens arising from judgments, decrees, awards, or attachments in circumstances not constituting an Event of Default;
- (e) licenses, sublicenses, leases or subleases granted to third Persons in the ordinary course of business not interfering in any material respect with the business of the Borrower or any of its Subsidiaries;
- (f) easements, rights-of-way, restrictions, minor defects or irregularities in title, encroachments and other similar charges or encumbrances, in each case not securing obligations for borrowed money and not interfering in any material respect with the ordinary conduct of the business of the Borrower or any of its Subsidiaries;
- (g) Liens arising in connection with Permitted Securitizations covering Property of the Borrower or any of its Subsidiaries having an aggregate fair market value not exceeding an amount equal to 2% of the total consolidated assets of the Borrower and its Subsidiaries (determined in accordance with Chilean Banking GAAP as of the last day of the fiscal quarter of the Borrower ending on or immediately prior to the date of determination);
- (h) any Lien on Property of the Borrower or any of its Subsidiaries arising in connection with treasury operations (*operaciones de tesorería*) or Hedge Agreements, in each case entered into by the Borrower in the ordinary course of business; and
- (i) additional Liens incurred by the Borrower or any of its Subsidiaries so long as the value of the property subject to such Liens does not exceed in the aggregate \$10,000,000 outstanding at any time.

“Permitted Securitization” means any transaction in which the Borrower or any of its Subsidiaries sells or otherwise transfers (or charges or grants a security interest in connection with an issuance of any asset-backed securities in which the underlying assets are not transferred to a third party), without recourse to the Borrower (other than in the case of breach of representation and other limited recourse customary in securitization transactions), an interest in accounts receivable or other present or future rights to payment and, in each case, assets directly related thereto to a special purpose entity that (a) borrows against such accounts receivable, rights or assets, or (b) sells such accounts receivable, right or assets to one or more third party purchasers.

“Person” means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company, or other entity, or a government or any political subdivision or agency thereof or any trustee, receiver, custodian or similar official.

“Prime Rate” means the prime commercial per annum lending rate of Standard Chartered Bank as in effect from time to time in New York City, New York for loans in Dollars, such rate to be adjusted on and as of the effective date of any change in such Prime Rate.

“Prior Financial Statements” has the meaning set forth in Section 5.10.

“Pro Rata Share” means, at any time with respect to any Lender, either (a) the ratio (expressed as a percentage) of such Lender’s Commitment at such time to the aggregate Commitments at such time, (b) if the Commitments have been terminated, the ratio (expressed as a percentage) of such Lender’s aggregate outstanding Loans at such time to the aggregate outstanding Loans of all Lenders at such time, or (c) if no Loans are then outstanding and no Commitments are then in effect, the ratio (expressed as a percentage) of the aggregate principal amount of such Lender’s Loans when most recently outstanding to the aggregate principal amount of all Loans when most recently outstanding.

“Process Agent” has the meaning set forth in Section 9.14.

“Property” means, with respect to any Person, any property or assets (whether real, personal, or mixed, tangible or intangible) of such Person.

“Public Deed” means a “*Escritura Pública de Reprogramación y Reconocimiento de Deuda*” for purposes of Section 2 of Decree Law 3.475 of the Republic of Chile, which shall constitute a “*título ejecutivo*” in Chile.

“Recognition of Debt” means a Public Deed, substantially in the form of Exhibit C, with appropriate insertions as to names, date and principal amounts, duly executed by the Borrower before a Notary Public in Chile.

“Reference Banks” means the principal London offices of HSBC Bank USA N.A., Standard Chartered Bank and Wells Fargo Bank, N.A. or such other banks as may be appointed by the Administrative Agent in consultation with the Borrower.

“Register” has the meaning set forth in Section 9.07(b).

“Regulations T, U, and X” means Regulation T, U, and X of the Federal Reserve Board, as each is from time to time in effect, and all official rulings and interpretations thereunder or thereof.

“Responsible Officer” means the chief executive officer, chairman of the board, the chief financial officer, any senior or executive vice chairman of the board, the controller, the treasurer, or any secretary of any Person.

“Restricted Affiliate” has the meaning set forth in Section 6.05.

“Restricted Payment” means:

- (a) the declaration or payment of any dividend or distribution by the Borrower, either in cash or property, on any shares of the capital stock of any class of the Borrower (except dividends or other distributions payable solely in shares of capital stock of the Borrower);
- (b) the purchase, redemption or retirement by the Borrower of any shares of its capital stock of any class or any warrants, rights or options to purchase or acquire any shares of its capital stock; or
- (c) any other payment or distribution by the Borrower in respect of its capital stock.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc.

“Subsidiary” means, with respect to any Person, any corporation or other entity of which more than 50% of the outstanding capital stock or other ownership interests having ordinary voting power to elect a majority of the board of directors or similar governing body of such corporation or other entity (irrespective of whether at such time capital stock or other ownership interests of any other class or classes of such corporation or other entity shall or might have voting power upon the occurrence of any contingency) is at the time directly or indirectly owned by such Person, by such Person and one or more Subsidiaries of such Person or by one or more Subsidiaries of such Person.

“Substitute Basis” has the meaning set forth in Section 2.10(b).

“Superintendencia de Bancos e Instituciones Financieras” means the Chilean Superintendency of Banks and Financial Institutions or any successor Chilean Governmental Authority.

“Tangible Net Worth” means, with respect to any Person, as of any date of its determination, the Net Worth of such Person less the Intangible Assets of such Person.

“Taxes” has the meaning set forth in Section 2.12(a).

“Termination Amount” means, at any date, with respect to any Derivative Obligations, the aggregate of all settlement and other amounts (without giving effect to any set-off, counterclaim or other reduction) that in the good faith determination of the Majority Lenders would be payable if any default, event of default, termination event, illegality or other event giving rise to an early termination or liquidation of the relevant derivative transaction were to occur in respect of such Derivative Obligations on such date.

“Total Loans” means *“colocaciones,”* as defined by the *Superintendencia de Bancos e Instituciones Financieras*.

Section 1.02. Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each means “to but excluding”.

Section 1.03. Accounting Terms. Unless otherwise indicated, all financial statements of the Borrower, all calculations for compliance with covenants in this Agreement and all calculations of any amounts to be calculated under the definitions in Section 1.01 shall be based upon the consolidated accounts of the Borrower and its Subsidiaries in accordance with Chilean Banking GAAP and in a manner consistent with the principles of consolidation applied in preparing the Financial Statements.

Section 1.04. Miscellaneous. Article, Section, Schedule, and Exhibit references are to Articles and Sections of and Schedules and Exhibits to this Agreement, unless otherwise specified.

ARTICLE II

THE LOANS

Section 2.01. The Loans.

(a) The Initial Loans.

(i) A Term Loans. Subject to and upon the terms and conditions set forth in this Agreement, each Lender with an A Term Loan Commitment severally and not jointly agrees on the Closing Date to assume, extend and amend and restate the Existing Loans in the principal amount set forth on Schedule I (the "A Term Loans") and each of which shall be deemed to have been extended and amended and restated in full on the Closing Date.

(ii) B Term Loans. Each Lender with a B Term Loan Commitment severally and not jointly agrees, subject to and upon the terms and conditions set forth in this Agreement, to make a term loan (collectively, the "B Term Loans") to the Borrower, acting by and through its New York Branch, on the Closing Date in an aggregate amount not to exceed at any time the amount of such Lender's B Term Loan Commitment set forth on Schedule I; provided that the aggregate principal amount of all outstanding B Term Loan Commitments shall not exceed \$83,750,000.

(iii) C Term Loans. Each Lender with a C Term Loan Commitment severally and not jointly agrees, subject to and upon the terms and conditions set forth in this Agreement, to make a term loan (collectively, the "C Term Loans") to the Borrower, acting by and through its head office in Chile, on the Closing Date in an aggregate amount not to exceed at any time the amount of such Lender's C Term Loan Commitment set forth on Schedule I; provided that the aggregate principal amount of all outstanding C Term Loan Commitments shall not exceed \$6,944,444.44.

(iv) The Initial Borrowing shall consist of B Term Loans and C Term Loans made on the Closing Date by the Lenders with B Term Loan Commitments and C Term Loan Commitments ratably according to their respective B Term Loan Commitments and C Term Loan Commitments.

(b) The Additional Tranche C Loans.

(i) Upon written notice to the Administrative Agent (the "Accession Notice"), the Borrower may make one request at any time from the Closing Date until July 26, 2012, to increase the aggregate amount of the C Term Loan Commitments in the amount of US\$25,000,000, and to accept an offer from Commerzbank Aktiengesellschaft, Filiale Luxemburg to make the additional C Term Loan Commitment and a C Term Loan to the Borrower in the principal amount of such additional C Term Loan Commitment. The Accession Notice will be accompanied by, and the additional C Term Loan Commitment shall be evidenced by the execution and delivery by Commerzbank Aktiengesellschaft, Filiale Luxemburg and the Borrower of, an accession agreement substantially in the form of Exhibit L (the "Accession Agreement"), which Accession Agreement shall be effective upon its acceptance by the Administrative Agent. The Accession Agreement shall specify the date of the Additional Borrowing (which shall be on or before July 31, 2012) and the conditions precedent to the making of the additional C Term Loan. From and after the effective date of the Accession Agreement, the additional C Term Loan Commitment of Commerzbank Aktiengesellschaft, Filiale Luxemburg shall be deemed a "C Term Loan Commitment," and the C Term Loan made by Commerzbank Aktiengesellschaft, Filiale Luxemburg thereafter, shall be deemed a "Loan," for all purposes of the Credit Documents.

(ii) The Interest Period for the Loan disbursed pursuant to Section 2.01(b)(i), the Accession Notice and the Accession Agreement shall be (x) initially, the period commencing on and including the date of such Loan and ending on the last day of the period applicable to all other Loans pursuant to the provisions under Section 2.06(c), and (y) thereafter, each period commencing on and including the last day of the previous Interest Period and ending on but excluding the date falling six months thereafter, and the interest rate determined for such Loan and each such Interest Period shall be the same rate as determined and applied to all other Loans.

Section 2.02. Method of Borrowing; Lender Obligations Several; Evidence of Indebtedness.

(a) Notice. The Initial Borrowing shall be made pursuant to a Notice of Borrowing, given by electronic means not later than 11:00 a.m. (New York City, New York time) on the third (3rd) Business Day before the proposed date of the Borrowing, by the Borrower to the Administrative Agent. The Notice of Borrowing shall specify (i) the requested date of the Borrowing, (ii) the requested aggregate amount of the B Term Loans and C Term Loans, and (iii) the account of the Borrower to which the proceeds of the B Term Loans and C Term Loans should be credited. The Administrative Agent shall promptly notify each Lender with a B Term Loan Commitment and C Term Loan Commitment of the applicable interest rate under Section 2.06(a). Each Lender with a B Term Loan Commitment and C Term Loan Commitment shall before 11:00 a.m. (New York City, New York time) on the date of the Initial Borrowing make available for the account of its Applicable Lending Office to the Administrative Agent at its Payment Office, or such other location as the Administrative Agent may specify by notice to the Lenders with a B Term Loan Commitment and C Term Loan Commitment, in immediately available funds, such Lender's Pro Rata Share of the Borrowing. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Section 3.01, the Administrative Agent will make such funds available to the Borrower at the account specified in the Notice of Borrowing.

(b) Notice Irrevocable. The Notice of Borrowing and the Accession Notice (if any) shall be irrevocable and binding on the Borrower.

(c) Administrative Agent Reliance. Unless the Administrative Agent shall have received notice from a Lender with a B Term Loan Commitment or C Term Loan Commitment before the date of the relevant Borrowing that such Lender will not make available to the Administrative Agent such Lender's Pro Rata Share of such Borrowing, the Administrative Agent may assume that such Lender has made its Pro Rata Share of such Borrowing available to the Administrative Agent on the date of such Borrowing in accordance with paragraph (a) of this Section 2.02 and the Administrative Agent, in reliance upon such assumption, may, but shall not be required to, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made its Pro Rata Share of the relevant Borrowing available to the Administrative Agent and the Administrative Agent shall have, in its discretion, made all or part of such Lender's Pro Rata Share of such Borrowing available to the Borrower, such Lender and the Borrower severally agree to immediately repay to the Administrative Agent on demand such corresponding amount, together with interest on such amount, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Borrower, the interest rate applicable on such day to the B Term Loans or C Term Loans, as applicable, comprising the relevant Borrowing and (ii) in the case of such Lender, the Federal Funds Rate for such day. If such Lender shall repay to the Administrative Agent such corresponding amount and interest as provided above, such corresponding amount (less accrued and paid interest) so repaid shall constitute such Lender's B Term Loan or C Term Loan, as applicable, as part of the relevant Borrowing for purposes of this Agreement even though not made on the same day as the other B Term Loans or C Term Loans, as applicable, comprising such Borrowing.

(d) Lender Obligations Several. The failure of any Lender with a Commitment to make a Loan to be made by it on the Closing Date or as part of any Borrowing shall not relieve any other Lender of its obligation, if any, to make its Loan on the Closing Date or on the date of any Borrowing, as the case may be. No Lender shall be responsible for the failure of any other Lender to make the Loan to be made by such other Lender on the Closing Date or on the date of any Borrowing.

(e) Instruments.

(i) Each Lender will maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender as a result of the Loans of such Lender, including the amounts of principal, interest and other amounts payable and paid to such Lender from time to time under this Agreement and any Instruments. The entries made by any Lender pursuant to the foregoing sentence, absent manifest error, shall constitute *prima facie* evidence of the existence and amounts of the Loans of such Lender and the other obligations of the Borrower to such Lender therein recorded; provided, however, that the failure of any Lender to maintain such account or accounts, or any error therein, shall not in any manner affect the obligations of the Borrower to repay or pay any Loan made by such Lender, accrued interest thereon and the other obligations of the Borrower to such Lender hereunder in accordance with the terms of this Agreement. Each Lender will advise the Borrower of the outstanding indebtedness hereunder to such Lender upon written request therefor.

(ii) Notwithstanding Section 2.02(e)(i):

(A) The indebtedness of the Borrower to each Lender making an A Term Loan hereunder shall also be evidenced by a Recognition of Debt substantially in the form of Exhibit C.

(B) The indebtedness of the Borrower to each Lender making a B Term Loan hereunder and resulting from the Borrowing shall also be evidenced by a Note of the Borrower, acting by and through its New York Branch, executed and delivered by its New York Branch, payable to the order of such Lender in substantially the form of Exhibit B-1. The indebtedness of the Borrower to each Lender making a C Term Loan hereunder and resulting from the Borrowing shall also be evidenced by a Note of the Borrower, acting by and through its head office in Chile, executed and delivered by its head office in Chile, payable to the order of such Lender in substantially the form of Exhibit B-2.

(C) The Borrower and the Lenders agree that certain of the Instruments are issued hereunder as additional evidence of indebtedness under Chilean law, and their terms or scope shall not be construed to limit, expand, waive, amend or otherwise affect any right or obligation arising under this Agreement. For the avoidance of doubt, the amounts payable by the Borrower under this Agreement and the Instruments shall be, in any case, without duplication.

(iii) Upon the (i) occurrence or cessation of a Market Disruption Event (as may be determined from time to time pursuant to Section 2.10) or (ii) occurrence of any event that results in a change in the Applicable Margin, each of the Lenders, the Administrative Agent and the Borrower shall amend, promptly upon the written request of any Lender, the Administrative Agent (acting on behalf of any Lender) or the Borrower, but in any event no later than ten (10) Business Days following the date of any such request, the Instruments then held by the Lenders in order to accurately reflect any changes in the interest rate payable to the Lenders on the Loans as a result of (x) such Market Disruption Event (or cessation thereof) (as determined in accordance with Section 2.10) or (y) such change in the Applicable Margin, as the case may be.

(iv) The Borrower hereby agrees to do all things necessary under applicable Chilean laws and regulations to ensure (i) that each Instrument remains at all times a *título ejecutivo* under Chilean law and (ii) the enforceability of the Instruments against the Borrower in accordance with Chilean law.

Section 2.03. Fees. The Borrower agrees to pay to the Administrative Agent, the Lead Arrangers and Bookrunners and the Lenders, on the Closing Date, the fees described in the Mandate Letter and the Fee Letter.

Section 2.04. Termination of the Commitments; Borrowings. Unless previously terminated in accordance with Sections 7.02 or 7.03, (i) the A Term Loan Commitments of the Lenders to

make A Term Loans shall terminate on July 27, 2012 and (ii) the B Term Loan Commitments of the Lenders to make B Term Loans and the C Term Loan Commitments (unless otherwise increased pursuant to Section 2.01(b)) of the Lenders to make C Term Loans shall terminate on the earlier of (a) July 27, 2012 and (b) the date on which the B Term Loan Commitments and C Term Loan Commitments are fully utilized by the Borrower. In the event that the C Term Loan Commitments are increased pursuant to Section 2.01(b), the additional C Term Loan Commitment provided by Commerzbank Aktiengesellschaft, Filiale Luxemburg to make C Term Loans shall terminate on the earlier of (a) July 31, 2012 and (b) the date on which the additional C Term Loan Commitment provided by Commerzbank Aktiengesellschaft, Filiale Luxemburg to make C Term Loans is fully utilized by the Borrower. Notwithstanding anything else contained herein, there shall be no more than one Initial Borrowing and no more than one Additional Borrowing.

Section 2.05. Repayment. The Borrower shall repay all Credit Obligations theretofore unpaid on the Final Maturity Date.

Section 2.06. Interest; Interest Periods.

(a) Loans. Subject to Section 2.06(b) and Section 2.10, the Borrower shall pay interest on the unpaid principal amount of each Loan made by each Lender from the date of such Loan until such principal amount shall be paid in full, at a rate per annum equal at all times during the Interest Period for such Loan to LIBOR for such Interest Period plus the Applicable Margin. Accrued and unpaid interest shall be payable on the last day of each Interest Period, on any repayment or prepayment (on the amount repaid or prepaid), on the Final Maturity Date and, after the Final Maturity Date, on demand.

(b) Default Rate. After the occurrence and during the continuance of an Event of Default, (x) all principal of the Loans and past due interest shall bear interest, from the date of the occurrence of the Event of Default that is continuing until the date such Event of Default is cured or waived, at a rate per annum equal to the rate of interest otherwise applicable plus 2%, and (y) all other overdue amounts payable hereunder and under any other Credit Document shall bear interest at a rate per annum equal to the rate then applicable to Loans pursuant to the immediately preceding clause. Interest that accrues under this Section 2.06(b) shall be payable on demand.

(c) Interest Periods; Event of Default.

(i) Each Interest Period for a Loan (a) shall comply with the definition of "Interest Period" in Section 1.01 and (b) except as provided therein and as otherwise required by Section 2.01(b)(ii), shall have a duration of six months.

(ii) Notwithstanding any contrary provision in this Agreement, if (i) an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Majority Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing, no outstanding Loan may have an Interest Period of more than one month duration or such shorter duration as the Majority Lenders may instruct or (ii) a Market Disruption Event has occurred and is continuing and the Administrative Agent, at the

request of the Majority Lenders, so notifies the Borrower, then, so long as such Market Disruption is continuing, no outstanding Loan may have an Interest Period of more than three months duration.

Section 2.07. Prepayments.

(a) Right to Prepay. The Borrower shall have no right to prepay any principal amount of any Loan except as provided in this Section 2.07. All prepayments shall be without premium or penalty, except as provided in Section 2.08. Subject to Section 7.06, all prepayments pursuant to Section 2.07(b) shall be applied to reduce the outstanding principal amount of the Loans, *pro rata* to all Loans of all Lenders.

(b) Optional. The Borrower may elect to prepay any of the Loans, on any date and from time to time, after giving by 12:00 p.m. (New York City, New York time) at least 10 Business Days' prior written notice to the Administrative Agent stating the proposed date and aggregate principal amount of such prepayment. If any such notice is given, the Borrower shall prepay the Loans in whole or ratably in part in an aggregate principal amount equal to the amount specified in such notice, together with accrued interest to the date of such prepayment on the principal amount prepaid and amounts, if any, required to be paid pursuant to Section 2.08 as a result of such prepayment being made on such date; provided, however, that each partial payment shall be in an aggregate principal amount not less than \$2,000,000 and in integral multiples of \$1,000,000 in excess thereof or, in the event a lesser amount remains outstanding, such lesser amount. The Administrative Agent shall promptly notify each Lender of its receipt of such notice, and of the amount of such Lender's ratable portion of such prepayment (based upon such Lender's Pro Rata Share).

(c) Illegality. If any Lender shall notify the Administrative Agent and the Borrower that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or that any central bank or other Governmental Authority asserts, or a Lender determines in good faith, that it is unlawful for such Lender or its Applicable Lending Office to perform its obligations under this Agreement to make Loans or maintain any Loans of such Lender then outstanding hereunder, (i) to the extent such Lender's Commitment has not been terminated, the right of the Borrower to request Loans for the relevant Borrowing from such Lender shall be suspended until such Lender shall notify the Administrative Agent that the circumstances causing such suspension no longer exist and (ii) the Borrower, shall, if such Lender is not prohibited by law or regulation to maintain such Loans for the duration of the Interest Period, no later than 11:00 a.m. (New York City, New York time), on the last day of the Interest Period for each outstanding Loan, or if such Lender is prohibited by law or regulation to maintain such Loans for the duration of the Interest Period, within three (3) Business Days of its receipt of such notice, prepay all of the Loans of such Lender then outstanding, together with accrued interest on the principal amount prepaid to the date of such prepayment and amounts, if any, required to be paid pursuant to Section 2.08 as a result of such prepayment being made on such date. Each Lender agrees to use commercially reasonable efforts (consistent with its internal policies and legal and regulatory restrictions) to designate a different Applicable Lending Office if the making of such designation would avoid the effect of this paragraph and would not, in the good faith judgment of such Lender, be otherwise disadvantageous to such Lender.

(d) Change of Control. Upon the occurrence of a Change of Control, the Borrower shall, within five (5) Business Days of such Change of Control, prepay all of the Loans then outstanding, together with accrued interest on the principal amount prepaid to the date of such prepayment and amounts, if any, required to be paid pursuant to Section 2.08 as a result of such prepayment being made on such date.

(e) Debt Rating Downgrade. In the event that Borrower's Debt Rating falls below "BBB-", the Borrower, shall, within five (5) Business Days of such change in Debt Rating, prepay all of the Loans then outstanding, together with accrued interest on the principal amount prepaid to the date of such prepayment and amounts, if any, required to be paid pursuant to Section 2.08 as a result of such prepayment being made on such date.

(f) Ratable Payments; Effect of Notice; No Reborrowing. Each payment of any Loan pursuant to this Section 2.07 or any other provision of this Agreement, except for prepayments pursuant to Section 2.07(c), shall be made in a manner such that all Loans are paid in whole or ratably in part. All notices given pursuant to this Section 2.07 shall be irrevocable and binding upon the Borrower. Loans, once prepaid or repaid, may not be reborrowed.

Section 2.08. Breakage Costs.

(a) Funding Losses. The Borrower shall indemnify each Lender against any loss, out-of-pocket cost, or expense incurred by such Lender, and shall pay to such Lender any amount or amounts as shall be sufficient (in the opinion of such Lender) to compensate such Lender for any loss, cost or expense, as a result of any failure to fulfill on or before the date specified in the Notice of Borrowing or Accession Notice, as applicable, the conditions set forth in Section 3.01 and/or Section 3 of the Accession Agreement, as applicable, including, without limitation, any loss, cost, or expense incurred by reason of the liquidation or redeployment of deposits or other funds acquired by such Lender to fund the Loan to be made by such Lender as part of such Borrowing when such Loan, as a result of such failure, is not made on such date.

(b) Prepayment Losses. If (i) any payment of principal of any Loan is made other than on the last day of the Interest Period for such Loan as a result of any prepayment or payment pursuant to Section 2.07, the acceleration of the maturity of the Loans, or for any other reason or (ii) the Borrower fails to make a principal or interest payment with respect to any Loan on the date such payment is due and payable (including, without limitation, pursuant to a notice of prepayment pursuant to Section 2.07), the Borrower shall, within ten (10) days of any written demand sent by any Lender to the Borrower, pay to such Lender any amounts required to compensate such Lender for any additional losses, out-of-pocket costs, or expenses which it may reasonably incur as a result of such payment or nonpayment, including, without limitation, any loss, cost, or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund or maintain such Loan.

Section 2.09. Increased Costs and Capital Adequacy.

(a) Increased Costs. If any change in law, rule, regulation or treaty, or in its interpretation or administration, or compliance with any law or request from or requirement of any central bank or other fiscal, monetary or other Governmental Authority (including, without

limitation, a request or requirement which affects the manner in which a Lender or any holding company of such Lender is required to or does maintain capital resources relating to such Lender's obligations under this Agreement and to amounts owing to it under this Agreement):

(i) subjects a Lender to any tax, duty or other charge with respect to any Loans or its obligation to make Loans, or changes the basis on which any of the foregoing is imposed on any amounts payable to such Lender under this Agreement in respect of any Loans;

(ii) shall impose or modify any reserve, special deposit, or similar requirement relating to any extensions of credit or other assets of, or any deposits with or other liabilities or commitments of, such Lender (including its Commitments); or

(iii) shall impose on a Lender or on the offshore Eurodollar interbank market any other condition affecting this Agreement or any of such extensions of credit or liabilities or commitments;

and the result of any of the foregoing is to increase the cost to such Lender of making or maintaining any Loans or Commitments or to reduce any sum received or receivable by such Lender under this Agreement with respect to any Loans, then from time to time within five (5) Business Days of receipt of written demand of such Lender (with a copy of such demand to Administrative Agent), the Borrower shall pay to such Lender such additional amounts as will compensate such Lender for the increased cost or reduction in rate of return caused by such change in law, interpretation, or administration or by compliance with such request or requirement; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section 2.09(a) for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies the Borrower of the occurrence of an event described in this Section 2.09(a) giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the event giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof). For the avoidance of doubt, (i) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or by United States or foreign regulatory authorities, in each case pursuant to Basel III, and (ii) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder or issued in connection therewith or in implementation thereof and, in each case, any compliance by a Lender with any request or directive relating thereto shall, for purposes of this Section 2.09, be deemed to be a change in law, regardless of the date enacted, adopted or issued.

(b) Capital Adequacy. If any (i) change in law or in its interpretation or administration or (ii) compliance with any law or request from or requirement of any central bank or other fiscal, monetary or other Governmental Authority (including, without limitation, a request or requirement which affects the manner in which a Lender or any holding company of such Lender is required to or does maintain capital resources relating to such Lender's obligations under this Agreement and to amounts owing to it under this Agreement) shall have the effect of reducing the rate of return on the capital of a Lender or the holding company of any

such Lender as a consequence of such Lender's obligations hereunder (taking into consideration its policies with respect to capital adequacy and such Lender's desired return on capital), then from time to time within five (5) Business Days of receipt of written demand of such Lender (with a copy to Administrative Agent), the Borrower shall pay to such Lender such additional amounts as will compensate such Lender for such reduction; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section 2.09(b) for any reductions suffered more than nine months prior to the date that such Lender notifies the Borrower of the occurrence of an event described in this Section 2.09(b) giving rise to such reductions, and of such Lender's intention to claim compensation therefor (except that, if the event giving rise to such reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(c) Mitigation. Each Lender shall promptly (but in any event within 90 days after the occurrence of the event giving rise to such right to compensation) notify the Borrower and the Administrative Agent of any event of which it has knowledge that will entitle such Lender to compensation pursuant to this Section 2.09, and will use commercially reasonable efforts (consistent with its internal policies and legal and regulatory restrictions) to designate a different Applicable Lending Office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the good faith judgment of such Lender, be otherwise disadvantageous to it. Any Lender claiming compensation under this Section 2.09 shall furnish to the Borrower and the Administrative Agent a copy of the applicable law, rule, regulation or directive and a statement setting forth the additional amount to be paid to it hereunder, which additional amount shall be conclusive in the absence of manifest error. In determining such amount, such Lender may use any reasonable averaging and attribution methods.

(d) Right to Replace. The Borrower shall have the right to replace each Lender affected by a condition under Sections 2.09(a) or (b) for more than 30 days from the date such Lender was affected by such condition (each such affected Lender, an "Affected Lender") with an Eligible Assignee designated by the Borrower or by the Administrative Agent with the Borrower's consent. Any replacement of a Lender pursuant to this paragraph shall be (i) made by the Eligible Assignee's and the Affected Lender's entering into an Assignment and Acceptance and by following the procedures in Section 9.07 for adding a Lender; (ii) shall close within ten (10) days after the Administrative Agent's receipt of a notice of election to replace such Affected Lender from the Borrower; and (iii) shall only be made upon the Affected Lender's being paid in full all principal, interest, and other amounts owed to it (including, without limitation, pursuant to Sections 2.08, 2.09(a) or (b), 2.12 or 9.08) as of the effective date of the replacement.

Section 2.10. Alternate Interest Rate. Anything herein to the contrary notwithstanding, if, on or prior to any Interest Determination Date:

(a) the Administrative Agent reasonably determines that quotations of interest rates for the relevant deposits referred to in the definition of "LIBOR" in Section 1.01 are not being provided in the relevant amounts or for the relevant maturities for purposes of determining rates of interest on such Interest Determination Date as provided herein; or

(b) the Administrative Agent receives a Market Disruption Event Notice from the Lenders constituting the Majority Lenders (any of the events set forth in paragraphs (a) and (b) of this Section 2.10, hereinafter a “Market Disruption Event”);

then the Administrative Agent shall notify the Borrower thereof within three (3) Business Days of the occurrence of such Market Disruption Event and the following provisions shall apply:

(i) During the thirty-day period following the date of any such notice (the “Negotiation Period”), the Lenders and the Borrower will negotiate in good faith for the purpose of agreeing upon an alternative, mutually acceptable basis (the “Substitute Basis”) for determining the rate of interest to be applicable to the Loans, and any other amounts hereunder not paid when due, from time to time and if, at the expiry of the Negotiation Period, the Lenders and the Borrower have agreed upon a Substitute Basis and any required governmental approvals therefor have been obtained, the Substitute Basis shall take effect from such date (including such retroactive date) as the Lenders and the Borrower may in such circumstance agree.

(ii) If, at the expiry of the Negotiation Period, a Substitute Basis shall not have been agreed upon or any required governmental approvals therefor shall not have been obtained, and the Lenders constituting the Majority Lenders shall reasonably determine and individually notify the Administrative Agent in writing by way of an interest-setting notice, such notice to be substantially in the form of Exhibit F hereto, that LIBOR will not adequately and fairly reflect the cost to such Lender of funding and maintaining the outstanding affected Loans, and any other amounts hereunder not paid when due, for the applicable Interest Period, then, the Administrative Agent shall so notify the Borrower of the Majority Lenders’ reasonable determination and the interest payable to the Lenders on the Loans, and such other amounts not paid when due, to which the then current Interest Period applies shall be interest at a rate per annum for such Interest Period equal to the Alternate Rate plus the Applicable Margin. The interest rate determined pursuant to clause (ii) of this Section 2.10(b) shall be binding on all of the parties hereto and shall take effect from the date the Administrative Agent so notifies the Borrower and be applied retroactively from the beginning of the then current Interest Period in respect of which the Market Disruption Event occurred.

The procedures specified in clauses (i) and (ii) above shall apply to each relevant subsequent period succeeding the first such period to which they were applied unless and until the Administrative Agent (acting at the instruction of the Majority Lenders) notifies the Borrower that it has reasonably determined that the applicable Market Disruption Event no longer exists, which notice the Administrative Agent agrees to give (acting at the instruction of the Majority Lenders), and the Lenders agree to request, promptly after the cessation of such Market Disruption Event, whereupon interest on the Loans shall again be determined in accordance with the provisions of Section 2.06, effective commencing on the first day of the next Interest Period immediately succeeding such notice. The Administrative Agent hereby agrees that the identity of any Lender delivering a Market Disruption Event Notice shall at all times be kept confidential by the Administrative Agent and shall not be disclosed to any Person.

Section 2.11. Payments and Computations.

(a) Payments. All payments of principal, interest and other amounts to be made by the Borrower under this Agreement and the other Credit Documents shall be made to the Administrative Agent for the account of the respective Lenders to which such payment is owed in Dollars, without setoff, deduction, or counterclaim.

(b) Payment Procedures. The Borrower shall make each payment under this Agreement and under the Instruments not later than 11:00 a.m. (New York City, New York time) on the day when due in Dollars to the Administrative Agent at the Payment Office (or such other location as the Administrative Agent shall designate in writing to the Borrower) in immediately available funds. The Administrative Agent will promptly thereafter cause to be distributed (i) like funds relating to the payment of principal, interest or fees ratably (other than amounts payable solely to the Administrative Agent or a specific Lender pursuant to Section 2.03, 2.07(c), 2.08, 2.09, 2.12, or 9.08) in accordance with each Lender's Pro Rata Share to the Lenders for the account of their respective Applicable Lending Offices and (ii) like funds relating to the payment of any other amount payable to any particular Lender, to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement.

(c) Computations. All computations of interest shall be made by the Administrative Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day, but excluding the last day) occurring in the period for which such interest is payable; provided, however, that computations of interest based on clause (a) or (b) of the definition of "Alternate Rate" shall be made by the Administrative Agent on the basis of a year of 365 days, in each case for the actual number of days (including the first day, but excluding the last day) occurring in the period for which such interest is payable. Each determination by the Administrative Agent of an interest rate shall be conclusive and binding for all purposes, absent manifest error.

(d) Non-Business Day Payments. Whenever any payment shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or fees, as the case may be; provided, however, that if such extension would cause payment of interest on or principal of Loans to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(e) Administrative Agent Reliance. Unless the Administrative Agent shall have received written notice from the Borrower prior to the date on which any payment is due to the Lenders that the Borrower will not make such payment in full, the Administrative Agent may, but shall not be required to, assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, but shall not be required to, cause to be distributed to each Lender on such date an amount equal to the amount then due such Lender. If and to the extent the Borrower shall not have so made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender, together with interest, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at a rate per annum equal to six-month LIBOR based on a year with 365/366 days and the actual number of days elapsed.

Section 2.12. Taxes.

(a) No Deduction for Certain Taxes. Any and all payments by the Borrower to or for the account of any Lender, any Lead Arranger and Bookrunner, the Lead Arranger or the Administrative Agent hereunder or under any other Credit Document shall be made free and clear of and without deduction for any and all present or future taxes, duties, levies, imposts, deductions, charges or withholdings, and all liabilities with respect to such payments, excluding, in the case of each Lender, each Lead Arranger and Bookrunner, the Lead Arranger and the Administrative Agent, (1) taxes imposed on or measured by its net income (however denominated), franchise taxes imposed on it (in lieu of net income taxes), and branch profits taxes, in each case, pursuant to the laws of (y) the jurisdiction under the laws of which such Lender, such Lead Arranger and Bookrunner, the Lead Arranger or the Administrative Agent, as the case may be, is organized, or in which its principal office or Applicable Lending Office is located, and (z) the United States, as a result of a present or former connection between such recipient and the United States (other than connections arising solely as a result of entering into or enforcing any of the Credit Documents), (2) in the case of a Lender, any U.S. federal withholding tax that is imposed on amounts payable to such Lender at the time such Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Lender (or its assignor, if any) was entitled at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to this Section 2.12, (3) U.S. taxes attributable to such recipient's failure to comply with Section 2.12(g) and (4) any withholding taxes imposed under FATCA (all such non-excluded taxes, duties, levies, imposts, deductions, charges, withholdings, and liabilities with respect to such payments being hereinafter referred to as "Taxes"). If the Borrower shall be required by applicable law to deduct any Taxes from or in respect of any sum payable under this Agreement or any other Credit Document to any Lender, any Lead Arranger and Bookrunner, the Lead Arranger or the Administrative Agent, (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.12) such Lender, such Lead Arranger and Bookrunner, the Lead Arranger or the Administrative Agent, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions, (iii) the Borrower shall timely pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law and (iv) the Borrower shall furnish to the Administrative Agent written evidence of payment thereof.

(b) Other Taxes. In addition, the Borrower agrees to pay any and all present or future stamp or documentary taxes and any other excise or property taxes or charges or similar levies which arise from any payment made under this Agreement or any other Credit Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Credit Document (hereinafter referred to as "Other Taxes").

(c) Indemnification. The Borrower agrees to indemnify each Lender, each Lead Arranger and Bookrunner, the Lead Arranger and the Administrative Agent, no later than ten

(10) days after demand therefor, for the full amount of Taxes and Other Taxes (including, without limitation, any Taxes or Other Taxes imposed or asserted by any jurisdiction on amounts payable under this Section 2.12) paid by such Lender, such Lead Arranger and Bookrunner, the Lead Arranger or the Administrative Agent (as the case may be) and any liability (including penalties, interest, and expenses) arising therefrom or with respect thereto.

(d) Change in Applicable Lending Office. If the Borrower is required to pay additional amounts to or for the account of any Lender pursuant to this Section 2.12 in excess of the applicable withholding taxes described in Section 4.19, then such Lender will agree to use reasonable efforts to change the jurisdiction of its Applicable Lending Office so as to eliminate or reduce any such additional payment which may thereafter accrue if such change, in the judgment of such Lender, is not otherwise disadvantageous to such Lender. A Lender shall not be required to make any such designation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

(e) Evidence of Tax Payments. Within 30 days after the date of any payment of Taxes or Other Taxes to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(f) Expenses of Change in Applicable Lending Office. Notwithstanding the provisions of this Article II relating to the designation by a Lender of a new applicable lending office, no Lender shall have any obligation in respect of such designation if such designation would subject such Lender to any unreimbursed cost or expense. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation.

(g) Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of U.S. federal withholding Tax with respect to payments made under any Credit Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without such withholding or at a reduced rate of such withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by U.S. law or requested by the Borrower or the Administrative Agent as will enable the Borrower to determine whether or not such Lender is subject to backup withholding or U.S. information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.16(g)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that amounts payable to such Lender are subject to U.S. federal withholding tax,

(A) any Lender that is not a Foreign Lender shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent, executed originals of IRS Form W-9 (or successor form) certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent, (in such number of copies as shall be reasonably requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable: (I) IRS Form W-8BEN (or successor form) certifying exemption from, or a reduction in the rate of, U.S. federal withholding tax under an applicable treaty to which the United States is a party, (II) IRS Form W-8ECI (or successor form) certifying that the income receivable pursuant to the Credit Documents is effectively connected with the conduct of a trade or business in the United States, (III) in the case of a Foreign Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of “portfolio interest,” IRS Form W-8BEN (or successor form) together with a certificate to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code, or (IV) IRS Form W-8IMY (or successor form), together with required attachments, certifying exemption from or reduction in the rate of federal withholding tax;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding tax, duly completed, together with supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Credit Document would be subject to U.S. federal withholding tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by

the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.12 (g), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form certification or promptly inform the Borrower and the Administrative Agent in writing of its legal inability to do so.

Section 2.13. Sharing of Payments, Etc. If any Lender shall obtain any payment or collateral (whether voluntary, involuntary, through the exercise of any right of set-off or otherwise) on account of the Loans made by it in excess of its Pro Rata Share of payments or collateral on account of the Loans obtained by all of the Lenders, such Lender shall notify the Administrative Agent and forthwith purchase from the other Lenders such participations in the Loans made by them as shall be necessary to cause such purchasing Lender to share the excess payment or benefits of such collateral or proceeds ratably in accordance with the requirements of this Agreement with each of them; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such Lender's ratable share (according to the proportion of (a) the amount of the participation sold by such Lender to the purchasing Lender as a result of such excess payment to (b) the total amount of such excess payment) of such recovery, together with an amount equal to such Lender's ratable share (according to the proportion of (a) the amount of such Lender's required repayment to the purchasing Lender to (b) the total amount of all such required repayments to the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.12 may, to the fullest extent permitted by law, unless and until rescinded as provided above, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.01. Conditions Precedent to Effectiveness. The effectiveness of this Agreement and the obligation of each Lender to make its Loan as part of the Initial Borrowing or Additional Borrowing, as applicable, is subject to the satisfaction of the following conditions precedent (unless waived by the Lenders and the Administrative Agent at their sole discretion), no later than the date of termination of the Commitments pursuant to Section 2.04:

(a) The Administrative Agent shall have received one (1) Business Day before the Closing Date, and in no event later than July 26, 2012, the following, in form and substance satisfactory to the Administrative Agent:

- (i) this Agreement duly and validly executed by all parties hereto;

(ii) the Master Assignment and Assumption Agreement, substantially in the form of Exhibit K, duly and validly executed by all parties thereto;

(iii) the duly and validly executed and notarized Recognition of Debt delivered in accordance with Section 2.02(e)(ii)(A);

(iv) the duly and validly executed Notes for the Borrowing delivered in accordance with Section 2.02(e)(ii)(B); and

(b) The following statements shall be true on and as of the Closing Date (and the Administrative Agent shall have received a certificate signed by a Responsible Officer of the Borrower dated as of the Closing Date, to the effect that):

(i) the representations and warranties of the Borrower contained in the Credit Documents are true and correct in all material respects on and as of the Closing Date as though made on and as of such date (other than to the extent therein expressly made as of another date, in which case, such representations and warranties shall be true and correct in all material respects as of such other date);

(ii) no event, act or condition constituting an event described in Section 7.01(d) (without giving effect to the amount thresholds therein) has occurred and is continuing;

(iii) no Default has occurred and is continuing, or could reasonably be expected to result from, the consummation of any of the transactions contemplated by the Credit Documents;

(iv) since December 31, 2011, no change, event or condition has occurred that has had or could reasonably be expected to have a Material Adverse Effect;

(v) no moratorium has been declared or agreed with respect to Indebtedness of the Borrower exceeding in the aggregate \$5,000,000;

(vi) no restriction or requirement not currently in effect has been imposed, whether by legislative enactment, decree, regulation or otherwise, which limits the availability or the transfer of foreign currencies by the Borrower; and

(vii) no action, suit, litigation, investigation or proceeding by or before any court, arbitrator or other Governmental Authority is pending, or to the knowledge of the Borrower threatened in writing against the Borrower or any of its Subsidiaries that could reasonably be expected to have a Material Adverse Effect.

(c) Each of the Administrative Agent and the Lenders shall have received the following duly executed by all the parties thereto, in form and substance satisfactory to the Administrative Agent:

(i) a certificate from the chief executive officer, chairman of the board or chief financial officer of the Borrower dated as of the Closing Date stating that as of such

date (A) all representations and warranties of the Borrower set forth in this Agreement are true and correct in all material respects and (B) no Default has occurred and is continuing;

(ii) copies, each certified as of the Closing Date by a Responsible Officer of the Borrower, of (A) evidence that the execution and delivery of each Credit Document has been approved by the Borrower and (B) the organizational documents of the Borrower;

(iii) a certificate of a Responsible Officer of the Borrower dated as of the Closing Date certifying as of such date the names and true signatures of officers of the Borrower authorized to sign the Credit Documents;

(iv) favorable opinions of (A) Dechert LLP, special New York legal counsel to the Borrower, substantially in the form of Exhibit G, (B) in-house counsel to the Borrower, substantially in the form of Exhibit H, (C) White & Case LLP, special New York legal counsel to the Administrative Agent, substantially in the form of Exhibit I, and (D) Philippi, Yrarrázaval, Pulido & Brunner Ltda., special Chile legal counsel to the Administrative Agent, substantially in the form of Exhibit J, each dated as of the Closing Date, in form and substance satisfactory to the Administrative Agent and the Lenders; and

(v) such other documents, governmental certificates, agreements, licenses, lien searches and information as the Administrative Agent or any Lender may reasonably request.

(d) The Borrower shall have paid (i) the fees required by Section 2.03 to be paid as of the Closing Date, (ii) the costs and expenses required by Section 9.05 to be paid as of the Closing Date and (iii) with respect to the C Term Loans, any stamp taxes or similar taxes payable in connection with any of the Credit Documents. Such fees, costs and expenses may, at the option of the Borrower, be netted from the proceeds of the Initial Borrowing.

(e) No change, event or condition shall have occurred that, in the reasonable opinion of the Lead Arrangers and Bookrunners, individually or in the aggregate could reasonably be expected to materially adverse to the Latin American and/or Chilean political, economic and/or social situation and/or the loan syndication, financial and/or capital markets for Latin American, Chilean issues and which has impaired, or could be reasonably expected to, impair the syndication of the facility.

(f) The Administrative Agent shall have received the audited consolidated financial statements of the Borrower for the fiscal years ending 2010 and 2011, including the balance sheets and statements of operations, stockholders' equity and cash flow audited by independent public accountants of recognized international standing (the "Original Financial Statements") and, for the three-month period ending March 31, 2012, the unaudited, nonconsolidated financial statements of the Borrower, in all cases prepared in conformity with Chilean Banking GAAP.

(g) The Administrative Agent shall have received copies of all approvals, authorizations or consents of, or notices to or filings or registrations with, any Governmental Authority or any other third party, required for the Borrower, if necessary, to enter into, perform or consummate the transactions contemplated in any of the Credit Documents.

(h) The Administrative Agent shall have received evidence reasonably satisfactory to it of the irrevocable acceptance by the Process Agent of its appointment pursuant to Section 9.14.

(i) The Administrative Agent shall have received such other approvals, opinions or documents deemed necessary or desirable by any Lender as a result of circumstances occurring after the date of this Agreement, as any Lender through the Administrative Agent may reasonably request.

(j) Each Lender shall have completed to its satisfaction its “know your customer” inquiries in accordance with its policies and procedures with respect to the Borrower.

(k) The Administrative Agent shall have received the Notice of Borrowing in accordance with Section 2.02(a).

Section 3.02. Satisfaction of Conditions Precedent. For purposes of determining compliance with the conditions specified in Section 3.01, each Lender shall be deemed to have consented to, approved or accepted or be satisfied with each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless the Administrative Agent shall have received written notice from such Lender prior to the Closing Date specifying its objection thereto. Each of the agreements, certificates, legal opinions and other documents and papers referred to in Section 3.01, unless otherwise specified, shall be (i) in the English language (other than the current *estatutos sociales*, by-laws or equivalent organizational documents of the Borrower, the resolutions of the Borrower authorizing the execution and delivery of each Credit Document, the Notes (which shall be in English and Spanish) and the Recognition of Debt (which shall be in Spanish only)), (ii) delivered to the Administrative Agent for the account of each of the Lenders, in sufficient counterparts or copies for each of the Lenders, and (iii) in form, scope and substance satisfactory to the Administrative Agent and the Lenders (in their sole discretion).

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Administrative Agent, the Lenders, the Lead Arrangers and Bookrunners and the Lead Arranger as follows:

Section 4.01. Corporate Existence. The Borrower is a financial institution duly organized and validly existing under the laws of Chile, and qualified to do business in each jurisdiction where its ownership or lease of property or conduct of its business requires such qualification and where a failure to be so qualified could reasonably be expected to cause a Material Adverse Effect. Each Subsidiary of the Borrower is a corporation or other legal entity duly organized, validly existing, and (if applicable in its jurisdiction) in good standing under the laws of its jurisdiction of formation and qualified to do business in each jurisdiction where its ownership or lease of property or conduct of its business requires such qualification and where a failure to be so qualified could reasonably be expected to cause a Material Adverse Effect.

Section 4.02. Corporate Power. The execution, delivery, and performance by the Borrower of the Credit Documents and the consummation of the transactions contemplated hereby and thereby (a) are within the Borrower's corporate powers, (b) have been duly authorized by all necessary corporate action, (c) do not (i) conflict with the Borrower's certificate or articles, as the case may be, of incorporation (or its equivalent) or by-laws, (ii) conflict with or result in a breach of any contractual restriction binding on or affecting the Borrower, or (iii) violate any Legal Requirement applicable to the Borrower, in the case of clauses (ii) and (iii), the conflict with, breach or violation of which could reasonably be expected to cause a Material Adverse Effect and (d) will not result in or require the creation or imposition of any Lien prohibited by this Agreement. At the time of the relevant Borrowing, such Borrowing and the use of the proceeds of such Borrowing will be within the Borrower's corporate powers, will have been duly authorized by all necessary corporate action, will not contravene (a) the Borrower's certificate of incorporation (or its equivalent) or by-laws or (b) any Legal Requirement or any contractual restriction binding on or applicable to the Borrower, the conflict or violation of which could reasonably be expected to cause a Material Adverse Effect.

Section 4.03. Authorization and Approvals. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other Person (each a "Filing") is required for the due execution, delivery and performance by the Borrower of the Credit Documents or the consummation of the transactions contemplated thereby, except (a) Filings necessary in connection with the conduct of the Borrower's business required to be made after any date this representation is made or deemed made, (b) such other Filings as have been obtained or made, (c) Filings required to maintain corporate and similar standing and existence required to be made after any date this representation is made or deemed made and (d) the notification to *Banco Central de Chile* referenced in Section 5.09. At the time of the relevant Borrowing, no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other Person will be required for such Borrowing or the use of the proceeds of such Borrowing.

Section 4.04. Enforceable Obligations. Each Credit Document has been duly executed and delivered by the Borrower. Each Credit Document is the legal, valid, and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium, or similar law affecting creditors' rights generally and by general principles of equity (whether considered in proceeding at law or in equity).

Section 4.05. Financial Statements.

(a) The audited consolidated balance sheet of the Borrower and its Subsidiaries as at December 31, 2011, and the related consolidated statements of operations, stockholders' equity, and cash flow of the Borrower and its Subsidiaries for the fiscal year then ended, copies of which have been furnished to the Administrative Agent, fairly present in all material respects the financial condition of the Borrower and its Subsidiaries as at such date and the results of the operations of the Borrower and its Subsidiaries for the period ended on such date, and such balance sheets and statements of operations, stockholders' equity, and cash flow were prepared in accordance with Chilean Banking GAAP.

(b) The unaudited consolidated balance sheet of the Borrower and its Subsidiaries as at March 31, 2012, and the related consolidated statements of operation, shareholders' equity and cash flow of the Borrower and its Subsidiaries for the three-month period then ended, copies of which have been furnished to the Administrative Agent, fairly present in all material respects, the financial condition of the Borrower and its Subsidiaries as at such date and the results of the operations of the Borrower and its Subsidiaries for the period ended on such date, and such balance sheets and statements of operations, stockholders' equity, and cash flow were prepared in accordance with Chilean Banking GAAP, subject to year-end audit adjustments and the absence of footnotes.

(c) Since December 31, 2011, no change or condition has occurred that has had, or could reasonably be expected to have, a Material Adverse Effect.

Section 4.06. Ownership and Liens. Each of the Borrower and its Subsidiaries has title to, or a valid leasehold interest in, all of the Property used in its business, except to the extent that failure to have such title or leasehold interest could not reasonably be expected to have a Material Adverse Effect, including as of the date of this Agreement the Property reflected in the December 31, 2011 financial statements referred to in Section 4.05(a) (other than Property sold since such date), and none of the Property owned or leased by the Borrower is subject to any Lien except Permitted Liens.

Section 4.07. True and Complete Disclosure. No written representation, warranty, or other statement made by the Borrower (or on behalf of the Borrower) in this Agreement or any other Credit Document, when taken as a whole, contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements contained therein not misleading in light of the circumstances in which they were made. There is no fact known to any Responsible Officer of the Borrower on the date hereof and on the Closing Date, that has not been disclosed to the Lenders and the Administrative Agent and which could reasonably be expected to cause a Material Adverse Effect.

Section 4.08. Litigation. There is no pending, or, to the knowledge of the Borrower, threatened action or proceeding by or against the Borrower or any of its Subsidiaries before any court, Governmental Authority or arbitrator that could reasonably be expected to cause a Material Adverse Effect, or that purports to affect the legality, validity, binding effect or enforceability of this Agreement, any Instrument, or any other Credit Document or the consummation of any of the transactions contemplated hereby or thereby.

Section 4.09. Use of Proceeds.

(a) The proceeds of the Existing Loans, which are amended and restated by the A Term Loans have been used by the Borrower for general corporate purposes.

(b) The proceeds of the B Term Loans will be used by the Borrower, acting by and through its New York Branch, to repay outstanding indebtedness of Corpbanca New York Branch.

(c) The proceeds of the C Term Loans will be used by the Borrower, acting by and through its head office in Chile, for general corporate purposes.

(d) The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying “margin stock” (within the meaning of Regulation U). Neither the making of any Loan nor the use of the proceeds thereof will violate or be inconsistent with the provisions of Regulation T, U or X.

Section 4.10. Investment Company Act. The Borrower is not an “investment company” or a company “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

Section 4.11. Taxes. Each of the Borrower and its Subsidiaries has filed or caused to be filed all material tax returns required by law to be filed and has paid or caused to be paid all taxes, assessments and other governmental charges levied upon or in respect of any of its Properties, other than any such taxes the validity or amount of which are being contested in good faith by the Borrower or such Subsidiary by appropriate proceedings and for which the Borrower or such Subsidiary shall have set aside on its books adequate reserves in accordance with Chilean Banking GAAP. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of taxes for all fiscal periods are adequate, and there is no unpaid assessment for additional taxes for any fiscal period or any basis therefor.

Section 4.12. No Burdensome Restrictions; No Defaults.

(a) Neither the Borrower nor any of its Subsidiaries is in default under or with respect to any contract, agreement, lease or other instrument to which any such Person is a party and which could reasonably be expected to cause a Material Adverse Effect. To the knowledge of each Responsible Officer of the Borrower, neither the Borrower nor any of its Subsidiaries has received any notice of default under any contract, agreement, lease, or other instrument to which any such Person is a party which is continuing or which, if not cured, could reasonably be expected to cause a Material Adverse Effect.

(b) No Default has occurred and is continuing.

Section 4.13. Permits, Licenses, Etc. Each of the Borrower and its Subsidiaries possesses all permits, licenses, patents, patent rights or licenses, trademarks, trademark rights, trade names rights and copyrights which are material to the conduct of its business, except where the failure to possess any of the same could not reasonably be expected to cause a Material Adverse Effect; provided, however, that the Borrower has obtained and maintains in full force and effect all necessary licenses, permits, concessions or other governmental approvals related to any aspect of its banking business. Each of the Borrower and its Subsidiaries manages and operates its business in accordance with all applicable Legal Requirements the failure to comply with which could reasonably be expected to cause a Material Adverse Effect.

Section 4.14. Compliance with Laws; Material Agreements. Neither the Borrower nor any of its Subsidiaries is in violation of any Legal Requirement the failure to comply with which could reasonably be expected to cause a Material Adverse Effect and is not in violation of any Legal Requirements relating to minimum capital or capital adequacy requirements, bank regulatory or supervisory compliance, liquidity in respect of foreign currency liabilities, social security, retirement funds or pensions. Neither the Borrower nor any of its Subsidiaries is in violation of

any provision of any Material Agreement to which it is a party, and the execution and delivery of this Agreement and the Credit Documents and the consummation of the transactions contemplated thereunder shall not result in any breach of any provisions of, or constitute a default under, any Material Agreement, except any violation, breach, or default which could not reasonably be expected to result in a Material Adverse Effect.

Section 4.15. Rank of Obligations. The claims of the Administrative Agent, the Lead Arrangers and Bookrunners, the Lead Arranger the Lenders against the Borrower under this Agreement and the Instruments rank at least *pari passu* in priority of payment and in all other respects with the claims of all its other unsecured and unsubordinated creditors save those whose claims are preferred solely by the laws of Chile relating to bankruptcy, insolvency, liquidation, or other similar laws of general application, taxes payable to Governmental Authorities, and wages, salaries, and other social security benefits of the employees of the Borrower.

Section 4.16. No Immunity. In any proceeding taken in Chile or the United States of America in relation to this Agreement, the Borrower will not be entitled to claim for itself or any of its assets immunity (including, without limitation, sovereign immunity) from suit, execution, attachment or other legal process.

Section 4.17. Chilean Law Requirements. All acts, conditions, and things required by the laws of Chile in force at the date hereof to be done, fulfilled, and performed in order (a) to enable the Borrower lawfully to enter into this Agreement and to exercise its rights under and perform and comply with the obligations expressed to be assumed by it in this Agreement, and (b) to ensure that the obligations expressed to be assumed by the Borrower in this Agreement are legal, valid, and binding, have been done, fulfilled, and performed. The qualification of the Administrative Agent or any Lender for admission to do business under the laws of Chile does not constitute a condition to, and the failure to so qualify does not affect the exercise by the Administrative Agent or such Lender of, any right, power, or remedy accorded it under any Credit Document.

Section 4.18. Legal Form; Formalities; Instruments; Stamp Tax.

(a) Except as noted in Section 4.18(b), this Agreement and the other Credit Documents are in proper legal form under the laws of Chile for the enforcement thereof in accordance with their respective terms in the courts of Chile. The obligations of the Borrower under this Agreement and the other Credit Documents may be enforced (by judgment and levy) in accordance with their respective terms in a proceeding at law in any competent court in Chile.

(b) It is not necessary to ensure the legality, validity, enforceability or admissibility into evidence in Chile of any Credit Document (other than the Instruments) that the same be notarized, filed, recorded or enrolled with any Governmental Authority, or that any such document be stamped with any stamp, registration or similar transaction tax (or that any such tax be paid), except that in order for any Credit Document to be admissible in evidence in judicial proceedings in a court in Chile, (i) such document would have to be originally executed in the Spanish language or would have to be translated into the Spanish language by an approved translator (which translation could be effected in relation to any document at any time prior to such document being so admitted in evidence) and (ii) such court may require evidence of the payment of any Chilean stamp tax that may be applicable to the amount of the Loans made under

this Agreement. The Borrower is permitted under applicable law to pay any additional other amounts under Section 2.12 as will result from any such stamp, registration or similar transaction tax.

(c) Each of the Instruments shall constitute, upon the payment of any applicable Chilean stamp tax (when applicable), a valid *título ejecutivo* enforceable against the Borrower in accordance with Chilean law.

Section 4.19. Chilean Tax Requirements. No withholding or other tax is currently required under applicable law to be paid in respect of, or deducted from, any payment required to be made by the Borrower under this Agreement, the Instruments, or any other Credit Document, other than (i) payments of interest made by the Borrower from Chile to a resident of a country other than Chile that is a foreign or international banking or financial institution, which are subject to Chilean withholding tax at an effective rate of 4.0% and (ii) payments of all other Credit Obligations (excluding principal) made by the Borrower from Chile to a resident of a country other than Chile may be subject to Chilean withholding tax at an effective rate of 35.0%. Further, the C Term Loans are subject to a stamp tax equal to 0.6% on the principal amount thereof, which shall be paid prior to disbursement as set forth in section 3.01(d)(iii) hereof. If this representation is deemed made as of a date subsequent to the date hereof, the foregoing shall be deemed to be modified to incorporate any change in Chilean law or regulation (or official interpretation thereof) subsequent to the date hereof. The Borrower is permitted under applicable law to pay any additional amounts payable under Section 2.12 as will result in receipt by the Lenders of such amounts as would have been received by the Lenders had no such withholding been required.

Section 4.20. Chilean Insolvency and Reorganization Rules. Neither the Borrower nor any of its Subsidiaries has taken any corporate action nor have any other steps been taken or legal proceedings been started, or to the best of the Borrower's knowledge and belief threatened, against the Borrower or any of its Subsidiaries for its winding-up, dissolution, administration, or reorganization or for the appointment of a receiver, administrator, administrative receiver, trustee, or similar officer of it or of any or all of its assets or revenues.

ARTICLE V

AFFIRMATIVE COVENANTS

So long as any Loan or any amount under any Credit Document shall remain unpaid (other than contingent indemnification obligations for which no claim has been made) or any Lender shall have any Commitment hereunder, the Borrower agrees, unless the Majority Lenders shall otherwise consent in writing, to comply with the following covenants.

Section 5.01. Compliance with Laws, Material Agreements, Etc. The Borrower will comply, and cause each of its Subsidiaries to comply, with all Legal Requirements of which the failure to comply could reasonably be expected to cause a Material Adverse Effect, and with all provisions of the Credit Documents (material or not). Without limiting the generality and coverage of the foregoing, the Borrower shall comply, and shall cause each of its Subsidiaries to comply, in all material respects, with all Material Agreements except to the extent that the failure to comply

could not reasonably be expected to have a Material Adverse Effect and, in all respects (material or not), with all Legal Requirements with respect to minimum capital or capital adequacy requirements, bank regulatory or supervisory compliance, liquidity in respect of foreign currency liabilities, equal employment opportunity and employee safety in all jurisdictions in which the Borrower, or any of its Subsidiaries do business; provided, however, that this Section 5.01 shall not prevent the Borrower, or any of its Subsidiaries from, in good faith and with reasonable diligence, contesting the validity or application of any such laws or regulations by appropriate legal proceedings.

Section 5.02. Maintenance of Insurance. The Borrower will maintain and cause each of its Subsidiaries to maintain insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as are usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Borrower or such Subsidiary operates.

Section 5.03. Preservation of Corporate Existence, Etc. The Borrower will preserve and maintain, and cause each of its Subsidiaries to preserve and maintain, its organizational existence, rights, franchises and privileges in the jurisdiction of its organization, and qualify and remain qualified, and cause each such Subsidiary to qualify and remain qualified to do business in each jurisdiction in which qualification is necessary in view of its business and operations or the ownership of its properties, and, in each case, where failure to qualify or preserve and maintain its rights and franchises could reasonably be expected to cause a Material Adverse Effect; provided, however, that nothing contained in this Section 5.03 shall prevent any transaction permitted by Section 6.04.

Section 5.04. Payment of Taxes, Etc. The Borrower will pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent and which the failure to timely pay or discharge could reasonably be expected to cause a Material Adverse Effect, (a) all taxes (including without limitation all stamp taxes), assessments and governmental charges or levies imposed upon it or upon its income or profits or Property that are material in amount, prior to the date on which penalties attach thereto and (b) all lawful claims that are material in amount which, if unpaid, might by law become a Lien upon its Property; provided, however, that neither the Borrower nor any such Subsidiary shall be required to pay or discharge any such tax, assessment, charge, levy, or claim which is being contested in good faith and by appropriate proceedings, and with respect to which adequate reserves in conformity with Chilean Banking GAAP have been provided.

Section 5.05. Reporting Requirements. The Borrower will furnish to the Administrative Agent:

(a) Defaults. As soon as possible and in any event within five (5) Business Days after the occurrence of each Default known to a Responsible Officer of the Borrower or any of its Subsidiaries which is continuing on the date of such statement, a statement of an authorized financial officer of the Borrower setting forth the details of such Default and the actions which the Borrower has taken and proposes to take with respect thereto; provided that failure to deliver notice of the occurrence of a Default shall not itself result in an Event of Default hereunder if such underlying Default has been cured prior to the expiration of any applicable grace or cure period set forth herein;

(b) Semi-Annual Financials. As soon as available and not later than 90 days after the end of the second quarter of each fiscal year of the Borrower, copies of the unaudited, consolidated, informal financial statements as of the six-month period then ended in Spanish filed by the Borrower with the *Superintendencia de Bancos e Instituciones Financieras*, together with a Compliance Certificate duly executed by the chairman of the board, chief executive officer, chief financial officer or the treasurer of the Borrower;

(c) Annual Financials. As soon as available and in any event not later than 120 days after the end of each fiscal year of the Borrower and its Subsidiaries, the audited, consolidated financial statements in English for the Borrower and its Subsidiaries as of the close of such year, in reasonable detail and accompanied by a report thereon by a firm of independent certified public accountants of recognized international standing selected by the Borrower, containing an opinion to the effect that such consolidated financial statements have been prepared in accordance with Chilean Banking GAAP and present fairly in all material respects the financial conditions of the Borrower and its Subsidiaries and the result of their operations and that the examination by such accountants in connection with their report upon such financial statements has been made in accordance with generally accepted auditing standards, and that such accounting firm has obtained no knowledge that a Default has occurred and is continuing, or if, in the opinion of such accounting firm, a Default has occurred and is continuing, a statement as to the nature thereof, together with a Compliance Certificate duly executed by the chairman of the board, chief executive officer, chief financial officer, or the treasurer of the Borrower;

(d) Other Reports. Promptly and in any event within 15 days after the sending, filing or receipt thereof, as the case may be, copies of (i) all financial statements and reports sent by the Borrower or any Subsidiary to shareholders generally, (ii) filings with any stock exchange or securities regulator in Chile, (iii) all debt offering statements, and (iv) the monthly reports of the *Superintendencia de Bancos e Instituciones Financieras*; provided, that the Borrower will be deemed to have complied with Section 5.05(d)(iv) if any such reports are posted on the website of *Superintendencia de Bancos e Instituciones Financieras* (www.sbif.cl) and/or Corpbanca's website (www.corpbanca.cl); provided, further, however that the Administrative Agent shall not be required to obtain copies of such monthly reports from the websites described immediately above, nor shall the Administrative Agent be required to provide copies of such reports to the Lenders;

(e) Material Changes. Prompt written notice of any condition or event of which any Responsible Officer of the Borrower has knowledge, which condition or event has resulted or may reasonably be expected to result in (i) a Material Adverse Effect, (ii) a breach of or noncompliance with any term, condition, or covenant of any contract to which the Borrower or any of its Subsidiaries is a party or by which they or their properties may be bound, which breach or noncompliance could reasonably be expected to cause a Material Adverse Effect, (iii) an upgrade or downgrade of the Debt Rating; provided, that failure to provide notice of an upgrade of the Debt Rating, or an event reasonably expected to result in an upgrade of the Debt Rating, shall not constitute an Event of Default hereunder, (iv) a Change of Control, (v) a modification to the terms of any license or permit of the type set forth in clause (a) of the definition of Legal Requirement, or (vi) any change in Chilean Banking GAAP or in the application thereof since the date of the most recent audited financial statements referred to in Section 5.05(c) and, if any such change has occurred, specify the effect of such change on the most recent financial statements delivered to the Administrative Agent pursuant to this Section 5.05;

(f) Disputes, Etc. Prompt written notice of any claims, litigation, proceedings, or disputes, or to the knowledge of the Borrower threatened, affecting the Borrower, or any of its Subsidiaries that, if adversely determined, could reasonably be expected to cause a Material Adverse Effect;

(g) Debt Rating Changes. Promptly and in any event with three (3) Business Days of the Borrower obtaining knowledge thereof, any change in the Debt Rating; provided, that failure to provide notice of an upgrade of the Debt Rating shall not constitute an Event of Default hereunder; provided, further, that for purposes of the definition of "Applicable Margin," the Debt Rating will have deemed to have changed on the date on which the applicable rating agency publicly issues the relevant Debt Rating; and

(h) Other Information. Such other information with respect to the business or Properties, or the condition or operations, financial or otherwise, of the Borrower, or any of its Subsidiaries, as any Lender through the Administrative Agent may from time to time reasonably request.

Section 5.06. Maintenance of Property. Borrower shall, and shall cause each of its Subsidiaries to, (a) maintain their material owned (other than owned but leased to customers pursuant to capital leases in the ordinary course of the Borrower's banking business or any Subsidiary's business), leased, or operated property, equipment, buildings and fixtures in good condition, repair and working order (except for ordinary wear and tear), and supplied with all necessary equipment, and make all necessary repairs, renewals, replacements, betterments, and improvements thereto, (i) all as may be reasonably necessary so that the business carried on in connection therewith may be properly conducted at all times and (ii) where the failure to do so could reasonably be expected to cause a Material Adverse Effect, and (b) not knowingly or willfully permit the commission of waste or other injury, or the occurrence of pollution, contamination or any other condition in, on or about the owned or operated property involving the environment that could reasonably be expected to cause a Material Adverse Effect.

Section 5.07. Books and Records. The Borrower will keep, and will cause each Subsidiary to keep, adequate and proper records and books of account in which full and correct entries will be made of its dealings, business and affairs, so that the financial statements of the Borrower may be prepared in accordance with Chilean Banking GAAP.

Section 5.08. Rank of Obligations. The Borrower will cause at all times that the claims of the Administrative Agent, the Lead Arrangers and Bookrunners, the Lead Arrangers and the Lenders against the Borrower under this Agreement will rank at least *pari passu* in priority of payment and in all other respects with the claims of all its other unsecured and unsubordinated creditors save those whose claims are preferred solely by the laws of Chile relating to bankruptcy, insolvency, liquidation or other similar laws of general application, taxes payable to Governmental Authorities, and wages, salaries and other social security benefits of the employees of the Borrower.

Section 5.09. Central Bank and CIRS Notifications. The Borrower shall notify the *Banco Central de Chile* and the Chilean Internal Revenue Service of the execution and delivery of this Agreement, the relevant Borrowing and the issuance or assignment of any Instruments, in each case as may be required by applicable Chilean Legal Requirements. Promptly after such notification, the Borrower shall provide to the Administrative Agent evidence thereof reasonably satisfactory to the Administrative Agent.

Section 5.10. Change in Basis of Preparation of Financial Statements.

(a) The Borrower shall notify the Administrative Agent of any intended change in the basis on which any financial statements required to be prepared by the Borrower and delivered to the Administrative Agent under this Agreement are prepared that could have an effect on the calculation of, or on the financial accounts directly or indirectly involved in determining compliance with, any covenant in Article VI of this Agreement or the occurrence of an Event of Default under Article VII of this Agreement. Such notification shall be made at least 60 days in advance of any such change entering into effect.

(b) The Borrower shall accompany the notification required under Section 5.10(a) with:

(i) a full description of any change notified under Section 5.10(a); and

(ii) a statement containing sufficient information, in such detail and format as may be reasonably required by the Administrative Agent or any Lender, to enable the Administrative Agent and the Lenders:

(A) to make a proper comparison between the financial position shown by the set of financial statements prepared on the changed basis and the Original Financial Statements (or if all prior changes in the basis of financial statements have been previously addressed in accordance with this Section 5.10 and audited consolidated financial statements have been delivered reflecting such changes, the most recent audited consolidated annual financial statements prepared in accordance with Chilean Banking GAAP) (the "Prior Financial Statements"); and

(B) to test the financial covenants in Section 6 as if the financial statements prepared on the changed basis would be prepared on the basis on which the Prior Financial Statements were prepared.

(c) If required by any Lender, the Borrower shall procure that, to the extent practicable under Chilean financial audit rules and customs, its auditors or another firm of independent public accountants of international standing (in each case, at the Borrower's cost) confirm to the Administrative and the Lenders the accuracy of the information provided pursuant to Section 5.10(b)(ii).

(d) The Borrower shall agree to any amendments required by any Lender, acting reasonably and in good faith, to be made to this Agreement to place the Lenders in the same position they would have been in if the change notified under paragraph (a) above had not

happened, including, without limitation, (i) such amendments to Section 6 and/or the definitions of any or all of the terms used therein as are necessary to give the Lenders comparable protection to that contemplated at the date of this Agreement and (ii) any other amendments to this Agreement which are necessary to ensure that the adoption by the Borrower and/or any of its Subsidiaries of such different accounting basis does not result in any material alteration in the commercial effect of the obligations of the Borrower under the Credit Documents.

Section 5.11. Anti-Terrorism Laws; Economic Sanctions Laws and Regulations.

(a) The Borrower is not in violation of any Anti-Terrorism Laws or any Economic Sanctions Laws and Regulations. The Borrower shall not take any action in connection with the transactions contemplated hereby, the proceeds of the Borrowing or otherwise that could reasonably be expected to result in a violation of applicable Economic Sanctions Laws and Regulations by any party to this Agreement;

(b) The Borrower is not any of the following:

(i) a Person or entity that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(ii) a Person or entity owned or controlled by, or acting for or on behalf of, any Person or entity that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(iii) a Person or entity with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a Person or entity that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order;

(v) a Person or entity that is named as a “specially designated national and blocked person” on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control (“OFAC”) at its official website or any replacement website or other replacement official publication of such list; or

(c) The Borrower will not directly or indirectly use the proceeds of either Borrowing in connection with any transaction with the Persons described in clause (b) above.

ARTICLE VI

NEGATIVE COVENANTS

So long as any Loan or any amount under any Credit Document shall remain unpaid (other than contingent indemnification obligations for which no claim has been made) or any Lender shall have any Commitment hereunder, the Borrower agrees, unless the Majority Lenders otherwise consent in writing, to comply with the following covenants.

Section 6.01. Limitation on Liens, Etc. The Borrower will not create, assume, incur, or suffer to exist, or permit any of its Subsidiaries to create, assume, incur, or suffer to exist, any Lien on any Property of the Borrower or any of its Subsidiaries, whether now owned or hereafter acquired, or assign any right to receive income, except Permitted Liens.

Section 6.02. Restricted Payments. The Borrower shall not make any Restricted Payments (a) if an Event of Default is continuing on the date of the proposed Restricted Payment or a Default would exist immediately after giving effect to such proposed Restricted Payment or (b) if, after giving effect to such proposed Restricted Payment, the Borrower would fail to meet (x) any Chilean regulatory capital requirements or (y) the risk-based capital requirements of the report commonly known as “Basel III” in all material respects, in each case, as implemented in Chile.

Section 6.03. Agreements Restricting Liens and Distributions. The Borrower will not, nor will it permit any of its Subsidiaries to, enter into or be party to any agreement (other than a Credit Document) which (a) except with respect to specific property encumbered to secure repayment of borrowed money related to such property, imposes restrictions greater, taken as a whole, than those under this Agreement upon the creation or assumption of any Lien upon its properties, revenues or assets, whether now owned or hereafter acquired or (b) limits Restricted Payments to or any Loan by any of the Borrower’s Subsidiaries to the Borrower; provided that agreements entered into in the ordinary course of the Borrower’s banking business shall not be prohibited by this Section 6.03.

Section 6.04. Merger or Consolidation; Asset Sales. The Borrower will not, and will not permit any of its Subsidiaries to:

(i) merge or consolidate with or into any Person (except that (a) any Person may merge or consolidate with or into the Borrower, with the Borrower being the surviving entity and (b) any Person other than the Borrower may merge or consolidate with or into any Subsidiary, with such Subsidiary being the surviving entity), or convey, transfer or lease substantially all of its assets to any Person (except that (a) any Person may make such conveyance, transfer or lease to the Borrower or (b) any Person other than the Borrower may make such conveyance, transfer or lease to any Subsidiary) in a single transaction or series of transactions; or

(ii) sell, lease, transfer, or otherwise dispose of more than 20% of its Tangible Net Worth over the term of this Agreement, other than in the ordinary course of business.

Section 6.05. Affiliate Transactions. Except as expressly permitted elsewhere in this Agreement, the Borrower will not, and will not permit any of its Subsidiaries to, make, directly or indirectly: (a) any investment in any Affiliate (other than a wholly-owned Subsidiary of the Borrower) (a “Restricted Affiliate”); (b) any transfer, sale, lease, assignment or other disposal of any assets to any Restricted Affiliate or any purchase or acquisition of assets from any Restricted Affiliate; or (c) any arrangement or other transaction directly or indirectly with or for the benefit of any Restricted Affiliate (including, without limitation, guaranties and assumptions of obligations of an Affiliate); provided that the Borrower or any of its Subsidiaries may enter into any arrangement or other transaction directly or indirectly with, or for the benefit of, any Restricted Affiliate if the monetary or business consideration arising therefrom would be at least

as advantageous to the Borrower or the Subsidiary, as the case may be, as the monetary or business consideration which it would obtain in a comparable arm's length transaction with a Person who is not a Restricted Affiliate. For the avoidance of doubt, this Section 6.05 shall not apply to employment arrangements with, payment of compensation, expense reimbursement, indemnification or benefits to or for the benefit of any current or former employees, officers or directors of the Borrower or its Subsidiaries.

Section 6.06. Use of Proceeds. The Borrower will not use the proceeds of any Loans for any purpose other than as provided in Section 4.09.

Section 6.07. Minimum BIS Capital Ratio. The Borrower will not permit its BIS Capital Ratio to be, at any time, less than the higher of (a) 10% and (b) the capital adequacy requirements mandated by the *Superintendencia de Bancos e Instituciones Financieras* at such time.

Section 6.08. Maximum Non-Performing Loans to Total Loans Ratio. The Borrower will not permit its Non-Performing Loans to Total Loans Ratio to be, at any time, greater than the lower of (a) 3% and (b) the maximum level of such ratio permitted by the *Superintendencia de Bancos e Instituciones Financieras* at such time.

Section 6.09. Minimum Ratio of Loan Loss Reserves to Non-Performing Loans. The Borrower will not permit its Loan Loss Reserves to Non-Performing Loans Ratio to be less than (a) 90% and (b) the minimum level of such ratio permitted by the *Superintendencia de Bancos e Instituciones Financieras* at such time.

Section 6.10. No Change in Line of Business. The Borrower will not, and will not permit any of its Subsidiaries to, engage in any business other than the respective businesses in which the Borrower and its Subsidiaries are engaged on the date of this Agreement and any business related or incidental thereto.

Section 6.11. Compliance with Anti-Terrorism Laws and Economic Sanctions Laws and Regulations. The Borrower shall at all times institute, maintain and comply with internal procedures and controls consistent with the laws of Chile and the United States, for the purpose of preventing the Borrower from being used for money laundering, the financing of terrorist activity, fraud or other corrupt or illegal purposes or practices. The Borrower will at all times institute, maintain and comply with internal procedures and controls consistent with the laws of Chile and the United States, for the purpose of preventing the Borrower from entering into any transaction with, or, to the best of its knowledge, for the benefit of, any of the individuals or entities named as a "specially designated national and blocked person" on the most current list published by OFAC, and from engaging in any activity in violation of applicable Anti-Terrorism Laws and Economic Sanctions Laws and Regulations.

ARTICLE VII

DEFAULT AND REMEDIES

Section 7.01. Events of Default. The occurrence of any of the following events shall constitute an "Event of Default" under any Credit Document:

(a) Payment. The Borrower shall fail to (i) pay any principal of any Loan when due or (ii) pay any interest on any Loan or any fee or other amount payable hereunder or under any other Credit Document when the same becomes due and payable;

(b) Representation and Warranties. Any representation or warranty made or deemed to be made (i) by the Borrower in this Agreement or in any other Credit Document, or (ii) by the Borrower (or any of its officers) in connection with this Agreement or any other Credit Document, shall prove to have been incorrect in any material respect when made or deemed to be made;

(c) Covenant Breaches. The Borrower shall (i) fail to perform or observe any covenant contained in Section 5.01, 5.03, 5.05(g), 5.08 or 5.11, or Article VI, of this Agreement or (ii) fail to perform or observe any other term or covenant set forth in this Agreement or in any other Credit Document which is not covered by clause (i) above or any other provision of this Section 7.01 if such failure shall remain unremedied for 30 days after the earlier of (A) written notice of such default shall have been given to the Borrower by the Administrative Agent or any Lender, or (B) a Responsible Officer of the Borrower's actual knowledge of such default;

(d) Cross-Defaults. (i) The Borrower or any of its Subsidiaries shall fail to pay any principal of or premium or interest on its Indebtedness (excluding the Loans) and/or shall fail to meet any payment or collateralization obligation in respect of any Derivatives Obligations that, in one or more related or unrelated transactions is outstanding in a principal amount or in the case of Derivatives Obligations has a then-current Termination Amount, exceeding in the aggregate \$10,000,000 (or the equivalent thereof in other currencies), in each case when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness (or, in the case of Derivatives Obligations, continues for the longer of (x) a period of five (5) Business Days and (y) the expiration of any applicable grace period, if any, specified in the agreement or instrument relating to such Derivatives Obligations); or (ii) any default, event of default or other event or condition shall occur under any indenture, agreement or other instrument relating to any Indebtedness or Derivative Obligation that, in one or more related or unrelated transactions is outstanding in a principal amount, and in the case of Derivatives Obligations has a then-current Termination Amount, exceeding in the aggregate \$10,000,000 (or the equivalent in other currencies); and the effect of such event or condition is to cause, or to permit a Person to cause, any principal amount of such Indebtedness to become due and payable prior to the date on which it would otherwise become due and payable, or any Termination Amount in respect of any such Derivatives Obligations to become due and payable;

(e) Insolvency. (i) The Borrower or any of its Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or (ii) any proceeding shall be instituted by or against the Borrower or any of its Subsidiaries seeking to adjudicate it bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its

property and, in the case of any such proceeding instituted against the Borrower or any such Subsidiary, either such proceeding shall remain undismissed for a period of 45 days or any of the actions sought in such proceeding shall occur; or (iii) the Borrower or any of its Subsidiaries shall take any corporate action to authorize or shall take any of the actions set forth above in this paragraph (e);

(f) Judgments. Any judgment or order for the payment of money in excess of \$10,000,000 (reduced for purposes of this paragraph for the amount in respect of such judgment or order that a reputable insurer has acknowledged as being payable under any valid and enforceable insurance policy) shall be rendered against the Borrower or any of its Subsidiaries and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 45 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect;

(g) Material Adverse Effect. Any Material Adverse Effect shall occur;

(h) Expropriation. Any Governmental Authority or any other dominant authority asserting or exercising *de jure* or *de facto* governmental or police powers in Chile, or with respect to the Borrower's Subsidiary with operations in Colombia, Colombia, shall have condemned, nationalized, seized, or otherwise expropriated all or any substantial part of the property, shares of capital stock or other assets of the Borrower or any of its Subsidiaries, or shall have assumed control of such property or of the business or operations of the Borrower or any of its Subsidiaries, or shall have taken any action for the dissolution or disestablishment of the Borrower or any of its Subsidiaries, or any action that would prevent the Borrower, any of its Subsidiaries or their respective officers from carrying on a substantial part of the business of the Borrower or any of its Subsidiaries, as the case may be;

(i) Denial of Liability. The Borrower shall deny its obligations under this Agreement or any other Credit Document;

(j) Imposition of Currency Restrictions. Any Governmental Authority shall take any action (A) canceling, suspending or deferring the obligation of the Borrower to pay any amount of principal or interest payable under this Agreement or any of the Instruments, including a general moratorium, (B) preventing the fulfillment by the Borrower of its obligations under this Agreement or any of the Instruments, (C) restricting the availability to the Borrower of foreign currencies in exchange for pesos or otherwise or (D) requiring the Borrower to participate in any facility or exercise involving the rescheduling of the Borrower's debts or the restructuring of the currency in which the Borrower may pay its obligations; or

(k) Regulatory Intervention, Regulatory Licenses. The *Superintendencia de Bancos e Instituciones Financieras* or any other Governmental Authority shall intervene in the business, or displace the management or board of directors, of the Borrower in the conduct of its business or shall revoke or fail to renew any regulatory license or permit material to the Borrower's business.

Section 7.02. Optional Acceleration of Maturity. If any Event of Default (other than an Event of Default pursuant to paragraph (e) of Section 7.01) shall have occurred and be continuing, then,

and in any such event the Administrative Agent (a) shall at the request, or may without the consent, of the Majority Lenders, by notice to the Borrower, declare the obligation of each Lender to make Loans to be terminated, whereupon the same shall forthwith terminate, and (b) shall at the request, or may without the consent, of the Majority Lenders, by notice to the Borrower, declare the Loans, all interest thereon, and all other amounts payable under this Agreement and the Instruments to be forthwith due and payable, whereupon the Loans, all such interest, and all such other amounts shall become and be forthwith due and payable in full, without presentment, demand, protest, or further notice of any kind (including, without limitation, any notice of intent to accelerate or notice of acceleration), all of which are hereby expressly waived by the Borrower.

Section 7.03. Automatic Acceleration of Maturity. If any Event of Default pursuant to paragraph (e) of Section 7.01 shall occur, the obligation of each Lender to make Loans shall immediately and automatically be terminated and the Loans, all interest on the Loans, and all other amounts payable under this Agreement and the Instruments shall immediately and automatically become and be due and payable in full, without presentment, demand, protest or any notice of any kind (including, without limitation, any notice of intent to accelerate or notice of acceleration), all of which are hereby expressly waived by the Borrower.

Section 7.04. Non-exclusivity of Remedies. No remedy conferred upon the Administrative Agent or a Lender is intended to be exclusive of any other remedy, and each remedy shall be cumulative of all other remedies existing by contract, at law, in equity, by statute or otherwise.

Section 7.05. Right of Set-off. Upon the occurrence and during the continuance of any Event of Default, each Lender (and each of its Affiliates) is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, but excluding deposits that such Lender knows or, with reasonable inquiry should know, are held by the Borrower in a fiduciary capacity for the benefit of others) at any time held and other indebtedness at any time owing by such Lender (or any of its Affiliates) to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement and the Instrument held by such Lender irrespective of whether or not such Lender or Affiliate shall have made any demand under this Agreement or any other Credit Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness. Each Lender agrees promptly to notify the Borrower after any such set-off and application made by such Lender; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender under this Section 7.05 are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Lender may have.

Section 7.06. Application of Payments. During the existence of an Event of Default, all payments and collections shall be applied to the Credit Obligations in accordance with Section 2.11 and first to any reimbursements and indemnifications due to the Lenders, then ratably to any accrued and unpaid interest and fees due to the Lenders, then ratably to the outstanding principal balance of the Loans.

ARTICLE VIII

THE ADMINISTRATIVE AGENT

Section 8.01. Appointment, Powers and Immunities. Each Lender hereby irrevocably appoints and authorizes the Administrative Agent to act as its administrative agent under this Agreement and the other Credit Documents with such powers and discretion as are specifically delegated to the Administrative Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. The Administrative Agent (which term as used in this sentence and in Section 8.05 and the first sentence of Section 8.06 shall include its Affiliates and its own and its Affiliates' officers, directors, employees, and agents): (a) shall not have any duties or responsibilities except those expressly set forth in this Agreement and shall not be a trustee or fiduciary for any Lender; (b) shall not be responsible to the Lenders for any recital, statement, representation, or warranty (whether written or oral) made in or in connection with any Credit Document or any certificate or other document referred to or provided for in, or received by any of them under, any Credit Document, or for the value, validity, effectiveness, genuineness, enforceability, or sufficiency of any Credit Document, or any other document referred to or provided for therein or for any failure by the Borrower or any other Person to perform any of its obligations thereunder; (c) shall not be responsible for or have any duty to ascertain, inquire into, or verify the performance or observance of any covenants or agreements by the Borrower or the satisfaction of any condition or to inspect the property (including the books and records) of the Borrower or any of its Subsidiaries or Affiliates; (d) shall not be required to initiate or conduct any litigation or collection proceedings under any Credit Document; and (e) shall not be responsible for any action taken or omitted to be taken by it under or in connection with any Credit Document, except for its own gross negligence or willful misconduct (as determined by a court of competent jurisdiction by final and nonappealable judgment). The Administrative Agent may employ agents and attorneys-in-fact and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care.

Section 8.02. Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon any certification, notice, instrument, writing, or other communication (including, without limitation, any thereof by telephone or teletype) reasonably believed by it to be genuine and correct and to have been signed, sent or made by or on behalf of the proper Person or Persons, and upon advice and statements of legal counsel (including counsel for the Borrower), independent accountants, and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Instrument as the holder thereof for all purposes of this Agreement unless and until the Administrative Agent receives and accepts an Assignment and Acceptance executed in accordance with Section 9.07. As to any matters not expressly provided for by this Agreement, the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority Lenders, and such instructions shall be binding on all of the Lenders; provided, however, that the Administrative Agent shall not be required to take any action that exposes the Administrative Agent to personal liability or that is contrary to any Credit Document or applicable law or unless it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking any such action.

Section 8.03. Defaults. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of a Default or Event of Default unless the Administrative Agent has received written notice from a Lender or the Borrower specifying such Default or Event of Default and stating that such notice is a "Notice of Default". In the event that the Administrative Agent receives such a notice of the occurrence of a Default or Event of Default, the Administrative Agent shall give prompt notice thereof to the Lenders. The Administrative Agent shall (subject to Section 8.02) take such action with respect to such Default or Event of Default as shall reasonably be directed by the Majority Lenders, provided that, unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interest of the Lenders.

Section 8.04. Rights as Lender. In the event that the party acting as Administrative Agent is also a Lender, with respect to such party's Commitments and the Loans made by it, such party (and any successor acting as both Administrative Agent and a Lender) in its capacity as a Lender hereunder shall have the same rights and powers hereunder as any other Lender and may exercise the same as though it were not acting as the Administrative Agent, and the term "Lender" or "Lenders" shall, unless the context otherwise indicates, include the Administrative Agent in its individual capacity. Such party acting as both Administrative Agent and a Lender (and any successor acting as both Administrative Agent and a Lender) and its Affiliates may (without having to account therefor to any Lender) accept deposits from, lend money to, make investments in, provide services to, and generally engage in any kind of lending, trust, or other business with the Borrower or any of its Subsidiaries or Affiliates as if it were not acting as Administrative Agent, and such party (and any successor acting as both Administrative Agent and a Lender) and its Affiliates may accept fees and other consideration from the Borrower or any of its Subsidiaries or Affiliates for services in connection with this Agreement or otherwise without having to account for the same to the Lenders.

Section 8.05. Reimbursement. The Lenders agree to pay the Administrative Agent (to the extent not reimbursed or indemnified under Section 9.08, but without limiting the obligations of the Borrower under such Section) ratably in accordance with their respective Commitments (determined at the time such indemnity is sought), for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, reasonable costs, expenses (including reasonable and documented attorneys' fees), or disbursements of any kind and nature whatsoever that may be imposed on, incurred by or asserted against the Administrative Agent in its capacity as such (including by any Lender) in any way relating to or arising out of any Credit Document or the transactions contemplated thereby or any action taken or omitted by the Administrative Agent under any Credit Document; provided that no Lender shall be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the Person to be indemnified (as determined by a court of competent jurisdiction in a final and non-appealable decision). Without limitation of the foregoing, each Lender agrees to reimburse the Administrative Agent promptly upon demand for its ratable share (determined at the time such indemnity is sought) of any costs or expenses payable by the Borrower under Section 9.05, to the extent that the Administrative Agent is not promptly reimbursed for such costs and expenses by the Borrower; provided, however, that upon recovery of any or all of such costs and expenses by the Administrative Agent from the Borrower, the Administrative Agent shall remit to each Lender its ratable share of such amounts so recovered. The agreements contained in this Section 8.05 shall survive payment in full of the Loans and all other amounts payable under this Agreement.

Section 8.06. Non-Reliance on Administrative Agent and Other Lenders. Each Lender agrees that it has, independently and without reliance on the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own credit analysis of the Borrower and its Subsidiaries and decision to enter into this Agreement and that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own analysis and decisions in taking or not taking action under the Credit Documents. Except for notices, reports, and other documents and information expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the affairs, financial condition, or business of the Borrower or any of its Subsidiaries or Affiliates that may come into the possession of the Administrative Agent or any of its Affiliates.

Section 8.07. Resignation and Removal of Administrative Agent. The Administrative Agent may resign at any time by giving at least 30 days' notice thereof to the Lenders and the Borrower. The Administrative Agent may be removed at any time upon the written request of the Majority Lenders. Upon any such resignation or removal, the Majority Lenders shall have the right to appoint a successor Administrative Agent in consultation with the Borrower. If no successor Administrative Agent shall have been so appointed by the Majority Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent's giving of notice of resignation, then the retiring or removed Administrative Agent may, on behalf of the Lenders and in consultation with the Borrower, appoint a successor Administrative Agent. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor, such successor shall thereupon succeed to and become vested with all the rights, powers, discretion, privileges, and duties of the retiring or removed Administrative Agent, and the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Credit Documents. The successor Administrative Agent shall notify the Lenders of its appointment and confirm its acceptance of all responsibilities under this Agreement. After any retiring or removed Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Article VIII shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent.

Section 8.08. Lead Arrangers and Bookrunners; the Lead Arranger. The Lead Arrangers and Bookrunners and the Lead Arranger shall not have any rights or obligations under this Agreement other than the rights set forth in Section 2.03, 2.12 and Article IX.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Amendments, Etc. No amendment or waiver of any provision of this Agreement, the Instruments, or any other Credit Document, nor consent to any departure by the Borrower

therefrom, shall in any event be effective unless the same shall be in writing and signed by the Majority Lenders and the Borrower, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all the Lenders and the Borrower, do any of the following: (a) waive any of the conditions specified in Section 3.01, (b) increase the Commitments of the Lenders, (c) reduce the principal of, or interest on, the Loans or any fees or other amounts payable hereunder or under any other Credit Document, (d) postpone any date fixed for any payment of principal of, or interest on, the Loans or any fees or other amounts payable hereunder, (e) change the number of Lenders which shall be required for the Lenders or any of them to take any action hereunder or under any other Credit Document, (f) amend Section 2.02(d), 2.04, 2.07(c) or 2.12 or this Section 9.01, (g) release the Borrower from its obligations under any Credit Document to which it is a party, except pursuant to the terms of the applicable Credit Document, (h) alter the manner in which payments or prepayments of principal, interest or other amounts hereunder shall be applied as among Lenders or (i) amend the definition of "Majority Lenders"; and provided, further, that no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement or any other Credit Document.

Section 9.02. Notices, Etc.

(a) Except as otherwise expressly provided herein, all notices, demands, requests, consents and other communications provided for in this Agreement shall be given in writing, or by any telecommunication device capable of creating a written record (including electronic mail): if to the Borrower, at the Borrower's address at Rosario Norte 660, Las Condes, Santiago, Chile, Attention: Alvaro Barriga (telecopy: 562-660-2230; telephone: 562-660-2206); if to any Lender, at its Applicable Lending Office specified opposite its name on Schedule II; if to the Administrative Agent, at its address at Standard Chartered Bank, 5th Floor, 1 Basinghall Avenue, London EC2V 5DD, United Kingdom, Attention: Loans and Agency / Mathew Breadon and Daniel Aston (telecopy: +44(0)-207-885-3632; telephone: +44(0)-207-885-3641); or, as to the Borrower or the Administrative Agent, at such other address as shall be designated by such party in a written notice to the other parties hereto and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Administrative Agent.

(b) All notices, demands, requests, consents and other communications described in clause (a) shall be effective (i) if delivered by hand, including any overnight courier service, upon personal delivery, (ii) if delivered by mail, when received, (iii) if delivered by posting to an Approved Electronic Platform, an Internet website or a similar telecommunication device requiring that a user have prior access to such Approved Electronic Platform, website or other device (to the extent permitted by Section 9.03 to be delivered thereunder), when such notice, demand, request, consent and other communication shall have been made generally available on such Approved Electronic Platform, Internet website or similar device to the class of Person being notified (regardless of whether any such Person must accomplish, and whether or not any such Person shall have accomplished, any action prior to obtaining access to such items, including registration, disclosure of contact information, compliance with a standard user agreement or undertaking a duty of confidentiality) and such Person has been notified in respect

of such posting that a communication has been posted to the Approved Electronic Platform and (iv) if delivered by electronic mail or any other telecommunications device, when transmitted to an electronic mail address (or by another means of electronic delivery) as provided in clause (a); provided that notices and communications to the Administrative Agent pursuant to Section 2 or Section 7) shall not be effective until received by the Administrative Agent.

(c) Notwithstanding clauses (a) and (b) (unless the Administrative Agent requests that the provisions of clause (a) and (b) be followed) and any other provision in this Agreement or any other Credit Document providing for the delivery of any Approved Electronic Communication by any other means, the Borrower shall deliver all Approved Electronic Communications to the Administrative Agent by properly transmitting such Approved Electronic Communications in an electronic/soft medium in a format acceptable to the Administrative Agent to Matthew.Breadon@sc.com and Daniel.Aston@sc.com or such other electronic mail address (or similar means of electronic delivery) as the Administrative Agent may notify to the Borrower. Nothing in this clause (c) shall prejudice the right of the Administrative Agent or any Lender to deliver any Approved Electronic Communication to the Borrower in any manner authorized in this Agreement or to request that the Borrower effect delivery in such manner.

Section 9.03. Posting of Approved Electronic Communications.

(a) Each of the Lenders and the Borrower agrees that the Administrative Agent may, but shall not be obligated to, make the Approved Electronic Communications available to the Lenders by posting such Approved Electronic Communications on IntraLinks™ or a substantially similar electronic platform chosen by the Administrative Agent to be its electronic transmission system (the “Approved Electronic Platform”).

(b) Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Disbursement Date, a User ID/Password Authorization System) and the Approved Electronic Platform is secured through a single-user-per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lenders and the Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution. In consideration for the convenience and other benefits afforded by such distribution and for the other consideration provided hereunder, the receipt and sufficiency of which is hereby acknowledged, each of the Lenders and the Borrower hereby approves distribution of the Approved Electronic Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

(c) THE APPROVED ELECTRONIC PLATFORM AND THE APPROVED ELECTRONIC COMMUNICATIONS ARE PROVIDED “AS IS” AND “AS AVAILABLE”. NEITHER THE ADMINISTRATIVE AGENT NOR ANY OTHER MEMBER OF THE AGENT’S GROUP WARRANTS THE ACCURACY, ADEQUACY OR COMPLETENESS OF THE APPROVED ELECTRONIC COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM AND EACH EXPRESSLY DISCLAIMS ANY LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC COMMUNICATIONS OR

THE APPROVED ELECTRONIC PLATFORM. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE ADMINISTRATIVE AGENT OR ANY LENDER OR ANY LEAD ARRANGER AND BOOKRUNNER OR THE LEAD ARRANGER IN CONNECTION WITH THE APPROVED ELECTRONIC COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM.

(d) Each of the Lenders, the Lead Arrangers and Bookrunners, the Lead Arranger and the Borrower agree that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Approved Electronic Communications on the Approved Electronic Platform in accordance with the Administrative Agent's generally-applicable document retention procedures and policies.

Section 9.04. No Waiver; Remedies. No failure on the part of any Lender or the Administrative Agent to exercise, and no delay in exercising, any right hereunder or under any Instrument shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies provided in this Agreement are cumulative and not exclusive of any remedies provided by law.

Section 9.05. Costs and Expenses; Stamp Taxes. The Borrower shall: (a) pay on behalf of, or reimburse the Administrative Agent and the Lead Arrangers on demand for, all of their respective reasonable and documented costs and expenses incurred in connection with the development, negotiation, preparation and execution of the Credit Documents and any other documents prepared in connection therewith, the consummation of the transactions contemplated hereby and the syndication by the Administrative Agent and the Lead Arrangers of the Commitments, including, without limitation, reasonable and documented fees and disbursements of special New York counsel and special Chilean counsel to the Administrative Agent (but excluding fees and disbursements of internal counsel), provided that the liability of the Borrower for costs under this clause (a) shall not exceed the maximum amounts agreed to in Section 8 of the Mandate Letter; (b) pay or reimburse the Administrative Agent and the Lead Arrangers for all of their respective reasonable and documented costs and expenses in connection with any amendment, supplement or modification to the Credit Documents and any other documents prepared in connection therewith, including, without limitation, the reasonable fees and disbursements of special New York counsel and special Chilean counsel to the Administrative Agent (but excluding fees and disbursements of internal counsel); and (c) pay or reimburse each Lender and the Administrative Agent for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under any Credit Document, and any such other documents, including, without limitation, the fees and disbursements of counsel to each Lender and of counsel to the Administrative Agent. Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section 9.05 shall survive the payment in full of the Loans and all other amounts payable under this Agreement.

Section 9.06. Binding Effect. This Agreement shall become effective when it shall have been executed by the Borrower and the Administrative Agent, and when the Administrative Agent

shall have, as to each Lender, received a counterpart of this Agreement executed by such Lender and thereafter shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent, and each Lender and their respective successors and assigns, except that the Borrower shall not have the right to assign any rights or delegate any duties under this Agreement or any interest in this Agreement without the prior written consent of each Lender.

Section 9.07. Lender Assignments and Participations.

(a) Assignments. Each Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Loans, its respective Instrument, and its Commitments) with at least five (5) Business Days' prior written notice to the Administrative Agent and the Borrower; provided, however, that

(i) each such assignment shall be to an Eligible Assignee;

(ii) except in the case of an assignment to another Lender or an assignment of all of a Lender's rights and obligations under this Agreement, any such partial assignment shall be in an amount equal to at least \$5,000,000 and in integral multiples of \$1,000,000 in excess thereof;

(iii) each such assignment by a Lender shall be of a constant, and not varying, percentage of all of its rights and obligations under this Agreement and the Instruments (other than rights of reimbursement and indemnity arising before the effective date of such assignment) and shall be of an equal pro rata share of the assigning Lender's interest in the Loans and Commitments; and

(iv) the parties to such assignment shall execute and deliver to the Administrative Agent for its acceptance an Assignment and Acceptance in substantially the form of the attached Exhibit A. Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an Eligible Assignee, together with any Instrument subject to such assignment (if applicable) and, except in the case of an assignment by a Lender to its Affiliate, a processing fee of \$3,500 paid by the assigning Lender or the Eligible Assignee, the Administrative Agent shall, (A) accept such Assignment and Acceptance and (B) give prompt notice thereof to the Borrower.

Upon execution, delivery, and acceptance of such Assignment and Acceptance and payment of the processing fee, the assignee thereunder shall be a party to this Agreement and, to the extent of such assignment, have the obligations, rights, and benefits of a Lender hereunder and the assigning Lender shall, to the extent of such assignment, relinquish its rights and be released from its obligations under this Agreement; provided, however, that the assigning Lender shall retain the indemnification and reimbursement to which it was entitled prior to the effective date of the assignment. No later than five (5) Business Days after the Borrower receives notice from the Administrative Agent that it has received an executed Assignment and Acceptance and payment of the processing fee, the Borrower shall execute and deliver to the Administrative Agent all such other documents, instruments and agreements (other than a Note governed by the laws of Chile, and any Note (other than a Note governed by the laws of Chile) delivered pursuant

to this Section 9.07 shall be delivered by Corpbanca, New York Branch, in New York, New York USA), including, but not limited to, a new Recognition of Debt, and take all such other actions as may be reasonably required to effect such assignment. When a Lender assigns to an assignee only part of its rights and obligations under this Agreement and such part is in respect of a principal amount of the Loan which is evidenced by the Recognition of Debt, the Borrower shall issue one or more replacement Recognitions of Debt in favor of the relevant Lender and the assignee. As appropriate, each assignee shall deliver to the Borrower and the Administrative Agent any certifications required by Section 2.12.

(b) The Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and the Commitments of, and principal amount and stated interest of the Loans owing to, each Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(c) Procedures. Upon its receipt of an Assignment and Acceptance executed by the parties thereto, together with any Instrument subject to such assignment (if applicable) and payment of the processing fee, the Administrative Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit A, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the parties thereto.

(d) Participations. Each Lender may sell participations to one or more Persons in all or a portion of its rights and/or obligations under this Agreement (including all or a portion of its Commitments and its Loans); provided, however, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties to this Agreement for the performance of such obligations, (iii) the participant shall be entitled to the benefit of the yield protection provisions contained in Sections 2.08, 2.09 and 2.10, the right of set-off contained in Section 7.05, and the reporting requirements contained in Section 5.05, (iv) the Borrower shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and such Lender shall retain the sole right to enforce the obligations of the Borrower relating to its Loans and its Instrument and to approve any amendment, modification, or waiver of any provision of this Agreement (other than amendments, modifications, or waivers decreasing the amount of principal of or the rate at which interest is payable on such Loans or Instrument, extending any scheduled principal payment date or date fixed for the payment of interest on such Loans or Instrument, or extending its Commitments) and (v) such participant agrees to be subject to Section 9.09 as if such participant were a Lender.

(e) Federal Reserve Bank or Central Bank. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including, without limitation, any pledge or assignment to secure

obligations to a Federal Reserve Bank or central bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Confidentiality. Any Lender may furnish any information concerning the Borrower or any of its Subsidiaries in the possession of such Lender from time to time to assignees and participants (including prospective assignees and participants), subject, however, to the provisions of Section 9.09.

Section 9.08. Indemnity by Borrower. The Borrower agrees to indemnify, save, and hold harmless the Administrative Agent, each Lender, each Lead Arranger and Bookrunner and the Lead Arranger and their respective Affiliates, and the directors, officers, employees, attorneys, consultants and advisors of or to any of the foregoing (collectively the "Indemnitees") from and against: (a) any and all claims, demands, actions, or causes of action if the claim, demand, action, or cause of action arises out of or relates to any act or omission (or alleged act or omission) of the Borrower or its Affiliates relating to the Commitments, the use or contemplated use of proceeds of any Loan, or the relationship among any of the Borrower, the Administrative Agent, the Lenders, the Lead Arrangers and Bookrunners and the Lead Arranger under this Agreement (including, for the avoidance of doubt, the execution or delivery of this Agreement, any other Credit Document or any agreement or instrument contemplated hereby or thereby, the performance of the obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby); (b) any administrative or investigative proceeding by any Governmental Authority arising out of or related to a claim, demand, action, or cause of action described in subsection (a) above; and (c) any and all liabilities, losses, costs, or expenses (including reasonable fees and expenses of legal counsel) that any Indemnitee suffers or incurs as a result of the assertion of any foregoing claim, demand, action, or cause of action thereto; provided that no Indemnitee shall be entitled to indemnification for any loss caused solely by its own gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision).

Section 9.09. Confidentiality; K-Y-C Rules.

(a) The Administrative Agent and each Lender (each, a "Lending Party") agrees to (i) with respect to any information furnished or made available to it by or on behalf of the Borrower or any of its Subsidiaries pursuant to this Agreement on or prior to the date hereof, keep such information confidential and (ii) with respect to any information furnished or made available to it by or on behalf of the Borrower or any of its Subsidiaries pursuant to this Agreement after the date hereof, keep confidential such information as is clearly identified at the time of delivery as confidential; provided that nothing herein shall prevent any Lending Party from disclosing such information (i) to any other Lending Party or any Affiliate of any Lending Party, or any officer, director, employee, agent, or advisor of any Lending Party or Affiliate of any Lending Party (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential), (ii) to any other Person if reasonably incidental to the administration of the credit facility provided herein (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information), (iii) as required by any law, rule, or regulation, (iv) upon the order of any court or administrative agency, (v) upon the request or demand of any

regulatory agency or authority (including, without limitation, any Federal Reserve Bank or Central Bank or any self-regulatory authority), (vi) that is or becomes available to the public or that is or becomes available to any Lending Party other than as a result of a disclosure by any Lending Party prohibited by this Agreement, (vii) in connection with any litigation to which such Lending Party or any of its Affiliates may be a party, in which case, such Lending Party agrees to provide prompt written notice to the Borrower of such disclosure, (viii) to the extent necessary in connection with the exercise of any remedy under this Agreement or any other Credit Document, and (ix) subject to provisions substantially similar to those contained in this Section, to any actual or proposed participant or assignee.

(b) Each Lender hereby notifies the Borrower that, pursuant to the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) and other applicable know-your-customer directives, laws, rules or regulations, it may be required to obtain, verify and record, in accordance therewith, information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower. The Borrower hereby agrees to provide to any Lender any of the foregoing information that such Lender is so required to obtain, verify or record.

Section 9.10. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties to this Agreement in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of counterparts hereto via telecopier shall be as effective as delivery of original counterparts.

Section 9.11. Survival of Representations, Etc. All representations and warranties contained in this Agreement or made in writing by or on behalf of the Borrower in connection herewith shall survive the execution and delivery of this Agreement and the Credit Documents, the making of the Loans and any investigation made by or on behalf of the Lenders, none of which investigations shall diminish any Lender's right to rely on such representations and warranties. All obligations of the Borrower provided for in Sections 2.08, 2.09, 2.12, 9.05, 9.08 and 9.15 and of the Administrative Agent and the Lenders provided for in Section 9.09(a) (but only for two years after repayment in full of the Instruments in respect of Section 9.09(a)) shall survive any termination of the Commitments or this Agreement and repayment in full of the other Credit Obligations.

Section 9.12. Severability. In case one or more provisions of this Agreement or the other Credit Documents shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein or therein shall not be affected or impaired thereby.

Section 9.13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without regard to the conflict of law principles thereof, except Section 5-1401 of the General Obligations Law of the State of New York.

Section 9.14. Consent to Jurisdiction; Language. THE BORROWER HEREBY IRREVOCABLY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF ANY NEW YORK STATE OR FEDERAL COURT SITTING IN THE BOROUGH OF MANHATTAN, THE CITY OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OF THE INSTRUMENTS, OR ANY OTHER CREDIT DOCUMENT, AND THE BORROWER HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH COURT. THE BORROWER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF ANY SUCH ACTION OR PROCEEDING. THE BORROWER HEREBY IRREVOCABLY APPOINTS CORPBANCA, NEW YORK BRANCH (THE "PROCESS AGENT"), WITH AN OFFICE ON THE DATE HEREOF AT 845 3RD AVENUE, 5TH FLOOR, NEW YORK, NY 10022, AS ITS AGENT TO RECEIVE ON BEHALF OF THE BORROWER AND ITS PROPERTY SERVICE OF COPIES OF THE SUMMONS AND COMPLAINT AND ANY OTHER PROCESS WHICH MAY BE SERVED BY ANY LENDER, THE ADMINISTRATIVE AGENT OR THE HOLDER OF ANY INSTRUMENT IN ANY SUCH ACTION OR PROCEEDING. THE BORROWER HEREBY AGREES THAT SERVICE OF COPIES OF THE SUMMONS AND COMPLAINT AND ANY OTHER PROCESS WHICH MAY BE SERVED IN ANY SUCH ACTION OR PROCEEDING MAY BE MADE BY MAILING OR DELIVERING A COPY OF SUCH PROCESS TO THE BORROWER AT ITS ADDRESS SPECIFIED IN SECTION 9.02 OR TO THE PROCESS AGENT AT ITS ADDRESS SET FORTH ABOVE. THE BORROWER AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING HEREIN SHALL AFFECT THE RIGHTS OF ANY LENDER OR THE ADMINISTRATIVE AGENT TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF ANY LENDER OR THE ADMINISTRATIVE AGENT TO BRING ANY ACTION OR PROCEEDING AGAINST THE BORROWER OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION. THE OFFICIAL LANGUAGE OF THIS AGREEMENT SHALL BE ENGLISH.

Section 9.15. Currency Indemnity.

(a) If the Administrative Agent or any Lender receives an amount in respect of the Borrower's liability under this Agreement, or if that liability is converted into a claim, proof, judgment, or order, in a currency other than the currency (the "Contractual Currency") in which the amount is expressed to be payable under this Agreement:

(i) the Borrower will indemnify the Administrative Agent or such Lender as an independent obligation against any loss or liability arising out of or as result of such conversion or the receipt of an amount in a currency other than the Contractual Currency;

(ii) if the amount received by the Administrative Agent or such Lender when converted into the Contractual Currency at a market rate in the usual course of its business, is less than the amount owed in the Contractual Currency, the Borrower will forthwith on demand pay to the Administrative Agent or such Lender an amount in the

Contractual Currency equal to the deficit; if it is more, the receiving Administrative Agent or Lender will forthwith on demand pay to the Borrower an amount in the Contractual Currency equal to the excess; and

(iii) the Borrower will pay to the Administrative Agent or such Lender concerned forthwith on demand any exchange cost and Taxes and Other Taxes payable in connection with any such conversion or the receipt of an amount in a currency other than the Contractual Currency.

(b) The Borrower waives any right it might have in any jurisdiction to pay any amount under this Agreement in a currency other than that in which it is expressed to be payable.

Section 9.16. Complete Agreement. THE RIGHTS AND OBLIGATIONS OF THE PARTIES TO THIS AGREEMENT SHALL BE DETERMINED SOLELY FROM THIS WRITTEN AGREEMENT, AND ANY PRIOR ORAL AGREEMENTS BETWEEN THE PARTIES ARE SUPERSEDED BY AND MERGED INTO THIS AGREEMENT. THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Section 9.17. Waiver of Jury. EACH OF THE BORROWER, THE LENDERS, THE LEAD ARRANGERS AND BOOKRUNNERS, THE LEAD ARRANGER AND THE ADMINISTRATIVE AGENT HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN RESPECT OF ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER CREDIT DOCUMENT, OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF ANY PARTY RELATING HERETO OR THERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDERS, THE LEAD ARRANGERS AND BOOKRUNNERS, THE LEAD ARRANGER AND THE ADMINISTRATIVE AGENT TO ENTER INTO THIS AGREEMENT.

Section 9.18. Waiver of Immunities. To the extent permitted by applicable law, if the Borrower has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to itself or any of its property, the Borrower hereby irrevocably waives and agrees not to plead or claim such immunity in respect of its obligations under any Credit Document. The Borrower agrees that the foregoing waiver shall have the fullest extent permitted under the Foreign Sovereign Immunities Act of 1976 of the United States of America and is intended to be irrevocable and not subject to withdrawal for purposes of such Act.

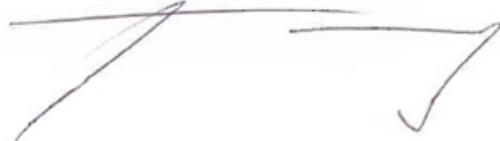
Section 9.19. International Banking Facilities. The Borrower understands it is the policy of the Federal Reserve Board that extensions of credit by international banking facilities (as

defined in Section 204.8(a) of Regulation D) may be used only to finance the non-U.S. operations of a customer (or its foreign affiliates) located outside the United States as provided in Section 204.8(a)(3)(vi) of Regulation D. Therefore, the Borrower acknowledges that the proceeds of the A Term Loans and the C Term Loans constituting the extension of credit by the international banking facility of any of the Lenders (as defined in Section 204.8(a) of Regulation D) will be used solely to finance the Borrower's operations outside the United States or that of the Borrower's non-U.S. Affiliates.

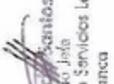
[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Agreement as of the date first above written.

CORPBANCA,
as Borrower



By: _____
Name: FERNANDO MASSU TARE
Title: CEO


Mauricio Santos Diaz
Abogado Jefe
Division Servicios Legales
Compliance



PEDRO SILVA YRARRAZAVAL
Gerente Division Finanzas e Internacional

Signature Page to Amended and Restated Credit Agreement

CORPBANCA, ITS NEW YORK BRANCH,
as Borrower



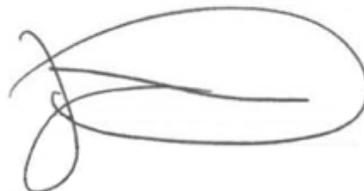
By: _____

Name: Fernando Burgos

General Manager

Title: CorpBanca New York Branch

CORPBANCA, ITS NEW YORK BRANCH,
as Borrower



By: _____

Name: Joaquin Rojas

VP Treasury

Title: CorpBanca New York Branch

Signature Page to Amended and Restated Credit Agreement

STANDARD CHARTERED BANK,
as Administrative Agent



By: _____
Name: PAUL THOMPSON
Title: DIRECTOR

Signature Page to Amended and Restated Credit Agreement

STANDARD CHARTERED BANK,
as Lead Arranger



By: _____
Name: FELIPE MACIA A2739
 DIRECTOR
Title: SYNDICATIONS, AMERICAS



By: _____
Name: Huixian Yeo
 Associate Director
Title: Capital Markets

Signature Page to Amended and Restated Credit Agreement

HSBC SECURITIES (USA) INC.,
as Lead Arranger



By: _____

Name: _____ Elsa Y. Wang

Title: _____ Vice President

Signature Page to Amended and Restated Credit Agreement

WELLS FARGO SECURITIES, LLC
as Lead Arranger



By: _____

Name: _____ Nicole Freeman

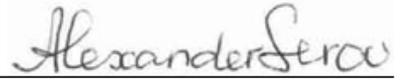
Title: _____ Managing Director

Signature Page to Amended and Restated Credit Agreement

By: 

Name: Sybille Matussek

Title: _____

By: 

Name: Alexander Serov

Title: _____

STANDARD CHARTERED BANK,
as Lender



By: _____
Name: Huixian Yeo
 Associate Director
Title: Capital Markets



By: _____
Name: Robert K. Reddington
 Credit Documentation Manager
Title: Credit Documentation Unit, WB Legal-Americas

Signature Page to Amended and Restated Credit Agreement



By: _____
Name: Ricardo Rubio
Title: Managing Director

Signature Page to Amended and Restated Credit Agreement

CITIBANK, N.A.,
as Lender



By: _____
Title: *Leslie Munroe*
Attorney-In-Fact

By: _____
Title: _____

Signature Page to Amended and Restated Credit Agreement

BANK OF AMERICA, N.A.,
as Lender



By: Cynthia Roney
Title: Managing Director

Signature Page to Master Assignment and Assumption Agreement

NATIONAL BANK OF CANADA,
as Lender



By:

Shandiz Godazgar
Title: Senior Manager



By:

Patrice Roy
Title: Senior Manager

Signature Page to Amended and Restated Credit Agreement

ISRAEL DISCOUNT BANK OF NEW YORK,
as Lender



By: _____
John Ewing
Title: Vice President



By: _____
Derek Hudson
Title: S.V.P., Head of International Banking

*Signature Page to Amended and Restated Credit Agreement
(Corpbanca)*

BAC FLORIDA BANK,
as Lender

By: 

Title: FRANK D. ROBLETO
President & CEO

By: 

Title: Bibiana Lever
AVP Corporate
& Institutional Banking Division
BAC Florida Bank

Signature Page to Amended and Restated Credit Agreement

CHANG HWA COMMERCIAL BANK, LTD. OFFSHORE
BANKING BRANCH,
as Lender



By: _____

Name: Rueih-Hwa Cheng
Title: V.P. & General Manager

Signature Page to Amended and Restated Credit Agreement

MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD.
NEW YORK BRANCH,
as Lender

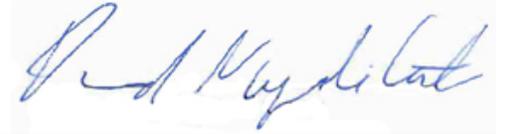


By: _____
Name: Priscilla Hsing
Title: VP & DGM

By: _____
Title: _____

Signature Page to Amended and Restated Credit Agreement

MIZUHO CORPORATE BANK, LIMITED,
as Lender



By: _____

Name: David Napoli Costa
Title: Deputy General Manager

Signature Page to Amended and Restated Credit Agreement



By: _____
Title: **Melitta Reisinger**



By: _____
Title: **Mag. Christine Affenzeller**

REPUBLIC BANK LIMITED,
as Lender



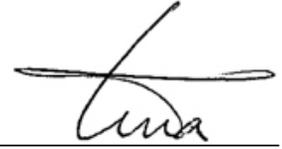
By: _____ Title: Managing Director



By: _____ Title: Senior Manager, Treasury

Signature Page to Amended and Restated Credit Agreement

HUA NAN COMMERCIAL BANK, LTD., OFFSHORE BANKING
BRANCH,
as Lender



By: _____

Title: **Linda Lin**
VP & General Manager

By: _____

Title: _____

Signature Page to Master Assignment and Assumption Agreement

SCHEDULE I

Lenders and Loans

a) Exiting Financial Institutions

Name of Exiting Lender	Loans under the Existing Credit Agreement	Commitments on the Closing Date (\$) (including any A Term Loan Commitments, B Term Loan Commitments and C Term Loan Commitments)
COMMERZBANK AKTIENGESELLSCHAFT	\$13,250,000.00	0
ING BANK N.V. (AMSTERDAM)	\$10,000,000.00	0
HSBC BANK BERMUDA LIMITED	\$5,000,000.00	
BANCO LATINO-AMERICANO DE COMERCIO EXTERIOR S.A.	\$8,250,000.00	
BANCO DE SABADELL, S.A.	\$5,000,000.00	
APPLE BANK FOR SAVINGS	\$5,000,000.00	
TOTAL:	\$46,500,000.00	0

b) A Term Loan Commitments

Name of Lender	A Term Loan Commitments (\$)
HSBC BANK USA, NATIONAL ASSOCIATION	\$12,002,388.54
STANDARD CHARTERED BANK	\$12,002,388.54
WELLS FARGO BANK, NATIONAL ASSOCIATION	\$12,002,388.54
CITIBANK, N.A.	\$9,575,238.83
BANK OF AMERICA, N.A.	\$7,201,433.12
NATIONAL BANK OF CANADA	\$7,201,433.12
ISRAEL DISCOUNT BANK OF NEW YORK	\$4,800,955.41
MIZUHO CORPORATE BANK, LTD.	\$4,800,955.41

* Capitalized terms used in this Schedule I shall have the meanings assigned to such term in the Amended and Restated Credit Agreement to which this Schedule is appended.

BAC FLORIDA BANK	\$2,400,477.71
CHANG HWA COMMERCIAL BANK, LTD. OFFSHORE BANKING BRANCH	\$2,400,477.71
MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD. NEW YORK BRANCH	\$2,400,477.71
OBERBANK AG	\$2,400,477.71
REPUBLIC BANK LIMITED	\$2,400,477.71
HUA NAN COMMERCIAL BANK, LTD., OFFSHORE BANKING BRANCH	\$2,160,429.94
TOTAL	\$83,750,000.00

c) B Term Loan Commitments

Name of Lender	B Term Loan Commitments (\$)
HSBC BANK USA, NATIONAL ASSOCIATION	\$12,002,388.54
STANDARD CHARTERED BANK	\$12,002,388.54
WELLS FARGO BANK, NATIONAL ASSOCIATION	\$12,002,388.54
CITIBANK, N.A.	\$9,575,238.83
BANK OF AMERICA, N.A.	\$7,201,433.12
NATIONAL BANK OF CANADA	\$7,201,433.12
ISRAEL DISCOUNT BANK OF NEW YORK	\$4,800,955.41
MIZUHO CORPORATE BANK, LTD.	\$4,800,955.41
BAC FLORIDA BANK	\$2,400,477.71
CHANG HWA COMMERCIAL BANK, LTD. OFFSHORE BANKING BRANCH	\$2,400,477.71
MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD. NEW YORK BRANCH	\$2,400,477.71

OBERBANK AG	\$2,400,477.71
REPUBLIC BANK LIMITED	\$2,400,477.71
HUA NAN COMMERCIAL BANK, LTD., OFFSHORE BANKING BRANCH	\$2,160,429.94
TOTAL	\$83,750,000.00

d) C Term Loan Commitments

Name of Lender	C Term Loan Commitments (\$)
HSBC BANK USA, NATIONAL ASSOCIATION	\$995,222.92
STANDARD CHARTERED BANK	\$995,222.92
WELLS FARGO BANK, NATIONAL ASSOCIATION	\$995,222.92
CITIBANK, N.A.	\$793,966.78
BANK OF AMERICA, N.A.	\$597,133.76
NATIONAL BANK OF CANADA	\$597,133.76
ISRAEL DISCOUNT BANK OF NEW YORK	\$398,089.18
MIZUHO CORPORATE BANK, LTD.	\$398,089.18
BAC FLORIDA BANK	\$199,044.58
CHANG HWA COMMERCIAL BANK, LTD. OFFSHORE BANKING BRANCH	\$199,044.58
MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD. NEW YORK BRANCH	\$199,044.58
OBERBANK AG	\$199,044.58
REPUBLIC BANK LIMITED	\$199,044.58
HUA NAN COMMERCIAL BANK, LTD., OFFSHORE BANKING BRANCH	\$179,140.12
TOTAL	\$6,944,444.44

e) Commitments

Name of Lender	Commitments (\$)
HSBC BANK USA, NATIONAL ASSOCIATION	\$25,000,000.00
STANDARD CHARTERED BANK	\$25,000,000.00
WELLS FARGO BANK, NATIONAL ASSOCIATION	\$25,000,000.00
CITIBANK, N.A.	\$19,944,444.44
BANK OF AMERICA, N.A.	\$15,000,000.00
NATIONAL BANK OF CANADA	\$15,000,000.00
ISRAEL DISCOUNT BANK OF NEW YORK	\$10,000,000.00
MIZUHO CORPORATE BANK, LTD.	\$10,000,000.00
BAC FLORIDA BANK	\$5,000,000.00
CHANG HWA COMMERCIAL BANK, LTD. OFFSHORE BANKING BRANCH	\$5,000,000.00
MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD. NEW YORK BRANCH	\$5,000,000.00
OBERBANK AG	\$5,000,000.00
REPUBLIC BANK LIMITED	\$5,000,000.00
HUA NAN COMMERCIAL BANK, LTD., OFFSHORE BANKING BRANCH	\$4,500,000.00
TOTAL	\$174,444,444.44

SCHEDULE II

Notice Information

<u>Lender</u>	<u>Applicable Lending Office</u>
BANK OF AMERICA, N.A.	Address: One Bryant Park, New York, NY 10036, USA Attention: Jesus Beltran Telephone: 646-855-0158
BAC FLORIDA BANK	Address: 169 Miracle Mile, R-10, Coral Gables, FL 33134 Attention: Anna Maria Pannella Telephone: 305 789 8079 Telecopy: 305 569 0688
CHANG HWA COMMERCIAL BANK, LTD. OFFSHORE BANKING BRANCH	Address: 10F, NO. 57, SEC. 2, Chung Shan N. Road, Taipei, 104 Attention: Vita Huang Telephone: +886-2-25362951 ext. 1712 Telecopy: +886-2-25214873
CITIBANK NEW YORK	Address: Av El Bosque Norte 500 7 piso, Santiago-Chile Attention: Muriel Velasquez Telephone: 56 (2) 430.95.18 Telecopy: 56 (2) 429.65.20
HSBC BANK USA, NATIONAL ASSOCIATION	Address: 452 Fifth Avenue, New York, NY 10018, USA Attention: Paul Lopez Telephone: 212 525 6662 Telecopy: 212 525 2479
HUA NAN COMMERCIAL BANK, LTD., OFFSHORE BANKING BRANCH	Address: 2F, 38, Sec. 1, Chung-King South Rd., Taipei, Taiwan 100 Attention: Rachel Chou Telephone: +866 2 23713111 ext. 5273 Telecopy: +886 2 23817491
ISRAEL DISCOUNT BANK OF NEW YORK	Address: 511 Fifth Avenue, New York, NY 10017, USA Attention: John Ewing Telephone: 212 551 8046 Telecopy: 212 551 8660
MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD. NEW YORK BRANCH	Address: 65 Liberty Street, New York, NY 10005, USA Attention: Jason Huang Telephone: 212 815 9116 Telecopy: 212 766 5006
MIZUHO CORPORATE BANK, LTD.	Address: 1251 Avenue of the Americas, 31 st Floor, New York, NY 10020 Attention: Martha Civiletti Telephone: 212 282 3631 Telecopy: 212 282 4385

Lender	Applicable Lending Office
NATIONAL BANK OF CANADA	Address: 600, rue de la Gauchetière West, 11 th Floor, Montréal, Québec H3B4L2 Attention: Jason Desroches Telephone: 514 394 8583 Telecopy: 514 394 9537
OBERBANK AG	Address: Untere Donaulände 28, 4020 Linz, Austria Attention: Petra Braunsperger Telephone: ++43 732 7802 2583 Telecopy: ++43 732 7802 7627
REPUBLIC BANK LIMITED	Address: #59 Independence Square, Port of Spain, Trinidad and Tobago Attention: David Robinson Telephone: 868 625 3617 ext. 2180 Telecopy: 868 624 9217
STANDARD CHARTERED BANK	Address: Two Gateway Center, 13 th Floor, Newark, NJ 07102, USA Attention: Yolanda Rodriguez Telephone.: 201 706 5332 Telecopy: 201 706 6332
WELLS FARGO BANK, NATIONAL ASSOCIATION	Address: 301 South College St., Mailcode: D1053-091, Charlotte, NC 28288, USA Attention: Lori Hartman Telephone: 704 715 4267 Telecopy: 704 383 8577

EXHIBIT A

FORM OF ASSIGNMENT AND ACCEPTANCE

Reference is made to the Amended and Restated Credit Agreement, dated as of July 24, 2012 (the "Credit Agreement") among Corpbanca (the "Borrower"), the Lenders, the Lead Arrangers and Bookrunners, the Lead Arranger and Standard Chartered Bank, as Administrative Agent. Unless otherwise defined herein, capitalized terms herein are used as defined in the Credit Agreement.

The "Assignor" and the "Assignee" referred to on Schedule 1 agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, without recourse and without representation or warranty except as expressly set forth herein, and the Assignee hereby purchases and assumes from the Assignor, an interest in and to the Assignor's rights and obligations under the Credit Agreement and the other Credit Documents as of the date hereof equal to the percentage interest specified on Schedule 1 of all outstanding rights and obligations under the Credit Agreement and the other Credit Documents. After giving effect to such sale and assignment, the Assignee's Loans and the amount of the Loans owing to the Assignee will be as set forth on Schedule 1.

2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Documents or any other instrument or document furnished pursuant thereto; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under the Credit Documents or any other instrument or document furnished pursuant thereto; and (iv) if applicable, attaches the Note or Notes held by the Assignor in which interest(s) are assigned pursuant hereto, and requests that the Administrative Agent arrange for the exchange by the Borrower of such Note or Notes for a Recognition of Debt for the benefit of the Assignee evidencing Loans in amounts equal to the Loans(s) assumed by the Assignee pursuant hereto and to the Assignor in amounts equal to the Loans(s) retained by the Assignor, if any, as specified on Schedule 1.

3. The Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.05 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Administrative Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) confirms that it is an Eligible Assignee; (iv) appoints and authorizes the Administrative Agent to take such action as administrative agent on its behalf and to exercise such powers and discretion under the Credit Agreement as are delegated to the Administrative Agent by the terms thereof, together

with such powers and discretion as are reasonably incidental thereto; and (v) agrees that it will perform in accordance with their terms all of the obligations that by the terms of the Credit Agreement are required to be performed by it as a Lender.

4. Following the execution of this Assignment and Acceptance, it will be delivered to the Administrative Agent for acceptance and recording by the Administrative Agent. The effective date for this Assignment and Acceptance (the “Effective Date”) shall be the date of acceptance hereof by the Administrative Agent, unless otherwise specified on Schedule 1.

5. Upon such acceptance and recording by the Administrative Agent, as of the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance and subject to Section 9.11 of the Credit Agreement, relinquish its rights and be released from its obligations under the Credit Agreement.

6. Upon such acceptance and recording by the Administrative Agent, from and after the Effective Date, the Administrative Agent shall make all payments under the Credit Agreement and the Instruments in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and facility fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement and the Instruments, for periods prior to the Effective Date directly between themselves.

7. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York.

8. This Assignment and Acceptance may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of Schedule 1 to this Assignment and Acceptance by any telecommunication device capable of creating a written record (including electronic mail) shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance.

IN WITNESS WHEREOF, the Assignor and the Assignee have caused Schedule 1 to this Assignment and Acceptance to be executed by their officers thereunto duly authorized as of the date specified thereon.

[NAME OF ASSIGNOR], as Assignor

By: _____
Name: _____
Title: _____

[NAME OF ASSIGNEE], as Assignee

By: _____
Name: _____
Title: _____

Applicable Lending Office:

Accepted
this ___ day of _____, _____

STANDARD CHARTERED BANK,
as Administrative Agent

By: _____
Name: _____
Title: _____

[Approved this ____ day
of _____, ____

CORPBANCA

By: _____
Name: _____
Title: _____]¹

¹ Required if the Assignee is an Eligible Assignee solely by reason of the first clause (iii) of the definition of Eligible Assignee.

SCHEDULE 1
to
ASSIGNMENT AND ACCEPTANCE

Assignor:

Assignee:

	<u>Principal amount assigned</u>	<u>Percentage assigned of Loans</u>
<u>Loans</u>		
A Term Loans	\$	%
B Term Loans	\$	%
C Term Loans	\$	%

Effective Date (if other than date of acceptance by
Administrative Agent):

_____, ____²

² This date should be no earlier than five Business Days after delivery of this Assignment and Acceptance to the Administrative Agent.

EXHIBIT B-1

FORM OF CHILEAN PROMISSORY NOTE/ PAGARE

US\$[]

Issue Date/Fecha de Emisión: _____, 2012 / __ de _____ de 2012

Place of Issuance/Lugar de Emisión: Santiago, Chile.

<p>FOR VALUE RECEIVED, CORPBANCA, a financial institution organized and existing under the laws of the Republic of Chile (the “Borrower”), HEREBY UNCONDITIONALLY PROMISES TO PAY to the order of [] (the “Lender”), the principal sum of [] million dollars (US\$ []) payable on [], 2012 (the “Maturity Date”).</p>	<p>POR VALOR RECIBIDO, CORPBANCA, una institución financiera debidamente constituida y existente en conformidad a las leyes de la República de Chile (el “Suscriptor”) DEBE Y PROMETE INCONDICIONALMENTE PAGAR a la orden de [] (el “Banco”), la cantidad de capital de [] millones dólares de los Estados Unidos de América (US\$ []) el día [] de [] de 2012 (la “Fecha de Vencimiento”).</p>
<p>The Borrower hereby unconditionally promises to pay interest on the unpaid principal amount of this note (“Note”) from the date hereof until such principal amount is paid in full, at an interest rate per annum equal to the sum of the LIBOR (as defined below) plus Applicable Margin (as defined below) applicable to each Interest Period (as defined below). Such interest shall be payable in each Interest Payment Date, as defined below.</p>	<p>El Suscriptor se obliga incondicionalmente a pagar intereses sobre el saldo insoluto de capital de este pagaré (“Pagaré”), a contar de esta fecha y hasta la fecha de su pago íntegro y efectivo, a una tasa de interés anual igual a la suma de LIBOR, según se define más adelante, más el Margen Aplicable, según se define más adelante, para dicho Período de Interés, según se define más adelante. Dichos intereses serán pagaderos en cada Fecha de Pago de Intereses, según se define más adelante.</p>
<p>The Borrower, also, unconditionally promises to pay on demand default interest on any principal of or interest on this Note not paid when due, for each day until paid at a rate per annum equal to the sum of 2.00% plus the Applicable Margin plus LIBOR applicable at the date such payment was due. Default interest shall be payable on demand upon written notice of the holder hereof and shall accrue from the date such amount was due until the same is paid in full.</p>	<p>Asimismo, el Suscriptor se obliga incondicionalmente a pagar intereses moratorios al mero requerimiento sobre cualquier suma impaga a la fecha de su respectivo vencimiento conforme a este Pagaré, sea por concepto de capital o intereses, por cada día hasta que se pague dicha suma, a una tasa anual igual a la suma de 2.00 puntos porcentuales más el Margen Aplicable más LIBOR aplicable en la fecha en que dicho pago se hizo exigible. Los intereses moratorios serán pagaderos al mero requerimiento escrito del tenedor de este Pagaré y se devengarán desde la fecha de la mora o simple retardo hasta la fecha en que la suma adeudada se pague íntegramente.</p>

SECTION 1. Definitions		SECCION 1. Definiciones								
“ Administrative Agent ” means Standard Chartered Bank.		“ Agente ” significa Standard Chartered Bank.								
“ Applicable Margin ” means the percentage set forth below next to the applicable rating category assigned by Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc. (“ S&P ”) to the Borrower’s senior non credit- enhanced unsecured long-term indebtedness for borrowed money, as set forth in the most recent public announcement of such rating (“ Debt Rating ”).		“ Margen Aplicable ” significa el porcentaje señalado en la siguiente tabla para la correspondiente clasificación otorgada por Standard & Poor’s Rating Services, una división de The McGraw-Hill Companies, Inc. (“ S&P ”) a la deuda <i>senior</i> sin respaldo de crédito y no garantizada de largo plazo por préstamos del Suscriptor, de acuerdo a la información de dicha clasificación publicada más recientemente (“ Clasificación de Deuda ”).								
<p>S&P Debt Rating / Clasificación de Deuda</p> <p>Applicable Margin/ Margen Aplicable</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 20px;">A- or higher/ o superior</td> <td>1,450%</td> </tr> <tr> <td>BBB+</td> <td>1,525%</td> </tr> <tr> <td>BBB</td> <td>1,700%</td> </tr> <tr> <td>BBB-</td> <td>1,950%</td> </tr> </table>			A- or higher/ o superior	1,450%	BBB+	1,525%	BBB	1,700%	BBB-	1,950%
A- or higher/ o superior	1,450%									
BBB+	1,525%									
BBB	1,700%									
BBB-	1,950%									
If on the second Business Day prior to the commencement of any such Interest Period, (i) S&P shall no longer offer a Debt Rating for the Borrower, (ii) the ratings system of S&P shall have changed or (iii) S&P shall cease to be in the business of rating corporate debt obligations, then, in any such case, the Applicable Margin for the Interest Period for which interest was to be calculated on such Interest Determination Date shall be 1.950%, it being understood that such Applicable Margin shall apply retroactively from the commencement of such Interest Period.		Si en el segundo Día Hábil anterior a que comience cada Período de Interés, (i) S&P no publica una Clasificación de Deuda para el Suscriptor, (ii) el sistema de clasificación de S&P cambia o (iii) S&P no continua prestando el servicio de clasificación de deuda de empresas, en ese caso el Margen Aplicable para el Período de Intereses para el cual se calculará el interés en la fecha indicada será 1,950%, en el entendido que dicho Margen Aplicable se aplicará retroactivamente desde el comienzo de dicho Periodo de Interés.								
“ Business Day ” means a day of the year (a) on which banks are not required or authorized to close in New York City, New York or Santiago, Chile and (b) on which dealings are carried on by banks in the London interbank market.		“ Día Hábil ” significa cualquier día en que (i) los bancos no están obligados o autorizados para cerrar en la Ciudad de Nueva York, Estados Unidos de América o en Santiago, Chile y (ii) se hacen transacciones en el mercado interbancario de Londres.								

<p>“Dollars” and “US\$” means lawful money of the United States of America.</p>	<p>“Dólares” y “US\$” significa la moneda de curso legal de los Estados Unidos de América.</p>
<p>“Interest Period” means the period that begins on this date and ends [] and, thereafter, each subsequent Interest Period shall begin on the last day of the immediately preceding Interest Period and end six months thereafter; provided, however that: (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the immediately preceding Business Day, (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period; and (iii) no Interest Period shall extend beyond the Maturity Date.</p>	<p>“Período de Interés” significa el período que comienza en esta fecha y termina el [], y, de ahí en adelante, cada uno de los siguientes Períodos de Interés comenzará el último día de Período de Interés inmediatamente precedente y terminará seis meses después; <u>en el entendido, sin embargo</u> que: (a) si cualquier Período de Interés que de otro modo haya de terminar en un día que no sea un Día Hábil dicho Período de Interés se extenderá al Día Hábil inmediatamente siguiente, a menos que, terminara en otro mes calendario, entonces dicho Período de Interés terminará en el Día Hábil inmediatamente anterior, (ii) cualquier Período de Interés que comience el último Día Hábil (o en un día del mes respecto del cual no exista un día numérico equivalente en el último mes de dicho Período de Interés) terminará el último Día Hábil del último mes de dicho Período de Interés y (iii) dicho Período de Interés no se extenderá más allá de la Fecha de Pago de Intereses.</p>
<p>“LIBOR” shall mean, with respect to each Interest Period, the rate per annum which appears on the Reuters Screen LIBOR01 Page for deposits in Dollars with maturities comparable to such Interest Period, determined as of 11:00 A.M. (London time) on the second Business Day prior to the commencement of any such Interest Period, provided that, if such Reuters Screen LIBOR01 Page is not available or if no such rate is quoted for the relevant Interest Period, then LIBOR shall mean the average of the offered quotation of two or more Reference Banks selected by the Administrative Agent from among major banks in the London interbank market for Dollar deposits of amounts comparable to the outstanding principal amount hereof, with maturities comparable to the respective Interest Period.</p>	<p>“LIBOR” significa, para cualquier Período de Interés, la tasa que aparezca en la página <i>Reuters Screen LIBOR01</i> para depósitos en Dólares con periodos similares a dicho Período de Interés, cotizado a las 11 :00 a.m. (hora Londres) en el segundo Día Hábil anterior al comienzo de dicho Período de Interés; en el entendido que si dicha página no está disponible o si dicha tasa no es cotizada para el respectivo Período de Interés, la tasa LIBOR será el promedio de la cotización ofrecida por dos o más Bancos de Referencia seleccionados por el Agente de entre los bancos líderes del mercado interbancario de Londres para depósitos en Dólares de montos similares a los adeudados bajo este instrumento con periodos similares al respectivo Período de Interés.</p>

<p>“Reference Banks” means the principal London offices of [____], [____] and [____].</p>	<p>“Bancos de Referencia” significa las oficinas principales en Londres de [____], [____] y [____].</p>
<p>SECTION 2. General Provisions as to Payments</p>	<p>SECCION 2. Reglas Generales Relativas a los Pagos</p>
<p>The Borrower shall make each payment of principal of, and interest on, this Note, not later than 11:00 am (New York time) on the date when due and shall be made in Dollars in same day funds, free and clear of rights of set-off, counterclaim or other defence, to the Administrative Agent to the order of the Lender according to the instructions as follows: [____],</p> <p>or according to such other instructions as the Administrative Agent or the Lender shall designate to the Borrower in writing.</p>	<p>El Suscriptor efectuará cada uno de los pagos de capital e intereses de este Pagaré a más tardar a las 11:00 am (hora de la ciudad de New York) del día del vencimiento correspondiente, y cada pago deberá hacerse en Dólares, con fondos disponibles el mismo día, y libres y netos de cualesquiera derechos de compensación, contra demanda u otra defensa, en las oficinas del Agente, a la orden del Banco de acuerdo a las siguientes instrucciones: [____],</p> <p>o de acuerdo a alguna otra instrucción que el Agente o el Banco entreguen al Suscriptor por escrito.</p>
<p>Should the Borrower fail to pay principal of this Note when due, or should the Borrower fail to pay any interest on this Note when due the holder hereof may declare the total principal amount outstanding under this Note and all accrued interest thereon to be forthwith due and payable, whereupon this Note shall become and be forthwith due and payable for all purposes.</p>	<p>En el caso de que el Suscriptor no pague el capital de este Pagaré a cualquiera de sus vencimientos, o en el caso de que cualquiera intereses de este Pagaré no fueren pagados por el Suscriptor en la fecha en que éstos hayan debido pagarse, el portador de este Pagaré tendrá derecho a declarar inmediata e íntegramente exigible el saldo total de la deuda de capital e intereses debidos en virtud de este Pagaré, el que se considerará de plazo vencido y exigible para todos los efectos a que haya lugar.</p>
<p>Whenever any payment shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or fees, as the case may be; provided, however, that if such extension would cause payment of interest on or principal of this Note to</p>	<p>Si de conformidad con el presente Pagaré un pago deba efectuarse en un día que no fuere un Día Hábil, la fecha de dicho vencimiento se extenderá al Día Hábil inmediatamente siguiente y, se calcularán los pagos de intereses o otros montos incluyendo dicha extensión; en el entendido, sin embargo, que si como resultado de dicha extensión dicho pago de intereses o capital de este</p>

<p>be made in the next following calendar month, such payment shall be made on the next preceding Business Day.</p>	<p>Pagaré se hará en otro mes calendario, en cuyo caso dicho pago se hará el Día Hábil inmediatamente anterior.</p>
<p>If the Lender receives an amount in respect of the Borrower's liability under this Note, or if that liability is converted into a claim, proof, judgment, or order, in a currency other than Dollars: (i) the Borrower will indemnify the Lender as an independent obligation against any loss or liability arising out of or as result of such conversion or the receipt of an amount in a currency other than Dollars; (ii) if the amount received by the Lender when converted into Dollars at a market rate in the usual course of its business, is less than the amount owed in Dollars, the Borrower will forthwith on demand pay to the Lender an amount in Dollars equal to the deficit; if it is more, the receiving Lender will forthwith on demand pay to the Borrower an amount in Dollars equal to the excess; and (iii) the Borrower will pay to the Lender concerned forthwith on demand any exchange cost and any other taxes payable in connection with any such conversion or the receipt of an amount in a currency other than Dollars. The Borrower waives any right it might have in any jurisdiction to pay any amount under this Note in a currency other than Dollars.</p>	<p>Si el Banco recibe una cantidad al respecto de la obligación del Suscriptor bajo este Pagaré, o si la obligación del Suscriptor es convertida a un reclamo o sentencia expresada en una moneda distinta del Dólar: (i) el Suscriptor pagará el Banco, como una obligación independiente, por cualquier pérdida derivada de o relacionada con dicha conversión o la recuperación de una cantidad expresada en una moneda distinta del Dólar; (ii) si la cantidad recibida por el Banco, cuando ésta sea convertida a Dólares en la tasa del mercado en el curso usual del negocio del Banco, sea menor de la cantidad total de Dólares a ser pagada, el Suscriptor se obliga a pagar al mero al Banco la cantidad en Dólares igual al deficiencia; si sea mayor, el Banco se obliga a pagar al mero al Suscriptor la cantidad en Dólares igual al exceso; y (iii) el Suscriptor se obliga a pagar al mero requerimiento al Banco cualquier costo adicional o impuesto que sea pagable al respecto de la conversión o la recuperación de una cantidad expresada en una moneda distinta del Dólar. El Suscriptor renuncia todo derecho en cualquier jurisdicción para pagar cualquier cantidad bajo este Pagaré en una moneda distinta del Dólar.</p>
<p>SECTION 3. Governing Law</p>	<p>SECCION 3. Ley Aplicable</p>
<p>THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE REPUBLIC OF CHILE.</p>	<p>ESTE PAGARE SE REGIRA Y SERA INTERPRETADO DE ACUERDO CON LAS LEYES DE LA REPUBLICA DE CHILE.</p>
<p>SECTION 4. Governing Language</p>	<p>SECCION 4. Idioma Prevalente</p>
<p>This Note is executed in both the English and Spanish language, both of which shall bind the Borrower, but both of which shall constitute one and the same instrument; provided, however, that in the case of doubt as to the proper interpretation or construction of this Note, the English text shall prevail, except that if any action or proceeding in</p>	<p>Este Pagaré se suscribe en los idiomas inglés y castellano, idiomas ambos que obligan al Suscriptor, pero los cuales constituyen un único e idéntico instrumento; en el entendido, sin embargo, que en caso de duda sobre la adecuada interpretación o inteligencia de este Pagaré, prevalecerá el texto en inglés, excepto en el</p>

respect of this Note is brought in the Republic of Chile or any political subdivision thereof, the Spanish text shall prevail.	supuesto de que cualquier acción o procedimiento respecto de este Pagaré se interponga en la República de Chile o cualquier subdivisión de la misma, en cuyo caso prevalecerá el texto en castellano.
IN WITNESS WHEREOF, the Borrower has caused this Note to be executed by its duly authorised representatives.	EN FE DE LO CUAL, el Suscriptor ha hecho que este Pagaré sea suscrito por sus representantes debidamente autorizados.
WITHOUT PROTEST. NO PRESENTMENT NEEDED FOR PAYMENT.	SIN PROTESTO NO SE REQUIERE LA PRESENTACION PARA EL PAGO

p.p. CORPBANCA

By/Por: _____	By/Por: _____
Name/Nombre: Title/Cargo:	Name/Nombre: Title/Cargo:

Autorizo la firma de don _____, cédula nacional de identidad _____, y de don _____, cédula nacional de identidad _____, en representación de CORPBANCA. El impuesto que grava este Pagaré por \$ _____ se pagó con esta fecha mediante formulario 24 del Servicio de Impuestos Internos, Folio N° _____, en el Banco _____.

EXHIBIT B-2

FORM OF NEW YORK PROMISSORY NOTE

PROMISSORY NOTE

\$ _____

Dated: _____, _____
Santiago, Chile

FOR VALUE RECEIVED, the undersigned, CORPBANCA, a banking corporation duly organized and validly existing under the laws of the Republic of Chile, acting through its New York Branch (the "Borrower"), HEREBY PROMISES TO PAY to the order of _____ (the "Lender") for the account of its Applicable Lending Office (as defined in the Credit Agreement referred to below), on _____, the principal sum of _____ Dollars (\$ _____).

The Borrower promises to pay interest on the unpaid principal amount hereof of the Loan from the date hereof until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Credit Agreement.

Both principal and interest are payable in lawful money of the United States in immediately available funds to Standard Chartered Bank, as Administrative Agent, for the account of the Lender, at [____], SWIFT: [____], Favor: [____] SWIFT: [____], Account No.: [____], Reference: Corpbanca – Loans & Agency, Attention: [____], or at such other account as the Administrative Agent may from time to time designate by notice to the Borrower.

This Promissory Note is one of the Notes referred to in, and is entitled to the benefits of, the Credit Agreement dated as of July [___], 2012 (as from time to time amended, the "Credit Agreement") among the Borrower, the Lender and certain other lenders parties thereto, Standard Chartered Bank, as Administrative Agent thereunder, HSBC Securities (USA) Inc., Standard Chartered Bank and Wells Fargo Securities LLC, as Lead Arrangers and Bookrunners and Commerzbank Aktiengesellschaft, as Lead Arranger and evidences the Loan made by the Lender to the Borrower thereunder. Terms used but not defined in this Promissory Note have the respective meanings assigned to them in the Credit Agreement. The Credit Agreement, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and for the prepayments of the Loan upon the terms and conditions specified therein.

The Borrower hereby waives presentment, demand, protest, domicile and notice of any kind. No failure to exercise, and no delay in exercising, any rights hereunder on the part of the holder hereof shall operate as a waiver of such rights.

This Promissory Note shall be governed by, and construed in accordance with, the law of the State of New York, United States.

By: _____

Name:

Title:

EXHIBIT C

Repertorio N°

REPROGRAMACIÓN, PRÓRROGA

Y

DECLARACION Y RECONOCIMIENTO DE DEUDA

CORPBANCA

A

STANDARD CHARTERED BANK Y OTROS

EN SANTIAGO, REPUBLICA DE CHILE, a [●], ante mí, [**nombre notario público**], [nacionalidad], abogado, Notario Público Titular de la [●] notaría de esta ciudad, con oficio en [dirección], comparece:

[nombre representante], [nacionalidad], [estado civil], [profesión], cédula nacional de identidad número [●], en representación, según se acreditará, de **CORPBANCA**, sociedad anónima bancaria debidamente constituida y válidamente existente de conformidad a las leyes de la República de Chile,

Rol Único Tributario número [●], en adelante también denominada el “**Deudor**”, todos domiciliados para estos efectos en esta ciudad, en [dirección], Comuna de [●]; el compareciente mayor de edad, quien acredita su identidad con la cédula mencionada y expone:

PRIMERO.- Antecedentes. Uno) Con fecha veintinueve de julio de dos mil diez, mediante instrumento privado otorgado en idioma inglés denominado “*Credit Agreement*”, y gobernado por las leyes del Estado de Nueva York, Estados Unidos de América, en adelante referido en este instrumento como el “**Contrato de Crédito Original**”, un sindicato de acreedores, en adelante los “**Acreedores Originales**”, otorgó préstamos al Deudor por la suma total de ciento sesenta y siete millones quinientos mil dólares de los Estados Unidos de América, en adelante “**Dólares**”. Los préstamos efectuados en conformidad a las estipulaciones del Contrato de Crédito Original en adelante serán individualizados en este instrumento como los “Préstamos Originales”.

Dos) La obligación del Deudor de pagar el capital de los Préstamos Originales fue documentada adicionalmente con pagarés que la Deudora suscribió a la orden de cada uno de los Acreedores Originales, en la misma fecha en que se otorgaron los Préstamos Originales, en adelante los “**Pagarés**”. Se deja constancia que dichos Pagarés se encontraban afectos al pago del impuesto de timbres y estampillas establecido en el Decreto Ley número tres mil cuatrocientos setenta y cinco de mil novecientos ochenta, en adelante el “**Impuesto de Timbres**”, el que se pagó mediante formularios veinticuatro de fecha 29 de agosto del 2010, según se evidencia en las copias simples de los Pagarés que se protocolizan como anexo a la presente escritura. El presente reconocimiento de deuda no se encuentra afecto al pago de impuesto de timbres y estampillas.

SEGUNDO.- Cesión y Reprogramación del Contrato de Crédito Original.

/i/ Mediante instrumento privado otorgado en idioma inglés denominado “*Master Assignment and Assumption Agreement*”, suscrito con fecha [●] de dos mil doce, y gobernado por las leyes del Estado de Nueva York, Estados Unidos de América, en adelante referido en este instrumento como el “**Contrato de Cesión**”, [●],[●] y [●] cedieron a Standard Chartered Bank, HSBC Bank Bermuda Limited, Wells Fargo Bank, N.A., y a [●] en las proporciones indicadas en el Contrato de Cesión, la totalidad de sus derechos y obligaciones bajo el Contrato de Crédito Original y los Préstamos Originales.

/ii/ Mediante instrumento privado otorgado en idioma inglés denominado “*Amended and Restated Credit Agreement*”, suscrito con fecha [●] de dos mil doce, y gobernado por las leyes del Estado de Nueva York, Estados Unidos de América, en adelante referido en este instrumento como el “**Contrato de Crédito Modificado**”, el Deudor, Standard Chartered Bank en calidad de acreedor y agente administrativo, en adelante el “**Agente Administrativo**”, HSBC Bank Bermuda Limited, Wells Fargo Bank, N.A. y [●], en calidad de acreedores, en adelante Standard Chartered Bank, HSBC Bank Bermuda Limited, Wells Fargo Bank, N.A., y [●], conjuntamente los “**Acreedores**”, el Deudor y los Acreedores acordaron reprogramar el Contrato de Crédito Original, introduciendo ciertas modificaciones a los términos y condiciones del Contrato de Crédito Original y de los Préstamos Originales. Adicionalmente, los Acreedores otorgaron nuevos préstamos al Deudor por la suma total de [●] millones de Dólares.

/iii/ En cuanto a la reprogramación de los Préstamos originales, el Deudor y los Acreedores acordaron prorrogar la fecha de pago del capital de los Préstamos Originales, de tal manera que el pago del capital de los Préstamos Originales prorrogados, en adelante los “**Préstamos Reprogramados**” deberá amortizarse el [●] de [●] de, 2014, en adelante la “**Fecha de Vencimiento**”. Asimismo, el Deudor se obligó a pagar intereses respecto de los Préstamos Reprogramados en las fechas y según las tasas de interés establecidas en el Contrato de Crédito Modificado.

Entre otras materias, el Contrato de Crédito Modificado establece, las tasas de interés de cada uno de los Préstamos Reprogramados, las fechas de pago de los intereses, el pago de intereses sobre sumas adeudadas impagas o morosas y las tasas de interés aplicables a dichas sumas impagas o morosas. También contempla prepagos obligatorios en las circunstancias y en las fechas indicadas en

el Contrato de Crédito Modificado; el pago de comisiones, impuestos, gastos, honorarios, costas judiciales, indemnizaciones y otros cargos, obligaciones de hacer y no hacer y Causales de Incumplimiento/*Events of Default*/, según dicho término se define en el Contrato de Crédito Modificado, que de ocurrir permitirá a los Acreedores declarar todo el saldo adeudado de los Préstamos Reprogramados como de plazo vencido y exigible, caso en el cual todas y cada una de las obligaciones bajo el Contrato de Crédito Modificado se harán inmediatamente exigibles.

TERCERO.- Autorización del Banco Central de Chile. Se deja expresa constancia que los nuevos términos y condiciones financieras de los Préstamos Reprogramados, según el Nuevo Contrato de Crédito Refundido, serán informados al Banco Central de Chile de acuerdo a la normativa vigente, pasando a formar parte integrante del registro original de los Préstamos Originales del Contrato de Crédito Original, indicados en las cláusulas precedentes.

CUARTO.- Prórroga de Vencimiento. En conformidad con lo establecido en el artículo segundo del Decreto Ley número tres mil cuatrocientos setenta y cinco del año mil novecientos ochenta y con el objeto de hacer efectiva en Chile la modificación y prórroga de que da cuenta el Contrato de Crédito Modificado, el Deudor viene por el presente instrumento en dejar constancia de la prórroga del vencimiento de los Préstamos Reprogramados, hasta la Fecha de Vencimiento, obligándose el Deudor a pagar en dicha fecha el total del capital adeudado a esta fecha.

QUINTO.- Reconocimiento de Deuda. Asimismo, en cumplimiento de las modificaciones pactadas en el Contrato de Crédito Modificado en virtud de la prórroga y demás modificaciones antes referidas y con el objeto de facilitar el cobro de los Préstamos Reprogramados, el Deudor declara y reconoce adeudar a cada uno de los Acreedores, las sumas de dinero por concepto de capital de los Préstamos Reprogramados que a continuación se indican:

Uno/ Standard Chartered Bank, la suma de [●] Dólares;

Dos/ HSBC Bank Bermuda Limited, la suma de [●] Dólares;

Tres/ Wells Fargo Bank, N.A., la suma de [●] Dólares; y,

Cuatro/ [●], la suma de [●] Dólares.

El Deudor se obliga a pagar el capital de los Préstamos Reprogramados cuyo monto total asciende a [●] Dólares en la Fecha de Vencimiento. En la Fecha de Vencimiento, el Deudor deberá pagar el capital e intereses, así como cualquier otro monto reconocido adeudar en virtud del presente instrumento.

Los montos reconocidos adeudar por parte del Deudor a los Acreedores en virtud de la presente cláusula devengarán intereses sobre el saldo insoluto de capital de este instrumento, a contar de esta fecha y hasta la fecha de su pago íntegro y efectivo, a una tasa de interés anual igual a la suma de LIBOR, según se define más adelante, más el Margen Aplicable, según se define más adelante, para dicho Período de Interés, según se define más adelante. Dichos intereses serán pagaderos en cada Fecha de Pago de Intereses, según se define más adelante.

Asimismo, el Deudor se obliga incondicionalmente a pagar intereses moratorios sobre cualquier suma impaga a la fecha de su respectivo vencimiento conforme a este instrumento, sea por concepto de capital o intereses, por cada día de atraso hasta el día de su pago efectivo, a una tasa anual igual a la suma de dos puntos porcentuales más la suma del Margen Aplicable más LIBOR aplicable en la fecha en que dicho pago se hizo exigible.

Los intereses moratorios serán pagaderos al mero requerimiento escrito de los Acreedores y se devengarán desde la fecha de la mora o simple retardo hasta la fecha en que la suma adeudada se pague íntegramente. Se calcularán todos los intereses pagaderos en virtud de este instrumento sobre la base de un año de trescientos sesenta días y se pagarán por el número de días efectivamente transcurridos, incluyendo el primer día pero excluyendo el último, durante el Período de Interés respectivo por el cual deba pagarse intereses.

El Deudor se obliga a pagar las sumas de dinero antes individualizadas y cada pago deberá hacerse en Dólares, con fondos disponibles el mismo día, y libres y netos de cualesquiera derechos de compensación, contrademanda u otra defensa, a nombre de los Acreedores. Todos los pagos bajo este instrumento deberán hacerse al Agente Administrativo, a cuenta de los Acreedores, a más tardar a las once a.m, hora de la ciudad de Nueva York, del día del vencimiento correspondiente, en las oficinas del Agente Administrativo, de acuerdo a las siguientes instrucciones: [●], o de acuerdo a alguna otra instrucción que el Agente Administrativo o los Acreedores entreguen al Deudor por escrito.

SEXTO.- Definiciones.

/Seis.Uno./ “Margen Aplicable” significa el porcentaje señalado a continuación para la correspondiente clasificación otorgada por S&P a la deuda senior sin respaldo de crédito y no garantizada de largo plazo por préstamos del Deudor, de acuerdo a la información de dicha clasificación publicada más recientemente (“**Clasificación de Deuda**”): (i) A- o superior: 1 coma cuatrocientos cincuenta por ciento; (ii) BBB+: uno coma quinientos veinticinco por ciento, (iii) BBB: uno coma setecientos por ciento; y (iv) BBB-: uno coma novecientos cincuenta por ciento; en el entendido que si en el segundo Día Hábil anterior a que comience cada Período de Interés (i) S&P no publica una Clasificación de Deuda para el Deudor, (ii) el sistema de clasificación de S&P cambia o (iii) S&P no continua prestando el servicio de clasificación de deuda de empresas, en ese caso el Margen Aplicable para el Período de Interés para el cual se calculará el interés en la fecha indicada será uno coma novecientos cincuenta por ciento, en el entendido que dicho Margen Aplicable se aplicará retroactivamente desde el comienzo de dicho Periodo de Intereses.

/Seis.Dos./ “Día Hábil” significa cualquier día en que (i) los bancos no están obligados o autorizados para cerrar en la Ciudad de Nueva York, Estados Unidos de América o en Santiago, Chile y (ii) se hacen transacciones en el mercado interbancario de Londres.

/Seis.Tres./ “Fecha de Pago de Intereses” significa los días [●], sin perjuicio de que, si alguna Fecha de Pago de Intereses cae en un día que no fuere un Día Hábil, la fecha de dicho vencimiento se extenderá al Día Hábil inmediatamente siguiente y se calcularán los pagos de intereses u otros montos incluyendo dicha extensión; en el entendido, sin embargo, que si como resultado de dicha extensión dicho pago de intereses o capital de este reconocimiento de deuda se efectuare en otro mes calendario, dicho pago se materializará el Día Hábil inmediatamente anterior.

/Seis.Cuatro./ “Período de Interés” significa el período que comienza en esta fecha y termina el [●], y, de ahí en adelante, cada uno de los siguientes Períodos de Interés comenzará el último día de Período de Interés inmediatamente precedente y terminará seis meses después; en el entendido, sin embargo que: (i) si cualquier Período de Interés que de otro modo haya de terminar en un día que no sea un Día Hábil dicho Período de Interés se extenderá al Día Hábil inmediatamente siguiente, a menos que, terminara en otro mes calendario, entonces dicho Período de Interés terminará en el Día Hábil inmediatamente anterior, (ii) cualquier Período de Interés que comience el último Día Hábil (o en un día del mes respecto del cual no exista un día numérico equivalente en el último mes de dicho Período de Interés) terminará el último Día Hábil del último mes de dicho Período de Interés y (iii) dicho Período de Interés no se extenderá más allá de la Fecha de Pago de Intereses.

/Seis.Cinco./ “Bancos de Referencia” significa las principales oficinas de Londres de [●],[●] y [●].

/Seis.Seis./ “LIBOR” significa, para cualquier Período de Interés, la tasa que aparezca en la página *Reuters Screen LIBOR01* para depósitos en Dólares con vencimientos comparables a dicho Período de Interés, cotizado a las 11 :00 a.m. (hora Londres) en el segundo Día Hábil anterior al comienzo de dicho Período de Interés; en el entendido que si dicha página no está disponible o si dicha tasa no es cotizada para el respectivo Período de Interés, la tasa LIBOR será el promedio de la cotización ofrecida por dos o más Bancos de Referencia seleccionados por el Agente Administrativo de entre los bancos líderes del mercado interbancario de Londres para depósitos en Dólares de montos similares a los adeudados bajo este instrumento con periodos similares al respectivo Período de Interés.

SÉPTIMO.- Extinción de obligación de pago. Toda obligación de pago de los Préstamos Reprogramados, sólo se extinguirá en virtud del pago de las mismas en Dólares. Si los Acreedores reciben una cantidad adeudada por el Deudor bajo este instrumento, o si la obligación del Deudor es objeto de un reclamo o figura en una sentencia expresada en una moneda distinta del Dólar: (i) el Deudor indemnizará a los Acreedores, como una obligación independiente, por cualquier pérdida derivada de o relacionada con dicha conversión o con la recuperación de una suma en una moneda distinta del Dólar; (ii) si la cantidad recibida por los Acreedores, cuando ésta sea convertida a Dólares a la tasa del mercado en el giro ordinario del negocio de los Acreedores, es menor de la cantidad total de Dólares adeudada, el Deudor se obliga a pagar a los Acreedores a su mera solicitud, una cantidad en Dólares igual a la diferencia; si es mayor, los Acreedores se obligan a pagar al Deudor a su mera solicitud, una cantidad en Dólares igual al exceso; y (iii) el Deudor se obliga a pagar a los Acreedores a su mera solicitud, cualquier costo adicional razonable u otra suma razonable de dinero adeudada que corresponda pagar respecto de la conversión o la recuperación de una cantidad expresada en una moneda distinta del Dólar. El Deudor renuncia a todo derecho en cualquier jurisdicción para pagar cualquier cantidad bajo este instrumento en una moneda distinta del Dólar.

OCTAVO.- Sucesores y Cesionarios. Las estipulaciones del presente instrumento beneficiarán a los Acreedores, a quienes revistan la calidad de sucesores o cesionarios de los mismos, y quienes se subroguen legal o voluntariamente en sus derechos, conforme al Contrato de Crédito Modificado. Tales sucesores o cesionarios, y quienes se subroguen legal o voluntariamente en tales derechos, tendrán en contra del Deudor los mismos derechos y beneficios que esta escritura otorga a los Acreedores, considerándose para todos los efectos como tales.

NOVENO.- Domicilio, Ley Aplicable y Jurisdicción. Para todos los efectos legales que se deriven de esta escritura, el Deudor constituye domicilio en la ciudad y comuna de Santiago de Chile. Asimismo, en este acto el Deudor, en beneficio de los Acreedores, se somete a la competencia de los tribunales de la ciudad y comuna de Santiago de Chile, en relación con cualquiera acción o

procedimiento derivado o relacionado con la presente escritura. La presente escritura se encuentra sujeta a la ley chilena. Lo dispuesto en esta cláusula no obsta ni afecta la determinación de la jurisdicción en que se haya de iniciar, por parte de los Acreedores, cualquier acción o procedimiento en contra del Deudor en virtud del Contrato de Crédito Modificado o cualquier documento relacionado con el mismo.

DÉCIMO.- No Enmienda. Ausencia de Novación. Los acuerdos aquí contenidos no producen novación alguna de las obligaciones adeudadas de conformidad con el Contrato de Crédito Modificado, no viéndose afectado en modo alguno los derechos y acciones legales de los Acreedores bajo dicho instrumento. A mayor abundamiento, las partes dejan constancia que el presente instrumento no importa modificación o alteración alguna respecto de los términos, estipulaciones y condiciones convenidas por la Deudora y los Acreedores Originales en el Contrato de Crédito Original, que constan en los documentos individualizados en las cláusulas precedentes.

UNDÉCIMO.- Título Ejecutivo. El Deudor, debidamente representado al efecto, por el presente acto declara y reconoce expresamente que el presente instrumento constituye, por sí mismo, título ejecutivo de conformidad con la legislación chilena.

PERSONERIA. La personería de [●] para representar a Corpbanca consta de [●]. La personería antes indicada no se inserta por ser conocida de la parte compareciente y del Notario que autoriza.- En comprobante y previa lectura, el compareciente ratifica y firma. Se deja constancia que la presente escritura se encuentra anotada en el Libro de Repertorio de Instrumentos Públicos de esta Notaría, con esta misma fecha.- Se da copia. Doy fe.-

pp. CORPBANCA

[]

C.I. []

C-10

EXHIBIT D-1

FORM OF NOTICE OF BORROWING

July [], 2012

Standard Chartered Bank, as Administrative Agent
under the Credit Agreement referred to below
[ADDRESS]

Attention: []

Ladies and Gentlemen:

The undersigned, Corpbanca (the "Borrower"), refers to the Amended and Restated Credit Agreement, dated as of July 24, 2012 (as the same may be amended or modified from time to time, the "Credit Agreement") among the Borrower, the Lenders, the Lead Arrangers and Bookrunners, the Lead Arranger and Standard Chartered Bank, as Administrative Agent. Unless otherwise defined herein, capitalized terms herein are used as defined in the Credit Agreement. The undersigned hereby gives you irrevocable notice pursuant to Section 2.02(a) of the Credit Agreement that the undersigned hereby requests the Initial Borrowing, and in connection with that request sets forth below the information relating to the Initial Borrowing (the "Proposed Borrowing") as required by Section 2.02(b)(i) of the Credit Agreement:

- (a) The Business Day of the Proposed Borrowing is _____, 2012.
- (b) The aggregate amount of the B Term Loans requested as part of the Proposed Borrowing is \$_____.
- (c) The aggregate amount of the C Term Loans requested as part of the Proposed Borrowing is \$_____.
- (d) The proceeds of the B Term Loans under the Proposed Borrowing are requested to be disbursed to the Borrower's account number _____ located at _____.
- (e) The proceeds of the C Term Loans under the Proposed Borrowing are requested to be disbursed to the Borrower's account number _____ located at _____.
- (f) Acknowledges and agrees that all payments in respect of the B Term Loans referred to herein shall be made to the following account:

[]
[ABA No. _____]
[Account Name: _____]
[Account Number: _____]

(g) Acknowledges and agrees that all payments in respect of the C Term Loans referred to herein shall be made to the following account:

[_____]
[ABA No. _____]
[Account Name: _____]
[Account Number: _____]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(a) the representations and warranties contained in Article IV of the Credit Agreement (other than representations and warranties that are expressly made as of a specific date other than the date hereof or the date of the Proposed Borrowing) are correct in all material respects, before and immediately after giving effect to the Proposed Borrowing, as though made on the date of the Proposed Borrowing; and

(b) no Default or Event of Default has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds therefrom.

Very truly yours,

CORPBANCA

By: _____
Name: _____
Title: _____

EXHIBIT D-2

FORM OF ACCESSION NOTICE

July [], 2012

Standard Chartered Bank, as Administrative Agent
under the Credit Agreement referred to below
[ADDRESS]

Attention: []

Ladies and Gentlemen:

The undersigned, Corpbanca (the "Borrower"), refers to the Amended and Restated Credit Agreement, dated as of July [], 2012 (as the same may be amended or modified from time to time, the "Credit Agreement") among the Borrower, the Lenders, the Lead Arrangers and Bookrunners, the Lead Arranger and Standard Chartered Bank, as Administrative Agent. Unless otherwise defined herein, capitalized terms herein are used as defined in the Credit Agreement. The undersigned hereby gives you irrevocable notice pursuant to Section 2.01(b) of the Credit Agreement that the undersigned hereby elects to exercise its right to increase the aggregate amount of the C Term Loan Commitments and to request the Additional Borrowing, and in connection with such requests sets forth below the information relating to the Additional Borrowing (the "Proposed Borrowing") as required by Section 2.02(b) of the Credit Agreement:

- (a) The Business Day of the Proposed Borrowing is _____, 2012.
- (b) The aggregate amount of the C Term Loans requested as part of the Proposed Borrowing is \$25,000,000.
- (c) The proceeds of the C Term Loans under the Proposed Borrowing are requested to be disbursed to the Borrower's account number _____ located at _____.
- (d) Acknowledges and agrees that all payments in respect of the C Term Loans referred to herein shall be made to the following account:

[]
[ABA No. _____]
[Account Name: _____]
[Account Number: _____]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(a) the representations and warranties contained in Article IV of the Credit Agreement (other than representations and warranties that are expressly made as of a specific date other than the date hereof or the date of the Proposed Borrowing) are correct in all material respects, before and immediately after giving effect to the Proposed Borrowing, as though made on the date of the Proposed Borrowing; and

(b) no Default or Event of Default has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds therefrom.

Very truly yours,

CORPBANCA

By: _____
Name: _____
Title: _____

EXHIBIT E

FORM OF COMPLIANCE CERTIFICATE

This certificate, dated as of [____] [], 2012, is prepared pursuant to Section 5.05 [(b) or (c)] of the Amended and Restated Credit Agreement, dated as of July 24, 2012, (as the same may be amended or modified from time to time, the "Credit Agreement") among Corpbanca (the "Borrower"), the Lenders, the Lead Arrangers and Standard Chartered Bank, as Administrative Agent. Unless otherwise defined herein, capitalized terms herein are used as defined in the Credit Agreement.

The Borrower hereby certifies (a) that no Default or Event of Default has occurred or is continuing, except as described below, (b) that all of the representations and warranties contained in Article IV of the Credit Agreement (other than any representations and warranties that are expressly made as of another specific date) are true and correct in all material respects as if made on this date, and (c) that the Borrower is in compliance with all the covenants contained in Article VI of the Credit Agreement, including without limitation (i) the negative pledge contained in Section 6.01 of the Credit Agreement; (ii) the limitations on Restricted Payments contained in Section 6.02 of the Credit Agreement; (iii) the BIS Capital Ratio contained in Section 6.07 of the Credit Agreement; (iv) the Non-Performing Loans to Total Loans Ratio contained in Section 6.08 of the Credit Agreement; and (v) the Loan Loss Reserve to Non-Performing Loans Ratio contained in Section 6.09 of the Credit Agreement.

Executed this ____ day of [____], 20[____].

CORPBANCA

By: _____
Name: _____
Title: _____

EXHIBIT F

FORM OF INTEREST SETTING NOTICE

INTEREST SETTING NOTICE

TO: Standard Chartered Bank, as Administrative Agent (the “Administrative Agent”)

FROM: [Lender] (the “Lender”)

RE: Interest Setting Notice pursuant to Section 2.10 of the Amended and Restated Credit Agreement, dated as of July 24, 2012 (the “Credit Agreement”), among Corpbanca, the Lenders party thereto from time to time, the Administrative Agent, the Lead Arrangers and Bookrunners and the Lead Arranger.

DATE: _____

Pursuant to the Credit Agreement, the Lender hereby requests that the Alternate Rate (as such term is defined in the Credit Agreement) should apply for the next Interest Period.

[Lender]

(Authorized Officer)

EXHIBIT G

FORM OF LEGAL OPINION OF SPECIAL NEW YORK COUNSEL TO THE BORROWER

July [], 2012

Standard Chartered Bank, as
Administrative Agent

and the Lenders from time to time party to
the Credit Agreement

Re:*Corbanca*

Gentlemen and Ladies:

We have acted as special New York counsel to Corbanca, a Chilean financial institution (“**Company**”), in connection with the Amended and Restated Credit Agreement, dated as of the date hereof (the “**Credit Agreement**”), among the Company, the lenders from time to time party thereto (the “**Lenders**”), Standard Chartered Bank, as administrative agent (in such capacity, the “**Administrative Agent**”), HSBC Securities (USA) Inc., Standard Chartered Bank and Wells Fargo Securities, LLC, as lead arrangers and book runners and Commerzbank Aktiengesellschaft, as lead arranger. This opinion is delivered to you pursuant to Section 3(c)(iv) of the Credit Agreement. Please be advised that we act as counsel to the Company only on select matters and do not act as general counsel to the Company or its Affiliates. Capitalized terms used in this opinion letter and not otherwise defined herein shall have the meanings specified in the Credit Agreement.

We have examined originals (or copies of executed originals) of the Credit Agreement, the Master Assignment and Assumption Agreement, dated as of the date hereof (the “**Master Assignment and Assumption Agreement**”), by and among the Company, each of the assignors and assignees party thereto, the Administrative Agent and BNP Paribas and each of the Notes dated as of the date hereof delivered under the Credit Agreement (the “**Notes**,” and together with the Credit Agreement and the Master Assignment and Assumption Agreement, the “**Transaction Documents**”), as well as the certificate of an officer of the Company, dated the date hereof.

In making such examination and rendering the opinions set forth below, we have assumed the genuineness of all signatures the legal capacity and competence of all individuals, the authenticity of all documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as certified, conformed or photostatic copies of such documents.

In rendering the opinions set forth below, we have also assumed that (a) each of the parties to the Transaction Documents has duly and validly executed and delivered the Transaction Documents; (b) each of the parties to the Transaction Documents is validly existing and in good standing under the laws of the jurisdiction of its organization or formation; (c) each of the parties to the Transaction Documents has the requisite power and authority and has taken the action necessary to authorize the execution and delivery of the Transaction Documents and to consummate the transactions contemplated thereby; (d) the Transaction Documents constitute the valid and binding obligations of each party thereto (other than the Company as it relates to New York law to the extent set forth herein), enforceable against such party in accordance with their respective terms; and (e) all authorizations, approvals or consents of (including, without limitation, all foreign exchange control approvals), and all filings or registrations with, any governmental or regulatory authority or agency of the Republic of Chile (including, without limitation, the central bank of the Republic of Chile) required for the making and performance by the Company of the Transaction Documents have been obtained or made and are in effect (provided that no such assumption is made with regard to authorizations approvals, consents, filings or registrations to the extent set forth in opinion paragraph 3 below). We assume that (i) there has been no mutual mistake of fact, or misunderstanding or fraud, duress or undue influence in connection with the negotiation, delivery and execution of the Transaction Documents and (ii) there are and have been no agreements or understandings among the parties, written or oral, and there is and has been no usage of trade or course of prior dealing among the parties that would, in either case, vary, supplement, or qualify the terms of the Transaction Documents.

Our opinions set forth herein are based on our consideration of only those statutes, rules, regulations and judicial decisions which, in our experience, are normally applicable to transactions of the type contemplated by the Transaction Documents.

With respect to certain factual matters material to our opinions, we have relied upon representations and warranties of the Company in the Transaction Documents, and certificates or comparable documents of officers of the Company, public officials and other authorized persons and we have made no independent inquiry into the accuracy of such representations or certificates.

Based upon the foregoing and subject to the assumptions and qualifications set forth above and hereinafter, we are of the opinion that:

1. The Transaction Documents constitute the valid and binding obligation of the Company, enforceable against the Company in accordance with their respective terms.
2. The execution and delivery by the Company of the Transaction Documents and consummation by the Company of the transactions contemplated by the Transaction Documents do not violate any law, statute, rule or regulation under the federal laws of the United States (assuming that the proceeds of the Loan are used solely for the purposes set forth in the Credit Agreement) or the State of New York applicable to the Company.
3. No order, consent, approval or filing, recording or registration with or exemption by any New York or federal Governmental Authority is required to authorize or is required in connection with (i) the execution and delivery of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated by the Transaction Documents or (ii) the validity, binding effect or enforceability against the Company of the Transaction Documents.

4. None of the Company or its Subsidiaries are registered or required to be registered as an “investment company” or a company “controlled” by an “investment company” pursuant to the Investment Company Act of 1940, as amended.

5. Under the laws of the State of New York relating to submission to personal jurisdiction, the Company has, pursuant to Section 9.14 of the Credit Agreement, validly submitted to the personal jurisdiction of the courts referenced therein, in any suit or proceeding arising out of or relating to the Transaction Documents or the transactions contemplated thereby.

The foregoing opinions are subject to the following qualifications:

(a) The opinions expressed herein are limited by principles of equity (regardless of whether considered in a proceeding in equity or at law) that may limit the availability of certain rights and remedies and do not reflect the effect of bankruptcy (including preferences), insolvency, fraudulent conveyance, receivership, reorganization, moratorium and other laws or decisions relating to or affecting debtors’ obligations or creditors’ rights generally (including, but not limited to, foreign laws or governmental action affecting the rights of creditors generally) and, as to rights of indemnification and contribution, by principles of public policy.

(b) Without limiting the generality of the foregoing, we express no opinion with respect to: (1) the availability of specific performance or other equitable remedies for noncompliance with any of the provisions contained in the Transaction Documents; (2) the enforceability of provisions contained in the Transaction Documents relating to the effect of laws not currently in effect which may be enacted in the future; (3) the enforceability of provisions in the Transaction Documents purporting to waive the effect of applicable laws to the extent such waivers are prohibited by such applicable laws; (4) the effectiveness of any power-of-attorney given under the Transaction Documents that is intended to bind successors and assigns that have not granted such powers by a power-of-attorney specifically executed by them; (5) provisions related to waivers of remedies (or the delay or omission of enforcement thereof), disclaimers, liability limitations or limitations on the obligations of the Lenders in circumstances in which a failure of condition or default by any party is not material; (6) the indemnification and contribution provisions of the Transaction Documents if and to the extent that such provisions contravene public policy or might require indemnification or payments with respect to any litigation against a party to the Transaction Documents determined adversely to the other party(ies) to such litigation, or any loss, cost or expense arising out of an indemnified party’s gross negligence or willful misconduct or any violation by an indemnified party of statutory duties, general principles of equity or public policy; (7) provisions in the Transaction Documents that purport to establish evidentiary standards; (8) provisions in the Transaction Documents that provide that certain rights or obligations are absolute or unconditional; (9) the right of any Lender to set off against funds held in any account maintained with such Lender by the Company and which account is designated, or contains funds that such Lender is aware have been set aside, for special purposes, such as payroll, trust and escrow accounts, or which funds are subject to special agreement between such Lender and the Company expressly precluding or limiting rights to set off funds; (10) provisions that provide for the enforceability of the remaining terms and provisions of the Transaction Documents in circumstances in which certain other terms and provisions of the Transaction Documents are illegal or unenforceable; (11) provisions that restrict access to or waive legal or equitable remedies or access to courts; (12) provisions that affect or confer jurisdiction (other than on the courts of New York); (13) provisions that permit any Lender

to act in its sole discretion or to be excused from liability for its actions to the extent not permitted by law; (14) any provision of the Transaction Documents that may be construed as a forfeiture or penalty; (15) any provision of the Transaction Documents that purports to provide that the terms thereof may not be varied or waived except in writing or that the express terms thereof supersede any inconsistent course of performance and/or usage of the trade; (16) the effect of the laws of any jurisdiction (other than New York and U.S. Federal laws) in which the Administrative Agent or any Lender is located that limits the interest, fees or other charges it may impose for the Loan or use of money or other credit; (17) Section 9.15 of the Credit Agreement; or (18) Section 9.18 of the Credit Agreement to the extent it relates to immunity acquired after the date hereof.

(c) No opinion is rendered as to any federal, state or local laws, rules, or regulations relating to (1) antitrust or unfair competition; (2) securities or “blue sky” laws (except as set forth in paragraph 4 above); (3) environmental matters; (4) tax matters; (5) laws, rules and regulations under the Employment Retirement Income Security Act of 1974, as amended; (6) cities, townships, municipalities or other special local non-state governmental authorities; or (7) insurance, banking or financial institutions. In addition, no opinion is rendered herein as to applicability to or effect on any of the matters covered herein of the laws or regulations that apply specifically to the type of business conducted by the Company or any of its Subsidiaries or the regulatory status of any party to the Transaction Documents.

(d) In connection with our opinion set forth in paragraph (5) above, we assume that any such suit or proceeding will be properly brought in a court having jurisdiction over the subject matter, and we are expressing no opinion with respect to the subject matter jurisdiction of any such court. Also, we are expressing no opinion as to whether or under what circumstances such a court might decline to accept jurisdiction over such action on the ground that New York is an inconvenient forum. Furthermore, we express no opinion with respect to the provisions of Section 9.14 of the Credit Agreement insofar as it relates to (i) the subject matter jurisdiction of any United States Federal court to adjudicate any controversy, (ii) the jurisdiction of any courts other than the courts of the State of New York and United States federal courts, (iii) the conclusiveness or enforceability of foreign judgments, (iv) the waiver of inconvenient forum with respect to proceedings in the United States District Court for the Southern District of New York or (v) the waiver of a party’s right to a jury trial.

(e) Our opinion as to the enforceability of the choice of New York law as the governing law is subject to the qualification that (i) a court outside New York may decline to enforce the choice of law provisions in the Transaction Documents on the grounds of comity or (ii) any court may decline to enforce the choice of law provisions in the Transaction Documents because United States constitutional requirements are not satisfied.

We express no opinion as to the laws of any jurisdiction other than those of the United States of America and the State of New York. Without limiting the foregoing, we do not hold ourselves out as experts on, or purport to advise on, the laws of the Republic of Chile.

This opinion speaks only as of the date hereof. We have no obligation to advise the addressees (or any third party) of any changes in the law or facts that may occur after the date of this opinion.

Our opinions expressed herein are solely for your benefit and the benefit of your permitted assigns and participants under the Credit Agreement. This opinion may not be relied upon in any manner by any other person and may not be disclosed, quoted, assigned or circulated

or otherwise referred to without our express written consent other than to such participants and assigns (it being understood that this opinion also may be furnished to, but not relied upon by, prospective Lenders under the Credit Agreement); provided, however, that copies of this opinion may be furnished or disclosed to, but may not be relied on by, (i) your auditors and bank examiners in connection with their audit and examination functions and (ii) any other Person to the extent required by law or court order.

Very truly yours,

G-5

EXHIBIT H

FORM OF LEGAL OPINION OF IN-HOUSE COUNSEL TO THE BORROWER

Santiago (Chile), July [__], 2012

To BNP Paribas, as the Administrative Agent
and to each of the Lenders parties to the Agreement
Referred to below

Ladies and Gentlemen:

I have acted as in-house counsel to Corpbanca (the “**Borrower**”) in connection with: (a) the Amended and Restated Credit Agreement, dated as of July [__], 2012 (as amended, modified or supplemented from time to time, the “**Agreement**”), among the Borrower, the banks listed therein as lenders (the “**Lenders**”), Standard Chartered Bank, as Administrative Agent, and HSBC Securities (USA) Inc., Standard Chartered Bank and Wells Fargo Securities, LLC, as lead arrangers and book-runners (collectively, the “**Lead Arrangers**”); and (b) the Instruments (as defined in the Agreement) to be executed by the Borrower to the order of the Lenders pursuant to the Agreement (together, the “**Credit Documents**”). All capitalized terms used herein and not otherwise defined are used herein as defined in the Agreement.

In rendering this opinion, I have examined each of the following documents:

- (1) the *Escritura de Constitución* and *Estatutos* of the Borrower;
- (2) the Agreement;
- (3) the form of the Note attached to the Agreement as Exhibit B-1;
- (4) the form of the Recognition of Debt attached to the Agreement as Exhibit C;
- (5) Publics deed dated 16, February, 2012 and 26, April, 2001, both granted before the notary public of Santiago, Mr. José Musalem Saffie, containing the power of attorney and required authorizations for Mr. Fernando Massu Tare to enter and execute the Agreement; and
- (6) Power of Attorney dated 20, July, 2012, for Fernando Burgos and Joaquin Rojas to act on behalf of Corpbanca New York Branch.

In addition, I have examined and relied on originals or copies of all such corporate records of the Borrower and such other instruments and certificates of public officials, officers and representatives of the Borrower, and I have made such investigations of law as I have deemed appropriate as a basis for the opinions expressed herein.

In rendering the opinions expressed herein, I have assumed and have not independently verified (i) that the signatures on all the documents that I have examined are genuine; (ii) that all documents submitted to us as originals are authentic and the conformity to the originals of all documents submitted to us as copies; (iii) that the Agreement has been duly executed and delivered pursuant to the laws of the State of New York and is a valid and binding agreement of each party, enforceable against each such party in accordance with its terms under the laws of the State of New York.

The opinions expressed in this letter are limited to questions arising pursuant to the laws of Chile and I do not express any opinion on any question arising under the laws of any other jurisdiction.

Now, based upon the foregoing, but subject to the qualifications expressed below, I am of the opinion that:

1. The Borrower is a banking stock corporation (*sociedad anónima bancaria*) duly organized and validly existing under the laws of Chile and has the requisite power, authority and governmental approvals, licenses, authorizations or consents to own, lease and operate its properties and to carry on its business as presently conducted.
2. Each Credit Document has been duly executed and delivered by the Borrower.
3. The execution, delivery and performance by the Borrower of the Credit Documents and the transactions contemplated thereby (a) are within the Borrower's corporate powers, (b) have been duly authorized by all necessary corporate action, (c) do not contravene the Borrower's constitutive documents or organizational documents, (d) do not violate the laws of Chile applicable to the Borrower and (e) will not require the creation or imposition of any Lien prohibited by the Agreement.
4. Each Credit Document is the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with their terms. The Credit Documents do not contain any provisions which are contrary to Chilean laws regulations or public policy, as presently construed by Chilean Courts.
5. The Escritura pública de reprogramación y reconocimiento de deuda (Recognition of Debt) and the Pagarés (Promissory Note), both under Exhibit C and Exhibit B-1 of the Agreement, respectively, once executed and upon the payment of any applicable Chilean stamp tax (when applicable), will constitute (i) legal, valid and binding obligations under the laws of Chile, which is their governing law, and (ii) *título ejecutivo* (executive instruments) in Chile for the payment of the Loans documented thereby and will entitle the holder thereof to *acción ejecutiva* (summary proceedings) for the enforcement thereof. Notwithstanding the commencement of such *acción ejecutiva* (summary proceedings) in Chile on any such Instrument, the holder of such Instrument would be entitled concurrently to bring an ordinary action in Chile on the other Credit Documents for collection of other sums (without duplication of any amounts subject to the *acción ejecutiva*) owed to such holder under the Credit Documents.

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6. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other Person is required to be obtained or made for the due execution, delivery and performance by the Borrower of the Credit Documents or the consummation of the transactions contemplated thereby, except for the filing with the Banco Central de Chile of the terms and conditions of the Agreement pursuant to Section A.1 of Chapter XIII of the Compendium of Foreign Exchange Regulations of the Banco Central de Chile, which must be made no later than the date of the Initial Borrowing. However, a breach by the Borrower of this filing requirement does not affect the ability of the Borrower to comply with its payment obligations under any Credit Document or the rights of the Lenders under any Credit Document.
 7. All acts, conditions, and things required by the laws of Chile in force at the date hereof to be done, fulfilled, and performed in order (a) to enable the Borrower lawfully to enter into the Credit Documents and to exercise its rights under and perform and comply with the obligations expressed to be assumed by it in the Credit Documents, and (b) to ensure that the obligations expressed to be assumed by the Borrower in the Credit Documents are legal, valid, and binding, have been done, fulfilled, and performed.
 8. The choice of New York law to govern the Credit Agreement is, under the laws of Chile, a valid, effective and irrevocable choice of law.
 9. There is no tax, levy, impost, deduction, charge or withholding imposed by Chile or any political subdivision or taxing authority thereof or therein either (i) on or by virtue of the execution or delivery of the Credit Documents or any other document to be furnished thereunder; (ii) on any payment to be made by the Borrower, except that (x) a stamp tax will be payable in respect of the principal amount of "C Term Loans" at a rate of 0,6% on the principal amount thereof (the "**Stamp Tax**"), and (y) payments of interest made by the Borrower from Chile will be subject to Chilean withholding tax at an effective rate of 4.0% if paid to the Administrative Agent or to any of the Lenders or Lead Arrangers that is a foreign or international banking or financial institution, or to a 35% withholding tax to the extent paid to any other person or entity domiciled or resident abroad, while other payments under the Credit Documents (excluding principal) made by the Borrower from Chile may be subject to Chilean withholding tax at an effective rate of up to 35%. The Borrower is permitted under applicable law to pay any additional amounts payable under Section 2.09 and 2.12 of the Agreement and such provisions are valid and binding under the laws of Chile.
 10. Except for the payment of the Stamp Tax applicable to the "C Term Loans", the Credit Documents are in proper legal form under the laws of Chile for the enforcement thereof in accordance with their respective terms in the courts of Chile and the obligations of the Borrower under the Credit Documents may be enforced (by judgment and levy) in accordance with their respective terms and the following paragraph in a proceeding at law in any competent court in Chile.

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11. In order to ensure the legality, validity, enforceability or admissibility into evidence in Chile of any Credit Document, it is not necessary for such document to be filed or recorded with any court or authority in Chile nor that any tax (other than the Stamp Tax respect the “C Term Loans”) be paid on or in respect of such document; provided, however that, for the enforceability or admissibility into evidence of the Agreement, such document would have to be translated into the Spanish language by an approved translator (which translation could be effected at any time prior to such document being so admitted into evidence).
 12. The claims of the Administrative Agent, the Lead Arrangers and the Lenders against the Borrower under the Credit Documents rank at least *pari passu* in priority of payment and in all other respects with the claims of all its other unsecured and unsubordinated creditors save those whose claims are preferred solely by the laws of Chile relating to bankruptcy, insolvency, liquidation, or other similar laws of general application.
 13. The qualification of the Administrative Agent, any Lender or any Lead Arranger for admission to do business under the laws of Chile does not constitute a condition to, and the failure to so qualify does not affect the exercise by the Administrative Agent or such Lender of, any right, power or remedy accorded to it under any Credit Document.
 14. The Borrower is subject to civil and commercial laws with respect to its obligations under the Agreement and the Instruments and the execution, delivery and performance by it of its obligations under such documents constitute private and commercial acts (*jure gestionis* acts) rather than public or governmental acts (*jure imperii* acts). Neither the Borrower nor any of its properties has any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under the laws of Chile.
 15. No litigation, arbitration, suit, investigation or administrative proceeding is currently pending or threatened against or affecting the Borrower or any of its assets before any court, arbitrator or governmental agency that purports to, or may affect the legality, validity or enforceability of any of the Credit Documents or, if determined adversely to the Borrower, could individually or in the aggregate reasonably be likely to result in a Material Adverse Effect.
 16. The (i) submission by the Borrower to the non-exclusive jurisdiction of the courts of the State of New York in the Borough of Manhattan, City of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof, (ii) appointment of the agent for service of process and the designation of the method of service of process in the Agreement, and (iii) waiver of any objection to the laying of venue of certain actions, suits or proceedings, are, in each case, valid and effective under the laws of Chile, and are irrevocably binding on the Borrower.

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17. The courts of Chile will recognize as valid, and will enforce any final and conclusive civil judgment for a monetary claim obtained in a state or federal court sitting in the Borough of Manhattan, the City of New York, against the Borrower by the Administrative Agent, any Lender or any Lead Arranger under the Agreement without any retrial or re-examination of the merits of the original action under the following circumstances:
- (a) subject to subclause (c) below, if there is a treaty between Chile and the United States with respect to the enforcement of foreign judgments. Currently, there is no such treaty;
 - (b) subject to subclause (c) below, if there is no treaty, but either (i) the judgment is enforced as a result of reciprocity in the enforcement of judgments by State of New York or Federal courts of the United States sitting in the Borough of Manhattan (i.e., the relevant New York court would enforce a judgment of a Chilean court under comparable circumstances) or (ii) it cannot be proved that there is no reciprocity in the enforcement of judgments by such New York courts; provided, however, that such judgment will only be enforced if it has not been rendered by default within the meaning of Chilean law; provided, further, that (i) I am of the opinion that the judgment would not be considered to have been rendered by default if personal service of process is made upon an agent of the Borrower assuming that such manner of service is valid under the laws of the State of New York, unless the Borrower is able to prove that due to other reasons it was prevented from making use of its legal means of defense, and (ii) under Chilean law, the service of process by means of mailing copies to the Borrower may be deemed not effective to cause proper service of process and, consequently, any judgment rendered in a legal proceeding in which process was served by means of mailing copies to the Borrower may be then effectively contested by the Borrower in Chile; and
 - (c) such judgment is not contrary to the public policy of Chile or Chilean jurisdiction, and does not affect in any way any property located in Chile, which are, as a matter of Chilean law, subject exclusively to the jurisdiction of Chilean courts.

Pursuant to the rules described above, the Administrative Agent, any Lender or any Lead Arranger would be entitled to enforce such judgment in Chile in accordance with the procedure contemplated for the enforcement of final and conclusive foreign judgments in the Chilean Civil Procedure Code ("*exequatur*").

With respect to public policy and the enforcement of the obligations of the Borrower, and foreign judgments with respect thereto, and subject to the foregoing paragraph, I am of the opinion that, generally, any provision purporting to authorize conclusive determinations by any person whether for interest, indemnities, costs or otherwise may not be enforceable if they are based upon a determination which is so arbitrary and unreasonable as to be contrary to basic and fundamental principles of Chilean law or public policy. Also, disclaimers of liability will only be enforceable if there is no gross negligence or willful misconduct on the part of the party making such disclaimer.

Finally, I express no opinion as to the enforceability in Chile of a judgment rendered outside Chile against the Borrower, obtained in any court other than any New York court.

18. Neither the Lenders, the Administrative Agent, or the Lead Arrangers will be deemed to be residents, domiciled, or carrying on business in Chile by reason only of the execution, delivery, performance and/or enforcement of any Credit Document.

The foregoing opinions are subject to the following additional qualifications:

- (A) The opinions expressed in this opinion letter are subject to the effect of (i) applicable bankruptcy, liquidation, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to or affecting creditors' rights generally, and (ii) general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law).
- (B) The opinions expressed in this letter are limited to questions arising under the laws of Chile, and I do not purport to express an opinion on any question arising under the laws of any other jurisdiction.
- (C) This opinion is effective only as of the date hereof. I expressly disclaim any responsibility to advise you of any development or circumstance of any kind including any change of law or fact that may occur after the date of this letter even though such development, circumstance or change may affect the legal analysis, a legal conclusion or any other matter set forth in or relating to this letter. Accordingly, if you intend to rely on this letter at any time after the date hereof you should seek the advice of counsel as to the proper application thereof at such time.
- (D) I am furnishing this opinion to you solely for your benefit and this opinion may not be used, circulated, quoted or otherwise referred to, or relied upon by, any person or entity other than the addressees hereof and your permitted successors and assigns, or for any other purpose, without my prior written consent in each instance, except that you may disclose this opinion to: (i) any regulatory authority having jurisdiction over you, if required by any law or regulation; (ii) your legal advisors, auditors, supervisors or regulators; or (iii) a prospective new lender or sub-participant to the Agreement.

Sincerely yours,

EXHIBIT I

FORM OF LEGAL OPINION OF SPECIAL NEW YORK COUNSEL TO THE ADMINISTRATIVE AGENT

[____], 2012

To the Parties listed on Annex I hereto

Ladies and Gentlemen:

We have acted as New York counsel to Standard Chartered Bank, in its capacity as administrative agent (the "Administrative Agent"), HSBC Securities (USA) Inc., Standard Chartered Bank and Wells Fargo Securities, LLC, in their capacities as lead arrangers and book-runners and Commerzbank Aktiengesellschaft, in its capacity as lead arranger, in connection with the Amended and Restated Credit Agreement dated as of July [___], 2012 (the "Credit Agreement") among Corpbanca S.A., acting through its head office in Chile and its New York branch, as borrower (the "Borrower"), the banks and other financial institutions party thereto (the "Lenders") and the Administrative Agent. Capitalized terms used but not defined herein have the meaning given to such terms in the Credit Agreement. This opinion letter is delivered to each of you pursuant to Section 3.01(c)(iv)(C) of the Credit Agreement.

In connection with our opinion expressed below, we have examined originals or copies certified to our satisfaction of the documents listed on Annex II hereto and such other documents, certificates and other statements of government officials and corporate officers of the Borrower as we deemed necessary for the purposes of the opinion set forth herein. The documents listed on Annex II hereto are referred to herein as the "Opinion Documents."

We have relied, to the extent we deem such reliance proper, upon certificates of public officials and, as to any facts material to our opinion, upon certificates of officers of the Borrower and the representations of the Borrower in the Opinion Documents. In rendering such opinion, we have assumed without independent investigation or verification of any kind the genuineness of all signatures, the legal capacity of all natural persons signing the Opinion Documents, the authenticity of all documents submitted to us as originals, the conformity to authentic original documents of all documents submitted to us as copies, the truthfulness, completeness and correctness of all factual representations and statements contained in the Opinion Documents, the accuracy and completeness of all public records examined by us and the accuracy of English translations of all documents originally in other languages. We have also, without independent investigation or verification of any kind, made the assumptions set forth in Annex III hereto.

Based upon the foregoing assumptions and the assumptions set forth in Annex III hereto, and subject to the qualifications set forth herein and in Annex IV hereto, having considered such questions of law as we have deemed necessary as a basis for the opinions expressed below, we are of the opinion that each of the Opinion Documents constitutes the valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

The opinion expressed above is limited to questions arising under the federal law of the United States and the law of the State of New York. We do not express any opinion as to the laws of any other jurisdiction. The opinion expressed above is limited to the matters stated herein, and no opinion is implied or may be inferred beyond the one expressly stated herein.

The opinion expressed above is as of the date hereof only, and we express no opinion as to, and assume no responsibility for, the effect of any fact or circumstance occurring, or of which we learn, subsequent to the date of this opinion letter, including, without limitation, legislative and other changes in the law or changes in circumstances affecting any party. We assume no responsibility to update this opinion letter for, or to advise you of, any such facts or circumstances of which we become aware, regardless of whether or not they affect the opinion expressed herein.

This opinion letter is provided to you in connection with the transactions contemplated by the Opinion Documents and may not be relied upon by you for any other purpose. This opinion letter may not be relied upon by, or furnished or disclosed to, any other Person for any purpose, or filed with any governmental agency without, in each instance, our prior written consent; provided, however, that copies of this opinion letter may be furnished to, but may not be relied upon by, (i) permitted assignees and potential permitted assignees of an interest in the Opinion Documents, (ii) your or an assignee's auditors and bank examiners in connection with their audit and examination functions, (iii) any Person to whom disclosure is required to be made by law or court order and (iv) your consultants, agents, attorneys and accountants. Our consent to disclosure to the Persons referred to in the foregoing proviso is given on the basis that (x) such disclosure is made solely to enable such Persons to be informed that an opinion has been given and to be made aware of its terms but not for the purpose of reliance by them on this opinion letter, (y) we do not assume any duty or liability to such Persons and (z) such Persons shall not further disclose this opinion letter except as permitted by the foregoing proviso. No Person may assign its rights or claims, if any, under this opinion letter without our prior written consent.

This opinion letter shall be understood and interpreted in accordance with the customary practice of lawyers in New York who regularly give, and lawyers who on behalf of their clients regularly advise opinion recipients regarding, opinions in transactions of the type contemplated by the Opinion Documents.

Very truly yours,

VA:TP:JS

Names of Addressees of Opinion Letter

Standard Chartered Bank, as Administrative Agent

HSBC Bank USA, N.A., as Lender

Standard Chartered Bank, as Lender

Wells Fargo Bank, National Association, as Lender

[Additional Lender]

[Additional Lender]

Annex I-1

Opinion Documents

- (a) the Credit Agreement;
- (b) the Master Assignment and Assumption Agreement; and
- (c) the Notes purported to be governed by the laws of the State of New York.

Annex II-1

Additional Assumptions

Our foregoing opinion in this opinion letter is made in reliance on the following assumptions (as to which we made no independent investigation) in addition to any assumptions made elsewhere in this opinion letter:

(a) The Borrower is duly organized and validly existing and in good standing under the laws of its jurisdiction of incorporation or formation and has the full power and authority to execute, deliver and perform its obligations under the Opinion Documents to which it is a party.

Each of the Opinion Documents has been duly authorized by all of the parties thereto, and each party to each Opinion Document has satisfied all other legal requirements that are applicable to it to the extent necessary to make such Opinion Document enforceable against it. The Opinion Documents have been executed and delivered by all the parties thereto.

Each of the Opinion Documents constitutes the valid, binding and enforceable obligation of all of the parties thereto under all applicable laws; provided, however, that this assumption is not made in respect of the Borrower as to any such matters which are expressly addressed by our opinion in this opinion letter.

The execution, delivery and performance of the Opinion Documents by each party thereto do not (i) contravene such party's articles or certificate of incorporation, by-laws or similar organizational documents, (ii) contravene any laws or governmental rules or regulations that may be applicable to such party or its assets, (iii) contravene any judicial or administrative judgment, injunction, order or decree that is binding upon such party or its assets, or (iv) violate, or require the consent not obtained under, any contract, indenture, lease, or other agreement or instrument applicable to or binding upon such party or its assets; provided, however, that the assumption set forth in clause (ii) of this paragraph (d) is not made in respect of the Borrower regarding the federal laws of the United States or the laws of the State of New York which in our experience are normally applicable to general business entities in respect of transactions of the type contemplated by the Opinion Documents.

All authorizations, approvals or consents of, and all filings or registrations with, any governmental or regulatory authority or agency required under the laws of any jurisdiction for the execution, delivery and performance of the Opinion Documents have been obtained or made and are in full force and effect.

There are no agreements or other arrangements that modify or supersede any of the terms of the Opinion Documents.

Additional Qualifications

Our foregoing opinion in this opinion letter is subject to the following qualifications in addition to any qualifications set forth elsewhere in this opinion letter:

(a) Insofar as our foregoing opinion relates to the enforceability of any provision of the Opinion Documents, such opinion is subject to (i) applicable bankruptcy, insolvency, receivership, conservatorship, liquidation, reorganization, moratorium, fraudulent transfer and other laws affecting the enforcement of creditors' rights generally and (ii) the application of general principles of equity (whether applied by a court in equity or at law), including, without limitation, (x) the possible unavailability of specific performance, injunctive relief or any other equitable remedy and (y) concepts of materiality, reasonableness, good faith and fair dealing in the performance and enforcement of contracts.

Our opinion herein is also subject to the effect of applicable law that may limit the enforceability of, or render ineffective, certain provisions contained in the Opinion Documents, although the inclusion of such provisions does not (subject to the other qualifications set forth herein) make the remedies afforded by the Opinion Documents (taken as a whole) inadequate for the practical realization of the principal benefits intended to be afforded thereby.

We express no opinion as to the validity, binding effect or enforceability of any provision of the Opinion Documents relating to indemnification, contribution, exculpation or limitation of liability that is violative of or rendered unenforceable by public policy or any law, rule or regulation (including, without limitation, any federal or state securities law, rule or regulation).

We express no opinion as to (i) any provision of any of the Opinion Documents that appoints or purports to appoint attorneys-in-fact or other representatives or confers powers of attorney or grants similar authorizations or powers or that provides that a determination by any party will be conclusive and binding on any other parties, (ii) any provision of the Opinion Documents stating that the partial invalidity of one or more provisions of any of the Opinion Documents shall not invalidate the remaining provisions thereof or that provides for the severance of any invalid, illegal or unenforceable term of any Opinion Document from the other terms of that Opinion Document, (iii) any provision of the Opinion Documents that constitutes or has the effect of a waiver (expressly or by implication) of illegality or of rights, duties or defenses, or of provisions of law, which cannot as a matter of law or public policy be waived, (iv) any requirement in the Opinion Documents that the provisions thereof may only be waived or amended in writing, (v) any rights of setoff provided in the Opinion Documents, (vi) any provision of the Opinion Documents that purports to establish, waive or modify evidentiary standards

(or may be construed to do so), (vii) any provision of the Opinion Documents which constitutes an agreement of the parties to agree at a future time, (viii) any waiver of jury trial, (ix) any restrictions in the Opinion Documents on the transfer by the Borrower of its rights under the Opinion Documents which cannot as a matter of law be so limited, (x) any provision of the Opinion Documents that provides that the assertion or employment of any right or remedy shall not prevent the concurrent assertion or employment of any other right or remedy, or that each and every remedy shall be cumulative and in addition to every other remedy or that any delay or omission or exercise any right or remedy shall not impair any other right or remedy or constitute a waiver thereof, (xi) any provision of the Opinion Documents that incorporates or is based upon the law of any jurisdiction other than New York State or the United States and (xii) any document that is incorporated or referred to in any Opinion Document and that is not itself an Opinion Document.

We express no opinion as to (i) the subject matter jurisdiction of any United States federal court, or (ii) whether a United States federal court will give effect to (x) the waiver of any objection to the laying of venue and of any claim of forum non conveniens or (y) the forum selection provisions contained in any Opinion Document, and we note that the designation in the Opinion Documents of the Courts of the State of New York in the Borough of Manhattan, City of New York, the Courts of the United States for the Southern District of New York, and appellate courts from any thereof as the venue for actions or proceedings under the Opinion Documents is subject to the power of such courts to transfer such actions and proceedings pursuant to 28 U.S.C. §1404(a) or to dismiss such actions and proceedings on the ground that such federal court is an inconvenient forum for such actions or proceedings.

Insofar as our opinion concerns the provisions of the Opinion Documents specifying the law of the State of New York as the law governing the Opinion Documents or providing for the submission to the jurisdiction of the courts of the State of New York, such opinion is made in reliance on Sections 5-1401 and 5-1402 of the New York General Obligations Law and Section 327(b) of the New York Civil Practice Law and Rules and is subject to the provisions of Subdivision 2 of Section 1-105 of the New York Uniform Commercial Code (the "New York UCC") and to the qualification that such provisions regarding choice of law may not be enforced by courts of jurisdictions other than the courts of the State of New York. You should note that the application of New York law pursuant to Section 5-1401 of the New York General Obligations Law to a transaction having no nexus, or minimal nexus, with the State of New York may be subject to constitutional limitations.

We call to your attention that effective enforcement of a claim denominated in foreign currency may be limited by requirements that the claim (or a judgment in respect of such claim) be converted into U.S. dollars at a rate of exchange prevailing on a specified date. We express no opinion as to (i) whether a federal or state court would award a judgment in a currency other than U.S. dollars or (ii) the enforceability of any provision of any Opinion Document which requires the Borrower to indemnify any Person against a loss in obtaining the currency due to such Person pursuant to a court judgment denominated in another currency.

We express no opinion as to any provisions of the Opinion Documents providing for forfeitures or the recovery of, or securing, amounts deemed to constitute penalties, or for or in the nature of liquidated damages, acceleration of future amounts due (other than principal) without appropriate discount to present value, late charges, prepayment charges and make-whole premiums, default interest, and other economic remedies to the extent such provisions are deemed to constitute penalties.

We note that New York law requires good faith and fair dealing in the performance and enforcement of contracts.

We express no opinion as to the effect on the opinions set forth herein of (i) any failure by any party to an Opinion Document to comply with laws and regulations pertaining to banks, trustees or other financial institutions or affiliates thereof, if applicable, or other laws or regulations applicable to any party to an Opinion Document by reason of such party's status or the nature of its business or assets, or (ii) the failure of any party to an Opinion Document to be authorized to conduct business in any jurisdiction.

(b) We express no opinion as to the effect of any judicial, administrative or other action giving effect to the actions of foreign courts or other foreign governmental authorities or to foreign laws.

Insofar as our opinion herein concerns any waiver of sovereign immunity, such opinion is subject to the limitation of the Foreign Sovereign Immunities Act of 1976, as amended (the "FSIA"). Without limiting the generality of the foregoing, we express no opinion as to the effect of a waiver of sovereign immunity by an entity which at the time of such waiver is not a sovereign state or an agency or instrumentality of a sovereign state (as such terms are defined in the FSIA).

We express no opinion as to, or as to the effect on the opinion contained in this opinion letter of, (i) securities laws or regulations (including Regulations T, U and X of the Board of Governors of the Federal Reserve System); (ii) banking or insurance laws or regulations; (iii) antitrust or unfair competition laws or regulations, including the Hart-Scott-Rodino Antitrust Improvements Act of 1986, as amended; (iv) tax laws or regulations; (v) public utility laws or regulations and other laws regulating the generation or transmission of energy, power or gas; (vi) the Commodity Exchange Act and regulations thereunder; (vii) labor, pension or employee benefit laws or regulations, including, without limitation, the Employee Retirement Income Security Act of 1974, as amended and regulations thereunder; (viii) patent, copyright, trademark or other intellectual property laws or regulations; (ix) environmental laws or regulations; (x) health and safety laws or regulations; (xi) racketeering laws and regulations; (xii) criminal and civil forfeiture laws and regulations; (xiii); land use and zoning laws and regulations; (xiv) statutes, ordinances, administrative decisions, rules or regulations of counties, towns, municipalities or special political subdivisions (whether created or

enabled through legislative action an the federal, state or regional level); (xv) the Foreign Corrupt Practices Act and regulations issued thereunder; (xvi) the Exon-Florio Amendment to the Defense Production Act of 1952; (xvii) laws, regulations or policies relating to national or local emergencies; (xviii) the USA PATRIOT Act (Title III of Public L. 107-56), as amended, and regulations issued thereunder or other anti-money laundering laws or regulations; (xix) the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010 and any other laws imposing sanctions on Persons engaging in certain types of activities involving countries specified therein, and any regulations and United States Executive Order relating thereto, including the Foreign Asset Control Regulations; (xx) any United States Executive Orders, including the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or support Terrorism; (xxi) the Dodd-Frank Wall Street Reform and Consumer Protection Act; and (xxii) any laws to the extent not normally applicable to general business entities with respect to transactions of the type contemplated by the Opinion Documents.

Annex IV-4

EXHIBIT J

FORM OF LEGAL OPINION OF SPECIAL CHILE COUNSEL TO THE ADMINISTRATIVE AGENT

Santiago, [___], 2012

To Standard Chartered Bank, as the Administrative Agent
and to each of the Lenders parties to the Agreement
Referred to below

Ladies and Gentlemen:

We have acted as your special Chilean counsel in connection with: (a) the Credit Agreement, dated as of [___], 2012 (as amended, modified or supplemented from time to time, the “**Agreement**”) among Corpbanca (the “**Borrower**”), the banks listed therein as lenders (the “**Lenders**”), Standard Chartered Bank, as Administrative Agent, HSBC Securities (USA) Inc, Standard Chartered Bank and Wells Fargo Securities, LLC, as lead arrangers and book-runners (collectively, the “**Lead Arrangers and Bookrunners**”) and Commerzbank Aktiengesellschaft (the “**Lead Arranger**”); (b) the Notes (as defined in the Agreement) to be executed by the Borrower to the order of the Lenders pursuant to the Agreement, and (c) the Recognition of Debt (as defined in the Agreement) to be executed by the Borrower to the order of the Lenders pursuant to the Agreement (together, the “**Credit Documents**”).

All capitalized terms used herein and not otherwise defined are used herein as defined in the Agreement.

In rendering this opinion, we have examined each of the following documents:

- (1) the *Escritura de Constitución* and *Estatutos* of the Borrower;
- (2) the Agreement;
- (3) the form of the Note attached to the Agreement as Exhibit B;

(4) the form of the Recognition of Debt attached to the Agreement as Exhibit C; and

(5) public deed dated [____], 2012, granted before the notary public of Santiago Mr. [____], containing the minutes of the Borrower's Board of Directors meeting held on [____], 2012, which resolved and approved the execution of the Agreement and granted powers of attorney to each of the General Manager and the Chief Financial and International Officer (*Gerente de División Finanzas e Internacional*) for such purposes.

In addition, we have examined and relied on originals or copies of all such corporate records of the Borrower and such other instruments and certificates of public officials, officers and representatives of the Borrower, and we have made such investigations of law as we have deemed appropriate as a basis for the opinions expressed herein.

In rendering the opinions expressed herein, we have assumed and have not independently verified (i) that the signatures on all the documents that we have examined are genuine; (ii) that all documents submitted to us as originals are authentic and the conformity to the originals of all documents submitted to us as copies; (iii) that each Credit Document has been duly authorized, executed and delivered by each party other than the Borrower, and that each such party (other than the Borrower) has full power, authority and legal right to enter into each such documents and to perform its obligations thereunder and (iv) that the Agreement has been duly executed and delivered pursuant to the laws of the State of New York and is a valid and binding agreement of each party, enforceable against each such party in accordance with its terms under the laws of the State of New York.

The opinions expressed in this letter are limited to questions arising pursuant to the laws of Chile and we do not express any opinion on any question arising under the laws of any other jurisdiction.

Now, based upon the foregoing, but subject to the qualifications expressed below, we are of the opinion that:

1. The Borrower is a banking stock corporation (*sociedad anónima bancaria*) duly organized and validly existing under the laws of Chile and has the requisite power, authority and governmental approvals, licenses, authorizations or consents to own, lease and operate its properties and to carry on its business as presently conducted.
2. The Borrower has full corporate power and authority to enter into, deliver and perform its obligations under the Credit Documents and to consummate each of the transactions contemplated thereby, and has taken all necessary corporate action to authorize the execution, delivery and performance by it of the Credit Documents.
3. The execution, delivery and performance by the Borrower of the Credit Documents and the transactions contemplated thereby (a) are within the Borrower's corporate powers, (b) have been duly authorized by all necessary corporate action, (c) do not contravene the Borrower's constitutive documents or organizational documents, (d) do not violate the laws of Chile applicable to the Borrower and (e) will not require the creation or imposition of any Lien prohibited by the Agreement.

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4. The Credit Documents are the legal, valid and binding agreement of the Borrower, enforceable in accordance with their terms. Such documents contain no provisions which are contrary to Chilean laws regulations or public policy, as presently construed by Chilean Courts. The Instruments, when executed, will constitute (i) legal, valid and binding *pagarés* (promissory notes) or *reconocimiento de deuda* (recognition of debt), as the case may be, under the laws of Chile, which is their governing law and, (ii) *títulos ejecutivos* (executive instruments) in Chile (upon payment of the stamp taxes in the case of the Notes) for the payment of the Loans documented thereby and will entitle the holder of the Notes or the creditors under the recognition of debt, to an *acción ejecutiva* (summary proceedings) for the enforcement thereof, as long as such Instruments are executed before a Notary Public. Notwithstanding the commencement of such *acción ejecutiva* (summary proceedings) in Chile on any such Instruments, the holder or the creditors of such Instruments, as the case may be, would be entitled concurrently to bring an ordinary action in Chile on the other Credit Documents for collection of other sums (without duplication of any amounts subject to the *acción ejecutiva*) owed to such holder or creditor, as the case may be, under the Credit Documents.
 5. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority in Chile is required to be obtained or made for the due execution, delivery and performance by the Borrower of any Credit Documents, except for, in respect of the A Term Loans and the C Term Loans, the notification to the *Banco Central de Chile* of any Loan made under the Agreement pursuant to Section A.1 of the Chapter XIII of the Compendium of Foreign Exchange Regulations of the *Banco Central de Chile*, which must be made no later than the date of the Borrowing. However, a breach by the Borrower of this reporting requirement does not affect the ability of the Borrower to comply with its payment obligations under the Credit Documents or the rights of the Lenders under the Credit Documents; and the reporting to the Chilean Internal Revenue Service (*Servicio de Impuestos Internos*) (x) of the taxes withheld for the purpose of withholding taxes on all interest, and (y) of any relevant payment of fees and commissions made pursuant to the Credit Documents to non-domiciled/or non-resident individuals or entities on the dates determined by the *Servicio de Impuestos Internos* for each fiscal year.
 6. All acts, conditions, and things required by the laws of Chile in force at the date hereof to be done, fulfilled, and performed in order (a) to enable the Borrower lawfully to enter into the Credit Documents and to exercise its rights under and perform and comply with the obligations expressed to be assumed by it in the Credit Documents, and (b) to ensure that the obligations expressed to be assumed by the Borrower in the Credit Documents are legal, valid, and binding, have been done, fulfilled, and performed.
 7. The choice of New York law to govern the Credit Agreement is, under the laws of Chile, a valid, effective and irrevocable choice of law.

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8. In any action or proceeding arising out of or relating to the Agreement in any court in Chile, such court should recognize and give effect to the governing law provision of such document, which provides that the Agreement shall be governed by the laws of the State of New York.
 9. There is no tax, levy, impost, deduction, charge or withholding imposed by Chile or any political subdivision or taxing authority thereof or therein either (i) on or by virtue of the execution or delivery of the Credit Documents or any other document to be furnished thereunder; (ii) on any payment to be made by the Borrower, except that (x) a stamp tax will be payable in respect of the principal amount of any C Term Loan at a rate of 0.6% on the principal amount thereof (the “**Stamp Tax**”), and (y) payments of interest made by the Borrower from Chile will be subject to Chilean withholding tax at an effective rate of 4.0% if paid to the Administrative Agent or to any of the Lenders, Lead Arrangers and Bookrunners that is a foreign or international banking or financial institution, or to a 35% withholding tax to the extent paid to any other person or entity domiciled or resident abroad, while other payments under the Credit Documents (excluding principal) made by the Borrower from Chile may be subject to Chilean withholding tax at an effective rate of up to 35 %. The gross-up provisions contained in the Agreement are valid and binding under the laws of Chile.
 10. Except for the payment of the Stamp Tax with respect to the Notes, the Credit Documents are in proper legal form under the laws of Chile for the enforcement thereof in accordance with their respective terms in the courts of Chile and the obligations of the Borrower under the Credit Documents may be enforced (by judgment and levy) in accordance with their respective terms in a proceeding at law in any competent court in Chile; provided that such Credit Documents are originally in the Spanish language or have been translated into the Spanish language by an approved translator (which translation would be effected at any time prior to such document being so admitted into evidence).
 11. The obligations of the Borrower under the Credit Documents may be enforced (by judgment and levy) in accordance with their respective terms in a proceeding at law in any competent court in Chile. In order to ensure the legality, validity, enforceability or admissibility into evidence in Chile of any Credit Documents, it is not necessary for such document to be filed or recorded with any court or authority in Chile nor that any tax (other than the Stamp Tax) be paid on or in respect of such document; provided, however, that for the enforceability or admissibility into evidence of the Agreement, such document would have to be translated into the Spanish language by an approved translator (which translation could be effected at any time prior to such document being so admitted into evidence).
 12. The claims of the Administrative Agent, the Lead Arrangers and Bookrunners, the Lead Arranger and the Lenders against the Borrower under each of the Credit Documents rank at least *pari passu* in priority of payment and in all other respects with the claims of all its other unsecured and unsubordinated creditors save those whose claims are preferred solely by the laws of Chile relating to bankruptcy, insolvency, liquidation, or other similar laws of general application.

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13. It is not necessary under the laws of Chile (a) in order to enable the Lenders, the Administrative Agent, the Lead Arrangers and Bookrunners, the Lead Arranger to enforce any Credit Documents or to exercise its respective rights or remedies under such document or (b) by reason only of the execution, delivery or performance of the Agreement, that the Lenders, the Administrative Agent, the Lead Arrangers and Bookrunners and the Lead Arranger be licensed, qualified or entitled to carry on business in Chile.
 14. The Borrower is subject to civil and commercial laws with respect to its obligations under the Credit Documents and the execution, delivery and performance by it of its obligations under such documents constitute private and commercial acts (*jure gestionis* acts) rather than public or governmental acts (*jure imperii* acts). Neither the Borrower nor any of its properties has any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under the laws of Chile.
 15. Under the laws of Chile, (a) the submission to the jurisdiction of the State of New York or Federal courts of the United States sitting in the Borough of Manhattan and any appellate court from any thereof, and (b) the waiver of any objection to the laying of venue of certain actions, suits or proceedings, are in each case, valid and binding on the Borrower.
 16. A final and conclusive judgment for the payment of money rendered by a competent State of New York or Federal court of the United States sitting in the Borough of Manhattan should be recognized in the courts of Chile and such courts should enforce such judgment without any retrial or re-examination of the merits of the original action under the following circumstances:
 - (a) subject to subclause (c) below, if there is a treaty between Chile and the United States with respect to the enforcement of foreign judgments. Currently, there is no such treaty;
 - (b) subject to subclause (c) below, if there is no treaty, but either (i) the judgment is enforced as a result of reciprocity in the enforcement of judgments by State of New York or Federal courts of the United States sitting in the Borough of Manhattan (i.e., the relevant New York court would enforce a judgment of a Chilean court under comparable circumstances) or (ii) it cannot be proved that there is no reciprocity in the enforcement of judgments by such New York courts; provided, however, that such judgment will only be enforced if it has not been rendered by default within the meaning of Chilean law. We are of the opinion that the judgment would not be considered to have been rendered by default if personal service of process is made upon an agent of the Borrower assuming that such manner of service is valid under the applicable law, unless the Borrower is able to prove that due to other reasons it was prevented from assuming its defense. Under Chilean law, the service of process by means of mailing copies to the Borrower may be deemed not effective to cause proper service of process and, consequently, any judgment rendered in a legal proceeding in which process was served by means of mailing copies to the Borrower may be then effectively contested by the Borrower in Chile; and,
 - (c) such judgment is not contrary to the public policy of Chile or Chilean jurisdiction, and does not affect in any way any property located in Chile, which are, as a matter of Chilean law, subject exclusively to the jurisdiction of Chilean courts.

Pursuant to the rules described above, the courts in Chile should enforce a final and conclusive judgment for the payment of money rendered by a competent State of New York or Federal court of the United States sitting in the Borough of Manhattan, in accordance with the procedure contemplated for the enforcement of final and conclusive foreign judgments in the Chilean Civil Procedure Code (“*exequator*”).

With respect to public policy and the enforcement of the obligations of the Borrower, and foreign judgments with respect thereto, and subject to the foregoing paragraph, we are of the opinion that, generally, any provision purporting to authorize conclusive determinations by any person whether for interest, indemnities, costs or otherwise may not be enforceable if they are based upon a determination which is so arbitrary and unreasonable as to be contrary to basic and fundamental principles of Chilean law or public policy. Also, disclaimers of liability will only be enforceable if there is no gross negligence or willful misconduct on the part of the party making such disclaimer.

Finally, we express no opinion as to the enforceability in Chile of a judgment rendered outside Chile against the Borrower, obtained in any court other than any State of New York or Federal court of the United States sitting in the Borough of Manhattan.

17. The Lenders, the Administrative Agent, the Lead Arrangers and Bookrunners and the Lead Arranger will not be deemed resident, domiciled, or carrying on business in Chile by reason only of the execution, delivery, performance or enforcement of the Agreement.

The foregoing opinions are subject to the following additional qualifications:

- (A) The opinions expressed in this opinion letter are subject to the effect of (i) applicable bankruptcy, liquidation, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to or affecting creditors’ rights generally, and (ii) general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law).
- (B) The opinions expressed in this letter are limited to questions arising under the laws of Chile, and we do not purport to express an opinion on any question arising under the laws of any other jurisdiction.

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- (C) This opinion is effective only as of the date hereof. We expressly disclaim any responsibility to advise you of any development or circumstance of any kind including any change of law or fact that may occur after the date of this letter even though such development, circumstance or change may affect the legal analysis, a legal conclusion or any other matter set forth in or relating to this letter. Accordingly, if you intend to rely on this letter at any time after the date hereof you should seek the advice of counsel as to the proper application thereof at such time.
- (D) We are furnishing this opinion to you solely for your benefit and this opinion may not be used, circulated, quoted or otherwise referred to, or relied upon by, any person or entity other than the addressees hereof and your permitted successors and assigns, or for any other purpose, without our prior written consent in each instance, except that you may disclose this opinion to: (i) any regulatory authority having jurisdiction over you, if required by any law or regulation; (ii) your legal advisors, auditors, supervisors or regulators; or (iii) a prospective new lender or sub-participant to the Agreement.

Sincerely yours,

Philippi, Yrarrázaval, Pulido & Brunner Ltda.

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EXHIBIT K

FORM OF MASTER ASSIGNMENT AND ASSUMPTION AGREEMENT

MASTER ASSIGNMENT AND ASSUMPTION AGREEMENT

Dated as of July 24, 2012

Reference is made to the Amended and Restated Credit Agreement, dated as of July 24, 2012 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Corpbanca, acting by and through its head office in Chile and its New York branch (the "Borrower"), the banks, financial institutions and other institutional lenders parties thereto (the "Lenders"), HSBC Securities (USA) Inc., Standard Chartered Bank and Wells Fargo Securities, LLC, as Lead Arrangers, and Standard Chartered Bank, as administrative agent (in such capacity, the "Administrative Agent") for the Lenders. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

The Assignors and the Assignees (as such terms are defined below) agree as follows:

1. The following terms shall have the meanings set forth below:

"Assignor" shall mean any Group A Assignor and any Group B Assignor.

"Assignee" shall mean any Group A Assignee and any Group B Assignee.

"Group A Assignee" shall mean each of the financial institutions listed under the column "Group A Assignee" in Schedule I (Part I).

"Group A Assignor" shall mean each of the financial institutions listed under the column "Group A Assignor" in Schedule I (Part I).

"Group B Assignee" shall mean each of the financial institutions listed under the column "Group B Assignee" in Schedule I (Part II).

"Group B Assignor" shall mean each of the financial institutions listed under the column "Group B Assignor" in Schedule I (Part II).

2. (a) Each Group A Assignor hereby irrevocably sells and assigns to each Group A Assignee, and each Group B Assignor hereby irrevocably sells and assigns to each Group B Assignee, in each case without recourse to such Assignor, and each Assignee hereby irrevocably purchases and assumes from such Assignor without recourse to such Assignor, as of the Closing Date, such Assignee's Applicable Fraction (as defined below) of the principal amount set forth opposite the name of such Assignor under "Aggregate Principal Amount Assigned by Assignor" in Schedule I hereto in and to such Assignor's rights (including its Existing Loans) and obligations under the Existing Credit Agreement.

(b) After giving effect to such assignments each Assignee will hold the principal amount set forth opposite the name of such Assignee under “Aggregate Principal Amount Assigned to Assignee” in Schedule 1 hereto of the Assignors’ rights (including their Existing Loans) and obligations under the Existing Credit Agreement (such Assignee’s “Assigned Amount”). An Assignee’s “Applicable Fraction” is a fraction the numerator of which is its Assigned Amount and the denominator of which is the sum of all Assigned Amounts.

3. (a) Each Assignee shall transfer to the Administrative Agent on the Closing Date by no later than 11 a.m. (New York City, New York time) for the account of the Assignors an amount in Dollars and in immediately available funds equal to such Assignee’s Assigned Amount. The Administrative Agent shall transfer on the Closing Date from the amounts so transferred to it pursuant to this Section 2(a) to BNP Paribas, as the Administrative Agent under the Existing Credit Agreement (in such capacity, the “Exiting Administrative Agent”) by no later than 4 p.m. (New York City, New York time) the amounts payable to the Assignors in respect of the Existing Loans that are assigned hereby in an amount equal to the amount set forth opposite the name of each Exiting Financial Institution listed in Schedule 2. Amounts so held by the Exiting Administrative Agent are for the benefit of the Exiting Financial Institutions and the Exiting Administrative Agent shall promptly remit any such funds received from the Administrative Agent pursuant to this paragraph 3 to each of the Exiting Financial Institutions on the same day as received in immediately available funds.

(b) The Borrower shall transfer to the Exiting Administrative Agent on the Closing Date for the account of the Continuing Lenders and the Exiting Financial Institutions, as applicable, an amount in Dollars and in immediately available funds equal to the interest accrued on the Existing Loans as of the Closing Date and as set forth opposite the name of each Continuing Lender and Exiting Financial Institution in Schedule 2.

(c) Each Assignee acknowledges and agrees that, pursuant to the Credit Agreement, the Administrative Agent shall succeed to and become vested with all rights, powers, discretion, privileges and duties of the Exiting Administrative Agent (including with respect to the Existing Loans of the Assignees identified in Schedule 3).

4. Each Assignor represents and warrants that it is legally authorized to enter into this Master Assignment and Assumption Agreement and that the Assignor has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any such adverse claim. Each Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or with respect to the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement, any other Credit Document or any other instrument or document furnished pursuant hereto or thereto, and (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or any other Person or the performance or observance by the Borrower or any other Person of any of their respective obligations under the Credit Agreement or any other Credit Document or any other instrument or document furnished pursuant hereto or thereto. In addition, each Assignor (other than the Exiting Financial Institutions listed on Schedule 2) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement, the Existing Credit Agreement,

the other Credit Documents or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof in relation to the Existing Loans assigned by it hereby, together with such powers as are incidental thereto.

5. Each Assignee (a) represents and warrants that it is legally authorized to enter into this Master Assignment and Assumption Agreement; (b) confirms that it has received a copy of the Existing Credit Agreement, together with copies of the financial statements referred to in Section 4.05 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Master Assignment and Assumption Agreement; (c) agrees that it will, independently and without reliance upon any Assignor, the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement, the other Credit Documents or any other instrument or document furnished pursuant hereto or thereto in relation to the Existing Loans assigned to it hereby; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement, the Existing Credit Agreement, the other Credit Documents or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof in relation to the Existing Loans assigned to it hereby; and (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender in relation to the Existing Loans assigned to it hereby.

6. This Master Assignment and Assumption Agreement and each of the assignments and assumptions contemplated hereunder shall become effective immediately upon the first date on which (a) this Master Assignment and Assumption Agreement is signed by each of the Assignors and Assignees listed in Schedule 1 hereto, the Borrower, and the Administrative Agent, (b) each condition precedent set forth in Section 3.01 of the Credit Agreement has been satisfied or waived, and (c) all of the payments contemplated herein have occurred; provided, however, that paragraph 7 of this Master Assignment and Assumption Agreement shall be effective immediately upon the due execution hereof by each of the parties hereto.

7. From and after the Closing Date, (a) each Assignee shall be a party to the Credit Agreement and, to the extent provided in this Master Assignment and Assumption Agreement, have the rights and obligations of a Lender thereunder, and under the Credit Documents, and shall be bound by the provisions thereof in relation to the Existing Loans assigned to it hereby, and (b) each Assignor that is an Exiting Financial Institution shall relinquish its rights (other than those stated in the Existing Credit Agreement to survive the termination thereof and the repayment of the Existing Loans thereunder) and be released from its obligations under the Existing Credit Agreement and each Assignor that is a Continuing Lender shall relinquish its rights (other than those stated in the Existing Credit Agreement to survive the termination thereof and the repayment of the Existing Loans thereunder) and be released from its obligations under the Existing Credit Agreement to the extent of the rights and obligations assigned by it hereunder.

8. All transfers of funds required to be made to the Administrative Agent and the Exiting Administrative Agent pursuant to this Master Assignment and Assumption Agreement shall be made to such Person's account details listed in Exhibit A.

9. In no event shall the Closing Date (as such term is defined under the Credit Agreement) occur after Final Maturity Date (as such term is defined in the Existing Credit Agreement), and the Borrower's failure to fulfill on or before such date all applicable conditions to the effectiveness of this Agreement and the Credit Agreement shall in no way affect the Existing Financial Institutions' rights to receive payment from the Borrower of all unpaid Credit Obligations on the Final Maturity Date (as each such term is defined under the Existing Credit Agreement) under the Existing Credit Agreement. 10. BNP Paribas, in its capacity as Administrative Agent under the Existing Credit Agreement, hereby resigns, effective as of July 27, 2012. By their signature below, the Lenders and the Borrower hereby accept the resignation of the Exiting Administrative Agent, and the Exiting Administrative Agent is, as of July 27, 2012, hereby discharged from its duties and obligations under the Existing Credit Agreement.

11. The Borrower agrees to indemnify, save, and hold harmless the Exiting Administrative Agent (including without limitation the directors, officers, employees, attorneys, consultants and advisors of the Exiting Administrative Agent) from and against: (a) any and all claims, demands, actions, or causes of action if the claim, demand, action, or cause of action arises out of or relates to any act or omission (or alleged act or omission) of the Borrower or its Affiliates relating to the use or contemplated use of proceeds of any Loan, or the relationship among the Borrower and the Exiting Administrative Agent under this Agreement or the Existing Credit Agreement; (b) any administrative or investigative proceeding by any Governmental Authority arising out of or related to a claim, demand, action, or cause of action described in subsection (a) above; and (c) any and all liabilities, losses, costs, or expenses (including reasonable fees and expenses of legal counsel) that the Exiting Administrative Agent may suffer or incur as a result of the assertion of any foregoing claim, demand, action, or cause of action thereto; provided that the Exiting Administrative Agent shall not be entitled to indemnification for any loss caused solely by its own gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision).

12. The lenders party to the Existing Credit Agreement agree to indemnify the Exiting Administrative Agent (to the extent not reimbursed or indemnified under paragraph 11 above, but without limiting the obligations of the Borrower under such paragraph 11) ratably in accordance with their respective loans under the Existing Credit Agreement (determined at the time such indemnity is sought), for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, reasonable costs, expenses (including reasonable and documented attorneys' fees), or disbursements of any kind and nature whatsoever that may be imposed on, incurred by or asserted against the Exiting Administrative Agent in its capacity as such (including by any lender party to the Existing Credit Agreement) in any way relating to or arising out of any of the transactions contemplated under the Existing Credit Agreement or any action taken or omitted by the Exiting Administrative Agent under the Existing Credit Agreement; provided that no such lender shall be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the person to be indemnified (as determined by a court of competent jurisdiction in a final and non-appealable decision).

13. This Master Assignment and Assumption Agreement shall be governed by and construed in accordance with the laws of the State of New York.

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IN WITNESS WHEREOF, the parties hereto have caused this Master Assignment and Assumption Agreement to be executed as of the date first above written by their respective duly authorized officers.

ASSIGNORS:

[LENDER],

By: _____
Title:

By: _____
Title:

[Signature Page]

[LENDER],

By: _____
Title:

By: _____
Title:

[Signature Page]

By: _____
Title:

By: _____
Title:

[Signature Page]

BNP PARIBAS, as Administrative Agent under the Existing
Credit Agreement

By: _____
Title:

By: _____
Title:

[Signature Page]

Consented to and Acknowledged and Accepted by:

CORPBANCA,
as Borrower

By: _____
Title:

By: _____
Title:

[Signature Page]

EXHIBIT L

FORM OF ACCESSION AGREEMENT

ACCESSION AGREEMENT

Reference is made to the Amended and Restated Credit Agreement dated as of July __, 2012 (the "Credit Agreement") among Corpbanca (the "Borrower"), the financial institutions party thereto from time to time, as lenders (the "Lenders"), Standard Chartered Bank, as administrative agent (the "Administrative Agent"), HSBC Securities (USA) Inc., Standard Chartered Bank and Wells Fargo Securities LLC, as Lead Arrangers and Bookrunners and Commerzbank Aktiengesellschaft, Filiale Luxemburg, as Lead Arranger. Terms defined in the Credit Agreement and used but not defined herein are used in this Accession Agreement (this "Accession Agreement") with the same meaning.

The Borrower has requested an increase in the aggregate amount of the financing available under the Credit Agreement pursuant to Section 2.01(b) of the Credit Agreement in the aggregate amount of US\$25,000,000 to be disbursed on the date set forth in the Accession Notice, and the undersigned (the "Additional Lender") has agreed to provide a C Term Loan Commitment in the amount of US\$25,000,000. In connection with the foregoing:

1. The Additional Lender (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 5.05(b) and (c) thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Accession Agreement; (ii) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; and (iv) agrees that it will perform in accordance with their terms all of the obligations that by the terms of the Credit Agreement are required to be performed by it as a Lender (including, without limitation, any such obligations under Section 2.02 of the Credit Agreement).

2. By acknowledging and consenting to this Accession Agreement, the Borrower confirms that (i) both immediately prior to the making of the additional C Term Loan to be provided pursuant hereto and after giving effect thereto, the representations and warranties of the Borrower contained in the Credit Agreement shall be true and correct in all material respects on and as of the date on which the additional C Term Loan is disbursed to the Borrower with the same force and effect as if made on and as of such date; and (ii) the Borrower has the corporate power and authority to borrow the full amount made available pursuant to this Accession Agreement.

3. The obligation of the Additional Lender to make its C Term Loan as part of the Additional Borrowing is subject to the satisfaction by the Borrower of the following conditions precedent: (i) each of the conditions specified in Section 3.01 of the Credit Agreement having been satisfied; (ii) the Additional Lender having received a duly and validly executed and notarized Note for the Additional Borrowing delivered in accordance with Section 2.02(e)(ii)(B) of the Credit Agreement; and (iii) the Additional Lender confirming receipt of payment of all outstanding principal and interest owed to it under the Existing Credit Agreement.

4. Following the execution of this Accession Agreement by the Additional Lender and the consents of the Borrower and the Administrative Agent to the transactions contemplated hereby as required under Section 2.01(b) of the Credit Agreement, this Accession Agreement will be delivered to the Administrative Agent for acceptance and recording. The effective date for this Accession Agreement shall be the date of such acceptance and recording by the Administrative Agent (the "Increase Effective Date").

5. Upon such acceptance and recording by the Administrative Agent, (a) as of the Increase Effective Date, the Additional Lender shall be a party to the Credit Agreement and, to the extent provided in this Accession Agreement, have the rights and obligations of a Lender thereunder, and (b) from and after such Increase Effective Date, the Administrative Agent shall make all payments under the Credit Agreement and any applicable Instruments in respect of the Additional Lender's interest thereunder (including, without limitation, all payments of principal, interest and fees with respect thereto) to the Additional Lender.

6. This Accession Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

7. This Accession Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Accession Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Accession Agreement.

IN WITNESS WHEREOF, the Additional Lender has caused this Accession Agreement to be executed by its officer thereunto duly authorized as of the date specified thereon.

COMMERZBANK
AKTIENGESELLSCHAFT, FILIALE
LUXEMBURG,
as Additional Lender

By: _____
Name:
Title:

Applicable Lending Office

Address: 25, rue Edward Steichen, L-2540
Luxembourg, Luxembourg
Attention: Günter Treinen / Peter Oberbillig
Telephone: +352 477 911 3136
Telecopy: +352 477 911 3900

Approved this__ day
of July, 2012:

CORPBANCA

By: _____
Name:
Title:

Accepted and Approved this
__ day of July, 2012:

STANDARD CHARTERED BANK,
as Administrative Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

LIST OF SUBSIDIARIES

All of the following subsidiaries have their jurisdiction of incorporation in the Republic of Chile:

1. CorpBanca Corredores de Bolsa S.A.
2. CorpBanca Asesorías Financieras S.A.
3. CorpBanca Administradores General de Fondos S.A.
4. CorpBanca Corredores de Seguros S.A.
5. CorpLegal S.A.
6. CorpBanca Agencia de Valores S.A.
7. SMU Corp S.A.

All of the following subsidiaries have their jurisdiction of incorporation in the Republic of Colombia.

1. Banco CorpBanca Colombia S.A.
 2. CorpBanca Investment Valores S.A. Comisionista de Bolsa
 3. CorpBanca Investment Trust Colombia S.A.
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CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Fernando Massú Tare, certify that:

1. I have reviewed this Annual Report on Form 20-F of CorpBanca;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluations; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

By: /s/ Fernando Massú Tare
Name: Fernando Massú Tare
Title: Chief Executive Officer

Date: May 15, 2013

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Eugenio Gigogne Miqueles, certify that:

1. I have reviewed this Annual Report on Form 20-F of CorpBanca;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluations; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

By: /s/ Eugenio Gigogne Miqueles
Name: Eugenio Gigogne Miqueles
Title: Chief Financial Officer

Date: May 15, 2013

CERTIFICATION

(pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Annual Report on Form 20-F for the fiscal year ended December 31, 2012 of CorpBanca, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), and for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Fernando Massú Tare, Chief Executive Officer of Corpbanca, certify, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of CorpBanca.

Date: May 15, 2013

By: /s/ Fernando Massú Tare
Name: Fernando Massú Tare
Title: Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to CorpBanca and will be retained by CorpBanca and furnished to the Commission or its staff upon request.

CERTIFICATION

(pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Annual Report on Form 20-F for the fiscal year ended December 31, 2012 of CorpBanca, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), and for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Eugenio Gigogne Miqueles, Chief Financial Officer of Corpbanca, certify, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of CorpBanca.

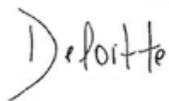
Date: May 15, 2013

By: /s/ Eugenio Gigogne Miqueles
Name: Eugenio Gigogne Miqueles
Title: Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to CorpBanca and will be retained by CorpBanca and furnished to the Commission or its staff upon request.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-173509 on Form F-3 of our reports dated May 15, 2013 relating to the consolidated financial statements of Corpbanca and its subsidiaries (the "Bank") (which report expresses an unqualified opinion and contains an explanatory paragraph relating to the translation of Chilean peso amounts into U.S. dollar amounts), and the effectiveness of the Bank's internal control over financial reporting, appearing in this Annual Report on Form 20-F of Corpbanca for the year ended December 31, 2012.

A handwritten signature in blue ink that reads "Deloitte". The signature is written in a cursive style, with the 'D' being particularly large and stylized.

Santiago, Chile
May 15, 2013