



ANNUAL REPORT FOR THE FISCAL YEAR ENDING DECEMBER 31, 2013
As filed with the Securities and Exchange Commission on May 15, 2014

**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, 2013

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, 2013

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*

* Not for trading purposes, but only in connection with the registration of American Depositary Shares pursuant to the requirements of the Securities and Exchange Commission.

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

None

(Title of Class)



Securities registered for which there is a reporting obligation pursuant Section 15(d) of the Act.

3.125% Senior Notes due January 15, 2018
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

340,358,194,234

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Note — Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

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;
- our dividend policy;
- changes in the participation of our shareholders or any other factor that may result in a change of control;
- the amount of our indebtedness;
- 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 integrate Helm Bank S.A. and its consolidated subsidiaries or Helm Bank, with our business;
- consequences of the potential acquisition of a controlling interest in us by Itaú Unibanco Holding S.A, or Itaú Unibanco, as well as the merger of Banco Itaú Chile, or Itaú Chile, with and into us and the potential acquisition of Itaú BBA Colombia S.A., Corporación Financiera, or Itaú Colombia by us or the merger of Itaú Colombia with and into CorpBanca Colombia, S.A., or CorpBanca Colombia; and
- 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. The majority of our directors or executive officers are not 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 court judgments. Chilean courts, however, have enforced final judgments rendered in the United States, 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 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 does not require retrial in Chile.



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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. 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. We have included herein certain information in Chilean Bank GAAP with respect to the Chilean financial system.

The selected consolidated financial information included herein as of December 31, 2013 and for the year ended December 31, 2013, together with the selected consolidated financial information as of December 31, 2009, 2010, 2011 and 2012 and for the years ended December 31, 2009, 2010, 2011 and 2012, 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. 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 3 “Relevant events” to our audited consolidated financial statements, on August 6, 2013, we acquired a majority interest in Helm Bank and, thus, it became one of our subsidiaries. See “Item 5. Operating and Financial Review and Prospects—A. Operating Results—The Economy—Acquisition of Helm Bank”.

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, 2013 and 2012 and for the years ended December 31, 2011, 2012 and 2013 in accordance with IFRS. See page F-1 to our consolidated financial statements for the 2013 report prepared by Deloitte.

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 Statics Institute (*Instituto Nacional de Estadísticas*). As of December 31, 2013, one UF equaled US\$44.28, Ch\$23,309.56 and COP\$85,195.76 and as of May 13, 2014, one UF equaled US\$43.44, Ch\$23,848.71 and COP\$83,299.72. 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\$526.41 and COP\$1,924.34, respectively, per US\$1.00 as of December 31, 2013.

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. See "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, or the Chilean 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, paid in capital and reserves, and 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) certain deductions to be made in accordance with provisions of chapter 12-1 of the Regulations (*Recopilación Actualizada de Normas*) of the SBIF.

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, 2013 have been rounded for ease of presentation. Percentage figures included in this Annual Report have in all cases not 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, 2013. Certain other amounts that appear in this Annual Report may similarly not sum due to rounding.

Inflation figures relating to Chile are those reported by the Chilean National Statistics Institute (*Instituto Nacional de Estadísticas*), 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 (*Departamento Administrativo Nacional de Estadística*), 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 de Colombia*) as well as other publicly available information. 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, 2013, the U.S. dollar exchange rate used by us was Ch\$526.41 per US\$1.00.



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,				
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
2013	466.50	533.95	495.00	523.76
Quarterly period				
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
2013 2nd Quarter	466.50	514.38	484.38	503.86
2013 3rd Quarter	496.49	516.83	507.47	502.97
2013 4th Quarter	493.36	533.95	516.00	523.76
2014 1st Quarter	524.61	573.24	551.48	550.53
Month ended				
October 2013	493.36	508.58	500.81	508.58
November 2013	507.64	528.19	519.25	528.19
December 2013	523.76	533.95	529.45	523.76
January 2014	524.61	550.53	537.03	547.22
February 2014	546.94	563.32	554.41	563.32
March 2014	550.53	573.24	563.84	550.53
April 2014	544.96	563.76	554.64	560.56
May 2014 ⁽⁵⁾	551.36	566.88	561.12	551.36

Source: Central Bank of Chile

- (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.
- (5) The information for May 2014 is as of May 13, 2014.

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,				
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
2013	466.48	533.95	495.31	526.41
Quarterly period				
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
2013 2nd Quarter	466.48	513.66	484.94	507.89
2013 3rd Quarter	494.43	518.64	507.42	504.22
2013 4th Quarter	493.53	533.95	516.37	526.41
2014 1st Quarter	526.84	573.21	551.91	550.62



Month ended				
October 2013	493.53	508.66	501.29	506.77
November 2013	512.57	531.36	520.52	531.36
December 2013	524.02	533.95	529.08	526.41
January 2014	526.84	556.39	538.52	556.39
February 2014	547.04	563.89	554.43	557.66
March 2014	550.62	573.21	563.55	550.62
April 2014	544.80	564.85	555.44	564.85
May 2014 ⁽⁴⁾	549.03	567.56	559.07	549.03

- (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) The information for May 2014 is as of May 13, 2014.



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 made within Chile in foreign currency in connection with ADSs 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.



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,					
	2009	2010	2011	2012	2013	2013 (1)
	Ch\$	Ch\$	Ch\$	Ch\$	Ch\$	US\$
	(in millions of Ch\$, in thousands of US\$) ⁽²⁾					
Interest income	314,115	387,639	528,622	762,992	1,007,106	1,913,159
Interest expense	(120,727)	(163,229)	(335,622)	(506,116)	(549,416)	(1,043,704)
Net interest income	193,388	224,410	193,000	256,876	457,690	869,455
Net service fee income	43,261	58,221	60,362	85,644	117,977	224,116
Trading and investment, foreign exchange gains and other operating income	59,285	44,033	80,469	104,398	127,039	241,331
Total operating expenses	(122,667)	(132,683)	(152,706)	(253,644)	(362,145)	(687,952)
Income attributable to investments in other companies	445	296	250	367	1,241	2,357
Provisions for loan losses	(71,271)	(52,351)	(40,754)	(51,575)	(102,072)	(193,902)
Income before income taxes	102,441	141,926	140,621	142,066	239,730	455,405
Income taxes	(16,249)	(20,353)	(23,303)	(22,913)	(64,491)	(122,511)
Net income for the year	86,192	121,573	117,318	119,153	175,239	332,895
Net income per common share ⁽³⁾	0.39	0.54	0.51	0.43	0.46	0.0009
Dividend per common share ⁽⁴⁾	0.39	0.54	0.52	0.49	0.18	0.0003
Dividends per ADS ^{(4) (5)}	583	804	787	736	265	0.50
Shares of common stock outstanding (in thousands)	221,236,558.2	226,906,772.0	226,909,290.6	250,358,194.2	340,358,194.2	–

- (1) Amounts stated in U.S. dollars as of December 31, 2013, and for the year ended December 31, 2013 have been translated from Chilean pesos at our exchange rate of Ch\$526.41 per US\$1.00 as of December 31, 2013.
- (2) Amounts stated in millions of Chilean pesos and thousands of U.S. dollars except for net income per share, dividends per common share and dividend per ADS expressed in Chilean pesos and in U.S. dollars.
- (3) Net income per common share has been calculated on the basis of net income attributable to the equity holders of the Bank divided by the weighted average number of shares outstanding for the period.
- (4) Represents dividends paid in respect of net income earned in the prior fiscal year.
- (5) As of December 31, 2009 and 2010, one ADS equaled 5,000 common shares. As of December 31, 2011, 2012 and 2013, 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 years ended December 31, 2009, 2010, 2011, 2012 and 2013 for comparative purposes only.



As of December 31,

2009	2010	2011	2012	2013	2013
Ch\$	Ch\$	Ch\$	Ch\$	Ch\$	US\$

(in millions of Ch\$, in thousands of US\$)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Cash and deposits in banks	110,331	202,339	265,747	520,228	911,088	1,730,757
Cash in the process of collection	95,796	79,680	96,230	123,777	112,755	214,196
Trading portfolio financial assets	76,156	197,580	166,039	159,898	431,683	820,051
Investments under agreements to resell	51,970	75,676	23,251	21,313	201,665	383,095
Derivative financial instruments	126,140	204,067	248,982	268,027	376,280	714,804
Loans and receivables from banks, net	86,220	63,998	304,098	482,371	217,944	414,019
Loans and receivables from customers	4,912,392	5,364,980	6,711,945	9,993,890	12,771,642	24,261,777
Financial investments available-for-sale	737,162	746,248	843,250	1,112,435	889,087	1,688,963
Held to maturity investments	–	–	21,962	104,977	237,522	451,211
Investment in other companies	3,583	3,583	3,583	5,793	15,465	29,378
Intangible assets	13,630	13,096	12,239	489,306(*)	836,922	1,589,867
Property, plant and equipment, net	55,212	53,430	57,225	65,086	98,242	186,626
Current taxes	–	–	6,278	–	–	–
Deferred income taxes	19,060	21,956	25,080	40,584(*)	89,218	169,484
Other assets	92,307	104,207	102,775	149,903	293,118	556,825
TOTAL ASSETS	6,379,959	7,130,840	8,888,684	13,537,588	17,482,631	33,211,054

(*) These figures were restated in our most recent financial statements to reflect accounting changes; Management has determined that the effect of these changes is not material. For more information please see Note 2 to our financial statements.

As of December 31,

2009	2010	2011	2012	2013	2013
Ch\$	Ch\$	Ch\$	Ch\$	Ch\$	US\$

(in millions of Ch\$, in thousands of US\$)

Current accounts and demand deposits	496,270	612,064	682,720	1,112,675	3,451,383	6,556,454
Cash in the process of collection	64,854	41,525	36,948	68,883	57,352	108,949
Obligations under repurchase agreements	465,513	189,350	130,549	257,721	342,445	650,529
Time deposits and saving accounts	3,316,045	3,700,454	4,824,378	7,682,675	7,337,703	13,939,141
Derivative financial instruments	114,703	175,261	166,872	193,844	281,583	534,912
Borrowings from financial institutions	362,403	503,692	663,626	969,521	1,273,840	2,419,863
Debt issued	935,219	1,215,435	1,522,773	1,886,604	2,414,557	4,586,837
Other financial obligations	26,853	23,660	20,053	18,120	16,807	31,928
Current income tax provision	7,831	7,168	–	9,057	45,158	85,785
Deferred income taxes	15,644	21,244	25,352	120,714(*)	179,467	340,926
Provisions	49,804	67,732	42,030	136,240(*)	164,932	313,315
Other liabilities	17,471	20,998	30,981	79,868(*)	185,507	352,400
TOTAL LIABILITIES	5,872,610	6,578,583	8,146,282	12,535,922	15,750,734	29,921,039
TOTAL SHAREHOLDERS' EQUITY	507,349	552,257	742,402	1,001,666(*)	1,731,897	3,290,015
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	6,379,959	7,130,840	8,888,684	13,537,588	17,482,631	33,211,054

(*) These figures were restated in our most recent financial statements to reflect accounting changes; Management has determined that the effect of these changes is not material. For more information please see Note 2 to our financial statements.



As of and for the fiscal years ended December 31,

	2009	2010	2011	2012	2013
CONSOLIDATED RATIOS					
Profitability and Performance					
Net interest margin ⁽¹⁾	3.6%	3.6%	2.7%	2.3%	3.4%
Return on average total assets ⁽²⁾	1.4%	1.8%	1.5%	0.9%	1.1%
Return on average shareholders' equity ⁽³⁾	18.4%	23.9%	19.6%	13.1%	12.7%
Efficiency ratio (consolidated) ⁽⁴⁾	41.5%	41.0%	45.7%	56.8%	51.7%
Dividend payout ratio ⁽⁵⁾	100.0%	100.0%	100.0%	100.0%	50.0%
Capital					
Average shareholders' equity as a percentage of average total assets	7.7%	7.5%	7.5%	7.2%	8.9%
Shareholders' equity as a percentage of total liabilities	8.6%	8.4%	9.1%	8.0%	11.0%
Asset Quality					
Allowances for loan losses as a percentage of overdue loans ⁽⁶⁾	170.3%	165.8%	153.8%	101.8%	76.5%
Overdue loans as a percentage of total loans ⁽⁶⁾	1.2%	1.1%	1.0%	1.1%	1.3%
Allowances for loan losses as a percentage of total loans	1.9%	1.9%	1.5%	1.1%	1.0%
Past due loans as a percentage of total loans ⁽⁷⁾	0.8%	0.9%	0.7%	0.5%	0.5%
OTHER DATA					
Inflation rate	-	-	-	-	-
Foreign exchange rate (Ch\$/US\$)	(19.5)%	(7.8)%	11.0%	(7.7)%	9.9%
Number of employees	3,127	3,422	3,461	5,163	7,298
Number of branches and offices	112	113	116	209	295

- (1) Net interest margin is defined as net interest income divided by average interest-earning assets.
- (2) Return on average total assets is defined as net income divided by average total assets.
- (3) Return on average shareholders' equity is defined as net income divided by average shareholders' equity.
- (4) Efficiency ratio (consolidated) is defined as total operating expenses as a percentage of operating income before loan losses.
- (5) Dividend payout ratio represents dividends divided by net income.
- (6) Overdue loans consist of all non-current loans (loans to customers).
- (7) Past due loans include all installments and lines of credit more than 90 overdue.

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, 2010 to December 31, 2013, the compounded annual growth rate of our aggregate gross loan portfolio was 33.7%. 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, 2013, the risk index (ratio of allowance for loans losses over total loans) of this segment was 1.7% while other segments of our loan portfolio such as mortgage loans or commercial loans had lower risk indexes of 0.4% and 1.0%, respectively.

Our consumer loans have increased since June 2011 in terms of aggregate amount, but 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 (i) our acquisition of 91.9% equity interest in CorpBanca Colombia in May 2012, or the Banco Santander Colombia Acquisition, and (ii) our acquisition of a 87.4% equity interest in Helm Bank in August 2013, or the Helm Bank Acquisition. As of December 31, 2013, consumer loans represented 12.6% 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 would 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, particularly in light of the growth attributable to the Banco Santander Colombia Acquisition and to the Helm Bank Acquisition. 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, 2013, our allowance for loan losses was Ch\$126,039 million (excluding allowances for loan losses on loans and receivable to banks), and the risk index was 1.0%. The amount of allowance for loan losses is based on our current assessment of and expectations concerning various factors affecting 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, 2013, our past due loans were Ch\$64,091 million, which resulted in a past due loans to total loans ratio of 0.5%. As of December 31, 2013, our non-performing loans were Ch\$141,667 million, which resulted in a non-performing to total loans ratio of 1.1%. 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. 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, and result in higher allowances for loan losses, which could in turn materially affect 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.

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.



There are also certain provisions of Colombian Law No. 1,676 that may affect our rights to foreclose on or liquidate movable assets pledged in favor of our Colombian subsidiaries. Colombian Law No. 1,676, issued on August 20, 2013, and applicable as of February 21, 2014, created a new registry for liens over movable assets. Creditors registering liens are granted priority based on the date of registration of the liens in the new registry. This “first in time, first in right” rule also applies to those liens granted before the enactment of the law. We are currently registering liens granted in our favor prior to February 21, 2014, however, there is a risk that third parties with conflicting liens may also try to obtain registration over the same assets, in which case the first party to register a lien will have priority over any others. In addition, given the recent enactment of this law, there is uncertainty as to how the law will be interpreted and applied, including how movable assets underlying the securities will be valued by the registry.

We may be unable to meet requirements relating to capital adequacy

Chilean banks are required by the Chilean 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. 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. As of December 31, 2013, the ratio of our Bank for International Settlements, or BIS, capital-weighted assets ratio was 13.2%. 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 Chilean General Banking Law, if we fail at any time to meet 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.

Our Colombian operations 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, 2013, the consolidated ratio for our Colombian operations (calculated as BIS capital to risk-weighted assets) was 12%. Certain developments could affect the ability of our Colombian operations to continue to satisfy the current capital adequacy requirements applicable to each, including:

- the increase of risk-weighted assets as a result of the expansion of our Colombian operations business;
- the failure to increase CorpBanca Colombia’s or Helm Bank’s capital;
- losses resulting from a deterioration in CorpBanca Colombia’s or Helm Bank’s asset quality;
- declines in the value of CorpBanca Colombia’s or Helm Bank’s 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 Colombia.



For purposes of obtaining from the Colombian Superintendency of Finance the authorization to acquire Helm Bank, CorpBanca Colombia committed to carry out the necessary activities to maintain a solvency ratio of 11.8% for the months following the CorpBanca Colombia and Helm Bank merger.

If our Colombian operations fail to comply with the capital adequacy requirements for Colombian financial institutions, we may be subject to certain penalties and sanctions that are graduated depending on the level of compliance failure, and which may include an administrative take-over by the government with the purpose of administration or liquidation. As a result, 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 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 6% in 2011, 5.6% in 2012 and 4.1% in 2013, accompanied by a high demand for labor and asset price increases. The Colombian GDP grew 6.6% in 2011, 4% in 2012 and 4.3% in 2013, 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.

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 Chilean 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, we operate in a highly competitive environment and increased competitive conditions are to be expected in the jurisdictions where we operate. 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. Our ability to maintain our competitive position in Colombia depends mainly on our ability to fulfill new customers' needs through the development of new products and services and offer adequate services and strengthen our customer bases through cross-selling. Our Colombian operations will be adversely affected if we are not able to maintain efficient service strategies, or overcome certain delays or difficulties in the transition of the integration of the operational services and activities of CorpBanca Colombia and Helm Bank. In addition, our 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 Colombian Banking and Financial Entities Association (*Asociación Bancaria y de Entidades Financieras de Colombia*), 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;



- 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; or
- 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

Time deposits and other term deposits are our primary sources of funding, which represented 46.6% of our liabilities as of December 31, 2013. 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, since the equity value of CorpBanca is hedged against our base currency Chilean peso. 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, 2010, the Chilean peso appreciated 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 7.7% and the Colombian peso appreciated against the U.S. dollar by 9%, each as compared to 2011. As of December 31, 2013, the Chilean peso depreciated against the U.S. dollar by 9.9% and the Colombian peso depreciated against the U.S. dollar by 8.8%, each as compared to 2012.

Our results of operations may be affected by fluctuations in exchange rates between the Chilean peso, the Colombian peso and the U.S. dollar despite our internal 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, 2012 and 2013, 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, Ch\$241,832 million and Ch\$434,942 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 could 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 U.S. 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.

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. Helm Bank is expected to be covered by this agreement following the merger of Helm Bank will be with and into CorpBanca Colombia.

Our inability to attract, develop or retain qualified employees, managers and executives 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 is dependent on our ability to attract, develop and retain qualified employees, managers and executives. Following the pending Itaú-CorpBanca Merger (as defined below), Itaú Unibanco and Inversiones CorpGroup Interhold Limitada (our holding company), together with certain affiliates of the latter, or CorpGroup, are expected to sign a shareholders agreement to determine aspects related to corporate governance, dividend policy, transfer of shares and liquidity among others, or the Itaú-CorpBanca Shareholders Agreement. The Itaú-CorpBanca Shareholders Agreement provides that Itaú Unibanco and CorpGroup will collectively be entitled to appoint the majority of the members of our board of directors that CorpGroup or Itaú Unibanco are then entitled to appoint (which collectively will be a majority of our board of directors). Additionally, Itaú Unibanco will be able to appoint the chief executive officer or CEO. Our success is also dependent on our ability to attract, train, develop and retain talented, diverse employees. We cannot assure you that we will be successful in attracting and retaining qualified personnel either before or after the Itaú-CorpBanca Merger. The loss of certain 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, 2013, on a consolidated basis we had 3,750 employees in Chile (including 26 at our New York Branch), of which 50% were unionized and 3,548 employees in Colombia, of which 15.8% were unionized. CorpBanca's current labor agreement with four of its unions in Chile will expire on December 19, 2014. CorpBanca Colombia's current labor agreement with its fifteen unions in Colombia was subscribed on September 14, 2013 and expires on August 31, 2015. Less than 1% of Helm Bank's employees are unionized. 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.

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 Chilean 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 Chilean 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.

CorpBanca must maintain a capital adequacy index of at least 10% calculated pursuant to the guidelines issued by the Superintendency of Banks and Financial Institutions. This index must be complied with both on the closing date of an acquisition, as well as for at least a year thereafter (in the case of the most recent Helm Bank Acquisition, until August 6, 2014). In line with the future adoption of Basel III regulations in Chile, the SBIF has maintained a proposal to increase the minimum effective BIS capital adequacy ratio from the current 8% to 10.5%. This change requires an amendment to the Chilean General Banking Law by Congress, and when adopted, could require us to inject additional capital in our business in the future. The SBIF has not issued any timetable for adoption of Basel III but has issued guidance to Chilean banks regarding the adoption of Basel III for 2019. 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.

Banking regulations in Colombia may restrict our Colombian operations and adversely affect our financial condition and results of operations

Our Colombian operations are subject to regulation by 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 (*Superintendencia de Industria y Comercio*), or SIC, and the Self-Regulatory Organization (*Autorregulador del Mercado de Valores-AMV*), or the SRO.

Colombian regulation has evolved from an absolute separation of financial activities between different and separate entities (adopted back in the 1980's) to an intermediate scheme of multibanking approach. This new scheme was introduced by Law No. 1,328 of 2009, known as the Financial Reform. Pursuant to Article 7 of the Financial Organic Statute (*Estatuto Orgánico del Sistema Financiero as amended by the above-mentioned law*), Colombian banks may engage in commercial banking business and in certain businesses in addition to traditional commercial banking, including leasing activities.

There can be no assurance that regulators will not in the future impose more restrictive limitations on the activities of banks, including our operations in Colombia.

Capital adequacy requirements for Colombian financial institutions, and CorpBanca Colombia's commitment to maintain a solvency ratio of 11.8% for the following months after the CorpBanca Colombia and Helm Bank merger occurred could require us to inject further capital into our Colombian operations, or to capitalize dividends, or restrict the type or volume of transactions we enter into, which may lower the return of our investments, assets and equity. We may also face increased compliance costs and limitations on our ability to pursue certain business opportunities.

Colombian accounting principles are moving toward the implementation of IFRS standards. As a result, financial institutions and other supervised entities are required to switch to IFRS on January 1, 2015. Therefore during 2014 we have been preparing financial statements based on both current Colombian GAAP and on IFRS for comparative purposes in the future. Such switch to IFRS may adversely impact our capacity to distribute dividends and the profits of our Colombian operations.



As a result of the recent global financial crisis and worldwide trends, there has been an increase in government regulation of the financial services industry in many countries. Such regulation may also be increased in Colombia, 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 in Colombia, 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, and offer various internet-based services to our clients, including online banking services. We could be liable for breaches of security in our online banking services, including cybersecurity breaches. The secure transmission of confidential information over the Internet is essential to maintain our clients' confidence in our online services. In certain cases, we are responsible for protecting customers' proprietary information as well as their accounts with us. We have security measures and processes in place to defend against these cybersecurity risks



but these cyber attacks are rapidly evolving (including computer viruses, malicious code, phishing or other information security breaches), and we may not be able to anticipate or prevent all such attacks, which could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of our or our customers' confidential, proprietary and other information. Individuals may also seek to intentionally disrupt our online banking services or compromise the confidentiality of customer information with criminal intent. Although we have procedures and controls to safeguard personal information in our possession, as well as systems and processes that are designed to recognize and assist in preventing security breaches, failure to protect against or mitigate breaches of security or other unauthorized disclosures could constitute a breach of privacy or other laws, subject us to legal actions and administrative sanctions as well as damages, adversely affect our ability to offer and grow our online services, result the loss of customer relationships, negatively impact our reputation, and have an adverse effect on our business, results of operations and financial condition.

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. Prepayment risk also has an adverse impact on our residential mortgage portfolio, since prepayments could shorten the weighted average life of this portfolio, which may result in a mismatch in funding or in reinvestment at lower yields. Prepayment risk is inherent to our commercial activity and an increase in prepayments could have a material adverse effect on our business, financial condition and results of operations.

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, 2013, 2.1% of our total assets comprised of securities issued by the Chilean government and 3.1% of our total assets comprised securities issued by foreign government, mostly by the Colombian 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.

A further downgrade of CorpBanca's counterparty credit rating by international or domestic credit rating agencies could 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

On August 23, 2013, following the Helm Bank Acquisition, Standard and Poor's Ratings Services, or Standard and Poor's, downgraded CorpBanca's long-term issuer credit rating from BBB+ to BBB. On December 6, 2013, Moody's Investors Service, or Moody's, downgraded CorpBanca's global, local and foreign currency deposit and debt ratings to Baa3 from Baa2, following placement by Moody's on review for downgrade on August 30, 2013 in connection with our association with our affiliate, SMU S.A., or SMU. Following the announcement of the Itaú-CorpBanca Merger, Standard & Poor's placed CorpBanca BBB/A-2 ratings on CreditWatch Developing and Moody's changed our rating review direction to 'possible upgrade', from 'review for downgrade', on our long and short term ratings, on January 14 and January 31, 2014, respectively.

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.

Maturity 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 could 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 financial and operational risks associated with derivative transactions

We enter into derivative transactions primarily to deliver a service to our clients, hedging and, on a limited basis, trading purposes. These transactions are subject to market, liquidity, counterparty (the risk of insolvency or other inability of a counterparty to perform its obligations to us) and operational risks.

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 earthquakes or tsunamis 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.



Future 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 and other term deposits represented 56.3%, 56.1%, 59%, 61.4% and 46.6% of our total liabilities as of December 31, 2009, 2010, 2011, 2012 and 2013, 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.

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 downgrade of the U.S. credit rating and the economic crisis in 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, COLOMBIA AND OTHER COUNTRIES IN WHICH WE OPERATE

The banking regulatory and capital markets environment in Chile and Colombia 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 Chilean 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% are secured by certain collateral). Previously, these limits were set at 5% and 2.5%, respectively. This limit is set at 5% for certain persons related to the bank (or 25% if loans in excess of 5% are secured by certain collateral). 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 has increased competition by increasing the number of banks that can compete directly in Chile.

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. In addition, in March 2012, a bill aimed at giving additional enforcement powers to the SERNAC (Chile's Consumer Protection Agency) regarding financial services became effective and created the SERNAC Financiero, a specific consumer protection agency for the financial industry. The SERNAC Financiero has powers to supervise and regulate Bank products and services. The creation of the SERNAC Financiero has also resulted in additional scrutiny regarding prices and contracts for financial products and services, making it more difficult to raise prices and increasing competition among bank and non-bank competitors. The Consumer Protection Act has had an adverse effect on the Chilean finance industry, particularly the banking industry as a consequence of the loss of flexibility in the determination of price and product distribution strategies in the retail banking segment.

In February 2012, Law No. 20,575 (*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 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 DICOM* 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. *Ley DICOM* has not had a significant impact on our business or our commercial practices because of our anticipation to 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.

Colombian laws, regulations, policies and interpretations of laws relating to the financial system are also continually evolving and changing. In 2013, a new regulation regarding liens over movable assets was enacted (Colombian Law No. 1,676) which may affect our rights to foreclose on or liquidate movable assets pledged in favor of our Colombian subsidiaries. This new law created a new registry for liens over movable assets. Creditors registering liens are granted priority based on the date of registration of the liens in the new registry. This "first in time, first in right" rule also applies to those liens granted before the enactment of the law. We are currently registering liens granted in our favor prior to the enactment of this law, however, there is a risk that third parties with conflicting liens may also try to obtain registration over the same assets, in which case the first party to register a lien will have priority over any others. In addition, given the recent enactment of this law, there is uncertainty as to how the law will be interpreted and applied, including how movable assets underlying the securities will be valued by the registry.

In 2014, the Colombian government presented to Congress an initiative to create a new type of financial institution that will have the sole purpose of offering electronic deposits and payments in order to promote financial inclusion. If the law is enacted, this could create a new competitive environment in Colombia.

As of the date of this Annual Report, an initiative regarding banking fees is being discussed in Congress, and has been approved in its second debate out of four needed for it to become a law. If the law is enacted in its current form banks would be required to cease collecting transactional and service fees from those individuals whose income is equal or under two legal monthly minimum wage, or SMMLV provided that this benefit would only apply to one savings account per individual. The likelihood of this initiative becoming a law is, however, uncertain given that there have been two similar unsuccessful initiatives discussed in Congress in recent years and the two pending debates would have to be completed before June 2014.



Any of the regulatory changes listed above could have an adverse effect on our operations in Chile or Colombia respectively.

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 the first Thursday of the subsequent month after each monthly closing. 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, for example loan loss provisions, assets received in lieu of payment among others. 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, 2013 have been prepared in accordance with IFRS in order to comply with SEC requirements.

Our consolidated financial statements as of and for the year ended December 31, 2011 incorporate the financial statements of CorpBanca, its subsidiaries (except for CorpBanca Colombia and Helm Bank) and the New York Branch. Our consolidated financial statements as of and for the year ended December 31, 2012 incorporate the financial statements of CorpBanca, its subsidiaries (except Helm Bank) and the New York Branch. Our consolidated financial statements as of and for the year ended December 31, 2013 incorporate the financial statements of CorpBanca, all of its subsidiaries and the New York Branch. Our consolidated financial statements include the necessary adjustments and reclassifications to the incorporated financial statements of each of CorpBanca’s subsidiaries and the New York Branch to bring their accounting policies and valuation criteria into line with those applied by the Bank, in accordance with IFRS—IASB.

The securities laws of Chile, which govern open, or publicly listed, companies such as ours, have as one of their principal objectives 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 our investors’ 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 of Chile eliminated the regulations that affected foreign investors except that investors are still required to provide the Central Bank of Chile 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.

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 depositary 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 depositary were unable to convert Chilean pesos to U.S. dollars, investors in our ADSs 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: (i) 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 Law Decree (*Decreto de Ley*) 3,500 (and were 1.0 as of December 31, 2013); (ii) per type of sub-fund, to shares, deposits and debt securities of a single banking institution (or guaranteed by such bank), investments not exceeding 9% of the value of the relevant sub-fund; and (iii) 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 2.5% of the value of such AFP with respect to banks in which a shareholder owns directly or indirectly more than 50% and less than 65% of its voting capital. 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, 2013, the aggregate exposure of AFPs to us was Ch\$878,519 million or 1.02% 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 (Chilean Capital Markets Laws) 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, 2013, the maximum limit on making investments abroad was 80% (per fund, with different limits per each sub-fund). As a result, pension funds may change the composition of their portfolios, including reducing their deposits with local banks. As of December 31, 2013, 3.0% 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, that considering jointly deposits and debt securities issued (or guaranteed by the relevant bank), shall not 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.

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 or 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 or 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 2011, 2012 and 2013, our ratio of net interest income to total operating income was 57.8%, 57.5% and 65.1%, 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 5.6% and a low of 3.6% in 2011, a high of 5.2% and a low of 4.8% in 2012 and a high of 5.1% and a low of 4.8% in 2013. On the other hand, the Colombian government does not issue short-term bonds of 30, 60 or 90 days as the Chilean government does. Instead, every month a committee of the Central Bank of Colombia determines the benchmark rate in order to achieve a specific goal of inflation. Yields on the Colombian benchmark rate reached a high of 4.75% and a low of 3% for 2011, a high of 5.25% and a low of 4.25% for 2012 and a high of 4.0% and a low of 3.25% for 2013. As of December 31, 2011, 2012, 2013, we had Ch\$843,250.0 million, Ch\$1,112,435 million and Ch\$889,087 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 could be subject to increase in income tax rate.

On April 1, 2014, the Chilean Government submitted to Congress for its approval a bill which contains important amendments to the Chilean tax system, or Tax Reform. Among the proposed changes, the Tax Reform contemplates an increase of the First Category Tax rate, from 20% to 25%, on a progressive basis.

In addition, the Tax Reform contains several other amendments to Chilean tax laws including, among others:

- taxation mechanism of profits attributable to shareholders or owners to be changed from distributed cash basis to accrued basis;
- elimination of the Value Added Tax, or VAT, exemption for construction of houses up to UF2,000;
- increase in stamp tax from 0.4% to 0.8%;
- Decree Law No. 600 to be eliminated no later than 2016, which could adversely affect the Foreign Investment Statute;
- charge VAT tax on all real estate transactions, which could affect the value of our repossessed mortgage properties which today are not charged VAT when sold;
- lowering of higher individual income tax bracket from 40% to 35%; and
- new general anti-avoidance rules, which would strengthen the powers of the Chilean IRS (*Servicio de Impuestos Internos*) to review and assess certain transactions.

The Tax Reform is expected to be subject to an intense debate in Congress, and some of its provisions may be eliminated or amended substantially.

We are also subject to income tax in Colombia at a rate of 34% with respect to our activities in that country. Beginning in fiscal year 2013, the Colombian corporate income tax rate was 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) was imposed. The CREE reduced the payroll taxes in Colombia from 9% to 4% (social security contributions) on workers who earn less than 10 SMMLV (approximately US\$3,059 for 2013) in May 2013 and eliminated the 8.5% employer's health contribution in January 2014 for this same group of employees.



The taxable base of the CREE is similar to the taxable base of the Colombian income tax. However, it does not allow the subtraction of tax credits and certain 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.

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

Colombian tax haven regulation could adversely affect our business and financial results

Decree 2193 of 2013 designates 44 jurisdictions as tax havens for Colombian tax purposes. It also excludes temporarily seven countries, including Panama, while the Colombian government negotiates tax information exchange agreements with each of them. If Panama and Colombia do not sign a tax information exchange agreement before August 2014, Panama would be considered as a tax haven under Colombian tax regulations. As a result, the clients of our Colombian subsidiaries in Panama who are residents in such jurisdiction would be subject to the following regulations: (i) higher withholding tax rates including a higher withholding rates over financial yields derived from investments in the Colombian securities market), (ii) the Colombian transfer pricing regime and its reporting duties, (iii) an assumption for Colombian authorities of residency for the purposes of qualifying a conduct as abusive under tax regulations, (iv) the disallowance of payments made to residents or entities located in tax havens as costs or deduction, unless the respective withholding tax has been applied and (v) other additional information disclosure requirements.

Colombian new tax reform could adversely affect our business and financial results

There have been several discussions about whether or not an additional tax reform will be required in the near future in Colombia, specifically to address the cost related to the post-conflict obligations that the Colombian government may acquire as a consequence of the peace conversations that are taking place in Havana, Cuba with *Fuerzas Armadas Revolucionarias de Colombia*, or FARC, guerrilla's and victims repair, as well as judicial decisions on the amount and liability of Colombian Government to restore and indemnify the conflict victims from guerrilla and paramilitaries. If such new taxes or higher rates in income tax are implemented, or the equity (patrimony) tax is made permanent, those decisions may adversely affect our ability to maintain our profitability trends and the dividends that may be distributed to our shareholders.

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

Uncertainty relating to tax legislation in Chile and Colombia poses a constant risk to CorpBanca. 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. In addition, the Colombian government has a significant fiscal deficit that may result in future tax increases. Additional tax regulations could be implemented that could require us to make additional tax payments, negatively affecting our respective results of operations and cash flow. In addition, national or local taxing authorities may not interpret tax regulations in the same way that we do. 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 Colombia 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 6% in 2011, 5.6% in 2012 and 4.1% in 2013.

According to data published by the Central Bank of Colombia, the Colombian economy grew by 6.6% in 2011, 4% in 2012 and 4.3% in 2013. 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 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) Chilean National Institute of Statistics and (ii) Colombian National Administrative Department of Statistics:

Year	Chilean UF Variation ⁽¹⁾	Chilean Inflation (CPI) (in percentages)	Colombian Inflation (CPI)
2009	(2.4)	(1.4)	2.0
2010	2.4	3.0	3.2
2011	3.9	4.4	3.7
2012	2.5	1.5	2.4
2013	2.1	3.0	1.9

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

(1) The *Unidad de Fomento* is an inflation index currency unit. The only difference between the UF variation and the CPI is that UF Variation reflects the CPI with one month lag.

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 5.8% 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 2.4% in Colombia. During 2013, GDP grew by 4.1% and the inflation rate increased by 3.0% in Chile and GDP grew by 4.3% and the inflation rate increased by 1.9% in Colombia. The Central Bank of Chile decreased the interbank rate from 5% in 2012 to 4.5% in 2013 so that the projected inflation could be placed in the 3.0% horizon defined by the Central Bank of Chile. In Chile, the average interbank rate was 4.9% in 2013. The Central Bank of Colombia decreased the interbank rate from 4.25% in 2012 to 3.25% in 2013 in response to a decrease in inflation expectations driven by decreased economic activity. In Colombia, the average interbank rate was 3.35% in 2013. 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 or Colombia

We now operate a banking business in Colombia through CorpBanca Colombia and Helm Bank and in Panamá through subsidiaries of Helm Bank. Our operations are focused on retail banking, as well as wholesale and commercial banking. 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. Helm Bank focuses on providing financing and deposit services to small-to-medium-sized companies and individuals with medium-high income levels, operating principally in Bogota, Cali, Medellin, Cartagena and Barranquilla.

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 any market we enter into, 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 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. Despite the Colombian government’s “democratic security” program and current peace conversations with FARC taking place in Havana, Cuba, which have 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 our 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.

In February 2014, Venezuela experienced political unrest and demonstrations across the country that sparked a series of violent incidents that resulted in several deaths and numerous injuries. As of the date hereof, anti-government demonstrations in Venezuela caused numerous injuries and protestors continue to hold demonstrations calling for new elections. These demonstrations in recent months in Venezuela, which has escalated in violence, resulted in some of the country's worst political violence, historically, with numerous deaths and injuries, as well as destruction of property. It is unknown how long it may take for the current situation to be resolved and what effects the current demonstrations may have on Venezuela.

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

Our operations in Colombia and our results of operations and financial condition 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.

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 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 Helm Bank and 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 No. 1,425 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 Helm Bank and CorpBanca Colombia.



Future restrictions on interest rates or banking fees could materially and adversely affect our 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 we charge. Any such limitations could materially and adversely affect 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 our operations in Colombia and our consolidated financial results.

Furthermore, pursuant to article 62 of Law No. 1,430 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 No. 1,430 of 2010 and established in Decree 4,809 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 SMMLV (approximately US\$350,000). If the outstanding amount of a loan is more than the equivalent of 880 SMMLV, 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.

As of the date of this Annual Report, an initiative regarding banking fees is being discussed in the Colombian Congress, and has been approved in its second debate out of four needed for it to become a law. If the law is enacted in its current form, banks would be required to cease collecting transactional and service fees from those individuals whose income is equal or under two SMMLV, provided that this benefit would only apply to one savings account per individual. The likelihood of this initiative becoming a law is, however, uncertain given that there have been two similar unsuccessful initiatives discussed in Congress in recent years and the two pending debates would have to be completed before June 2014.

Historically, Colombian banks have not paid interest on amounts deposited in checking accounts. We 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.

Insolvency law in Chile and Colombia may limit our monetary collection and ability to enforce our rights

A new Bankruptcy Act was published in Chile in the Official Gazette on January 9, 2014 and will come into effect on October 9, 2014. Under such act, monetary collection and enforcement of rights by a creditor may face limitations such as those arising from the Insolvency Protection (as defined below) recognized by such act. For more information on these limitations please see Item 4—Information on the Company Risks relating to Chile, Colombia and other countries in which we operate—Recent Regulatory Developments in Chile.

On June 12, 2012, the Congress of Colombia enacted Law 1,564 of 2012, which provides insolvency protection for non-merchant individuals. Under the 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. Given the recent enactment of Law 1,564 and its regulatory Decree 2,667, it is currently unclear how this law will be interpreted, including how strictly the requirement that the debtor be a non-merchant will be enforced. In addition, an initiative is currently being discussed by the Congress of Colombia, pursuant to which the voluntary insolvency proceeding set forth by Law 1,564 would be at no cost to the debtor, which, if approved, would presumably increase the number of voluntary insolvency proceedings filed by non-merchant debtors.



The Central Bank of Colombia may impose requirements on our (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 Helm Bank and 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 Helm Bank and CorpBanca Colombia and their respective clients to obtain loans denominated in a foreign currency.

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

Helm Bank and CorpBanca Colombia make 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 their 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 our results of operations and financial condition.

Helm Bank and CorpBanca Colombia also make 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 Helm Bank or CorpBanca Colombia to enforce such guarantees may be impaired.

In addition, Helm Bank and CorpBanca Colombia may face difficulties in enforcing their 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 Helm Bank's or CorpBanca Colombia's favor, which could materially and adversely affect our results of operations and financial condition.

There are also certain provisions of Colombian Law No. 1,676 that may affect our rights to foreclose on or liquidate movable assets pledged in favor of our Colombian subsidiaries. Colombian Law No. 1,676, issued on August 20, 2013, and applicable as from February 21, 2014, created a new registry for liens over movable assets. Creditors registering liens are granted priority based on the date of registration of the liens in the new registry. This "first in time, first in right" rule also applies to those liens granted before the enactment of the law. We are currently registering liens granted in our favor prior to February 21, 2014, however, there is a risk that third parties with conflicting liens may also try to obtain registration over the same assets, in which case the first party to register a lien will have priority over any others. In addition, given the recent enactment of this law, there is uncertainty as to how the law will be interpreted and applied, including how movable assets underlying the securities will be valued by the registry.

Our operations in Colombia may face legal and other challenges to maximizing revenue from credit card fees and other fees from customers

Helm Bank's and CorpBanca Colombia's credit card businesses face 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 Helm Bank's, 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.

Our Colombian operations face uncertainty regarding consumer protection laws

Law No. 1,328 of 2009, also referred to as the "financial reform law," creates a 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 specific 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 Helm Bank or CorpBanca Colombia could result in monetary or administrative sanctions or restrictions on its operations.

Certain payments received by the bank may be subject to U.S. federal withholding tax

Pursuant to Sections 1471 through 1474 of the Code and U.S. Treasury Regulations promulgated thereunder, a 30% U.S. withholding tax may be imposed on all or some of the payments received by the bank from sources in the United States after June 30, 2014 if we fail to comply with certain information reporting, certification and other related requirements. It is presently unclear whether the bank will so comply and whether, and to what extent, the U.S. withholding tax will apply. In the event that the 30% U.S. withholding tax applies to U.S. source payments after June 30, 2014, it could have a material adverse effect on our business, future financial performance and results of operations.

RISKS RELATING TO OUR ACQUISITION OF HELM BANK

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, the Helm Bank Acquisition in 2013, and may make further mergers and 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 (i) the Banco Santander Colombia Acquisition in 2012 and (ii) the Helm Bank Acquisition in 2013. Pursuant to applicable Colombian Law, Helm Bank will be merged with and into CorpBanca Colombia on or before August 6, 2014. 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. 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 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.

We may have problems integrating Helm Bank and its subsidiaries and affiliates to the group

A key element of our expansion strategy consists in the acquisition of existing businesses and their integration into our business model and administration and management processes. Our ability to attain the expected results of the Helm Bank Acquisition will be largely dependent on our ability to integrate Helm Bank's operations into our existing operations, and to implement our business in a timely and effective manner. We cannot assure you that we will be able to successfully integrate Helm Bank and its subsidiaries into our operations and business model. If we are unable to efficiently operate or integrate Helm Bank or its subsidiaries into our business model, our financial condition, results of operations and liquidity could be adversely affected.

RISKS RELATING TO THE ANNOUNCED ITAÚ-CORPBANCA MERGER

CorpBanca may be unable to fully realize the anticipated benefits of the Itaú-CorpBanca Merger

The Itaú-CorpBanca Merger involves bringing together two large financial institutions that currently operate as independent companies. CorpBanca will be required to devote significant management attention and resources to integrating certain aspects of the business practices and operations of CorpBanca and Itaú Chile.

The success of the Itaú-CorpBanca Merger will depend, in part, on CorpBanca's ability to realize anticipated revenue synergies, cost savings and growth opportunities resulting from the combination of the businesses of CorpBanca and Itaú Chile. CorpBanca hopes to generate synergies resulting from optimization of



organizational structures, scalable IT systems, savings related to the branch network and reductions in administrative expenses. There is a risk, however, that CorpBanca may not be able to combine the businesses of CorpBanca and Itaú Chile in a manner that permits CorpBanca to realize these revenue synergies, cost savings and growth opportunities in the time, manner or amounts CorpBanca currently expects or at all. Potential difficulties CorpBanca may encounter as part of the merger process include, among other things:

- complexities associated with managing Itaú-CorpBanca;
- the need to implement, integrate and harmonize various business-specific operating procedures and systems, as well as the financial, accounting, information and other systems of CorpBanca and Itaú Chile;
- potential loss of key employees as a result of implementing the proposed Transactions;
- the need to coordinate the existing products and customer bases of CorpBanca and Itaú Chile; and
- potential unknown liabilities and unforeseen increased expenses or delays associated with the merger and the other transactions described in the Transaction Agreement (as defined below), or the Transactions.

In addition, CorpBanca and Itaú Chile have operated and, until the completion of the merger, will continue to operate separately. It is possible that the integration process could result in:

- diversion of management's attention from their normal areas of responsibility to address issues related to the Transactions; and
- the disruption of CorpBanca's or Itaú Chile's ongoing businesses or inconsistencies in its standards, controls, procedures and policies,

each of which could adversely affect their ability to maintain good relationships with its customers, suppliers, employees and other constituencies, or to achieve the anticipated benefits of the proposed Transactions, and could increase costs or reduce their earnings or otherwise adversely affect the business, financial condition, results of operations and/or prospects of the merged entity following the completion of the merger, Itaú CorpBanca, which we refer to herein as Itaú-CorpBanca, following the completion of the merger. Actual revenue synergies, cost savings, growth opportunities and efficiency and operational benefits resulting from the merger may be lower and may take CorpBanca longer than it currently expects.

The integration of two large companies also presents significant management challenges. In order to achieve the anticipated benefits of the merger, the operations of the two companies will need to be reorganized and their resources will need to be combined in a timely and flexible manner.

There can be no assurance that CorpBanca will be able to implement these steps as anticipated or at all. If CorpBanca fails to consummate the Itaú-CorpBanca Merger within the time frame that is currently contemplated or to the extent that is currently planned, or if for any other reason the expected revenue synergies, cost savings and growth opportunities fail to materialize, the Transactions, may not produce the benefits that CorpBanca currently anticipates.

CorpBanca has and will continue to incur significant costs and expenses in connection with the Itaú-CorpBanca Merger

CorpBanca has incurred and will continue to incur substantial expenses in connection with the proposed Transaction. These costs and expenses include financial advisory, legal, accounting, consulting and other advisory fees and expenses, reorganization and restructuring costs, filing fees, printing expenses and other related charges. Some of these costs are payable by CorpBanca and Itaú Chile regardless of whether the Itaú-CorpBanca Merger is completed. There are also many processes, policies, procedures, operations, technologies and systems that must be integrated in connection with the Itaú-CorpBanca Merger. While CorpBanca has assumed that a certain level of expenses would be incurred in connection with the Transactions, there are many factors beyond CorpBanca's control that could affect the total amount or the timing of the related expenses.

There may also be additional unanticipated significant costs in connection with the Itaú-CorpBanca Merger that CorpBanca may not recoup. These costs and expenses could, particularly in the near term, exceed the savings that CorpBanca expects to achieve from the elimination of duplicative expenses and the realization of economies of scale, other efficiencies and cost savings. Although CorpBanca expects that these savings will offset these integration and implementation costs over time, this net benefit may not be achieved in the near term or at all.



Itaú Unibanco will control the board of directors of Itaú-CorpBanca

Itaú Unibanco and CorpGroup will collectively appoint a majority of the directors of the board of directors of Itaú-CorpBanca after the completion of the Transactions. The Itaú-CorpBanca Shareholders Agreement to be entered into by Itaú Unibanco and Corp Group contemplates that the directors appointed by them will vote in a block and in accordance with the recommendation of Itaú Unibanco, subject to certain exceptions. Accordingly, Itaú Unibanco will be able to control the actions taken by the board of directors of Itaú-CorpBanca on most matters.

Uncertainties associated with the Itaú-CorpBanca Merger may cause a loss of management personnel and other key employees that could adversely affect CorpBanca, Itaú Chile and/or Itaú-CorpBanca

The success of the Itaú-CorpBanca Merger is dependent, in part, on the experience and industry knowledge of their senior management and other key employees of CorpBanca and Itaú Chile and their ability to execute their business plans. In order to be successful, CorpBanca, Itaú Chile and Itaú-CorpBanca must be able to retain the senior management and other key employees and their ability to attract highly qualified personnel in the future. Current and prospective employees of CorpBanca and Itaú Chile may experience uncertainty about their roles within Itaú-CorpBanca following completion of the Itaú-CorpBanca Merger, which may have an adverse effect on the ability of CorpBanca, Itaú Chile or Itaú-CorpBanca to retain or attract senior management and other key employees, and in turn, on our business, financial condition and results of operations, regardless of the success of the Itaú-CorpBanca Merger.

Itaú-CorpBanca's future results will suffer if it cannot effectively manage its expanded operations following completion of the Itaú-CorpBanca Merger

Following the completion of the Itaú-CorpBanca Merger, the size of the business of Itaú-CorpBanca will be significantly larger and more complex than the current business of CorpBanca or Itaú Chile. Itaú-CorpBanca's future success will depend, in part, on CorpBanca's ability to manage this expanded business, posing substantial challenges for management. There can be no assurances that Itaú-CorpBanca will be successful or that it will realize the expected operating efficiencies, cost savings, revenue synergies and other benefits currently anticipated by CorpBanca and Itaú Chile from the Itaú-CorpBanca Merger.

CorpBanca must obtain approval of its shareholders to the Transactions, which, if delayed or not obtained, may jeopardize or delay its consummation

The Transactions are conditioned on the approval by the affirmative vote of the holders of two-thirds of the outstanding shares of CorpBanca common stock. If the shareholders of CorpBanca do not provide such approval, then CorpBanca and Itaú Chile cannot consummate the Transactions. CorpBanca has not yet scheduled a shareholders meeting for the purpose of obtaining such vote.

Regulatory approvals may not be received, may take longer than expected or may impose conditions that are not presently anticipated or cannot be met

The Transactions are subject to various customary regulatory approvals that must be obtained from certain bank and other governmental authorities in several jurisdictions. These authorities may impose conditions on the granting of such approvals. Such conditions or changes and the process of obtaining regulatory approvals could have the effect of delaying completion of the merger or of imposing additional costs or limitations on CorpBanca. Regulatory approvals may not be received at any time, may not be received in a timely fashion, and may contain conditions on the completion of the merger. In addition, CorpBanca and Itaú Chile may elect not to consummate the Itaú-CorpBanca Merger if, in connection with any required regulatory approval, any governmental or regulatory entity imposes any restriction, requirement or condition that would reasonably be expected to have a material adverse effect on either CorpBanca and its subsidiaries, taken as a whole, or Itaú Chile, Itaú Colombia and their subsidiaries, taken as a whole.



Failure to consummate the Itaú-CorpBanca Merger could negatively impact the share price and the future business and financial results of CorpBanca

If the Itaú-CorpBanca Merger is not consummated, the ongoing businesses of CorpBanca may be adversely affected and, without realizing any of the benefits of having consummated the Itaú-CorpBanca Merger, CorpBanca will be subject to a number of risks, including the following:

- CorpBanca and/or Itaú Chile will be required to pay costs and expenses relating to the proposed Transactions;
- matters relating to the Transactions may require substantial commitments of time and resources by CorpBanca's management, which could otherwise have been devoted to other opportunities that may have been beneficial to CorpBanca; and
- the Transaction Agreement restricts CorpBanca, without Itaú Chile's consent; and subject to certain exceptions, from taking certain actions until the Itaú-CorpBanca Merger is consummated. These restrictions may prevent CorpBanca from pursuing otherwise attractive business opportunities and making other changes to their businesses that may arise prior to consummation of the Transactions.

If the Transactions are not consummated, these risks may materialize and may adversely affect CorpBanca business, financial results and share price.

The Transaction Agreement contains provisions that restrict CorpBanca's ability to pursue alternative transactions

The Transaction Agreement prohibits the parties from soliciting, discussing, negotiating or entering into alternative transactions. This provision could discourage a third party that may have an interest in acquiring all or a significant part of CorpBanca from considering or proposing that acquisition, even if such third party were prepared to pay consideration with a higher value than the value of the proposed Transactions.

The Transaction Agreement may be terminated in accordance with its terms and the Transactions may not be completed

The Transaction Agreement is subject to a number of customary closing conditions which must be fulfilled in order to consummate the Itaú-CorpBanca Merger. Those conditions include: approval of the Transaction Agreement by CorpBanca shareholders, receipt of all required regulatory approvals, absence of orders preventing or suspending consummation of the Transactions, receipt of specified consents, the accuracy of the representations and warranties by both parties, performance by both parties of their covenants and agreements, the execution and delivery by both parties of the Shareholders' Agreement and certain pledge agreements, and the absence of any circumstance, occurrence or change that has had a material adverse effect on any of the parties. These conditions to the closing of the Transactions may not be fulfilled and, accordingly, the merger may not be completed. As discussed in Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings, shareholders have commenced an action that purports to seek an order enjoining the Itaú-CorpBanca Merger. In addition, if the Transactions are not completed by the second anniversary from the date of the Transaction Agreement, either CorpBanca or Itaú Chile may choose not to proceed with the Transactions, and any party can unilaterally decide to terminate the Transaction Agreement.

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.

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 (i) a majority of our board of directors (*directorío*), or Board of Directors, consist of independent directors, (ii) 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, (iii) a compensation committee be established that is composed entirely of independent directors and has a written charter addressing the committee’s purpose and responsibilities, (iv) an annual performance evaluation of the nominating and corporate governance and compensation committees be undertaken, and (v) 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, 2013, together with members of his family, Mr. Saieh Bendeck and his family had an indirect ownership of 75.6% of Corp Group Banking S.A. and 51.4% 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.*, or Saga, a company owned by Mr. Saieh Bendeck and his family. In addition, Mr. Saieh Bendeck currently 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 (except for certain actions subject to supermajority approval according to Chilean law), including the distribution of dividends (above the legal minimum of 30% of net profits), to elect a majority of the nine members of the Board of Directors, to direct our management and to control substantially all matters that are to be decided by a vote of shareholders, including fundamental corporate transactions.



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 in Chile judgments rendered by United States courts against them, including in any action based on civil liabilities under the United States federal securities laws.

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, 2013, we had 340,358,194,234 common shares. Although ADS holders are entitled to withdraw common shares underlying ADSs from the depositary 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, 2013, our non-controlling shareholders held approximately 48.6% 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*, Law No. 18,045, 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*, Law No. 18,046 and the *Reglamento de Sociedades Anónimas*, which we refer to collectively as the Chilean Corporations Law, and applicable regulations establish 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 depositary 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.

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, the vote of a holder of ADSs may not be necessary to approve certain matters since under Chilean law, substantially all of the forms of corporate action can be approved with the votes of our controlling shareholder in a duly summoned shareholders' meeting, Corp Group Banking and other investment companies such as Saga, which are owned by Mr. Saieh Bendeck and his family, except for certain matters requiring supermajority approval according to Chilean law.

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 therefore 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. See Item 10. Additional Information—E. Taxation—U.S. federal income tax considerations", for additional information related to the PFIC rules and their application to the bank.



Holders of the ADSs or our common shares could be subject to a 30% U.S. withholding tax.

Pursuant to Sections 1,471 through 1,474 of the Code and U.S. Treasury Regulations promulgated thereunder, 30% withholding tax may be imposed on all or some of the payments on the ADSs or our common stock after December 31, 2016 to holders and non-U.S. financial institutions receiving payments on behalf of holders that, in each case, fail to comply with information reporting, certification and related requirements. This withholding tax, if it applies, could apply to any payment made with respect to the ADSs or our common stock, and ADSs or shares of our common stock held through a non-compliant institution may be subject to withholding even if the holder otherwise would not be subject to withholding. U.S. holders are urged to consult their tax advisers regarding the application of these rules to their ownership of the ADSs or our common stock. See Item 10. Additional Information—E. Taxation—U.S. federal income tax considerations”, for additional information related to these rules and their application to holders of ADSs or our common shares.

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 Exchange Market, permits the depositary 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 depositary 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 depositary was able to convert Chilean pesos to U.S. dollars, investors would receive dividends or other distributions, if any, in Chilean pesos.



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 885 Third Avenue, 33rd Floor, New York, NY 10022. 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 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 of Chile. 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.

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 Sud Americano, 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.

On June 22, 2012, we finalized the acquisition from Banco Santander S.A., a *sociedad anónima bancaria* organized under the laws of the Kingdom of Spain, of (i) 91.9% equity interest in Banco Santander Colombia, now known as CorpBanca Colombia, (ii) a 99.96% (direct and indirect) equity interest in Santander Investment Valores Colombia S.A., now known as CorpBanca Investment Valores Colombia S.A., or CIVAL, a licensed securities broker dealer operating in Colombia and (iii) a 99.99% equity interest in Santander Investment Trust Colombia S.A., now known as CorpBanca Investment Trust Colombia S.A., or CIT Colombia, a financial services company operating in Colombia that specializes in fund administration and trust and custodial services. Banco Santander Colombia, CIVAL and CIT Colombia currently operate under the CorpBanca brand name.



On October 9, 2012, an affiliate of CorpBanca Group entered into the HB Purchase Agreement, with affiliates of Helm Corporation, to acquire up to a 100% equity interest in the common shares of Helm Bank, including its subsidiaries in Colombia, Helm Comisionista de Bolsa S.A. and Helm Fiduciaria S.A., its subsidiaries in Panama, Helm Bank S.A. (Panama) and Helm Casa de Valores S.A. (Panama) and its subsidiary in the Cayman Islands, Helm Bank S.A. (Cayman I.), with the intent to merge Helm Bank with and into CorpBanca Colombia S.A. with CorpBanca Colombia S.A. as the surviving corporation. The total consideration for the acquisition of Helm Bank by CorpBanca Colombia, which includes 100% of the issued and outstanding shares of Helm Bank and its subsidiaries, was approximately US\$1,320 million.

On August 6, 2013, and in a first step of the Helm Bank Acquisition, Banco CorpBanca Colombia S.A. acquired 2,387,387,295 ordinary shares of Helm Bank S.A., representing 58.89 % Helm Bank's ordinary shares (approximately 51.61% of the ordinary and preferred shares issued by Helm Bank) and, therefore, acquired control of Helm Bank S.A. and its subsidiaries, Helm Comisionista de Bolsa S.A., Helm Fiduciaria S.A., Helm Bank S.A. (Panamá), Helm Casa de Valores S.A. (Panamá) and Helm Bank S.A. (I. Caymán). On August 29, 2013, and in a second step of the Helm Bank Acquisition, Banco CorpBanca Colombia S.A. acquired 1,656,579,084 ordinary shares of Helm Bank S.A., representing another 40.86% of the ordinary shares, for a total of approximately 99.75% of the ordinary shares (approximately 87.42% of the ordinary and preferred shares issued by Helm Bank).

In order to finance the Helm Bank Acquisition, CorpBanca Colombia raised capital in an amount equal to US\$1,014 million and financed the remainder of the acquisitions with its own funds. The capital increase was subscribed to by (i) CorpBanca (in the amount of approximately US\$353 million), (ii) Helm Corporation investing indirectly, together with another main former shareholder of Helm Bank (in the aggregate amount of approximately US\$473 million) and (iii) CorpGroup (in the amount of approximately US\$188 million). As a result of this capital raise, our stake in CorpBanca Colombia was diluted to 66.39%

In the end of the fourth quarter of 2013, CorpBanca Colombia initiated a public tender offer to repurchase all of the outstanding non-voting preferred shares of Helm Bank. The tender offer was completed in January 2014 and resulted in CorpBanca Colombia purchasing 568,206,073 non-voting preferred shares issued by Helm Bank, representing to 99.38% of the 571,749,928 authorized and issued non-voting preferred shares of Helm Bank. As a result of the purchase through this tender offer, CorpBanca Colombia became a 99.70% owner of Helm Bank, when combined with the 4,044,135,318 common shares already owned by CorpBanca Colombia prior to the tender offer.

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. 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 33.7% between December 31, 2010 and December 31, 2013. As of December 31, 2013, according to the SBIF, we were the fourth largest private bank in Chile in terms of the overall size of our loan portfolio (11.5% market share on a consolidated basis and 7.3% market share on an unconsolidated basis only taking into account our operations in Chile, each as reported to the SBIF calculated under local regulatory and accounting principles). As of December 31, 2013, we had total assets of Ch\$17,482,631 million, including total loans of Ch\$12,897,681 million, shareholders' equity (excluding net income for the trailing twelve months and provision for mandatory dividend) of Ch\$1,346,007 million and our return on average shareholders' equity was 12.4% for the trailing twelve months. For the year ended December 31, 2013, we had net interest income of Ch\$457,690 million and net income of Ch\$175,239 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, 2013, we had a BIS Ratio of 13.2% and allowance for loan losses to total loans of 1%. We have achieved an average annual return on equity of 18.5% between 2010 and 2013. As of December 31, 2013, we had 123 branches and 504 ATMs in Chile and 172 branches and 182 ATMs in Colombia.



The Announced Itaú-CorpBanca Merger

Pursuant to CorpBanca's regionalization strategy, during 2013, CorpBanca conducted a process involving several Latin American and global banks as potential partners in order to explore a strategic alliance to further expand CorpBanca's reach and capabilities. Consequently, after conducting a comprehensive and competitive process for identifying a merger partner, on January 29, 2014, we and our controlling shareholders entered into a Transaction Agreement with Itaú Chile and its parent entity, Itaú Unibanco, whereby we agreed to merge with Itaú Chile, or the Transaction Agreement. As part of that process, we retained two investment banks (Merrill Lynch, Pierce, Fenner & Smith Incorporated and Goldman, Sachs & Co.) as financial advisors in connection with the merger transaction and with the purpose of conducting the process. We and our financial advisors contacted multiple well-known international and Chilean banks who were believed to potentially be interested in a merger. The goal of the process was to obtain the best transaction (in terms of value and certainty of closing) for us and all of our shareholders. After a thorough analysis by us and our financial advisors and Chilean and U.S. legal advisors of the indications of interest received from the different parties and discussions with certain of the parties, we concluded that Itaú Chile offered the best available transaction for us and all our shareholders.

The Itaú-CorpBanca Merger is subject to regulatory approvals from the Brazilian, Colombian, Chilean, Panamanian and United States regulators and also subject to the approval of the shareholders of CorpBanca and Itaú Chile. Assuming such approval is granted, and subject to customary closing conditions, Itaú Chile will merge with and into CorpBanca, with CorpBanca as the surviving entity. The name of the merged bank will be Itaú-CorpBanca. We expect the Itaú-CorpBanca Merger to close in the fourth quarter of 2014 or the first quarter of 2015.

After closing of the Itaú-CorpBanca Merger, Itaú Unibanco and our current controlling shareholders will beneficially own 33.58% and 32.92% of our outstanding common shares, respectively. Prior to the closing of the Itaú-CorpBanca Merger, Itaú Unibanco will inject \$652 million into Itaú Chile in a capital increase. In connection with the Transaction Agreement, our controlling shareholders have agreed that at the closing of the Itaú-CorpBanca Merger, they will enter into the Itaú-CorpBanca Shareholders Agreement, whereby Itaú Unibanco will control the merged bank, or Itaú-CorpBanca, after the consummation of the Itaú-CorpBanca Merger. For a description of the Itaú-CorpBanca Shareholders Agreement and the Transaction Agreement, see Item 10. Additional Information—C. Material Contracts.

Pursuant to the Transaction Agreement, after the closing of the Itaú-CorpBanca Merger, Itaú-CorpBanca will acquire the operations of Itaú Unibanco in Colombia by acquiring the shares of Itaú Colombia at an aggregate price equivalent to their book value of approximately \$170 million. Alternatively, if the minority shareholders of CorpBanca Colombia accept the offer to sell their shares in CorpBanca Colombia to Itaú-CorpBanca after the closing of the Itaú-CorpBanca Merger, Itaú-CorpBanca will acquire the operations of Itaú Unibanco through a merger of Itaú Colombia with and into CorpBanca Colombia. To that effect, Itaú-CorpBanca will offer to acquire the CorpBanca Colombia shares held by the minority shareholders of CorpBanca Colombia representing 33.6% of the outstanding shares (including the shares indirectly owned by Inversiones Corp Group Interhold Limitada, or Interhold and Inversiones Gasa Limitada, or Gasa and together with Interhold, CorpGroup Parent, representing 12.38% of CorpBanca Colombia's outstanding capital stock and that CorpGroup Parent has agreed to sell to Itaú-CorpBanca), through a cash offer in the aggregate amount of \$894 million. This offer to purchase for cash implies a valuation of CorpBanca Colombia of approximately \$2.66 billion (which is the same valuation assigned to CorpBanca Colombia for the purpose of determining the valuation of CorpBanca for the Itaú-CorpBanca Merger). If the minority shareholders of CorpBanca Colombia agree to sell their shares, our shareholders could benefit even further from synergies resulting from the merger of CorpBanca Colombia and Itaú Colombia.

The Itaú-CorpBanca Merger is expected to be beneficial to us and all of our shareholders for the following principal strategic reasons:

- Itaú-CorpBanca would be the fourth largest private bank in Chile measured by total loans with a 12.2% market share (compared to the 7.3% market share we have on a stand-alone basis) as of December 31, 2013;
- we and Itaú Chile have complementary segments, products and lines of business;
- the combination of both banks would result in a merged bank with a solid capital base and improved funding profile;



- the merger’s potential to generate significant synergies; and
- the combination of our and Itaú Unibanco’s operations in Colombia would provide the merged bank with a strong framework to reach a stronger position in the Colombian market.

We believe that the Itaú-CorpBanca Merger represents a significant opportunity to generate synergies that we believe will translate into financial savings and cost reductions in various aspects of our business starting on the third anniversary of the closing of the merger. From a human resources perspective, we expect to capitalize on relevant synergies relating to the optimization of the merged bank’s organizational structures, which we estimate will result in savings amounting to approximately \$15 million to \$18 million. Furthermore, we estimate that savings associated with scalable IT systems will amount to approximately \$16 million to \$19 million and other savings derived from an enhanced branch network will be in the range of approximately \$8 million to \$10 million. Moreover, we expect reductions in administrative expenses and costs of services by service providers of both Itaú Chile and us in the range of \$15 million to \$18 million.

In addition, we also expect significant improvements in our funding costs compared to the cost of funding we have today, as well as substantial revenue synergies (which were not considered in the cost synergies described above). Assuming fully phased-in after-tax synergies of approximately \$80 million per year during the first three years after the consummation of the Itaú-CorpBanca Merger, and excluding one-time integration costs of approximately \$85 million to be incurred during those first three years, the transaction will be accretive from an earnings per share perspective for all our shareholders from the first year after the closing.

We also expect a significant improvement in the capital position of the merged bank. We will combine our current Tier I Capital of approximately \$2.7 billion with Itaú Chile’s \$1.9 billion, providing the merged bank with a considerably larger capital base to support further growth.

From a commercial and strategic perspective, the Itaú-CorpBanca Merger is expected to create a regional leader and constitute a unique opportunity for us to partner with a leading financial institution in the region. Itaú Unibanco is the largest private financial institution in Brazil and a premier franchise in Latin America, which will allow us to benefit from the strength of a partner with a market capitalization, as of May 14, 2014 of approximately \$83 billion in our existing markets while enhancing opportunities for growth in other markets, by leveraging Itaú Unibanco’s global client relationships and enabling the merged bank to expand its banking products’ offering. The enhanced footprint that Itaú-CorpBanca will have in Chile and Colombia is expected to provide greater scale and resources to grow and compete more effectively in those countries, consolidating our position as the fourth largest private bank in Chile measured by total loans with a combined market share of 12.2% as of December 31, 2013 (compared to the 7.3% market share that we had as of December 31, 2013). In addition, this enhanced footprint will function as a platform to expand in the region, in particular into Peru and Central America.

CAPITAL EXPENDITURES

The following table reflects our capital expenditures in the years ended December 31, 2011, 2012 and 2013:

	For the Year Ended December 31,		
	2011	2012	2013
	(in millions of Ch\$)		
Land and buildings	91	173	3,874
Machinery and equipment	1,519	3,335	2,908
Furniture and fixtures	2,867	2,162	2,894
Vehicle	–	58	3
Other	6,434	17,767	24,686
Total	<u>10,911</u>	<u>23,495</u>	<u>34,366</u>

The Ch\$3,701 million increase in land and buildings expenditures was mainly due to acquisitions in Colombia of CorpBanca Colombia’s facilities for its operating and central processing areas. The Ch\$24,686 million



in other capital expenditures corresponds to Ch\$6,249 million for software and computer equipment acquisitions in Colombia and Ch\$18,437 million for investments in IT projects in Chile. Capital expenditures are financed through our own funds.

Capital divestitures resulted in a gain in sale of 31 real estate assets owned by CorpBanca corresponding to the properties where CorpBanca's branches operate in the amount of Ch\$25,164 million as of December 31, 2013 as compared to Ch\$1,335 million in 2012 and Ch\$17 million in 2011. See Notes 14 and 32 of our audited consolidated financial statements included herein.

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 11.5% market share on a consolidated basis and 7.3% market share on an unconsolidated basis in the Chilean market only taking into account our operations in Chile and fourth in deposits with 11.1% market share on a consolidated basis and 7.8% 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, 2013. We have grown our market share in total loans by 416 basis points during the 2010-2013 period on a consolidated basis. During the third quarter of 2013, CorpBanca added US\$5.3 billion in loans through the acquisition of Helm Bank, which accounted for the 216 basis points increase in market share on a consolidated basis. This increase in market share was partly offset by a decrease of almost 1% of market share on an unconsolidated basis (only taking into account our operations in Chile) due to our focus on increasing profitability and liquidity in Chile during the third quarter of 2013. In addition to our growth in market share, we achieved record profits for CorpBanca during the 2010-2013 period. For the three years ended December 31, 2013, we had net income of Ch\$117,318 million, Ch\$119,153 million and 175,239 million, respectively.

Pending Itaú-CorpBanca Merger

We believe that the pending Itaú-CorpBanca Merger will provide us a competitive advantage over our competitors. In particular, the merger is expected to provide us with the opportunity to partner with a premier Latin American franchise and give us the ability to leverage Itaú Unibanco's strong global client relationships. Itaú-CorpBanca is expected to be the fourth largest private bank in Chile with US\$43 billion in assets, US\$33 billion in loans and US\$27 billion in deposits. With this greater scale, the institution is expected to be able to exploit various cross-selling opportunities benefit from additional synergies through (i) the optimization of cost structures, (ii) savings derived from an enhanced branch network, (iii) savings derived from scalable IT systems, (iv) improvements in the cost of funding and (v) the ability to further leverage Tier I Capital. In addition, we and Itaú Chile have complementary segments, products and lines of business, and the combination of the entities is expected to result in a merged bank with a solid capital base and a strong framework to reach a stronger position in the Colombian market.

Diversified Footprint in Chile and Colombia

We believe that our successful acquisition and integration of Banco Santander Colombia and Helm Bank gives us a distinct advantage over our competitors in Chile and Colombia. 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. The resulting entity is expected to be the fifth largest bank 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 Bendeck who resigned as Chairman of the Board in February 2012, 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 in February 2012, has over 14 years experience as a member of the Board of Directors and more than three years experience as First Vice Chairman. Our CEO, Fernando Massú, has over 30 years of experience in the banking and financial services industry, and is expected to continue to serve as a member of the Board of Directors after the Itaú-CorpBanca Merger has come into effect. Our Chief Financial Officer, or CFO, Eugenio Gigogne, has over 24 years of experience in the banking and financial services industry. The CEO 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 both CorpBanca Colombia and Helm Bank also have a wealth of experience in the Colombian market and the banking and financial services industry. As set forth in the Transaction Agreement, after closing, the CEO of Itaú-CorpBanca is expected to be Boris Buvinic, who has served in the banking industry for over 20 years in Chile. Although, the composition of the board of directors of Itaú-CorpBanca is expected to materially change given the change of control in favor of Itaú Unibanco, Jorge Andrés Saieh Guzmán is expected to retain his position as Chairman of the board of directors.

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 1.1% as of December 31, 2013, and a ratio of charge-offs to average outstanding loans of 0.9% as of December 31, 2013. 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 4.1% and 4.3% growth and low inflation of 3.0% and 1.9% during 2013 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 “AA-” by Standard & Poor’s, A+ by 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. Standard & Poor’s and Fitch Ratings have an investment grade rating of Colombia of “BBB”, with a “stable” outlook. Moody’s has an investment grade rating of Colombia of “Baa3”, with a “positive” outlook.

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. We believe Itaú and



CorpBanca will be complementary banking operations given their market positions, which are expected to enhance our competitive positioning and help in the enrichment of our client servicing models. In addition, we seek to identify and pursue growth-enhancing strategic opportunities. We will continue to consider additional strategic acquisitions and alliances from time to time, inside and outside of Chile and Colombia.

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 Helm Bank Acquisition and the pending Itaú-CorpBanca Merger 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 the International Finance Corporation, or IFC, to benefit our operations in Colombia.

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 in the near future. For example, we install our ATM machines and distribute our banking products in CorpGroup retail outlets throughout Chile.

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, offering better quality. This strategy has allowed us to win for the third year the Global Finance Award as Best Banking Website for Companies in Chile, in recognition of an online service excellence. 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. Our senior management continued to focus in implementing technological solutions aimed at identifying means of improving our overall profitability and optimize our cost structure, such as time deposits on line which have an innovative product of great success in Chile. Colombia implemented “AzulNet” the portal with new features for customers and optimizing technology platform for business customers and better response times. Through these initiatives, we will continue to strive to improve our efficiency ratio. As of December 31, 2013, we had a consolidated efficiency ratio of 49.3% (defined as operating expenses as a percentage of operating revenue with the aggregate of net interest income, fees and income from services (net), net gains from mark-to-market and trading, exchange differences (net) and other operating income (net)). This percentage represented a slightly decrease compared to 50.9% in 2012. Nevertheless, when we split Chile and Colombia from a management point of view, the recovery trend in Chile is much stronger: 41.8% vs. 47.5% in 2013 and 2012, respectively. On the other hand, Colombia is still very impacted by one-time costs due to the integration process between CorpBanca Colombia and Helm Bank and the intangible assets amortization costs which led to an efficiency ratio of 59.8% in 2013 (62.4% in 2012).

As a result of the recently announced partnership with Itaú, after the CorpBanca-Itaú Merger, we will enjoy several benefits, including a greater scale and resources to compete more effectively and more efficiently. The combined entity has the potential to generate significant synergies in Chile which will result in significant efficiency improvements.



Focus on Building Customer Satisfaction.

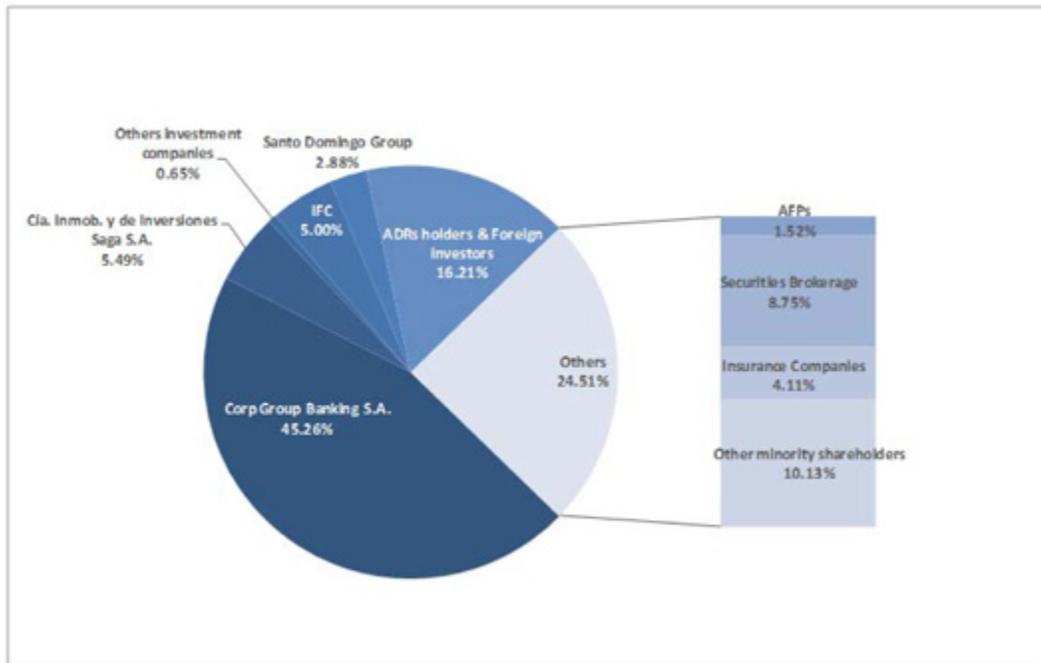
The quality of service that we provide to our customers is key to our growth strategy. We not only focus on gaining new customers, but on strengthening and establishing long-term relationships. We believe this is done through a constant effort to identify and understand the needs of our clients and to measure their satisfaction. We continue to develop new processes and technological solutions to provide our clients with excellent customer service. This is a key component of our strategy in order to retain and create value whilst we integrate Helm Bank, CorpBanca and Itaú's operations in the coming years.

Increase our Profitability by More Effectively Allocating our Capital

We continue to seek attractive opportunities to improve our profitability. The Helm Bank Acquisition is a good example 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.

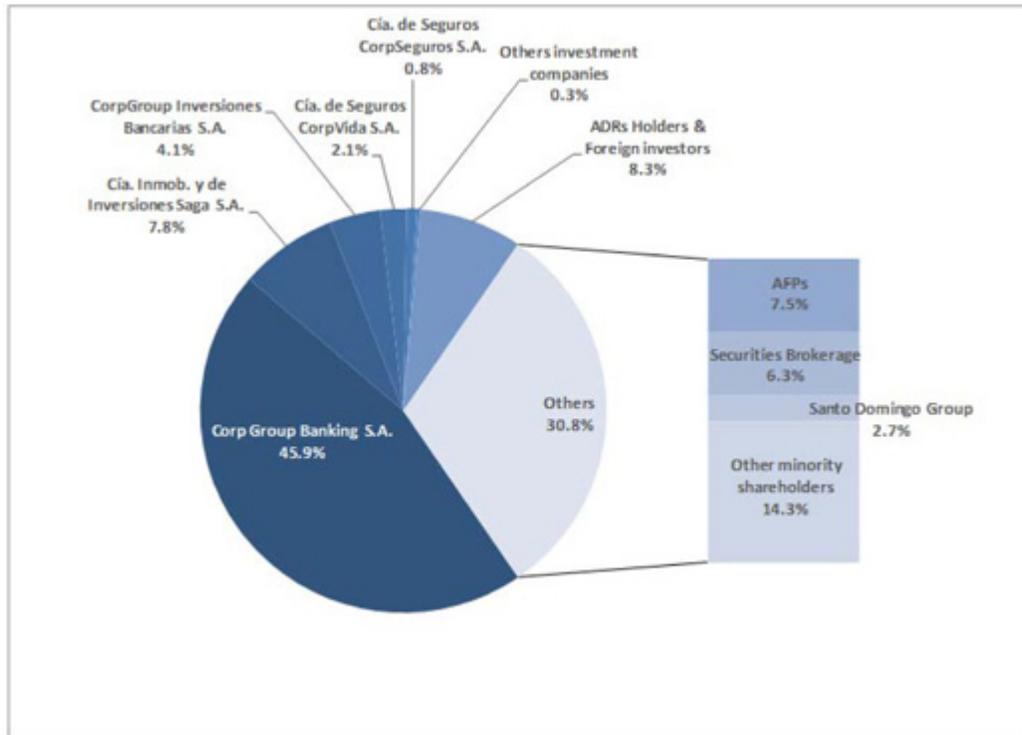
OWNERSHIP STRUCTURE

The following diagram shows our ownership structure as of December 31, 2013:





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





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 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, 2011, 2012 and 2013.
 (2) Only for CorpBanca.

The following chart sets forth a breakdown of our revenue by geographic market for the years ended December 31, 2011, 2012 and 2013:

	Net Interest Income by geographic market		
	Year ended December 31,		
	2011	2012	2013
	(in millions of Ch\$)		
CorpBanca Chile	188,136	182,218	253,889
CorpBanca Colombia ⁽¹⁾		66,288	196,324
CorpBanca New York	4,864	8,370	7,477
Total	193,000	256,876	457,690

(1) Includes Helm Bank.



The following table provides information on the composition of our loan portfolio net of allowances as of December 31, 2011 and 2012:

	As of December 31,			
	2011	2012	Variation	Variation
	(in millions of Ch\$)			(%)
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%
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	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%

The following table provides information on the composition of our loan portfolio net of allowances as of December 31, 2012 and 2013:

	As of December 31,			
	2012	2013	Variation	Variation
	(in millions of Ch\$)			(%)
Commercial loans				
Commercial loans	6,395,880	7,625,381	1,229,501	19.2%
Foreign trade loans	410,441	437,102	26,661	6.5%
Current account debtors	28,649	27,193	(1,456)	(5.1)%
Factoring operations	85,674	73,280	(12,394)	(14.5)%
Leasing transactions	338,018	811,462	473,444	140.1%
Other loans and receivables	157,157	219,684	62,527	39.8%
Subtotals	7,415,819	9,194,102	1,778,283	24.0%
Mortgage loans				
Letters of credit loans	86,871	73,831	(13,040)	(15.0)%
Endorsable mutual mortgage loans	214,528	194,788	(19,740)	(9.2)%
Other mutual mortgage loans	1,182,672	1,415,731	233,059	19.7%
Leasing transactions	58	260,145	260,087	448,425.9%
Other loans and receivables	41,357	37,513	(3,844)	(9.3)%
Subtotal	1,525,486	1,982,008	456,522	29.9%



Consumer loans

Consumer loans	766,277	1,046,179	279,902	36.5%
Current account debtors	28,618	38,938	10,320	36.1%
Credit card debtors	154,034	226,281	72,247	46.9%
Consumer leasing transactions	777	21,437	20,660	2,658.9%
Other loans and receivables	102,879	262,697	159,818	155.3%
Subtotal	<u>1,052,585</u>	<u>1,595,532</u>	<u>542,947</u>	<u>51.6%</u>
Total	<u><u>9,993,890</u></u>	<u><u>12,771,642</u></u>	<u><u>2,777,752</u></u>	<u><u>27.8%</u></u>



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: Large, Corporate and Real Estate Companies. For the years ended 2011, 2012 and 2013, our combined total average corporate loans outstanding for our Large, Corporate and Real Estate Companies division and our Companies division amounted to 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 and Ch\$5,631,462 million or 48.9% of total average loans, respectively.

Large, Corporate and Real Estate Companies 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\$60 million. Our Large, 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, 2013, we had 1,631 Large, 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 2011, 2012 and 2013, our total average corporate loans outstanding for our Large, Corporate and Real Estate Companies division amounted to Ch\$2,798,129 million or 48% of total average loans, Ch\$3,867,956 million or 41% of total average loans and Ch\$3,843,701 million or 33.4% of total average loans, respectively).

Companies

Our Companies division provides services to businesses with annual sales of less than US\$60 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, overdraft credit lines, letters of credit, mortgage loans, term deposits, factoring and leasing. As of December 31, 2013, we had 18,668 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.



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 seven 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, 2013, we had 8,415 Private Banking clients, an increase of 10.2% as compared to December 31, 2012.

For the year ended 2013, our Traditional and Private Banking Division had loans with an annual average balance of Ch\$2,427,743 million or 21.1% of total average loans (a year-on-year increase of 17.4%).

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, 2013, we had approximately 73,302 retail checking accounts, an increase of 8.6% as compared to December 31, 2012. Additionally, this growth in retail checking accounts has not reduced the average balance per account which increased from Ch\$96,531 million in 2012 to Ch\$133,889 million in 2013.

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, 2013, we had 156,000 credit cards issued under the brand name CorpBanca, an increase of 6.2% as compared to December 31, 2012. 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 106,909 credit cards issued by our subsidiary SMU Corp S.A., or SMU Corp, under the brand name “Unimarc”, an increase of 5.8% as compared to December 31, 2012.

We also offer debit cards, which can be used for banking transactions at ATMs operating on the Redbanc, S.A., or Redbanc, network, as well as at retailers associated with the Redcompra program. Under this agreement, we have access to 8,856 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, 2013 represented only 3.7% 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.

Residential mortgage loans 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, 2013 was 5.7%. 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 5.35%, 6.3% and 5.7% as of December 31, 2011, 2012 and 2013, 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.

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 five 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 between Ch\$2.4 million and Ch\$7.2 million. Banco Condell has 56 standalone branches and its own brand identity.

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 2013, our Banco Condell division managed loans with an annual average balance of Ch\$155,801 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 lower than Ch\$2.0 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 five 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, 2013, we had 2,340 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, 2013, our outstanding loans from foreign banks were US\$1,902.3 million with approximately 61 institutions in the U.S., Canada, Germany, France, Holland, England, Japan, Singapore, Switzerland and other countries including Latin America. The international global risk assets outstanding as of December 31, 2013 were US\$1,567.5 million.

Colombia

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, 2013, according to the Colombian Superintendency of Finance, CorpBanca Colombia was the eleventh largest bank in Colombia in terms of total assets, the eleventh largest bank in Colombia in terms of total loans and the thirteenth largest bank in Colombia, in terms of total deposits as reported under local regulatory and accounting principles. As of December 31, 2013, CorpBanca Colombia had deposits and financial claims ("current accounts and demand deposits" and "time deposits and savings accounts") of COP\$6,967,356 million (US\$3.620.7 million), which consisted of savings deposits, fixed-term deposit certificates, current accounts, financial claims for banking services and other commitments. As of December 31, 2013, CorpBanca Colombia had 115 ATMs and 276,505 individual banking customers and 30,769 commercial banking customers (including SMEs, corporations, institutions and wholesale customers). For the year ended December 31, 2013, CorpBanca Colombia had net income of COP\$191,199 million (US\$99.4 million). As of December 31, 2013, CorpBanca Colombia had (i) total assets of COP\$13,022,058 million (US\$6,767.0 million), including total loans of COP\$7,775,142 million (US\$4,040.4 million); (ii) total shareholders' equity of COP\$2,848,740 million (US\$1,480.4 million); and (iii) over 80 branches and offices and 1,509 employees.

Helm Bank

Helm Bank is a commercial and retail bank in Colombia, which was acquired by CorpBanca Colombia in a two-step transaction consummated on August 6, 2013 and August 29, 2013. CorpBanca Colombia owns approximately 99.75% of the ordinary shares of Helm Bank (approximately 87.42% of the ordinary and preferred shares issued by Helm Bank). Helm Bank is a Colombian *sociedad anónima* that has its main domicile in the city of Bogotá, D.C., Colombia and it is regulated by the *Colombian Superintendency of Finance*. As of December 31, 2013, Helm Bank's authorized capital was COP\$232,650,000,000.00, divided into 4,653,000,000 shares, with a par value of COP\$50.00 cents per share, and Helm Bank's subscribed and paid capital was COP\$231,291,307,050 divided into 4,625,826,141 ordinary and preferred shares with a par value of COP\$50.00 cents each share, 4,054,076,213 (COP\$202,703,810,650) ordinary and nominative shares and 571,749,928 (COP\$28,587,496,400) preferred shares. 27,173,859 shares of Helm Bank were authorized but unissued.



Pursuant to applicable Colombian Law, Helm Bank will be merged with and into CorpBanca Colombia on or before August 6, 2014.

Helm Bank focuses on providing financing and deposit services to small-to-medium sized companies and individuals with medium-high income levels, operating principally in Bogota, Cali, Medellin, Cartagena and Barranquilla. As of December 31, 2013, according to the Colombian Superintendency of Finance, Helm Bank was the tenth largest bank in Colombia in terms of total assets, the eighth largest bank in Colombia in terms of total loans and the eighth largest bank in Colombia, in terms of total deposits as reported under local regulatory and accounting principles. As of December 31, 2013, Helm Bank Colombia had deposits and financial claims (“current accounts and demand deposits” and “time deposits and savings accounts”) of COP\$4,787,432 million (US\$2,478.8 million), which consisted of savings deposits, fixed-term deposit certificates, current accounts, financial claims for banking services and other commitments. As of December 31, 2013, Helm Bank had 67 ATMs, 287,963 individual banking customers and 16,000 commercial banking customers (including SMEs, corporations, institutions and wholesale customers). For the five month period between August 2013 and December 2013 (following the Helm Bank Acquisition), Helm Bank had net income of COP\$84,472 million (US\$43.9 million). As of December 31, 2013, Helm Bank had (i) total assets of COP\$14,749,205 million (US\$7,664.6 million), including total loans of COP\$10,732,250 million (US\$5,577.1 million); (ii) total equity of COP\$1,386,673 million (US\$720.6 million); and (iii) 87 branches and offices and 2,077 employees.

New York Branch

Our Federal Branch in the city of New York 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.

Financial Services Offered Through Subsidiaries

We have made several strategic long-term investments in 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, 2013, assets of our subsidiaries represented 1.1% of total consolidated assets compared to 1.8% as of December 31, 2012. For the year ended December 31, 2013, net operating income of our subsidiaries represented 13.5% of total consolidated operating income compared to 15.6% for the year ended December 31, in 2012.



The following table sets forth certain financial information with respect to our financial services subsidiaries as of December 31, 2011, 2012 and 2013, in millions of Chilean pesos. Amounts relating to inter-company transactions have not been removed for purposes of this table.

Financial Services Offered Through Subsidiaries

As of and for the year ended December 31,

	2011			2012			2013		
	Assets	Shareholder's Equity	Net Income	Assets	Shareholder's Equity	Net Income	Assets	Shareholder's Equity	Net Income
	(in millions of Ch\$)								
CorpBanca Corredores de Bolsa S.A.	271,012	88,514	6,640	191,791	44,526	6,011	88,876	40,720	2,206
CorpBanca Administradora General de Fondos S.A.	8,062	5,301	3,472	4,854	4,011	2,181	9,516	4,433	2,603
CorpBanca Corredores de Seguros S.A.	7,500	5,259	5,118	8,639	6,008	5,827	16,318	13,875	7,866
CorpBanca Asesorías Financieras S.A.	10,322	8,099	7,915	10,611	7,677	7,493	12,590	9,230	9,046
Corp Legal S.A.	1,900	1,589	698	2,216	2,003	414	2,634	2,307	304
Corp Capital Agencia de Valores S.A.	1,958	1,109	132	1,729	987	(122)	1,137	925	(62)
SMU Corp S.A.	7,436	5,324	(3,723)	9,645	6,274	(4,010)	12,519	4,870	(3,010)
CorpBanca Investment Trust Colombia S.A.	-	-	-	15,693	12,914	1,659	16,800	15,555	2,291
CorpBanca Investment Valores Colombia S.A.	-	-	-	4,691	3,895	(822)	5,357	4,652	580
CorpBanca Securities INC-NY	-	-	-	-	-	-	1,037	1,036	(16)
Helm Corredor de Seguros S.A.	-	-	-	-	-	-	4,818	2,774	516
Helm Comisionista de Bolsa S.A.	-	-	-	-	-	-	5,741	4,787	98
Helm Fiduciaria S.A.	-	-	-	-	-	-	12,207	10,967	184
Helm Casa de Valores (Panamá) S.A.	-	-	-	-	-	-	528	501	50

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\$6,640 million, Ch\$6,011 million and Ch\$2,206 million for the years ended December 31, 2011, 2012 and 2013, respectively. CCB had assets under custody of Ch\$409,817 million, Ch\$359,848 million and Ch\$346,211 million as of December 31, 2011, 2012 and 2013, respectively. For the year ended December 31, 2013, CCB's net income decreased by Ch\$3,805 million, or 63.3%, as compared net income for the year ended December 31, 2012.

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, 2011, 2012 and 2013, CAGF had net income of Ch\$3,472 million, Ch\$2,181 million and Ch\$2,603 million, respectively. CAGF had total assets of Ch\$8,062 million, Ch\$4,854 million and Ch\$9,516 million as of December 31, 2011, 2012 and 2013, respectively. As of December 31, 2013, CAGF managed 26 mutual funds including fixed income funds and seven private investment funds and had total assets under management amounting to Ch\$874,344 million, an increase of Ch\$436,763 million when compared to 2012. The increase in the net income is due to an increase in portfolio management's revenues and commissions derived from the commercial expansion of CAGF. In 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. Our goal was to build a management structure as strong as our mutual fund management regarding operational and commercial issues, but with alternative investment opportunities, focusing primarily on high net worth customers. As of December 31, 2013 we managed seven FIPs and individual portfolios with assets under management of US\$874,344.

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, 2011, 2012 and 2013, CCS had net income of Ch\$5,118 million, Ch\$5,827 million and Ch\$7,866 million, respectively. CCS had total assets of Ch\$7,500 million, Ch\$8,639 million and Ch\$16,318 million as of December 31, 2011, 2012 and 2013, respectively.



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, 2011, 2012 and 2013, CAF had net income of Ch\$7,915 million, Ch\$7,493 million and Ch\$9,046 million, respectively. CAF had total assets of Ch\$10,322 million, Ch\$10,611 million and Ch\$12,590 million as of December 31, 2011, 2012 and 2013, 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.

Corp Capital 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.

SMU Corp S.A

In 2009, we created SMU Corp, which is a subsidiary of CorpBanca and a joint venture with SMU. SMU is a retail business holding company owned by our largest shareholder, who indirectly owns retail (including Unimarc supermarkets) and wholesale supermarkets, convenience stores and construction oriented home improvement stores.

SMU Corp is a company whose sole and exclusive purpose of issuing, operation and management of “Unimarc” credit cards to customers of supermarkets associated with SMU. During 2013, our customers purchased more than US\$40 million in products and services in over 350 Unimarc supermarkets with the Unimarc card. These sales volumes represent about 1.2% of the sales of Unimarc for the year ended December 31, 2013. Unimarc credit cards were used for more than 800,000 transactions during 2013, including over 5,000 instances of cash advances.

CorpBanca Investment Trust Colombia S.A.

We acquired a 91.9% equity interest in CIT Colombia in 2012 as part of the acquisition of CorpBanca Colombia. CIT Colombia is a financial services company operating in Colombia that specializes in fund administration and trust and custodial services. As of December 31, 2013, CIT Colombia had Ch\$16,800 million in total assets (Ch\$15,693 million in 2012), Ch\$15,555 million in total loans (Ch\$12,914 million in 2012) and Ch\$2,291 million in net income (Ch\$1,659 million in 2012).

CorpBanca Investment Valores Colombia S.A.

We acquired a 99.96% (direct and indirect) in CIVAL in 2012 as part of the acquisition of CorpBanca Colombia. CIVAL is a licensed securities broker dealer operating in Colombia, operating under the name CorpBanca Investment Valores Colombia S.A. As of December 31, 2013, CIVAL had Ch\$5,357 million in total assets (Ch\$4,691 million in 2012), Ch\$4,652 million in total loans (Ch\$3,895 million in 2012) and Ch\$580 million in net income (Ch\$822 million in 2012).

CorpBanca Securities INC-NY

On May 13, 2013, we incorporated CorpBanca Securities INC-NY, or CSINC. The opening of our own broker-dealer in the United States is expected to provide our customers the ability to operate in a foreign market with more developed financial systems, and we believe that this should enable direct, higher quality monitoring of investments that are presently conducted through other international broker-dealers. As of the date hereof, we are awaiting approval to begin operating.



Helm Corredor de Seguros, S.A.

Helm Corredor de Seguros S.A. is a Colombian *sociedad anónima*, which acts as an insurance broker. It has its main domicile in the city of Bogota, D.C., Colombia, and is regulated by the Colombian Superintendency of Finance.

Helm Comisionista de Bolsa S.A.

Helm Comisionista de Bolsa S.A., is a Colombian *sociedad anónima*, which acts as a brokerage firm. It has its main domicile in the city of Bogota, D.C., Colombia and is regulated by the Colombian Superintendency of Finance.

Helm Fiduciaria S.A.

Helm Fiduciaria S.A., is a Colombian *sociedad anónima*, which is engaged in trust portfolio management, including investment trust management, administration, security and real estate trusts. It has its main domicile in the city of Bogota, D.C., Colombia and is regulated by the Colombian Superintendency of Finance.

Helm Bank S.A. (Panamá)

Helm Bank S.A. (Panamá) is a Panamanian *sociedad anónima*, which acts as a banking firm. It has its main domicile in the city of Panamá, Panamá and is regulated by the Panamanian Banking Superintendency.

Helm Casa de Valores S.A. (Panamá)

Helm Casa de Valores S.A. (Panamá) is a Panamanian *sociedad anónima*, which acts as a brokerage firm. It has its main domicile in the city of Panamá, Panamá and is regulated by the Panamanian Superintendency of Securities Market.

Helm Bank S.A. (Cayman Islands)

Helm Bank S.A. (Cayman Islands) is a Cayman *sociedad anónima*, which acts as banking firm. It has its main domicile Cayman Islands and is regulated by the Cayman Islands Money Authority. We expect to wind-down Helm Bank S.A. (Cayman Islands) prior to the end of 2014.

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, 2013, we operated 123 branch offices in Chile, which includes 67 branches operating as CorpBanca and 56 branches operating as Banco Condell, our consumer finance division. In addition, as of December 31, 2013, we owned and operated 504 ATMs in Chile, and our customers have access to 8,856 ATMs (including BancoEstado's ATMs) in Chile through our agreement with 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.CorpBanca.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, 2013, we had 173,403 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.



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, 2013, CorpBanca Colombia operated 80 branch offices in Colombia and owned and operated 115 ATMs in Colombia, but providing its customers with access to 13,679 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, 2013, CorpBanca Colombia had 30,859 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.

Helm Bank

Helm Bank’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, 2013, Helm Bank operated 87 branches and offices in Colombia and owned and operated 67 ATMs in Colombia but providing its customers with access to 13,679 ATMs through Colombia’s financial institutions. Helm Bank utilizes a number of different sales channels including account executives, telemarketing and the internet to attract new clients. Helm Bank’s branch system serves as the main distribution network for its full range of products and services.

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 23 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 2013, five private sector banks along with the state-owned bank together accounted for 80.3% of all outstanding loans by Chilean financial institutions as of December 31, 2013: Banco Santander-Chile (18.3%), Banco de Chile (18.3%), Bci (12.6%), CorpBanca (11.5%), Banco Bilbao Vizcaya Argentina, Chile (6.6%) and BancoEstado (13%). All market share statistics in this paragraph are presented as reported to the SBIF calculated under local regulatory and accounting principles 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 Financeira 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 Central Bank of 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 Bhif, 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, 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, Itaú Chile bought the "individuals" loan portfolio of HSBC Chile (representing around 1% of Itaú's individual's 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 Chilean 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.

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 the Banco Santander Colombia Acquisition and the Helm Bank Acquisition. More specifically, several mergers and acquisitions took place in 2005, including the Bancolombia/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 Colpatria, with an option of increasing this stake by another 25% by 2012. However, in May of 2010, Group Colpatria repurchased this 49.7% stake and in October of 2011, Canadian Scotiabank purchased Colpatria'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.

The trend toward mergers and acquisitions continued throughout 2013, along with the continued entrance of new players into the Colombian Financial System, including the introduction of operations by Ripley Compañía de Financiamiento S.A. and Banco Santander de Negocios Colombia S.A. in Colombia, Scotiabank Colombia S.A.'s acquisition of Banco Colpatria Multibanca Colpatria S.A. and the conversion of Banco Cooperativo Coopcentral from an upper-rank cooperative organism to a commercial bank. In the same way, at the beginning of the fourth quarter, started operations.

As of December 31, 2013, and according to the Colombian Superintendency of Finance, the principal participants in the Colombian financial system were the Central Bank of Colombia, 24 commercial banks (13 domestic private banks, 10 foreign banks, and one domestic state-owned bank), five finance corporations and 22 financing companies (four leasing companies and 18 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 2012 and 2013. During 2013, the Colombian economy experienced continued growth due to contributions from construction, agriculture, and mining and oil. In the third quarter of 2013, the financial sector grew 4.9% on an annual basis, compared to 4.4% growth in the third quarter of 2012. Based on information issued by the Colombian Superintendency of Finance, bank lending increased 13.8% in 2013. Monetary policy in Colombia was expansive, beginning the year with a reference interest rate of 4.0% followed by a 25 bps decrease on February and a 50 bps reduction on March. The rate remained stable at 3.25% from March to December 2013.

The demand for business loans granted by banks increased by 12.7% for 2013, compared to 13.5% for 2012. There was a slow down on the dynamics of consumer loans granted by banks, which grew by 11.7% in 2013, compared to 17.6% observed in 2012 and 33.0% registered on 2011. Mortgage and small business loans continued to do well, with increases of 28.1% and 17.7%, respectively, for 2013.

Our system's level of past-due loans as a percentage of the total loan portfolio remained at 2.8% for December 2013, the same level registered on December 2012. In addition, coverage, measured as the ratio of allowances to past-due loans, ended 2013 at 160.6%, compared to 162.5% at the end of 2012.

During 2013, lending lost some weight in the banks system's structure. Net loans decreased from 65.3% of total assets at the end of 2012 to 64.6% at the end of 2013, while investment portfolio, as a percentage of total assets, increased from 18.7% at the end of 2012 to 19.1% at the end of 2013.

As of December 31, 2013, the Colombian financial sector recorded COP\$427,777,760 million in total assets, representing a 14.8% increase as of December 31, 2012. The Colombian financial system's total composition of assets shows banks with a market share of 90.9%, followed by financing companies with 5.7%, financial corporations with 2.8% and financial cooperatives with 0.6%.

As of December 31, 2013, the capital adequacy ratio (tier 1 + tier 2) for credit institutions was 15.2% (including banks, finance corporations and financing companies), decreasing by 79 bps when compared to December 31, 2012, and which is well above the minimum legal requirement of 9%. On August 2013, banks, financial corporations and financing companies began reporting the capital adequacy ratio with the new regulation, Decree 1,771 of 2012. As a result, the value of capital ratio for the years ended December 31, 2012 and 2013 may not be comparable.

Loans

As of December 31, 2012 and 2013, our gross loan portfolio was Ch\$10,160,598 million and Ch\$13,085,663 million, respectively, as reported to the SBIF calculated under local regulatory and accounting principles. 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 11.5% of the market for loans in the Chilean financial system (comprising all commercial banks) as of such date. During the period from 2010 to 2013, the compounded annual growth rate of our loan portfolio, excluding interbank loans in nominal terms, was 33.7% as compared to an increase of 15.1% 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, based on information as reported to the SBIF calculated under local regulatory and accounting principles:

	Bank Loans⁽¹⁾		
	As of December 31,		
	2011	2012	2013
	(in millions of Ch\$)		
Banco Santander-Chile	17,347,093	18,876,079	20,935,312
Banco de Chile	17,377,793	18,761,765	20,869,511
Bci	11,377,851	13,047,497	14,423,318
CORPBANCA ⁽²⁾	6,814,445	10,160,598	13,085,663
Banco Bilbao Vizcaya Argentaria, BBVA	6,139,803	7,057,879	7,537,202
Scotiabank Chile	4,376,069	4,890,267	5,419,672
Others	24,513,446	27,969,100	31,925,978
Total	<u>87,946,500</u>	<u>100,763,185</u>	<u>114,196,656</u>

Source: SBIF monthly consolidated financial information

(1) Excludes interbank loans.

(2) Our aggregate outstanding loans as calculated under IFRS for the years ended December 31, 2011, 2012 and 2013 were Ch\$6,814,445 million, Ch\$10,103,491 million and Ch\$12,897,681 million, respectively.



Deposits

We had consolidated deposits of Ch\$10,789,086 million as of December 31, 2013, as reported under local regulatory and accounting principles, which consisted of our current accounts, bankers' drafts, savings accounts, time deposits and other commitments. Our market share of 11.1% 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, based on information as reported to the SBIF calculated under local regulatory and accounting principles:

	Bank Deposits and Other Obligations⁽¹⁾		
	As of December 31,		
	2011	2012	2013
	(in millions of Ch\$)		
Banco Santander-Chile	13,334,930	14,082,232	15,296,035
Banco de Chile	14,177,750	15,083,921	16,387,057
Bci	9,921,534	10,840,953	11,628,315
CORPBANCA ⁽¹⁾	5,507,098	8,795,350	10,789,086
Banco Bilbao Vizcaya Argentaria Chile (BBVA)	4,956,864	5,342,368	5,912,767
Scotiabank Chile	2,647,362	3,189,778	3,392,308
Others	25,998,714	29,403,392	33,746,086
Total	<u>76,544,252</u>	<u>86,737,994</u>	<u>97,151,654</u>

Source: SBIF monthly consolidated financial information

(1) Our aggregate deposits as calculated under IFRS for the years ended December 31, 2011, 2012 and 2013 were Ch\$5,507,098 million and Ch\$8,795,350 million and Ch\$10,789,086 million, respectively.

Shareholders' Equity

We were the fourth largest among private sector banks in Chile with Ch\$1,333,795 million in shareholders' equity (excluding net income and accrual for mandatory dividends) as of December 31, 2013, as reported to the SBIF calculated under local regulatory and accounting principles.

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, based on information as reported to the SBIF calculated under local regulatory and accounting principles:

	Shareholders' Equity⁽¹⁾		
	As of December 31,		
	2011	2012	2013
	(in millions of Ch\$)		
Banco Santander-Chile	1,730,464	1,864,083	2,016,330
Banco de Chile	1,569,871	1,841,966	2,095,294
Bci	1,039,160	1,230,077	1,371,893
CORPBANCA ⁽²⁾	643,218	881,905	1,333,795
Banco Bilbao Vizcaya Argentaria Chile (BBVA)	490,608	591,982	631,042
Scotiabank Chile	520,676	569,214	606,391
Others	2,798,073	3,262,739	3,459,970
Total	<u>8,792,070</u>	<u>10,241,966</u>	<u>11,514,715</u>

Source: SBIF monthly consolidated financial information

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

(2) Our shareholders equity as calculated under IFRS, excluding net income, non-controlling interest, and accrued for mandatory dividends, for the years ended December 31, 2011, 2012 and 2013 were, Ch\$657,506 million, Ch\$895,095 million and Ch\$1,346,007 million, respectively.



Chilean Banking Regulation and Supervision

General

In Chile, only banks may maintain checking accounts for their customers and accept time deposits. The principal authorities that regulate financial institutions in Chile are the SBIF and the Central Bank of Chile. Chilean banks are primarily subject to the Chilean 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 of Chile 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 of Chile had acquired the loans) and the difference was to be repaid to the Central Bank of Chile 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, more than 10% 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 Chilean General Banking Law.

According to Article 35 *bis* of the Chilean 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 Chilean General Banking Law be applicable when deposits exceed one and a half times the resulting bank's effective net equity (which is the sum of (x) paid-in capital and reserves, plus (y) subordinated bonds up to 50% of letter (x) above under certain terms, plus (z) certain effective risk voluntary reserves up to 1.25% of its risk weighted assets); 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.



In addition, as a public corporation, (i) any person holding 10% or more of its subscribed capital (capital suscrito); (ii) any person who, by means of a shares acquisition acquires such percentage; or (iii) any person who acts as a director or officer and certain persons related to our management, shall inform to the SBIF any acquisition or disposal of CorpBanca shares.

Limitations on Types of Activities

Chilean banks can only conduct those activities allowed by the Chilean General Banking Law: making loans, accepting deposits, issuing bonds, engaging in certain international operations, performing 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 Chilean 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 Chilean 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 Chilean 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.

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 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\$2.8 million or US\$5,313.6 million as of December 31, 2013) 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 certain daily deductions from their liabilities in Chilean pesos, 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 subject to “technical reserve” (as described below), which can be deducted from reserve requirements.

In the case of liabilities in foreign currency, banks are authorized to deduct for this purpose the amounts mentioned in the first and third bullet above, among others.

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 Chilean 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 basic capital. This technical reserve must be calculated daily, and must be kept in deposits in the Central Bank of Chile or documents issued by the Central Bank of Chile or the Chilean Treasury with a maturity date of no more than 90 days.

Minimum Capital

Under the Chilean General Banking Law, a bank must have a minimum paid-in capital and reserves of UF800,000 (Ch\$18,647.6 million or US\$35.4 million as of December 31, 2013). 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\$13,985.7 million or US\$26.6 million as of December 31, 2013) the total capital ratio required is reduced to 10%.

Capital Adequacy Requirements

The Chilean 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.”

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 30% of net income for the period (considered as a deduction for minimum mandatory dividends).

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

- a bank’s paid-in capital and reserves;
- 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;
- its voluntary allowances for loan losses for an amount of up to 1.25% of risk-weighted assets; and
- other adjustments as instructed by the SBIF.

In cases where a limit is required to be applied on an unconsolidated basis, capital attributable to subsidiaries and foreign branches shall be excluded.

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

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 Chilean 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 Chilean 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 Chilean 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 (which relation can arise from management or for ownership reasons, 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 a single group of 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 Chilean General Banking Law. The definitions of “related” and “group” for these purposes are determined by the SBIF. The aggregate amount of all credits granted to related parties of the bank cannot exceed its effective net equity.

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.

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.

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 Chilean 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, approved by the Chilean Congress in June 2010, 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 (6) 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 Chilean 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 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 Chilean 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. Within certain limits, banks in Chile may invest 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 or bonds issued by foreign corporations. Such foreign currency securities must have a minimum rating as follows:

Rating Agency	Short Term	Long Term
Moody's	P-2	Baa3
Standard and Poor's	A-2	BBB-
Fitch Rating Service	F2	BBB-
Dominion Bond Rating Service (DBRS)	R-2	BBB (low)



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	P-2	Ba3
Standard and Poor's	A-2	BB-
Fitch Rating Service	F2	BB-
Dominion Bond Rating Service	R-2	BB (low)

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:

Rating Agency	Short Term	Long Term
Moody's	P-1	Aa3
Standard and Poor's	A-1+	AA-
Fitch Rating Service	F1+	AA-
Dominion Bond Rating Service	R-1 (high)	AA (low)

Additionally, a Chilean bank may invest in foreign securities, with ratings equal to or exceeding those set forth in Table 3 above, in: (1) overnight and 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 (or limit of 25% of its effective net equity regarding deposits with certain related parties); 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.

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 of Chile 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.

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. However, some of the topics mentioned above, including the first, second and sixth bullets have been totally or partially implemented through laws already enacted.

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).

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, 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 Chilean General Banking Law by Congress. Although as of December 31, 2013, we had a regulatory capital ratio of 13.2% measured as Effective Equity / Credit Risk weighted average assets, 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.

Financial National Consumer Service (Sernac Financiero)

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.

New Insurance Brokerage Regulation

On December 1, 2013, a new regulation affecting all insurance brokerage businesses in Chile became effective. This regulation is a result of Law No. 20,667 that was enacted on May 9, 2013 and Circular No. 2,114 issued by the SVS on July 26, 2013. The new regulation establishes that, in the case of early termination of an insurance policy paid for in advance (for example, because of the early repayment of the related loan), all unearned premiums must be refunded to the customer by the company that issued the policy. This refund obligation includes both the unearned premiums and commissions relating to the remaining policy period, such as brokerage fees and any other commissions. We do not expect these new refund obligations to have a material effect on the results of our operations. The premiums and commissions subject to refund will be calculated in proportion to the unexpired period. This refund obligation applies with respect to insurance policies issued after this new regulation became effective. Prior to this new regulation, unearned premiums were refunded only if the early termination took place within the later of forty-five days after the issuance of the insurance policy, or one-tenth of the total term of the insurance policy (from the date of issuance).

In addition, Circular No. 2,131, issued by the SVS on November 28, 2013, added additional requirements regarding customer service for insurance customers. We do not expect these new regulations to have a material effect on our results of operations.

Finally, Circular No. 2,137, issued by the SVS on January 13, 2014, requires the adoption of IFRS by insurance brokerage companies beginning in 2015. We expect this requirement to initially affect the revenues of our subsidiary CorpBanca Corredora de Seguros, in its capacity as an insurance broker.

Funds Law (Ley Única de Fondos)

Law No. 20,712 on funds was published in the Chilean Official Gazette on January 7, 2014, or the Funds Law. The Funds Law is a single legal set of regulations enacted to provide for general and special regimes applicable to all Chilean funds, setting basic provisions governing their structure, management, dividend distribution, redemption of quotas and taxation, among other things. This law is expected to have a positive effect on the operations of our subsidiary CorpBanca Administradora General de Fondos S.A., in its capacity as fund manager.



Maximum Interest Rate

A new Chilean law regarding maximum interest rates was enacted on December 13, 2013 upon publication of Law 20,715 in the Chilean Official Gazette. This legislation affects all Chilean businesses that charge interest (including all banks) on loans up to UF 200 (approximately U.S.\$8,900), including installment loans, credit cards, credit line loans and overdue loans. This regulation requires, among other things, a new method for calculating the maximum legal interest rate for loans not indexed to inflation with terms longer than 90 days, which results in a reduction of the maximum legal interest rate applicable to such debtors. We do not expect the enactment of this law to have a material effect on our results of operations.

Bankruptcy Law

The Chilean Congress approved a new Bankruptcy Act on October 29, 2013, which was published in the Official Gazette on January 9, 2014 and will come into effect on October 9, 2014. The new Bankruptcy Act eliminates the distinction between merchants and other debtors, and eliminates the classification of bankruptcies as negligent or fraudulent, even though it modifies the Chilean Criminal Code in order to recognize certain criminal offences related to the conduct of the business of the debtor prior to the declaration of its bankruptcy, among other changes.

Under the new Bankruptcy Act, there are two types of proceedings, (i) liquidation proceedings which are very similar to existing bankruptcy proceedings, although they will be headed by a liquidator rather than a trustee, and (ii) reorganization proceedings. Reorganization proceedings are more oriented to the continuation of the debtor's business and, therefore, allow the debtor to seek protection of the courts, or Insolvency Protection, for a term of 30 days, as from the date the reorganization proceeding commenced during which, among other effects, it cannot be put into liquidation, its assets cannot be foreclosed, the agreements entered into by it cannot be unilaterally terminated by the other party, the maturity of the indebtedness of the debtor cannot be accelerated or the securities granted by the debtor cannot be enforced by the creditor based on the debtor's insolvency. In the event that a creditor breaches this provision, its credit shall rank junior after all the other debts of the debtor. This 30-day term could be extended for 30 or 60 days if supported by creditors representing 30% or 50% of the debtors' unrelated liabilities, respectively.

Pursuant to the provisions of the new Bankruptcy Act, it is now possible for a debtor to commence a reorganization procedure not only through a court process, but also as an out-of-court agreement with its creditors, which shall then be approved by the court through a simple process. It is also now possible for the debtor and its creditors to agree in reorganization proposal including different conditions for different categories of creditors (e.g., secured and unsecured), which must be expressly approved by the remaining creditors.

The new Bankruptcy Act also allows the debtor under Insolvency Protection to contract debt to finance its operations (up to 20% of the debt it had at the commencement of the procedure), which shall rank senior with respect to the existing creditors (except for a few statutory preferences which shall remain in force) in case the reorganization agreement is not approved and the judge orders the liquidation of the company.

The new Bankruptcy Act amends claw-back period rules such that as a general rule any transfer, encumbrance or other transaction executed or granted by the debtor during the term of two years prior to the commencement of the reorganization or liquidation proceedings may be rendered ineffective if it is proved before the court that such transfer, encumbrance or transaction: (i) was entered with the counterparty knowledge of the debtor's bad business condition; and (ii) caused damages to the bankruptcy estate or has affected the parity that shall exist among creditors (e.g. that the transaction has not been entered into terms and conditions similar to those usually prevailing in the market at the time of its execution).

Notwithstanding the above, the new Bankruptcy Act maintains certain specific cases of ineffectiveness of any transfer, encumbrance or other transaction executed or granted during the term of one year prior to the commencement of the insolvency proceedings (which may be extended to two years in certain events), based on objective grounds, such as pre-payments, payments in terms different as originally agreed by the parties and the creation of security interests to guarantee pre-existing obligations.



Finally, the new Bankruptcy Act regulates for the first time cross-border insolvency issues, allowing the recognition in Chile of foreign bankruptcy/liquidation proceedings. We do not expect the enactment of this law to have a material effect on our results of operations.

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 and Helm Bank, 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.

Law 1564 of 2012 (with effect from January 1, 2014), vested certain judicial duties in the Colombian Superintendency of Finance, regarding controversies among customers and banks.

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, Helm Bank and their respective subsidiaries (CIVAL and CIT Colombia, Helm Fiduciaria and Helm Comisionista), must become members of the SRO and are subject to its regulations.

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.

On August 2013, new regulation (Decree 1771 of 2012) was enacted, and all financial institutions (including CorpBanca Colombia and Helm Bank) were required to calculate Technical Capital as the sum of Ordinary Basic Capital (Common Equity Tier One), Additional Basic Capital (additional Tier One), and Additional Capital (Tier Two Capital). The total solvency ratio remains at a minimum of 9% of the financial institution's total risk-weighted assets; but 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. In addition to these regulatory minimum basic solvency requirements, CorpBanca Colombia has committed to maintain a solvency ratio of 11.8% for a period of time following the CorpBanca Colombia and Helm Bank merger. Notwithstanding these minimums, when the solvency ratio of a financial institution is below 10%, the Colombian Superintendency of Finance implements a closer supervision on banking activities of the entity based on the supervision policy implemented by the Colombian Superintendency of Finance.

Minimum Capital Requirements

The minimum capital requirement for banks on an unconsolidated basis is established in Article 80 of the Financial Organic Statute. The minimum capital requirement for 2013 was COP\$75,550 million and such minimum capital requirement for 2014 is COP\$77,016 million (for Banking Institutions). Failure to meet such requirement can result in the taking of possession (*toma de posesión*) of any financial institution, including CorpBanca Colombia or Helm Bank, by the Colombian Superintendency of Finance. Minimum capital requirements are updated annually in January by the same percentage as the inflation percentage for the prior year. The levels of minimum capital requirements for each type of financial institution (financial corporations, financing companies, trust companies, etc) are different, with banks having the highest minimum amount. Additionally, there are capital requirements above this minimum for the purposes of credit exposure and derivatives transactions.

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.

Mandatory Investments

Central Bank of Colombia regulations require financial institutions, including CorpBanca Colombia and Helm Bank, 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 9 of 2013 issued on December 20, 2013 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 9 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 9 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 9, the three day average must be calculated on a daily basis and the foreign currency position in cash cannot be negative.

Finally, Resolution 9 requires banks to comply with a gross position of leverage (*posición bruta de apalancamiento*). Gross position of leverage is defined as the sum of (i) the rights and obligations of term and future contracts denominated in foreign currency, plus (ii) foreign currency cash operations with settlement higher or equal to one banking day, plus (iii) the exchange rate risk exposure associated with debtor and creditor contingencies acquired in the trading of exchange rate options and derivatives.

Resolution 9 sets a limit on the gross position of leverage, which cannot exceed 550% of the Technical Capital.

Deposit Insurance

In Colombia, the deposit insurance fund, FOGAFIN (*Fondo de Garantías de Instituciones Financieras*), guarantees up to COP\$20 million (US\$10,380 as of December 31, 2013) per person, for each institution calculated as the aggregate amount of time, savings and demand deposits held by individuals in a Colombian financial institution. Payment will be made in case of an administrative compulsory liquidation of the financial institution.

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. Since 2009, the reserve requirements have no remuneration.

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 Helm Bank) 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.

Interest payments to foreign currency loans granted by foreign banks to Colombian residents are currently subject to a 33% or 14% withholding tax, as a general rule.

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. This information has been provided in order to provide the reader with a more indepth analysis. Notwithstanding, our allowance and provision for loan losses as recorded in our financial statements included herein have been determined in accordance with IFRS.

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, 2011, 2012 and 2013 has been expressed in Chilean pesos as of December 31, 2013. The UF is linked to, and is adjusted daily to reflect changes in, the previous month's CPI.



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:

$$Rp = \frac{1 + Np}{1 + I} - 1 \quad Rd = \frac{(1 + Nd)(1 + D)}{1 + I} - 1$$

Where:

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

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

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

Nd= 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 (Rd) 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% (Nd = 0.10), assuming a 5% annual devaluation rate (D = 0.05) and a 12% annual inflation rate (I = 0.12):

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

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.

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 of Chile 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; and
- 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, 2011, 2012 and 2013.

	Year ended December 31,											
	2011				2012				2013			
	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\$	63,919	1,921	3.0%	(0.9)%	86,538	1,695	2.0%	(0.5)%	86,059	1,527	1.8%	(1.2)%
UF	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency	29,122	-	-	6.8%	35,025	-	0.0%	(9.1)%	54,891	-	0.0%	6.7%
Total	93,041	1,921	3.0%	1.5%	121,563	1,695	1.4%	(2.3)%	140,950	1,527	1.8%	1.9%
Financial investments												
Ch\$	153,956	8,155	5.3%	1.3%	301,502	15,174	5.0%	3.5%	295,940	14,704	5.0%	1.9%
UF	562,021	35,198	6.3%	2.3%	490,627	26,562	5.4%	3.9%	242,954	10,107	4.2%	1.1%
Foreign currency	33,420	1,743	5.2%	12.4%	233,115	10,928	4.7%	(4.8)%	378,737	14,906	3.9%	10.9%
Total	749,467	45,096	6.0%	2.5%	1,025,244	52,664	5.1%	1.8%	917,630	39,718	4.3%	5.4%
Total loans												
Ch\$	2,495,764	237,702	9.5%	5.4%	3,023,707	299,441	9.9%	8.3%	3,281,015	328,549	10.0%	6.8%
UF	2,516,218	209,996	8.3%	4.3%	3,332,277	235,439	7.1%	5.5%	3,651,479	245,383	6.7%	3.6%
Foreign currency	822,164	23,159	2.8%	9.8%	3,069,808	158,377	5.2%	(4.4)%	4,573,453	359,714	7.9%	15.1%
Total	5,834,146	470,857	8.1%	5.5%	9,425,792	693,257	7.4%	3.2%	11,505,946	933,646	8.1%	9.1%



Interbank loans

Ch\$	95,575	1,280	1.3%	(2.5)%	193,604	9,445	4.9%	3.3%	261,151	12,510	4.8%	1.7
UF	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency	70,462	1,704	2.4%	9.4%	169,603	2,079	1.2%	(7.9)%	122,894	2,164	1.8%	8.6
Total	166,037	2,984	1.8%	2.6%	363,207	11,524	3.2%	(1.9)%	384,045	14,673	3.8%	3.9%

Investment under resale agreements

Ch\$	52,424	3,001	5.7%	1.8%	19,730	1,394	7.1%	5.5%	31,514	1,930	6.1%	3.0%
UF	1,813	18	1.0%	(2.8)%	1,022	71	6.9%	5.4%	1,021	20	2.0%	(1.0)%
Foreign currency	1,176	16	1.4%	(2.4)%	127,426	210	0.2%	(8.9)%	122,577	13,185	10.8%	18.2%
Total	55,413	3,035	5.5%	1.5%	148,178	1,675	1.1%	(6.9)%	155,110	15,135	9.8%	15.0%

Other interest earning assets

Ch\$	-	-	-	-	3	-	0.0%	0.0%	23	-	0.0%	0.0%
UF	-	-	-	-	-	-	0.0%	0.0%	-	-	0.0%	0.0%
Foreign currency	122,226	4,729	3.9%	11.0%	329,593	2,177	0.7%	(8.5)%	551,272	2,407	0.4%	7.2%
Total	122,226	4,729	3.9%	11.0%	329,596	2,177	0.7%	8.5%	551,295	2,407	0.4%	7.2%

Total interest earning assets

Ch\$	2,861,638	252,059	8.8%	4.7%	3,625,084	327,149	9.0%	7.4%	3,955,700	359,220	9.1%	5.9%
UF	3,080,122	245,212	8.0%	3.9%	3,823,926	262,072	6.9%	5.3%	3,895,453	255,511	6.6%	3.5%
Foreign currency	1,078,570	31,351	2.9%	9.9%	3,964,570	173,771	4.4%	(5.1)%	5,803,822	392,376	6.8%	13.9%
Total	7,020,330	528,622	7.5%	5.2%	11,413,580	762,992	6.7%	2.4%	13,654,975	1,007,106	7.4%	8.6%

Year ended December 31,

2011		2012				2013					
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\$)

NON-INTEREST EARNING ASSETS

Cash												
Ch\$	222,333			262,602				291,785				
UF	-			-				-				
Foreign currency	76,004			146,211				156,375				
Total	298,337			408,813				448,160				
Allowance for loan losses												
Ch\$	102,788			104,575				112,627				
UF	-			-				-				
Foreign currency	391			58,900				114,653				
Total	103,179			163,475				227,280				
Property, plant and equipment												
Ch\$	55,184			55,913				47,642				
UF	-			-				-				
Foreign currency	104			12,337				30,532				
Total	55,287			68,250				78,164				
Derivatives												
Ch\$	231,888			269,632				291,884				
UF	-			-				-				
Foreign currency	1,157			13,846				27,085				
Total	233,044			283,478				318,970				
Other assets												
Ch\$	407,913			497,644				555,959				
UF	51,811			10,426				2,901				
Foreign currency	18,704			197,836				566,368				
Total	478,429			705,906				1,125,228				
Total non-interest earning assets												
Ch\$	814,530			981,216				1,074,643				
UF	51,811			10,426				2,901				
Foreign currency	95,578			311,330				665,698				
Total	961,919			1,302,972				1,743,242				
Total assets⁽¹⁾												
Ch\$	3,676,168	252,059		4,606,300	327,149			5,030,344	359,220			
UF	3,131,933	245,212		3,834,352	262,072			3,898,354	255,511			
Foreign currency	1,174,148	31,351		4,275,900	173,771			6,469,521	392,376			
Total	7,982,251	528,622		12,716,552	762,992			15,398,217	1,007,106			

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



Year ended December 31,

	2011				2012				2013			
	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 BEARING LIABILITIES												
Time Deposits												
Ch\$	3,154,752	179,666	5.7%	1.7%	4,219,993	267,721	6.3%	4.8%	4,020,819	240,879	6.0%	2.9%
UF	292,358	18,171	6.2%	2.2%	568,003	33,422	5.9%	4.3%	550,376	30,390	5.5%	2.4%
Foreign currency	552,498	6,781	1.2%	8.1%	1,851,521	58,498	3.2%	(6.2)%	2,484,695	90,374	3.6%	10.6%
Total	3,999,608	204,618	5.1%	2.7%	6,639,517	359,641	5.4%	1.7%	7,055,890	361,643	5.1%	5.6%
Central Bank borrowings												
Ch\$	-	-	-	-	39	-	-	-	-	-	-	-
UF	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	39	-	-	-	-	-	-	-
Repurchase agreements												
Ch\$	161,020	8,147	5.1%	1.1%	209,370	12,085	5.8%	4.2%	95,836	4,924	5.1%	2.1%
UF	2,629	315	12.0%	7.8%	575	54	9.4%	7.8%	-	167	0.0%	(2.9)%
Foreign currency	-	-	-	-	134,348	3,612	2.7%	(6.6)%	173,583	9,645	5.6%	12.6%
Total	163,649	8,462	5.2%	1.2%	344,293	15,751	4.6%	0.0%	269,419	14,736	5.5%	8.9%
Mortgage finance bonds												
Ch\$	188	3	1.6%	(2.2)%	90	2	2.2%	0.7%	20	1	5.0%	1.9%
UF	198,297	15,965	8.1%	4.0%	161,493	10,997	6.8%	5.2%	130,971	8,322	6.4%	3.3%
Foreign currency	-	-	-	-	-	-	-	-	-	-	-	-
Total	198,485	15,968	8.0%	4.0%	161,583	10,999	6.8%	5.2%	130,991	8,323	6.4%	3.3%
Bonds												
Ch\$	36,366	6,632	18.2%	13.8%	45,526	14,046	30.9%	28.9%	46,211	32,076	69.4%	64.5%
UF	1,162,123	85,845	7.4%	3.4%	1,468,606	79,905	5.4%	3.9%	1,547,176	73,895	4.8%	1.7%
Foreign currency	8,933	137	1.5%	(2.3)%	76,830	3,605	4.7%	(4.8)%	606,158	13,917	2.3%	9.1%
Total	1,207,422	92,614	7.7%	3.6%	1,590,962	97,556	6.1%	4.2%	2,199,545	119,888	5.5%	5.1%
Other interest bearing liabilities												
Ch\$	366,949	4,549	1.2%	(2.6)%	420,574	4,099	1.0%	(0.5)%	519,568	(3,888)	(0.7)%	(3.6)%
UF	22,679	2,409	10.6%	6.5%	19,458	2,222	11.4%	9.8%	16,224	1,459	9.0%	5.8%
Foreign currency	649,637	7,002	1.1%	(2.7)%	1,645,130	15,848	1.0%	(8.2)%	1,747,481	47,255	2.7%	(0.3)%
Total	1,039,265	13,960	1.3%	(2.5)%	2,085,162	22,169	1.1%	(6.5)%	2,283,273	44,826	2.0%	(1.0)%
Total interest bearing liabilities												
Ch\$	3,719,275	198,997	2.3%	(1.5)%	4,895,592	297,953	6.1%	4.5%	4,682,454	273,992	2.3%	(0.7)%
)%UF	1,678,086	122,705	5.7%	1.7%	2,218,135	126,600	5.7%	4.1%	2,244,747	114,233	5.7%	2.6%
Foreign currency	1,211,068	13,920	1.1%	(2.6)%	3,707,829	81,563	2.2%	(7.1)%	5,011,917	161,191	3.2%	0.2%
Total	6,608,429	335,622	5.1%	(0.9)%	10,821,556	506,116	4.7%	0.5%	11,939,118	549,416	4.6%	0.3%



Year ended December 31,

	2011				2012				2013			
	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
NON-INTEREST EARNING LIABILITIES												
Non-interest-bearing demand deposits												
Ch\$	282,470				352,402				383,346			
UF	2,202				3,951				10,412			
Foreign currency	100,146				160,581				1,077,716			
Total	384,818				516,934				1,471,475			
Derivatives												
Ch\$	161,012				187,866				210,393			
UF	-				-				-			
Foreign currency	1,362				17,083				20,286			
Total	162,374				204,949				230,679			
Other non-interest-bearing												
Ch\$	221,532				150,297				185,812			
UF	1,933				1,689				1,190			
Foreign currency	4,690				109,685				193,931			
Total	228,155				261,671				380,933			
Shareholders' equity												
Ch\$	598,474				809,239				1,218,551			
UF	-				-				-			
Foreign currency	-				102,203				157,461			
Total	598,474				911,442				1,376,012			
Total non-interest-bearing liabilities and shareholders' equity												
Ch\$	1,263,488				1,499,804				1,998,102			
UF	4,135				5,640				11,602			
Foreign currency	106,198				389,552				1,449,395			
Total	1,373,821				1,894,996				3,459,098			
Total liabilities and shareholders' equity (1)												
Ch\$	4,982,763	198,997			6,395,396	297,953			6,680,556	273,992		
UF	1,682,221	122,705			2,223,775	126,600			2,256,349	114,233		
Foreign currency	1,317,266	13,920			4,097,381	81,563			6,461,312	161,191		
Total	7,982,250	335,622			12,716,552	506,116			15,398,217	549,416		

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



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,		
	2011	2012	2013
(in million of Ch\$ except for percentages)			
Total average Interest earning assets			
Ch\$	Ch\$2,861,638	3,625,084	3,955,700
UF	3,080,122	3,823,926	3,895,453
Foreign currency	1,078,570	3,964,570	5,803,822
Total	Ch\$7,020,330	Ch\$11,413,580	Ch\$13,654,975
Net interest earned ⁽¹⁾			
Ch\$	Ch\$53,062	29,196	85,228
UF	122,507	135,472	141,278
Foreign currency	17,431	92,208	231,184
Total	Ch\$193,000	Ch\$256,876	Ch\$457,690
Net interest margin, nominal basis⁽²⁾			
Ch\$	1.9%	0.8%	2.2%
UF	4.0%	3.5%	3.6%
Foreign currency	1.6%	2.3%	4.0%
Total	2.7%	2.3%	3.4%

(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.

**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 2011 to 2012 and 2012 to 2013. 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 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



	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	93,742	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



	Increase (Decrease) from 2012 to 2013 due to changes in			Net Change from 2012 to 2013
	Volume	Rate	Rate and Volume	
	(in millions of Ch\$)			
ASSETS				
INTEREST EARNING ASSETS				
Deposits in Central Bank				
Ch\$	(8)	(2)	(156)	(167)
UF	-	-	-	-
Foreign currency	-	-	-	-
Total	<u>(8)</u>	<u>(2)</u>	<u>(156)</u>	<u>(167)</u>
Financial Investments				
Ch\$	(280)	(2)	(188)	(470)
UF	(13,408)	(62)	(2,984)	(16,454)
Foreign currency	6,826	-	(2,848)	3,978
Total	<u>(6,892)</u>	<u>(62)</u>	<u>(6,021)</u>	<u>(12,946)</u>
Total Loans				
Ch\$	25,481	33	3,593	29,108
UF	22,553	(115)	(12,495)	9,944
Foreign currency	77,576	831	122,930	201,337
Total	<u>125,610</u>	<u>749</u>	<u>114,029</u>	<u>240,388</u>
Interbank Loans				
Ch\$	3,296	(2)	(230)	3,064
UF	-	-	-	-
Foreign currency	(573)	9	648	85
Total	<u>2,723</u>	<u>7</u>	<u>420</u>	<u>3,150</u>
Investment under resale agreements				
Ch\$	832	(2)	(294)	536
UF	-	(1)	(50)	(51)
Foreign currency	(8)	135	12,848	12,975
Total	<u>824</u>	<u>133</u>	<u>12,503</u>	<u>13,460</u>
Other interest earning assets				
Ch\$	-	-	-	-
UF	-	-	-	-
Foreign currency	1,464	(7)	(1,228)	229
Total	<u>1,464</u>	<u>(7)</u>	<u>(1,228)</u>	<u>229</u>
Total interest earning assets				
Ch\$	29,320	26	2,724	32,071
UF	9,146	(176)	(15,529)	(6,561)
Foreign currency	85,285	967	132,351	218,604
Total	<u>123,751</u>	<u>818</u>	<u>119,547</u>	<u>244,114</u>



	Increase (Decrease)			Net Change from 2012 to 2013
	from 2012 to 2013 due to changes in			
	Volume	Rate	Rate and Volume	
(in millions of Ch\$)				
LIABILITIES				
INTEREST BEARING LIABILITIES				
Time Deposits				
Ch\$	(12,636)	(149)	(14,056)	(26,842)
UF	(1,037)	(21)	(1,974)	(3,032)
Foreign currency	20,005	88	11,783	31,876
Total	<u>6,332</u>	<u>(81)</u>	<u>(4,248)</u>	<u>2,003</u>
Central Bank borrowings				
Ch\$	-	-	-	-
UF	-	-	-	-
Foreign currency	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Repurchase Agreements				
Ch\$	(6,553)	(13)	(594)	(7,161)
UF	(54)	(1)	168	113
Foreign currency	1,055	39	4,940	6,033
Total	<u>(5,552)</u>	<u>25</u>	<u>4,513</u>	<u>(1,015)</u>
Mortgage finance bonds				
Ch\$	(2)	-	2	-
UF	(2,078)	(7)	(589)	(2,675)
Foreign currency	-	-	-	-
Total	<u>(2,080)</u>	<u>(7)</u>	<u>(588)</u>	<u>(2,675)</u>
Bonds				
Ch\$	211	176	17,643	18,030
UF	4,275	(98)	(10,187)	(6,010)
Foreign currency	24,837	(18)	(14,506)	10,312
Total	<u>29,323</u>	<u>60</u>	<u>(7,050)</u>	<u>22,332</u>
Other interest bearing liabilities				
Ch\$	965	(72)	(8,878)	7,897
UF	(369)	(5)	(390)	(763)
Foreign currency	986	286	30,135	31,407
Total	<u>1,580</u>	<u>209</u>	<u>20,866</u>	<u>22,657</u>
Total interest bearing liabilities				
Ch\$	(18,015)	(59)	(5,854)	(23,960)
UF	737	(131)	(12,962)	(12,367)
Foreign currency	46,882	395	32,351	79,628
Total	<u>29,603</u>	<u>205</u>	<u>13,494</u>	<u>43,301</u>



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,		
	2011	2012	2013
	(in millions of Ch\$, except for percentages)		
Net Income	117,318	119,153	175,239
Net income attributable to the equity holders of the Bank	119,142	119,102	162,422
Average total assets	7,982,251	12,716,553	15,398,217
Average equity	598,474	911,442	1,376,012
Net income as a percentage of:			
Average total assets	1.47 %	0.94 %	1.14 %
Average equity	19.6 %	13.07 %	12.74 %
Average equity as a percentage of:			
Average total assets	7.50 %	7.17 %	8.94 %
Proposed cash	122,849	60,040	88,403
Dividend payout ratio, based on net income attributable to shareholders	100 %	50 %	57 %

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, 2011, 2012 and 2013 are as follows:

	As of December 31,		
	2011	2012	2013
	(in millions of Ch\$)		
Held-for-trading:			
Chilean Central Bank and Government securities:			
Chilean Central Bank bonds	9,541	2,543	746
Chilean Central Bank notes	5,613	–	–
Other Chilean Central Bank and Government securities	–	–	9,106
Other national institution securities:			
Bonds	2,012	2,102	–
Notes	125,319	28,218	18,582
Other securities	11,102	276	133
Foreign institution securities:			
Bonds	840	101,114	326,141
Notes	–	–	–
Other securities	968	3,409	64,443
Mutual funds investments			
Funds managed by related organizations	3,420	6,336	12,495
Funds managed by third parties	7,224	15,900	37
Total	166,039	159,898	431,683

Available-for-sale

	As of December 31,		
	2011	2012	2013
	(in millions of Ch\$)		
Chilean Central Bank and Government securities			
Chilean Central Bank and Government securities	307,122	329,066	334,718
Chilean Central Bank Notes	4,336	69,706	847
Other Government securities	57,480	46,203	21,769
Other financial instruments			
Promissory notes related to deposits in local banks	380,284	338,747	78,712
Chilean mortgage finance bonds	1,056	349	313
Chilean financial institutions bonds	41,702	66,231	17,985
Other local investments	44,109	41,019	136,623
Financial instruments issued abroad			
Foreign government and central banks instruments	–	206,296	212,280
Other foreign investments	7,161	14,818	85,840
Impairment provision	–	–	–
Unquoted securities in active markets			
Chilean corporate bonds	–	–	–
Other investments	–	–	–
Impairment provision	–	–	–
Total	843,250	1,112,435	889,087



	As of December 31,		
	2011	2012	2013
	(in millions of Ch\$)		
Held to maturity			
Central Bank and Government securities			
Chilean Central Bank securities	–	–	–
Chilean treasury bonds	–	–	–
Other Government securities	–	–	–
Other financial instruments			
Promissory notes related to deposits in local banks	–	–	–
Chilean mortgage finance bonds	–	–	–
Chilean financial institution bonds	–	–	–
Other local investments	11,580	10,099	8,632
Financial instruments issued abroad			
Foreign government and central banks instruments	–	74,259	93,750
Other foreign investments	10,382	20,619	135,140
Impairment provision	–	–	–
Unquoted securities in active markets			
Chilean corporate bonds	–	–	–
Other investments	–	–	–
Impairment provision	–	–	–
Total	21,962	104,977	237,522

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, 2013:

	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
(in millions of Ch\$, except for percentages)									
Held-for-trading									
Central Bank and Government securities:									
Chilean Central Bank securities	–	–	746	4.0	–	–	–	–	746
Chilean Central Bank notes	–	–	–	–	–	–	–	–	–
Others Government securities	–	–	9,106	3.3	–	–	–	–	9,106
Other national institution securities:									
Bonds	–	–	–	–	–	–	–	–	–
Notes	18,582	0.5	–	–	–	–	–	–	18,582
Other securities	–	–	41	4.6	–	–	92	4.2	133
Foreign institution securities:									
Bonds	215,282	4.2	109,091	5.5	66	4.1	1,701	–	326,141
Notes	–	–	–	–	–	–	–	–	–
Other securities	19,796	3.7	44,419	7.3	169	3.2	60	3.1	64,443
Mutual fund investments:									
Funds managed by related organizations	12,495	–	–	–	–	–	–	–	12,495
Funds managed by third parties	37	–	–	–	–	–	–	–	37
Total Held-for-trading	266,191	3.7	163,403	5.8	235	3.4	1,853	0.3	431,683



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
	Ch\$	%	Ch\$	%	Ch\$	%	Ch\$	%	Ch\$
(in millions of Ch\$, except for percentages)									
Chilean Central Bank and Government securities:									
Chilean Central Bank securities	102,189	1.3	232,529	4.6	-	-	-	-	334,718
Chilean treasury bonds	-	-	847	4.7	-	-	-	-	847
Others Government securities	15,765	3.9	6,094	3.5	-	-	-	-	21,769
Other financial instruments:									
Promissory notes related to deposits in local banks	78,402	2.2	310	2.5	-	-	-	-	78,712
Chilean mortgage finance bonds	2	3.3	132	3.5	2	3.6	178	3.9	313
Chilean financial institution bonds	-	-	17,031	3.3	954	3.4	-	-	17,985
Other local investments	-	-	15,281	5.1	90,845	5.5	30,497	4.0	136,623
Financial instruments issued abroad:									
Foreign Government and central bank instruments	78,339	4.5	50,107	6.7	19,441	5.8	64,393	10.5	212,280
Other foreign investments	9,808	10.4	5,272	12.5	34,271	12.1	36,489	9.2	85,840
Impairment provision	-	-	-	-	-	-	-	-	-
Unquoted securities in active markets									
Chilean corporate bonds	-	-	-	-	-	-	-	-	-
Other foreign investments	-	-	-	-	-	-	-	-	-
Impairment provision	-	-	-	-	-	-	-	-	-
Total	284,415	2.9	327,603	4.9	145,513	7.1	131,556	8.6	889,087

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)									
Chilean Central Bank and Government securities:									
Chilean Central Bank securities	-	-	-	-	-	-	-	-	-
Chilean treasury bonds	-	-	-	-	-	-	-	-	-
Other Government securities	-	-	-	-	-	-	-	-	-
Other financial instruments:									
Promissory notes related to deposits in local banks	-	-	-	-	-	-	-	-	-
Chilean mortgage finance bonds	-	-	-	-	-	-	-	-	-
Chilean financial institution bonds	-	-	-	-	-	-	-	-	-
Other local investments	-	-	8,632	3.4	-	-	-	-	8,632
Financial instruments issued abroad:									
Foreign government and central bank instruments	52,853	1.3	5,803	-	-	-	35,093	8.4	93,750
Other foreign investments	112,668	2.5	21,368	3.2	1,104	0.04	-	-	135,140
Impairment provision	-	-	-	-	-	-	-	-	-
Unquoted securities in active markets									
Chilean corporate bonds	-	-	-	-	-	-	-	-	-
Other investments	-	-	-	-	-	-	-	-	-
Impairment provision	-	-	-	-	-	-	-	-	-
Total	165,521	2.1	35,803	2.7	1,104	0.0	35,093	8.4	237,522



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,				
	2009	2010	2011	2012	2013
	(in millions of Ch\$)				
Commercial loans					
Commercial loans	3,144,217	3,367,491	4,345,731	6,453,176	7,689,427
Foreign trade loans	233,478	260,976	388,981	424,824	459,074
Current account debtors	48,320	52,362	13,499	29,245	27,935
Factoring operations	53,548	66,616	95,026	87,622	75,384
Leasing transactions	295,857	280,535	293,726	341,294	811,882
Other loans and receivables	1,450	1,261	78,433	158,699	221,754
Subtotals	3,776,870	4,029,241	5,215,396	7,494,860	9,285,456
Mortgage loans					
Letters of credit loans	144,707	122,933	102,377	87,211	74,049
Endorsable mutual mortgage loans	212,468	272,829	241,653	216,627	196,359
Other mutual mortgage loans	393,290	585,104	785,537	1,186,207	1,419,811
Leasing transactions	160	146	138	61	260,883
Other loans and receivables	56,110	51,627	46,223	41,869	37,874
Subtotals	806,735	1,032,639	1,175,928	1,531,975	1,988,976
Consumer loans					
Consumer loans	294,396	276,296	266,953	779,735	1,061,996
Current account debtors	26,437	24,901	25,454	29,398	40,012
Credit card debtors	55,359	54,386	55,278	156,939	228,776
Consumer leasing transactions	523	708	729	782	21,582
Other loans and receivables	51,336	51,024	74,707	109,802	270,883
Subtotals	428,051	407,315	423,121	1,076,656	1,623,249
Subtotal Loans	5,011,656	5,469,195	6,814,445	10,103,491	12,897,681
Loans and receivables to banks	86,226	64,187	304,622	482,549	218,081
Total⁽¹⁾	5,097,882	5,533,382	7,119,067	10,586,040	13,115,762

(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."



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 two to five years. We no longer offer mortgage loans denominated in Chilean pesos because 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.

The balances of the renegotiated mortgage loans as of December 31, 2011, 2012 and 2013 were as follows:

	As of December 31,		
	2011	2012	2013
		(in millions of Ch\$)	
Opening Balance ⁽¹⁾	1,063	1,794	1,748
Renegotiated ⁽²⁾	735	699	4,744
Recovery ⁽³⁾	(4)	(745)	(2,828)
Write-offs ⁽⁴⁾	—	—	(574)
Final Balance	1,794	1,748	3,090

- (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, 2011, 2012 and 2013 were as follows:

	As of December 31,		
	2011	2012	2013
		(in millions of Ch\$)	
Opening Balance ⁽¹⁾	47,987	49,977	58,803
Renegotiated ⁽²⁾	29,519	40,674	68,049
Recovery ⁽³⁾	(16,281)	(21,930)	(31,182)
Write-offs ⁽⁴⁾	(11,248)	(9,918)	(13,187)
Final Balance	49,977	58,803	82,483

- (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 from banks, include interbank loans to local and foreign banks and deposits in the Central Bank of Chile.

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 22 “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 2011, 2012 and 2013 are as follows:

	As of December 31,		
	2011	2012	2013
		(in millions of Ch\$)	
Opening Balance ⁽¹⁾	131,656	125,742	124,047
Renegotiated ⁽²⁾	40,294	41,667	88,797
Recovery ⁽³⁾	(29,234)	(27,810)	(43,748)
Write-offs ⁽⁴⁾	(16,974)	(15,552)	(24,348)
Final Balance ⁽⁵⁾	125,742	124,047	144,748

(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.
- (5) Corresponds to final balance the renegotiated portfolio.

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.

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.

Commercial loans. Our risk index as of December 31, 2011, 2012 and 2013 was 1.3%, 1.1% and 1.0% respectively, this last decrease is due to an adjustment of Ch\$110,022 million in loan loss allowances. Without the adjustment, our risk index would have been 2.1%. 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 2013, 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 2012. 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 reached 0.4% as of December 31, 2013 because of the adjustment to loan loss allowances of Ch\$15,327 million. The risk index of our residential mortgage loans was 0.9% and 0.4% as of December 31, 2011 and 2012, respectively. On an adjusted basis, the risk index remained stable in 2013. Without the adjustment, our residential mortgage loan risk index would have been 1.1%.

Consumer loans. The risk index of our consumer loans was 1.7% as of December 31, 2013, due to an adjustment to loan loss allowances of Ch\$56,491 million, compared to 5.4% and 2.2% as of December 31, 2011 and 2012, respectively. On an adjusted basis, the risk index decreased partly due to a new allowance for losses model implemented in Chile during 2013. This new model was developed based on statistical modeling and detailed analysis and review of the consumer loan portfolio behavior during the last five years, ensuring compliance with modeling standards and regulations. Without the adjustment, our consumer loan risk index would have been 5.0%.

Collections management was strengthened during 2013, 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, 2013:

	Balance as of December 31, 2013	Due in one month or less	Due after 1 month through 6 months	Due after 6 month through 1 year	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years	Total
(in millions of constant Ch\$ as of December 31, 2013)								
Commercial loans	7,689,427	375,729	1,298,236	1,594,226	1,671,016	1,055,922	1,694,298	7,689,427
Foreign trade loans	459,074	360,265	15,146	19,383	40,030	20,116	4,135	459,074
Current account debtors	27,935	18,398	3,182	5,542	609	205	-	27,935
Factoring operations	75,384	17,550	50,487	3,177	2,686	618	865	75,384
Leasing transactions	811,882	2,027	17,008	19,753	121,968	124,404	526,724	811,882
Other loans and receivables	221,754	4,175	8	12,597	733	1,304	202,937	221,754
Subtotals	9,285,456	778,144	1,384,067	1,654,677	1,837,042	1,202,568	2,428,959	9,285,456
Letters of credit loans	74,049	397	1,985	2,382	9,527	9,527	50,232	74,049
Endorsable mutual mortgage loans	196,359	1,246	6,230	7,476	29,905	29,905	121,596	196,359
Mutual loans financed mortgage bonds	-	-	-	-	-	-	-	-
Other mutual mortgage loans	1,419,811	27,329	26,749	24,947	111,375	221,979	1,007,432	1,419,811
Leasing transactions	260,883	-	1	3	81	438	260,359	260,883
Other loans and receivables	37,874	190	921	1,105	4,420	4,420	26,819	37,874
Subtotals	1,988,976	29,162	35,886	35,913	155,308	266,269	1,466,437	1,988,976
Consumer loans	1,061,996	13,277	713	21,886	334,074	376,018	316,028	1,061,996
Current account debtors	40,012	4,588	13,741	17,847	3,824	13	-	40,012
Credit card debtors	228,776	151,032	-	77,744	-	-	-	228,776
Consumer leasing transactions	21,582	2	35	75	1,897	3,134	16,440	21,582
Other loans and receivables	270,883	197,745	-	73,120	18	-	-	270,883
Subtotals	1,623,249	366,643	14,489	190,672	339,813	379,165	332,468	1,623,249
Loans and receivables to customers	12,897,681	1,173,948	1,434,441	1,881,263	2,332,163	1,848,003	4,227,864	12,897,681
Loans and receivables to banks	218,081	-	-	-	-	-	-	218,081
Total loans	13,115,762	1,173,948	1,434,441	1,881,263	2,332,163	1,848,003	4,227,864	13,115,762



	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years	Balance as of December 31, 2013
	(in millions of constant Ch\$ as of December 31, 2013)			
Commercial loans	3,268,191	2,726,938	1,694,298	7,689,427
Foreign trade loans	394,794	60,145	4,135	459,074
Current account debtors	27,121	814	—	27,935
Factoring operations	71,214	3,305	865	75,384
Leasing transactions	38,787	246,371	526,724	811,882
Other loans and receivables	16,780	2,037	202,937	221,754
Subtotals	3,816,887	3,039,610	2,428,959	9,285,456
Letters of credit loans	4,763	19,054	50,232	74,049
Endorsable mutual mortgage loans	14,953	59,810	121,596	196,359
Mutual loans financed mortgage bonds	—	—	—	—
Other mutual mortgage loans	79,025	333,354	1,007,432	1,419,811
Leasing transactions	4	519	260,359	260,883
Other loans and receivables	2,216	8,839	26,819	37,874
Subtotals	100,962	421,577	1,466,437	1,988,976
Consumer loans	35,876	710,092	316,028	1,061,996
Current account debtors	36,175	3,837	—	40,012
Credit card debtors	228,776	—	—	228,776
Consumer leasing transactions	111	5,031	16,440	21,582
Other loans and receivables	270,865	18	—	270,883
Subtotals	571,804	718,978	332,468	1,623,249
Subtotal loans	4,489,652	4,180,165	4,227,864	12,897,681
Loans and receivables to banks				218,081
Total loans				13,115,762

The following table presents the interest rate sensitivity of our outstanding loans due after one year as of December 31, 2013.

	As of December 31, 2013
Variable rate	
Ch\$	1,218,888
UF	1,169,399
Ch\$ indexed to US\$	14,661
Foreign currency	1,383,046
Subtotal	3,785,994
Fixed rate	
Ch\$	1,688,264
UF	1,238,145
Ch\$ indexed to US\$	14,270
Foreign currency	1,681,356
Subtotal	4,622,034
Total	8,408,029

The following table sets forth an analysis of our foreign loans by type and time remaining to maturity as of December 31, 2013:

	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years	Total
	(in millions of Ch\$)			



Commercial loans	2,665	40,480	35,793	78,938
Foreign trade loans(*)	<u>1,598,587</u>	<u>1,418,093</u>	<u>2,334,499</u>	<u>5,351,180</u>
Total	<u>1,601,253</u>	<u>1,458,573</u>	<u>2,370,292</u>	<u>5,430,118</u>

(*) Includes commercial, mortgage and consumer loans.



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			
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013	
	as of December 31,												
Manufacturing	510,232	569,720	499,037	10,525	247,564	332,767	520,757	817,284	831,804	7.64%	8.09%	6.45%	
Mining	241,514	244,407	328,377	32,494	112,302	457,884	274,008	356,709	786,261	4.02%	3.53%	6.10%	
Electricity, Gas and Water	423,276	237,908	146,316	10,473	179,737	351,301	433,749	417,645	497,617	6.37%	4.13%	3.86%	
Agriculture and livestock	193,598	236,327	179,008	20,053	26,963	123,906	213,651	263,290	302,914	3.14%	2.61%	2.35%	
Forestry and wood extraction	39,280	38,836	23,650	-	-	8,875	39,280	38,836	32,525	0.58%	0.38%	0.25%	
Fishing	68,395	48,611	1,212	-	-	0	68,395	48,611	1,212	1.00%	0.48%	0.01%	
Transport	163,843	153,111	196,092	604	50,871	165,982	164,447	203,982	362,074	2.41%	2.02%	2.81%	
Communications	35,867	16,845	3,423	-	54,137	111,671	35,867	70,982	115,094	0.53%	0.70%	0.89%	
Construction	598,671	865,713	854,452	848	98,660	257,438	599,519	964,373	1,111,890	8.80%	9.54%	8.62%	
Commerce	450,957	519,220	434,713	3,187	395,650	1,034,412	454,144	914,870	1,469,125	6.66%	9.05%	11.39%	
Services	2,041,235	2,861,452	2,695,813	137,037	228,715	980,883	2,178,272	3,090,167	3,676,696	31.97%	30.59%	28.51%	
Others	233,307	223,316	70,829	-	84,795	27,415	233,307	308,111	98,244	3.42%	3.05%	0.76%	
Subtotal Commercial Loans	5,000,175	6,015,466	5,432,922	215,221	1,479,394	3,852,534	5,215,396	7,494,860	9,285,456	76.53%	74.18%	71.99%	
Mortgage Loans ⁽¹⁾	1,175,928	1,382,442	1,529,701	-	149,533	459,275	1,175,928	1,531,975	1,988,976	17.26%	15.16%	15.42%	
Consumer Loans ⁽¹⁾	423,121	476,275	504,940	-	600,381	1,118,309	423,121	1,076,656	1,623,249	6.21%	10.66%	12.59%	
Total	6,599,224	7,874,183	7,467,563	215,221	2,229,308	5,430,118	6,814,445	10,103,491	12,897,681	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.

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		
	2011	2012	2013
	(in millions of constant Ch\$)		
Argentina ⁽¹⁾	8,147	7,675	7,401
Bolivia ⁽¹⁾	42	-	-
Brazil ⁽¹⁾	30,135	45,111	39,265
Cayman Islands	32,397	23,892	8,249
China	27,247	-	-
Colombia	-	1,908,520	5,142,110
Costa Rica	-	8,621	6,478
England	-	7,188	-
Japan	-	9,545	8,548
Holland	24,771	55,999	64,366
Luxembourg	-	23,989	-
Mexico	-	39,827	81,729
Panama	52,007	-	10,490
Peru ⁽¹⁾	6,412	9,220	31,060
Spain	-	35,840	-
Switzerland	20,053	39,975	23,450
United States	14,009	13,906	6,972
Total	215,220	2,229,308	5,430,118

(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, 2011, 2012 and 2013.

	As of December 31		
	2011	2012	2013
	(in millions of constant Ch\$)		
Australia	40	58	81
Barbados	-	-	792
Belgium	1,548	283	147
Canada	289	385	481
China	-	3	4
Colombia	-	13	392,106
Denmark	9	12	16
France	-	86,550	21
Germany	6,698	1,326	8,664
Hong Kong	-	48	-
Italy	107	21	15
Japan	37	50,624	628
Mexico	-	15	81
Norway	40	15	5
Panama	-	-	37,297
Spain	174	337	7
Sweden	5	6	21
Switzerland	109	61	55
United Kingdom	196	1,845	758
United States	175,023	206,465	261,317
Venezuela	-	-	13
Total	184,275	348,067	702,509

Companies Credit Risk Division

The goal 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 the 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.

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 2013:

Committee		Risk Category							
		Debtors in risk individual’s categories from A1 to A5 and debtors in risk group’s categories G1 and G2				Debtors in risk individual’s categories A6, and debtors in risk group’s categories from G3 and G8 and non-performing portfolio			
		Corporate and Real Estate		Enterprises & Private Banking		Corporate and Real Estate		Enterprises & Private Banking	
		RD+RI	RT	RD+RI	RT	RD+RI	RT	RD+RI	RT
Executive	From	4,500+1	8,000+1	3,500+1	6,000+1	2,250+1	4,000+1	1,750+1	3,000+1
Divisional	Up to	4,500	8,000	3,500	6,000	2,250	4,000	1,750	3,000
Managers ‘A’	Up to	2,500	4,000	2,000	3,000	1,250	2,000	1,000	1,500
Managers	Up to	1,400	2,100	1,400	2,100	700	1,050	700	1,050
Level ‘C1’+‘A’	Up to	1,000	1,500	1,000	1,500	500	750	500	750
Level A	Up to	700	1,100	700	1,100	350	550	350	550
Risks	Up to	700	1,100	700	1,100	350	550	350	550
Level ‘C1’+‘B’	Up to	500	750	500	750	250	375	250	375
Sub managers	Up to	400	600	400	600	200	300	200	300
Level ‘B’	Up to	250	400	250	400	125	200	125	200
Level ‘C1’	Up to	250	400	250	400	200	300	125	200



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 2013. 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.

		Approval limits only for debtors with Risk Category A5 or G2, or Special Surveillance Continue as maximum ⁽¹⁾	
Level of Necessary Authority		Risk RD+R1	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 CEO 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 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.

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:

$$\frac{EIL}{EXP} = \frac{EXP \times PNP \times SEV}{EXP}$$

EXP = Exposure
 PNP = Probability of Non-Performance
 SEV = Severity
 EIL = Estimated Incurred Loss.

“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, 2013, loans classified in the C risk categories had the following allowance for loan losses:

<u>Classification</u>	<u>Allowance percentage</u>	<u>Exposure</u> (Millions of Ch\$)	<u>Allowance</u> (Millions of Ch\$)
C1	2%	42,242	846
C2	10%	12,170	1,217
C3	25%	6,680	1,670
C4	40%	47,844	19,137
C5	65%	21,956	14,272
C6	90%	32,700	29,431
Total		163,592	66,573

As of December 31, 2012, 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> (Millions of Ch\$)	<u>Allowance</u> (Millions of Ch\$)
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

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 six 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 x PNP X 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.

Total Loans – models based on group analysis

	As of December 31, 2011		
	Total Loans	Allowances for loan losses (in millions of Ch\$ except for percentages)	Risk Index (%)
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 (in millions of Ch\$ except for percentages)	Risk Index (%)
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%

	As of December 31, 2013		
	Total Loans	Allowances for loan losses (in millions of Ch\$ except for percentages)	Risk Index (%)
Commercial	648,247	12,195	1.9%
Leasing commercial	100,151	340	0.3%
Factoring commercial	7,698	183	2.4%
Consumer	1,601,667	27,572	1.7%
Leasing consumer	21,582	145	0.7%
Mortgage	1,728,093	6,230	0.4%
Leasing mortgage	260,883	738	0.3%

Consumer Loans – models based on group analysis

	As of December 31, 2011		
	Total Loans	Allowances for loan losses (in millions of Ch\$ except for percentages)	Risk Index (%)
Credit cards	55,277	1,512	2.7%
Lines of credit	25,453	573	2.3%
Others revolving	43	5	10.6%
Installment 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 (in millions of Ch\$ except for percentages)	Risk Index (%)
Credit cards	156,939	2,905	1.9%
Lines of credit	29,398	780	2.7%
Others revolving	27	2	7.6%
Installment 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%

	As of December 31, 2013		
	Total Loans	Allowances for loan losses (in millions of Ch\$ except for percentages)	Risk Index (%)
Credit cards	228,776	2,495	1.1%
Lines of credit	40,012	1,074	2.7%
Others revolving	4,322	105	2.4%
Installment Consumer loans	791,692	7,688	1.0%
Student loans	9,971	127	1.3%
Salary discount loans	442,364	7,788	1.8%
Renegotiation	82,483	8,048	9.8%
Others	2,047	246	12.0%

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.

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 (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 five 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 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.

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:

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 receivables to banks	72,636	9,524	4,066	-	-	-	-	86,226	-	-	-	86,226	
Loans and receivables 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 receivables 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	-	-	-	-	-	-	-	-	-	-	-	-	-



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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 receivables to banks	8,604	-	41,920	12,857	777	-	-	29	64,187	-	-	-	64,187
Loans and receivables 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 receivables 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	-	-	-	-	-	-	-	-	-	-	-	-	-



2011

	Individual Portfolio												Impaired Portfolio						General Total					
	A1	A2	A3	A4	A5	A6	B1	B2	Total	B3	B4	C1	C2	C3	C4	C5	C6	Total						
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	3,973,136	2,554	619	27,711	7,153	7,467	9,679	11,747	6,244	73,174	4,036,310					
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					
Foreign trade loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
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	-	871	1	-	1	7	-	-	4	4	-	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 receivables 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	153,532	4,788,822					
Financial investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
2011																								
	Normal Portfolio																		Impaired Portfolio		General Total			
	(in millions of Ch\$)																		(in millions of Ch\$)					
Loans and receivables to banks																					304,622			
Loans and receivables to customers																								
Commercial loans																								
General commercial loans	231,295																		68,126		299,421		4,345,731	
Foreign trade loans	8,151																		2,266		10,417		388,981	
Current account debtors	4,008																		1,166		5,174		13,499	
Factored receivables	2,647																		1,951		4,598		95,026	
Leasing contracts	19,428																		9,996		29,424		293,726	
Other outstanding loan	77,281																		259		77,540		78,433	
Subtotal commercial loans	342,810																		83,764		426,574		5,215,396	
Consumer loans	398,365																		24,756		423,121		423,121	
Mortgage loans	1,141,396																		34,532		1,175,928		1,175,928	
Total loans and receivables to customers	1,882,571																		143,053		2,025,624		6,814,446	
Financial investments																								



2012

Individual Portfolio

	Normal Portfolio						Impaired Portfolio						Total						
	A1	A2	A3	A4	A5	A6	B1	B2	Total	B3	B4	C1		C2	C3	C4	C5	C6	Total
Loans and receivables to banks	463,159	9,080	10,310	-	-	-	-	-	482,549	-	-	-	-	-	-	-	-	-	482,549
Loans and receivables to customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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
General commercial 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
Foreign trade loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lines of credit and overdrafts	-	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 receivables 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	-	-	-	-
Foreign trade loans	591,842	37,859	629,701	6,453,176
Lines of credit and overdrafts	7,524	257	7,781	424,824
Factored receivables	7,885	261	8,146	29,245
Leasing contracts	5,631	193	5,824	87,622
Other outstanding loan	30,208	1,311	31,519	341,294
Subtotal commercial loans	154,508	286	154,794	158,699
Consumer loans	797,598	40,167	837,765	7,494,860
Mortgage loans	1,043,027	33,629	1,076,656	1,076,656
Total loans and receivable to customers	1,499,243	32,732	1,531,975	1,531,975
Financial investments	3,339,868	106,528	3,446,396	10,103,491



2013

	Normal Portfolio						Impaired Portfolio						Group Portfolio									
	A1	A2	A3	A4	A5	A6	B1	B2	B3	B4	C1	C2	C3	C4	C5	C6	Total	Normal Portfolio	Impaired Portfolio	Total	General Total	
Loans and receivable to banks	140,017	30,469	47,595	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(in millions of Ch\$)	218,081	-	-	218,081
Loans and receivable to customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General commercial loans	190,904	1,309,328	2,544,546	2,158,738	613,593	39,635	188,112	32,091	7,076,947	42,356	41,650	33,615	9,348	3,005	27,266	9,597	30,450	197,287	7,274,234	-	-	7,274,234
Foreign trade loans	14,671	141,600	159,657	63,862	21,765	-	12,900	2,737	417,192	-	1,383	1,259	326	-	18,532	9,157	848	31,505	448,697	-	-	448,697
Lines of credit and overdrafts	1	1,592	4,833	7,530	1,629	154	201	33	15,973	97	165	153	4	-	14	17	116	566	16,539	-	-	16,539
Factored receivables	-	1,501	32,596	31,539	1,160	-	718	-	67,514	-	-	-	-	-	-	-	172	172	67,686	-	-	67,686
Leasing contracts	1,031	11,664	146,350	339,226	139,767	8,497	29,465	3,752	679,752	2,899	10,228	6,815	2,488	3,638	2,022	3,100	789	31,979	711,731	-	-	711,731
Other outstanding loan	1	277	2,692	4,660	1,594	49	205	43	9,521	13	78	400	4	37	10	85	325	952	10,473	-	-	10,473
Subtotal commercial loans	206,608	1,465,962	2,890,674	2,605,555	779,508	48,335	231,601	38,656	8,266,899	45,365	53,504	42,242	12,170	6,680	47,844	21,956	32,700	262,461	8,529,360	-	-	8,529,360
Consumer loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mortgage loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total loans and receivable to customers	206,608	1,465,962	2,890,674	2,605,555	779,508	48,335	231,601	38,656	8,266,899	45,365	53,504	42,242	12,170	6,680	47,844	21,956	32,700	262,461	8,529,360	-	-	8,529,360
Financial investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2013																						
Loans and receivable to banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	218,081
Loans and receivable to customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General commercial loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign trade loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	370,663
Lines of credit and overdrafts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44,530
Factored receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,050
Leasing contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,952
Other outstanding loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,588
Subtotal commercial loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	210,801
Consumer loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	704,186
Mortgage loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,579,321
Total loans and receivable to customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,954,173
Financial investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,237,680



The following table sets forth our allowances for loan losses:

	As of December 31,		
	2011	2012	2013
	(in millions of Ch\$ except for percentages)		
Required allowances	102,500	109,601	126,039
Voluntary allowances	-	-	-
Total allowances for loan losses	102,500	109,601	126,039
Total loan allowances as a percentage of total loans	1.5%	1.1%	1.0%
Total loans	6,814,445	10,103,491	12,897,681

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,				
	2009	2010	2011	2012	2013
	(in millions of Ch\$)				
Current	4,892,417	5,290,096	6,532,592	7,786,077	7,379,542
Overdue 1-29 days	7,087	7,832	9,046	31,530	38,531
Overdue 30-89 days	9,512	8,190	11,207	13,622	13,092
Overdue 90 days or more ("past due")	41,672	46,851	46,379	42,954	36,396
Total loans	4,950,688	5,352,969	6,599,224	7,874,183	7,467,563

Foreign Loans

	As of December 31,				
	2009	2010	2011	2012	2013
	(in millions of Ch\$)				
Current	60,968	116,226	215,221	2,209,789	5,353,411
Overdue 1-29 days	-	-	-	9,486	39,349
Overdue 30-89 days	-	-	-	1,715	9,664
Overdue 90 days or more ("past due")	-	-	-	8,318	27,694
Total loans	60,968	116,226	215,221	2,229,308	5,430,118

Total Loans

	As of December 31,				
	2009	2010	2011	2012	2013
	(in millions of Ch\$, except for percentages)				
Current	4,953,385	5,406,322	6,747,813	9,995,866	12,732,953
Overdue 1-29 days	7,087	7,832	9,046	41,016	77,880
Overdue 30-89 days	9,512	8,190	11,207	15,337	22,757
Overdue 90 days or more ("past due")	41,672	46,851	46,379	51,272	64,091
Total loans	5,011,656	5,469,195	6,814,445	10,103,491	12,897,681
Overdue loans expressed as a percentage of total loans	1.2%	1.1%	1.0%	1.1%	1.3%
Past due loans as a percentage of total loans	0.8%	0.9%	0.7%	0.5%	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).



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,				
	2009	2010	2011	2012	2013
	(in millions of Ch\$ except for percentages)				
Total loans (excludes interbank loans)	5,011,656	5,469,195	6,814,445	10,103,491	12,897,681
Impaired loans ⁽¹⁾	330,453	346,641	296,584	222,712	393,102
Allowance for loan losses	99,264	104,215	102,500	109,601	126,039
Impaired loans as a percentage of total loans	6.6%	6.3%	4.4%	2.2%	3.0%
Amounts past due ⁽²⁾	41,672	46,851	46,379	51,272	64,091
To the extent secured ⁽³⁾	25,934	22,773	18,849	31,324	27,294
To the extent unsecured	15,738	24,078	27,530	19,948	36,797
Amounts past due as a percentage of					
Total loans	0.8%	0.9%	0.7%	0.5%	0.5%
To the extent secured ⁽³⁾	0.5%	0.4%	0.3%	0.3%	0.2%
To the extent unsecured	0.3%	0.4%	0.4%	0.2%	0.3%
Non-performing loans ⁽⁴⁾	93,751	111,421	107,978	117,937	141,667
Non-performing loans as a percentage of total loans	1.9%	2.0%	1.6%	1.2%	1.1%
Allowance for loans losses as a percentage of:					
Total loans	2.0%	1.9%	1.5%	1.1%	1.0%
Total impaired loans	30.0%	30.1%	34.6%	49.2%	32.1%
Total amounts past due	238.2%	222.4%	221.0%	213.8%	196.7%
Total amounts past due-unsecured	630.7%	432.8%	372.3%	549.4%	342.5%

- (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,				
	2009	2010	2011	2012	2013
	(in millions of Ch\$)				
Overdue 90 days or more ("Past Due")	41,672	46,851	46,379	51,272	64,091
Domestic Loans	41,672	46,851	46,379	42,954	36,396
Foreign Loans	-	-	-	8,318	27,695
Total Loans Past Due	41,672	46,851	46,379	51,272	64,091
Amounts Past Due ⁽¹⁾					
To the extent secured ⁽²⁾	25,934	22,773	18,849	31,324	27,294
To the extent unsecured	15,738	24,078	27,530	19,948	36,797



<u>As of December 31, 2013</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	15,934	9,938	11,935	14,229	52,035
Mortgages Loans	1,246	204	671	2,494	4,614
Consumer Loans	7,442	-	-	-	7,442
Total	24,621	10,141	12,606	16,723	64,091

<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

- (1) Interest income 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.

**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,				
	2009	2010	2011	2012	2013
	(in millions of Ch\$ except for percentages)				
Allowances for loan losses at beginning of period	75,487	99,264	104,215	102,500	109,601
Allowances on acquired loans					
Charge-offs	(60,772)	(61,926)	(54,434)	(59,619)	(107,558)
Provisions established	104,318	93,145	94,170	119,467	331,009
Provisions released ⁽¹⁾	(19,769)	(26,268)	(41,451)	(52,682)	(211,438)
Acquisition of Helm Bank and Affiliates	-	-	-	-	-
Debt Exchange	-	-	-	-	(4,565)
Exchange rate difference ⁽²⁾	-	-	-	(65)	8,990
Allowances for loan losses at end of period	<u>99,264</u>	<u>104,215</u>	<u>102,500</u>	<u>109,601</u>	<u>126,039</u>
Ratio of charge-offs to average loans	1.3%	1.2%	0.9%	0.6%	0.9%
Allowances for loan losses at end of period as a percentage of total loans	2.0%	1.9%	1.5%	1.1%	1.0%
Allowances for loan losses at end of period	<u>99,264</u>	<u>104,215</u>	<u>102,500</u>	<u>109,601</u>	<u>126,039</u>

(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, 2013.

Our policy with respect to write-offs¹ is as disclosed in Note 1 to our financial statement included herein. The following table shows the write-offs breakdown by loan category:

	As of December 31,				
	2009	2010	2011	2012	2013
	(in millions of Ch\$)				
Consumer loans	51,412	45,645	31,676	38,764	62,296
Mortgage loans	524	537	1,782	3,907	2,831
Commercial loans	8,836	15,744	20,976	16,948	42,431
Total	<u>60,772</u>	<u>61,926</u>	<u>54,434</u>	<u>59,619</u>	<u>107,558</u>

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

	As of December 31,				
	2009	2010	2011	2012	2013
	(in millions of Ch\$)				
Bank debt	-	-	19	-	-
Consumer loans	11,329	11,893	9,598	10,014	10,803
Mortgage loans	111	90	574	1,039	1,627
Commercial loans	1,776	2,726	1,787	3,824	5,037
Total	<u>13,216</u>	<u>14,709</u>	<u>11,978</u>	<u>14,877</u>	<u>17,467</u>

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.



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 fair value of a loan portfolio acquired should be shown as recorded upon acquisition under IFRS 3, business combination.

As of December 31, 2013

	<u>Allowance amount</u>	<u>Allowance Amount as a percentage of loans in category</u> (in millions of Ch\$ except for percentages)	<u>Allowance Amount as a percentage of total loans(1)</u>	<u>Loans in category as percentage of total</u>
Commercial loans	91,354	1.0%	0.7%	70.8%
Consumer loans	27,717	1.7%	0.2%	12.4%
Residential mortgage loans	6,968	0.4%	0.1%	15.2%
Loans and receivables to banks	137	0.1%	-	1.7%
Total allocated allowances	126,176	1.0%	1.0%	100.0%

As of December 31, 2012

	<u>Allowance amount</u>	<u>Allowance Amount as a percentage of loans in category</u> (in millions of Ch\$ except for percentages)	<u>Allowance Amount as a percentage of total loans(1)</u>	<u>Loans in category as percentage of total</u>
Commercial loans	79,041	1.1%	0.7%	70.8%
Consumer loans	24,071	2.2%	0.2%	10.2%
Residential 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

	<u>Allowance amount</u>	<u>Allowance Amount as a percentage of loans in category</u> (in millions of Ch\$ except for percentages)	<u>Allowance Amount as a percentage of total loans(1)</u>	<u>Loans in category as percentage of total</u>
Commercial loans	69,401	1.3%	1.0%	73.3%
Consumer loans	22,716	5.4%	0.3%	5.9%
Residential 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%

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

**Composition of Deposits and Other Commitments**

The following table sets forth the composition of our deposits and similar commitments as of December 31, 2011, 2012 and 2013.

	As of December 31,		
	2011	2012	2013
	(in millions of Ch\$)		
Checking accounts	467,506	839,588	1,468,622
Other demand liabilities	206,554	273,087	1,982,761
Savings accounts	8,707	390,570	32,630
Time deposits	4,806,608	7,248,774	7,273,216
Other commitments	17,723	43,331	31,857
Total	<u>5,507,098</u>	<u>8,795,350</u>	<u>10,789,086</u>

Maturity of Deposits

The following table sets forth information regarding the currency and maturity of our deposits as of December 31, 2013, 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, 2013			
	Ch\$	UF	Foreign Currency	Total
	(in millions of constant Ch\$, except for percentages)			
Demand deposits	18.38%	2.97%	45.57%	32.28%
Savings accounts	–	2.06	0.43	0.30
Time deposits:				
Maturing within 3 months	66.39	33.64	27.81	44.65
Maturing after 3 but within 6 months	11.21	33.76	6.96	9.78
Maturing after 6 but within 12 months	2.92	11.15	10.70	7.36
Maturing after 12 months	1.10	16.42	8.53	5.62
Total time deposits	<u>81.62</u>	<u>94.97</u>	<u>54.01</u>	<u>67.41</u>
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, 2013.

	As of December 31, 2013			
	Ch\$	UF	Foreign Currency	Total
	(in millions of constant Ch\$)			
Maturing within 3 months	2,579,723	122,496	1,654,924	4,357,143
Maturing after 3 but within 6 months	516,578	132,537	338,608	987,722
Maturing after 6 but within 12 months	131,490	43,644	650,271	825,405
Maturing after 12 months	51,261	64,983	483,939	600,183
Total time deposits	<u>3,279,052</u>	<u>363,660</u>	<u>3,127,741</u>	<u>6,770,454</u>

Minimum Capital Requirements

As of December 31, 2011, 2012 and 2013 the table sets forth our minimum capital requirements set as follows:

	As of December 31,		
	2011	2012	2013
	(in millions of constant Ch\$ except for percentages)		
Net capital base	739,793	941,945	1,411,341
3% total assets net of provisions	(298,327)	(446,373)	(567,929)
Excess over minimum required equity	<u>441,466</u>	<u>495,572</u>	<u>843,413</u>
Net capital base as a percentage of the total assets, net of provisions	7.44%	6.33%	7.30%



Effective net equity	1,118,908	1,270,202	1,991,289
8% of the risk-weighted assets	<u>(611,482)</u>	<u>(919,553)</u>	<u>(1,204,683)</u>
Excess over minimum required equity	<u>507,426</u>	<u>350,649</u>	<u>786,606</u>
Effective equity as a percentage of the risk-weighted assets	14.64%	11.05%	13.22%

**Short-term Borrowings**

Our short-term borrowings (other than deposits and other obligations) totaled Ch\$314,603 million, Ch\$798,728 million and Ch\$973,833 million as of December 31, 2011, 2012 and 2013, 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,					
	2011		2012		2013	
	Year End Balance	Weighted Average Nominal Interest Rate	Year End Balance	Weighted Average Nominal Interest Rate	Year End Balance	Weighted Average Nominal Interest Rate
	(in millions of constant Ch\$ except for percentages)					
Investments under repurchase agreements	70,014	1.45%	124,597	0.36%	342,445	0.43%
Central Bank borrowings	60,535	0.38%	133,124	0.15%	–	–
Domestic interbank loans	511	–	–	–	–	–
Borrowings under foreign trade credit lines	183,543	1.96%	541,007	0.51%	631,388	0.60%
Total short-term borrowings	314,603	1.54%	798,728	0.43%	973,833	0.54%

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

	As of and for the Year Ended December 31,					
	2011		2012		2013	
	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	154,371	0.66%	327,641	0.14%	247,148	0.55%
Central Bank borrowing	9,278	2.51%	16,652	1.18%	21,870	5.01%
Domestic interbank loans	12,450	–	3,167	–	728	–
Subtotal	176,100		347,460		269,746	–
Borrowings under foreign trade credit lines	172,047	2.09%	504,009	0.55%	537,236	0.57%
Total short-term borrowings	348,147	2.05%	851,468	0.80%	806,982	0.68%

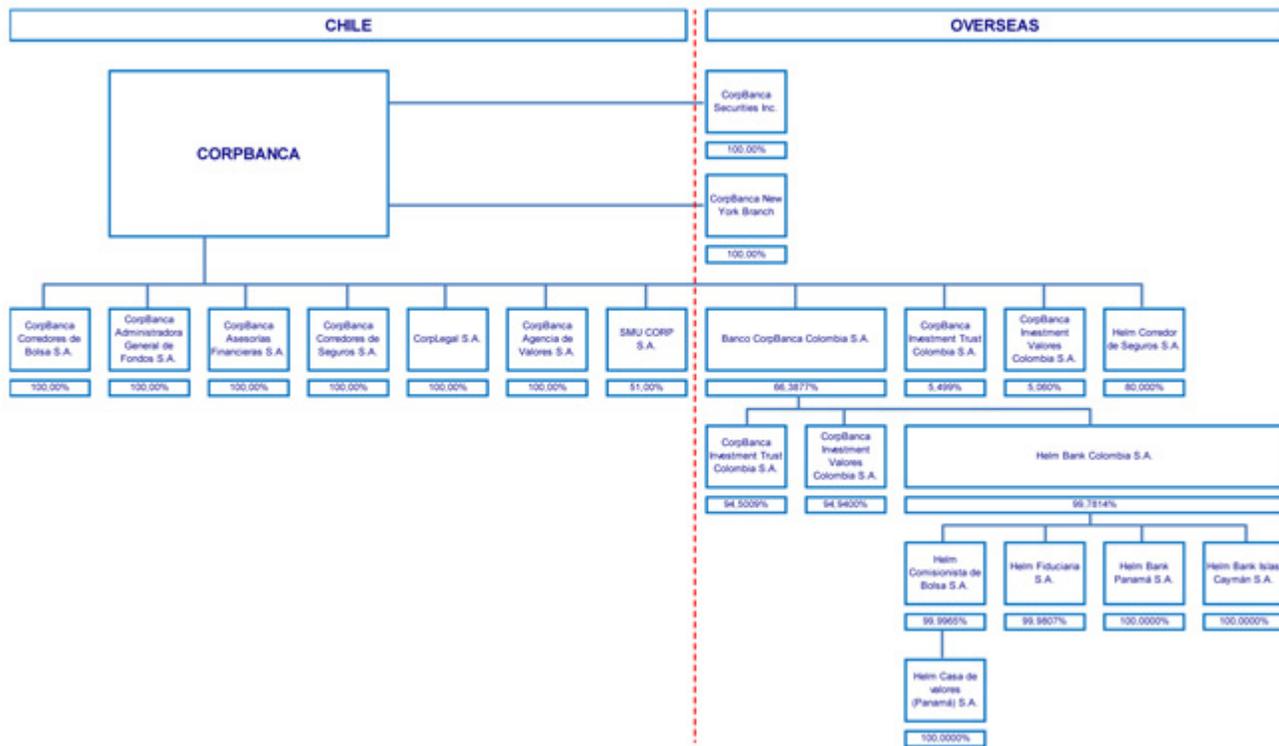


The following table presents the maximum month-end balances of our principal sources of short-term borrowings during the periods indicated:

	<u>Maximum 2011 Month-End Balance</u>	<u>Maximum 2012 Month-End Balance</u>	<u>Maximum 2013 Month-End Balance</u>
	(in millions of constant Ch\$)		
Investments under repurchase agreements	138,212	133,124	408,760
Central Bank borrowings	267,595	721,251	133,583
Domestic interbank loans	114,512	1,433	1,550
Borrowings under foreign trade credit lines	663,115	1,001,936	776,559
Other obligations	23,767	20,742	17,583

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—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, 2013, we owned 36 of the 295 properties where our branches were located. The remaining 259 branch locations were leased. Total branch space as of December 31, 2013 was approximately 94,465 square meters (1,016,812.8 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

None.

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, 2012 and 2013 and for the years ended December 31, 2011, 2012 and 2013 have been prepared in accordance with IFRS. Our consolidated results of operations for years ended December 31, 2011 and 2012 are not comparable because of the consolidation of CorpBanca Colombia and CIT Colombia as a result of our acquisition of these companies in 2012. Our consolidated results of operations for periods years ended December 31, 2012 and 2013 are not comparable because of the consolidation of Helm Bank as a result of the Helm Bank Acquisition in 2013. 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.”

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.

Income from service fees

We earn income from service fees related to checking accounts, loans, mutual funds, credit cards and other financial services.

Other operating income

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

Expenses

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

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. Notwithstanding, our allowance and provision for loan losses as recorded in our financial statements included herein have been determined in accordance with IFRS.



Other operating 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.

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 decreased to 3.6%, with 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 the 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\$1.40 to US\$3.30 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.

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%, significantly lower than previously forecasted figures.

During 2009, the Chilean economy suffered its worst contraction in the last 30 years, as a 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 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 was 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 of the U.S. dollar, Chile experienced deflation for the first time in 74 years (at a 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 U.S. 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 by 5.2% in 2010 and domestic demand increased by 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 7.8% 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 economic growth and 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 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 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 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 U.S. dollar resulting from the expanding monetary policy pursued by the US Federal Reserve.

During 2013, the Chilean real GDP grew by 4.1%, internal demand increased by 3.4%, private investment increased by 0.4%, and private consumption increased by 5.6%. The increase in real GDP was less than projected by market consensus. Unemployment also decreased, from 6.5% in 2012 to 6.0% in 2013. According to the Central Bank of Chile's national accounts, investment 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 13.1% and 4.2% nominal decline in exports during 2012 and 2013. 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, with foreign direct investment of US\$20,258 million in 2013. 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 by 13.0% in 2012 and 14.5% in 2013. This increase can be explained, in part, by a weak U.S. dollar resulting from the expanding monetary policy pursued by the US Federal Reserve.

As a result our acquisition of CorpBanca Colombia and Helm Bank, our operations in Chile accounted for 75.6% and 57.0% of our gross operational margin for the years ended December 31, 2012 and 2013. 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 increasing slowly and interest rates have been decreasing. In 2013, CPI reached 3.0%, an increase of 1.5% against 2012, compared to an increase of 2.9% in 2012 against 2011. As a result of decrease in inflation expectations and higher economic activity, interest rates also decreased in 2013. The overnight interbank rate set by the Central Bank of Chile for 2013 was 4.5%. The Central Bank of Chile has targeted a medium-term CPI of 3.0% as of December 31, 2013.

Developments in the Colombian economy

The Colombian economy has demonstrated relatively stable growth in recent years. Despite recent international economic conditions, Colombia's GDP increased 6.6% in 2011, 4.0% in 2012 and increased to 4.3% in 2013. 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 14.5% in 2011, with slower growth of 5.5% in 2012 and 4.9% in 2013. In contrast, the construction sector accelerated in 2013 to 9.8%, from 5.9% in 2012 and 9.8% in 2013.

Recent economic activity indicators have also posted positive results, with industrial production stagnating in 2012 (at negative 1.1%) and 2013 (at negative 1.2%), but entering positive territory by the end of 2013, with an increase of 1.5% on a year-on-year basis, or yoy, in December 2013, a decreased of 0.1% YoY in January 2014 and an increase of 2.8% yoy in February 2014. We expect this trend to continue growing this year. The retail sector, which grew by 4.3% last year and has behaved in a stable manner for the past three years, also grew recently, with an increase of 6.5% yoy in January 2014 and an increase of 6.7% yoy in February 2014. In addition, local cement production rebounded strongly in March 2014, by 16.2% yoy. The area licensed for housing also grew by 9.5% yoy in February 2014, especially the social housing area (VIS), which grew by 14.5% yoy. Imports grew by only 2.1% in 2013 but grew by 11.3% yoy in February 2014. However, exports recently contracted by 8.5% in February 2014, following a decrease of 1.5% in January 2014 and an increase of 5.3% in 2013.

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 spiked 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, 2012 and 2013, the inflation rate was 3%, 4.4%, 1.5% and 3.0%, 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.



Under Chilean law, banks are authorized to earn interest income on loans that are adjustable for the effects of inflation. Most banks, including CorpBanca, 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).

Colombia has experienced similarly high levels of inflation in the past. However, the rate of inflation in Colombia in 2011, 2012 and 2013 were 3.7%, 2.4% and 1.9% respectively. The components that led to such level of inflation in 2013 were education (a 4.4% increase from 2012), healthcare (a 4.4% increase from 2012) and housing (a 2.7% increase from 2012). The 12-month core inflation rate for 2013 came to 2.4%, thereby remaining within the Central Bank of Colombia's targeted inflation range of 2.0% to 4.0%. The price increase in regulated goods and services, such as utilities, urban transportation and gasoline was 1.1%.

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\$22,294.03, Ch\$22,840.75 and Ch\$23,309.56 as of December 31, 2011, 2012 and 2013, 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\$1,449,712 million, Ch\$1,610,577 million and Ch\$1,642,003 million during the years ended December 31, 2011, 2012 and 2013, 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" and "—Results of Operations" below and "Item 11. Quantitative and Qualitative Disclosures about Financial 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 4%, 3.1% and 2.8% during the years ended December 31, 2011, 2012 and 2013, 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 2012 to 2013, we increased our percentage of foreign currency based loans in our total loan portfolio from 31.5% to 48.8%.

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 Central Bank of 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.

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 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. In 2013, the Chilean peso depreciated against the U.S. dollar by 9.9% as compared to 2012. The exchange rate between the Chilean peso and the U.S. dollar as of December 31, 2011, 2012 and 2013 was Ch\$519.08, Ch\$479.16 and Ch\$526.41 per US\$1.00, respectively. The Chilean peso may be subject to significant fluctuations in the future. In July 2006, 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, 2011, 2012 and 2013, the gap between foreign currency denominated assets and foreign currency denominated liabilities, including forward contracts, was Ch\$(27,951) million, Ch\$301,285 million and Ch\$503,333, respectively.

Acquisition of Banco Santander Colombia

In a three step transaction, on May 29, 2012, June 22, 2012 and June 29, 2012 we acquired (1) a 91.9% equity interest in Banco Santander Colombia (now known as CorpBanca Colombia), (2) a 99.96% (direct and indirect) equity interest in CIVAL, a licensed securities broker-dealer operating in Colombia, and (3) a 91.9% 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. Banco Santander Colombia, CIVAL and CIT Colombia currently operate under the CorpBanca brand name.

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, 2013, according to the Colombian Superintendency of Finance, CorpBanca Colombia was the eleventh largest bank in Colombia in terms of total assets, the eleventh largest bank in Colombia in terms of total loans and the thirteenth largest bank in Colombia, in terms of total deposits as reported under local regulatory and accounting principles. As of December 31, 2013, CorpBanca Colombia had deposits and financial claims (“current accounts and demand deposits” and “time deposits and savings accounts”) of COP\$6,967,356 million, which consisted of savings deposits, fixed-term deposit certificates, current accounts, financial claims for banking services and other commitments. As of December 31, 2013, CorpBanca Colombia had 115 ATMs, 276,505 individual banking customers and 30,769 commercial banking customers (including SMEs, corporations, institutions and wholesale customers). For the year ended December 31, 2013, CorpBanca Colombia had net income of COP\$191,199 million.



As of December 31, 2013, CorpBanca Colombia had (i) total assets of COP\$13,022,058 million, including total loans of COP\$7,775,142 million; (ii) total shareholders' equity of COP\$2,848,740 million; and (iii) over 80 branches and offices and 1,509 employees. For further details see Notes 3 and 11 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, 2012 and 2013 and for the years ended December 31, 2011, 2012 and 2013 is the consolidation of CorpBanca Colombia into our financial statements since May 29, 2012. As a result of 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 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	As reported
	(in millions of Ch\$)		
Interest income	636,373	126,619	762,992
Interest expense	(445,785)	(60,331)	(506,116)
Net interest income	190,588	66,288	256,876
Income from service fees	83,361	21,817	105,178
Expenses from service fees	(15,611)	(3,923)	(19,534)
Net service fee income	67,749	17,895	85,644
Trading and investment income, net	34,115	20,879	54,994
Foreign exchange gains net	28,586	2,110	30,696
Other operating income	8,575	10,133	18,708
Trading and investment, foreign exchange gains and other operating income	71,276	33,122	104,398
Operating income before provision for loan losses	329,614	117,304	446,918
Provisions for loan losses	(30,794)	(20,781)	(51,575)
Total operating income net of loan losses, interest and fees	298,819	96,524	395,343
Personnel salary and expenses	(96,155)	(24,559)	(120,714)
Administration expenses	(59,924)	(28,859)	(88,783)
Depreciation and amortization	(12,960)	(5,132)	(18,092)
Impairment	-	-	-
Other operating expenses	(20,746)	(5,309)	(26,055)
Total operating expenses	(189,784)	(63,860)	(253,644)
Total net operating income	109,035	32,664	141,699
Income from companies accounted for by the equity method	714	(347)	367
Income before income taxes	109,749	32,317	142,066
Income taxes	(14,895)	(8,018)	(22,913)
Net income for the year	94,854	24,299	119,153

Acquisition of Helm Bank

On October 9, 2012, an affiliate of CorpGroup entered into the HB Purchase Agreement, with affiliates of Helm Corporation, to acquire up to a 100% equity interest in the common shares of Helm Bank, including its



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subsidiaries in Colombia, Helm Comisionista de Bolsa S.A. and Helm Fiduciaria S.A., its subsidiaries in Panama, Helm Bank (Panama) and Helm Casa de Valores S.A. (Panama) and its subsidiary in the Cayman Islands, Helm Bank S.A. (Cayman I.), with the intent to merge Helm Bank with and into CorpBanca Colombia, with CorpBanca Colombia as the surviving corporation.

On August 6, 2013, and in a first step of the transaction, CorpBanca Colombia acquired 2,387,387,295 common shares of Helm Bank, representing 58.89% Helm Bank's common shares (approximately 51.61% of the total subscribed and paid capital of Helm Bank) and, therefore, acquired control of Helm Bank and its subsidiaries, Helm Comisionista de Bolsa S.A., Helm Fiduciaria S.A., Helm Bank S.A. (Panama), Helm Casa de Valores S.A. (Panama) and Helm Bank S.A. (Cayman I.). On August 29, 2013, and in a second step of the transaction, CorpBanca Colombia acquired 1,656,579,084 common shares of Helm Bank, representing another 40.86% of the common shares, for a total of approximately 99.75% of the ordinary shares (approximately 87.42% of the total subscribed and paid capital of Helm Bank).

In order to finance the Helm Bank Acquisition, CorpBanca Colombia raised capital in an amount equal to US\$1,014 million and financed the remainder of the acquisitions with its own funds. The capital increase was subscribed to by CorpBanca for approximately US\$353 million, by Helm Corporation's affiliates and other main former shareholder of Helm Bank for approximately US\$473 million and by CorpGroup for approximately US\$188 million.

In the end of the fourth quarter of 2013, CorpBanca Colombia initiated a public tender offer to repurchase all of the outstanding non-voting preferred shares of Helm Bank. The tender offer was completed in January 2014 and resulted in CorpBanca Colombia purchasing 568,206,073 non-voting preferred shares issued by Helm Bank, representing 99.38% of the 571,749,928 authorized and issued non-voting preferred shares of Helm Bank. As a result of the purchase through this tender offer, CorpBanca Colombia became a 99.78% owner of Helm Bank, when combined with the 4,044,135,318 common shares already owned by CorpBanca Colombia prior to the tender offer.

As a consequence of the Helm Bank Acquisition, one of the key factors to be considered when analyzing our financial condition and results of operations as of December 31, 2012 and 2013 and for the years ended December 31, 2011, 2012 and 2013 is the consolidation of Helm Bank in our financial statements since August 6, 2013. As a result, our results of operations for periods ended December 31, 2013 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, 2013, management uses, and we present, in addition to our audited results of operations for that period, certain full year 2013 financial information excluding the results of Helm Bank. Helm Bank was our subsidiary during the last five months of 2013, and this presentation is intended only to subtract from our reported results for 2013 the amounts contributed by Helm Bank. This information does not purport to represent what our results of operations would have been had we not acquired Helm Bank. 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, 2013, the amounts contributed by Helm Bank in that period, and our reported results less amounts contributed by Helm Bank.

	For the year ended December 31, 2013		
	As reported less Helm Bank	Helm Bank (in millions of Ch\$)	As reported
Interest income	891,976	115,130	1,007,106
Interest expense	(502,213)	(47,203)	(549,416)
Net interest income	389,763	67,927	457,690
Income from service fees	128,246	16,531	144,777
Expenses from service fees	(23,023)	(3,777)	(26,800)
Net service fee income	105,224	12,753	117,977
Trading and investment income, net	91,401	9,886	101,287
Foreign exchange gains net	(18,505)	4,599	(13,906)
Other operating income	34,281	5,377	39,658
Trading and investment, foreign exchange gains and other operating income	107,177	19,862	127,039
Operating income before provision for loan losses	602,164	100,542	702,706
Provisions for loan losses	(93,958)	(8,114)	(102,072)
Total operating income net of loan losses, interest and fees	508,205	92,429	600,634
Personnel salary and expenses	(140,587)	(24,422)	(165,009)
Administration expenses	(115,708)	(23,906)	(139,614)
Depreciation and amortization	(36,421)	(5,867)	(42,288)
Impairment	-	-	-



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Other operating expenses	(10,917)	(4,317)	(15,234)
Total operating expenses	(303,634)	(58,511)	(362,145)
Total net operating income	204,571	33,918	238,489
Income attributable to investment in other companies	1,083	158	1,241
Income before income taxes	205,654	34,076	239,730
Income taxes	(53,526)	(10,965)	(64,491)
Net income for the year	152,128	23,111	175,239



Critical Accounting Policies and Estimates

General

In our filings with the SEC, we prepare our consolidated financial statements in accordance 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 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, 2013, our allowance for loan losses was Ch\$126,039 million (excluding allowances and impairment for interbank loans).

Derivative Financial Instruments

Derivative financial instruments are recorded at fair value. Fair values are based on market quotes, discounted cash flow models and option valuations, as appropriate. 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. Gains or losses from changes in fair value are recognized in other comprehensive income within line item "financial instruments available for sale". All purchases and sales of investment instruments to be delivered within the deadline stipulated 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. Other purchases or sales are treated as forwards until they are liquidated.

We enter into security repurchase agreements as a form of borrowing. The liability for the repurchase of the investment is classified as "obligations under repurchase agreements" 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 under agreements to resell" and are carried at cost plus accrued interest.

Recently Adopted and New Accounting Pronouncements

See Note 2 of our consolidated financial statements for a detailed description of recently adopted and new accounting pronouncements in IFRS.

Results of Operations for the Years Ended December 31, 2011, 2012 and 2013

Net Income

Our consolidated net income as reported on our consolidated financial statement for the year ended December 31, 2013 was Ch\$175,239 million, a 47.1% or Ch\$56,086 million increase from Ch\$119,153 million in 2012, which represented a 1.6% or Ch\$ 1,835 million increase from Ch\$117,318 in 2011. CorpBanca reached these revenues in a highly competitive scenario with a low variation in the value of the UF40 basis points less than last year. The increase in our consolidated net income for the year ended December 31, 2013 was due to (i) the consolidation of CorpBanca Colombia into our financial statements for a full year, (ii) the consolidation of Helm Bank into our financial statements since August 6, 2013, (iii) the increase in the cost of funding due to liquidity stress faced during the third quarter 2013 and (iv) the initial cost of the merger process of Helm Bank.



The following table sets forth the components of our net income for the years ended December 31, 2011, 2012 and 2013:

	For the Year Ended			% Change from 2013/2012	% Change from 2012/2011
	December 31,				
	2011	2012	2013		
	(in millions of constant Ch\$ except for percentages)				
Components of net income:					
Net interest income	193,000	256,876	457,690	78.2%	33.1%
Net service fee income	60,362	85,644	117,977	37.8%	41.9%
Trading and Investment, foreign exchange gains and other operating income	80,469	104,398	127,039	21.7%	29.7%
Provisions for loan losses	(40,754)	(51,575)	(102,072)	97.9%	26.6%
Income attributable to investment in other companies	250	367	1,241	238.1%	46.8%
Total operating expenses	(152,706)	(253,644)	(362,145)	42.8%	66.1%
Income before income taxes	140,621	142,066	239,730	68.7%	1.0%
Income taxes	(23,303)	(22,913)	(64,491)	181.5%	(1.7)%
Net income for the year	<u>117,318</u>	<u>119,153</u>	<u>175,239</u>	<u>47.1%</u>	<u>1.6%</u>

Net Interest Income

The following table sets forth the components of our net interest income for the years ended December 31, 2011, 2012 and 2013:

	For the year ended December 31,			% Change from 2013/2012	% Change from 2012/2011
	2011	2012	2013		
	(in millions of constant Ch\$ except for percentages)				
Interest income	528,622	762,992	1,007,106	32.0%	44.3%
Interest expense	(335,622)	(506,116)	(549,416)	8.6%	50.8%
Net interest income	<u>193,000</u>	<u>256,876</u>	<u>457,690</u>	<u>78.2%</u>	<u>33.1%</u>

The following table sets forth information as to components of our interest income for the years ended December 31, 2011, 2012 and 2013:

	For the year ended December 31,			% Change from 2013/2012	% Change from 2012/2011
	2011	2012	2013		
	(in millions of constant Ch\$ except for percentages)				
Interest income	528,622	762,992	1,007,106	32.0%	44.3%
Average interest-earning assets:					
Loans	5,834,146	9,425,792	11,505,946	22.1%	61.6%
Financial investments	749,467	1,025,244	917,630	(10.5%)	36.8%
Interbank deposits	166,037	363,207	384,045	5.7%	118.8%
Total average interest-earning assets	<u>6,749,650</u>	<u>10,814,243</u>	<u>12,807,621</u>	<u>18.4%</u>	<u>60.2%</u>



The following table sets forth the components of our interest expense for the years ended December 31, 2011, 2012 and 2013:

	For the year ended December 31,			% Change from 2013/2012	% Change from 2012/2011
	2011	2012	2013		
	(in millions of constant Ch\$ except for percentages)				
Interest expense	335,622	506,116	549,416	8.6%	50.8%
Average interest-earning liabilities:					
Bonds	1,207,422	1,590,962	2,199,545	38.3%	31.8%
Time deposits	3,999,608	6,639,517	7,055,890	6.3%	66.0%
Central Bank borrowings	-	39	-	-	-
Repurchase agreements	163,649	344,293	269,419	(21.7%)	110.4%
Mortgage finance bonds	198,485	161,583	130,991	(18.9%)	(18.6%)
Other interest-bearing liabilities	1,039,265	2,085,162	2,283,273	9.5%	100.6%
Total average interest-bearing liabilities	6,608,429	10,821,556	12,488,534	15.4%	63.8%

2013 Compared to 2012:

Our interest income was Ch\$1,007,106 million for the year ended December 31, 2013, an increase of 32% as compared to Ch\$762,992 million for the year ended December 31, in 2012. Our interest expense increased by 8.6% to Ch\$549,416 for the year ended December 31, 2013, as compared to Ch\$ 506,116 for the year ended December 31, 2012. As a result, our net interest income increased by 78.2% to Ch\$457,690 million for the year ended December 31, 2013, as compared to Ch\$ 256,876 million for the year ended December 31, 2012.

The increase in interest income was the result of (i) the consolidation of CorpBanca Colombia into our financial statements for a full year, (ii) the consolidation of Helm Bank's loan portfolio since August 6, 2013, as a result of the Helm Bank Acquisition, which accounted for 104.0% of our average total loan portfolio increase and 93.0% of our average loan portfolio increase in Colombia and (iii) lower inflation rates and their effect on results through the UF variation in 2013 compared to 2012 (2.05% versus 2.45%). Our average loans grew to Ch\$11,505,946 million for the year ended December 31, 2013, from Ch\$9,425,792 million for the year ended December 31, 2012. The increase in our interest income was higher than the increase in our total average interest-earning assets due to (i) the consolidation of CorpBanca Colombia for a full year in 2013, compared with seven months in 2012 and (ii) the consolidation of Helm Bank since August 6, 2013. These benefits were partly offset by (i) a lower variation in the UF of 2.45% vs. 2.05% in 2012 and 2013, respectively and (ii) the sale of Ch\$667,065 million (US\$1,267.2 million) of our loan portfolio in Chile during the second half of 2013 (equivalent to 5.5% of the average total loan portfolio).

The increase in our interest expense was the result of (i) the consolidation of Colombia for a full year in 2013, compared with seven months in 2012, (ii) the consolidation of Helm Bank since August 6, 2013 and (iii) a 38.3% increase in our average interest-earning liabilities for bonds due to the issuance of US\$800 million senior unsecured notes in January 2013. This increase was partly offset by (i) the decrease in the Central Bank of Chile's interest rate for monetary policy purposes which remained stable in 2012 at 5%, compared to 4.5% in 2013 and (ii) a decrease in the cost of funding in pesos (a 34 basis points average reduction in time deposits).

Net interest margin (net interest income divided by average interest-earning assets) increased by 50.6% as a result of the above-mentioned factors relating to our interest income and interest expenses.

2012 Compared to 2011:

Our interest income was Ch\$ 762,992 million for the year ended December 31, 2012, an increase of 44.3% as compared to Ch\$528,622 million for the year ended December 31, 2011. 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 year ended December 31, 2011.

The increase in interest income was the result of (i) the consolidation of CorpBanca Colombia's loan portfolio since May 29, 2012, following the first step of the Banco Santander Colombia Acquisition, which



accounted for 49.9% of our average total loan portfolio increase and (ii) organic growth in our total average loans Chilean operations, which accounted for 50.1% of our average total loan portfolio increase. This increase was partly offset by the negative impact of the variation of the UF that benefit in our interest income. Our average loans grew to Ch\$9,425,792 million for the year ended December 31, 2012, from Ch\$5,834,146 million, as compared to the year ended December 31, 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 5.0%.

The increase in our interest expense was the result of (i) the consolidation of CorpBanca Colombia since May 29, 2012, (ii) a 66.0% increase in our average time deposits, (iii) a 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) additional premiums on CorpBanca's debt securities that increased slightly due to a significant increase in our commercial portfolio and (vi) the portion of the financing of the Banco Santander Colombia Acquisition that was not paid with our capital increase in June 2012 (but rather 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); as well as 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.

Allowances for Loan Losses

The following table sets forth information relating to our allowances for loan losses as of December 31, 2011, 2012 and 2013:

	As of December 31,				
	2011	2012	2013	% Change from 2013/2012	% Change from 2012/2011
	(in millions of constant Ch\$ except for percentages)				
Total loans (excludes interbank loans)	6,814,445	10,103,491	12,897,681	27.7%	48.3%
Past due loans ⁽¹⁾	46,379	51,272	64,091	25.0%	10.6%
Non-performing loans ⁽²⁾	107,978	117,937	141,667	20.1%	9.2%
Impaired loans ⁽³⁾	296,584	222,712	393,102	76.5%	(24.9)%
Allowances for loan losses ⁽⁴⁾	102,500	109,601	126,039	15.0%	6.9%
Allowances for loan losses as a percentage of total loans	1.5%	1.1%	1.0%	(9.9)%	(27.9)%
Allowances for loan losses as a percentage of non-performing loans	94.9%	92.9%	89.0%	(4.3)%	(2.1)%
Allowances for loan losses as a percentage of impaired loans	34.6%	49.2%	32.1%	(34.8)%	42.4%
Non-performing loans as a percentage of total loans	1.6%	1.2%	1.1%	(5.9)%	(26.3)%
Allowances for loan losses as a percentage of past due loans	221.0%	213.8%	196.7%	(8.0)%	(3.3)%

- (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 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.
- (4) Reflects allowance for loan losses (excluding allowances for loan loss on loans and receivables to banks).

2013 Compared to 2012:

Allowances for loan losses (excluding allowances for loan loss on loans and receivables to banks) increased by 15% to Ch\$126,039 million as of December 31, 2013 compared to Ch\$109,601 million as of December 31, 2012. The increase in our allowances for loan losses was due to the consolidation of CorpBanca Colombia in 2012 and the consolidation of Helm Bank in 2013. The decrease in our allowances for loan losses as a percentage of total loans by 9.9% to 1.0% as of December 31, 2013 when compared to 1.1% as of December 31, 2012 was due to an increase in loans as a result of the consolidation of Helm Bank in 2013. We believe our allowances for loan losses are adequate as of the date hereof to cover all known losses in our loan portfolio.



2012 Compared to 2011:

Allowances for loan losses (excluding allowances for loan loss on loans and receivables to banks) 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 allowances for loan losses was due to the consolidation of CorpBanca Colombia in 2012.

Provisions for Loan Losses

2013 Compared to 2012:

Provisions for loan losses increased by 97.9% to Ch\$102,072 million as of December 31, 2013, compared to Ch\$51,575 million as of December 31, 2012 as a result of (i) an increase in Chile by Ch\$23,751 million, (ii) an increase in CorpBanca Colombia by Ch\$17,388 million and (iii) a provision of Ch\$8,114 million for Helm Bank in 2013. The increase in our provisions for loan losses in 2013 was the result of (i) the consolidation of CorpBanca Colombia in 2013, (ii) the consolidation of Helm Bank in 2013, (iii) specific corporate loan provisions in Chile, particularly for those loans related to SMU or loans with SMU risk that totaled approximately Ch\$6,000 million, (iv) an increase in provisions in our consumer loan portfolio in Colombia and (v) adjustments for the homogenization in the treatment of the commercial loan portfolio in Helm Bank.

2012 Compared to 2011:

Provisions for loan losses increased by 26.6% to Ch\$51,575 million as of December 31, 2012, as compared to Ch\$40,754 million as of December 31, 2011 as a result of an increase in Chile by Ch\$6,461 million, and the consolidation of CorpBanca Colombia in 2012, which accounted for Ch\$4,360 million.

Net Service Fee Income

2013 Compared to 2012:

Our net service fee income (including income from financial advisory services as described below) for the year ended December 31, 2013 was Ch\$117,977 million, representing a 37.8% increase when compared to Ch\$85,644 million, for the year ended December 31, 2012. Our income from service fees during the year ended December 31, 2013 increased by 37.6% to Ch\$144,777 million from Ch\$105,178 million for the year ended December 31, 2012. This increase was partly offset by a 37.2% increase in expenses from service fees from Ch\$19,534 million for the year ended December 31, 2012 to Ch\$26,800 million for the year ended December 31, 2013.

The increase in our expenses from service fees was driven by (i) the consolidation of CorpBanca Colombia for a full year in 2013, compared with seven months in 2012, (ii) the consolidation of Helm Bank since August 6, 2013, as a result of the Helm Bank Acquisition and (iii) an increase in commissions in credit card transactions to Ch\$12,367 million for the year ended December 31, 2013 from Ch\$9,089 million for the year ended December 31, 2012. The increase in our income from service fees was partially offset by increases in our expenses from service fees during the year ended December 31, 2013.

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 service fees 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 expenses from service fees 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 service fees was the result of (i) the consolidation of CorpBanca Colombia on May 29, 2012, following the first step of 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 service fees was partially offset by increases in our expenses from service fees during the year ended December 31, 2012. The increase in our expenses from service fees was driven by (i) the consolidation of CorpBanca Colombia since May 29, 2012, following the first step of Banco Santander Colombia Acquisition, (ii) the increase in brokerage fees and commissions from Ch\$259 million for the year ended December 31, 2011 to Ch\$2,480 for the year ended December 31, 2012, (iii) the increase in commissions spent by loans and services to customers to Ch\$1,365 million for the year ended December 31, 2012 from Ch\$0 for the year ended December 31, 2011 and (iv) the increase in commissions in credit card transactions to Ch\$9,089 million for the year ended December 31, 2012 from Ch\$6,963 million for the year ended December 31, 2011. The increase in these expenses categories is related to the larger size of the bank with a larger number of new operations.

Other Net Operating Income

The following table sets forth the components of our other net operating income for the years ended December 31, 2011, 2012 and 2013:

	<u>For the year ended December 31,</u>			<u>% Change from 2013/2012</u>	<u>% Change from 2012/2011</u>
	<u>2011</u>	<u>2012</u>	<u>2013</u>		
	<u>(in millions of constant Ch\$ except for percentages)</u>				
Trading and investment income, net	97,745	54,994	101,287	84%	(43.7%)
Foreign exchange gains (losses), net	(26,783)	30,696	(13,906)	(145.3%)	214.6%
Other operating income	9,507	18,708	39,658	112%	96.8%
Trading and investment, foreign exchange gains and other operating income	<u>80,469</u>	<u>104,398</u>	<u>127,039</u>	<u>21.7%</u>	<u>29.7%</u>

2013 Compared to 2012:

In the year ended December 31, 2013, we recorded other net operating income of Ch\$127,039 million, or a 21.7% increase from Ch\$104,398 million for the year ended December 31, 2012. The increase in other net operating income was primarily due to the sale of real estate assets, corresponding to the properties where CorpBanca's 31 branches operate, to Sociedad Inmobiliaria Descubrimiento S.A, or SID, during the fourth quarter of 2013. The aggregate sale price of all 31 properties was UF1,811,000 (approximately US\$84 million). For this transaction, we recognized total revenues of Ch\$23,254 million. CorpBanca leased back from SID the same properties for a 15 year term and will continue to operate the branches located at such properties.

Net trading and investment increased by 84% to Ch\$101,287 million for the year ended December 31, 2013 from Ch\$54,994 million for the year ended December 31, 2012, while net foreign exchange gains (losses) decreased to a loss of Ch\$13,906 million during 2013 from a gain of Ch\$30,696 million for the year ended December 31, 2012. This higher net result of net trading and investment activities for the year ended December 31, 2013 is due to (i) a higher valuation of the trading portfolio in Chile, given the positive movements in the swap curves observed in the last months of the year and (ii) a positive contribution of CorpBanca Colombia as a result of the increase in the valuation of both the trading portfolio and the available for sale portfolio, partly offset by a negative effect of interest rates associated with the derivatives to cover the impact that the volatility in the exchange rate had on tax expenses related to the investment in Colombia (a loss of Ch\$6,448 million in 2013).

The full year consolidation of CorpBanca Colombia and the "positive currency effect" associated with the derivatives used to cover the effect on the tax base relating to the investment in Colombia, along with the consolidation of Helm Bank, contributed to the increase in other operating income. On the other hand, the significant decrease in foreign exchange gains in Chile, due to the unfavorable market conditions in 2013, the significant volatility in the exchange rate and the long position in U.S. dollars, offset the favorable performance of the profits from financial operations.



We recognized net foreign exchange losses of Ch\$13,906 million for the year ended December 31, 2013, compared to a net foreign exchange gain of Ch\$30,696 million for the year ended December 31, 2012. The significant decrease in net foreign exchange gains in Chile, due to (i) the unfavorable market conditions observed in the year, (ii) the significant volatility in the exchange rate and (iii) the long position in U.S. dollars, offset almost fully the favorable performance of the profits from financial operations.

2012 Compared to 2011:

In 2012, we recorded trading and investment, foreign exchange gains and other operating income of Ch\$104,398 million, or a 29.7% increase from Ch\$80,469 million for the year ended December 31, 2011. The increase in trading and investment, foreign exchange gains and other operating income was primarily the result of the consolidation of CorpBanca Colombia since May 29, 2012, following the first step of Banco Santander Colombia Acquisition.

Net trading and investment income decreased by Ch\$42,751 million or 43.7% to Ch\$54,994 million for the year ended December 31, 2012 from Ch\$97,754 million for the year ended December 31, 2011, while net foreign exchange gains increased by Ch\$57,479 million to Ch\$30,696 million during 2012 from a loss of Ch\$26,783 million for the year ended December 31, 2011. This higher net result of net trading and investment income and net foreign exchange gains for the year ended December 31, 2012 is due to a great extent to the Banco Santander Colombia Acquisition, which more than offset the negative effect that volatile foreign exchange and interest rates had on the hedging derivatives portfolio in Chile. The increase from CorpBanca Colombia resulted primarily from trading gains from an improvement in its investment portfolio, which consists mainly of Colombian treasury bonds. The positive impact of the variation in the rates of these bonds was the largest contributing factor.

Operating Expenses

The following table sets forth the components of our operating expenses for the years ended December 31, 2011, 2012 and 2013:

	For the year ended December 31,			% Change from	% Change from
	2011	2012	2013	2013/2012	2012/2011
	(in millions of constant Ch\$ except for percentages)				
Personnel salary and expenses	76,461	120,714	165,009	36.7%	57.9%
Administration expenses	55,141	88,783	139,614	57.3%	61.0%
Depreciation and amortization	7,461	18,092	42,288	133.7%	142.5%
Other operating expenses	13,643	26,055	15,234	(41.5)%	91.0%
Total operating expenses	152,706	253,644	362,145	42.8%	66.1%

2013 Compared to 2012:

Operating expenses increased by 42.8% to Ch\$362,145 million for the year ended December 31, 2013 from Ch\$253,644 million for the year ended December 31, 2012. The increase in operating expenses was primarily the result of the consolidation of CorpBanca Colombia for a full year and the consolidation of Helm Bank since August 6, 2013, including an increase in administration expenses by 57.3%, personnel's salaries expenses by 36.7% and increase in depreciation and amortization by 133.7%.

CorpBanca accounted for 7.5% of the increase in consolidated operating expenses for the year ended December 31, 2013, CorpBanca Colombia accounted for 47.1% of the increase and Helm Bank accounted for 45.4% of the increase. Of the operating expenses attributable to our operations in Colombia for the year ended December 31, 2013, 8.7% were attributable to costs incurred in connection with the Helm Bank Acquisition and amortization of goodwill for Helm Bank.



2012 Compared to 2011:

Operating expenses increased by Ch\$100,938 million, or 66.1%, for 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 since May 29, 2012, following the first step of the Banco Santander Colombia Acquisition, including an increase in administration expenses by 61.0%, personnel salary and expenses by 57.9% and other operating expenses by 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's salaries 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 CorpBanca 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.

Income Taxes

2013 Compared to 2012:

Our income tax expenses increased to Ch\$64,491 million for the year ended December 31, 2013 from Ch\$22,913 million for the year ended December 31, 2012. For the year ended December 31, 2013, income before income tax increased by 68.7% compared to December 31, 2012 which, along with a higher effective tax rate due to the variation of the exchange rate and its impact in the valuation of the investment in Colombia impacted the provision of income tax.

2012 Compared to 2011:

Our income tax expenses decreased to Ch\$22,913 million for the year ended December 31, 2012 from Ch\$23,303 million for the year ended December 31, 2011. The decrease in our income tax expenses was primarily due to a depreciation of the "observed U.S. dollar rate" of the Central Bank of Chile, which affected the value of the Banco Santander Colombia Acquisition, generating a tax loss. For tax purposes, our investment in Colombia is U.S. dollar denominated, and as of December 31, 2012 there was a tax reduction in Chile, which resulted in lower tax expense.

Results of our operating segments

The following discussion should be read in conjunction with our consolidated financial statements, especially Note 4 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 seven reportable segments: (i) Large, Corporate and Real Estate Companies, (ii) Companies, (iii) Traditional and Private Banking, (iv) Lower Income Retail Banking, (v) Treasury and International, (vi) Financial Services Offered Through Subsidiaries and (vii) Colombia. Below we describe our seven primary operating segments:

Commercial Banking:

- Large, Corporate and Real Estate Companies includes companies that belong to major economic groups, specific industries, and companies with sales over US\$60 million; this reportable segment 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\$60 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 customers.
- Lower Income Retail Banking, which corresponds to Banco Condell, offers, among other products, consumer loans, credit cards and mortgage loans to the traditionally underserved low-to-middle income segments.

Treasury and International:

- Treasury and International primarily includes treasury activities such as financial management, funding and liquidity, as well as international businesses.

Financial Services Offered Through Subsidiaries:

- Financial Services Offered Through Subsidiaries includes services rendered by our subsidiaries, which include insurance brokerage, financial advisory service, asset management and securities brokerage.

Colombia:

- Our Colombia segment includes services rendered by CorpBanca Colombia, Helm Bank and their respective subsidiaries, primarily within the Colombian domestic market, including commercial and retail banking services.

2013 Results

The following table presents summary information related to each of our reportable segments for the year ended December 31, 2013:

	As of December 31, 2013							Total
	Commercial Banking		Retail Banking			Non-Banking Financial Services	Columbia	
	Large Corporate and Real Estate Companies	Companies	Traditional and Private Banking	Lower Income Retail Banking	Treasury and International			
	(in millions of Ch\$)							
Net interest income	50,436	69,128	65,535	22,126	21,612	32,529	196,324	457,690
Net services fees income	36,701	14,390	21,413	8,976	(442)	(8,033)	44,972	117,977
Trading and investment income, net	(1,658)	-	3,294	-	48,851	8,681	42,119	101,287
Foreign exchange gains (losses), net	14,153	5,988	389	2	(50,115)	1,778	13,899	(13,906)
Other operating income	-	2,450	-	-	-	29,413	7,795	39,658
Provision for loan losses	(20,544)	(21,240)	(8,099)	(6,238)	-	903	(46,854)	(102,072)
Gross operational margin	79,088	70,716	82,532	24,866	19,906	65,271	258,255	600,634
Other income and expenses	-	-	-	-	-	493	748	1,241
Total operating expenses	(15,926)	(28,450)	(63,247)	(17,358)	(11,744)	(52,445)	(172,975)	(362,145)
Income before taxes	63,162	42,266	19,285	7,508	8,162	13,319	86,028	239,730
Average loans	3,843,701	1,787,761	2,427,743	155,801	63,969	154	3,226,817	11,505,946
Average investments	-	-	-	-	622,551	-	295,079	917,630



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	Columbia	Other	Total
	Large Companies and Corporate	Companies	Traditional and Private Banking	Lower Income Retail Banking	Treasury and International				
	(in millions of Ch\$)								
Net interest income	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)
Income 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	Columbia	Total
	Large Companies and Corporate	Companies	Traditional and Private Banking	Lower Income Retail Banking	Treasury and International			
	(in millions of Ch\$)							
Net interest revenue	39,200	48,382	52,815	17,719	18,975	15,909	-	193,000
Fees and income from services, net	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 revenue	-	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	-	-	(3,608)	-	250
Operating expenses	(16,549)	(26,432)	(50,144)	(18,194)	(11,604)	(29,783)	-	(152,706)
Income before tax	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

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 U.S. 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 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 Colombian operations are not dependent on CorpBanca for their funding needs. Our Colombian operations manage their own funding costs in Colombian pesos and, as of December 31, 2013, we do not foresee a need to separately fund our Colombian operations 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 entered into a US\$199.4 million two-year senior unsecured term syndicated loan facility with Standard Chartered Bank, HSBC Securities (USA) Inc. and Wells Fargo Securities, LLC, as mandated lead arrangers and book-runners.

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, 2013, we had outstanding senior bonds in the aggregate amount of UF65.29 million (Ch\$1,521,952 million) and outstanding subordinated bonds in the aggregate amount of UF33.21 million (Ch\$774,116 million). See Note 19 to our audited consolidated financial statements included herein.

As of December 31, 2013, 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\$1,302,809 million. In addition, as of December 31, 2013, we maintained sufficient levels of cash and deposits in banks in the amount of Ch\$911,088 million to satisfy our wholesale short-term obligations in the amount of Ch\$1,257,458 million.

On January 16, 2013, CorpBanca issued US\$800 million aggregate principal amount of 3.125% Senior Notes. The net proceeds of this offering were used for general corporate purposes, primarily to fund lending activities.

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, 2013, our shareholder's equity was in excess of that required by Chilean regulatory requirements. According to the Chilean 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 (i) a bank's basic capital, (ii) 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 (iii) 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 Chilean 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 Chilean General Banking Law, a bank must have a minimum paid-in capital and reserves of UF800,000 (Ch\$18,647.6 million or US\$35.6 million as of December 31, 2013). 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\$13,985.7 million or US\$26.7 million as of December 31, 2013) the total capital ratio required is reduced to 10%.

The following table sets forth our minimum capital requirements of the dates indicated. See Note 35 to our consolidated financial statements included herein for a description of the minimum capital requirements.

	As of December 31,	
	2012	2013
	(in millions of constant Ch\$ except percentages)	
Net capital base	941,945	1,411,341
3% total assets net of provisions	(446,373)	(567,929)
Excess over minimum required equity	<u>495,572</u>	<u>843,413</u>
Net capital base as a percentage of the total assets, net of provisions	6.33%	7.30%
Effective net equity	1,270,202	1,991,289
8% of the risk-weighted assets	(919,553)	(1,204,683)
Excess over minimum required equity	<u>350,649</u>	<u>786,606</u>
Effective net equity as a percentage of the risk weighted assets	11.05%	13.22%

**Financial Investments**

The following tables set forth our investment in Chilean government and corporate securities and certain other financial investments as of December 31, 2011, 2012 and 2013. 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,		
	2011	2012	2013
(in millions of Ch\$)			
Held-for-trading:			
Chilean Central Bank and Government securities:			
Chilean Central Bank bonds	9,541	2,543	746
Chilean Central Bank notes	5,613	–	–
Other Chilean Central Bank and Government securities	–	–	9,106
Other National institution securities:			
Bonds	2,012	2,102	–
Notes	125,319	28,218	18,582
Other securities	11,102	276	133
Foreign institution securities:			
Bonds	840	101,114	326,141
Notes	–	–	–
Other securities	968	3,409	64,443
Mutual funds investments			
Funds managed by related organizations	3,420	6,336	12,495
Funds managed by third parties	7,224	15,900	37
Total	166,039	159,898	431,683

	As of December 31,		
	2011	2012	2013
(in millions of Ch\$)			
Available-for-sale			
Chilean Central Bank and Government securities			
Chilean Central Bank securities	307,122	329,066	334,718
Chilean Treasury bonds	4,336	69,706	847
Other Government securities	57,480	46,203	21,769
Other financial instruments			
Promissory notes related to deposits in local banks	380,284	338,747	78,712
Chilean mortgage finance bonds	1,056	349	313
Chilean financial institutions bonds	41,702	66,231	17,985
Other local investments	44,109	41,019	136,623
Financial instruments issued abroad			
Foreign governments and central bank instruments	–	206,296	212,280
Other foreign investments	7,161	14,818	85,840
Impairment provision	–	–	–
Unquoted securities in active markets			
Chilean corporate bonds	–	–	–
Other investments	–	–	–
Impairment provisions	–	–	–
Total	843,250	1,112,435	889,087



As of December 31,

2011 2012 2013

(in millions of Ch\$)

Held to maturity**Chilean Central Bank and Government securities**

Chilean Central Bank securities	–	–	–
Chilean Treasury bonds	–	–	–
Other Government securities	–	–	–

Other financial instruments

Promissory notes related to deposits in local banks	–	–	–
Chilean mortgage finance bonds	–	–	–
Chilean financial institutions bonds	–	–	–
Other local investments	11,580	10,099	8,632

Financial instruments issued abroad

Foreign governments and central bank instruments	–	74,259	93,750
Other foreign investment	10,382	20,619	135,140
Impairment provisions	–	–	–

Unquoted securities in active markets

Chilean corporate bonds	–	–	–
Other investments	–	–	–
Impairment provision	–	–	–

Total	21,962	104,977	237,522
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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, the aggregate book value of which 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:	Peso-Denominated Five-year bond	Peso-Denominated Ten-year bond	UF-Denominated Five-year bond	UF-Denominated Ten-year bond
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				

2013

January	-	-	-	-
February	-	-	-	-
March	5.12	5.51	2.50	2.55
April	5.12	5.24	2.45	2.43
May	5.08	5.11	2.36	2.36
June	5.15	5.22	2.18	-
July	5.12	5.22	2.18	2.24
August	5.03	5.19	2.15	2.23
September	5.07	-	2.12	-
October	-	-	-	-
November	-	-	-	-
December	-	-	-	-



Our total financial instruments as a percentage of total assets decreased to 8.9% as of December 31, 2013 due to a 29.3% increase in total assets as a consequence of the Helm Bank Acquisition.

We have implemented some changes aiming to improve our ability to manage our exposure to market and liquidity risks following the guidelines proposed by Basel II and III. A description of the currently applicable limits, as well as information relating to other tools that we employ to manage financial risk, is included herein under "Item 11. Quantitative and Qualitative Disclosures about Financial 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, 2013:

	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\$
Held-for-trading									
(in millions of Ch\$, except for percentages)									
Central Bank and government securities:									
Chilean Central Bank securities	-	-	746	4.0	-	-	-	-	746
Chilean Central Bank notes	-	-	-	-	-	-	-	-	-
Others government securities	-	-	9,106	3.3	-	-	-	-	9,106
Other national institution securities:									
Bonds	-	-	-	-	-	-	-	-	-
Notes	18,582	0.5	-	-	-	-	-	-	18,582
Other securities	-	-	41	4.6	-	-	92	4.2	133
Foreign institution securities:									
Bonds	215,282	4.2	109,091	5.5	66	4.1	1,701	-	326,141
Notes	-	-	-	-	-	-	-	-	-
Other securities	19,796	3.7	44,419	7.3	169	3.2	60	3.1	64,443
Mutual fund investments:									
Funds managed by related organizations	12,495	-	-	-	-	-	-	-	12,495
Funds managed by third parties	37	-	-	-	-	-	-	-	37
Total held-for-trading	266,191	3.7	163,403	5.8	235	3.4	1,853	0.3	431,683
Available-for-sale									
(in millions of Ch\$, except for percentages)									
Chilean Central Bank and government securities:									
Chilean Central Bank securities	102,189	1.3	232,529	4.6	-	-	-	-	334,718
Chilean treasury bonds	-	-	847	4.7	-	-	-	-	847
Other government securities	15,765	3.9	6,094	3.5	-	-	-	-	21,769
Others financial instruments:									
Promissory notes related to deposits in local banks	78,402	2.2	310	2.5	-	-	-	-	78,712
Chilean mortgage finance bonds	2	3.3	132	3.5	2	3.6	178	3.9	313
Chilean financial institutions bonds	-	-	17,031	3.3	954	3.4	-	-	17,985
Other local investments	-	-	15,281	5.1	90,845	5.5	30,497	4.0	136,623
Financial instruments issued abroad:									
Foreign government and Central Bank instruments	78,339	4.5	50,107	6.7	19,441	5.8	64,393	10.5	212,280
Other foreign investments	9,808	10.4	5,272	12.5	34,271	12.1	36,489	9.2	85,840
Impairment provision	-	-	-	-	-	-	-	-	-
Unquoted securities in active markets									
Chilean corporate bonds	-	-	-	-	-	-	-	-	-
Other foreign investments	-	-	-	-	-	-	-	-	-
Impairment provision	-	-	-	-	-	-	-	-	-
Total	284,415	2.9	327,603	4.9	145,513	7.1	131,556	8.6	889,087



Held to maturity	In one	Weighted	After	Weighted	After	Weighted	After	Weighted	Total
	year or less	average	one year	average	five	average	ten	average	
	Ch\$	Nominal	through	Nominal	years	Nominal	years	Nominal	Ch\$
		Rate	five years	Rate	through	Rate	years	Rate	Ch\$
		%	Ch\$	%	ten years	%	Ch\$	%	Ch\$
(in millions of Ch\$, except for percentages)									
Chilean Central Bank and government securities:									
Chilean Central Bank securities	-	-	-	-	-	-	-	-	-
Chilean treasury bonds	-	-	-	-	-	-	-	-	-
Other government securities	-	-	-	-	-	-	-	-	-
Other financial instruments:									
Promissory notes related to deposits in local banks	-	-	-	-	-	-	-	-	-
Chilean mortgage finance bonds	-	-	-	-	-	-	-	-	-
Chilean financial institutions bonds	-	-	-	-	-	-	-	-	-
Other local investments	-	-	8,632	3.4	-	-	-	-	8,632
Financial instruments issued abroad:									
Foreign government and Central Bank instruments	52,853	1.3	5,803	-	-	-	35,093	8.4	93,750
Other foreign investments	112,668	2.5	21,368	3.2	1,104	0.04	-	-	135,140
Impairment provision	-	-	-	-	-	-	-	-	-
Unquoted securities in active markets									
Chilean corporate bonds	-	-	-	-	-	-	-	-	-
Other foreign investments	-	-	-	-	-	-	-	-	-
Impairment provision	-	-	-	-	-	-	-	-	-
Total	<u>165,521</u>	<u>2.1</u>	<u>35,803</u>	<u>2.7</u>	<u>1,104</u>	<u>0.0</u>	<u>35,093</u>	<u>8.4</u>	<u>237,522</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 other government securities.

Working Capital

The majority of our funding is derived from deposits and other borrowings from the public. In the opinion of management, 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 Financial Risk" for more detailed information relating to the methods we employ in managing our liquidity.

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 Chilean 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 dividend payments. In addition, no legal or economic restrictions exist on the ability of our Colombian subsidiaries to transfer funds to us in the form of cash dividends. However, in the case of CorpBanca Colombia, for the following four to five years there is a possibility that shareholders may vote to capitalize such dividends in order to meet new capital adequacy requirements following Basel standards, as they did in respect of 2013 dividends and upcoming 2014 dividends. CorpBanca Colombia and Helm Bank may also transfer funds to CorpBanca in the form of loans, as long as they abide by the regulations in the Colombian financial law regarding loans to related parties. Colombian subsidiaries (other than CorpBanca Colombia and Helm Bank) may not transfer funds to us in the form of loans, due to their limited corporate purpose.

Net Cash (used in) Provided by Operating Activities

	For the Year Ended December 31,		
	2011	2012	2013
	(in millions of constant Ch\$)		
Net cash (used in) provided by operating activities	(182,813)	275,067	222,642

Our net cash provided by operating activities for the year ended December 31, 2013 decreased by 19.1% from Ch\$275,067 million in 2012 to Ch\$222,642 million in 2013. This decrease in net cash provided by operating activities was mainly due to a decrease in time deposits and other term deposits.

Net Cash Used in Investing Activities

	For the Year Ended December 31,		
	2011	2012	2013
	(in millions of constant Ch\$)		
Net cash used in investing activities	(10,429)	(489,788)	(277,704)

Our net cash used in investing activities decreased from Ch\$489,788 million for the year ended December 31, 2012 to Ch\$277,704 million for the year ended December 31, 2013. This 43.3% decrease in net cash used in investing activities was mainly due to the acquisition of property, plan and equipment and the consummation of the Helm Acquisition.



Net Cash Provided by Financing Activities

	For the Year Ended December 31,		
	2011	2012	2013
	(in millions of constant Ch\$)		
Net cash provided by financing activities	333,862	413,400	649,518

Our net cash provided by financing activities increased from Ch\$413,400 million for the year ended December 31, 2012 to Ch\$649,518 million for the year ended December 31, 2013. This 57.1% increase in net cash provided by financing activities was mainly due to the issuance of senior notes and capital injection.

Deposits and Other Borrowings

The following table sets forth our average month-end balance of our liabilities for the years ended December 31, 2011, 2012 and 2013, in each case together with the related average nominal interest rates paid thereon.

	As of December 31,								
	2011			2012			2013		
	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	3,999,608	204,618	5.1%	6,639,517	359,641	5.4%	7,055,890	361,643	5.1
Central Bank borrowings	-	-	-	39	-	0.0%	-	-	-
Repurchase agreements	163,649	8,462	5.2%	344,293	15,751	4.6%	269,419	14,736	5.5
Mortgage finance bonds	198,485	15,968	8.0%	161,583	10,999	6.8%	130,991	8,323	6.4
Bonds	1,207,422	92,614	7.7%	1,590,962	97,556	6.1%	2,199,545	119,888	5.5
Other interest bearing-liabilities	1,039,265	13,960	1.3%	2,085,162	22,169	1.1%	2,283,273	44,826	2.0
Subtotal interest-bearing liabilities	6,608,429	335,622	5.1%	10,821,55	506,116	4.7%	11,939,118	549,416	4.6
Non-interest bearing liabilities:									
Non-interest bearing deposits	384,818			516,934			1,471,475		
Derivates	162,374			204,949			230,679		
Other non-interest bearing liabilities	228,155			261,671			380,933		
Shareholders' equity	598,474			911,442			1,376,012		
Subtotal non-interest bearing liabilities	1,373,821			1,894,996			3,459,098		
Total	7,982,250	335,622		12,716,552	506,116		15,398,216	549,416	

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 59.1% of our average interest bearing liabilities for the year ended December 31, 2013. We continue 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 by 210% as of December 31, 2013 compared to December 31, 2012. 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 for the year ended December 31, 2013 increased by Ch\$457,690 million, or 78.2%, when compared to the year ended December 31, 2012. 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. For the years ended December 31, 2011, 2012 and 2013, net interest income over total operating incomes represented 57.8%, 57.5% and 65.1%, 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 in the market, 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.

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; and
- uncertainties relating to the passing and/or implementation of the Tax Reform do not allow us to predict its effects. If enacted, these effects are unclear and cannot be calculated at this time; however, there could be an adverse impact on our results of operations.

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\$4,568,248 million as of December 31, 2013.

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, 2011, 2012 and 2013 was Ch\$1,791,586 million, Ch\$2,396,064 million and Ch\$2,751,929 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 22 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. 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 8 of our 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, 2013, 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.

The following table includes both the accrued interest and the interest expense projected over time of each contractual obligation as of December 31, 2013. 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.

Contractual Obligations (*)	Less than 1	1-3 years	3-5 years	More than 5	Total
	year			years	
	(in millions of Ch\$)				
Time deposits and saving accounts	6,932,920	526,399	59,913	46,218	7,565,450
Deposits and other demand liabilities	1,900,369	1,551,725	-	-	3,452,094
Bank obligations	1,178,894	45,557	33,938	50,176	1,308,565
Investments under repurchase agreements	342,599	-	-	-	342,599
Issued debt instruments	165,862	649,957	854,058	1,556,622	3,226,499
Other financial liabilities	9,490	677	1,120	5,520	16,807
Financial derivative contracts (all speculative and hedging instruments)	(14,506,803)	(19,567)	(29,460)	(34,527)	(14,590,358)
Total contractual obligations	(3,976,668)	2,754,748	919,568	1,624,009	1,321,656

(*) 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 CEO (*Gerente General*) under the direction of our Board of Directors, which, in accordance with the Company’s By-laws, consists of nine directors and two 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 7, 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 CEO of CorpBanca and hold their offices at the discretion of the Board of Directors and the CEO. 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	43
Fernando Aguad Dagach	First Vice Chairman and Director	54
Jorge Selume Zaror	Second Chairman and Director	62
Rafael Guilisati Gana	Director	60
Julio Barriga Silva	Director	76
Francisco Mobarec Asfura	Director	63
Gustavo Arriagada Morales	Director	60
José Luis Mardones Santander	Director	63
Hugo Verdegaal	Director	64
María Catalina Saieh Guzmán	Alternate Director	31
Ana Beatriz Holuigue Barros	Alternate Director	58

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., and Vice Chairman of both CorpGroup and the Chilean 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 CEO 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 Viconto 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.

Julio Barriga Silva became a Director on April 30, 2014. Mr. Barriga previously served on the board of directors of CorpBanca between 1997 and 2012. Mr. Barriga has also served as the Chairman of the Board of Banco Santiago and the Chief Executive Officer of Banco del Estado de Chile. Mr. Barriga is an agricultural engineer and an agricultural economist from the Universidad de Chile.

Francisco Mobarec Asfura became a 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 Central Bank of 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.

Gustavo Arriagada Morales became a Director on September 28, 2010. Mr. Arriagada previously served as 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 previously served as 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. Ms. Saieh 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 an Alternate 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, 2013 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	49
José Francisco Sánchez Figueroa	Director – Wholesale banking	59
Cristián Canales Palacios	Director – Legal Services & Control	49
Richard Kouyoumdjian Inglis	Director – Shared Services	48
Armando Ariño Joiro	Director – Strategic Projects	48
Jorge Hechenleitner Adams	Division Head – Wealth Management	56
Gerardo Schlotfeldt Leighton	Division Head – Banco Condell	53
Oscar Cerda Urrutia	Division Head – Companies & SME & Retail Banking	57
Pedro Silva Yrarrázaval	Division Head – International and Finance	53
María Gabriela Salvador Broussaingaray	Division Head – Products & Distribution Channels	44
Jorge Garrao Fortes	Division Head – Retail Credit Risk	41
José Brito Figari	Division Head – Commercial Credit Risk	52
Patricia Retamal Bustos	Division Head – Synergies	41
Pablo Jeréz Hanckes	Manager – Planning & Development	32
Rodrigo Oyarzo Brncic	Division Head – Corporate & Large Companies	42
Ricardo Torres Borge	Division Head – Real Estate	48
Rodrigo Arroyo Pardo	Division Head – Treasury	42
Gerardo Reinike Herman	Division Head – Financial Products	43
Andrés García Lagos	Division Head – Assets Management	36
Pablo de la Cerda Merino	Division Head – Legal Services	55
Marcela Leonor Jiménez Pardo	Division Head – Human Resources	38
Américo Becerra Morales	Division Head – Operations	52



María Eugenia de la Fuente Núñez	Division Head – Quality, Transparency & Customer Service	49
Cristián Guerra Bahamondes	Division Head – IT	37
José Manuel Mena Valencia	Comptroller Division Head*	58
Felipe Cuadra Campos	Compliance Division Head*	39
Fernando Burgos Concha	General Manager – New York Branch	60
Jaime Munita Valdivieso	Chief Executive Officer – Banco CorpBanca Colombia	44

* Each of José Manuel Mena Valencia and Felipe Cuadra Campos reports to the Audit Committee and coordinates with senior management through the Director of Legal Services & Control.



Fernando Massú Tare became the CEO in February 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 became CFO of CorpBanca in April 2010. Previously, he had served as head of the market risk department. Before joining at CorpBanca in 2009, Mr. Gigogne was the CFO at Scotiabank — Chile for eight years. Mr. Gigogne received a B.A. in Business and Economics from the Universidad de Chile and a M.B.A. from Tulane University, USA.

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 served as 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.

Cristián Canales Palacios became Director of Legal Services & Control in March 2012. Mr. Canales also served as Interim CEO from December 29, 2011 to February 5, 2012 following the resignation of Mario Chamorro Carrizo. Previously, he served as Division Manager of Legal Services from 2003 to 2012. 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.

Richard Kouyoumdjian Inglis became Director of Shared Services in March 2012. He previously served as the CFO and Chief Administrative Officer 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.

Armando Ariño Jairo became Director of Strategic Projects in December 2013. Previously he 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, Mr. Ariño served as Division Manager of Information Technology. From 1995 to 2000 he 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.



Jorge Hechenleitner Adams became Division Head of Wealth Management in January 2012. Previously, he served as 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.

Gerardo Schlotfeldt Leighton became Division Head of Banco Condell in June 2010 and as Division Head of Retail Banking in January 2011. Previously, he served as CEO of Banco Paris. Mr. Schlotfeldt received an undergraduate degree in Industrial Civil Engineering from the Universidad Católica de Chile.

Oscar Cerda Urrutia became the Division Head of Companies & SME & Retail Banking in June 2008. Mr. Cerda previously served as CEO of Banco Ripley. Mr. Cerda received a B.A. in Business and Administration from the Universidad de Concepcion.

Pedro Silva Yrarrázaval became Division Head of International and Finance in October 2006. Mr. Silva previously served as CEO 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.

María Gabriela Salvador Broussaingaray has served as the Division Head of Products & Distribution Channels since August 2012. Between April and July 2012, Ms. Salvador was the Division Head of Customer Service. Previously, she 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.

Jorge Garrao Fortes became Division Head of Retail Credit Risk in 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.

José Brito Figari became Division Head of Commercial Credit Risk in June 2011. Previously, Mr. Figari served as Manager of Commercial Credit Risk from 2008 to 2011. Mr. Brito received a B.A. in Business and Administration from Universidad Adolfo Ibáñez.

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, including 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.

Pablo Jeréz Hanckes has served as Planning and Development Manager since July 2011. Prior to joining CorpBanca, Mr. Jerez served as Project Leader at The Boston Consulting Group, where he specialized in the financial services industry in a broad range of topics including strategy, organizational design and commercial efficiency, and was involved in projects in Chile, Argentina, Peru and Australia. Pablo received a B.A. in Business and Administration from P. Universidad Católica de Chile and a MBA from Harvard Business School.

Rodrigo Oyarzo Brncic became Division Head of Corporate and Large Companies in January 2012. Previously, he served as 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.

Ricardo Torres Borge became Division Head of Real Estate in March 2012. Previously, he worked in Banco Santander's Investment Banking area for sixteen years under the following positions: Investment Funds Director, General Manager of Santander S.A. Administradora de Fondos de Inversión, Head of Real Estate Investment Banking Latam, Head of Structured Finance, Head of Corporate, Investment Banking and M&A , and Head of Equities. He was also in charge of Euroamérica's Corporate Finance area for one year in 2011. Mr. Torres received an undergraduate degree in Commercial Engineering/accountants from Pontificia Universidad Católica de Chile.

Rodrigo Arroyo Pardo became Division Head of Treasury in March 2012. Prior to his new role, he served as 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 Ibáñez.

Gerardo Reinike Herman became Division Head of Financial Products in December 2013. Prior to his new position he served as Manager of Financial Products since December 2008 with the responsibility over the sales force of Money Desk of CorpBanca. Previously, Mr. Reinike worked for 12 years at the Money Desk at Banco Santander Chile in different positions. Mr. Reinike has B.A. in Business and Administration from Universidad Andrés Bello.

Andrés García Lagos became Division Head of Assets Management in January 2012. Previously, he served as the Chief Investment Officer of BBVA Asset Management AGF. Mr. Garcia received a B.A. in Industrial Engineering from the Pontificia Universidad Católica de Chile and a Masters in Finance from the London Business School.

Pablo de la Cerda Merino has served as the Division Head of Legal Services since has served as Division Manager of Legal Services of CorpBanca since April 2012. Previously he has served as a Chief Legal Counsel of the bank since July 1996. From 1992 to 1996, Mr. De la Cerda has served as a Chief Legal Counsel at Banco Osorno y La Unión, and previously he served as legal counsel in the legal department of several Chilean banks. Mr. De la Cerda received a law degree from Universidad de Chile and an Executive LLM from Universidad del Desarrollo.

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 from 2008 to 2012. Ms. Jiménez received an undergraduate degree in Philology from the Pontificia Universidad Católica de Chile. She also holds a postgraduate degree in Human Resources Management from the Adolfo Ibáñez.

Américo Becerra Morales became Division Head of Operations in April 2012. Previously, he served as 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.

María Eugenia de la Fuente Núñez has served as the Division Head of Quality, Transparency & Customer Services since March 2013. Ms. De la Fuente was previously the Vice Minister of Secretary General of Government. She received a B.A. in Business and Administration from Universidad de Chile. She also holds a postgraduate degree in Tax Planning and Management from University Adolfo Ibáñez.

Cristian Guerra Bahamondes became the Division Head of IT in October 2013. Previously he served as Chief Operational Risk and Information Security since May 2010. Previously he served as Chief Information Security Officer Since September 2008. Mr. Guerra began working at CorpBanca in 1998 in different positions in the area of information technologies. Mr. Guerra received B.A computer engineer from the Universidad de Ciencias de la Informática. Mr. Guerra also received a Masters in Business and Administration from the Universidad Federico Santa María. Mr. Guerra also received a Masters degree in Information Technology from the Universidad Federico Santa María.

José Manuel Mena Valencia became our Comptroller Division Head in March 2008. From 1995 to 2008 Mr. Mena served as the CEO at BancoEstado. Previously, he was CFO at 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.

Felipe Cuadra Campos became Chief Compliance Officer in October, 2013. Previously, he served as Corporate Attorney at CorpGroup Holding from 2010 to 2013 and as Senior Attorney at CorpBanca from 2006 to



2009. Between 2002 to 2005 Mr. Cuadra served as the Attorney at CorpBanca. Mr. Cuadra received a law degree from the Universidad Gabriela Mistral (Chile) and also received a Master of Laws in Taxation from Universidad Adolfo Ibáñez (Chile).

Fernando Burgos Concha became General Manager of CorpBanca’s New York Branch in 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.

Jaime Munita Valdivieso became CEO 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 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.

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, 2013, 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 on March 13, 2014, the Board of Directors agreed to continue to pay each director UF100 per month and the chairman UF600 per month. We also engage in transactions with companies controlled by certain of our directors under the applicable requirements of the Chilean Corporations Law. See “Item 7.B. Related Party Transactions”. In 2013, we paid our senior management and Directors-Audit Committee members an aggregate of Ch\$17,353 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 Verdegaaal	March 2016
María Catalina Saieh Guzmán	March 2016
Ana Beatriz Holuigue Barros	March 2016

Pursuant to the provisions of our bylaws, the members of the board are generally 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.



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.

Alejandro Ferreiro Yazigi has been a member of the Audit Committee (formerly the Directors-Audit Committee) since 2010. Mr. Ferreiro previously had a career in the Chilean public sector, where he served as Minister of Economics between 2006 and 2008. Mr. Ferreiro also served as 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, including 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.

Juan Echeverría González has been a member of the Directors Committee and the Audit Committee (formerly the Directors-Audit Committee) since 2012. Mr. Echeverría currently serves as Corporate Chief Compliance Officer at CorpGroup. He was previously 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 from 1993 to 2012. Mr. Echeverría is currently a director and a member of the audit committee of Compañía Minera San Gerónimo, CorpGroup Activos Inmobiliarios S.A., CorpBanca Colombia and Helm 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 two 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 previously mentioned our Audit Committee complies with this requirement.

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 the 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 sign-off on it prior 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;



- 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, who report directly to the Audit Committee;
- analyzing 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 as needed, including: (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 (iv) intervening in any other situation where intervention is warranted in the committee's discretion.

The Directors Committee and the Audit Committee have charters that establish their composition, organization, objectives, duties, responsibilities and extension of their activities. The SBIF requires the Directors Committee and the 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 the Audit Committee each 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, staying informed about 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 CEO, 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 our 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 CEO; the Legal and Control Director; the Human Resources and the Compliance Officer.

D. EMPLOYEES

As of December 31, 2013, on a consolidated basis, we had 7,298 employees. Approximately 33.4% of our employees were unionized as of December 31, 2013. 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 2011, 2012 and 2013, we had 3,461, 5,163 and 7,298 employees, respectively, on a consolidated basis.

The table below shows our employees by geographic area:

	Year ended December 31,		
	2011	2012	2013
Chile	3,443	3,574	3,724
Colombia	-	1,566	3,548
United States	18	23	26

E. SHARE OWNERSHIP

Mr. Saieh Bendeck together with his family maintains an indirect ownership of 75.6% of Corp Group Banking S.A. In addition, Mr. Saieh Bendeck with his family are indirect holders of 100% of the ownership rights of Saga and also of RCC Fondo de Inversión Privado. As of the date hereof, Corp Group Banking S.A. and Compañía Inmobiliaria y de Inversiones Saga S.A., controlled by Mr. Saieh Bendeck, beneficially own approximately 45.26%, and 6.15% 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.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. MAJOR SHAREHOLDERS

Our only outstanding voting securities are our common shares. As of December 31, 2013, we had 340,358,194,234 common shares outstanding.

At the extraordinary shareholders meeting held on January 15, 2013, CorpBanca's shareholders approved the following matters related to the extraordinary shareholders meeting held on November 6, 2012: (i) to preferentially offer shareholders 47,000,000,000 common shares with no par value, and (ii) set the period to exercise the preferential right on these shares from January 16 to February 14, 2013.

All of the common shares offered were subscribed for a total amount of Ch\$291,168 million. This amount is comprised of Ch\$143,225 million in capital and Ch\$147,843 in reserves.

The following table sets forth information with respect to the record and beneficial ownership of our capital stock as of May 15, 2014, except treasury shares which have been included in the table below:

Stockholder	Number of Shares	Percentage of total share capital	Number of Votes	Percentage of Voting and Dividend rights
Corp Group Banking S.A. ⁽¹⁾⁽²⁾	154,043,852,909	45.26%	154,043,852,909	45.26%
Compañía Inmobiliaria y de Inversiones Saga S.A. ⁽²⁾⁽³⁾	20,918,589,773	6.15%	20,918,589,773	6.15%
Compañía de Seguros CorpVida S.A.	-	-	-	-
Compañía de Seguros CorpSeguros S.A.	-	-	-	-
Other investment companies	-	-	-	-
Total Saieh Group	174,962,442,682	51.41%	174,962,442,682	51.41%
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	55,282,341,695	16.24%	55,282,341,695	16.24%
AFPs (Administradoras de Fondos de Pensiones)	4,550,665,639	1.34%	4,550,665,639	1.34%
Securities Brokerage	29,576,716,210	8.69%	29,576,716,210	8.69%
Insurance Companies ⁽⁴⁾	15,345,873,199	4.51%	15,345,873,199	4.51%
Other minority shareholders ⁽⁵⁾	33,805,152,918	9.93%	33,805,152,918	9.93%
Other shareholders	138,560,749,661	40.71%	138,560,749,661	40.71%
Total	340,358,194,234	100%	340,358,194,234	100%



- (1) As of December 31, 2013, CorpGroup directly owned 100% of the outstanding capital stock of Corp Group Banking S.A., or CGB. ICGI is controlled by Mr. Saieh Bendeck who, together with his family, indirectly owns a majority of its voting stock.
- (2) Mr. Saieh Bendeck and his family are deemed to have beneficial ownership of these common shares.
- (3) 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.
- (4) Since November 2013, Insurance Companies category includes CorpVida and CorpSeguros (3.02%) which are no longer controlled by the Saieh Group.
- (5) Includes Moneda's funds with a total of 3.75% ownership.

On November 21, 2003, CGB 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, 2013, ADR holders (through the depository) held approximately 16.21% of our total common shares, represented by one registered shareholder. The remaining 83.79% of our total shares were held locally, in Chile, represented by 285,180,730,187 local and foreign shareholders. All of our shareholders have identical voting rights.

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 Chilean 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 (i) one or more related persons under Article 100 of the Securities Market Act (see below), (ii) 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, (iii) 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, (iv) a person or entity determined as such by the by-laws of the corporation or the board committee, and (v) 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: (i) the other entities of the business conglomerate to which the company belongs, (ii) parents, subsidiaries and equity-method investors and investees of the company, (iii) 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, (iv) 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 ten percent or more of the capital or voting capital of a stock company and (v) 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: (i) 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), (ii) the absolute majority of the board – excluding any director involved in the transaction – must approve the transaction, (iii) the approval given by the board must be informed to the next shareholders’ meeting, (iv) 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 (v) 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.

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, 2011, 2012 and 2013, loans to related parties totaled Ch\$87,950 million, Ch\$170,957 million and Ch\$364,424 million, respectively, and related party receivables, other than loans, totaled Ch\$22,022 million, Ch\$47,251 million and Ch\$27,325 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, 2011, 2012 and 2013, loans to related parties were as follows:

	2011		
	Operating Companies	Investment Companies	Individuals ⁽¹⁾
	(in millions of constant 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	<u>77,512</u>	<u>2,509</u>	<u>7,929</u>
Other	8,930		



	2012		
	Operating Companies	Investment Companies	Individuals⁽¹⁾
	(in millions of constant 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

	2013		
	Operating Companies	Investment Companies	Individuals⁽¹⁾
	(in millions of constant Ch\$)		
Loans and receivables to customers			
Commercial loans	161,421	193,076	1,915
Mortgage loans	-	-	16,267
Consumer loans	-	-	4,956
Loans and receivables to customers - gross	161,421	193,076	23,138
Provision for loan losses	(2,334)	(10,792)	(86)
Loans and receivables to customers, net	159,087	182,284	23,053
Other	71,457	332	2,166

(1) Includes debt obligations that are equal to or greater than UF 3,000 indexed-liked units of account, equivalent to Ch\$69.9 million as of December 31, 2013.

All loans to related parties 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 2011, 2012 and 2013, and in accordance with IFRS, the largest amounts of related party loans outstanding amounted to Ch\$112,812 million, Ch\$173,625 million and Ch\$435,106 million, respectively. The Ch\$261,481 million increase in 2013 is mainly due to the expansion of the general criteria for the definition of 'related groups' and the allocation of the entities and individuals related thereto established by the Chilean regulator as of November 2013.

**OTHER TRANSACTIONS WITH RELATED PARTIES**

During 2011, 2012 and 2013, we had the following income (expenses) from services provided to (by) related parties:

Company	Year ended December 31,		
	2011	2012	2013
	Income (expenses)	Income (expenses)	Income (expenses)
	(in millions of nominal Ch\$)		
Inmobiliaria Edificio Corp Group S.A.	(2,357)	(2,552)	(2,740)
Transbank S.A	(2,367)	(2,492)	(2,430)
Corp Group Interhold, S.A. and CorpGroup Holding Inversiones Limitada	(1,993)	(2,396)	(2,632)
Redbanc S.A.	(1,442)	(1,539)	(1,782)
Proservicen S.A.	(1,032)	(1,438)	(1,508)
Recaudaciones y Cobranzas S.A.	(985)	(1,217)	(971)
Operadora de Tarjeta de Crédito Nexus S.A.	(900)	(916)	(846)
Fundación Corpgroup Centro Cultural	(2,203)	(624)	(736)
Fundación Descúbreme	–	(66)	(80)
Compañía de Seguros Vida Corp. S.A.	(281)	(362)	(318)
Empresa Periodística La Tercera S.A.	(244)	(183)	(163)
SMU S.A. Rendic Hnos S.A.	(1,447)	(1,726)	(1,928)
CorpBanca Investment Valores S.A. Comisionista de Bolsa	–	765	(58)
CorpBanca Investment Trust S.A. Sociedad Fiduciaria	–	984	146
Helm Bank S.A.	–	–	311
Asesorías Santa Josefina Ltda.	(151)	(147)	–
Inmobiliaria e Inversiones Boquiñeni Ltda.	(58)	–	–
Inmobiliaria e Inversiones B y F Limitada	(1,441)	–	–
	(17,078)	(14,173)	(15,735)

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”.

LEGAL PROCEEDINGS

We have been named as a defendant in shareholder litigation captioned *Cartica Management, LLC, et al. v. Corpbanca S.A., et al.*, which was commenced on April 1, 2014, in the United States District Court for the Southern District of New York. Plaintiffs include minority shareholders, who own ADRs and other common shares. Other defendants include our directors and alternate directors, our CEO and CFO, CorpGroup, Saga and Mr. Saieh Bendeck. Plaintiffs allege that all defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder, that certain individual defendants and CorpGroup violated Section 20(a) of the Exchange Act, and that CorpGroup, Saga and Mr. Saieh Bendeck violated Section 13(d) of the Exchange Act and Rules 13d-1 and 13d-5 promulgated thereunder. Plaintiffs allege, among other things, that defendants have intentionally misrepresented and failed to disclose material facts concerning the pending Itaú-CorpBanca Merger and the benefits CorpGroup and associated entities and individuals may receive in connection with the merger. Plaintiffs do not seek damages, but they purport to seek primarily declaratory and injunctive relief, including an injunction to prevent the Itaú-CorpBanca Merger from proceeding. An adverse outcome to this litigation could require us to make additional disclosures relating to the Itaú-CorpBanca Merger or prevent us from proceeding with it as contemplated.



In addition, 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 2011, 2012 and 2013 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 depositary 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

There have been no significant changes since the date of our annual financial statements.

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.

	<u>Santiago Stock Exchange</u>		<u>New York Stock Exchange</u>	
	<u>Common Shares</u>		<u>ADSs</u>	
	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>
	<u>(Ch\$ per share ⁽¹⁾)</u>		<u>(US\$ per ADS⁽²⁾)</u>	
Annual Price History				
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
2013	7.47	4.73	22.19	13.75
Quarterly Price History				
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
2013 1st Quarter	6.98	6.44	22.19	20.32
2013 2nd Quarter	6.64	5.25	20.98	15.20
2013 3rd Quarter	5.80	4.73	17.25	13.75
2013 4th Quarter	7.47	5.45	21.15	16.05
2014 1st Quarter	7.49	5.92	21.14	15.82
Monthly Price History				
October 2013	5.90	5.45	17.78	16.05
November 2013	6.89	5.78	19.39	16.68



December 2013	7.47	6.68	21.15	18.89
January 2014	7.49	6.07	21.14	16.35
February 2014	6.64	5.92	17.67	15.82
March 2014	6.63	6.19	17.65	16.15
April 2014	6.78	6.44	18.63	17.38
May 2014 ⁽³⁾	6.92	6.66	18.88	17.68

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 represented 5,000 common shares until March 2011, and 1,500 common shares thereafter.
- (3) The information for May 2014 is as of May 13, 2014.



As of the date of this Annual Report, no trading suspensions relating to our common shares have occurred.

B. PLAN OF DISTRIBUTION

Not applicable.

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 Chilean 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 Chilean 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.

BOARD OF DIRECTORS

The Board of Directors has nine regular members and two 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 must be reported 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: (i) 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, (ii) those persons who have been declared bankrupt and have not been rehabilitated, (iii) members of the Chilean Congress, (iv) 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 Chile and employees or officers of (x) the State, (y) any public service, public institution, semi-public institution, autonomous entity or state-controlled company, or any such entity, a Public Entity, or (z) 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 (v) 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 CEO 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.

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: (i) the positions of regular directors shall be filled by a member appointed by the Board of Directors on its first meeting after the vacancy occurs and such member appointed by the Board of Directors 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; and (ii) while the vacancy has not been filled by the board, an alternate director shall act as regular member.

The alternate directors may temporarily replace regular directors in case of their absence or temporary inability to attend a board meeting. 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 five days in advance of the date on which the ordinary or extraordinary session should be held. The five-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 such 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 their alternates. If a director determines that the minutes for a meeting are inaccurate or incomplete, he or she 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 record his or her opposition in the minutes, and the Chairman must report such opposition at the following General Shareholders' Meeting.

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 bank, 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. An 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 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. Upon termination of the actions for collection, the Board of Directors shall propose to the shareholders meeting the write-off of the non-paid amount and the reduction of the capital of the company to the amount effectively paid in. Authorized shares and issued shares which have not been subscribed and paid for within the period fixed for their payment are cancelled and are no longer available for issuance by the company, unless in case of an issuance of convertible bonds or when reserved for compensation plans for employees.

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) on changes or movements in the price of such shares. Such report shall be made the day following the execution of the transaction.

In addition, majority shareholders must state in any such report whether their purpose is to acquire control of the company or if they are making a financial investment. Any beneficial owner of ADSs representing 10% or more of our share capital is 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 ten business days before the date of perfection of the acts which allow to obtain control of the company, but in any case, as soon as negotiations regarding the change of control are formalized and/or as soon as reserved information and/or 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.

Within the same term, 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 is also 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, or (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 two-thirds 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: such 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 60 stock exchange business days between the thirtieth and the ninetieth stock exchange business days 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 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;
- 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 based on the definitions above; and
- the company is controlled by one or more member of the controlling group of any of the entities of the business group, when such controller is composed of more than one person and there are grounds to include the company in the business group based on the definition above.

Article 36 of the Chilean 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 also applies 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.

Article 35 *bis* of the General Banking Law establishes that 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 effective net equity (which is the sum of (x) paid-in capital and reserves, plus (y) subordinated bonds up to 50% of letter (x) above under certain terms, plus (z) certain effective risk voluntary reserves up to 1.25% of its risk weighted assets); 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 Chilean 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 Chilean General Banking Law and the regulations issued by the SBIF create the presumption, among other cases, that natural persons who are holders of shares and who beneficially own more than 1% of the shares (or 5% in the case of bank's shares actively traded) 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 Chilean 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 of Chile 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 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 March 13, 2014.

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 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 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 (i) to secure or guarantee the obligations of a subsidiary, in which case the approval of the Board of Directors will suffice (although this restriction is not applicable to banks: (a) granting sureties, (b) becoming jointly and/or jointly and severally liable with clients or (c) issuing bank guarantees within their course of business) and (ii) in those cases exempted by the Chilean General Banking Law; 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:

- 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 those assets 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;
- the manner in which the corporation's profits shall be distributed;
- the creation of security interests to secure third-party obligations in excess of 50% of the corporate assets, unless granted to a subsidiary or when exempted by the Chilean Banking Law (although this restriction is not applicable to banks: (i) granting sureties, (ii) becoming jointly and/or jointly and severally liable with clients or (iii) issuing bank guarantees within their course of business);
- the acquisition of our own shares, when, and or the terms and conditions permitted by law;
- the cure of formal defects in the incorporation of the corporation or an amendment to its by-laws related to any of the matters referred to in the preceding bullets;
- to establish the right of the controller to force other shareholders to sell their shares in case the controller has surpassed 95% of the shares of the company as a result of a tender offer for 100% of its shares under certain circumstances;
- the approval of material related-party transactions according to Article 147 of the Chilean Corporations Law; 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.

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 said materials 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.



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 can be distributed if doing so would result in the bank exceeding certain capital ratios.

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.

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 Chilean General Banking Law, our shareholders have no appraisal rights.

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".

Transaction Agreement

This section describes the material terms of (i) the Transaction Agreement executed by CorpBanca, CorpGroup Parent, Itaú Unibanco and Itaú Chile on January 29, 2014; and (ii) the text of the Shareholders' Agreement contemplated by the Transaction Agreement to be executed by Interhold, Gasa, Compañía Inmobiliaria y de Inversiones Saga Limitada, Corp Group Holding Inversiones Ltda., Itaú Unibanco and an entity through which Itaú Unibanco may hold their interest in Itaú-CorpBanca, which has not yet been created, on the closing date of the Transaction.

The rights and obligations of the parties to the Transaction Agreement and the Shareholders' Agreement are governed by the express terms and conditions of such agreements and not by this summary or any other information contained in this Form 20-F. The description in this section and elsewhere in this Form 20-F is qualified in its entirety by reference to the complete text of the Transaction Agreement and the form of Shareholders' Agreement, copies of which are attached as Exhibit 10.C.1 and are incorporated by reference herein. This summary does not purport to be complete and may not contain all of the information about the Transaction Agreement or the Shareholders' Agreement. CorpBanca encourages you to read the Transaction Agreement and the Shareholders' Agreement carefully and in their entirety.



Capitalized terms used but not defined herein shall have the same meaning as in the Transaction Agreement or the Shareholders' Agreement, as applicable.

Explanatory Note Regarding the Transaction Agreement

The following summary is included to provide you with information regarding the terms of the Transaction Agreement. This section is not intended to provide you with any factual information about CorpBanca. Such information can be found elsewhere in this Form 20-F and in the public filings that CorpBanca makes with the SEC.

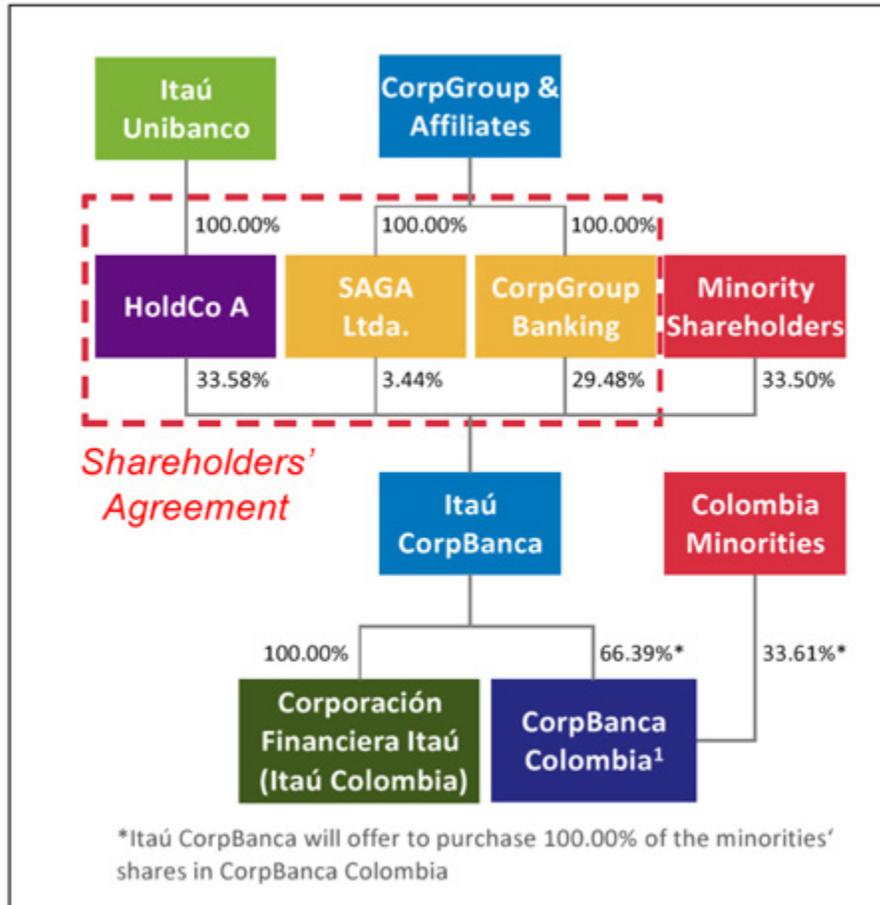
The representations, warranties and covenants made in the Transaction Agreement by CorpBanca and Itaú Chile were qualified and subject to important limitations agreed to by CorpBanca and Itaú Chile in connection with negotiating the terms of the Transaction Agreement. In particular, in your review of the representations and warranties contained in the Transaction Agreement and described in this summary, it is important to bear in mind that the representations and warranties were negotiated with the principal purpose of establishing the circumstances in which a party to the Transaction Agreement may have the right not to consummate the Itaú-CorpBanca Merger if the representations and warranties of the other party proved to be untrue due to a change in circumstance or otherwise, and allocating risk between the parties to the Transaction Agreement, rather than establishing matters as facts. The representations and warranties are also subject to a contractual standard of materiality and in some cases were qualified by the matters contained in the disclosure schedules that CorpBanca and Itaú Chile delivered in connection with the Transaction Agreement. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the Transaction Agreement, which subsequent information may or may not be fully reflected in public disclosures by Itaú Unibanco or CorpBanca. The representations and warranties and other provisions in the Transaction Agreement should not be read alone but instead together with the information provided elsewhere in this Form 20-F and in the documents incorporated by reference hereto. We may refer to January 29, 2014, the date that the parties entered into the Transaction Agreement, as the signing date.

Overview

To help you better understand the Itaú-CorpBanca Merger and the other transactions contemplated by the Transaction Agreement the charts below illustrate, in simplified form, the organizational structure of CorpBanca and Itaú Chile in Chile and Colombia.



The Itaú-CorpBanca Merger



The following transactions will occur prior to the Itaú-CorpBanca Merger:

- The divestiture by CorpGroup Parent of a number of shares it holds, directly or indirectly, in CorpBanca which, collectively, amount to 1.53% of the capital stock of CorpBanca. Such shares shall be divested to third parties other than CorpGroup Parent and Itaú Unibanco, and are intended to be transferred to minority shareholders of CorpGroup Parent.
- The capital increase in Itaú Chile for US\$652 million through the issuance of shares to be fully subscribed and paid for by Itaú Unibanco and/or a company owned, directly or indirectly, by Itaú Unibanco.

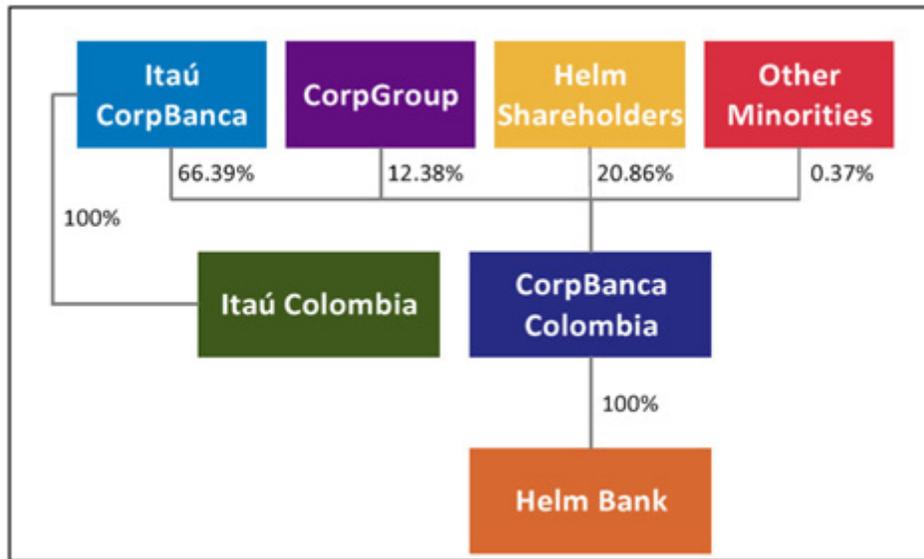
Thereafter, Itaú Chile will merge with and into CorpBanca, with CorpBanca as surviving entity under the name of "Itaú-CorpBanca". The Itaú-CorpBanca Merger is expected to result in the issuance of 172,048,565,857 shares of CorpBanca (representing 33.58% of the shares of Itaú-CorpBanca) to Itaú Unibanco. CorpGroup Parent shall retain 32.92% of the capital stock of Itaú-CorpBanca and the remaining 33.5% of the capital stock will be held by public shareholders.



After the Itaú-CorpBanca Merger, the following transactions will be implemented:

- CorpBanca and four wholly-owned Subsidiaries of CorpBanca shall purchase all of the shares of Itaú Colombia capital stock from affiliates of Itaú Parent, hereinafter referred to as the Colombian Acquisition or, alternatively, if the minority shareholders of CorpBanca Colombia accept the offer to sell their shares in CorpBanca Colombia, to Itaú-CorpBanca. Itaú Colombia shall merge with and into CorpBanca Colombia, hereinafter referred to as the Colombian Merger. In the case of the Colombian Merger, CorpBanca Colombia shall be the surviving corporation and shall be governed by the laws of Colombia.
- Itaú-CorpBanca, as the holder of 66.39% of the shares of CorpBanca Colombia, shall offer to acquire from certain minority shareholders holding 33.61% of the capital stock of CorpBanca Colombia for an aggregate purchase price of US\$894,000,000. CorpGroup Parent, who is among such group of minority shareholders, has committed to sell the 12.38% stake of capital stock it indirectly holds in CorpBanca Colombia.

Prior to the completion of these transactions but after the Colombian Acquisition or the Colombian Merger, the contemplated structure in Colombia will be as follows:



The foregoing transactions are collectively referred to as the Transactions.

CorpBanca and Itaú Chile Representations and Warranties

CorpBanca and Itaú Chile made reciprocal customary representations and warranties regarding their businesses and subsidiaries that are subject, in some cases, to specified exceptions and qualifications and the matters contained in the disclosure schedules delivered by CorpBanca and Itaú Chile pursuant to the Transaction Agreement. The representations and warranties do not survive the closing of the Itaú-CorpBanca Merger. These representations and warranties relate to among other things:

- due organization, existence, good standing and authority to carry on its respective business and such of its respective subsidiaries;
- its corporate power and authority to enter into, and complete the transactions under, the Transaction Agreement and the Shareholders Agreement; provided that certain shareholder approvals are obtained, and the enforceability of such agreements against it;
- the absence of violations of, or conflicts with, its governing documents, applicable law and certain agreements as a result of entering into and performing under the Transaction Agreement and the Shareholders Agreement;
- its capitalization;



- ownership and the absence of encumbrances on ownership of the equity interests of its subsidiaries;
- its audited consolidated financial statements as of, and for the years ending on, December 31, 2011 and 2012 and its unaudited consolidated financial statements as of, and for the nine-month period ending on September 30, 2013;
- the absence of certain undisclosed liabilities;
- the absence of certain changes or events since September 30, 2013;
- the conduct of business in accordance with the ordinary course since September 30, 2013;
- tax matters;
- the absence of facts or circumstances reasonably likely to materially impede or delay receipt of any regulatory consents required pursuant to the Transaction Agreement;
- compliance with permits, applicable laws and regulations and governmental orders;
- certain employment and labor matters;
- compensation and benefit plans;
- certain material contracts and the absence of any default under any of such material contracts;
- the absence of legal proceedings, investigations and governmental orders against it or its subsidiaries;
- timely filing of all reports required to be filed with any governmental authority since January 1, 2011 through the signing date;
- investment securities and commodities;
- intellectual property;
- extensions of credit;
- certain loan matters;
- properties;
- the absence of any undisclosed broker's or finder's fees;
- in the case of CorpBanca, the receipt of fairness opinions;
- insurance; and
- related party transactions.

Many of CorpBanca's and Itaú Chile's representations and warranties are qualified by, among other things, exceptions relating to the absence of a Material Adverse Effect which for purposes of the Transaction Agreement shall mean any effect, circumstance, occurrence or change which (i) is materially adverse to the business, financial condition, operations or results of operations of (x) CorpBanca, CorpBanca Colombia and their respective subsidiaries, taken as a whole, in the case of each of the Corp Group Parties or (y) Itaú Chile, Itaú Colombia and their respective subsidiaries, taken as a whole, in the case of each of the Itaú Parties; or (ii) materially impairs the ability of such Party to consummate the Transactions on a timely basis; provided that in determining whether a Material Adverse Effect has occurred with respect to such Party under clause (i), there shall be excluded (with respect to each of clause (A), (B), (C) and (D) below, only to the extent that the adverse effect of a change on it is not materially disproportionate compared to the effect on other companies of a similar size operating in the banking industry in the jurisdictions in which the Party operates) any effect, circumstance, occurrence or change to the extent attributable to or resulting from (A) any changes in laws, regulations or interpretations of laws or regulations generally affecting the financial services industries in which the Parties operate, (B) any change in IFRS or regulatory accounting requirements generally affecting the financial services industries in which the Parties operate, (C) events, conditions or trends in economic, business or financial conditions generally affecting the financial services industries in which the Parties operate, including changes in prevailing interest rates, currency exchange rates and trading volumes in Chile, Colombia or foreign securities markets, (D) changes in national or international political or social conditions including the engagement by Chile, Brazil, Colombia or Panama in hostilities, whether



or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon or within Chile, Brazil, Colombia or Panama, or any of their respective territories, possessions or diplomatic or consular offices or upon any military installation, equipment or personnel of Chile, Brazil, Colombia or Panama, (E) the effects of the actions expressly required by the Transaction Agreement and (F) the announcement of the Transaction Agreement and the Transactions; and provided further that in no event shall a change in the trading prices of a Party's common stock by itself (but for the avoidance of doubt not the underlying causes thereof to the extent such causes are not otherwise excluded pursuant to (A) – (E) above) constitute a Material Adverse Effect.

Controlling Shareholder Representations and Warranties

CorpGroup Parent and Itaú Unibanco have also made certain customary representations and warranties pursuant to the Transaction Agreement regarding:

- its corporate power and authority to enter into, and complete the Transactions under the Transaction Agreement, and the enforceability of such agreement against them;
- required consents, declarations or filings with governmental authorities;
- the absence of violations of, or conflicts with, its organizational documents, any applicable law and certain agreements as a result of their entering into the Transaction Agreement; and
- ownership and absence of encumbrances on their direct or indirect ownership of equity interests of CorpBanca and CorpBanca Colombia or Itaú Chile and Itaú Colombia, as applicable.

Conduct of Business

Under the Transaction Agreement, both CorpBanca and Itaú Chile have agreed that, except as expressly contemplated under the Transaction Agreement or consented to in writing by the other party, both of them shall, and shall cause their respective subsidiaries to, (a) conduct its business in the ordinary course consistent with past practice, (b) use reasonable best efforts to maintain and preserve intact its business organization, assets, employees and relationships with customers, suppliers, employees and business associates and (c) take no action that would reasonably be expected to adversely affect or delay the ability of any party to obtain any regulatory consents required for consummation of the Transactions, to perform their covenants and agreements under the Transaction Agreement or to consummate the transactions described therein on a timely basis.

Subject to certain exceptions set forth in the Transaction Agreement and pending completion of the Itaú-CorpBanca Merger, neither CorpBanca, CorpBanca Colombia nor Itaú Chile and Itaú Colombia shall, or shall permit its subsidiaries to, take any of the following actions without the other parties written consent:

- amend its organizational documents or enter into a plan of consolidation, merger, share exchange, reorganization or similar business combination;
- (i) adjust, split, combine or reclassify any capital stock or authorize the issuance of any securities in respect of, in lieu of or in substitution for, shares of its capital stock, (ii) set a record date or payment date for, make, declare or pay any dividend or make any other distribution on, or directly or indirectly redeem, purchase or otherwise acquire, any shares of its capital stock or any securities or obligations convertible into or exercisable or exchangeable for any shares of its capital stock, (iii) grant or issue any equity, (iv) issue, sell or otherwise permit to become outstanding any additional shares of capital stock, (v) make any change in any instrument or contract governing the terms of any of its securities (other than for the purposes of effecting the Transactions) or (v) enter into any contract with respect to the sale or voting of its capital stock;
- make any material investment in or acquisition of any other entity;
- (i) enter into any new line of business which is not within the banking business, (ii) change its lending, investment, underwriting, securitization, servicing, risk and asset liability management and other banking and operating or (iii) make application for the opening, relocation or closing of any, or open, relocate or close any, branch office, loan production office or other significant office or operations facility;
- sell, transfer, mortgage, encumber or otherwise dispose of any part of its business or any of its properties or assets;



- incur any indebtedness for borrowed money other than indebtedness of it or any of its wholly-owned subsidiaries to it or any of its wholly-owned subsidiaries; assume, guarantee, endorse or otherwise as an accommodation become responsible for third parties obligations; or make any loan or advance to any third party;
- restructure or make any material change to its investment securities portfolio, its derivatives portfolio or its interest rate exposure;
- terminate, amend, waive or knowingly fail to use reasonable best efforts to enforce, any material provision of any material contract;
- (i) increase by more than 20% the aggregate compensation or benefits of any of its current or former officers, directors, employees with annual base compensation in excess of US\$350,000 or consultants, (ii) become a party to, adopt, terminate, materially amend or commit itself to any compensation and benefit plan or contract with annual base compensation in excess of US\$350,000 or (iii) pay or award, or commit to pay or award, any bonuses or incentive compensation or (iv) grant or accelerate the vesting of any equity-based awards;
- settle any litigation, except for certain litigation involving solely money damages in an amount not greater than US\$1,000,000 individually;
- implement or adopt any change in its financial accounting principles, practices or methods;
- file or amend any material tax return; settle or compromise any material tax liability in an amount greater than US\$2,000,000; make, change or revoke any material tax election; agree to any extension or waiver of the statute of limitations with respect to assessment or determination of material taxes, surrender any right to claim a material tax refund; or change any material method of tax accounting;
- knowingly take, or knowingly omit to take, any action that is reasonably likely to result in any of the conditions to the Transactions not being satisfied on a timely basis;
- adopt a plan of complete or partial liquidation or resolutions providing for or authorizing such a liquidation or dissolution, restructuring, recapitalization or reorganization; or
- agree to take, or adopt any resolutions of its board of directors or similar governing body in support of, any of the actions described above.

Payment of Dividends

From and after the date of the Transaction Agreement until completion of the Itaú-CorpBanca Merger: (i) CorpBanca may declare and pay annual dividends at a rate not to exceed 57% of the distributable earnings for the year ended December 31, 2013 and 50% of the distributable earnings for the year ended December 31, 2014; (ii) Helm Bank (prior to the CorpBanca Colombia-Helm Merger) and CorpBanca Colombia (post-completion of the CorpBanca Colombia-Helm merger) may declare and pay annual dividends on the relevant outstanding shares, as applicable, at a rate not to exceed COP\$9.40 per share per annum; and (iii) Itaú Chile shall not declare any dividends for the year ended December 31, 2013, but may declare and pay an annual dividend, at a rate not to exceed 50% of the distributable earnings, for the year ended December 31, 2014.

Approval by CorpBanca and Itaú Chile Shareholders

As soon as reasonably practicable after receipt of all required regulatory consents, CorpBanca and Itaú Chile shall each (i) duly call a meeting of its shareholders for the purpose of obtaining approval to the Transactions and (ii) use its reasonable best efforts to cause such meeting to occur as soon as reasonably practicable. Except with the prior approval of the other party, no other matters shall be submitted for approval at such shareholders' meeting. The boards of directors of CorpBanca and Itaú Chile shall each use its reasonable best efforts to obtain the respective shareholder approval.

CorpBanca may adjourn or postpone the abovementioned shareholders' meetings if, as of the time for which such meeting is originally scheduled, the quorum necessary to conduct the business of such meeting is insufficient. If approval by the shareholders of CorpBanca, is not obtained, the parties shall in good faith use its reasonable best efforts to (i) negotiate a restructuring of the Transactions and/or (ii) resubmit it to the CorpBanca shareholders for approval. CorpBanca shall not be required to call a meeting of its shareholders if an Itaú party is in breach of the Transaction Agreement or if there are other circumstances (not caused by CorpBanca or CorpGroup Parent) that prevent satisfaction of closing conditions of the Transactions for CorpBanca or CorpGroup Parent.



At such shareholders' meetings, (a) CorpGroup Parent has agreed to vote its shares of CorpBanca, and to cause CorpBanca to vote its shares of CorpBanca Colombia, and (b) Itaú Unibanco shall cause its applicable affiliates to vote their shares of Itaú Chile and Itaú Colombia, in each case (i) in favor of the Transactions, as applicable, and any proposal to adjourn or postpone the relevant shareholders' meeting to a later date if there are not sufficient votes to obtain the relevant shareholder approval, and (ii) against any contract, transaction or proposal that relates to an alternative transaction. Each of CorpGroup Parent and Itaú Unibanco have agreed not to (A) sell, short sell, transfer, assign, tender or otherwise dispose of any of its shares of CorpBanca or Itaú Chile, as applicable, in a manner that would result in CorpGroup Parent or Itaú Chile and its affiliates, as applicable, not having the full and exclusive ability to vote such shares, (B) take any action that would result in CorpGroup Parent or Itaú Chile and its affiliates, as applicable, not having full and exclusive power to vote such shares or (C) enter into any contract with respect to any such action or transfer.

Applications and Consents; Governmental Filings

CorpGroup Parent, Itaú Unibanco and their respective subsidiaries, shall cooperate and use their reasonable best efforts to (i) prepare, as promptly as practicable, all documentation and to effect all filings with respect to, and (ii) to seek, all regulatory consents and other material third-party consents necessary to consummate the Transactions, as promptly as practicable.

To that end, and subject to the terms of the Transaction Agreement, the parties have agreed to use their reasonable best efforts to take, or cause to be taken, in good faith, all actions, and to do, or cause to be done, all things necessary, including using their reasonable best efforts to lift or rescind any order adversely affecting its ability to consummate the Transactions on a timely basis, to cause to be satisfied the conditions to closing, and to permit consummation of the Transactions as promptly as practicable.

Notwithstanding the foregoing, no party shall be required to take any action, or commit to take any action, or agree to any condition or restriction, in connection with obtaining any regulatory consents that would reasonably be expected to have a Material Adverse Effect on either CorpBanca and its subsidiaries, taken as a whole, or Itaú Chile, Itaú Colombia and their subsidiaries, taken as a whole.

Acquisition Proposals

The parties have agreed that they will not, and will cause their respective subsidiaries and subsidiaries' officers, directors, representatives and affiliates not to, directly or indirectly, (i) initiate, solicit, encourage or knowingly facilitate inquiries or proposals with respect to, (ii) engage or participate in any negotiations concerning, (iii) provide any nonpublic information or data to, or have or participate in any discussions with, any third party relating to or (iv) approve or recommend, or propose to approve or recommend, or execute or enter into, any letter of intent, agreement in principle, merger agreement, asset purchase or share exchange agreement, option agreement or other similar agreement related to any alternative transaction to the transactions contemplated under the Transaction Agreement.

Employee Matters

Following completion of the Itaú-CorpBanca Merger, CorpBanca at its election shall either (i) offer generally to officers and employees of Itaú Chile and its subsidiaries that have or will become employees of CorpBanca or its subsidiaries, or the Itaú Chile Continuing Employees, employee benefits under compensation and benefit plans on terms and conditions similar to those maintained by CorpBanca and its subsidiaries and/or (ii) maintain for the benefit of Itaú Chile Continuing Employees, the compensation and benefit plans maintained by Itaú Chile immediately before the Itaú-CorpBanca Merger. For purposes of eligibility, participation, vesting and benefit accrual (except not for purposes of benefit accrual to the extent that such credit would result in a duplication of benefits) under CorpBanca's compensation and benefit plans, service with or credited by Itaú Chile or any of its subsidiaries or any of their predecessors shall be treated as service with CorpBanca.



Indemnification of Officers and Directors

From and after completion of the Itaú-CorpBanca Merger, in the event of any threatened or actual claim, action, suit, proceeding or investigation, whether civil, criminal or administrative, in which any person who is now, or has been, or who becomes prior to completion of the Itaú-CorpBanca Merger, a director or officer of CorpBanca or Itaú Chile or any of their subsidiaries, or the Indemnified Parties, is, or is threatened to be, made a party on the basis of the Transaction Agreement or the Transactions, CorpBanca has agreed to indemnify, defend and hold harmless, to the fullest extent permitted by applicable law, each such Indemnified Party against any liability, judgments, fines and amounts paid in settlement in connection with any such threatened or actual claim, action, suit, proceeding or investigation.

Immediately prior to the completion of the Itaú-CorpBanca Merger, CorpBanca will cause the directors or officers of CorpBanca or Itaú Chile, to be covered by CorpBanca's or Itaú Chile's existing directors' and officers' liability insurance policy with respect to acts or omissions occurring prior to the Itaú-CorpBanca Merger which were committed by such officers and directors in their capacity as such. To this end, CorpBanca may substitute policies of at least the same coverage and amounts containing terms and conditions which are not less advantageous than such policy but in no event shall CorpBanca be required to expend more than 250% per year of coverage of the amount expended by CorpBanca or Itaú Chile per year of coverage as of the date of the Transaction Agreement.

Corporate Governance

CorpGroup Parent and Itaú Unibanco have agreed to engage an internationally recognized management firm to evaluate their respective existing management and recommend, on the basis of international, merit-based standards, professional track record and relevant industry and jurisdiction-specific experience, a list of the most qualified candidates to serve as the initial senior management (including country heads) of Itaú-CorpBanca and its subsidiaries. After receipt of such non-binding recommendation Itaú Unibanco and CorpGroup Parent will jointly (but, in the event that Itaú Unibanco and CorpGroup Parent fails to agree, Itaú Unibanco will) determine in good faith the individuals who are most qualified to serve as senior management.

CorpBanca Colombia IPO

Itaú Unibanco and CorpGroup Parent have agreed to cause CorpBanca to cause CorpBanca Colombia to consummate a primary offering of shares as promptly as practicable on or after the consummation of the Itaú-CorpBanca Merger.

Charitable Contributions

Itaú Unibanco and CorpGroup Parent shall cause Itaú-CorpBanca and its subsidiaries to make, and Itaú-CorpBanca shall make, certain charitable donations.

Insurance Matters

Following completion of the Itaú-CorpBanca Merger, Itaú Unibanco shall cause Itaú Chile Compañía de Seguros de Vida S.A. to provide life insurance-related products to all the clients of Itaú-CorpBanca that are permitted to obtain an offer from an insurance broker to acquire life insurance and to pay CorpBanca Corredores de Seguros, S.A. and Itaú Chile Corredora de Seguros Limitada brokerage and/or services fees in an aggregate annual amount equal to 47.7%, or the Applicable Premium Percentage of the aggregate revenues generated by them from the sales of such life-insurance related products for the relevant year, in consideration and exchange for the offer of such products to the clients of Itaú-CorpBanca.



The Applicable Premium Percentage will be revised on a yearly basis as provided by the Transaction Agreement.

If Itaú Unibanco desires not to continue to cause Itaú Chile Compañía de Seguros de Vida S.A. to offer the life-insurance related products to the insurance clients of Itaú-CorpBanca, Itaú Unibanco shall use its reasonable best efforts to, enter into an agreement with a third party and one or more CorpBanca Corredores de Seguros, S.A. and/or Itaú Chile Corredora de Seguros Limitada, whereby such third party will provide life-insurance related products to the insurance clients of Itaú-CorpBanca and pay to CorpBanca Corredores de Seguros, S.A. and/or Itaú Chile Corredora de Seguros Limitada, as applicable, the related insurance brokerage fees on substantially the same terms described above. Until an agreement with such third party has been executed, Itaú Unibanco will continue to pay Itaú-CorpBanca or CorpBanca Corredores de Seguros, S.A. and/or Itaú Chile Corredora de Seguros Limitada an amount equal to the average of the Insurance Brokerage Fees paid by Itaú Chile Compañía de Seguros de Vida S.A. in the 12-month period prior to the date on which Itaú Chile Compañía de Seguros de Vida S.A. ceases to provide life-insurance related products to Itaú-CorpBanca or CorpBanca Corredores de Seguros, S.A. and/or Itaú Chile Corredora de Seguros Limitada.

Certain Other Businesses

For a period of six (6) months after the date of the Transaction Agreement, CorpGroup Parent and Itaú Unibanco will discuss whether CorpBanca will continue to hold its ownership interest in SMU Corp. If after such period of time, CorpGroup Parent and Itaú Unibanco have not reached an agreement, Itaú Unibanco will decide in its sole discretion. Pursuant to such determination, and if necessary, CorpGroup Parent will, and will cause CorpBanca to use reasonable best efforts to divest, transfer, liquidate or otherwise dispose all of CorpBanca's and its subsidiaries' investment in SMU Corp. as promptly as reasonably practicable and on commercially reasonable terms.

Itaú Unibanco has agreed to cause its applicable Subsidiary to enforce its rights under the Stock Purchase Agreement by and among MCC Inversiones Globales Ltda, Unibol S.A., Inversiones Río Bamba Ltda., Sociedad Promotora de Inversiones y Rentas Balaguer LTDA., BICSA Holdings Ltd., Itaú Unibanco Holding S.A., and certain beneficial owners set forth therein, dated as of August 1, 2011, to purchase the remaining outstanding capital stock of Munita, Cruzat y Claro S.A. Corredores de Bolsa, or the MCC, by August 31, 2016 to the extent it has not otherwise acquired such capital stock by that date. Promptly following the later of (i) the completion of the Itaú-CorpBanca Merger and (ii) the acquisition of 100% of the outstanding capital stock of MCC, Itaú Unibanco shall cause its applicable Subsidiary to transfer 100% of the outstanding capital stock of MCC to Itaú-CorpBanca for fair value and other customary terms and conditions.

Conditions Precedent to Obligations to Consummate

Mutual Conditions to consummation of the Itaú-CorpBanca Merger

Each party's respective obligations to consummate the *Itaú-CorpBanca Merger* are subject to the following conditions:

- approval of the Transactions by two-thirds of the CorpBanca shareholders;
- receipt of specified regulatory and third-party consents; and
- the absence of any governmental order preventing or suspending the consummation of the Itaú-CorpBanca Merger or requiring any change to the terms or structure of the Transactions set forth in the Transaction Agreement.

Conditions to Obligations of CorpGroup Parent and CorpBanca

The obligations of CorpGroup Parent and CorpBanca to consummate the Itaú-CorpBanca Merger are subject to the following conditions:

- the representations and warranties of Itaú Unibanco and Itaú Chile set forth in the Transaction Agreement shall be true and correct, subject to the materiality standards set forth in the Transaction Agreement, as of the date of the Transactions Agreement and as of the date of consummation of the Itaú-CorpBanca Merger;



- each of Itaú Unibanco and Itaú Chile shall have duly performed and complied with the agreements and covenants required to be performed and complied with by it pursuant to the Transaction Agreement;
- Itaú Unibanco shall have duly executed the Shareholders Agreement and certain pledge agreements; and
- no circumstance, occurrence or change that has had a Material Adverse Effect on Itaú Unibanco and Itaú Chile shall have occurred.

Conditions to Obligations of Itaú Unibanco and Itaú Chile

The obligations of Itaú Unibanco and Itaú Chile to consummate the Itaú-CorpBanca Merger are subject to the following conditions:

- the representations and warranties of CorpGroup Parent and CorpBanca set forth in the Transaction Agreement shall be true and, subject to the materiality standards set forth in the Transaction Agreement, correct as of the date of the Transaction Agreement and as of the date of consummation of the Itaú-CorpBanca Merger;
- each of CorpGroup Parent and CorpBanca shall have duly performed and complied with the agreements and covenants required to be performed and complied with by it pursuant to the Transaction Agreement;
- CorpGroup Parent shall have duly executed the Shareholders Agreement, caused to be executed certain pledge agreements, and, directly or indirectly, own at least 84,154,814,190 of the outstanding shares of CorpBanca; and
- no circumstance, occurrence or change that has had a Material Adverse Effect on CorpGroup Parent and CorpBanca shall have occurred.

Termination and Effect of Termination

The Transaction Agreement may be terminated and the Transactions abandoned at any time prior to the completion of the Itaú-CorpBanca Merger, by any of the causes set forth below:

- Mutual consent of both parties;
- By either party, upon written notice to the other party:
 - in case of breach of any representation, warranty, covenant or agreement contained in the Transaction Agreement, if such breach, individually or in the aggregate, would result in the failure to comply with any of the conditions that are necessary for closing the Transactions and only if such breach has not or cannot be cured within 45 days from its notification to the breaching party;
 - in case any regulatory consents that are necessary for the closing of the Transactions is denied by final non-appealable action by the corresponding governmental authority or in case any governmental authority of competent jurisdiction issues an order or takes any other action permanently restraining, enjoining or otherwise prohibiting the Transactions, and such order or other action has become final and non-appealable; or
 - in case the Itaú-CorpBanca Merger is not consummated within two years from the date of the Transaction Agreement.
- By Itaú Unibanco, upon written notice to CorpGroup Parent, in case CorpGroup Parent does not timely call the shareholders' meeting of CorpBanca in which the Transactions will be presented for approval or fails to attend or vote at the relevant shareholders' meeting that has been duly called, or votes in favor of an alternative transaction, or tenders shares into an alternative transaction, in which case CorpGroup Parent shall pay a termination fee of US\$400 million; or
- By CorpGroup Parent, upon written notice to Itaú Unibanco, in case Itaú Unibanco does not timely call the shareholders' meeting of Itaú Chile in which the Transactions will be presented for approval or fails to attend or vote at the relevant shareholders' meeting that has been duly called, or votes in favor of an alternative transaction, or tenders shares into an alternative transaction, in which case Itaú Unibanco shall pay a termination fee of US\$400 million.

Except as described above and subject to certain other exceptions, if the Transaction Agreement is terminated pursuant to any of the circumstances described above it will be considered without any effect and neither the parties, nor their affiliates, directors, or employees will have any obligation or liability with regard to the Transactions; provided that such termination shall not relieve any party from any liability for any willful and material breach of the Transaction Agreement.



Shareholders' Agreement

The following summary is included to provide you with information regarding the terms of the Shareholders' Agreement. This section is not intended to provide you with any factual information about CorpBanca. Such information can be found elsewhere in the public filings that CorpBanca makes with the SEC.

Corporate Governance

Composition and size of the Board of Directors of Itaú-CorpBanca and its subsidiaries.

Itaú Unibanco and CorpGroup Parent have agreed that of the number of directors of each of the board of (i) Itaú-CorpBanca and CorpBanca Colombia that they are entitled or able to appoint (including by causing Itaú-CorpBanca to appoint) at any time (in addition to any independent directors required by applicable law) and (ii) the respective subsidiaries of Itaú-CorpBanca and CorpBanca Colombia that they are entitled or able to appoint at any time (in addition to any independent directors required by applicable law), each of Itaú Unibanco and CorpGroup Parent shall be entitled to designate a number in proportion to its respective direct and indirect percentage ownership in Itaú-CorpBanca, rounded to the nearest whole number; provided that Itaú Unibanco shall designate at least a majority of such directors of each board appointed by them and that at least one of such directors of each board is appointed by CorpGroup Parent.

The board of Itaú-CorpBanca shall be comprised of eleven directors and two alternate directors (one selected by Itaú Unibanco and one selected by CorpGroup Parent). The board of CorpBanca Colombia shall be comprised of nine directors and the number of directors of the board of all other subsidiaries shall be specified by the board of Itaú-CorpBanca.

Itaú Unibanco and CorpGroup Parent have agreed to cause, (i) a designee of CorpGroup Parent to be the chairman of the board of Itaú-CorpBanca as long as CorpGroup Parent holds at least 13% of the capital stock of Itaú-CorpBanca, (ii) a designee of CorpGroup Parent to be the chairman of the board of CorpBanca Colombia as long as CorpGroup Parent holds at least 13% of the capital stock of Itaú-CorpBanca and (iii) a designee of Itaú Unibanco to be the vice-chairman of Itaú-CorpBanca and CorpBanca Colombia. The chairman of the board of Itaú-CorpBanca shall not have a casting vote.

Itaú Unibanco and CorpGroup Parent shall cause the directors of the relevant board appointed by them to vote, to the extent permitted by applicable law, together as a single block on all matters in accordance with the recommendation of Itaú Unibanco (except in the cases subject to shareholder consent rights). To this end, in the event that (i) a director of Itaú-CorpBanca, CorpBanca Colombia or any other Subsidiary of Itaú-CorpBanca designated by CorpGroup Parent or Itaú Unibanco does not vote with the other directors as a single block and (ii) as a consequence, the relevant board is unable to adopt a decision on such matter in accordance with the recommendation of Itaú Unibanco (except that (ii) will not be required if such director is a member of the Saieh Group, or fails to comply on more than two occasions and more than two matters in any calendar year), Itaú Unibanco or CorpGroup Parent (whomever designated such director), shall take all required action to have such director removed from the relevant board within 60 calendar days. Failure to take such action shall be considered to constitute a Material Breach by the shareholder who designated such director.

A majority of the directors will constitute quorum for all meetings of the relevant boards. However, if less than all of the directors appointed by Itaú Unibanco to such board are not present, a quorum will not exist without the consent of the majority of the directors appointed by Itaú Unibanco to such board. The vote of the majority of the directors attending a meeting will be required to pass a resolution of the relevant boards (except in the cases subject to shareholder consent rights).



Board Committees

Itaú Unibanco and CorpGroup Parent have agreed to cause Itaú-CorpBanca and CorpBanca Colombia to each create the following committees of the board of directors: Directors Committee, Audit Committee, Management and Talent Committee, Asset and Liability Management Committee and Credit Committee.

The Credit Committee shall (i) have binding power to establish the limits and procedures of the credit policy of Itaú-CorpBanca and its subsidiaries and the power to establish approval exceptions for financial decisions exceeding certain thresholds (to be defined by the Credit Committee) and (ii) shall impose a binding framework with upper limits on credit exposures for which approval of Itaú Unibanco will be required. In connection with the latter, Itaú Unibanco shall respond to any such requests for approval within seven business days (the absence of explicit denial being considered as an approval).

The Credit Committee shall be comprised of five members (of which three shall be appointed by Itaú Unibanco and two by CorpGroup Parent), all of whom shall be local executives or directors of the relevant board, and be headed by a local executive officer or director recommended by the chief executive officer of Itaú-CorpBanca or its relevant Subsidiary, as applicable.

Political donations

Itaú Unibanco and CorpGroup Parent have agreed to cause Itaú-CorpBanca to make certain political donations consistent with past practice.

Officers

The Board of Itaú-CorpBanca shall appoint from time to time the CEO, the country heads and other senior management of Itaú-CorpBanca and CorpBanca Colombia. Mr. Boris Buvinic will be the initial CEO of Itaú-CorpBanca following completion of the Itaú-CorpBanca Merger. Itaú Unibanco and CorpGroup Parent shall cause Itaú-CorpBanca to cause its subsidiaries to appoint designees of the board of Itaú-CorpBanca from time to time to the designated positions at such Subsidiary. A Management and Talent Committee will determine an objective process to recommend designees to these positions based on internal promotion, international, merit-based standards and professional track record, and relevant industry and jurisdiction-specific experience, and will provide a list of selected candidates to the board of Itaú-CorpBanca who will be ultimately responsible for their final appointment.

CorpGroup Parent may request the removal of the CEO of Itaú-CorpBanca and of CorpBanca Colombia if during three consecutive years (excluding the year of the closing of the Transactions) the ROE (return on equity) of the respective bank is at least 1% lower than the average ROE of the three largest privately-owned banks (measured by assets, and excluding Itaú-CorpBanca and CorpBanca Colombia) of Chile or Colombia, as the case may be, during such three-year period.

Shareholder Consent Rights

Subject to certain exceptions set forth in the Shareholders' Agreement, Itaú Unibanco and CorpGroup Parent have agreed that Itaú-CorpBanca shall not take, and shall not permit any Subsidiary to take, any of the following transactions without the consent of (i) CorpGroup Parent, so long as CorpGroup Parent owns at least 13% of the capital stock of Itaú-CorpBanca, and (ii) Itaú Unibanco:

- merge, reorganize or consolidate Itaú-CorpBanca or any of its subsidiaries or enter into a joint venture or similar transaction in excess of materiality thresholds;
- issue or sell any equity securities of Itaú-CorpBanca or any of its subsidiaries, other than solely to the extent required to comply with immediate legal and regulatory requirements or to meet the Optimal Regulatory Capital;
- repurchase or otherwise retire or acquire any shares or other equity securities of Itaú-CorpBanca or any of its subsidiaries;
- list or delist any shares or other equity securities of Itaú-CorpBanca or any of its subsidiaries;
- enter into, modify or terminate a contract or transaction with a related party;



- any acquisition of the stock, equity interests, assets or business of any third-party or any disposition of assets of Itaú-CorpBanca or any Subsidiary or the capital stock or other equity interests of any Subsidiary, in each case in excess of materiality thresholds;
- effect any liquidations, dissolutions, reorganizations through a voluntary bankruptcy or similar transactions;
- amend or repeal any provision of the organizational documents of Itaú-CorpBanca or any of its subsidiaries;
- change the size or powers of the board of directors or any committee thereof;
- enter into any new line of business, that is not a Banking Business;
- create or dissolve one or more subsidiaries in excess of materiality thresholds;
- enter into agreements between Itaú-CorpBanca or any of its subsidiaries, on the one hand, and any Governmental Authority, on the other hand;
- make any change in the external auditors of Itaú-CorpBanca or any of its subsidiaries;
- make any change to the dividend policy;
- enter into any agreement that limits or restricts the ability of Itaú-CorpBanca or any of its subsidiaries to own, manage, operate, control, participate in, perform services for, or otherwise carry on or engage in any business or in any geographic area;
- enter into any contract to do any of the foregoing actions; and
- any other matter not set forth above that requires the approval of a supermajority of the shareholders of Itaú-CorpBanca under Article 67 of the Chilean Corporations Act.

Holdcos

Itaú Unibanco and CorpGroup Parent shall each maintain a direct or indirect wholly-owned Subsidiary, or Company One and Company Two, respectively, and, collectively, the Companies which shall hold their respective shares of Itaú-CorpBanca. Itaú Unibanco will form Company One prior to the Itaú-CorpBanca Merger. For CorpGroup Parent, Company Two is Corp Group Banking S.A. and Inversiones Saga Limitada.

Transfer of shares of Itaú-CorpBanca

Itaú Unibanco and CorpGroup Parent have agreed not to directly or indirectly purchase or otherwise acquire shares of Itaú-CorpBanca or any beneficial interest therein to the extent such acquisition would require Itaú Unibanco or CorpGroup Parent to launch a tender offer to acquire all shares of Itaú-CorpBanca. Any transfer of shares of Itaú-CorpBanca made by Itaú Unibanco and CorpGroup Parent shall be implemented through the Santiago Stock Exchange with a five-day prior notice to the other party.

So long as CorpGroup Parent and Itaú Unibanco collectively hold an aggregate direct or indirect participation in the voting shares of Itaú-CorpBanca of at least 50% plus one share, CorpGroup Parent shall keep (and may not transfer) the direct or indirect ownership of a number of shares of Itaú-CorpBanca representing the lesser of: (i) 16.42% of the shares of Itaú-CorpBanca at the time of execution of the Shareholders' Agreement (i.e. at the closing of the Transactions) or (ii) the minimum percentage of such shares that allows Itaú Unibanco and CorpGroup Parent to hold such aggregate direct or indirect participation in the voting shares of Itaú-CorpBanca. Such number of shares will be pledged by CorpGroup Parent in favor of Itaú Unibanco.

Right of first offer, tag-along and drag-along rights

Right of first offer

Subject to the terms set forth on the Shareholders' Agreement, Itaú Unibanco and CorpGroup Parent shall have a right of first offer with regard to potential transfers of shares of the Companies. If either Itaú Unibanco or CorpGroup Parent intend to transfer shares of the Companies, such party shall notify in writing to the other party of such intention, stating the number of shares, the price and other terms and conditions of the proposed transfer. The recipient party shall have the right to purchase all such shares for a price and under terms and conditions equal to those notified by the selling shareholder. If the recipient party elects not to purchase all the shares intended to be



transferred, the selling shareholder shall be permitted for a period of six (6) months from the date the notice to purchase the shares was due to be received by the selling party, to transfer to a third party not less than the number of shares, at a price not less than and on terms and conditions not materially less favorable to the selling shareholder than those stated in the notice of such proposed transfer.

Tag-along

CorpGroup Parent will have the right to tag-along on the sale of shares of Company One or of shares of Itaú-CorpBanca owned by Company One by Itaú Unibanco and jointly sell to a third party with Itaú Unibanco in such sale. Pursuant to such right, in the event of a proposed transfer of shares of Company One or shares of Itaú-CorpBanca by Itaú Unibanco, Itaú Unibanco shall deliver to CorpGroup Parent prompt written notice stating, to the extent applicable, (i) the name of the proposed transferee, (ii) the number of shares proposed to be transferred, (iii) the proposed purchase price and (iv) any other material terms and conditions of the proposed transfer.

The proposed transferee will not be obligated to purchase a number of shares exceeding that set forth in the notification of the proposed transfer. In the event such transferee elects to purchase less than all of the total shares sought to be transferred by CorpGroup Parent and Itaú Unibanco, CorpGroup Parent shall be entitled to transfer to the proposed transferee a number of shares equal to (i) the total number of shares originally proposed to be transferred by Company One and Itaú Unibanco multiplied by (ii) a fraction, (A) the numerator of which is the total number of shares of Itaú-CorpBanca held by Company Two, and (B) the denominator of which is the total number of shares of Itaú-CorpBanca held by the Companies.

Drag-along

In the event of a proposed sale of all of the issued and outstanding shares of Company One or shares of Itaú-CorpBanca held by Itaú Unibanco to a third party and if at such time CorpGroup Parent owns less than 10% of the capital stock of Itaú-CorpBanca, Itaú Unibanco may notify CorpGroup Parent in writing of such proposed sale stating (i) the name of the proposed transferee, (ii) the proposed purchase price (which shall be equal to at least the higher of fair value and market price), (iii) the obligation of the transferee to purchase all of CorpGroup Parent shares of Itaú-CorpBanca, and (iv) any other material terms and conditions of the transfer.

Under these circumstances, CorpGroup Parent shall be obligated to sell all of its shares of Itaú-CorpBanca, free and clear of liens at the same price and on other terms no less favorable than Itaú Unibanco.

Put of Company Shares

If and to the extent that CorpGroup Parent is prohibited from selling its shares of Itaú-CorpBanca, CorpGroup Parent shall have the unconditional right, from time to time on one or more occasions, to sell to Itaú Unibanco, and Itaú Unibanco shall have the unconditional obligation to acquire from CorpGroup Parent, any number of shares of Company Two at a price per share equal to the market price as of the date on which CorpGroup Parent notifies Itaú Unibanco of CorpGroup Parent's exercise of its unconditional right to sell if immediately following such sale CorpGroup Parent and Itaú Unibanco would continue to collectively hold an aggregate direct or indirect participation in the voting shares of Itaú-CorpBanca of at least 50% plus one share.

At the time of payment of the purchase price of the shares of Company Two, Itaú Unibanco shall pay CorpGroup Parent, as an indemnity for not being able to benefit from the exemption on capital gains set forth in Article 107 of the Chilean Income Tax Law to which it would otherwise have been entitled to if it would have sold the underlying shares of Itaú-CorpBanca in the Santiago Stock Exchange, a cash amount equal to (i) 50% of any taxes of CorpGroup Parent or its affiliates arising out of or in connection with such transfer that would not have arisen if it had sold the underlying shares of Itaú-CorpBanca in the Santiago Stock Exchange and benefit from the abovementioned exemption on capital gains, and (ii) any taxes of CorpGroup Parent or its affiliates arising out of the application of such indemnity payment.

Change of Control of CorpGroup Parent

Under the Shareholders' Agreement, CorpGroup Parent shall notify Itaú Unibanco prior to consummating a Change of Control of CorpGroup Parent and provide Itaú Unibanco a right of first offer to purchase a number shares of Company Two equal to the number required Itaú Unibanco to hold an aggregate direct or indirect participation in the voting shares of Itaú-CorpBanca of at least 50% plus one share at a price equal to the higher of the market price or fair value.



If Itaú Unibanco accepts the price proposed by CorpGroup Parent, CorpGroup Parent shall be obligated to cause Company Two to sell such number of Itaú-CorpBanca's shares to Itaú Unibanco at such price.

In the event that Itaú Unibanco does not accept the price proposed by CorpGroup Parent and as a result, an agreement is not reached, then CorpGroup Parent shall be permitted to proceed with such Change of Control and Itaú Unibanco shall be entitled to unilaterally terminate the Shareholders' Agreement during a period of sixty (60) days after receipt of notice from CorpGroup Parent notifying of the consummation of such Change of Control.

For purposes of the Shareholders' Agreement, Change of Control shall mean, with respect to CorpGroup Parent, the Saieh Group ceasing to own, directly and indirectly, in a single transaction or in a series of related transactions, at least 50% plus one additional share of the issued voting stock of CorpGroup Parent.

Right to Exchange Shares for Shares of Itaú Unibanco

In the event Itaú Unibanco issues or sells certain equity securities of Itaú Unibanco to any third-party as consideration for or in connection with a transaction or series of transactions involving the direct or indirect investment by Itaú Unibanco in such equity securities or assets of any other third party, Itaú Unibanco shall inform CorpGroup Parent of such issuance or sale and shall offer to CorpGroup Parent the right to exchange for the same type of equity securities of Itaú Unibanco. CorpGroup Parent shall be entitled to exchange any or all of its shares of Company Two (or shares of Itaú-CorpBanca) for such equity securities of Itaú Unibanco at an exchange ratio that reflects the relative fair values of the relevant equity securities of Itaú Unibanco and the shares of Company Two or Itaú-CorpBanca, as the case may be.

Notwithstanding the foregoing, if the issuance of any such equity securities to CorpGroup Parent would result in Itaú Unibanco Participações S.A. ceasing to hold more than 50% of Itaú Unibanco's voting equity, then CorpGroup Parent shall have the right to exchange no more than an amount of equity securities of Itaú Unibanco the issuance of which would not result in Itaú Unibanco Participações S.A. ceasing to hold more than 50% of Itaú Unibanco's voting equity.

Controlling Shareholder

Notwithstanding the other provisions of the Shareholders' Agreement, Itaú Unibanco shall have no obligation to purchase shares of Itaú-CorpBanca or Company Two, to the extent such purchase would, in and of itself, require Itaú Unibanco to make a tender offer for all of the outstanding shares of Itaú-CorpBanca.

If Itaú Unibanco ceases to be the Controlling Shareholder (as defined in Article 97 of the Chilean Securities Market Act) of Itaú-CorpBanca, prior to consummating any obligation pursuant to a provision of the Shareholders' Agreement to purchase shares of Itaú-CorpBanca or Company Two from CorpGroup Parent which would result in Itaú Unibanco being the Controlling Shareholder of Itaú-CorpBanca, Itaú Unibanco shall commence a tender offer to purchase a number of shares of Itaú-CorpBanca which would result in Itaú Unibanco being the Controlling Shareholder of Itaú-CorpBanca for the purchase price provided in such applicable provision of the Shareholders' Agreement and shall in any event satisfy its obligation (whether through the tender offer or a subsequent purchase thereafter) within ninety (90) calendar days.

CorpGroup Parent Liquidity Put and Call Options

During a period of eighteen months from the closing date of the Itaú-CorpBanca Merger, CorpGroup Parent shall have the right to (i) sell to Itaú Unibanco, a number of shares of Company Two representing in the aggregate up to 6.6% of all of the outstanding shares of Itaú-CorpBanca at a price equal to the market price as of the notice date of such put right; or (ii) cause Company Two to sell to Itaú Unibanco, through one of the mechanisms available on the Santiago Stock Exchange that only allows block sales, a number of shares of Itaú-CorpBanca representing up to 6.6% of all of the outstanding shares of Itaú-CorpBanca (in which event Itaú Unibanco will place an order to purchase such shares in the Santiago Stock Exchange at a price not less than such market price). If, as a result of the competitive bidding procedures of the Santiago Stock Exchange, the shares of Itaú-CorpBanca sold by Company



Two are unexpectedly sold over the Santiago Stock Exchange to a third party other than Itaú Unibanco or any of its affiliates at a higher price, then CorpGroup Parent shall no longer have the right to repurchase such shares of Itaú-CorpBanca from Itaú Unibanco or one of its wholly-owned subsidiaries.

If the put right described above has been exercised, at any time and from time to time during the five (5)-year period thereafter, CorpGroup Parent shall have the unconditional right either to (i) acquire from Itaú Unibanco a number of shares of Company Two up to the number of shares sold pursuant to the put right described above at the same price per share as was paid by Itaú Unibanco pursuant to such put right plus an annual interest rate at the Chilean *Índice de Cámara Promedio* plus a spread that is not to exceed the lowest spread then being offered by Itaú-CorpBanca to non-governmental borrowers in Chile; or (ii) cause Itaú Unibanco to place an order on the Santiago Stock Exchange to sell to CorpGroup Parent and/or Company Two a number of shares of Itaú-CorpBanca of up to the number of shares of Itaú-CorpBanca sold to Itaú Unibanco pursuant to the put right described above at the same price per share as was paid by Itaú Unibanco pursuant to such put right plus an annual interest rate at the Chilean *Índice de Cámara Promedio* plus a spread that is not to exceed the lowest spread then being offered by Itaú-CorpBanca to non-governmental borrowers in Chile. If, as a result of the competitive bidding procedures of the Santiago Stock Exchange, the shares of Itaú-CorpBanca sold by Itaú Unibanco or one of its wholly-owned subsidiaries are sold over the Santiago Stock Exchange to a third party at a higher price, then CorpGroup Parent and/or Company Two shall not have the right to repurchase such shares of Itaú-CorpBanca.

Call Option in Event of Material Breach

If either Itaú Unibanco or CorpGroup Parent commits a Material Breach of the Shareholders' Agreement, or the Breaching Shareholder, the non-Breaching Shareholder shall have the right to give written notice to the Breaching Shareholder describing such Material Breach and demanding that the Breaching Shareholder cure the Material Breach by fully performing its obligation.

If the Breaching Shareholder has not cured its Material Breach within fifty (50) calendar days after receipt of any such notice, the non-Breaching Shareholder shall have the unconditional right to (i) require the Breaching Shareholder to sell all of its shares to the non-Breaching Shareholder at a price per share equal to 80% of the market price as of the date of the notice exercising a call option and (ii) if the non-Breaching Shareholder is CorpGroup Parent, to sell to Itaú Unibanco all of its shares at a price per share equal to 120% of the market price as of the date of the notice exercising a put option.

Notwithstanding the foregoing, if the non-Breaching Shareholder is Itaú Unibanco, Itaú Unibanco may elect to purchase the maximum number of shares which would allow Itaú Unibanco to avoid making a public offer for all of the outstanding shares of Itaú-CorpBanca.

Non-Competition; Non-Solicit

Non-Competition

Neither Itaú Unibanco nor CorpGroup Parent shall, directly or indirectly, own, invest, control, acquire, operate, manage, participate or engage in any Banking Business in Chile, Colombia and the Republic of Panama other than (i) through its investment in the Itaú-CorpBanca and its subsidiaries and (ii) through any *sociedad de apoyo al giro* in which Itaú-CorpBanca has an ownership interest.

For purposes of the Shareholders' Agreement, Banking Business shall mean providing (i) consumer financial products and/or services, including secured and/or unsecured consumer lending, consumer mortgage products, consumer card products, retail banking products and/or services, and consumer leasing; and/or (ii) deposit-taking services including both consumer and commercial deposits, and payroll services; and/or (iii) credit and/or debit card transaction processing services (which transaction processing services, for the avoidance of doubt, include merchant acquiring); and/or (iv) commercial financial products and/or services, including bilateral and syndicated loans, trustee and depositary services; and/or (v) investment banking services; and/or (vi) financial advisory services related to the services described in clauses (i) through (v) above; and/or (vii) all businesses related or reasonably incidental thereto.

Notwithstanding the foregoing, the Shareholders' Agreement permits the following activities: (i) providing consumer financing and other financial products or services offered from time to time by supermarkets and other



nonbank retailers in the applicable jurisdiction; (ii) financing or providing asset management products and services; (iii) receiving from or providing to any third party a personal guaranty or a loan or engaging in other financial arrangements in connection with a transaction or transactions that does not otherwise constitute a Banking Business in Chile, Columbia or the Republic of Panama; (iv) making investments by or in employee retirement, pension or similar plans or funds or in companies that manage such plans or funds; (v) acquiring, owning, controlling or managing, in any third party that has any Banking Business in Chile, Colombia and the Republic of Panama pursuant to purchase, merger, consolidation or otherwise so long as (A) the Banking Business in Chile, Colombia or the Republic of Panama conducted by such third party or business constitutes not more than 10% of the revenues of such acquired third party or business and not more than 5% of the revenues of Itaú-CorpBanca, in each case for the immediately preceding 12 months, and (B) after consummation of such acquisition, Itaú-CorpBanca is offered the right to acquire such Banking Business for cash at the fair value thereof; (vi) acquiring, owning, controlling, managing, investing in any third party or business which would otherwise be prohibited under the non-compete obligation, provided that action is undertaken to sell the competing portion of such business; (vii) acquiring, owning, controlling, managing, investing in any third party that has any Banking Business in Chile, Colombia and the Republic of Panama or engaging in a new business opportunity in the Banking Business in Chile, Colombia, Peru and Central America, if such transaction or opportunity was presented by Itaú-CorpBanca to Itaú Unibanco, if Corp Group Parent is the investing party, or by Itaú-CorpBanca to Corp Group Parent, if Itaú Unibanco is the investing party, and Corp Group Parent or Itaú Unibanco, as the case maybe, withheld their consent to Itaú-CorpBanca consummating such transaction; (viii) providing products or services pursuant to any unsolicited request from any client that operates in Chile, Colombia and the Republic of Panama which cannot be reasonably provided by Itaú-CorpBanca or its subsidiaries or (ix) acquiring, owning, managing or investing in the MCC Entities (as defined in the Shareholders' Agreement) or prohibit any activities currently conducted by the MCC Entities.

Non-Solicit

Neither Itaú Unibanco nor CorpGroup Parent shall, directly or indirectly, solicit for hire, hire or otherwise induce or attempt to induce any officer of Itaú-CorpBanca or any of its subsidiaries to leave the employment of Itaú-CorpBanca or any of its subsidiaries, or in any way interfere with the relationship between Itaú-CorpBanca or any of its subsidiaries, on the one hand, and any officer thereof on the other hand.

Dividend Policy; Dividend Put and Call Options.

For a period of eight fiscal years starting from the closing of the Transaction, or the Dividend Period, Itaú Unibanco and CorpGroup Parent have agreed to cause Itaú-CorpBanca to adopt an annual business plan and budget expressly providing for the management of Itaú-CorpBanca and its subsidiaries in a manner that has as its primary target, in the following order of priority: (i) first, complying with the Optimal Regulatory Capital for such fiscal year, (ii) second, the payment by Itaú-CorpBanca of cash dividends aggregating at least US\$370 million for each year during the Dividend Period and (iii) third, achieving a growth rate of the total assets of Itaú-CorpBanca and CorpBanca Colombia above the Minimum Growth Rate and other reasonable objectives as determined by the board of Itaú-CorpBanca. Itaú Unibanco and CorpGroup Parent have agreed to cause the board of Itaú-CorpBanca to cause management of Itaú-CorpBanca and its subsidiaries to conduct their respective businesses in accordance with such annual business plan and budget.

If the amount of the dividends paid in cash by Itaú-CorpBanca is less than US\$370 million for any fiscal year during the Dividend Period, Itaú Unibanco and CorpGroup have agreed to cause Itaú-CorpBanca and its subsidiaries to maximize the use of Tier 2 capital, to the fullest extent permitted by applicable Law to increase its regulatory capital to the extent required to maintain Optimal Regulatory Capital requirements for such fiscal year.

Optimal Regulatory Capital means at any date, with respect to either Itaú-CorpBanca or CorpBanca Colombia, as the case may be, (a) the higher of (i) 120% of the minimum regulatory Capital Ratio required by applicable law of the applicable country and (ii) the average regulatory Capital Ratio of the three largest privately-owned banks (excluding the Itaú-CorpBanca and/or CorpBanca Colombia) (measured in terms of assets) in Chile or Colombia, as the case may be, in each case as of the last day of the most recent fiscal year multiplied by (b) the risk-weighted assets (including any risk-weighted assets of subsidiaries that are consolidated for purposes of calculating minimum regulatory Capital Ratio in such country) of the Itaú-CorpBanca or CorpBanca Colombia, as the case may be, as of the date one year from the last day of the most recent fiscal year assuming that such risk-weighted assets grow during such year at a rate equal to the Minimum Growth Rate.



Minimum Growth Rate for any year shall mean the minimum growth rate of the total assets of Itaú-CorpBanca and CorpBanca Colombia (determined in accordance with IFRS) for the applicable country (e.g., Chile or Colombia) determined in good faith by the board of directors of Itaú-CorpBanca (but in no event exceeding Forecasted System Growth in such country for such year) reasonably necessary to maintain the market share of Itaú-CorpBanca and CorpBanca Colombia (each measured in terms of assets in their respective countries) as of the last day of the immediately preceding year.

Itaú-CorpBanca shall pay an annual dividend equal to 100% of the annual cash distributable earnings, net of any reserves required to maintain Optimal Regulatory Capital, before March 31 of each Fiscal Year. If the portion of such dividend to be received by CorpGroup Parent is less than US\$120 million in any fiscal year of the Dividend Period, CorpGroup Parent shall have the right, from and after the date that such dividend is declared to (i) sell to Itaú Unibanco, at a price per share equal to the market price as of the date of the notification to exercise this put right, a number of shares of Company Two equal to (A) US\$120 million minus the portion of the annual dividend declared by Itaú-CorpBanca to be received by CorpGroup Parent, divided by (B) the market price of the shares of Itaú-CorpBanca as of the date of the notification to exercise this put right; or (ii) cause Company Two to sell to Itaú Unibanco, a number of shares of Itaú-CorpBanca equal to (A) US\$120 million minus the annual dividend declared by Itaú-CorpBanca and to be received by CorpGroup Parent, divided by (B) the market price of such shares as of the date of the notification to exercise this put right. If, as a result of the competitive bidding procedures of the Santiago Stock Exchange, the shares of Itaú-CorpBanca sold by Company Two are unexpectedly sold over the Santiago Stock Exchange to a third party at a higher price, then CorpGroup Parent shall no longer have the right to repurchase such shares of Itaú-CorpBanca from Itaú Unibanco or one of its wholly-owned subsidiaries.

If the put right described above has been exercised, during the five-year period thereafter, CorpGroup Parent shall have the right either to (i) acquire from Itaú Unibanco, a number of shares of Company Two up to the number of shares sold pursuant to such put right at the same price per share as was paid by Itaú Unibanco plus an annual interest rate at the Chilean *Índice de Cámara Promedio* plus a spread that is not to exceed the lowest spread then being offered by Itaú-CorpBanca to non-governmental borrowers in Chile; or (ii) cause Itaú Unibanco to place an order on the Santiago Stock Exchange to sell to CorpGroup Parent and/or Company Two a number of shares of Itaú-CorpBanca up to the number of shares sold to Itaú Unibanco pursuant to such put right at the same price per share as was paid by Itaú Unibanco plus an annual interest rate at the Chilean *Índice de Cámara Promedio* plus a spread that is not to exceed the lowest spread then being offered by Itaú-CorpBanca to non-governmental borrowers in Chile. If, as a result of the competitive bidding procedures of the Santiago Stock Exchange, the shares of Itaú-CorpBanca sold by Itaú Unibanco or one of its wholly-owned subsidiaries are sold over the Santiago Stock Exchange to a third party at a higher price, then CorpGroup Parent and/or Company Two shall not have the right to repurchase such shares of Itaú-CorpBanca.

Use of Brands

Itaú Unibanco and CorpGroup Parent have agreed that for so long as Itaú Unibanco owns shares of Itaú-CorpBanca, CorpBanca and its subsidiaries shall have a royalty-free, perpetual license to use the Itaú Brand, whether alone or in conjunction with other trademarks.

Preapproved matters

CorpGroup Parent has agreed to consent to and affirmatively vote its shares of Itaú-CorpBanca at any shareholders' meeting in favor of the approval of a transaction between the Itaú-CorpBanca's stock-broker (*corredora*) Subsidiary and MCC at such time as MCC is wholly owned by an Affiliate of Itaú Unibanco, transaction which may be structured as an acquisition of equity securities of MCC by Itaú-CorpBanca (followed by a merger of such Subsidiary and MCC).

Strategic Transactions

Pursuant to the terms of the Shareholders' Agreement, CorpGroup Parent and Itaú Unibanco intend to use Itaú-CorpBanca and its subsidiaries as their exclusive vehicle to pursue business opportunities in the Banking Business in Chile, Colombia, Peru and Central America. As a result, if either CorpGroup Parent or Itaú Unibanco, intends to pursue or develop any new business opportunities in the Banking Business in the abovementioned territories, either individually or with third parties, such party shall notify the other party and provide Itaú-CorpBanca



with the exclusive right to pursue such business opportunity prior to presenting it to or pursuing it individually or with third parties. If CorpGroup Parent or Itaú-Unibanco, as the case may be, does not agree to Itaú-CorpBanca pursuing or continue to pursue or consummate such particular business opportunity within thirty (30) days following receipt of such notice, the other party shall have the right to pursue and implement it unilaterally and not through Itaú-CorpBanca.

If CorpGroup Parent agrees to Itaú-CorpBanca pursuing a business opportunity that would require a capital increase and/or a change in the dividend policy of Itaú-CorpBanca, Itaú Unibanco has agreed to provide CorpGroup Parent with long-term financing in an amount reasonably necessary as to finance its subscription of its pro rata share in such capital increase. If, on the other hand, CorpGroup Parent agrees to allow Itaú-CorpBanca to pursue and implement such business opportunity but decides not to participate in the capital increase in connection therewith, Itaú Unibanco will grant CorpGroup Parent a call option with respect to the number of shares that if purchased by CorpGroup Parent at such time would restore its direct and indirect ownership percentage of outstanding shares of Itaú-CorpBanca to its ownership percentage of outstanding shares of Itaú-CorpBanca immediately prior to such capital increase.

Itaú Unibanco's Paraguay and Uruguay Operations

In respect of Itaú Unibanco's Paraguay and Uruguay Operations, CorpGroup Parent and Itaú Unibanco have agreed to (i) negotiate in good faith the inclusion of their respective businesses in Paraguay and Uruguay as part of the business owned and operated by Itaú-CorpBanca, (ii) use their reasonable best efforts to agree on the valuation of such businesses in Paraguay and Uruguay and (iii) if CorpGroup Parent and Itaú Unibanco agree on the valuation of such businesses, to transfer to and operate such businesses by Itaú-CorpBanca.

Note Purchase Agreement

On December 31, 2013 CorpBanca Colombia entered into a Note Purchase Agreement with the IFC, a member of the World Bank Group, and the IFC Capitalization (Subordinated Debt) Fund L.P., a Delaware Limited Partnership managed by the IFC Asset Management Company (collectively, the IFC Parties), by means of which CorpBanca Colombia issued bonds for an amount of up to US\$170,000,000.00 to be sold to the IFC Parties and the IFC Parties subscribed and paid in full the purchase price for the bonds pursuant to the terms and conditions stated therein.

Sublease Automatic Teller Machine Contract

On November 26, 2008, we entered into a contract with SMU, 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 Contracts

On July 6, 2001, we entered into a Service Contract with our affiliate CorpGroup pursuant to which CorpGroup provides us with professional and technical consulting services 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; we pay fees of approximately UF6,250 per month. On January 27, 2014, we entered into an amendment to the Service Contract which will take effect as of January 1, 2015. Pursuant to this amendment, the Service Contract will be extended for a



further 10-year term beginning on January 1, 2015, subject to certain early termination provisions. Either of the parties may extend the term of the Service Contract for five additional years. Provisions for the payment of expenses were also included in this amendment.

On April 10, 2008, we entered into a Service Contract with our affiliate CorpGroup, pursuant to which CorpGroup provides us with professional and technical consulting services in the finance, capital markets, real estate and operations areas; we pay fees of approximately UF 1,350 per month. On January 27, 2014, we entered into an amendment to the Service Contract which will take effect as of January 1, 2015. Pursuant to the amendment, the Service Contract will be extended for a further 10-year term beginning on January 1, 2015, subject to certain early termination provisions. Either of the parties may extend the term of the Service Contract for five additional years, subject to certain conditions. Provisions for the payment of expenses were also included in this amendment.

On March 27, 2012, we entered into a Service Contract with Mr. Álvaro Saieh Bendeck and our affiliate Corp Group Holding Inversiones Limitada, pursuant to which Corp Group Holding Inversiones Limitada provides us with professional and technical consulting services in all matters related to strategic planning and definitions, new businesses, including acquisitions in Chile or abroad, and management controls; we pay fees of approximately UF 1,250 per month. On January 27, 2014, we entered into an amendment to the Service Contract which will take effect as of January 1, 2015. Pursuant to the amendment, the Service Contract will be extended for a further 10-year term beginning on January 1, 2015, subject to certain early termination provisions. Either of the parties may extend the term of the Service Contract for five additional years, provided that on such date the services continue to be rendered with the participation of Mr. Álvaro Saieh Bendeck. Provisions for the payment of expenses were also included in this amendment.

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 of Chile 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 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.

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 to the Chilean tax authorities 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 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 35% withholding tax is imposed on the amount of the sale or exchange of common shares received in exchange for ADSs, less a Chilean credit tax. 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.

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).

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.

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, and to differing interpretations. 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 or owner of such entity will generally depend on the status of the partner or owner and the tax treatment of such entity. A partner or owner in an entity 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.

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 relevant 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 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 the net amount of Chilean tax withheld, if any, 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 a reduced rate provided that (1) certain holding period requirements are met, (2) the ADSs or common shares are considered to be 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, or IRS, authority, 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 NYSE. 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 2013 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 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), the net amount of Chilean income tax withheld and paid over to the Chilean taxing authorities (after taking into account the credit for first category tax, when available) will generally be creditable or deductible against your U.S. federal income tax liability. However, if the amount of Chilean withholding tax initially withheld from a dividend is determined under applicable Chilean law to be excessive (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 treated as 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 during 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.

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 and the sources and nature of our income, 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 2013, our current taxable year or in the foreseeable future, including after the anticipated combination of the bank and Itaú following the Itaú-CorpBanca Merger, 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 taxable year or any subsequent taxable year. Our actual PFIC status for our current taxable year ending December 31, 2014 will not be determinable until after the close of our current taxable year ending December 31, 2014 and accordingly, there is no guarantee that we will not be a PFIC for 2014 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 any such succeeding 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, referred to as 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 and 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, 2013 (the latest period for which the determination can be made) and we also do not expect to be a PFIC for the current taxable year or for any future taxable years. However, if the Itaú-CorpBanca Merger is successfully consummated, whether we qualify as an active bank and whether we are a PFIC for the taxable year including such consummation and any subsequent taxable year will depend on the activities of the combined bank and, in part, on the composition of assets currently owned by Itaú and the types of income that these assets generate in future taxable years. As a result, although we expect to qualify as an active bank and we do not expect to be a PFIC for the taxable year of the consummation of the Itaú-CorpBanca Merger and in subsequent taxable years, at this time there can be no assurance that this will be the case

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 taxable year or any subsequent taxable 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.

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.

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 are 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 directly (and, in some cases, indirectly) own ADSs or common shares that are treated as PFIC shares with respect to you during a taxable year, you will be required to file an annual report on IRS Form 8621 for such taxable year.

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.

Possible Foreign Account Tax Compliance Act Withholding

Pursuant to Sections 1,471 through 1,474 of the Code and U.S. Treasury Regulations promulgated thereunder, or FATCA, a 30% withholding tax may be imposed on all or some of the payments on the ADSs or our common stock after December 31, 2016 to holders and non-U.S. financial institutions receiving payments on behalf of holders that, in each case, fail to comply with information reporting, certification and related requirements. Under current guidance, the amount to be withheld is not defined, and it is not yet clear whether or to what extent payments on the ADSs or shares of our common stock may be subject to this withholding tax. This withholding tax, if it applies, could apply to any payment made with respect to the ADSs or our common stock. Moreover, withholding may be imposed at any point in a chain of payments if a non-U.S. payee fails to comply with U.S. information reporting, certification and related requirements. Accordingly, ADSs or shares of our common stock held through a non-compliant institution may be subject to withholding even if the holder otherwise would not be subject to withholding. You should consult your tax advisor regarding potential U.S. federal withholding taxes imposed under FATCA.



If FATCA withholding is required, the Bank will not be required to pay any additional amounts with respect to any amounts withheld. Certain beneficial owners of ADSs or our common stock that are not foreign financial institutions generally will be entitled to refunds of any amounts withheld under FATCA, but this may entail significant administrative burden. U.S. holders are urged to consult their tax advisers regarding the application of FATCA to their ownership of the ADSs or our common stock.

Medicare tax

A 3.8% tax is imposed on the lesser of (i) modified adjusted gross income in excess of US\$200,000 (US\$250,000 for joint-filers), and (ii) net investment income of certain individuals, trusts and estates. 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.

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.

Certain U.S. investors are subject to reporting requirements in connection with the holding of certain foreign financial assets, including our ADSs or common shares that they own, either directly or through certain foreign financial institutions, but only if the aggregate value of all of such assets exceeds US\$50,000. Such investors are subject to penalties if they are required to submit such information to the IRS and fail 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 FINANCIAL RISK

A. Definition and Principles of Financial Risk Management

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.

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.

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 CEO, the Division Manager—Treasury and International, the Financial Risk Manager, our CFO, and the Division Managers of Management Control and Planning, Retail Banking, Financial Services Offered Through Subsidiaries 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.

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 financial 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.



1. Market Risk

a) Definition

Market risk is the exposure to economic gains or losses caused by movements in prices and market variables. This exposure stems from both the trading book, where positions are valued at fair value, and the banking book, which is at amortized cost. The different valuation methodologies require the use of diverse tools to measure and control the impact on either the value of the Bank's positions or its financial margin.

Decisions as to how to manage these risks are reviewed by committees, the most important of which is the Asset-Liability, or A&L Committee.

Each of the activities are measured, analyzed and reported on a daily basis using different metrics to ascertain their risk profiles.

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 asset sensitivity and means that a decrease in interest rates would have a negative effect on net interest income while an increase in interest rates would have a positive 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.

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.



The following section describes the main risk factors along with the tools we use to monitor the most important impacts of market risk factors to which the Bank and its subsidiaries are exposed.

1. Risk Factors

a) Foreign Exchange Risk

Foreign exchange risk is the exposure to adverse movements in the exchange rates of currencies other than the base currency for all balance sheet and off-balance sheet positions.

- The main sources of foreign exchange risk are:
- Positions in foreign currency (FX) within the trading book.
- Currency mismatches between assets and liabilities in the banking book.
- Cash flow mismatches in different currencies.
- Structural positions produced from consolidating assets and liabilities from our foreign branches and subsidiaries denominated in currencies other than the Chilean peso. As a result, movements in exchange rates can generate volatility within the bank's income statement and equity. This effect is known as "translation risk".

b) Indexation Risk

Indexation risk is the exposure to changes in indexed units (e.g. UF, UVR or others) linked to domestic or foreign currency in which any instruments, contracts or other transactions recorded in the balance sheet may be denominated.

c) Interest Rate Risk

Interest rate risk is the exposure to movements in market interest rates. Changes in market interest rates can affect both the price of trading instruments and the net interest margin and other gains from the banking book such as fees. Likewise, fluctuations in interest rates can affect the underlying value of our assets and liabilities and of derivative instruments that are recorded off balance sheet at fair value.

Interest rate risk can be represented by sensitivities to parallel and/or non-parallel yield shifts with the effects reflected in the prices of instruments, the financial margin and equity.

Movements in interest rates can be explained by at least the following risk factors:

- Systemic risk
- Funding liquidity risk
- Credit risk
- Specific risk

(i) Prepayment or Call Risk

This risk arises from the possible prepayment (partial or full) of any transaction before its contractual maturity, generating the need to reinvest the freed cash flows at a different rate than that of the prepaid transaction.

(ii) Underwriting Risk

This risk arises as a result of the Bank underwriting a placement of bonds or other debt instruments, taking on the risk of coming to own the portion of the issuance that could not be placed among potential interested parties.

d) Correlation Risk

Correlation risk is the exposure to changes in estimated correlations between the relative value of two or more assets, or a difference between the effective and estimated correlation over the life of the transaction.



e) Market Liquidity Risk

Market liquidity risk is the exposure to losses as a result of the potential impact on transaction prices or costs in the sale or closure of a position. This risk is related to the particular market's degree of depth.

f) Volatility Risk

In addition to the exposure related to the underlying asset, issuing options has other risks. These risks arise from the non-linear relationship between the gain generated by the option and the price and level of the underlying factors, as well as the exposure to changes in the perceived volatility of these factors.

b) Management Principles

The following principles govern the market risk management efforts of CorpBanca and its subsidiaries:

- Business and trades are conducted in line with established policies, pre-approved limits, guidelines, procedure controls and clearly defined delegation of decision-making authority, in compliance with applicable laws and regulations.
- The Bank's organizational structure must ensure effective segregation of duties so that trading, monitoring, accounting and risk measurement and management are performed and reported independently using a dual-control system.
- Trading of new products and participation in new markets can only take place if:
 - The product has been approved by the Bank's New Product Committee.
 - A full assessment has been conducted to determine if the activity falls within the bank's general risk tolerance and specific commercial objectives.
 - Proper controls and limits have been set for that activity.
- The limits, terms and conditions stipulated in the authorizations are monitored on a daily basis and any excesses are reported no later than the following day.
- Trading positions are valued each day at fair value in accordance with the Valuation Policy.
- All trades must be executed at current market rates.

2. Funding Liquidity Risk

a) Definition

Funding liquidity risk is the exposure of the bank and its subsidiaries to events that affect their ability to meet, in a timely manner and at reasonable costs, cash payment obligations arising from maturities of time deposits that are not renewed, withdrawals from demand accounts, maturities or settlements of derivatives, liquidations of investments or any other payment obligation.

Financial institutions are exposed to funding liquidity risk that is intrinsic to the role of intermediary that they play in the economy. In general, in financial markets demand for medium or long-term financing is usually much greater than the supply of funds for those terms while short-term financing is in considerable supply. In this sense, the role of intermediary played by financial institutions, which assume the risk of satisfying the demand for medium and long-term financing by brokering short-term available funds, is essential for the economy to function properly.

Appropriately managing funding liquidity risk not only allows contractual obligations to be met in a timely manner, but also enables:

- the liquidation of positions, when it so decides, to occur without significant losses.
- the commercial and treasury activities of the bank and its subsidiaries to be financed at competitive rates.
- the Bank to avoid fines or regulatory sanctions for not complying with regulations.



b) Management Principles

The principles used to manage funding liquidity risk include:

- Balancing strategic liquidity objectives with corporate profitability objectives, designing and implementing investment and financing strategies to compete with our key competitors.
- Designing policies, limits and procedures in accordance with banking regulations, internal rules and CorpBanca's strategic business objectives.
- Establishing a robust framework for managing liquidity risk that guarantees that the entity will maintain sufficient liquidity, including a cushion of high-quality, unencumbered liquid assets that can be used to contend with a series of stress-generating events, including those that bring about losses or weaken sources of secured and unsecured financing.
- Clearly establishing liquidity risk tolerance appropriate for its business strategy and its size within the financial system.
- We have a financing strategy that promotes effective diversification of funding sources and maturities. It maintains a continuous presence in the funding market with correspondent banks and select customers, maintaining close relationships and promoting diversification of funding sources. It also keeps appropriate lines of financing available, ensuring its ability to obtain liquid resources quickly. We have identified the main factors of vulnerability that affect its ability to secure funds and monitors the validity of the assumptions behind estimates for obtaining funding.
- CorpBanca actively manages its intraday liquidity positions and risks in order to punctually meet its payment and liquidation obligations both under normal circumstances as well as situations of stress, contributing to the smooth operations of the payment and settlement systems.

3. Counterparty Risk

Credit default risk is the risk of loss arising from non-compliance by a given counterparty, for whatever reason, in paying all or part of its obligations with the Bank under contractually agreed-upon conditions. This risk also includes a given counterparty's inability to comply with obligations to settle derivative operations with bilateral risk.

The bank diversifies credit risk by placing limits on the concentration of this risk in any one individual debtor, debtor group, product, industry segment or country. Such risks are continuously monitored and the limits by debtor, debtor group, product, industry and country are reviewed at least once per year and approved by the respective committee.

Exposure to credit risk is evaluated using an individual analysis of the payment capacity of debtors and potential debtors to meet their obligations on time and as agreed.

Furthermore, we have strict controls for derivative contracts negotiated directly with its counterparties. This exposure is managed using limits per customer based on a risk methodology equivalent to credit risk exposure. Lastly, the values of derivatives are adjusted to reflect the expected loss from the counterparty.

B. Corporate Governance Structure and Committees

CorpBanca has established a sound organizational structure for monitoring, controlling and managing market risks, based on the following principles:

- Risk is monitored and controlled by parties independent from those managing risk, thus correctly aligning incentives.
- Management efforts should be flexible, within the framework permitted by policies, rules and current regulations.
- Senior management establishes the guidelines for risk appetite, and
- is informed periodically on risk levels assumed, contingencies and instances when limits are exceeded.



In order to guarantee the flexibility of management efforts and communication of risk levels to upper management, a network of committees has been established, detailed as follows:

- Daily Committee: Meets daily to review financial conditions and the latest market movements. This committee reviews the relevance of positions on a daily basis in order to detect in advance any scenarios that could negatively impact returns and liquidity. It also monitors the performance of strategies used for each of the portfolios.
- Market and Proprietary Trading Committee: Meets weekly to analyze management of positions. This committee reviews local and global economic conditions and projections in order to analyze the potential benefits and risks of the strategies executed and evaluate new strategies.
- Financial Management Committee: Meets biweekly to analyze management of structural interest rate and indexation risk in the banking book.
- Liquidity Management Committee: Meets biweekly to analyze management of funding liquidity risk.
- A&L Committee: Meets biweekly to analyze economic and financial conditions and inform senior management of market and liquidity risk levels assumed by presenting indexes of market and funding liquidity risk, limit consumption and results of stress tests.
- Board of Directors: The Board of Directors is informed each quarter of the market and funding liquidity risk levels assumed by presenting established risk indexes, limit consumption and results of stress tests.

The Divisions in charge of managing market and funding liquidity risk are:

The Treasury Division is responsible for managing market risk. Its primary objective is to generate or conduct business with customers while its secondary function is to carry out proprietary trading.

The Finance and International Division is responsible for managing all structural risks in the markets in which it operates through the Financial Management and Liquidity Management Areas in order to provide greater stability to the financial margin and ensure suitable levels of solvency and liquidity.

As with the structure for financial risk at a corporate level, each local financial risk unit arranges its functions based on the specific characteristics of the business, operations, legal requirements or other relevant aspects.

In order to guarantee adherence to corporate policies and proper local execution, the corporate financial risk area and local units have the following roles and functions:

Corporate Financial Risk Area:

- To design, propose and document risk policies and criteria, corporate limits and decision making and control processes.
- To generate management schemes, systems and tools, overseeing and supporting implementation so that they function effectively.
- To know, assimilate and adapt internal and external best practices.
- To drive commercial activity to attain risk-weighted results.
- To consolidate, analyze and control financial risk incurred by all perimeter units.

Local Financial Risk Units:

- To measure, analyze and control the risks under their responsibility.
- To adapt and embrace corporate policies and procedures through local approval.
- To define and document local policies and lead local projects.
- To apply policies and decision-making systems to each market.
- To adapt the organization and management schemes to corporate frameworks and rules.



C. Monitoring and Controlling Financial Risk

1. Market Risk

a) Management Tools

(1) Internal Monitoring

(a) Limits and Warning Levels

The market risk limits are established on diverse metrics trying to cover all business lines and activities subject to market risk from various perspectives. The foremost important limits are:

Trading book:

- VaR Limits
- Limits of equivalent position and/or nominal
- Sensitivity limits to interest rates
- Gamma and Vega Limits

Structural interest rate risk:

- Sensitivity limit of net interest margin 1 year
- Sensitivity limit of equity value

(i) Trading Book

The trading book consists of financial instruments that are allocated to diverse portfolios based on their strategy. The market risk of these instruments stems mainly from being recorded at fair value. As a result, changes in market conditions can directly impact their value. The following sections describe the monitoring and control structure for market risk in the trading book used during 2013.

(a) Value at Risk (VaR)

We use Value-at-Risk, or VaR methodology as a statistical tool to measure and control interest rate, currency, inflation and volatility risk inherent to the Bank trading activities

The VaR methodology is the main tool for controlling market risk in the trading book. Its appeal lies in its providing a statistical measurement of the maximum expected loss at a certain defined level of confidence, consolidating the risk exposures with the observed distribution of market factors.²

² To be discussed whether further disclosure regarding VaR for each trading portfolio and based on net currency position and VaR to be included. SEC Letter April 2, 2013. Statement as to no VaR methodology change in 2013 to be added.



The following table shows the limit structure used by the Bank and its subsidiaries for 2013. Changes were proposed during the year to the Treasury limit structure in Chile in response to new business lines developed. As a result, two new limits were established, effective beginning January 1, 2014; one is a corporate control for all Treasury operations while the other is a limit for the long-term trading portfolio in order to provide support for the bond underwriting business. During 2013, measurements of consumption over proposed limits were taken and communicated on a daily basis.

VaR Limits for Bank and Subsidiaries

		(MCh\$)	2013	2012
CORPBANCA CHILE	Market Making VaR			
	<i>Limit</i>		1.000	700
	Proprietary VaR			
	<i>Limit</i>		250	250
	Balance Sheet VaR			
	<i>Limit</i>		1.500	-
<i>* VaR limit at 95% and 1 day.</i>				
CONSOLIDATED COLOMBIA (CorpBanca & Helm Bank)	<i>Limit</i>		682	682
<i>* VaR limit at 99% and 1 day.</i>				
CORPBANCA CORREDORA DE BOLSA S.A.	<i>Limit</i>		80	80
	<i>VaR Rate</i>			
	<i>Limit</i>		60	60
	<i>Variable-Income VaR</i>			
	<i>Limit</i>		50	50
	<i>Currency VaR</i>			
	<i>Limit</i>		45	45
<i>* VaR limit at 99% and 1 day.</i>				
CORPBANCA NEW YORK	<i>Limit</i>		35	35

TABLE 1: VAR LIMIT STRUCTURE FOR THE BANK AND ITS SUBSIDIARIES



The following table presents the use of VaR during 2013 for the Bank and its Chilean and foreign subsidiaries.

VaR Statistics for Bank and Subsidiaries

		(MMCh\$)					
		VaR with 99% confidence level					
		2013				2012	2011
		Minimum	Average	Maximum	Last	Last	Last
CORPBANCA CHILE	VaR	782.11	1,370.63	3,094.57	1,465.56	852.54	516.56
	<i>Diversification Effect</i>	20.81	74.86	559.83	50.96	230.42	41.23
	<i>Interest Rate VaR</i>	18.61	87.39	569.28	45.65	717.13	517.01
	<i>Variable-Income VaR</i>	-	-	-	-	-	-
	<i>Currency VaR</i>	720.80	1,358.11	3,097.39	1,470.87	365.83	40.77
CONSOLIDATED							
COLOMBIA							
<i>(CorpBanca & Helm Bank)</i>	VaR	100.99	289.53	501.40	256.20	248.32	-
	<i>Diversification Effect</i>	203.47	29.81	323.58	13.85	23.99	-
	<i>Interest Rate VaR</i>	87.03	321.54	812.36	329.88	247.03	-
	<i>Variable-Income VaR</i>	-	-	-	-	-	-
	<i>Currency VaR</i>	0.43	57.03	324.84	11.00	25.28	-
CORPBANCA							
CORREDORA DE							
BOLSA	VaR	23.62	45.09	112.98	62.74	39.77	271.84
	<i>Diversification Effect</i>	84.09	126.41	264.43	195.23	105.37	545.11
	<i>Interest Rate VaR</i>	15.87	32.40	110.24	51.65	26.17	271.89
	<i>Variable-Income VaR</i>	1.08	18.16	47.86	41.61	10.34	-
	<i>Currency VaR</i>	1.39	29.03	52.50	39.23	29.10	1.38
CORPBANCA NEW YORK	VaR	8.19	10.05	11.99	11.93	18.63	-
	<i>Diversification Effect</i>	-	-	-	-	-	-
	<i>Interest Rate VaR</i>	8.19	10.05	11.99	11.93	18.63	-
	<i>Variable-Income VaR</i>	-	-	-	-	-	-
	<i>Currency VaR</i>	-	-	-	-	-	-

TABLE 2: VAR CONSUMPTION FOR THE BANK AND ITS SUBSIDIARIES

The following tables show the daily evolution of the VaR during 2013 for the Bank and its subsidiary in Colombia. Worth highlighting is the increase in VaR in Colombia starting in August as a result of the consolidation of Helm Bank.



VaR Statistics for Bank and Subsidiaries
Figures in millions of Chilean pesos (MCh\$)
VaR with 99% confidence level

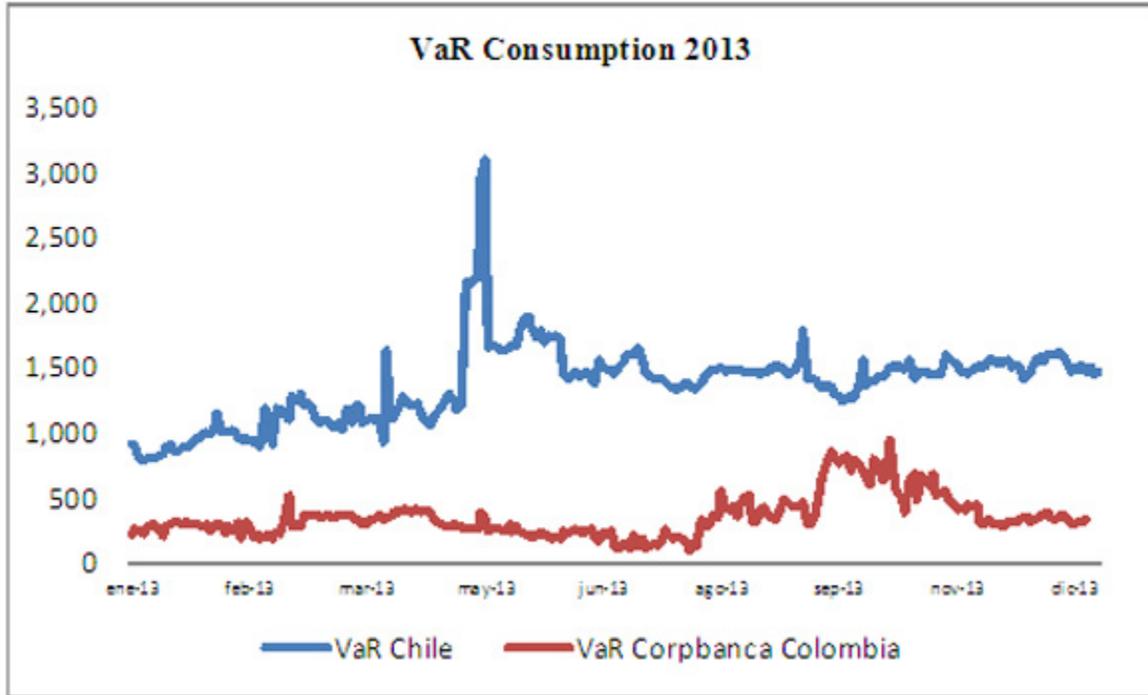


TABLE 3: VAR TRENDS IN CHILE AND COLOMBIA IN 2013



(i) VaR Backtesting

VaR backtesting is carried out at a local and corporate level by the different financial risk units. The backtesting methodology is applied consistently to all of the Bank’s portfolios. These exercises consist of comparing the estimated VaR measurements at a determined level of confidence and time horizon against the real results of losses obtained during the same time horizon. The methodology used compares the results obtained without considering the intraday results or changes in positions within the portfolio. This method corroborates the individual models’ ability to value and measure the risks from the different positions.

The following table shows trends in P&L and VaR for Chile and Colombia.

Backtesting Trends for Chile in 2013

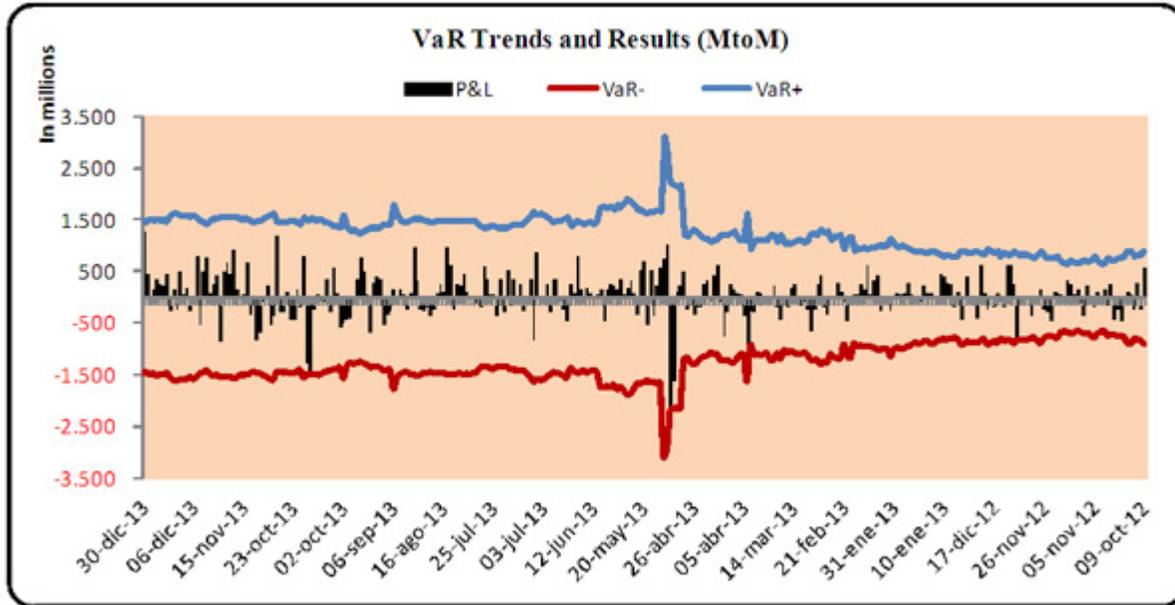


TABLE 4: BACKTESTING TRENDS FOR CHILE IN 2013

The graph presented above shows VaR movements with data from 301 entries and the Bank’s results in Chile. As can be appreciated, in this period there was no exception over the daily VaR, rendering the First Excess Test ineffective and stripping the Frequency Test (Kupiec Test) of an important factor. The latter test is located in the green area.



Backtesting Trends for Colombia in 2013

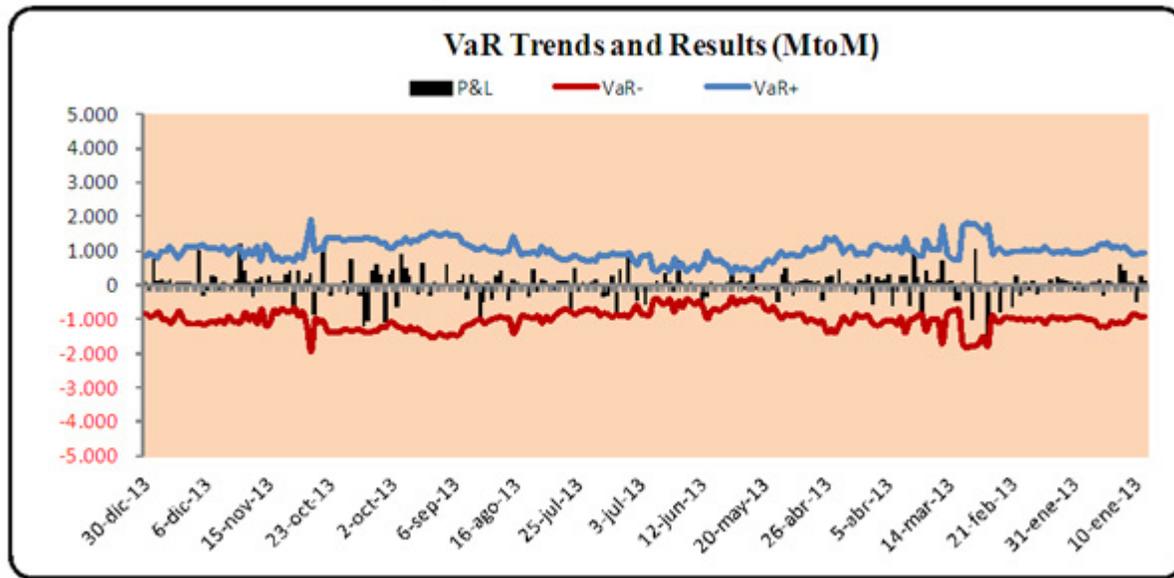


TABLE 5: BACKTESTING TRENDS FOR COLOMBIA IN 2013

The graph presented above shows VaR movements with data from 242 entries and the Bank’s results in Colombia. During the period, there were 3 exceptions that surpassed the daily VaR. Based on the statistical tests, the model provides consistent results and, therefore, does not require adjustment.

Interest Rate and Currency Sensitivity

Measuring interest rate and currency sensitivity is one of the main tools for monitoring market risk in the trading book, enabling the Bank to break down, understand and report on the directional positions to which it is exposed.

Interest rate and currency sensitivity is monitored on a daily basis and is limited by the VaR limits established for each portfolio.

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.



Exchange rate risk is controlled using notional limits, giving fluidity to currency products with customers and simultaneously limiting trading positions. The following table shows the current notional limits as well as closing positions and statistics for 2013.

Exchange Rate	Year-end 2013				Consumption Statistics 2013		
	Limit [USD]	Position [USD]	VaR 95% [CLP]	VaR Inc 95% [CLP]	Minimum [USD]	Average [USD]	Maximum [USD]
USD/CLP	55.000.000	5.353.766	17.725.612	-10.266.294	-40.176.036	2.654.557	47.089.815
EUR/USD	20.000.000	-4.140.088	15.475.433	-23.142.161	-11.684.192	-1.528.818	11.400.037
JPY/USD	10.000.000	177.484	13.632.814	-42.087.759	-6.525.423	-645.232	5.148.712
GBP/USD	10.000.000	104.084	386.848	160.130	-1.899.750	25.188	3.044.017
AUD/USD	5.000.000	16.037	94.175	34.103	-2.083.458	38.393	2.119.728
BRL/USD	5.000.000	-424	13.175	-10.765	-3.447.482	-31.309	5.112.538
COP/USD	5.000.000	-	-	-	-3.564.220	-41.025	703
MXN/USD	5.000.000	149.444	339.183	286.078	-3.003.213	160.962	6.059.132
PEN/USD	5.000.000	-	-	-	-1.457	4.184	988.880
CAD/USD	5.000.000	17.819	221.639	151.052	-425.295	56.557	1.815.774
NOK/USD	200.000	9.711	53.910	98.714	-200.555	7.511	19.407
DKK/USD	200.000	29.806	113.809	166.516	-36.200	16.964	30.731
SEK/USD	200.000	2.954	3.963	-7.496	-147.372	1.182	12.128
CHF/USD	200.000	81.166	399.435	277.457	-7.713	42.601	1.110.078
WON/USD	200.000	-	-	-	-	-	-
CNY/USD	200.000	6.929	4.099	1.310	-653	4.900	16.795

TABLE 6: CURRENT LIMITS AND CONSUMPTION OF CURRENCY POSITIONS FOR 2013

The following tables show the trends in the most important currency positions managed in Chile, which are the U.S. dollar (USD) and the euro (EUR).

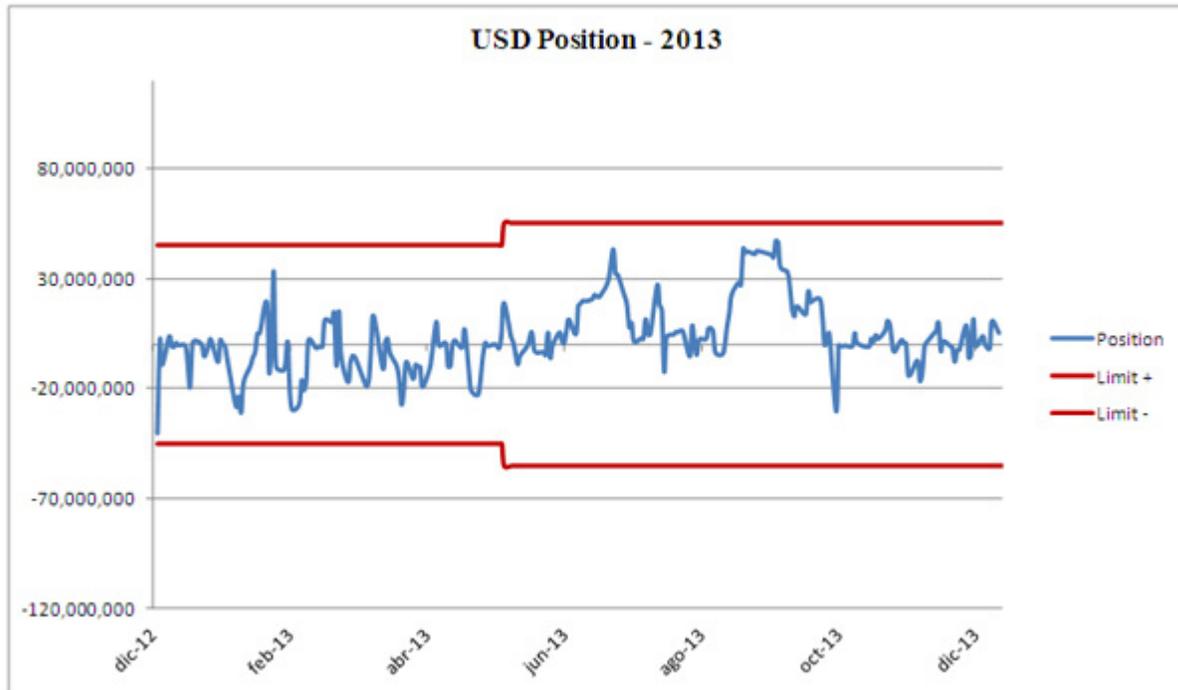


TABLE 7: EVOLUTION OF USD/CLP POSITION FOR 2013

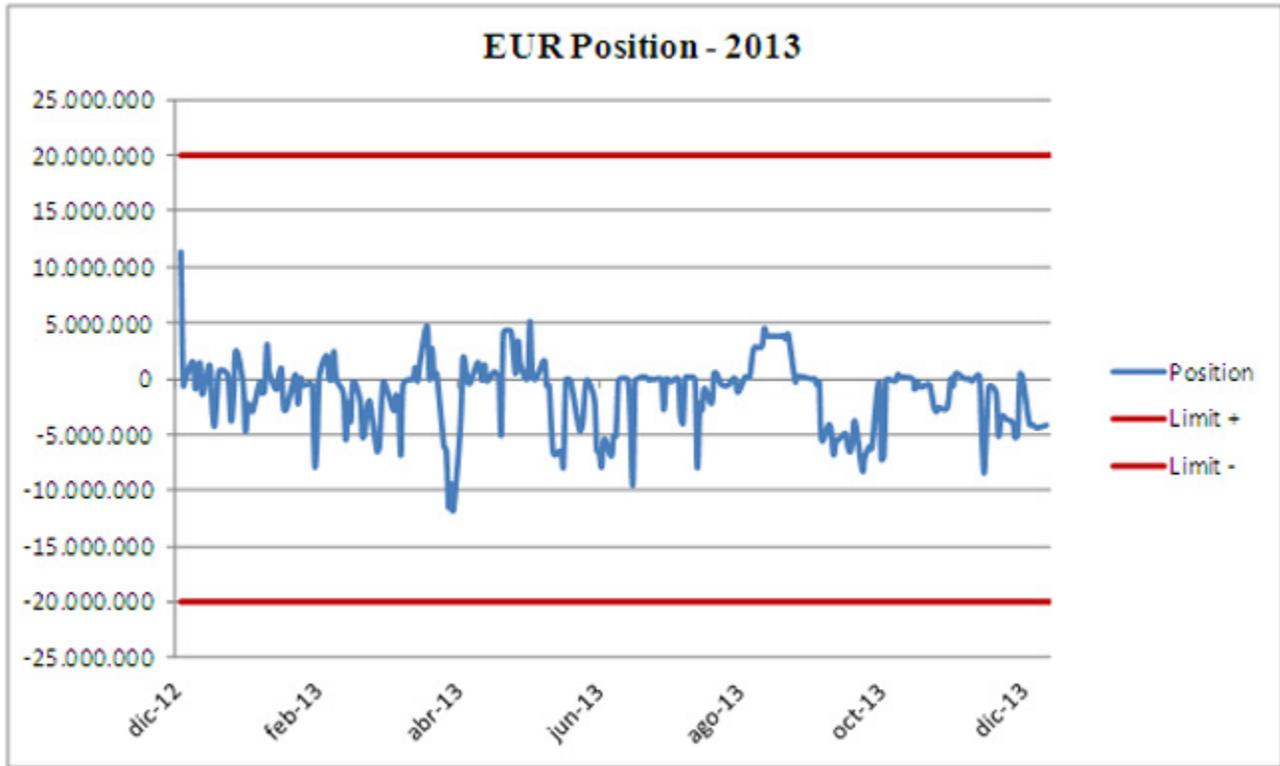


TABLE 8: EVOLUTION OF EUR/USD POSITION FOR 2013

The limit for Colombia uses an overall position for all currencies, which cannot exceed US\$ 30 million (notional). The table below shows the aggregate position for Colombia.



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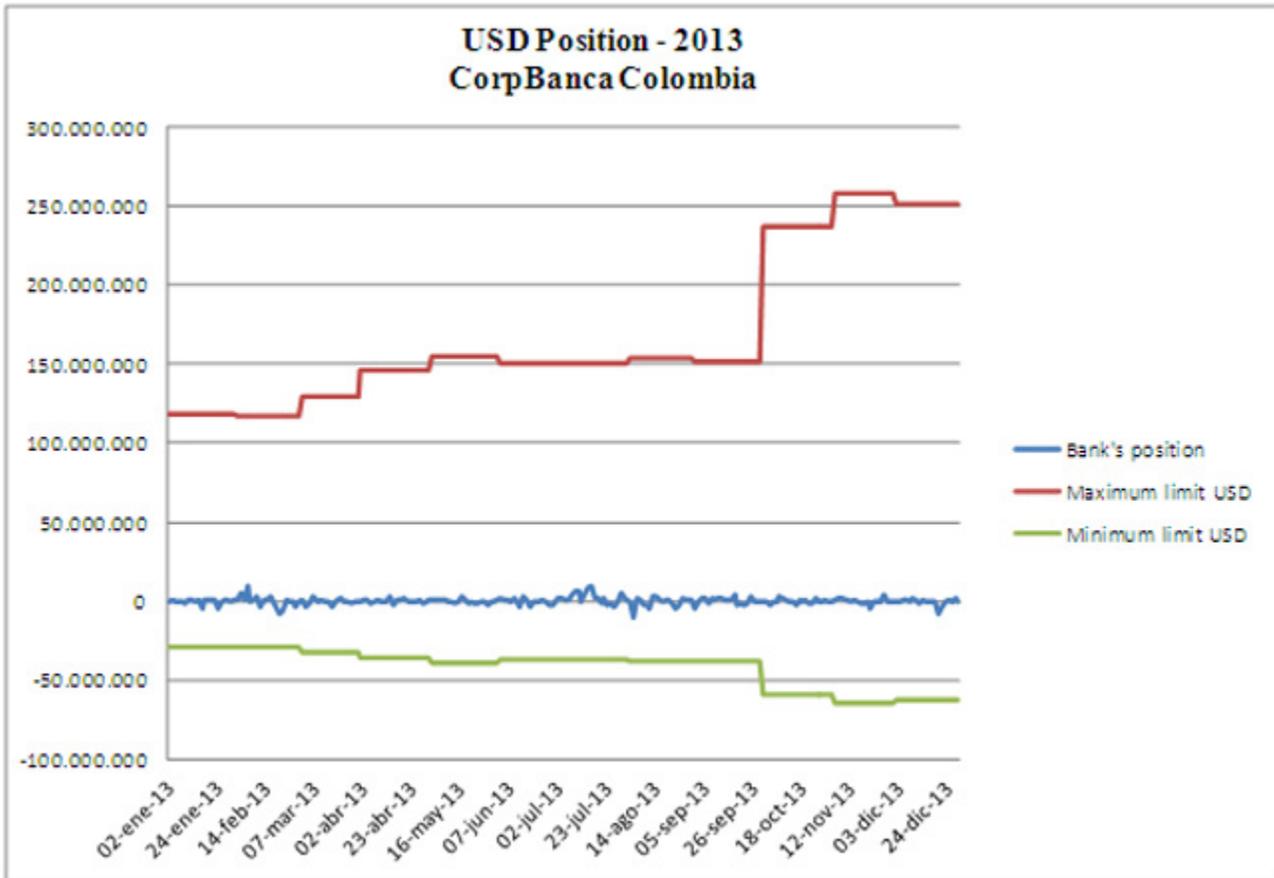


TABLE 9: EVOLUTION OF USD/CLP POSITION FOR 2013 CORPBANCA COLOMBIA

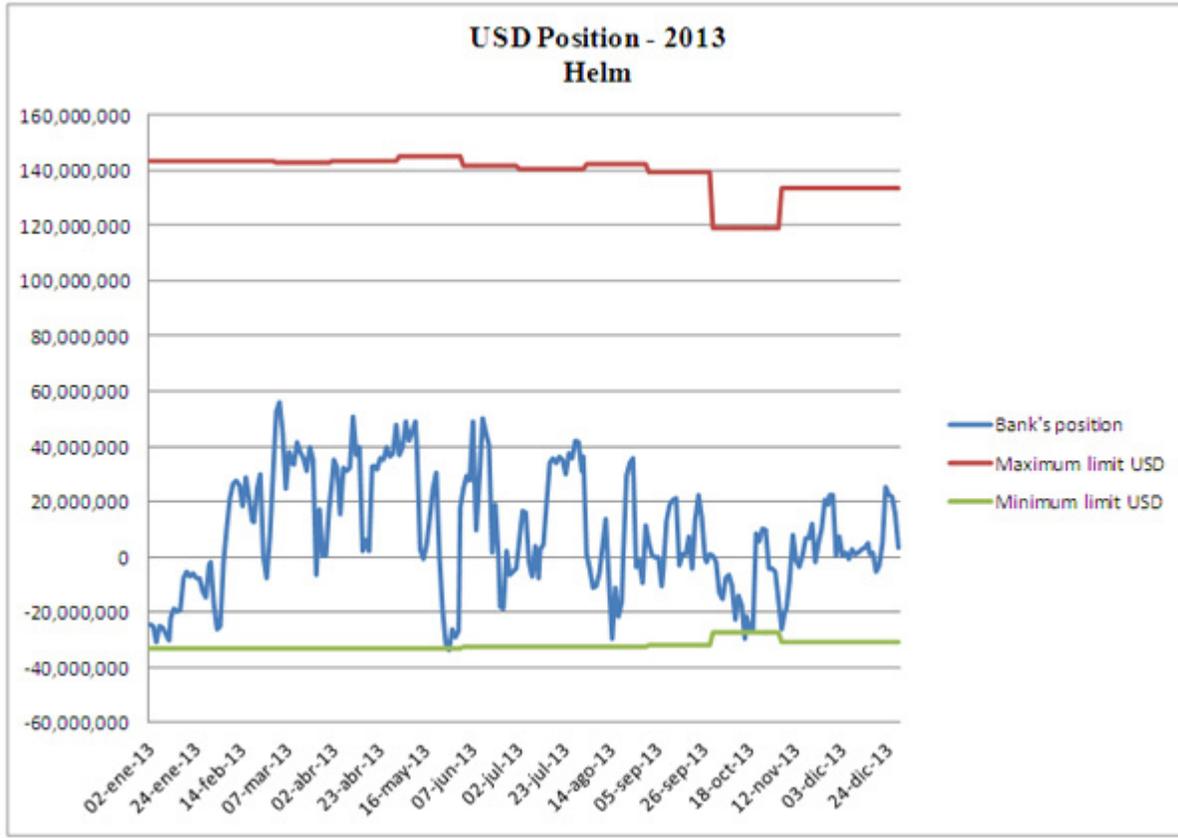


TABLE 10: EVOLUTION OF USD/CLP POSITION FOR 2013 HELM BANK

(c) Sensitivity to Volatility

While the options portfolio is included in the VaR calculation described in the section above, the Bank also controls the risks associated with the currency options portfolio with additional limits, which promote the product as a customer necessity, more than as trading positions.

- Gamma Risk Limit or Effect of Convexity of Options
- Vega Risk Limit or Effect of Variability of Area of Implied Market Volatility

The following graphs show the use of limits as of year-end 2013 and trends in their use.

Index	Year-end 2013		Consumption Statistics 2013		
	Limit [MCh\$]	Value [MCh\$]	Minimum [MCh\$]	Average [MCh\$]	Maximum [MCh\$]
Gamma Risk	50	17	-	2	58
Vega Risk	300	221	20	156	285

TABLE 11: CONSUMPTION OF GAMMA AND VEGA RISK 2013

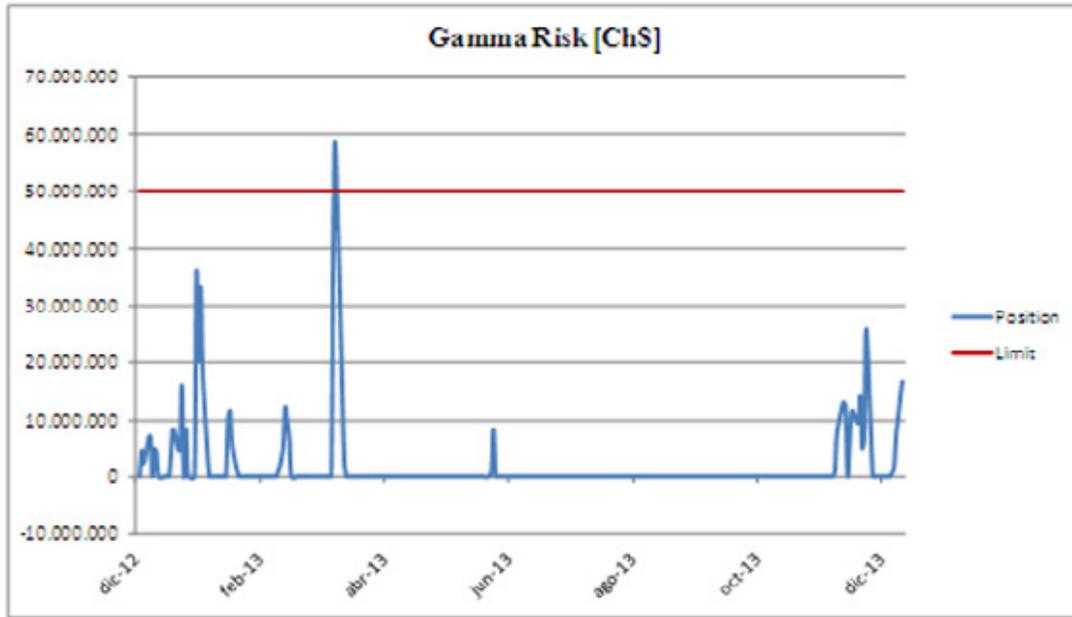


TABLE 12: TRENDS IN GAMMA RISK 2013



TABLE 13: TRENDS IN VEGA RISK 2013

In December 2013, the A&L Committee in Chile, and later the A&L Committee in Colombia, approved gamma and vega limits for our subsidiary in Colombia. With this milestone, options were included in the product offering available to customers that operate in Colombian pesos.

(ii) *Banking Book*

The banking book consists primarily of:

Assets

- Cash
- Commercial, mortgage and consumer loans from the commercial areas.
- Fixed-income instruments classified as available for sale or held to maturity.



Liabilities

- Demand deposits
- Time deposits
- Senior and subordinated bonds
- Derivative instruments that qualify for hedge accounting: Derivatives that, meeting certain requirements, are given an accounting treatment different than those derivatives recorded in the trading book, the objective of which is to manage risks in the banking book.

The banking book’s main risks and the tools used to monitor, control and manage these risks are described below.

(a) PV(90)

We use a sensitivity for 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.

The following graph shows the evolution of the index compared with its limit for Chile.

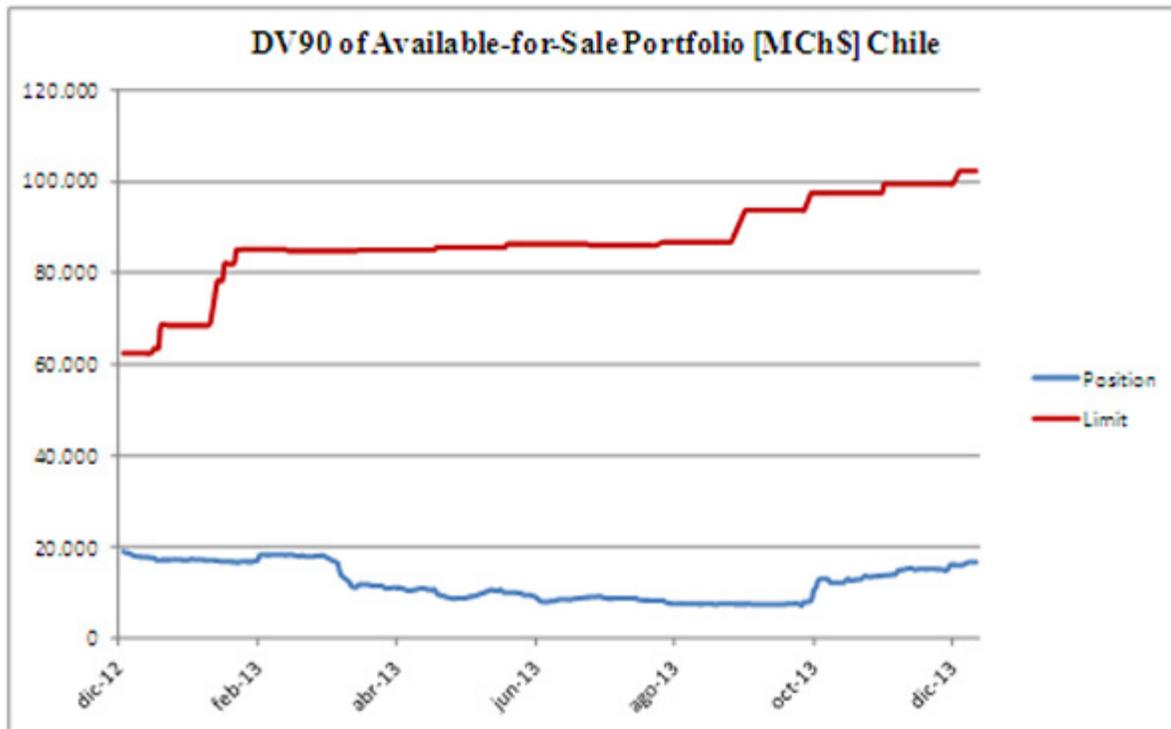


TABLE 14: EVOLUTION DV90 OF AVAILABLE-FOR-SALE PORTFOLIO DURING 2013



The same limit applies to the available-for-sale portfolio in Colombia. The following graph shows the evolution of the index compared with its limit for Colombia (4% of regulatory capital)

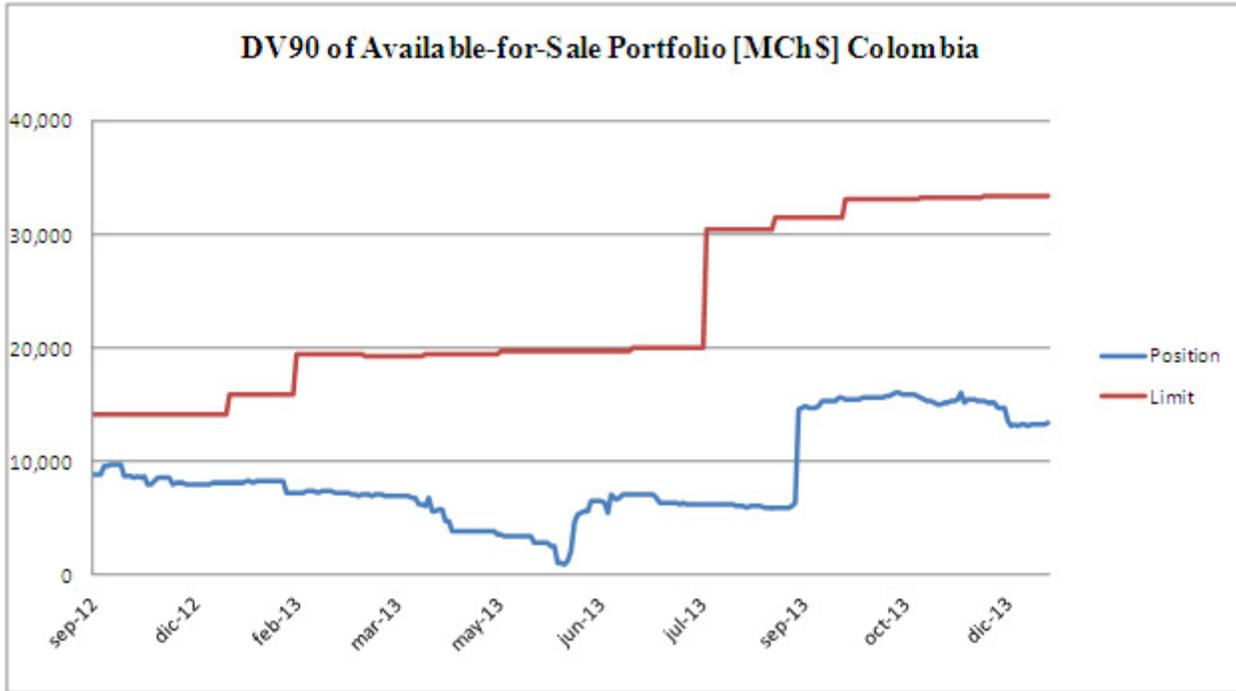


TABLE 15: EVOLUTION DV90 OF AVAILABLE-FOR-SALE PORTFOLIO DURING 2013

Note that towards the end of July 2013, the subsidiary’s capital increase automatically increased the limit. Also, the available-for-sale portfolio was included in the measurements in August with the consolidation of Helm.

(b) Sensitivity to Indexation

CorpBanca’s balance sheet presents a mismatch between inflation-indexed assets and liabilities. The Chilean market has more indexed assets than liabilities, which explains why the bank has a mismatch of inflation-indexed assets. This is due to the existence of medium and long-term indexed assets that are financed with liabilities in Chilean pesos.

Hedge accounting is used as an effective and relatively low-cost tool to manage this risk.

The following table shows the size of the mismatch as of year-end 2013 and the mismatch statistics during the year.

	Year-end 2013 [MCh\$]	Statistics 2013		
		Minimum [MCh\$]	Average [MCh\$]	Maximum [MCh\$]
Total Mismatch	1.014.274	227.026	646.953	1.071.409
Balance Sheet Mismatch	1.632.697	952.373	1.373.277	1.675.313
Derivative Mismatch	-627.076	-1.402.856	-737.517	-126.734
Investment Mismatch	8.654	-	13.135	31.954

TABLE 16: INFLATION MISMATCH AS OF YEAR-END 2013 AND STATISTICS FOR THE YEAR



The following graph shows trends in this mismatch during 2013 and the relative ease in managing this risk. Throughout 2013, exposure remained at moderate levels and increased at the end of the year, looking to benefit from the expected increase in inflation indices in Chile.

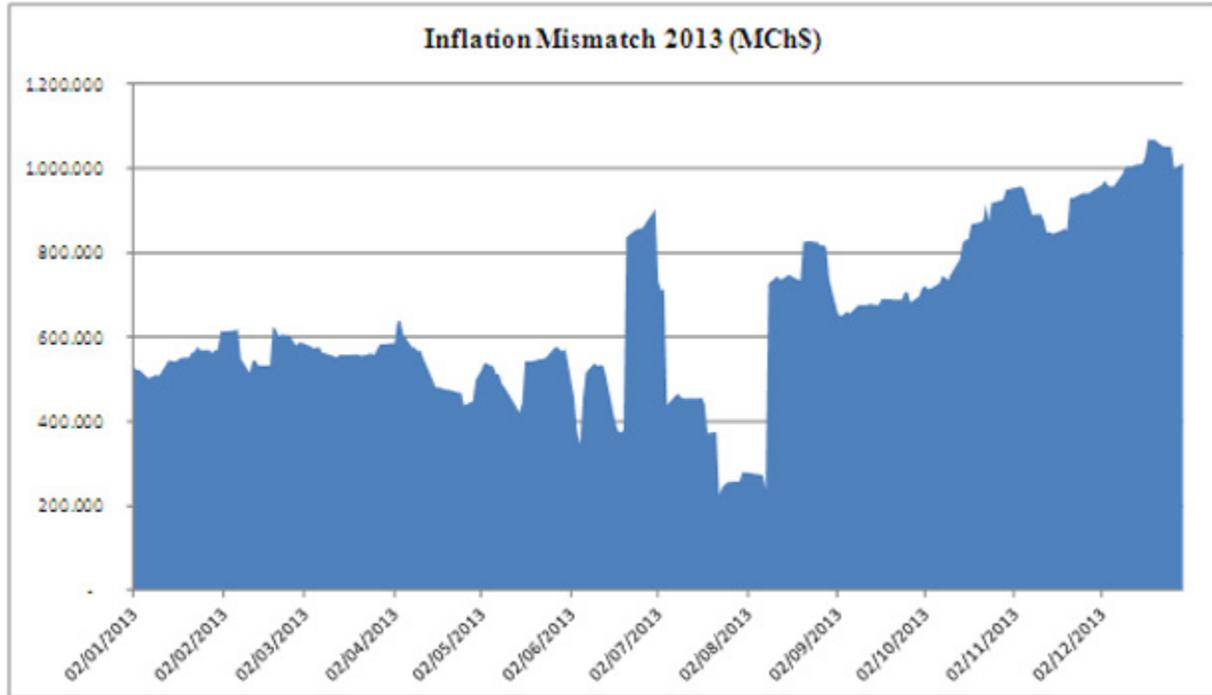


TABLE 17: EVOLUTION OF INFLATION MISMATCH DURING 2013

(c) Sensitivity of Financial Margin and Economic Capital

The Annual Income Sensitivity, or AIS) index measures the sensitivity of the interest margin to 100 bps variations in the repricing rate for assets and liabilities during the next 12 months. The established limits are much lower than the Bank’s annual net income. During 2013, the sensitivity risk in the interest margin in Chile has remained low with a positive sensitivity to drops in interest rates. This exposure increased towards the end of 2013.

The Market Value Sensitivity, or MVS index measures the sensitivity of the economic value (fair value) of the banking book in the event of a 100 bps increase in the valuation rates of assets and liabilities.



The tables below show the evolution of sensitivity indicators for interest margins and economic capital for Chile and Colombia. It is important to mention that Helm Bank was incorporated into these measurements beginning in August.

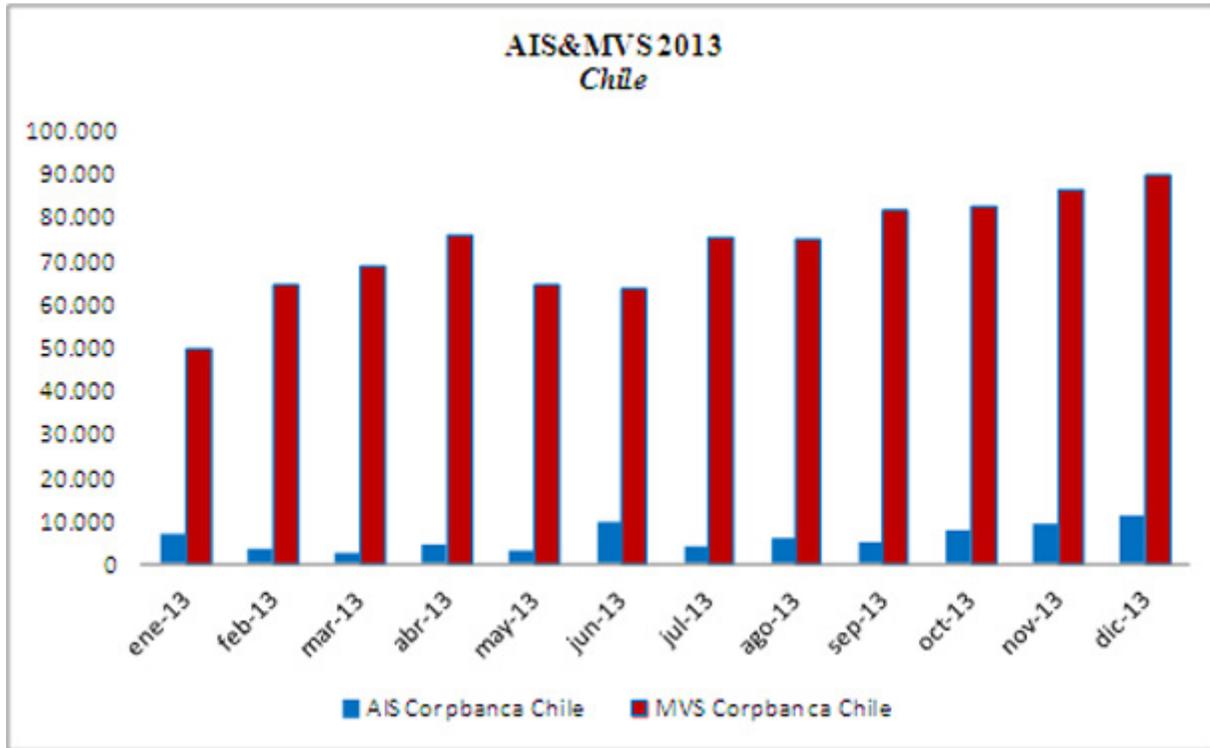


TABLE 18: EVOLUTION MVS AND AIS CHILE 2013

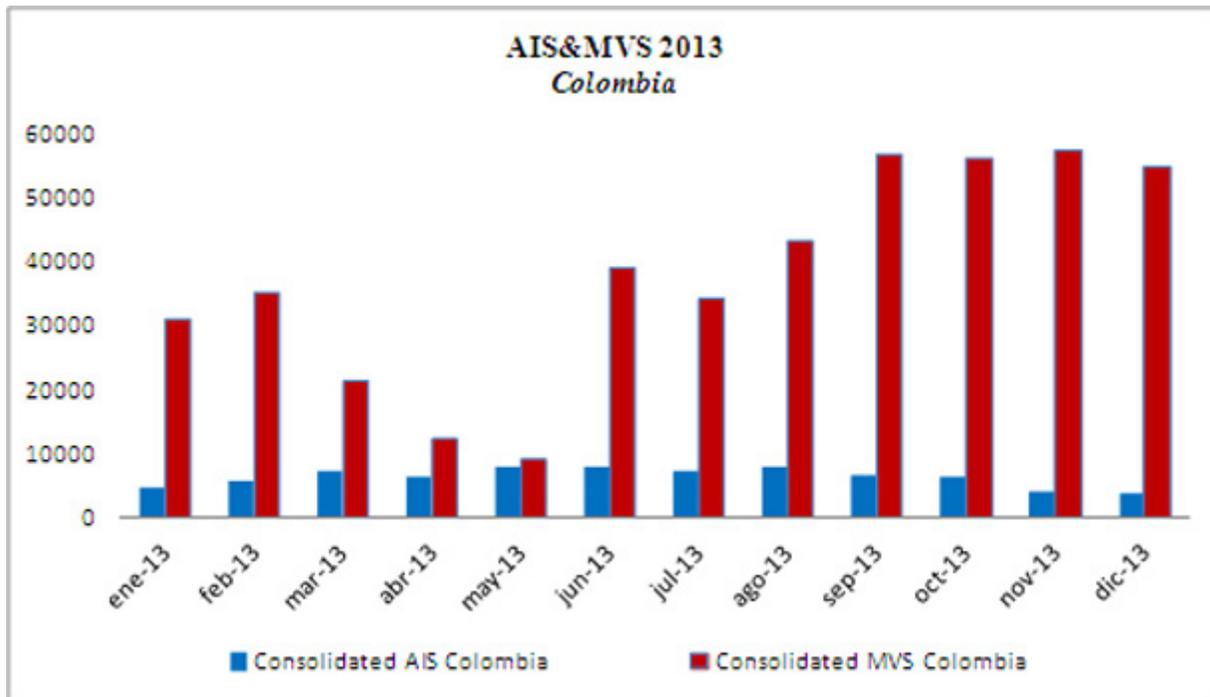


TABLE 19: EVOLUTION MVS AND AIS COLOMBIA 2013



The Gap Table below show the risk maturity structure in Chile and Colombia at the end of 2013:

		CHILE																			
		CLP																			
		Total	1M	3M	6M	9M	12M	2Y	3Y	4Y	5Y	7Y	10Y	15Y	20Y	20Y---->					
(MMCh\$)	Assets	10,708,413	2,774,146	941,569	931,417	533,018	456,671	789,413	790,014	548,477	363,844	530,237	639,371	734,583	436,538	239,115					
	Liabilities	8,981,731	2,832,942	1,368,126	918,738	358,807	93,111	642,711	834,838	351,913	104,032	370,679	109,711	144,062	283,960	568,100					
	Net	1,726,682	-58,795	-426,557	12,679	174,211	363,559	146,702	-44,824	196,563	259,812	159,558	529,660	590,521	152,578	-328,985					
		MX																			
(MMCh\$)	Assets	1,634,446	435,619	530,072	264,387	57,361	20,285	21,748	23,845	16,682	166,221	19,377	78,748	104	-	-					
	Liabilities	1,895,473	788,451	452,897	105,553	95,499	8,970	13,360	12,873	12,494	386,584	1,421	17,569	-	-	-					
	Net	-261,026	-352,833	77,174	159,034	-38,138	11,316	8,388	10,971	4,188	-220,364	17,955	61,179	104	-	-					
		COLOMBIA																			
(MMCh\$)	Assets	852,157	242,330	102,846	102,241	21,801	35,481	66,614	55,390	45,269	42,136	46,935	34,588	52,136	4,391	-					
	Liabilities	656,312	304,822	161,040	104,107	43,657	7,759	25,015	9,545	187	16	165	-	-	-	-					
	Net	195,845	-62,492	-58,195	-1,866	-21,856	27,721	41,599	45,845	45,083	42,120	46,770	34,588	52,136	4,391	1					
		Structural Exchange Rate Risk																			

Structural exchange rate risk arises from the Bank's positions in currencies other than the Chilean peso related primarily to the consolidation of investments in subsidiaries or affiliates and the net income and hedges of these investments. The process of managing structural exchange rate risk is dynamic and attempts to limit the impact of currency depreciation, thus optimizing the financial cost of hedges.

The general policy for managing this risk is to finance them in the currency of the investment provided that the depth of the market so allows and the cost is justified by the expected depreciation. One-time hedges are also taken out when the Bank considers that any currency may weaken beyond market expectations with respect to the Chilean peso. As of year-end 2013, greater ongoing exposure was concentrated in Colombian pesos (approximately US\$ 1.5 billion).

The Bank hedges part of these positions on a permanent basis using currency derivatives.

(b) Stress Tests

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 (UI) 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.



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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.

(i) Trading Book

In addition, market stress tests can be performed to test trading book positions under diverse extreme scenarios in order to estimate the losses they would generate.

The results of the market stress tests on the trading book are reported periodically to the A&L Committee and the Board of Directors.

Stress tests conducted during 2013 indicated that none of the critical scenarios considered would affect the Bank's solvency.

The list below enumerates some of the linear and historical sensitivity scenarios analyzed.

Scenario	Description
1	Parallel shift of 100 bps, +50 bps inflation compensation
2	Parallel shift of 200 bps, +100 bps inflation compensation
3	Parallel shift of 300 bps, +150 bps inflation compensation
4	Ramp of 0 to 100 bps in 1 year, +50 bps inflation compensation
5	Inverse ramp of 0 to 100 bps in 1 year, -200 bps inflation compensation
6	+3 standard deviations, +50 bps inflation compensation
7	+6 standard deviations, +150 bps inflation compensation
8	Shock to inflation compensation of +200 bps
9	Global recession, Δ inflation compensation: -200bps
10	Global recovery, Δ inflation compensation: +200bps

TABLE 20: TRADING BOOK

(ii) Banking Book

Market stress tests are also performed to test the banking book under diverse extreme scenarios in order to estimate the potential losses they would generate on both the interest margin and on capital.

The results of the market stress tests on the banking book are disclosed periodically to the A&L Committee and the Board of Directors.

Scenario	Description
1	Parallel shift of 100 bps, +50 bps inflation compensation
2	Parallel shift of 200 bps, +100 bps inflation compensation
3	Parallel shift of 300 bps, +150 bps inflation compensation
4	Ramp of 0 to 100 bps in 1 year, +50 bps inflation compensation
5	Inverse ramp of 0 to 100 bps in 1 year, -200 bps inflation compensation
6	+3 standard deviations, +50 bps inflation compensation
7	+6 standard deviations, +150 bps inflation compensation
8	Shock to inflation compensation of +200 bps
9	Global recession, D inflation compensation: -200bps
10	Global recovery, D inflation compensation: +200bps

TABLE 21: BANKING BOOK



(c) Methodologies

(i) Trading Book

(a) Value at Risk - VaR

During 2013, we made no changes to our VaR Methodology. For the calculation of VaR, the non-parametric method of historical simulation is used, which consists of using a historical series of prices and the position at risk from the trading book.

A time series of simulated prices and yields is constructed with the assumption that the portfolio was conserved for the period of time of the historical series. The VaR tries to quantify a threshold of expected losses, which should only occur a certain percentage of times based on the level of confidence used in the calculation.

The VaR measure is calculated through historical simulation methodology, with a moving timeframe of the last 300 days market data, and full valuation approach.

As calculated by CorpBanca, VaR Limits 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. 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 factor to the other.

(i) Assumptions and Limitations

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.

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.

(b) Rate Sensitivity

Sources of rate risk include forwards, swaps and options. Rate sensitivity is calculated and reported by portfolio, by relevant discount curve and by maturity.

The present value of the portfolio is stressed by 1 bp. In other words, the present value is calculated by increasing the respective discount rate by 1 bp. The sensitivity of options is calculated using the theta value.

The variation in the present value of the portfolio corresponds to its sensitivity at a variation of one basis point (bp).

$$DV01_{im} = PV'_{im} - PV$$

- DV01 : Sensitivity to 1 bp variation in rate i at band m.
- PV : Present value of portfolio's cash flows.
- PV'im : Present value of portfolio's cash flows with shock of 1 bp in rate i at time band m.



$$PV'_{im} = P_{im} / (1 + r_{im} + 1 bp)^{\frac{T_i}{365}}$$

- P_{im} : Net position in CLP at time band i, currency m.
- r_{im} : Representative rate of currency m, time band i.
- T_i : Representative maturity of time band i.

(c) Currency Sensitivities

Sources of exchange rate risk come from both balance sheet and off-balance sheet positions such as derivatives.

Currency or position sensitivity corresponds to the market valuation of each cash flow in the currency of origin. That is, the cash flows in foreign currency expressed at present value.

$$P_m = (PV'_m - PV_m)$$

- PV : Present value of portfolio's cash flows.
- PV'm : Present value of portfolio's cash flows with shock of 1 unit in exchange rate of currency m with respect to USD.

(ii) Banking Book

(a) Sensitivity to Indexation

Sources of indexation risk come from both balance sheet and off-balance sheet positions such as derivatives that, as a result of a change in indexation units (UF, UVR or others), impact the Bank's net income.

As with currency sensitivity, indexation sensitivity is the market valuation of each indexed cash flow. That is, the cash flows in indexation units expressed at present value.

$$P_m = (PV'_m - PV_m)$$

- PV : Present value of portfolio's cash flows.
- PV'm : Present value of portfolio's cash flows with shock of 1 unit in indexation unit.

(b) Sensitivity of Financial Margin

This measures the impact caused by a movement of 100 bp, over a twelve-month horizon, in the Bank's financial margin (interest earned less interest paid).

The information required to calculate the index is obtained from the regulatory cash flows of the market risk data from the balance sheet book (regulatory report C40) only considering the time bands up to 1Y included.

$$AIS = \sum_{i,m} P_{im} (1 - \frac{T_i}{360}) \Delta r$$

- AIS : Annual Income Sensitivity.
- P_{im} : Net position in CLP in respective time band.
- Δr : Variation of 100 bp.
- T_i : Representative maturity of time band i.

(c) Sensitivity of Economic Capital

This measures the sensitivity of the market value of the cash flows associated with assets and liabilities in the event of a parallel change of 100 bp in the relevant discount curve.

The information required to calculate the index is obtained from the cash flows of the Bank's entire portfolio using data from the banking book.



The present value of the aggregate flows are discounted using the average terms of the respective time bands. Then the present value is calculated similarly with a shock increasing the respective discount rate by 100 bp.

$$MVS = \sum_{i,m} (PV'_{im} - PV_{im})$$

- MVS : Market Value Sensitivity.
- PV_{im} : Present value of the cash flows of time band i, currency m.
- PV'_{im} : Present value of the cash flows of time band i, currency m, with a shock of 100 bp in discount rates.

$$PV_{im} = P_{im} / (1 + r_{im})^{\frac{T_i}{365}}$$

$$PV'_{im} = P_{im} / (1 + r_{im} + 100 \text{ bp})^{\frac{T_i}{365}}$$

- P_{im} : Net position in CLP at time band i, currency m.
- r_{im} : Representative rate of currency m, time band i.
- T_i : Representative maturity of time band i.

(2) Regulatory Method

(a) Quantitative Disclosure about regulatory Method

Regulatory monitoring of market risk exposure is measured in accordance with the provisions established in chapter III.B.2 of the Compendium of Financial Standards from the Central Bank of Chile and in Chapter 12-9 of the Updated Compilation of Standards from the Superintendency of Banks and Financial Institutions both for the trading book and the banking book. In the trading book, the impact is measured in the event of a change in the market price of its financial positions as a result of variations in interest rates, exchange rates and volatility. In the banking book, the impact is measured on the entity's financial margin and present value.

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 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.

Trading Portfolio

The limits established for the trading book are for exposure to interest rate risk and exchange rate risk. The difference between the regulatory capital recorded by the financial institution and the sum of the following two items cannot be negative: (i) the product of the credit risk-weighted assets defined in article 67 of the Chilean General Banking Law and the minimum percentage established for regulatory capital in article 66 of that law, and (ii) the sum of the trading book's exposure to interest rate risk and the exchange rate risks for the entire balance sheet measured in accordance with the Basel standard methodology with some important differences where exchange rate exposure stands out. As indicated in the paragraph above, the Bank must always comply with the following ratio:

$$RC - ((k * CRWA) + MRE) > 0$$

Where:

- RC : Regulatory Capital
- CRWA : Credit Risk Weighted Assets
- MRE : Exposure to interest rate risk in trading book and currency Risk in entire balance Sheet
- k : Minimum percentage established for regulatory capital in article 66 of General Banking Law



Group	Description Sensitivity	Factor
i	Each of the foreign currencies of countries with long-term external debt in foreign currency with a rating of at least AAAs, or equivalent, from any of the risk rating agencies indicated in Chapter III.B.5 of this Compendium. It also considers the EURO and the position in gold.	$\sigma_i = 8\%$
j	Each of the foreign currencies of countries not included in basket i.	$\sigma_j = 35\%$

Market risk exposure in accordance with regulatory methodology is detailed below:

Market Risk Limit for Trading Book (MCh\$)	2013	2012	2011
Market risk-weighted assets	3,379.015	1,850.376	298.938
Rate trading	796.729	836.358	277.275
Currency trading	36.959	96.713	9.275
Options trading	11.960	9.763	12.388
Currency structural	2,533.366	907.543	-
Credit risk-weighted assets	15,058.532	11,494.413	7,799.275
Total risk-weighted assets	18,437.547	13,344.788	8,098.213
Regulatory capital	1,991.289	1,270.202	1,104.474
Basel index	13,22%	11,05%	14,16%
Basel index (includes MRE *)	10,80%	9,52%	13,64%
Margin	516.285	202.619	456.617
% Consumption	74,07%	84,05%	58,66%

(*) Market risk expositions

TABLE 22: MARKET RISK LIMIT FOR TRADING BOOK

The market risk presented in the table above (measured in units of risk-weighted assets) shows that capital consumption related to the Bank's exposures to market risks is explained in more than 75% of the cases by the effect of our investment in CorpBanca Colombia. As of December 2013, this investment amounted to approximately US\$ 1.1 billion. The main variation over 2012 stems from the consolidation of Helm Bank in our financial statements. This exposure to exchange rate risk—Chilean peso vs. Colombian peso—is considered structural in the sense that it arises from a long-term investment.

It is also worth mentioning that in accordance with Chilean regulations; a sensitivity factor of 35% is applied to net exposures in foreign currencies of countries other than those classified as AAA or their equivalent. The standard sensitivity factor in the Basel standards is only 8%. As a result, the capital consumption that the Bank must report to comply with local regulations is more than 4 times greater than if international recommendations were applied.

The regulatory model for market risk in Colombia, as in Chile, is based on the standard Basel model, separated into risk factors (i.e. interest rate, exchange rate and stock price). The volatilities applied to each of the factors are established by regulators. This result is used for the solvency margin, to which a factor equivalent to 100/9 is applied.



Market Risk	2013 MCh\$	
	CorpBanca Colombia	Helm
Risk-weighted assets (RWA)		
Market Risk	218.022	199.708
Trading	218.022	199.708
Structural (currency)	-	-
Credit risk	2.727.654	2.706.501
Total RWA	2.945.675	2.906.210
Regulatory capital	671.710	363.648
Basel index	24,63%	13,44%
Basel index (includes MRE)	22,80%	12,51%
Margin	406.599	102.089
% Consumption	39,47%	71,93%

TABLE 23: MARKET RISK IN COLOMBIA

Non-trading Portfolio

Our disclosure about structural 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.

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 banking book’s exposure to the net interest and indexation margin is known as the short-term limit and cannot exceed 35% of the accumulated interest and indexation margin, plus fees sensitive to interest rates charged in the twelve months prior to the date of measurement. The exposure of capital to changes in interest rates has a long-term limit that cannot exceed 27% of regulatory capital. Both limits were presented and ratified by the Bank’s Board of Directors.



The exposure of regulatory limits in the banking book for Chile are detailed as follows.

Market Risk Limit for Banking Book

SHORT-TERM LIMIT (MCh\$)

	2013	2012	2011
Exposure	54.949	51.253	74.169
Rate risk	22.502	21.752	39.952
Indexation risk	28.666	25.900	31.134
Reduced revenue (fees sensitive to interest rates)	3.781	3.601	3.083
Limit	97.651	78.624	79.835
% Consumption	56,3%	65,2%	92,9%
Financial Margin plus Fees (12 months)	279.003	224.640	228.100
Percentage over financial margin	35%	35%	35%
Short-term limit	97.651	78.624	79.835
Consumption with respect to financial margin	19,7%	22,8%	32,5%

LONG-TERM LIMIT (MCh\$)

	2013	2012	2011
Exposure	157.786	119.624	125.461
Rate risk	157.786	119.624	125.461
Limit	537.648	337.314	298.208
% Consumption	29,3%	35,5%	42,1%
Regulatory capital (RC)	1.991.289	1.249.311	1.104.474
Percentage over margin	27%	27%	27%
Long-term limit	537.648	337.314	298.208
Consumption with respect to RC	7,9%	9,6%	11,4%

TABLE 24: MARKET RISK LIMIT FOR BANKING BOOK

Finally, regulatory provisions in Colombia do not establish methodologies for determining market risk exposure for the banking book. However, they are monitored, controlled and reported on a daily basis using the internal methodologies described above.

(b) Methodologies

(i) Trading Book

(a) Interest Rate Risk

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.

The interest rate risk of the trading portfolio as defined by the Central Bank of Chile is equal to the sum of:

- The sensitivity analysis of the trading portfolio
- Vertical adjustment factor
- Horizontal adjustment factor



The sensitivity factor of the trading portfolio is calculated using the following formula:

$$\sum_m \left| \sum_{t=1}^{14} (\alpha_{mt} \times A_{mt} - \alpha_{mt} \times P_{mt}) \right|$$

Where:

- Amt : Trading Assets (Chilean pesos, inflation linked and foreign currency)
- Pmt : Liabilities funding trading positions (Chilean pesos, inflation linked and foreign currency)
- α_{mt} : Sensitivity factor to raise interest rate
- m : Currency (Chilean pesos, inflation linked and foreign currency)
- t : Time period
- \sum : Summation
- | | : Absolute value

The vertical adjustment factor is calculated in the following manner

$$\sum_m \sum_{t=1}^{14} (\beta \times \min(\alpha_{mt} \times A_{mt}; \alpha_{mt} \times P_{mt}))$$

Where:

- β : Vertical adjustment factor, equal to 10%
- Min() : Compensated net position

A horizontal adjustment must be made following the vertical adjustment. To determine the horizontal adjustment one must multiply the horizontal adjustment factor by the compensated net position for Zone 1, Zone 2, Zone 3, Zones 1 and 2, Zones 2 and 3 and Zones 1 through 3.

Horizontal adjustment= *Adjusted net position

Compensated net position Zone 1,2 or 3	Min (Adjusted net asset position; absolute value of adjusted net liability position in Zone 1,2 or 3)
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)			Sensitivity factor			Vertical Adjustment Factor	Horizontal adjustment factor		
		Ch\$	UF	FX	a Ch\$	A UF	A FX		Within the zones	Between Adjacent Zones	Between zones 1 and 3
Zone 1	1 Up to 30 days	125	350	125	0.0005	0.0014	0.0005	β = 10%	λ ₁ = 40%	λ ₁₂ = 40%	λ ₁₃ = 100%
	2 31 days to 3 mths	125	350	125	0.0019	0.0047	0.0020	β = 10%	λ ₁ = 40%	λ ₁₂ = 40%	λ ₁₃ = 100%
	3 3 – 6 mths	125	350	125	0.0042	0.0088	0.0044	β = 10%	λ ₁ = 40%	λ ₁₂ = 40%	λ ₁₃ = 100%
	4 6 – 9 mths	125	350	125	0.0060	0.0116	0.0072	β = 10%	λ ₁ = 40%	λ ₁₂ = 40%	λ ₁₃ = 100%
	5 9 mths – 1 year	125	350	125	0.0059	0.0140	0.0100	β = 10%	λ ₁ = 40%	λ ₁₂ = 40%	λ ₁₃ = 100%
Zone 2	6 1 – 2 years	100	125	100	0.0124	0.0166	0.0133	β = 10%	λ ₂ = 30%	λ ₁₂ = 40%	λ ₁₃ = 100%
	7 2 – 3 years	100	100	100	0.0191	0.0211	0.0211	β = 10%	λ ₂ = 30%	λ ₁₂ = 40%	λ ₁₃ = 100%
	8 3 – years	100	100	100	0.0248	0.0281	0.0281	β = 10%	λ ₂ = 30%	λ ₂₃ = 40%	λ ₁₃ = 100%
Zone 3	9 4 – 5 years	75	75	75	0.0221	0.258	0.258	β = 10%	λ ₃ = 30%	λ ₂₃ = 40%	λ ₁₃ = 100%
	10 5 – 7 years	75	75	75	0.0263	0.0320	0.0320	β = 10%	λ ₃ = 30%	λ ₂₃ = 40%	λ ₁₃ = 100%
	11 7 – 10 years	75	75	75	0.0307	0.0401	0.0401	β = 10%	λ ₃ = 30%	λ ₂₃ = 40%	λ ₁₃ = 100%
	12 10 – 15 years	75	75	75	0.0332	0.0486	0.0486	β = 10%	λ ₃ = 30%	λ ₂₃ = 40%	λ ₁₃ = 100%
	13 15 – 20 years	75	75	75	0.0317	0.0534	0.0534	β = 10%	λ ₃ = 30%	λ ₂₃ = 40%	λ ₁₃ = 100%
	14 > 20 years	75	75	75	0.0278	0.0539	0.0539	β = 10%	λ ₃ = 30%	λ ₂₃ = 40%	λ ₁₃ = 100%

(b) Foreign Currency Risk

Exposure to foreign currency risk: The foreign currency risk is calculated using sensitivity factors linked to the credit risk rating of the issuing country.

The foreign currency risk as defined by the Central Bank of Chile is equal to:

$$\text{Max} \left[\left(\sum_i PNA_i x \sigma_i + \sum_j PNA_j x \sigma_j \right); \left(\left| \sum_i PNP_i x \sigma_i + \sum_j PNP_j x \sigma_j \right| \right) \right] + |PN_{oro} x \sigma_i|$$

Where:

- PNA : Net asset position
- PNP : Net liabilities position
- PN : Net gold position
- σ : Sensitivity factor for each currency
- j : Foreign currency
- ∑ : Summation
- | | : Absolute value
- Max : Maximum value

(c) Volatility Risk

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.

(ii) Banking Book

(a) Structural interest rate and inflation risk

The short-term interest rate risk and inflation risk of non-trading portfolio as defined by Central bank is equal to:

$$\sum_m^M \left| \sum_{\tau=1}^5 (A_{m\tau} - P_{m\tau}) x \mu_{\tau} \right| + |PN_{UR} x \tau| + |\Delta \phi|$$



The long-term interest rate risk of the non-trading portfolio is calculated according to the following formula:

$$\sum_m^M \left| \sum_{t=1}^{14} (A_{mt} - P_{mt}) \times \rho_{mt} \right|$$

Where:

- Amt : Non-trading Assets (Chilean pesos, inflation linked and foreign currency)
- Pmt : Non-trading Liabilities (Chilean pesos, inflation linked and foreign currency)
- μ : Sensitivity factor associated with interest rate movement
- PNur : Net position in inflation linked instruments, including those subject to price level restatement
- τ : Factor that measures the sensitive to movements in the inflation index. This factor is equal a 2%
- $\Delta\phi$: Effect on fees from shifts in interest rate and assumes a 200 basis point movement
- ρ_{mt} : Sensitive factor to increase in interest rates
- T : Time period
- M : Currency (Chilean pesos, inflation linked and foreign currency)
- \sum : Summation
- | | : Absolute value

Period		Change in interest rate (bp)			Sensitivity factor	Sensitivity factor long term (p mt)		
		Ch\$	UF	FX	short term (μ)	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, 2013, our interest rate risk gap (less than one year), measured according to the above methodology, was 56.3% 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 29.3% 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.



(iii) *Assumptions and Limitations of Regulatory Method*

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.

2. Funding Liquidity Risk

a) Management Tools

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 any other obligation. In order to comply with risk management objectives for funding liquidity risk, the monitoring and control structure is centered mainly on the following focal points:

- Short-term maturity mismatch
- Coverage capacity using liquid assets
- Concentration of funding sources

Additionally, the monitoring and control structure for liquidity risk is complemented with stress testing in order to observe the institution's ability to respond in the event of illiquid conditions.

(1) Internal Monitoring

(a) *Limits and Warning Levels*

(i) *Thirty-day Liquidity Coverage Ratio*

In addition to regulatory liquidity risk controls, we have also set internal liquidity limits, in order to safeguard the Bank's payment capacity in the event of illiquid conditions; a minimum has been established for the instruments portfolio that enables cash flows to be quickly generated either through liquidation or because they can be used as collateral for new funding sources. As part of our policy, we have developed two internal liquidity model.

Minimum Liquidity Requirement: In order to ensure that the bank will permanently hold enough liquid assets to meet all payments derived from obligation made by third parties in the bank over the next three days, we consider a limit on the minimum amount of liquid assets to be held on a daily basis.

Liquidity Coverage Ratio, or LCR. We seek to ensure that, even under adverse conditions, we have access to the funds necessary to cover client needs, maturing liabilities. The purpose of the LCR model is to evaluate our funding capacity assuming a hypothetical scenario of illiquidity. 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 composition of liquid assets as of December 31, 2013 after applying the respective price volatility haircuts and market liquidity adjustments is presented in the table below.



Liquid Assets CorpBanca Chile

Investment Portfolio Chile December 31, 2013	Liquid Assets in Domestic Currency (30 days)	Liquid Assets in Foreign Currency (30 days)	Total Liquid Assets
Cash and cash equivalents	267,482	63,473	330,955
Central bank or treasury bonds	340,831	–	340,831
Sovereign bonds	0	4,147	4,147
Bank time deposits	72,119	–	72,119
Corporate bonds	76,377	36,586	112,963
Bank bonds	21,980	7,278	29,258
Repo agreements	-64,247	–	-64,247
Average clearance reserves required	-131,199	-13,535	-144,734
Liquid assets	583,343	97,949	681,292

Figures in MCh\$

TABLE 25: LIQUID ASSETS CORPBANCA CHILE

Liquid Assets CorpBanca Colombia

Investment Portfolio Colombia December 31, 2013 (MCh\$)	Liquid Assets in Domestic Currency (30 days)	Liquid Assets in Foreign Currency (30 days)	Total Liquid Assets
Cash and cash equivalents	129,603	8,280	137,883
Central bank or treasury bonds	454,570	–	454,570
Sovereign bonds	0	–	–
Bank time deposits	10,141	0	10,141
Corporate bonds	16,503	–	16,503
Bank bonds	2,420	–	2,420
Repo agreements	–	–	–
Average clearance reserves required	109,222	–	109,222
Liquid assets	613,237	8,280	621,517

Figures in MCh\$

TABLE 26: LIQUID ASSETS CORPBANCA COLOMBIA

(ii) Daily Wholesale Maturities

In order to control concentration of wholesale funding sources and safeguard compliance with obligations, the Bank monitors maturities of deposits in Chilean pesos by wholesale customers.

Special treatment is given to this customer segment for two reasons:

- They individually could represent an important percentage of CorpBanca’s business.
- Given the profile of these customers in the wholesale segment, the renewal rate for these deposits tends to be lower. This last reason is consistent with cash disbursement models in regulatory reports, which do not assume that wholesale customers will renew deposits.



The maturity profile for wholesale deposits is monitored on a daily basis for every country. As a result, excesses are detected and reported based on the structure of the maturity profile. Forecasted excesses must be justified the day after they are reported and must then be managed.

(iii) *Warning Levels for Liquidity Requirements*

In addition to monitoring and reporting all internal limits on a daily basis, senior management is informed each month through the A&L Committee and the Board of Directors is informed each quarter. Special importance is placed on the Bank's liquidity position by presenting an analysis of measurements of concentration, performance, premiums paid and/or other relevant variables.

(a) *Monitoring Funding Sources*

Monitoring of variations in the stock of short-term funding such as time and demand deposits for each of the segments represents a key variable in monitoring the Bank's liquidity. Identifying abnormal volatilities in these funding sources enables the Bank to quickly foresee possible undesired liquidity problems and thus to suggest action plans for managing them.

During 2013, different strategies were implemented to diversify liabilities, including:

- Expanding stable funding sources such as on-line time deposits by individuals
- Issuing bonds abroad for US\$ 800 million, giving more stability to funding sources and decompressing the short-term institutional debt market.
- Capital increase of more than US\$ 600 million.

This strategy enabled the Bank to continue to improve its funding structure, providing more stable funding.

(b) *Survival Horizon under Individual Stress*

As a function of stressed maturities and renewal ratios, days of survival are estimated based on projected liquidity needs and the portfolio of available liquid assets. Based on these scenarios, any significant deviation is studied to determine whether action plans need to be implemented.

(b) *Stress Tests*

Stress testing is a tool that complements the analysis of liquidity risk management as it enables the Bank to know its ability to respond in the event of extreme illiquid conditions and to trigger its contingency plans, if necessary, to address such conditions.

In particular, three types of scenarios are modeled:

- Individual Crisis: the financial system loses confidence in the Bank, which translates into important withdrawals from demand accounts, decreases in deposits and bond investments by customers and penalties to its funding rates.
- Systemic Crisis: Local weakening of financial and credit conditions that causes the market to seek refuge in the U.S. dollar, greater restrictions on access to credit from abroad, massive outflows of capital, increases in the use of lines of credit and downward adjustments in expectations for the monetary policy rate.
- Global Crisis: Global weakening of financial, credit and economic conditions that causes the market to seek refuge in the U.S. dollar, greater restrictions on access to credit from abroad, decreased exposure to credit risk (replaced by sovereign risk), increases in the use of lines of credit and downward adjustments in expectations for the monetary policy rate.



(2) Regulatory Monitoring

(a) Reserve Requirement

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:

- Deposits in checking accounts,
- Other demand deposits or obligations payable on demand and incurred in the ordinary course of business,
- Other deposits unconditionally payable immediately or within a term of less than 30 days, and
- Time deposits payable within ten days.

(b) Liquidity requirement

In accordance with Chapter III B.2 from the Central Bank of Chile and Chapter 12-9 of the Updated Compilation of Standards from the Superintendency of Banks and Financial Institutions, the Bank must measure and control its liquidity position based on the difference between cash flows payable from liability and expense accounts and cash flows receivable from asset and income accounts for a given period or time band, which is called maturity mismatch.

This measurement is determined for controlling the liquidity position of the Bank itself and of its subsidiaries. The maturity mismatch calculation is carried out separately for domestic and foreign currency, setting limits based on capital and cash flows accumulated at 30 and 90 days:

- The maturity mismatch in all currencies for periods less than or equal to 30 days must be less than or equal to the Bank's basic capital.
- The maturity mismatch in foreign currencies for periods less than or equal to 30 days must be less than or equal to the Bank's basic capital.
- The maturity mismatch in all currencies for periods less than or equal to 90 days must be less than or equal to twice the Bank's basic capital.

In full compliance with the Central Bank of Chile and the Superintendency of Banks and Financial Institutions, CorpBanca's Board of Directors approved a policy to measure and control its liquidity position based on maturity mismatches on an adjusted basis with a 10% cushion with respect to the regulatory limit.

A greater cash flows mismatch represents a greater liquidity risk. This regulatory requirement must be communicated by all banks, so each investor can compare the information described above and identify the banks that have greater liquidity risk.

The table below shows the use of mismatch limits as of year-end 2013 and some consumption statistics for the year.



	Year-end 2013			Statistics 2013		
	Limit [MCh\$]	Mismatch [MCh\$]	Excess Reserves [MCh\$]	Minimum [MCh\$]	Average [MCh\$]	Maximum [MCh\$]
<u>Table of Contents</u>						
All currencies 30 days	1.404.443	-146.681	1.257.762	611.922	1.178.762	1.759.117
All currencies 90 days	2.808.886	-981.388	1.827.498	2.539.372	3.186.578	3.606.788
Foreign currency 30 days	1.404.443	19.210	1.423.653	675.159	1.112.338	1.329.750

	Year-end 2012			Year-end 2011		
	Limit [MCh\$]	Mismatch [MCh\$]	Excess Reserves [MCh\$]	Limit [MCh\$]	Mismatch [MCh\$]	Excess Reserves [MCh\$]
<u>Table of Contents</u>						
All currencies 30 days	927.030	219.292	1.146.322	725.845	293.239	1.019.084
All currencies 90 days	1.854.060	-1.079.885	774.175	1.451.690	-813.924	637.766
Foreign currency 30 days	927.030	-462.366	464.664	725.845	-71.351	654.494

Basic Capital referred to November of each year

TABLE 27: REGULATORY LIMITS AND CURRENCY MISMATCHES

Tables 28, 29 and 30 show the evolution of consumption for each limit in 2013.

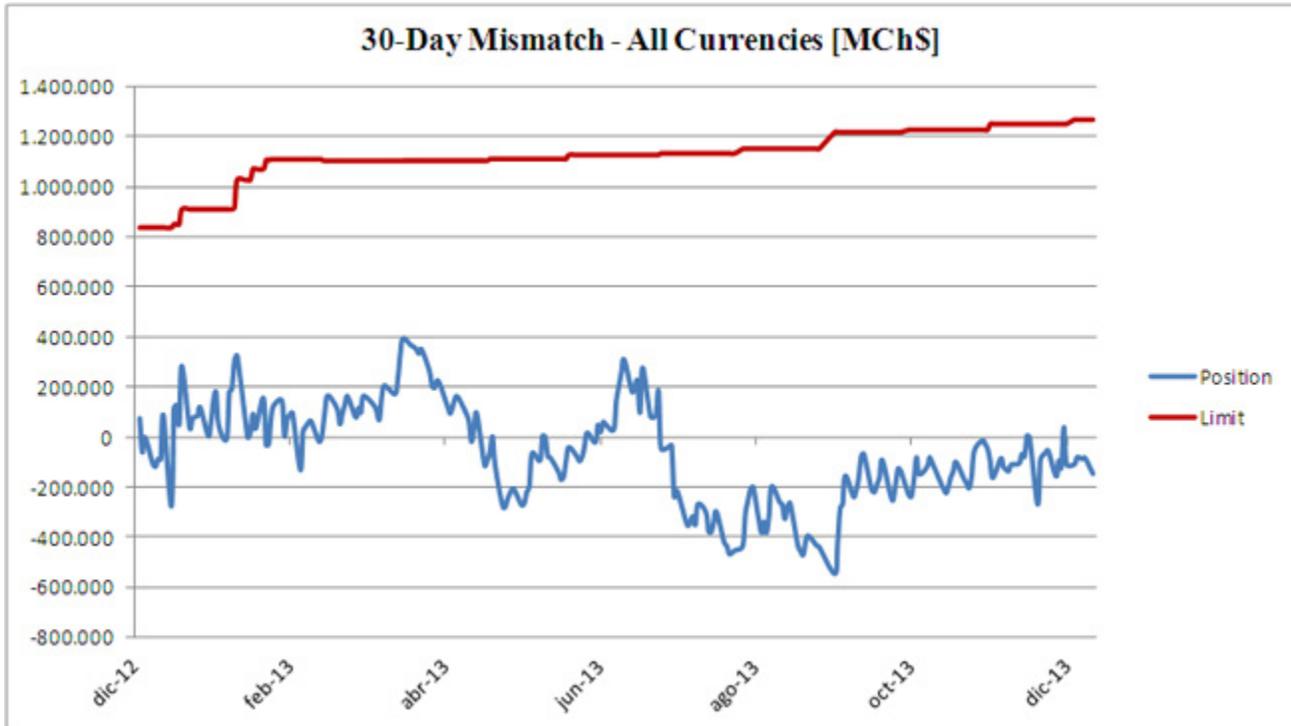


TABLE 28: EVOLUTION OF CONSOLIDATED MISMATCH IN ALL CURRENCIES AT 30 DAYS DURING 2013

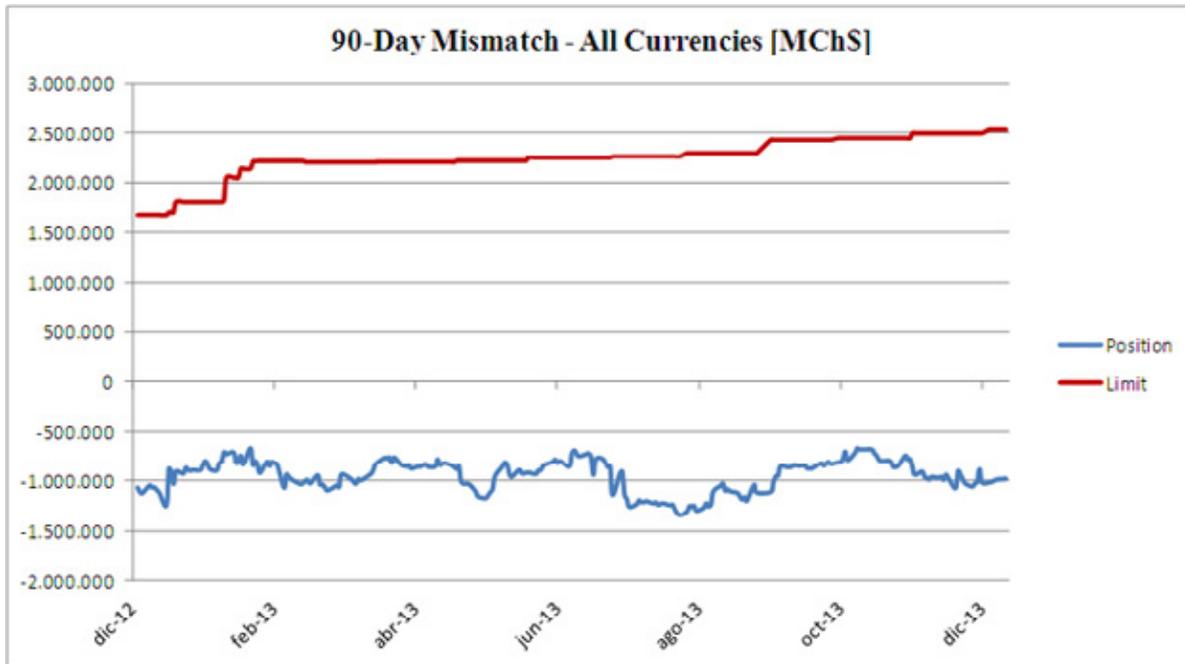


TABLE 29: EVOLUTION OF CONSOLIDATED MISMATCH IN ALL CURRENCIES AT 90 DAYS DURING 2013

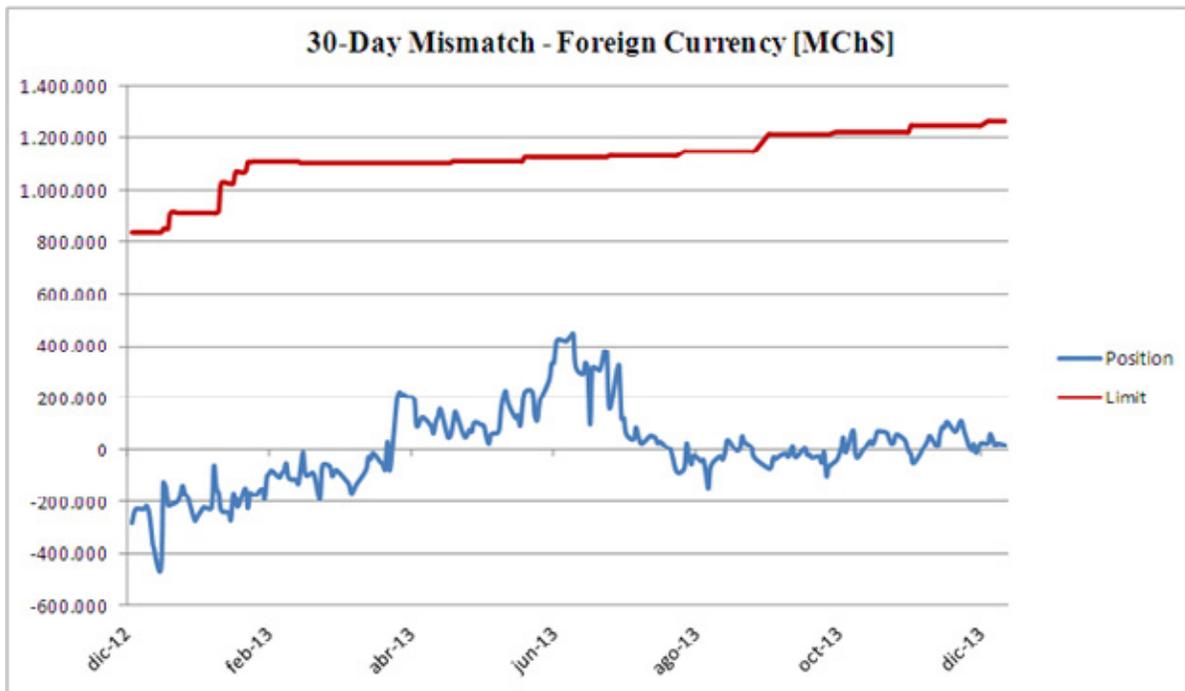


TABLE 30: EVOLUTION OF CONSOLIDATED MISMATCH IN FOREIGN CURRENCIES AT 30 DAYS DURING 2013

With respect to the Colombian market, regulatory measurement known as the standard LRI model measures seven and 30-day mismatches of balance sheet positions (assets and liabilities) and off-balance sheet positions such as derivatives.

The model indicates that renewal percentages are not applied for positions with contractual maturities. For positions without contractual maturities, historical behavior is analyzed in order to estimate structural cash flows and volatilities.

The net liquidity repayment is calculated as the difference between outflows and the minimum between 75% of outflows and total inflows. This requirement cannot be greater than liquid assets.

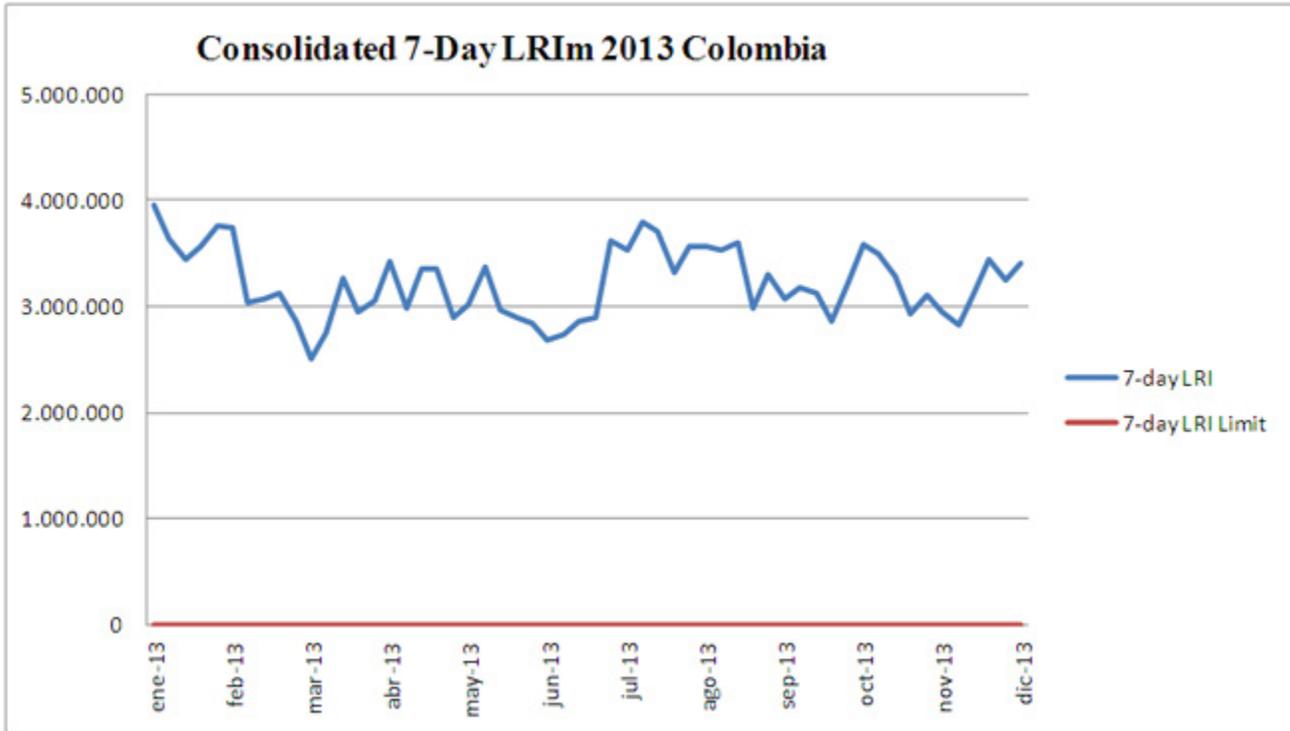


TABLE 31: EVOLUTION OF 7-DAY CONSOLIDATED LRI IN COLOMBIA FOR 2013

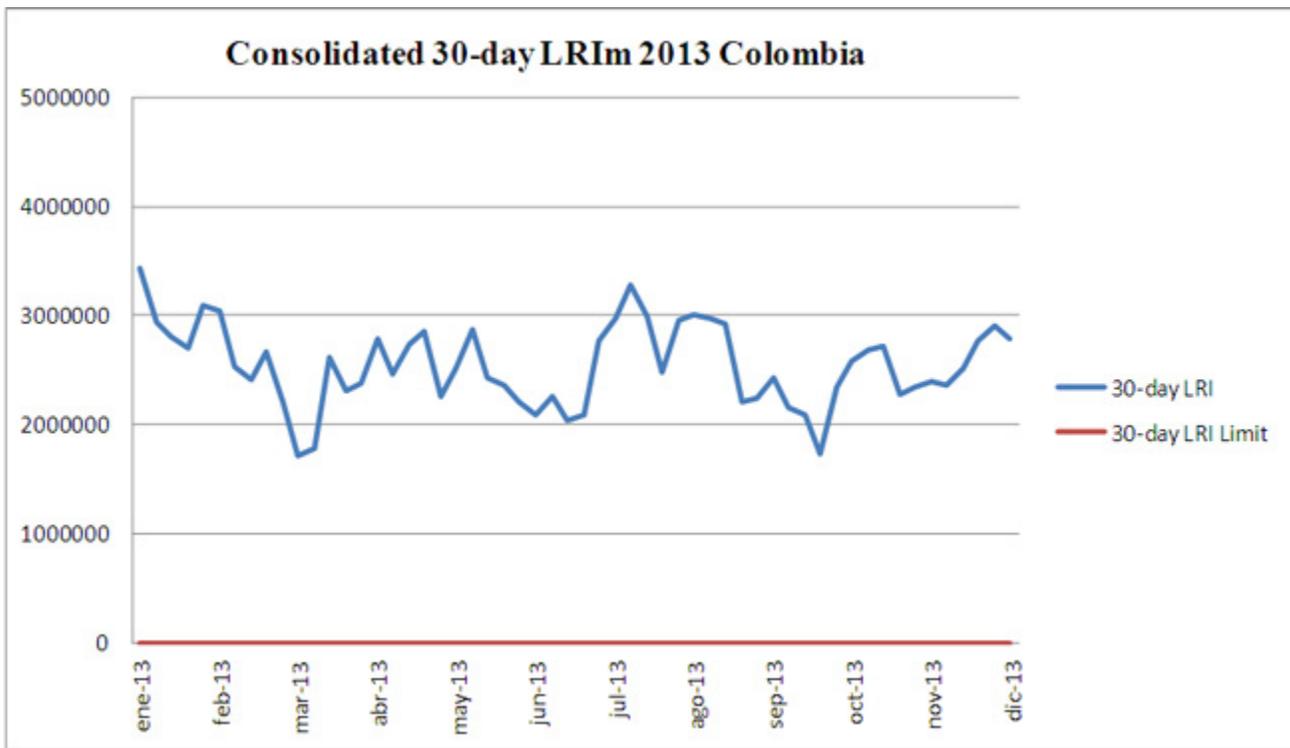


TABLE 32: EVOLUTION OF 30-DAY CONSOLIDATED LR IN COLOMBIA FOR 2013



Below we show additional information on liquidity GAP by buckets for Chile and Colombia for the year end 2013.

Chile 2013 (MMCh\$)

Term	7 Days	15 Days	30 Days	60 Days	90 Days	180 Days	360 Days	>> 360 Days
Cash outflows	-927.496	-336.171	-536.785	-842.926	-579.631	-1.171.442	-838.664	-4.273.298
Cash inflows	1.047.438	294.787	311.547	270.998	316.851	708.592	943.367	6.601.402
Static cash Flows	119.941	-41.384	-225.238	-571.928	-262.780	-462.849	104.703	2.328.103
Cumulative Cash Flows	119.941	78.558	-146.681	-718.608	-981.388	-1.444.238	-1.339.535	988.569

Colombia 2013 (MMCh\$)

Term	7 Days	15 Days	30 Days	60 Days	90 Days	180 Days	360 Days	>> 360 Days
Cash outflows	-442.154	-152.429	-413.696	-385.502	-424.248	-522.769	-539.206	-2.886.830
Cash inflows	1.262.249	103.727	196.904	270.590	240.908	584.117	622.817	3.689.443
Static cash Flows	820.095	-48.702	-216.792	-114.912	-183.340	61.348	83.611	802.613
Cumulative Cash Flows	820.095	771.393	554.601	439.688	256.348	317.696	401.307	1.203.920

D. 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.

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, 2011:

As of December 31, 2011	Up to 3 months	3 months to 1 year	Over one year	Gross Unrealized Gains	Gross Unrealized Losses
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Derivatives held-for-trading					
Foreign Currency Forwards	4,774,162	2,090,350	174,618	66,605	60,570
Interest Rate Swap	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
Foreign Currency Call Options	3,396	2,332	206	140	114
Foreign Currency Put Options	3,004	4,182	96	76	22
Derivatives hedge accounting					
Interest rate swaps	105	697,200	351,522	4,962	2,244
Foreign currency swaps	—	—	58	—	3,345
Liquidity Risk				248,982	166,872

As of December 31, 2012	Up to 3 months	3 months to 1 year	Over one year	Gross Unrealized Gains	Gross Unrealized Losses
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Derivatives held-for-trading					
Foreign Currency Forwards	6,386,608	2,346,547	253,571	58,249	62,794
Interest Rate Swap	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
Foreign Currency Call Options	75,646	65,871	2,108	303	1,114
Foreign Currency Put Options	36,646	43,790	1,940	1,070	663
Derivatives hedge accounting					
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

As of December 31, 2013	Up to 3 months	3 months to 1 year	Over one year	Gross Unrealized Gains	Gross Unrealized Losses
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Derivatives held-for-trading					
Foreign Currency Forwards	6,744,016	3,501,634	411,396	70,232	61,377
Interest Rate Swap	1,083,725	2,915,462	11,989,083	152,591	93,382
Foreign Currency Swap	131,745	490,918	2,906,968	147,357	111,256
Foreign Currency Call Options	129,766	118,551	—	1,968	3,549
Foreign Currency Put Options	45,611	60,584	—	512	562
Derivatives hedge accounting					
Foreign Currency Forwards	89,186	14,891	74,591	33	793
Interest rate swaps	20,979	321,447	510,407	416	7,402
Foreign currency swaps	—	163,459	63,721	3,171	3,262
Liquidity Risk	8,245,028	7,586,946	15,956,166	376,280	281,583

	Financial Position				Profit or loss				
	Positions		Unrealized	Unrealized	Net Effect	Realized	Total	Unrealized	Coverage Element
	Assets	Liabilities	Gain/(Loss)	Gain/(Loss) 2010	Gain/(Loss)	Gain/(Loss)		Gain/(Loss) Other Comprehensive Income	Gain/(Loss)
As of December 2011	MCh\$ (A)	MCh\$ (B)	MCh\$ (A-B) = (C)	MCh\$ (D)	MCh\$ (C) - (D) = (E)	MCh\$ (F)	MCh\$ (E) + (F) = (G)	MCh\$ (H)	MCh\$ (I)
Derivatives held-for-trading			Note 7	Note 7			Note 25	Note 22	Note 23
Foreign currency forwards	66.605	60.570	6.035	(12.820)	18.855	(4.679)	14.176		
Interest rate swaps	100.917	67.965	32.952	13.304	19.648	(9.106)	10.542		
Foreign currency swaps	76.282	32.612	43.670	28.319	15.351	39.914	55.265		
Foreign currency call options	140	114	26	11	15	154	169		
Foreign currency put options	76	22	54	252	(198)	40	(158)		
Total derivatives held-for-trading	244.020	161.283	82.737	29.066			79.994	(2.743)	
Derivatives hedge accounting			Note 7	Note 7			Note 26		
Fair Value hedges	2.877	3.310	(433)	(260)	(173)	(9.328)	(9.501)	—	(2.864)
Cash flow hedges	2.085	2.279	(194)	—	(194)	(16.678)	(16.872)	(2.576)	—
Total derivatives hedge accounting	4.962	5.589	(627)	(260)			(26.373)	(2.576)	(2.864)
Total	248.982	166.872							

	Financial Position				Profit or loss				
	Positions		Unrealized	Unrealized	Net Effect	Realized	Total	Unrealized	Coverage Element
	Assets	Liabilities	Gain/(Loss)	Gain/(Loss) 2010	Gain/(Loss)	Gain/(Loss)		Gain/(Loss) Other Comprehensive Income	Gain/(Loss)



	Assets	Liabilities	Gain/ (Loss)	Gain/ (Loss) 2011	Gain/(Loss)	Gain/ (Loss)		Comprehensive Income	Gain/(Loss)
As of December 2012	MCh\$ (A)	MCh\$ (B)	MCh\$ (A-B) = (C)	MCh\$ (D)	MCh\$ (C) - (D) = (E)	MCh\$ (F)	MCh\$ (E) + (F) = (G)	MCh\$ (H)	MCh\$ (I)
Derivatives held-for-trading			Note 8	Note 8			Note 26	Note 23	Note 24
Foreign currency forwards	58,249	62,794	(4,545)	6,035	(10,580)	(717)	(11,297)		
Interest rate swaps	98,576	74,290	24,286	32,952	(8,666)	16,095	7,429		
Foreign currency swaps	104,629	51,323	53,306	43,670	9,636	17,064	26,700		
Foreign currency call options	303	1,114	(811)	26	(837)	1,257	420		
Foreign currency put options	1,070	663	407	54	353	72	425		
Total derivatives held-for-trading	262,827	190,184	72,643	82,737			23,677		
Derivatives hedge accounting			Note 8	Note 8			Note 27		
Fair Value hedges	3,060	308	2,752	(433)	3,185	3,018	6,203	—	(2,504)
Cash flow hedges	2,140	3,352	(1,212)	(194)	(1,018)	(558)	(1,576)	570	—
Total derivatives hedge accounting	5,200	3,660	1,540	(627)			4,627	570	(2,504)
Total	268,027	193,844							

	Financial Position				Profit or loss				
	Assets Positions	Liabilities	Position Final	Position Opening	Unrealized	Realized	Net Effect	Unrealized	Coverage Element
As of December 2013	MCh\$ (A)	MCh\$ (B)	MCh\$ (A-B) = (C)	MCh\$ (D)	MCh\$ (C)-(D) = (E)	MCh\$ (F)	MCh\$ (E) + (F) = (G)	MCh\$ (H)	MCh\$ (I)
Derivatives held-for-trading			Note 8	Note 8			Note 26	Note 23	Note 24
Foreign currency forwards	70,232	61,377	8,855	(4,545)	13,400	18,130	31,530		
Interest rate swaps	152,591	93,382	59,209	24,286	34,923	2,393	37,316		
Foreign currency swaps	147,357	111,256	36,101	53,306	(17,205)	8,748	(8,457)		
Foreign currency call options	1,968	3,549	(1,581)	(811)	(770)	(4,362)	(5,132)		
Foreign currency put options	512	562	(50)	407	(457)	3,671	3,214		
Total derivatives held-for-trading	372,660	270,126	102,534	72,643	29,891	28,580	58,471		
Derivatives hedge accounting			Note 8	Note 8			Note 27		
Total derivatives hedge accounting	3,620	11,457	(7,837)	1,540	(9,377)	10,436	1,059	(5,187)	6,955
Total	376,280	281,583							



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.

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

There have been no defaults, dividend arrearages or delinquencies in any payments for the year ended December 31, 2013.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

There have been no material modifications to the rights of security holders for the year ended December 31, 2013.

ITEM 15. CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

As of December 31, 2013, CorpBanca, under the supervision and with the participation of our management, including the CEO and the CFO, 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 CEO and CFO 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, with the exception of Helm Bank which we acquired in a two step transaction on August 6 and August 29, 2013, required to be disclosed in the reports that we file under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (ii) 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.

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 of December 31, 2013, pursuant to SEC guidelines, management excluded from its assessment of internal control over financial reporting an assessment of internal control over financial reporting for the recently



acquired Helm Bank. Helm Bank's financial statements constitute 23% of total consolidated assets, 15% of consolidated net interest income, 11% of consolidated net service fee income, 15% of consolidated total operating income, net of loan losses, interest and fees and 14% of consolidated income before income taxes as of and for the year ended December 31, 2013.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2013 based on the criteria established in Internal Control—Integrated Framework (1992) 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, 2013.

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, 2013.



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, 2013, based on criteria established in *Internal Control-Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. 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 Helm Bank S.A., which was acquired on August 6 and 29, 2013 and whose financial statements constitute 23% of total assets, 15% of net interest income, 11% of net service fee income, 15% of total operating income, net of loan losses, interest and fees, and 14% of income before income taxes of the consolidated financial statement amounts as of and for the year ended December 31, 2013. Accordingly, our audit did not include the internal control over financial reporting at Helm Bank S.A.. 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.

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 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, 2013, based on the criteria established in *Internal Control - Integrated Framework (1992)* 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, 2013 of the Bank and our report dated May 15, 2014 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 1ff) and that



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CORBANCA
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Page 2 of 2

such U.S. dollar amounts are presented solely for the convenience of readers in the United States of America.

DePoyte

Santiago, Chile
May 15, 2014



CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were changes in our internal controls over financial reporting in connection with the evaluation required by paragraph (d) of 17 CFR 240.a13a-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 related to the acquisition of CorpBanca Colombia.

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.

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 CEO, CFO, 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.

Our code of ethics is available on our website, at www.corpbanca.cl under the heading “*Gobiernos Corporativos*”.

No waivers have 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, 2011, 2012 and 2013:

	Year ended December 31,		
	2011	2012	2013
	(in millions of constant Ch\$)		
Audit fees	478	596	1,279
Audit-related fees	–	–	94
Tax fees	37	10	–
All other fees	854	668	36
Total	1,369	1,274	1,410

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 the opinion of management, materially adversely affect the ability of its audit committee to act independently and to satisfy the other requirements of Exchange Act Rule 10A-3.

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 2013:

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 2013	1,093,238,331	6.58	–	–
February 2013	70,261,977	6.25	–	–
March 2013	–	–	–	–
April 2013	–	–	–	–
May 2013	–	–	–	–
June 2013	–	–	–	–
July 2013	388,931,237	5.07	–	–
August 2013	286,038,473	4.93	–	–
September 2013	14,451,741	5.36	–	–
October 2013	–	–	–	–
November 2013	–	–	–	–
December 2013	–	–	–	–
Total	1,852,921,759	5.64	–	–



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 Chilean 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.

Chilean Corporate Governance Standards

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.

Non-management directors must meet at regularly scheduled executive sessions without management.

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.

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 (i) identifying, and selecting or recommending, qualified individuals to serve as board members, (ii) developing and recommending corporate governance guidelines; and (iii) overseeing the evaluation of the board and management.

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.



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 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.

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.

Under Chilean law we are not required to have a compensation committee. Our Board of Directors establishes the compensation of our CEO 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 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 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 and 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 CEO, CFO 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.

Under Chilean law, 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. 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, the 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.

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 2013 and 2012
- (c) Consolidated Statement of Income for the three years ended December 31, 2013
- (d) Consolidated Statement of Comprehensive Income for the three years ended December 31, 2013
- (e) Statement of Changes in Shareholders' Equity for the three years ended December 31, 2013
- (f) Consolidated Statement of Cash Flows for each of the three years ended December 31, 2013
- (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 (*estatutos sociales*) 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 depository, 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).2* Form of CorpBanca Share Certificate (English language translation).
- 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 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
- 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(i) Service Contract, dated as of July 6, 2001, between Inversiones Corp Group Interhold Ltda. and CorpBanca, as amended (English language translation).
- Exhibit 4.(a).2(ii) Service Contract, dated as of April 10, 2008, between Inversiones Corp Group Interhold Ltda. and CorpBanca, as amended (English language translation).
- Exhibit 4.(a).2(iii) Service Contract, dated as of March 27, 2012, between Corp Group Holding Inversiones Ltda. and CorpBanca, as amended (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 10.C.1 Transaction Agreement dated as of January 29, 2014, by and among CorpBanca, Inversiones Corp Group Interhold Limitada, Inversiones Saga Limitada, Itaú Unibanco and Itaú Chile.
- 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 CEO 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 CFO 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 CEO 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 CFO 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.

-
- * Filed as an exhibit to our Form 20-F (File No. 001-32305) filed on September 24, 2004, and incorporated herein by reference.
- ** Filed as an exhibit to our registration statement on Form F-6 (File No. 001-32305) filed on April 30, 2012, and incorporated herein by reference.
- *** Filed as an exhibit to our annual report on Form 20-F (File No. 001-32305) for the year ended December 31, 2006 filed on June 29, 2007, and incorporated herein by reference.
- **** Filed as an exhibit to our annual report on Form 20-F (File No. 001-32305) for the year ended December 31, 2008 filed on June 30, 2009, and incorporated herein by reference.
- ***** Filed as an exhibit to our annual report on Form 20-F (File No. 001-32305) for the year ended December 31, 2011 filed on April 30, 2012, and incorporated herein by reference.
- ***** Filed as an exhibit to our annual report on Form 20-F (File No. 001-32305) for the year ended December 31, 2012 filed on May 15, 2013, and incorporated herein by reference.



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, 2014



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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, 2013 and 2012, 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, 2013. 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, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013, 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; in our opinion, such translation has been made in conformity with the basis stated in note 1ff). 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, 2013, based on the criteria established in *Internal Control—Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated May 15, 2014 expressed an unqualified opinion on the Bank’s internal control over financial reporting.

Santiago, Chile
May 15, 2014



CORPBANCA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of December 31, 2012 and 2013
(In millions of Chilean pesos - MCh\$)

	Notes	Restated (*) See Note 2		
		12.31.2012 MCh\$	12.31.2013 MCh\$	12.31.2013 ThUS\$ (Note 1 ff)
ASSETS				
Cash and deposits in banks	5	520,228	911,088	1,730,757
Cash in the process of collection	5	123,777	112,755	214,196
Trading portfolio financial assets	6	159,898	431,683	820,051
Investments under agreements to resell	7	21,313	201,665	383,095
Derivative financial instruments	8	268,027	376,280	714,804
Loans and receivables from banks	9	482,371	217,944	414,019
Loans and receivables from customers, net	10	9,993,890	12,771,642	24,261,777
Financial investments available-for-sale	11	1,112,435	889,087	1,688,963
Held to maturity investments	11	104,977	237,522	451,211
Investment in other companies	12	5,793	15,465	29,378
Intangible assets	13	489,306 (*)	836,922	1,589,867
Property, plant and equipment, net	14	65,086	98,242	186,626
Current taxes	15	-	-	-
Deferred income taxes	15	40,584 (*)	89,218	169,484
Other assets	16	149,903	293,118	556,825
TOTAL ASSETS		13,537,588	17,482,631	33,211,054
LIABILITIES				
Current accounts and demand deposits	17	1,112,675	3,451,383	6,556,454
Cash in the process of collection	5	68,883	57,352	108,949
Obligations under repurchase agreements	7	257,721	342,445	650,529
Time deposits and saving accounts	17	7,682,675	7,337,703	13,939,141
Derivative financial instruments	8	193,844	281,583	534,912
Borrowings from financial institutions	18	969,521	1,273,840	2,419,863
Debt issued	19	1,886,604	2,414,557	4,586,837
Other financial obligations	19	18,120	16,807	31,928
Current income tax provision	15	9,057	45,158	85,785
Deferred income taxes	15	120,714 (*)	179,467	340,926
Provisions	20	136,240 (*)	164,932	313,315
Other liabilities	21	79,868 (*)	185,507	352,400
TOTAL LIABILITIES		12,535,922	15,750,734	29,921,039
SHAREHOLDERS' EQUITY				
Attributable to equity holders of the Bank:				
Capital	23	638,234	781,559	1,484,696
Reserves		275,552	515,618	979,499
Accumulated other comprehensive income		(38,742) (*)	(28,105)	(53,390)
Retained earnings:		72,252	157,127	298,488
Retained earnings from prior periods		13,190	72,252	137,254
Net income for the year	23	119,102	162,422	308,547
Less: Accrual for mandatory dividends		(60,040)	(77,547)	(147,313)
		947,296	1,426,199	2,709,293
Non controlling interest	23	54,370	305,698	580,722
TOTAL SHAREHOLDERS' EQUITY		1,001,666	1,731,897	3,290,015
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		13,537,588	17,482,631	33,211,054

Notes 1 to 38 are an integral part of these consolidated financial statements



CORPBANCA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
For the years ended December 31, 2011, 2012 and 2013
(In millions of Chilean pesos - MCh\$)

	Notes	12.31.2011 MCh\$	12.31.2012 MCh\$	12.31.2013 MCh\$	12.31.2013 ThUS\$ (Note 1 ff)
Interest income	24	528,622	762,992	1,007,106	1,913,159
Interest expense	24	(335,622)	(506,116)	(549,416)	(1,043,704)
Net interest income		193,000	256,876	457,690	869,455
Income from service fees	25	72,404	105,178	144,777	275,027
Expenses from service fees	25	(12,042)	(19,534)	(26,800)	(50,911)
Net service fee income		60,362	85,644	117,977	224,116
Trading and investment income, net	26	97,745	54,994	101,287	192,411
Foreign exchange gains (losses), net	27	(26,783)	30,696	(13,906)	(26,417)
Other operating income	32	9,507	18,708	39,658	75,337
Trading and investment, foreign exchange gains and other operating income		80,469	104,398	127,039	241,331
Operating income before provision for loan losses		333,831	446,918	702,706	1,334,902
Provisions for loan losses	28	(40,754)	(51,575)	(102,072)	(193,902)
Total operating income, net of loan losses, interest and fees		293,077	395,343	600,634	1,141,000
Personnel salaries expenses	29	(76,461)	(120,714)	(165,009)	(313,461)
Administration expenses	30	(55,141)	(88,783)	(139,614)	(265,219)
Depreciation and amortization	31	(7,461)	(18,092)	(42,288)	(80,333)
Impairment	31	-	-	-	-
Other operating expenses	32	(13,643)	(26,055)	(15,234)	(28,939)
Total operating expenses		(152,706)	(253,644)	(362,145)	(687,952)
Total net operating income		140,371	141,699	238,489	453,048
Income attributable to investment other companies	12	250	367	1,241	2,357
Income before income taxes		140,621	142,066	239,730	455,405
Income taxes	15	(23,303)	(22,913)	(64,491)	(122,511)
Net income for the year		117,318	119,153	175,239	332,895
Attributable to:					
Equity holders of the Bank		119,142	119,102	162,422	308,547
Non controlling interest		(1,824)	51	12,817	24,348
Earnings per share attributable to equity holders of the Bank		Ch\$	Ch\$	Ch\$	US\$
Basic earnings per share	23 d)	0.50	0.43	0.48	0.001
Diluted earning per share	23 d)	0.50	0.43	0.48	0.001

Notes 1 to 38 are an integral part of these consolidated financial statements



CORPBANCA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2011, 2012 and 2013
(In millions of Chilean pesos - MCh\$)

		<u>12.31.2011</u>	<u>Restated (*)</u> <u>See Note 2</u> <u>12.31.2012</u>	<u>12.31.2013</u>	<u>12.31.2013</u>
		MCh\$	MCh\$	MCh\$	ThUS\$ (Note 1 ff)
Net income for the year	Notes	117.318	119.153	175.239	332.895
Other Comprehensive Income					
Items that may be reclassified subsequently to profit or loss:					
Financial instruments available-for-sale	23 f)	(1.258)	(5.368)	4.597	8.733
Exchange differences on translation	23 f)	1.238	(25.157)	11.960	22.720
Gain (loss) from hedge of net investment in foreign operation	23 f)	(1.264)	757	(2.840)	(5.395)
Gain (loss) from cash flow hedge	23 f)	(2.576)	3.146	(5.757)	(10.936)
Other comprehensive income (loss) before income taxes		(3.860)	(26.622)	7.960	15.121
Income tax relating to financial instruments available-for-sale	15 d)	461	888	(911)	(1.731)
Income tax relating to hedge of net investment in foreign operations	15 d)	220	(147)	568	1.079
Income tax relating to cash flow hedge	15 d)	298	(361)	842	1.600
Income taxes		979	380	499	948
Total other comprehensive income that may be reclassified to profit in subsequent periods		(2.881)	(26.242)	8.459	16.069
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit obligation	20 c)	-	(10.301) (*)	3.300	6.269
Income tax relating to defined benefit obligation	15 d)	-	3.440 (*)	(1.122)	(2.131)
Total items that will not be reclassified subsequently to profit or loss		-	(6.861)	2.178	4.137
Total other comprehensive income (loss)		(2.881)	(33.103)	10.637	20.207
Comprehensive income (loss) for the year		114.437	86.050	185.876	353.101
Attributable to:					
Equity Holders of the bank		116.261	85.999	173.059	328.753
Non Controlling interest	23 h)	(1.824)	51	12.817	24.348

Notes 1 to 38 are an integral part of these consolidated financial statements



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	2012 Restated															
	(*)															
	(**)															
Distribution of prior year's net income	-	-	-	-	-	-	-	-	-	-	-	-	-			
Shareholders' equity as of January 1, 2013	293,358	638,234	275,552	(10,301)	(8,143)	456	570	4,893	(26,217)	(38,742)	13,190	119,102	(60,040)	947,296	54,370	1,001,666
Increase or decrease in capital and reserves	47,000	143,325	147,843	-	-	-	-	-	-	-	-	-	-	291,168	787	291,955
Dividends paid	-	-	-	-	-	-	-	-	-	-	(60,040)	-	-	60,040	-	-
Accrual for mandatory dividends	-	-	-	-	-	-	-	-	-	-	-	-	(77,547)	(77,547)	-	(77,547)
Comprehensive income for the period	-	-	-	3,300	4,597	(2,840)	(5,757)	(623)	11,960	10,637	-	162,422	-	173,059	12,817	185,876
Dilutive effect of purchase of Helm Bank and Subsidiaries (**)	-	-	92,223	-	-	-	-	-	-	-	-	-	-	92,223	-	92,223
Movements generated by non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,716	2,716
Acquisition Subsidiary in Colombia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	235,008	235,008
Shareholders' equity as of December 31 2013	340,358	781,559	515,618	(7,001)	(3,546)	(2,384)	(5,187)	4,270	(14,257)	(28,105)	72,252	162,422	(77,547)	1,426,199	305,698	1,731,897
Shareholders' equity as of December 31 2013	340,358	1,484,696	979,499	(13,300)	(6,736)	(4,529)	(9,854)	8,112	(27,083)	(53,390)	137,254	308,547	(147,313)	2,709,293	580,722	3,290,015

(*) See Note 2.

(**) For more information, see Note 23 Equity letter i). Transfer non-controlling interest (including excess of fair value over carrying value to parent).

Notes 1 to 38 are an integral part of these consolidated financial statements



CORPBANCA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2011, 2012 and 2013
(In millions of Chilean pesos - MCh\$)

Notes	12.31.2011	12.31.2012	12.31.2013	12.31.2013
	MCh\$	MCh\$	MCh\$	ThUS\$
CASH FLOW FROM OPERATING ACTIVITIES:				
				(Note 1 ff)
Income before income taxes	140,621	142,066	239,730	455,405
Non controlling Interest	(1,824)	51	12,817	24,348
Charges (credits) to income not representing cash flow:				
Depreciation and amortization	31 7,461	18,092	42,288	80,333
Provision for loan losses	28 52,732	66,452	119,539	227,083
Provisions and write-offs for assets received in lieu of payment	26	-	35	66
Contingency provisions	32 b) 1,657	4,902	107	203
Adjustment to market value of investments and derivatives	(49,023)	10,055	(17,139)	(32,558)
Net interest income	24 c) (193,000)	(256,876)	(457,690)	(869,455)
Net fees and income from services	25 (60,362)	(85,644)	(117,977)	(224,116)
Net foreign exchange gains (losses)	27 26,783	(30,696)	13,906	26,417
Deferred taxes	984	(12,305)	(5,297)	(10,063)
Other charges (credits) to income not representing cash flows	19,878	21,105	15,224	28,920
Subtotals	(54,067)	(122,798)	(154,457)	(293,416)
Increase/decrease in operating assets and liabilities:				
Loans and receivables to customers and banks	(1,788,377)	(2,209,523)	495,928	942,095
Investments under agreements to resell	51,512	89,407	(133,034)	(252,719)
Trading portfolio financial assets	27,230	215,854	41,973	79,734
Financial investments available-for-sale	49,061	(82,802)	428,471	813,949
Held to maturity investments	(18,126)	839	(28,173)	(53,519)
Other assets and liabilities	31,569	(48,921)	(43,702)	(83,019)
Time deposits and saving accounts	1,172,048	1,831,498	(945,561)	(1,796,244)
Currents accounts and demand deposits	70,656	165,322	69,259	131,569
Obligations under repurchase agreements	(54,232)	135,635	98,580	187,268
Dividends received from investments in other companies	12 a) 250	367	1,241	2,357
Foreign borrowings obtained	1,013,562	1,204,730	3,168,124	6,018,358
Repayment of foreign borrowings	(809,997)	(1,137,045)	(3,164,516)	(6,011,504)
Net (decrease) increase of other obligations with banks	(42,629)	(511)	-	-
Interest paid	24 b) (332,758)	(503,612)	(556,371)	(1,056,916)
Interest received	24 a) 528,622	762,992	1,007,819	1,914,513
Income tax paid	15 b) (23,303)	(22,913)	(64,491)	(122,511)
Repayment of other borrowings	(3,834)	(3,452)	1,552	2,948
Net cash (used in) provided by operating activities	(182,813)	275,067	222,642	422,944
CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of property, plant and equipment, others	(10,911)	(23,495)	(34,366)	(65,284)
Acquisition of Banco CorpBanca Colombia, S.A. net of cash acquired	12 a) -	(476,358)	(255,444)	(485,257)
Proceeds from sales of property, plant and equipment	-	6,069	7,520	14,285
Sale of assets received in lieu of payment or in foreclosure	482	3,996	4,586	8,712
Net cash (used in) provided by investment activities	(10,429)	(489,788)	(277,704)	(527,543)
CASH FLOW FROM FINANCING ACTIVITIES:				
Issued debt	344,103	966,627	688,160	1,307,270
Redemption of issued debt	(61,792)	(697,916)	(269,770)	(512,471)
Capital increase	23 170,594	267,538	291,168	553,120
Dividends Paid	23 c) (119,043)	(122,849)	(60,040)	(114,056)



Net cash provided (used in) provided by financing activities		333,862	413,400	649,518	1,233,863
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		140,620	198,679	594,456	1,129,264
Cash and cash equivalents at beginning of year		393,721	534,341	733,020	1,392,489
Cash and cash equivalents at end of year	5 a)	534,341	733,020	1,327,476	2,521,753
Net variation of cash and cash equivalents		140,620	198,679	594,456	1,129,264

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, 2012 and 2013 and for the years ended December 31, 2011, 2012 and 2013

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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 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, 2011, 2012 and 2013, one UF equaled Ch\$22,294.03, Ch\$22,840.75, and Ch\$23,309.56 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.

For consolidation purposes, the statements of financial position of our New York Branch have been converted to Chilean pesos at the exchange rate of Ch\$526.41 per US\$1 as of December 31, 2013 (Ch\$479.16 per US\$1 as of December 31, 2012). Our Colombian subsidiaries have used the exchange rate of Ch\$0.2736 per COP\$1 (Ch\$0.2711 per COP\$1 as of December 31, 2012), in accordance with International Accounting Standard 21, regarding the translation of a foreign operation whose functional currency is not the currency of a hyperinflationary economy.

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 Corpbanca and its subsidiaries, the New York Branch and Colombian subsidiaries that participate in the consolidation and as of December 31, 2012 and 2013 and for the three years ended December 31 2011, 2012 and 2013, and include the necessary adjustments and reclassifications to the incorporated financial statements of subsidiaries, our New York Branch and Colombian subsidiaries as of December 31, 2012 and 2013 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.



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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.

Controlled Entities

Regardless of the nature of its involvement in an entity (the investee), Corpbanca will determine whether it controls an investee based on whether it has exposure, or rights, to variable returns from the its involvement with the investee and has the ability to use its power over the investee to affect the amount of the its returns.

Therefore, the Company controls an investee if and only if it has all of the following elements:

- a) Power over the investee, i.e. existing rights that give it the ability to direct the relevant activities of the investee (the activities that significantly affect the investee's returns);
- b) Exposure, or rights, to variable returns from its involvement with the investee;
- c) The ability to use its power over the investee to affect the amount of the investor's returns.

When the Bank has less than the majority of voting rights in an investee, but these voting rights are sufficient to give it the practical ability to unilaterally direct the investee's relevant activities, the Bank is determined to have control. The Bank considers all relevant factors and circumstances in evaluating whether voting rights are sufficient to obtain control, including:

- the size of the Bank's holding of voting rights relative to the size and dispersion of holdings of other vote holders;
- potential voting rights held by the investor, other vote holders or other parties;
- rights from other contractual agreements;
- any additional facts and circumstances that indicate that the investor has, or does not have, the current ability to direct the relevant activities when decisions need to be made, including voting behavior patterns in prior shareholder meetings.

The Bank reevaluates whether or not it has control in an investee if the facts and circumstances indicate that there have been changes in one or more of the elements of control listed above.

The financial statements of controlled companies are consolidated with those of the Bank using the global integration method (line by line). Using this method, all balances and transactions among consolidated companies have been eliminated upon consolidation. The consolidated financial statements include all assets, liabilities, equity, income, expenses, and cash flows of the parent its subsidiaries presented as if they were one sole economic entity. A controller prepares consolidated financial statements using uniform accounting policies for similar transactions and other events under equivalent circumstances.

Non-controlling interest are also presented in the Consolidated Statement of Financial Position, within equity, separately from the equity holders of the Bank. Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are equity transactions (i.e. transactions with the owners in their role as such).

An entity shall attribute profit for the period and each component of other comprehensive income to equity holders of the Bank and the non-controlling interests.



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The entity shall also attribute total comprehensive income to the equity holder of the Bank and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The following table details the entities over which Corpbanca has the ability to exercise control and, therefore, the entities that it consolidates: (See Note 38 Subsequent Events for more information).

	Country	Functional currency	Direct and Indirect Ownership								
			As of December 31, 2013			As of December 31, 2012			As of December 31, 2011		
			Direct %	Indirect %	Total %	Direct %	Indirect %	Total %	Direct %	Indirect %	Total %
CorpBanca Corredores de Bolsa S.A.	Chile	\$	99,990	0,010	100,000	99,990	0,010	100,000	99,990	0,010	100,000
CorpBanca Administradora General de Fondos S.A.	Chile	\$	99,996	0,004	100,000	99,996	0,004	100,000	99,996	0,004	100,000
CorpBanca Asesorías Financieras S.A. 1	Chile	\$	99,990	0,010	100,000	99,990	0,010	100,000	99,990	0,010	100,000
CorpBanca Corredores de Seguros S.A.	Chile	\$	99,990	0,010	100,000	99,990	0,010	100,000	99,990	0,010	100,000
CorpLegal S.A. 1	Chile	\$	99,990	0,010	100,000	99,990	0,010	100,000	99,990	0,010	100,000
CorpBanca Agencia de Valores S.A.	Chile	\$	99,990	0,010	100,000	99,990	0,010	100,000	99,990	0,010	100,000
SMU CORP S.A. 1	Chile	\$	51,000	-	51,000	51,000	-	51,000	100,000	-	100,000
CorpBanca New York Branch	EE.UU	US\$	100,000	-	100,000	100,000	-	100,000	51,000	-	51,000
CorpBanca Securities INC-NY 1	EE.UU	US\$	100,000	-	100,000	-	-	-	-	-	-
Banco CorpBanca Colombia S.A. (*)	Colombia	COP\$	66,388	-	66,388	91,931	-	91,931	-	-	-
Helm Bank Colombia S.A 2	Colombia	COP\$	-	66,243	66,243	-	-	-	-	-	-
Helm Corredor de Seguros S.A 2	Colombia	COP\$	80,000	-	80,000	-	-	-	-	-	-
CorpBanca Investment Valores Colombia S.A. 2	Colombia	COP\$	5,060	63,028	68,088	5,060	87,218	92,278	-	-	-
CorpBanca Investment Trust Colombia S.A. 2	Colombia	COP\$	5,499	62,737	68,236	-	86,871	86,871	-	-	-
Helm Comisionista de Bolsa S.A. 2	Colombia	COP\$	-	66,240	66,240	-	-	-	-	-	-
Helm Fiduciaria S.A 2	Colombia	COP\$	-	66,230	66,230	-	-	-	-	-	-
Helm Bank (Panamá) S.A. 2	Panamá	US\$	-	66,243	66,243	-	-	-	-	-	-
Helm Bank Caymán S.A. 2	Islas Caymán	US\$	-	66,243	66,243	-	-	-	-	-	-
Helm Casa de Valores (Panama) S.A. 2	Panamá	US\$	-	66,240	66,240	-	-	-	-	-	-

1.- Companies regulated by the Superintendency of Banks and Financial Institutions (SBIF). The remaining companies in Chile are regulated by the Superintendency of Securities and Insurance (SVS).

2.- Companies regulated by the Colombian Financial Superintendency, which has a reciprocal supervision agreement with the SBIF.

(*) The interest in Corpbanca Colombia S.A. decreased from 91.9314% to 66.3877% because Corpbanca did not participate proportionally to its existing participation of 91.9314% in the capital increase of August 29, 2013.

Associates

Associates are entities over which the Bank has the ability to exercise significant influence, but not control or joint control. Usually, this capacity manifests itself through an ownership interest equal to or greater than 20% of the entity's voting rights and is valued using the equity method.

Other factors considered in determining whether there is significant influence over an entity include representation on the board of directors and the existence of material transactions.

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 12).



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Fund Management

Certain subsidiaries of Corpbanca manage and administer assets held in mutual funds and other investment vehicles on behalf of investors. The financial statements of funds are not included in these consolidated financial statements except when the Bank controls the fund. At December 31, 2012 and 2013, or the years ended December 31, 2011, 2012 and 2013, the Bank does not control or consolidates any funds.

Asset Management, Trust Business and Other Related Businesses.

Corpbanca and its subsidiaries manage assets held in common investment funds and other investment products on behalf of investors. The financial statements of these entities are not included in these consolidated financial statements except when the Bank controls the entity. As of December 31, 2013 and 2012, the Bank does not control or consolidate any trust businesses or other entities related to this type of business. The assets managed by Corpbanca Administradora General de Fondos S.A., Corpbanca Investment Trust Colombia S.A. and Helm Fiduciaria that are owned by third parties are not included in the consolidated financial statements.

b) Non-controlling interest

Non-controlling interest represents the equity and net income in a subsidiary not attributable, directly or indirectly, to the equity holders of the Bank. 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

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Bank, liabilities incurred by the Bank to the former owners of the acquiree and the equity interests issued by the Bank in exchange for control of the Acquiree. Acquisition costs incurred are expensed and included in administrative expenses.

When Corpbanca and subsidiaries acquire a business, it recognizes the identifiable assets acquired and liabilities assumed in accordance with IFRS. 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 we 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. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments again goodwill. Measurement period adjustments arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

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.



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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.

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, of 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 situated 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; Financial Services Offered through Subsidiaries



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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 its resources.

Regarding foreign markets, Colombia has been identified as a separate operating segment based on the business activities described. Its operating results are reviewed regularly by the entity’s highest decision-making authority for operating decisions, to decide about resource allocation for the segment and evaluate its performance, and separate financial information is available for it.

More information on each segment is presented in Note 4 “Segment Reporting”.

Commercial banking:

- Large, Corporate, and Real Estate Companies includes companies that belong to the major economic groups, specific industry, and companies with annual sales over US\$60 million; this reportable segment 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\$60 million. Leasing and factoring have been included in this reportable 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 operations of 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.

Financial Services Offered through Subsidiaries:

- Services rendered by our subsidiaries, which include insurance brokerage, financial advisory service, asset management and securities brokerage.

Colombia

- All banking services rendered

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, 2011, 2012 and 2013.



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- 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 with in respect of that 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 currency are shown at their equivalent in Chilean pesos, calculated using the exchange rates as of December 31, 2013 of Ch\$526.41 per US\$1 for the U.S. dollar and Ch\$0.2736 per COP\$1 for the Colombian peso (Ch\$479.16 per US\$1 and Ch\$0.2711 per COP\$1 as of December 31, 2012).

The foreign exchange gains (losses) presented within consolidated statements of income for the years ended December 31, 2011, 2012 and 2013 of MCh\$(26,783), MCh\$30,696 and MCh\$(13,906), respectively, include the foreign currency exchanges gain/losses 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.

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:

Measurement or valuation of assets and liabilities is the process of determining the amounts at which the elements of the financial statements are to be recognized and carried in the Statement of Financial Position and the Statement of Comprehensive Income. This involves selecting the particular basis or method of measurement.

Financial assets and liabilities are recorded initially at fair value which, unless there is evidence otherwise, is the transaction price. Instruments not valued at fair value through profit and loss are adjusted to subtract transaction costs.



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Financial liabilities are valued generally at amortized cost, except for financial liabilities designated as hedged items (or hedging instruments) and financial liabilities held for trading, which are valued at fair value.

The following measurement criteria are used for assets and liabilities recorded in the Statement of Financial Position:

- **Financial assets and liabilities measured at amortized cost:**

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition plus or minus the cumulative accretion under the effective interest rate method of any difference between that initial amount and the maturity amount.

In the case of financial assets, amortized cost also includes adjustments for any impairment that may have occurred.

In the case of financial liabilities, cumulative amortization is recorded using the effective interest rate method. The effective interest rate method is which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

- **Fair value measurements of assets and liabilities:**

Fair value is defined as the price that will be received for the sale of an asset or paid for the transfer of a liability in a orderly transaction on the main (or most advantageous) market as of the measurement date under current market conditions (i.e. exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions or market information might not be available. However, the objective of a fair value measurement in both cases is the same — to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

When a price for an identical asset or liability is not observable, the Bank will measure the fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. As fair value is a market-based measurement, it should be determined using the assumptions that market participants would use in pricing the asset or liability, including risk assumptions. As a result, the Bank's intention to hold an asset or to settle or otherwise fulfill a liability is not relevant when measuring fair value.

A fair value measurement is for a particular asset or liability. Thus, when measuring fair value, the Bank takes into account the same characteristics of the asset or liability that market participants would consider in pricing that asset or liability on the measurement date.

To increase the consistency and comparability of fair value measurements and related disclosures, the Bank uses and discloses a fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1 inputs) and lowest priority to unobservable inputs (Level 3 inputs). Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the similar asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

Assets valued at cost:

Cost is defined as the cost of the transaction to acquire the asset, less any impairment losses that may exist.



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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 item 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.

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:** This item includes 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:** Domestic transactions in the process of transfer through a central domestic clearinghouse or international transactions which may be delayed in settlement to time differences.
- **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 8).
- **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 for repurchase of financial instruments under securities resale agreements.



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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.

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 8.
- **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.



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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 clearly and 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.

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 forecast 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 hedged item affect the income statement.



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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 of the foreign operation.

The types of derivatives into which we enter are disclosed in Note 8 to these financial statements. They may include (please note description at Note 8) 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.

(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 accretion 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.



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(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.

The main valuation techniques used as of December 31, 2012 and 2013 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 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.



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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 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.
 - 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 with its exposure to value changes that might be experienced and it recognizes a financial liability associated to 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 their associated risks and rewards have been transferred, 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.



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Additionally, certain categories of financial assets, such as loans and receivables from banks and customers assets 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. For further information on accounting policies for impairment of loans and receivables (see Note 1. j) 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.

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 allowance account 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) Loans

Loans and receivables from customers and loans and receivables from banks, both originally granted by the Bank and acquired, are non-derivative financial assets with fixed or defined charges that are not quoted on an active market and that the Bank has no intention of selling immediately or in the short term; they are valued initially at cost plus incremental transaction costs and subsequently measured at amortized cost using the effective interest rate method.



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When the Bank is the lessor in a lease agreement and transfers substantially all incidental risks and rewards over the leased asset, the transaction is presented within loans.

h) 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.

i) Lease receivables

Lease receivables, included in “loans and receivables from customers”, are periodic payments from lease agreements that meet certain requirements to qualify as finance leases and are presented at nominal value net of unaccrued interest as of year end.

Assets leased among consolidated companies are treated as assets held for own use in the financial statements.

j) 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 loans of to individuals or small-size companies.

The impairment losses on these loans are determined:

- individually, for all individually significant loans and for those which, although not significant, cannot be classified as part of homogenous groups of loans of 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.

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 loan in the portfolio – such as adverse changes in the payment status of customer in the portfolio or national or local economic conditions that correlate with defaults on the loans 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



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Initial impairment starts from the date in 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.

k) 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.

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 accretes interest under the effective interest rate method through the maturity date of the contract.

l) 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 accrued 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 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 at least four months a customer has 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.



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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.

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 deferred and amortized into the income statement over the life of the loan.

m) 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 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.n. below) and assets acquired under finance leases (See Note 1.o. 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 assets¹:

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 depreciation 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 depreciation 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.

¹ According to internal accounting policies, Corpbanca and its subsidiaries use the same useful lives, except for buildings in Colombia, which have a useful life of 20 years.



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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 depreciation 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.

n) 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.

o) 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 lessee, it shows the cost of the leased assets in the consolidated statements of financial position based on the nature of the leased asset, and simultaneously records 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.



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p) Intangible assets

Intangible assets are identified as non-monetary assets (separately identifiable from other assets) without physical substance which arise as a result of a legal transaction or are developed internally by the consolidated entities. They are assets whose cost can be estimated reliably and from which the consolidated entities consider it probable that future economic benefits will be generated. The cost of intangible assets acquired in a business combination is their fair value as of the date of acquisition.

These intangible assets are recorded initially at acquisition or production cost and are subsequently measured at cost less any accumulated amortization or any accumulated impairment losses.

An entity will evaluate whether the useful life of an intangible asset is finite or indefinite and, if finite, will evaluate the duration or number of units of production or other similar units that make up its useful life. The entity will consider an intangible asset to have an indefinite useful life when, on the basis of an analysis of all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

An intangible asset is accounted for based on its useful life. An intangible asset with a finite useful life is amortized over its economic useful life and reviewed to determine whether any indication of impairment may exist. The amortization period and method are reviewed at least once every reporting period. An intangible asset with an indefinite useful life is not amortized and the entity will determine if it has experienced an impairment loss by comparing its recoverable amount to its carrying amount on a yearly basis and at any time during the year in which there is an indication that its value may be impaired.

q) 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: Collateral 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.

r) Income and Deferred taxes

Income tax expense represents the sum of the current tax expense/benefit and deferred tax expense/benefit.

The tax currently payable is based on taxable income for the year, which differs from income before tax 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 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 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.



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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.

Law 20,455, published in the Official Gazette on July 31, 2010, increased the corporate income tax rate from 17% to 20% for 2011, to 18.5% for 2012 and to 17% for 2013 and beyond.

On September 17, 2012, Law 20,630 "Enhancement of Tax Reform and Financing of Educational Reform" was published in the Official Gazette. The objectives of this law are to raise funds to finance education, provide economic relief for the middle class, promote growth and enhance the current tax system. Among the changes introduced is an increase in the tax rate from 17% to 20% beginning January 1, 2013².

Current and deferred tax effects 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 effects are also recognized in other comprehensive income or in equity respectively.

s) Employee Benefits

Vacation expense

The annual cost of employee vacations and benefits are recorded on an accrual basis.

Short-term benefits

Short-term benefits 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

Other long-term benefits correspond to remuneration (other post-employment benefits, termination benefits and equity compensation benefits). 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 benefits is determined using the projected units of credit method with actuarial valuations performed as of each year end. An entity shall use the projected unit credit method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost.

An entity shall recognise the components of defined benefit cost, except to the extent that another IFRS requires or permits their inclusion, as follows:

- (a) service cost in profit or loss;
- (b) net interest on the net defined benefit liability in profit or loss; and
- (c) remeasurements of the net defined benefit liability in other comprehensive income.

² The current tax rate for our subsidiaries in Colombia as of the date of these consolidated financial statements was 34%.



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t) 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-cash transactions are subsequently added/ subtracted, 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) Investment 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 the net Shareholders' equity and liabilities that are not part of operating activities or investments.

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 5 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.

u) 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 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. 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.



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These estimates, made on the basis of the best available information, mainly refer to:

- Useful life of material and intangible assets (Notes 13, 14 and 31)
- Valuation of goodwill (Notes 12, 13 and 31)
- Provisions (Note 20)
- Fair value of financial assets and liabilities (Notes 6, 7, 8, 11 and 34)
- Contingencies and commitments (Note 22)
- Impairment losses for certain assets (Notes 9,10, 11 and 31)
- Current and deferred taxes (Note 15)
- Consolidation perimeter and evaluation of control (Note 1, letter a))

v) Mandatory dividends

The Bank records within liabilities (provisions) the portion of profit for the year that should be distributed to comply with the Corporations Law (30%) or its dividend policy, which establishes that no less than 50% of profit for the years 2013 and 2012 should be distributed as dividends, as approved by shareholders in February 2012. For the years 2013 and 2012, the Bank provisioned 50% of profit for the year. This provision is recorded within “provision for minimum dividends” by reducing “retained earnings” within the Consolidated Statement of Changes in Equity.

w) 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.

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 are adjusted to take into account the potential diluting effect of stock options, warrants, and convertible debt.

As of December 31, 2011, 2012 and 2013, the Bank did not have instruments that generated diluting effects on income attributable to equity holders of the Bank.

x) Impairment

Assets are acquired for the benefit they will produce. Therefore, impairment occurs whenever their book value exceeds their recoverable amount; assets are tested for impairment whenever there are indicators that the carrying amount may exceed the recoverable value.

The Bank and its subsidiaries use the following criteria to test for impairment, if any:

Financial assets

A financial asset that is not recorded at fair value through profit and loss is evaluated at each period end in order to determine whether there is objective evidence of impairment. As of each reporting date, the Bank assesses whether there is objective evidence that a financial asset or a group of financial assets may be impaired. Financial assets or asset groups are considered impaired only if there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the asset and the loss event(s) had an impact on the estimated future cash flows of the financial asset or asset group that can be reliably estimated. It may not be possible to identify a single loss event that individually caused the impairment.

An impairment loss for financial assets recorded at amortized cost is calculated as the difference between the asset’s carrying amount and the present value of the estimated future cash flows, discounted using the original effective interest rate of the financial asset.



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Losses expected as the result of future events, whatever their probability, are not recognized. Objective evidence that an asset or group of assets is impaired includes observable data that comes to the attention of the asset holder about the following loss events: (i) significant financial difficulties of the issuer or the debtor; (ii) breach of a contract; (iii) granting of a concession by the lender to the issuer or the borrower, for economic or legal reasons relating to the borrower's financial difficulty, that the lender would not otherwise consider; (iv) high probability of bankruptcy or other financial reorganization; (v) disappearance of an active market for a given financial asset due to financial difficulties; or (vi) evidence that there has been a measurable reduction in the estimated future cash flows from a group of financial assets since initial recognition, even if it cannot yet be identified with individual financial assets, including data such as: (a) adverse changes in the status of payments by borrowers included in the group; or (b) local or national economic conditions that are linked to delinquency for group assets).

Individually significant financial assets are examined individually to determine impairment. Remaining financial assets are evaluated collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in the income statement. Any cumulative loss related to available-for-sale financial assets recognized previously in equity is transferred to the income statement.

An impairment loss can only be reversed if it can be related objectively to an event occurring after the impairment loss was recognized. Reversal of impairment financial assets recorded at amortized cost and those classified as available-for-sale debt instruments is recorded in the income statement.

Non-financial assets

The carrying amounts of the Bank's non-financial assets, excluding investment property and deferred taxes, are reviewed regularly, or at least every reporting period, to determine whether indications of impairment exist. If such indication exists, the recoverable amount of the asset is then estimated. The recoverable amount of an asset is the greater of the fair value less costs to sell, whether for an asset or a cash-generating unit "CGU", and its value in use. That recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent from the cash flows of other assets or asset groups.

When the carrying amount of an asset or CGU, exceeds its recoverable amount, the asset is considered to be impaired and its value is reduced to its recoverable amount.

Upon assessing the value in use of an individual asset or CGU, estimated future cash flows are discounted to present value using a before-tax discount rate that reflects current market assessments of the time value of money and the specific risks that an asset may have.

As of each reporting period, the Bank will evaluate whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill no longer exists or could have decreased. If such indication exists, the entity will once again estimate the asset's recoverable amount. In evaluating whether indications that an impairment loss recognized in prior periods for an asset other than goodwill no longer exist or may have decreased in value, the entity will consider at least external sources (significant increase in market value of the asset; significant changes in technological, market, economic or legal environment affecting the asset; decrease in market interest rates or other investment rates of return which are likely to affect the discount rate used in calculating the asset's value in use, resulting in higher recoverable amount) and internal sources during the period (in the immediate future, significant favorable changes in the manner in which the asset is used or is expected to be used; and available evidence from internal reporting indicating that the economic performance of the asset is or will be better than expected, including costs incurred during the period to improve or enhance the asset's performance or restructure the operation to which the asset belongs). In the case of goodwill and intangible assets with indefinite useful lives or that are still not available for use, recoverable amounts are estimated at each reporting date.

Impairment losses recognized in prior years are assessed at each reporting date in search of any indication that the loss has decreased or disappeared. An impairment loss will be reversed only to the extent that the book value of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.



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Goodwill

Goodwill is tested annually to determine whether impairment exists and when circumstances indicate that its book value may be impaired. Impairment of goodwill is determined by evaluating the recoverable amount of each cash generating unit (or group of cash generating units) to which goodwill is allocated. Where the recoverable amount of the cash generating unit is less than its carrying amount, an impairment loss is recognized.

Goodwill acquired in a business combination shall be allocated as of the acquisition date among the CGUs or group of CGUs of the acquirer that are expected to benefit from the synergies of the business combination, regardless of whether other of the acquiree's assets or liabilities are allocated to these units. Impairment losses relating to goodwill cannot be reversed in future periods.

In accordance with IAS 36 "Impairment of Assets", annual impairment testing is permitted for a CGU to which goodwill has been allocated, or at any time for intangible assets with indefinite useful lives, as long as they are carried out at the same time each year. Different CGU and different intangible assets can be tested for impairment at different times during the year.

y) Provisions

Provisions are reserves involving uncertainty about their amount or maturity. They are recorded in the Consolidated Statement of Financial Position when the following copulative requirements are met:

- a present (legal or implicit) obligation has arisen from a past event and;
- as of the date of the consolidated financial statements is likely that the Bank and/or its controlled entities will have to disburse resources to settle the obligation and the amount can be reliably measured.

A contingent liability is any obligation that arises from past events whose existence will be confirmed only if one or more uncertain future event occurs not within the control of the Bank and its controlled entities.

The annual consolidated financial statements include all material provisions with respect to which it is considered more likely than not that the obligation will have to be settled.

Provisions which are quantified on the basis of the best available information regarding the consequences of the event that gives rise to them, and are re-estimated at the end of each accounting period are used to cover the specific obligations for which they were originally recognized, and are reversed in full or in part when those obligations cease to exist or are reduced.

Provisions are classified into the following groups in the Consolidated Statement of Financial Position based on the obligations they cover:

- Employee benefits and compensation
- Minimum dividends
- Contingencies

z) Derecognition financial assets and liabilities

Accounting for transfers of financial assets is based on the degree and way in which the risks and rewards associated with the transferred assets are transferred:

1. If the risks and rewards are substantially transferred to third parties (e.g. unconditional sales, sales with repurchase agreements at fair value as of the date of repurchase, sales of financial assets with a purchase option deemed deep-out-of-the-money, use of assets in which the transferor does not retain subordinate financing or transfer any type of credit enhancement to the new holders and other similar cases), the transferred asset is derecognized from the balance sheet and any rights or obligations retained or created upon transfer are simultaneous recognized.



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2. If the risks and rewards of the transferred financial asset are substantially retained (e.g. sales of financial assets with repurchase agreements at fixed prices or for the sales price plus interest, securities lending agreements where the borrower has the obligation to return the securities or similar assets and other similar cases) the transferred asset is not derecognized from the balance sheet and will continue to be valued using the same criteria used before the transfer. Otherwise, the following is recorded in accounting:
 - a) A financial liability for an amount equal to the consideration received, which is subsequently valued at amortized cost.
 - b) Both the income from the transferred financial asset (but not derecognized) and the expenses for the new financial liability.
3. If the risks and rewards of the transferred financial asset are not substantially transferred or retained (e.g. sales of financial assets with a purchase option deemed not deep-in-the-money or deep-out-of-the-money, use of assets in which the transferor assumes subordinate financing or another type of credit enhancement for part of the transferor asset and other similar cases), the following will be analyzed:
 - a) If the transferor has not retained control of the transferred financial asset, it will be derecognized, and any rights or obligations created or retained upon transfer will be recognized.
 - b) If the transferor has retained control of the transferred financial asset, it will continue to be recognized in the Statement of Financial Position for an amount equal to its exposure to the changes in value that it may experience and a financial liability will be recognized for the financial asset transferred. The net amount of the transferred asset and the associated liability will be the amortized cost of the rights and obligations retained if the transferred asset is measured at amortized cost, or the fair value of the rights and obligations retained if the transferred asset is measured at fair value.

As a result, financial assets will only be derecognized when the rights over the cash flows have been extinguished or when substantially all implicit rights and rewards have been transferred to third parties. Likewise, financial liabilities are only derecognized from the Statement of Financial Position when the obligations they generate have been extinguished or when they are acquired with the intention to settle them or place them once again.

aa) Debt issued

The financial instruments issued by the Bank and subsidiaries are classified in the Consolidated Statement of Financial Position within "debt issued", where the Bank has an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation by the exchange of a fixed amount of cash or other financial asset for a fixed number of shares.

After initial measurement, debt issued is subsequently measured at amortized cost using the effective interest rate. Amortized cost is calculated by taking into account any discount, premium or cost related directly to the issuance.

bb) Assets, investment funds and pensions managed by the Bank and its subsidiaries

The assets managed by Helm Bank S.A., Corpbanca Administradora General de Fondos S.A. and Corpbanca Investment Trust Colombia S.A. that are owned by third parties are not included in the Consolidated Financial Statements the Bank and its subsidiaries do not have control over them. Fees generated by these activities are included in "fee and commission income" in the Consolidated Statement of Income.



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cc) Fiduciary activities

The Bank and its subsidiaries provide trust and other fiduciary services that result in the holding or investing of assets on behalf of customers. Assets held in a fiduciary capacity are not reported in the consolidated financial statements, as they are not the assets of the Bank. Contingencies and commitments arising from this activity are disclosed in Note 22 (a).

dd) Customer loyalty program

The Bank and its subsidiaries maintain a customer loyalty program as an incentive to their customers. Through this program, customers can acquire goods and/or services based on purchases made primarily with credit cards issued by the Bank and by meeting certain conditions established in the program for that purpose.

ee) Non-current assets held for sale

Non-current assets (or disposal groups made up of assets and liabilities) that are expected to be recovered primarily through sale instead of through continued use are classified as held for sale. Immediately before being classified as such, the assets (or elements of a disposal group) are remeasured in accordance with the Bank's accounting policies. From this time forward, assets (or disposal groups) are measured at the lesser of book value and fair value less costs to sell.

Impairment losses after the initial classification of assets held for sale and gains and losses after revaluation are recognized in profit or loss. Gains are not recognized if they exceed any accumulated loss.

As of December 31, 2013 and 2012, the Bank did not have any non-current assets held for sale.

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

a) New and revised IFRS effective in the current year:

New Standards	Effective date
IAS 19, <i>Employee Benefits (2011)</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 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 in Other Entities</i>	Annual periods beginning on or after January 1, 2013
IFRS 13, <i>Fair Value Measurement</i>	Annual periods beginning on or after January 1, 2013

Amendments to IFRS	Effective date
IAS 1, <i>Presentation Financial Statements— Presentation of Items of Other Comprehensive Income</i>	Annual periods beginning on or after July 1, 2012
IFRS 1, <i>First-time Adoption of IFRS – Government Loans</i>	Annual periods beginning on or after January 1, 2013
IFRS 7, <i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i>	Annual periods beginning on or after January 1, 2013



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Annual Improvements – 2009 – 2011 Cycle – Amendments to five IFRS	Annual periods beginning on or after January 1, 2013
IFRS 10, IFRS 11 and IFRS 12 – Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities– Transition Guidance	Annual periods beginning on or after January 1, 2013

New Interpretations	Effective date
IFRIC 20, <i>Stripping Costs in the Production Phase of a Surface Mine</i>	Annual periods beginning on or after January 1, 2013

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.

The Bank’s management analyzed these amendments in detail and concluded that they do not have a significant impact on the accounting policies for the period. The application of this rule is in Note 2.

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.

The Bank’s management analyzed these amendments in detail and concluded that they do not have an impact on the accounting policies for the period.

IAS 28 (2011), Investments 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.

The Bank’s management analyzed these amendments in detail and concluded that they do not have an impact on the accounting policies for the period.

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. NIIF 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 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 NIIF 10 is January 1, 2013, with earlier application permitted under certain circumstances.



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The Bank and its controlled entities evaluated the impact of this new standard and did not identify any new controlled entities that modify its consolidation perimeter. Nevertheless, additional disclosures are required and are included in these 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.

The Bank's management analyzed these amendments in detail and concluded that they do not have an impact on the accounting policies for the period.

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.

The Bank's management analyzed these amendments in detail and concluded that they do not have an impact on the accounting policies and disclosure for the period.

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.

Based on management's evaluation, this change does not have a significant impact on the consolidated financial statements. However, additional disclosures have been included in these consolidated financial statements in order to comply with the added reporting requirements contained in that standard.

Amendment 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.



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The Bank's management analyzed these amendments in detail and concluded that they do not have an impact on the accounting policies for the period. The structure proposed by the standard is included in these consolidated financial statements.

Amendments to IFRS 1, First-time Adoption of IFRS – Government loans

The amendments provide a relief to first-time adopters of IFRSs by amending IFRS 1 to allow prospective application of IAS 39 or IFRS 9 and paragraph 10A of IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* to government loans outstanding at the date of transition to IFRSs.

The Bank's management analyzed these amendments in detail and concluded that they do not have an impact on the accounting policies for the period.

Amendment to IFRS 7, Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities

IFRS 7 *Financial Instruments: Disclosures* was amended to require information about all recognized financial instruments that are set off 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 set off 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 set-off 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.

The Bank's management analyzed these amendments in detail and concluded that they do not have an impact on the accounting policies for the period. The Bank has not enforceable master netting agreements in place.

Annual improvements 2009 – 2011 Cycle

The annual improvements include amendments to five IFRS, summarized below:

IFRS	Topic	Details
IFRS <i>First-time Adoption of International Financial Reporting Standards</i>	Repeated application of IFRS 1.	The amendments clarify that an entity may apply IFRS 1 if its most recent previous annual financial statements did not contain an explicit and unreserved statement of compliance with IFRS, even if the entity applied IFRS 1 in the past. An entity does not elect to apply IFRS 1 must apply IFRSs retrospectively as if there was no interruption. An entity should disclose: (a) the reason why it stopped applying IFRSs; (b) the reason why it is resuming the application of IFRSs; and (c) the reason why it has elected not to apply IFRS 1, if applicable.
IAS 23, Borrowing Costs	Borrowing costs	The amendments clarify that borrowing costs capitalized under previous GAAP before the date of transition to IFRSs may be carried forward without adjustment to the amount previously capitalized at the transition date. Borrowing costs incurred on or after the date of transition to IFRSs that relate to qualifying assets under construction at the date of transition should be accounted for in accordance with IAS 23 Borrowing Costs. The amendments also state that a first-time adopter can choose to apply IAS 23 as of a date earlier than the transition date.



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IAS 1 <i>Presentation of Financial Statements</i>	Clarification of the requirements for comparative information	The amendments to IAS 1 clarify that an entity is required to present a statement of financial position at the beginning of the preceding period (third statement of financial position) only when the retrospective application of an accounting policy, restatement or reclassification has a material effect on the information in the third statement of financial position and that the related notes are not required to accompany the third statement of financial position. The amendments also clarify that additional comparative information is not necessary for periods beyond the minimum comparative financial statements requirements of IAS 1. However, if additional comparative information is provided, the information should be presented in accordance with IFRSs, including related note disclosure of comparative information for any additional statements. Presenting additional comparative information voluntarily would not trigger a requirement to provide a complete set of financial statements. However, the entity should present related note information for those additional statements.
IAS 16 <i>Property, Plant and Equipment</i>	Classification of servicing equipment	The amendments clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in IAS 16 and as inventory otherwise.
IAS 32 <i>Financial Instruments: Presentation</i>	Tax effect of distribution to holders of equity instruments	The amendments clarify that income tax on distributions to holders of an equity instrument and transaction costs of an equity transaction should be accounted for in accordance with IAS 12 <i>Income Taxes</i> .
IAS 34 <i>Interim Financial Reporting</i>	Interim financial reporting and segment information for total assets and liabilities	The amendments clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in interim financial reporting only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

These amendments are effective for annual periods that begin on or after January 1, 2013. Early adoption is permitted and they must be applied retrospectively.

The Bank's management analyzed these amendments in detail and concluded that they do not have an impact on the accounting policies for the period.

Amendments to IFRS 10, Consolidated Financial Statements; IFRS 11, Joint Arrangement and IFRS 12, Disclosure of Involvement 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 periods. The effective date of these amendments, annual periods beginning on or after 1 January 2013, is aligned with the effective dates of IFRS 10, IFRS 11 and IFRS 12.



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The Bank's management analyzed these amendments in detail and concluded that they do not have an impact on the accounting policies for the period.

IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine

On October 19, 2011, the IFRS Interpretations Committee published IFRIC 20 Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine* ("IFRIC 20"). IFRIC 20 applies to all types of natural resources that are extracted using the surface mining activity process. The costs from a stripping activity which provide improved access to ore should be recognized as a non-current asset ("stripping activity asset") when certain criteria are met, whereas the costs of normal operational stripping activities should be accounted for in accordance with the principles in IAS 2 *Inventories*. The stripping activity asset should be initially measured at cost and subsequently carried at cost or its revalued amount less depreciation and amortization and impairment losses. The interpretation is effective for annual periods beginning on or after January 1, 2013, with early application permitted.

The Bank's management analyzed these amendments in detail and concluded that they do not have an impact on the accounting policies for the period because the Bank is not engaged in extracting natural resources.

b) New and revised IFRS in issue but not yet effective:

New Standards	Effective date
IFRS 9, <i>Financial Instruments</i>	The IASB has not established the date of mandatory application.
Amendments to Standards	Effective date
IAS 19, <i>Employee Benefits – Employee benefit plans: Employee contributions</i>	Annual periods beginning on or after July 1, 2014
IAS 32, <i>Financial instruments: presentation – Clarified requirements for offsetting of financial assets and financial liabilities</i>	Annual periods beginning on or after January 1, 2014
<i>Investment Entities</i> – Amendments to IFRS 10, Consolidated Financial Statements; IFRS 12, Disclosure of Involvement with Other Entities and IAS 27, <i>Separate Financial Statements</i>	Annual periods beginning on or after January 1, 2014
IAS 36, <i>Impairment of Assets- Recoverable Amount Disclosures for Non-Financial Assets</i>	Annual periods beginning on or after January 1, 2014
IAS 39, <i>Financial Instruments: Recognition and measurement – Novation of Derivatives and Continuation of Hedge Accounting</i>	Annual periods beginning on or after January 1, 2014
Annual Improvements 2010 – 2012 Cycle – improvements to six NIIFs	Annual periods beginning on or after July 1, 2014
Annual Improvements 2011 – 2013 Cycle – improvements to four NIIFs	Annual periods beginning on or after July 1, 2014
New Interpretations	
IFRIC 21, <i>Leases</i>	Annual periods beginning on or after January 1, 2014

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



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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.

On November 19, 2013, the IASB issued a revised version of NIIF 9 which introduces a new chapter to IFRS 9 on hedge accounting, putting in place a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The revised version of IFRS 9 permits an entity to apply only the requirements introduced in IFRS 9 (2010) for the presentation of gains and losses on financial liabilities designated as at fair value through profit or loss without applying the other requirements of IFRS 9, meaning the portion of the change in fair value related to changes in the entity's own credit risk can be presented in other comprehensive income rather than within profit or loss. In addition, the revised version of IFRS 9 removes the mandatory effective date of IFRS 9 (2013), IFRS 9 (2010) and IFRS 9 (2009), leaving the effective date open pending the finalization of the impairment and classification and measurement requirements. Notwithstanding the removal of an effective date, each standard remains available for application.

The IASB has not established the date of mandatory application. In accordance with SBIF instructions in section 12 of Chapter A-2 Limits or Specifications on the Use of General Criteria of the Compendium of Accounting Standards, this standard cannot be applied early and, moreover, must not be applied until the SBIF makes use mandatory for all banks.

Amendment to IAS 19 (2011), Employee Benefits

On November 21, 2013, the IASB amended IAS 19 (2011) *Employee Benefits* to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. The amendments permit contributions that are independent of the number of years of service to be recognized as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to periods of service. Other contributions by employees or third parties are required to be attributed to periods of service either using the plan's contribution formula or on a straight-line basis. The amendments are effective for periods beginning on or after July 1, 2014, with earlier application permitted.

Management is still in the process of evaluating the potential impact of these amendments.



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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 amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014. Both require retrospective application for comparative periods.

Management is still in the process of evaluating the potential impact of these amendments.

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.

Management is still in the process of evaluating the potential impact of these amendments.

Amendments to IAS 36, Recoverable Amount Disclosures for Non-Financial Assets

On May 29, 2013 the IASB published "Amends to IAS 36, *Recoverable Amount Disclosures for Non-Financial Assets*". The publication of IFRS 13 *Fair Value Measurements* amended certain disclosure requirements in IAS 36, *Impairment of Assets* with respect to measuring the recoverable amount of impaired assets. However, one of the modifications to the disclosure requirements was more extensive than originally intended. The IASB has rectified this with the publication of these amendments to IAS 36.

The amendments to IAS 36 removed the requirement to disclose the recoverable amount of each cash-generating unit (group of units) for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that unit (group of units) was significant compared with the total carrying amount of goodwill or intangible assets with indefinite useful life of the entity. The amendments require an entity to disclose the recoverable amount of an individual asset (including goodwill) or a cash-generating unit to which the entity recognized or reversed a deterioration during the reporting period. An entity shall disclose information about the fair value less costs to sell of an individual asset, including goodwill, or a cash-generating unit to which the entity recognized or reversed an impairment loss during the reporting period, including: (i) the level of the fair value hierarchy (IFRS 13), (ii) the valuation techniques used to measure fair value less costs to sell, and (iii) the key assumptions used in fair value measurement categorized within "Level 2" and "Level 3" of the fair value hierarchy. In addition, an entity should disclose the discount rate used when an entity recognized or reversed an impairment loss during the reporting period and the recoverable amount should be based on the fair value less costs to sell determined using a present value valuation technique. The amendments should be applied retrospectively for annual periods beginning on or after January 1, 2014. Earlier application is permitted.

Management is still in the process of evaluating the potential impact of these amendments.



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Amendments to IAS 39, Novation of Derivatives and Continuation of Hedge Accounting

On June 2013, the IASB published Amendments to IAS 39 – *Novation of Derivatives and Continuation of Hedge Accounting*. This modification permits the continuation of hedge accounting (under IAS 39 and the next chapter on hedge accounting under IFRS 9) when a derivative is novated to a central counterparty and certain conditions are met. A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to apply the amendments and continue hedge accounting, novation to a central counterparty must happen as a consequence of laws or regulations or the introduction of laws or regulations. The amendments are effective for annual periods beginning on or after January 1, 2014, with early application permitted.

Management is still in the process of evaluating the potential impact of these amendments.

Annual Improvements 2010 – 2012 Cycle

IFRS	Topic	Amendment
IFRS 2 <i>Share based payments</i>	Definition of vesting condition	Appendix A ‘Defined terms’ to IFRS 2 was amended to (i) change the definitions of ‘vesting condition’ and ‘market condition’, and (ii) add definitions for ‘performance condition’ and ‘service condition’ which were previously included within the definition of ‘vesting condition’. The amendments clarify that: (a) a performance target can be based on the operations of the entity or another entity in the same group (i.e. a non-market condition) or on the market price of the equity instruments of the entity or another entity in the same group (i.e. a market condition); (b) a performance target can relate either to the performance of the entity as a whole or to some part of it (e.g. a division or an individual employee); (c) a share market index target is a non-vesting condition because it not only reflects the performance of the entity, but also of other entities outside the group; (d) the period for achieving a performance condition must not extend beyond the end of the related service period; (e) a condition needs to have an explicit or implicit service requirement in order to constitute a performance condition (rather than being a non-vesting condition); (f) a market condition is a type of performance condition, rather than a non-vesting condition; and (g) if the counterparty ceases to provide services during the vesting period, this means it has failed to satisfy the service condition, regardless of the reason for ceasing to provide services. The amendments apply prospectively to share-based payment transactions with a grant date on or after July 1, 2014, with earlier application permitted.
IFRS 3 <i>Business Combinations</i>	Accounting for contingent consideration in a business combination	The amendments clarify that a contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be



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		recognized in profit or loss. Consequential amendments were also made to IFRS 9, IAS 39 and IAS 37. The amendments apply prospectively to business combination for which the acquisition date is on or after July 1, 2014. Earlier application is permitted.
IFRS 8 <i>Operating Segments</i>	Aggregation of Operating Segments	The amendments require an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'. The amendments apply for annual periods beginning on or after July 1, 2014, with earlier application permitted.
IFRS 8, <i>Operating Segment</i>	Reconciliation of the total of the reportable segments' assets to the entity's assets	The amendment clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker. The amendments apply for annual periods beginning on or after July 1, 2014, with earlier application permitted.
IFRS 13, <i>Fair Value Measurement</i>	Short-term receivables and payables	The Basis for Conclusions was amended to clarify that the issuance of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of not discounting is immaterial.
IAS 16, <i>Property, Plant and Equipment</i> IAS 38, <i>Intangible Assets</i>	Revaluation method: proportionate restatement of accumulated depreciation/amortization	The amendments remove perceived inconsistencies in the accounting for accumulated depreciation/amortization when an item of property, plant and equipment or an intangible asset is revalued. The amended requirements clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortization is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses. The amendments apply for annual periods beginning on or after July 1, 2014, with earlier application permitted. An entity is required to apply to amendments to all revaluations recognized in the annual period in which the amendments are first applied and in the immediately preceding annual period. An entity is permitted, but not required, to restate any earlier periods presented.
IAS 24, <i>Related Party Disclosures</i>	Key management personnel	The amendments clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity must disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required. The amendments apply for annual periods beginning on or after July 1, 2014, with earlier application permitted.



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Annual Improvements 2011 – 2013 Cycle

IFRS	Topic	Amendment
IFRS 1, <i>First-time Adoption of International Financial Reporting Standards</i>	Meaning of “effective IFRS”	The Basis of Conclusions was amended to clarify that a first-time adopter is allowed, but not required, to apply a new IFRS that is not yet mandatory if that IFRS permits early application. If an entity chooses to early apply a new IFRS, it must apply that new IFRS retrospectively throughout all periods presented unless IFRS 1 provides an exemption or an exception that permits or requires otherwise. Consequently, any transitional requirements of that new IFRS do not apply to a first-time adopter that chooses to apply that new IFRS early.
IFRS 3, <i>Business Combinations</i>	Scope exception for joint ventures	The scope section was amended to clarify that IFRS 3 does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.
IFRS 13, <i>Fair Value Measurement</i>	Scope of portfolio exception (paragraph 52)	The scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis was amended to clarify that it includes all contracts that are within the scope of, an accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32. Consistent with the prospective initial application of IFRS 13, the amendment must be applied prospectively from the beginning of the annual period in which IFRS was initially applied.
IAS 40, <i>Investment Property</i>	Interrelationship between IFRS 3 and IAS 40	IAS 40 was amended to clarify that this standard and IFRS 3 <i>Business Combinations</i> are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether (a) the property meets the definition of investment property in IAS 40, and (b) the transaction meets the definition of a business combination under IFRS 3. The amendment applies prospectively for acquisitions of investment property in periods commencing on or after July 1, 2014. An entity is only permitted to adopt the amendments early and/or restate prior periods if the information to do so is available.

Management is still in the process of evaluating the potential impact of these amendments.

IFRIC 21, Levies

On May 20, 2013, the IASB published the IFRIC 21, *Levies*. The new interpretation provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.

This interpretation defines a levy as “a resource outflow involving future economic benefits that are imposed by governments on entities in accordance with the law”. Taxes within the scope of IAS 12 *Income Taxes* are excluded from the scope as well as fines and penalties. The payments to governments for services or the acquisition of an asset under a



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contractual arrangement are also excluded. That is, the tax should be a non-reciprocal transfer to a government when the tax paying entity does not receive goods or services in return. For the purpose of interpretation, a “government” is defined in accordance with IAS 20 *Accounting for Government Grants and Disclosures of Government Assistance*. When an entity acts as an agent of a government to collect a tax, the cash flows received from the agency are outside the scope of this interpretation. This interpretation identifies the event which gives rise to the obligation to recognize a liability, which is the payment of tax in accordance with the relevant legislation.

IFRIC 21 provides the following guidance on recognition of a liability to pay levies: (i) the liability is recognized progressively if the obligating event occurs over a period of time; (ii) if an obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached. The interpretation is applicable retrospectively for annual periods beginnings on or after January 1, 2014.

Management is still in the process of evaluating the potential impact of these amendments.

ff) 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, 2013 closing exchange rate of Ch\$526.41 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.



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NOTE 2 - ACCOUNTING CHANGES AND ADJUSTMENT MEASUREMENT PERIOD IFRS 3

Management has determined the effect of the retrospective application as well as the effect of the finalization of the fair values of the assets acquired and liabilities assumed and non-controlling interest in the CorpBanca Colombia acquisition were not material as of December 31, 2012 and 2013 and for the years ended December 31, 2011, 2012 and 2013.

A. ACCOUNTING CHANGES

IAS 19 *Employee Benefits* (as revised in 2011)

In the current year, the Entity has applied IAS 19 *Employee Benefits* (as revised in 2011) and the related consequential amendments for the first time.

IAS 19 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the ‘corridor approach’ permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a ‘net interest’ amount under IAS 19 (as revised in 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset. These changes have had an impact on the amounts recognised in profit or loss and other comprehensive income in prior years (see the tables below for details). Previously, as permitted by the corridor approach, all actuarial gain and losses had been recorded in the defined benefit obligation.

Specific transitional provisions are applicable to first-time application of IAS 19 (as revised in 2011). The Entity has applied the relevant transitional provisions and restated the comparative amounts on a retrospective basis (see the tables below for details). The transition provisions only apply to the Colombian long term, defined benefit plan and therefore are only applicable since the date of acquisition of CorpBanca Colombia, May 29, 2012, where the Colombian pension plan amounts are recorded. The effect on the 2012 Consolidated Statements of Cash Flows is not material.

a. Impact on other comprehensive income for the year

	<u>12.31.2012</u>
	MCh\$
Items that will not be reclassified subsequently to profit or loss:	
Increase (decrease) in remeasurement of defined benefit obligation	10,301
Increase (decrease) in income tax relating to items of other comprehensive income	<u>(3,440)</u>
Increase (decrease) in other comprehensive income for the year	<u>6,861</u>



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b. Impact on assets, liabilities and equity as at 31 December 2012 of the application of the above new and revised Standards

	Previously reported	IAS 19	Restated
	12.31.2012	Adjustments	12.31.2012
	MCh\$	MCh\$	MCh\$
ASSETS			
Deferred income taxes	37.144	3.440	40.584
TOTAL ASSETS	37.144	3.440	40.584
LIABILITIES			
Provisions	125.939	10.301	136.240
TOTAL LIABILITIES	125.939	10.301	136.240
SHAREHOLDERS' EQUITY			
Accumulated other comprehensive income	(31.881)	(6.861)	(38.742)
TOTAL SHAREHOLDERS' EQUITY	(31.881)	(6.861)	(38.742)

B. ADJUSTMENT MEASUREMENT PERIOD IFRS 3

The initial accounting for the business combination by CorpBanca Colombia and subsidiaries (see note 12) was incomplete at the end of the accounting period in which the combination occurred (December 31, 2012), therefore, the acquirer (CorpBanca Chile) reported in its consolidated financial statements provisional amounts for the items for which the accounting was incomplete. During the measurement period, the acquirer retrospectively adjusted the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed at the date of acquisition and that, had they been known, would have affected the measurement of the amounts recognized at that date. During the measurement the acquirer also recognized additional assets or liabilities, where applicable, as new information obtained about facts and circumstances that existed at the date of acquisition and which, had they been known, would have resulted in the recognition of those assets and liabilities that date. The measurement period did not exceed one year from the date of acquisition (in our case May 29, 2013). There was no impact on the 2012 Consolidated Statements of Income.

a) Adjustment to December 31, 2012 statement of financial position

		<u>12.31.2012</u>
		MCh\$
	Notes	
Total net identifiable assets at fair value	21	4.607
Intangible assets arising in acquisition	13	(5.831)
Contingent liabilities arising in acquisition	21	56
Deferred taxes arising in acquisition	15	<u>2.961</u>
Goodwill arising in acquisition	13	13.455



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b) Impact on assets, liabilities and equity as at 31 December 2012

	Previously reported <u>12.31.2012</u> MCh\$	IFRS 3 <u>Adjustments</u> MCh\$	Restated <u>12.31.2012</u> MCh\$
ASSETS			
Intangible assets	481.682	7.624	489.306
TOTAL ASSETS	<u>481.682</u>	<u>7.624</u>	<u>489.306</u>
LIABILITIES			
Deferred income taxes	117.753	2.961	120.714
Other liabilities	75.205	4.663	79.868
TOTAL LIABILITIES	<u>192.958</u>	<u>7.624</u>	<u>200.582</u>

C. SUMMARY IMPACT ON ASSETS, LIABILITIES AND EQUITY AS AT 31 DECEMBER 2012.

	Previously reported <u>12.31.2012</u> MCh\$	IFRS 3 <u>Adjustments</u> MCh\$	IAS 19 <u>Adjustments</u> MCh\$	Restated <u>12.31.2012</u> MCh\$
ASSETS				
Intangible assets	481.682	7.624	-	489.306
Deferred income taxes	37.144	-	3.440	40.584
TOTAL ASSETS	<u>518.826</u>	<u>7.624</u>	<u>3.440</u>	<u>529.890</u>
LIABILITIES				
Deferred income taxes	117.753	2.961	-	120.714
Provisions	125.939	-	10.301	136.240
Other liabilities	75.205	4.663	-	79.868
TOTAL LIABILITIES	<u>318.897</u>	<u>7.624</u>	<u>10.301</u>	<u>336.822</u>
SHAREHOLDERS' EQUITY				
Accumulated other comprehensive income	(31.881)	-	(6.861)	(38.742)
TOTAL SHAREHOLDERS' EQUITY	<u>(31.881)</u>	<u>-</u>	<u>(6.861)</u>	<u>(38.742)</u>



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NOTE 3 - RELEVANT EVENTS

As of December 31, 2013, the following relevant events affecting the operations of the Bank and its subsidiaries or the consolidated financial statements have occurred:

CORPBANCA

a. Capital Increase

- At an Extraordinary Meeting of the Board of Corpbanca held on January 15, 2013, the Board agreed to publicly communicate, as a material event, the agreement adopted in the meeting, in exercising the authority delegated to it in the Extraordinary General Shareholders' Meetings held November 6, 2012. That agreement set at Ch\$6.25 (six point two five Chilean pesos) the price of each of the 47,000,000,000 common shares with no par value that was offered preferentially to shareholders and charged to the capital increase agreed upon in the aforementioned shareholders' meeting.

Record is left that, as disclosed by public notice on January 4, 2013, in the newspaper La Tercera, the preferential option period will last 30 days from January 16, 2013 to February 14, 2013.

- On January 16, 2013, Corpbanca disclosed that the 30 day preferential option period had begun for placing the 47,000,000,000 common shares with no par value at a price of Ch\$6.25 per share. The period will last from January 16, 2013 to February 14, 2013.
- On the same date, the Bank received notice from the shareholders Corpgroup Banking S.A., Compañía Inmobiliaria de Inversiones Saga Limitada and RCC Private Investment Fund by which they irrevocably waived their right to the preferential option to subscribe the 10,466,310,111 shares which they were entitled to subscribe to as part of the issuance of 47,000,000,000 shares in conformity with the capital increase agreed upon in the Extraordinary Shareholders' Meeting held November 6, 2012, which were registered under No. 8/2012 in the SBIF Securities Registry.
- On January 16, 2013, the Bank placed 12,015,233,260 shares through an auction on the Santiago Stock Exchange.
- On February 7, 2013, IFC International Finance Corp, IFC Capitalization Fund, L.P, and IFC African, Latin America and Caribbean Fund, LP, all organizations belonging to the World Bank Group, subscribed and paid for a total of 16,998,586,200 shares issued by Corpbanca, as part of the aforementioned capital increase, for a total of MCh\$ 106.241, making those entities shareholders of the Bank.
- In summary, a total of 47,000,000,000 subscribed and paid shares were placed.

b. Profit Distribution

In a meeting of the Board of Directors of Corpbanca held February 15, 2013, the board agreed to publicly communicate, as material events, the following matters:

The Board agreed to convene an Ordinary General Shareholders' Meeting on March 7, 2013, in order to conduct routine business, as well as, among other items, approve the financial statements and approve the Board's proposal to distribute MCh\$ 60,040 in earnings, representing 50% of 2012 profit for the year, which translates into a dividend of Ch\$0.1764023878 per share to be distributed among all shares issued by the Bank. On March 7, 2013, in an Ordinary General Shareholders' Meeting, shareholders agreed to distribute MCh\$ 60,040 in earnings, representing 50% of profit for the year. The remaining 50% was left as retained earnings.



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c. Issuance of Bank Bonds

On January 15, 2013, the Bank announced that it had placed five-year bonds on international markets totaling MUS\$ 800, with payment due at maturity and interest payments of 3.125% per annum payable semi-annually in July and January of each year.

The bonds were registered with the Securities and Exchange Commission (“SEC”) in accordance with the U.S. Securities Act of 1933.

The Bank agreed to place the bonds with a return of 3.24% per year, equivalent to a spread of 245 annual basis points over the five-year US Treasury Rate.

As declared in the prospectus registered with the SEC, the net amount from the placement will be used by the Bank to increase loans in the market and finance other general corporate objectives.

d. Exchanging Loans for Bonds – La Polar S.A.

In July 2013, Corpbanca decided to accept the “Loan Instrumentalization Option” proposed by La Polar S.A., which established a procedure for creditors to exchange senior and junior debt for Series F (senior) and Series G (junior) bonds. The book value of the loans as of the date of exchange was MCh\$ 2,459, generating a gain on the Consolidated Statement of Income for the period of MCh\$ 271. The financial instruments received as a result of the exchange were classified as available-for-sale investments in the Consolidated Statement of Financial Position.

e. Acquisition of Helm Bank and Subsidiaries

- In an Extraordinary Shareholders’ Meeting of Banco Corpbanca Colombia S.A. held on December 20, 2012, shareholders agreed to increase that bank’s capital. In accordance with the shareholder regulations approved by the Colombian Financial Superintendency on July 18, 2013, the placement of 343,894,143 common shares was authorized, equivalent to MUS\$ 1,037.
- On that date, as part of the capital increase mentioned above and in accordance with authorizations from the SBIF and Chilean Central Bank, Corpbanca has subscribed in and paid for 117,341,839 shares, equivalent to MUS\$ 354 and Inversiones Corp Group Interhold Limitada has subscribed to and paid in 62,520,730 shares, equivalent to MUS\$ 189.
- Having complied with the requirements established in the authorizations from the SBIF on May 24, 2013, the Chilean Central Bank on July 4, 2013, the Colombian Financial Superintendency on July 22, 2013, the Panamanian Superintendency of Banks on February 6, 2013, the Panamanian Superintendency of Securities Markets on June 28, 2013 and the Cayman Island Monetary Authority – CIMA on July 29, 2013 approved Banco Corpbanca Colombia S.A. to acquire, in two phases, up to 100% of Helm Bank S.A. including its subsidiaries in Colombia, Helm Comisionista de Bolsa S.A. and Helm Fiduciaria S.A.; in Panama, Helm Bank S.A. (Panamá) and Helm Casa de Valores S.A. (Panamá) and in the Cayman Islands, Helm Bank S.A. (I. Cayman), and for Corpbanca (Chile) to acquire 80% of Helm Corredor de Seguros S.A. The following has taken place:
 - a) In the first phase, Banco Corpbanca Colombia S.A. acquired 2,387,387,295 common shares of Helm Bank S.A., which represent 58.89% of the total common shares of that bank and, therefore, took control of the bank and its subsidiaries, Helm Comisionista de Bolsa S.A., Helm Fiduciaria S.A., (Panamá), Helm Casa Valores S.A. (Panamá), Helm Casa de Valores S.A.(Panamá) and Helm Bank S.A. (I. Cayman).

In a second phase, Banco Corpbanca Colombia S.A. acquired from the controllers of Helm Bank S.A. the remaining shares held by its current controllers for MUS\$ 473,840.



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- b) Corpbanca (Chile) acquired 19,194 shares of Helm Corredor de Seguros S.A., which represents 80% of its share capital for a price of MUS\$ 18.
- In accordance with the aforementioned regulatory authorizations, the purpose of this acquisition was to merge Banco Corpbanca Colombia S.A. and Helm Bank S.A. once the second phase was completed, giving the Bank 100% of the share capital of Helm Bank S.A.

f. Sale of Branches

On October 8, 2013, in a private sale of 31 real estate properties owned by Corpbanca where its branches operated, those properties were awarded to Sociedad Inmobiliaria Descubrimiento S.A., a subsidiary of the Independencia Rentas Inmobiliarias Investment Fund. By virtue of this transaction, the properties were sold for 1,811,000 UF (MCh\$42,213) and leased back to the same Bank for a period of 15 years. (See more information in Note 14, letter b)).

CORPBANCA ADMINISTRADORA GENERAL DE FONDOS S.A.

a. Profit Distribution

At the Twenty-Eighth Ordinary General Shareholders' Meeting held April 5, 2013, the Chairman proposed to shareholders that all profits for the year ended 2012, totaling MCh\$ 2,181, be distributed as dividends. The proposal was unanimously approved by those shareholders present, agreeing to authorize the Board of Directors to decide when these dividends will be paid during 2013.

On December 27, 2013, the dividends corresponding to the distribution of profits for the year 2012 were paid, totaling MCh\$ 2,181, as agreed in the Twenty-Eighth Ordinary General Shareholders' Meeting held April 5, 2013.

CORPBANCA CORREDORES DE BOLSA S.A.

a. Distribution of Profits and Capital Reduction

- On January 7, 2013, shareholders began to be paid for the capital reduction of MCh\$36,285 agreed by shareholders at the Seventeenth Extraordinary General Shareholders' Meeting held September 26, 2012. This did not result in changes to the proportion of each shareholder's ownership interest.
- In the Twentieth Ordinary General Shareholders' Meeting held April 25, 2013, shareholders unanimously agreed to distribute profits for the year ended December 31, 2012, totaling MCh\$ 6,011, and agreed to authorize the Board of Directors to determine the date these dividends will be paid to shareholders. In any case, this payment should take place during 2013. These dividends were paid on December 27, 2013.

b. Sanctions and Warnings

- In a letter dated April 4, 2013, the company was notified of a ruling dated March 28, 2013 from the Best Practices Committee of the Santiago Stock Exchange to initiate sanction proceedings against the company for non-fraudulent violation of section B, point 4.1.6 of the Brokers' Rights and Obligations Manual and article 60, letter i) of the Securities Market Law.
- In a letter dated October 9, 2013, the Company was notified of a ruling dated October 4, 2013 from the Best Practices Committee of the Santiago Stock Exchange to initiate sanction proceedings against Corpbanca Corredores de Bolsa S.A. for 300 UF for fraudulent violation of section B, point 4.1.6 of the Brokers' Rights and Obligations Manual.



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CORPBANCA CORREDORES DE SEGUROS S.A.

a. Profit Distribution

At the Sixteenth Ordinary General Shareholders' Meeting held March 8, 2013, shareholders agreed to distribute MCh\$ 5,764 in profits for the year 2012, to be prorated among shareholders based on their ownership interests.

b. Capital Increase

At the Extraordinary General Shareholders' Meeting held on March 8, 2013, shareholders agreed to increase capital by MCh\$ 5,764, by issuing 295,428,604 single-series shares with no par value, which were placed at a price of Ch\$ 19.510 each and fully subscribed and paid in April 2013. Shareholdings remained the same.

SMU CORP S.A.

• **Capital Increase**

At the Extraordinary General Shareholders' Meeting held on March 12, 2013, shareholders agreed to increase capital from MCh\$ 16,000, divided into 20,000 single-series shares with no par value, fully subscribed to and paid in to MCh\$ 19,040, divided into 23,800 shares.

This capital increase of MCh\$ 3,040 will take place by issuing 3,800 shares with the same characteristics as the existing shares (i.e. nominative, common, single-series with no par value), which will be subscribed to and paid in over a period of two years from the date of this meeting as required by business needs.

The aforementioned amendments to the by-laws were recorded in public deed dated March 26, 2013, granted before Santiago Notary Public José Musalem Saffie; an abstract was published in Edition No. 40,535 of the Official Gazette on April 16, 2013 and registered on Page 27,218, No. 18,072 of 2013 in the Santiago Commerce Registry.

On July 31, 2013, Corpbanca paid for 88 shares, equivalent to MCh\$ 70.4, as part of the capital increase agreed upon at the Extraordinary General Shareholders' Meeting held March 12, 2013, which was recorded in public deed on March 26, 2013, granted before Santiago Notary Public José Musalem Saffie.

On August 30, 2013, Corpbanca paid for 412 shares, equivalent to MCh\$ 329.6, as part of the capital increase agreed upon at the Extraordinary General Shareholders' Meeting held March 12, 2013, which was recorded in public deed on March 26, 2013, granted before Santiago Notary Public José Musalem Saffie.

On September 30, 2013, SMU S.A. paid for 480 shares, equivalent to MCh\$ 384, as part of the capital increase agreed upon at the Extraordinary General Shareholders' Meeting held March 12, 2013, which was recorded in public deed on March 26, 2013, granted before Santiago Notary Public José Musalem Saffie.

On October 30, 2013, Corpbanca paid for 172 shares, equivalent to MCh\$ 139, and SMU S.A. paid for 480 shares, equivalent to MCh\$ 131, as part of the capital increase agreed upon at the Extraordinary General Shareholders' Meeting held March 12, 2013, which was recorded in public deed on March 26, 2013, granted before Santiago Notary Public José Musalem Saffie.

On November 29, 2013, Corpbanca paid for 172 shares, equivalent to MCh\$ 148, and SMU S.A. paid for 178 shares, equivalent to MCh\$ 142, as part of the capital increase agreed upon at the Extraordinary General Shareholders' Meeting held March 12, 2013, which was recorded in public deed on March 26, 2013, granted before Santiago Notary Public José Musalem Saffie.



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On December 30, 2013, Corpbanca paid for 167 shares, equivalent to MCh\$ 134, and SMU S.A. paid for 178 shares, equivalent to MCh\$ 130, as part of the capital increase agreed upon at the Extraordinary General Shareholders' Meeting held March 12, 2013, which was recorded in public deed on March 26, 2013, granted before Santiago Notary Public José Musalem Saffie.

BANCO CORPBANCA COLOMBIA S.A.

a. Bond Issuance/Indebtedness

On February 7, 2013, two lines of subordinate bonds were placed in the Colombian market. This transaction raised funds totaling MCOP\$250,000 (MCh\$ 65,925) that will enable the bank to strengthen its capital base. The issuance involved fifteen-year bonds for MCOP\$146,000 (MCh\$ 38,500) placed at a rate of CPI+4%, and ten-year bonds for MCOP\$104,000 (MCh\$ 27,425), placed at a rate of CPI + 3.89%.

b. Profit Distribution

In March 2013, shareholders of the companies within the Corpbanca Colombia Group met and agreed to distribute profits as follows³:

CorpBanca Investment Trust Colombia S.A.		
	MCOP\$	MCh\$
Profit for the period	9,818	2,589
Release of fiscal reserve	391	103
Total available to shareholders	10,209	2,692
Reserve for fiscal returns on portfolio	467	123

Dividend payment for 7,510,522 common shares in circulation with a charge to the fiscal reserve established for profits for the year 2009 of COP\$38.29 per share, payable in cash to shareholders registered as of April 1, 2013 for a total of MCOP\$ 288 and to increase the legal reserve MCOP\$ 9,455, of which Banco Corpbanca Colombia received MCOP\$ 272. Corpbanca Chile received M\$COP16.

Banco CorpBanca Colombia S.A.		
	MCOP\$	MCh\$
Profit for the period	136,414	35,972
Legal reserve	136,414	35,972
Total available to shareholders	-	-

c. Acquisition of Helm Bank and Subsidiaries

On August 6, 2013, Banco Corpbanca Colombia S.A. paid the sum of MCOP\$1,286,023 (MUS\$ 682,878) to several seller shareholders of Helm Bank S.A., attaining an ownership interest of 51.60% of the total shares issued and in circulation (including common shares, preferential dividend shares and non-voting shares), which is equivalent to 58.89% of the total common shares of that entity, and thus attaining an indirect interest in Helm Fiduciaria S.A., Helm Comisionista de Bolsa S.A.—financial sector entities established in Colombia; Helm Bank Panamá S.A., Helm Casa de Valores Panamá—financial sector entities established in Panama; and Helm Bank Cayman, giving it control over these companies, as will be recorded in the Mercantile Registry.

³ The exchange rate used was Ch\$0.2584 per COP\$1 as of the transaction date.



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On August 6, 2013, Corpbanca Colombia S.A. increased its subscribed and paid capital by MCOP\$ 313,178 through the subscription of shares by Corpbanca and Inversiones CorpGroup Interhold Limitada.

SHAREHOLDERS	SHARES	% OWNERSHIP INTEREST
CorpBanca	500,275,451	83.88%
Inversiones CorpGroup Interhold Limitada	93,306,564	15.64%
CG Investment Colombia S.A.	120	0.00002%
Minority Shareholders	2,823,155	0.47336

On August 29, the Bank made a second payment of MCOP\$ 892,356 (MUS\$ 473,840) to several seller shareholders of Helm Bank S.A., attaining an approximate ownership interest of 87.42% of the total shares issued and in circulation (including common shares, preferential dividend shares and non-voting shares), which is equivalent to approximately 99.75% of the total common shares of that entity, and thus attaining an indirect interest in Helm Fiduciaria S.A., Helm Comisionista de Bolsa S.A.—financial sector entities established in Colombia; Helm Bank Panamá S.A., Helm Casa de Valores Panamá—financial sector entities established in Panama; and Helm Bank Cayman, giving it control over these companies, as will be recorded in the Mercantile Registry (see Note 38 Subsequent Events for more information).

On that same date, Banco Corpbanca Colombia S.A. increased its subscribed and paid capital by MCOP\$ 82,527 through the subscription of new shares by third parties. The table below details the new shareholder breakdown:

SHAREHOLDERS	SHARES	% OWNERSHIP INTEREST
CorpBanca	500,275,451	66.39%
Inversiones CorpGroup Interhold Limitada	93,306,564	12.39%
Comercial Camacho Gómez S.A.S.	52,615,595	6.98%
Inversiones Timón	50,958,825	6.76%
Inversiones Carrón	43,147,272	5.73%
Minority Shareholders	13,262,722	1.76%
TOTAL	753,566,429	100.00%

On September 6, 2013, Banco Corpbanca Colombia S.A. registered its capital increase in the Mercantile Registry, totaling MCOP \$395,705, divided into 753,566,429 common shares with a par value of COP \$525.11 each.

d. Tax Reform (Law 1607 of December 26, 2012).

Some amendments to the Colombian tax regime for 2013 and subsequent years, introduced by Law 1607 of December 26, 2012, are summarized below:

Income and Complementary Taxes: The rate on taxable income for legal entities was modified to 25% beginning January 1, 2013.

Fair Income Tax (CREE): The “fair income tax” was created starting January 1, 2013. This tax (at a rate of 8%) is calculated based on gross income obtained less non-taxable income, costs, deductions, exempt income and non-recurring gains. For the years 2013, 2014 and 2015, the applicable rate is 9%.

In calculating the basis for the CREE tax, taxable income for the period cannot be offset by tax losses or excess presumptive income from prior periods.

Exoneration of Contributions: Legal entities that file Income and Complementary Taxes are exempt from paying employer contributions to the National Learning Service (SENA) and the Colombian Institute of Family Wellbeing (ICBF) for employees that make, on an individual basis, the equivalent of up to 10 minimum monthly wages. This exemption began once the withholding system was implemented for collecting the CREE fair income tax, which occurred May 1, 2013.



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Accounting Standards: Solely for tax purposes, references to accounting standards contained in tax standards will continue in effect for four years following the adoption of IFRS. Consequently, during this period, the tax basis of items included in tax returns will remain unchanged. Likewise, tax treatment requirements for recording special tax situations will expire beginning on the date of application of the new accounting regulations.

Obligation for Corporate Groups to Report Consolidated Financial Statements: No later than June 30, 2013, duly registered economic and/or corporate groups must submit a digital copy of their consolidated financial statements to the National Tax and Customs Administration, together with their respective appendices.

e. Notice of Takeover Bid for Preferential Dividend and Non-Voting Shares of Helm Bank S.A.

Corpbanca Colombia S.A. will present a takeover bid (TOB) for preferential dividend and non-voting shares issued by Helm Bank under the following terms:

- 1. Permission and authorization.** The Board of Directors of Corpbanca Colombia authorized this takeover bid as recorded in minutes No. 3601 on October 28, 2013. The shareholders of Corpbanca Colombia authorize this takeover bid as recorded in minutes No. 179 on November 29, 2013. Corpbanca Colombia received no objections to the acquisition of up to 100% of the common and preferential shares from the Colombian Financial Superintendency (SFC) by means of ruling no. 1370 of July 22, 2013. The voluntary takeover bid will be completed after obtaining the corresponding authorization from the SFC. This authorization was given through communication no. 2013096905-007-000 issued on December 16, 2013. The voluntary takeover bid will be completed after having carried out the required procedures with the Colombian Stock Exchange (BVC). This transaction is not subject to any other authorization or concept of administrative authorization other than those mentioned above.
- 2. Target of the Offer.** The voluntary takeover bid is directed towards all holders of preferential dividend and non-voting shares issued by Helm Bank (hereinafter the Preferential Shares) that, as of the date of acceptance of the TOB, are considered holders of such shares and can freely dispose of the Preferential Shares. Helm Bank has only registered its Preferential Shares in the Securities and Issuers Regulations (hereinafter RNVE) and, therefore, the target of the takeover bid will be all shareholders of preferential shares, in accordance with the registry book of Helm Bank.
- 3. Minimum and maximum number of shares subject to TOB.** The number of Preferential Shares that the Buyer wishes to acquire in the voluntary TOB is a minimum of one Preferential Share, which is equivalent to 0.0000002% of the outstanding subscribed Preferential Shares and a maximum of 571,749,928 Preferential Shares, which is equivalent to 100% of the total outstanding subscribed Preferential Shares.
- 4. Shareholders of Helm Bank.** Corpbanca Colombia currently owns 4,043,966,379 common shares, equivalent to 87.42% of the total outstanding subscribed shares of Helm Bank and, as of the date of presentation of the notice of the takeover bid, Corpbanca Colombia did not have any Preferential Shares. (See Note 38 Subsequent Events for more information).
- 5. Consideration offered and price.** The price offered by the buyer for each Preferential Share will be paid in cash in Colombian pesos and is equivalent to COP\$ 538.67.
- 6. Reasons for TOB.** On October 30, 2007, Helm Corporation made a statement and a unilateral commitment to the holders of Preferential Shares of Helm Bank that, in the event that Helm Corporation directly or indirectly wished to dispose of control of the financial entity, it must obtain from the third-party buyer the commitment to offer to buy up to one hundred percent (100% of the Preferential Shares). As a result, when Helm Corporation and CorpGroup began negotiating the share purchase agreement for the common shares of Helm Bank, they expressly agreed in that contract that Corpbanca Colombia would initiate a takeover bid for up to 100% of the Preferential Shares. Corpbanca



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Colombia is honoring that commitment and, therefore, offering to buy the Preferential Shares of Helm Bank under the same terms and conditions in which Corpbanca Colombia bought the common shares of Helm Bank from Inversiones Timón S.A.S., Inversiones Carrón S.A.S., Comercial Camacho Gómez S.A.S., Kresge Stock Holdings Company Inc. and other minority shareholders of that class of shares for COP\$ 538.67 per share.

- 7. Term for receiving acceptances to TOB offer.** Offers will be accepted from January 9, 2014 to January 22, 2014.
- 8. Preagreements.** As of the date of the TOB, Corpbanca Colombia had not signed any preagreements for the purchase of these Preferential Shares.
- a. Other Material Events**
- In March 2013, Ruling No. 050 from November 30, 2012 took effect, making it mandatory for entities supervised by the Colombian Financial Superintendency to value their investments using information provided by price suppliers.
 - On July 22, 2013, via Resolution No. 1370, Mr. Jaime Herrera Rodriguez, in his role as Legal Representative of Banco Corpbanca Colombia S.A. was notified that there were no objections to the acquisition of Helm Bank S.A.
 - As established by law, on September 7, an agreement was reached between the Bank and the majority unions, leading to a collective bargaining agreement that will be in effect for two years from September 1, 2013 to August 31, 2015.
 - In August 2013, there was a change in the legal representative of the bondholders of bonds issued by the Bank to Fiducia Fiducro S.A.



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NOTE 4 - 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, *operating segments* in accordance with IFRS 8, *Operating Segments*. The CODM reviews their segments on the basis of gross operational margin and only uses average balances to evaluate performance and allocate resources.

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; Financial Services Offered through Subsidiaries and Colombia. The Bank manages these reportable segments using an internal profitability reporting system.

The Bank has also included entity-wide disclosures on its operations in New York, and those in Colombia through the acquisition of Banco Corpbanca Colombia and its subsidiaries (which also includes the operations of Helm Bank and its subsidiaries and Helm Corredores de Seguros starting from August 2013, see Note 12), as detailed above.

Descriptions of each reportable 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\$60 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\$60 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.

Treasury and International

- Primarily includes our treasury activities such as financial management, funding and liquidity as well as our international business.

Financial Services Offered through Subsidiaries

- 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 its 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.



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The commercial activities of this segment are carried out by the following entities:

- a) Banco Corpbanca Colombia and Subsidiaries.
- b) Helm Bank and Subsidiaries (including Helm Corredores de Seguros).

These represent the operations and business carried out by these entities in that country, primarily related directly to the needs of their customers and the Bank’s strategy, grouped as follows: Commercial Banking, Retail Banking, Treasury Operations and International Business or Operations. They offer additional products and other financial services through their different subsidiaries in order to provide comprehensive service to their current and potential customers.

This segment is determined by the Bank on the basis of its separate business units, which are differentiated mainly by the risks and returns that affect them. Colombia has been identified as a separate operating segment based on the business activities described above. Its operating results are reviewed regularly by the entity’s highest decision-making authority for operating decisions as one single cash generating unit, to decide about resource allocation for the segment and evaluate its performance, and discrete financial information is available for it.

1. Entity-Wide disclosure

Corpbanca reports revenue by segment from external customers that is:

- (i) based on the customer’s country of domicile and
- (ii) attributed, to all foreign countries in total from which the entity derives revenues.

When revenue from external customers attributed to a particular foreign country is significant, it is disclosed separately.

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.

Entity-Wide disclosure

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 following⁴:

	Revenue from external customers		
	2011 MCh\$	2012 MCh\$	2013 MCh\$
CorpBanca Chile	188,136	182,218	253,889
Revenues attributed to Chile	188,136	182,218	253,889
CorpBanca Colombia	-	66,288	196,324
CorpBanca Nueva York	4,864	8,370	7,477
Revenues attributed to foreign countries	4,864	74,658	203,801
Total revenues from external customers	193,000	256,876	457,690

⁴ This segment includes investments in Helm Bank Caymán S.A, Helm Bank (Panamá) S.A., and Helm Casa de Valores (Panamá).



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Non current assets and others that correspond to the three geographic areas are the following:

		<u>Chile</u>	<u>Colombia</u>	<u>New York</u>	<u>31.12.2013</u>	<u>Chile</u>	<u>Colombia</u>	<u>New York</u>	<u>31.12.2012</u>
	<u>Note</u>	<u>MCh\$</u>	<u>MCh\$</u>	<u>MCh\$</u>	<u>MCh\$</u>	<u>MCh\$</u>	<u>MCh\$</u>	<u>MCh\$</u>	<u>MCh\$</u>
Cash and deposits in banks	5	188,528	597,197	125,363	911,088	349,940	170,278	10	520,228
Cash in the process of collection	5	112,028	727	-	112,755	123,162	614	1	123,777
Investment in other companies	12	8,409	7,056	-	15,465	3,583	2,210	-	5,793
Intangible assets (*)	13	481,232	355,596	94	836,922	465,853	23,329	124	489,306
Property, plant and equipment, net	14	36,309	61,311	622	98,242	55,640	9,347	99	65,086
Current taxes	15	-	-	-	-	-	-	-	-
Deferred income taxes	15	34,228	53,650	1,340	89,218	31,475	8,650	459	40,584
Other assets	16	246,329	45,959	830	293,118	133,185	16,036	682	149,903
					<u>2,356,808</u>				<u>1,394,677</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.

(*) This includes goodwill generated in business combinations by operations in Colombia (Colombia segment) totaling MCh\$ 411,992 (MCh\$ 214,540 in 2012). For more information, see Notes 12 and 13 to these consolidated financial statements.

Hence, this disclosure furnishes information on how the Bank is managed as of December 31, 2012 and 2013.



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)	(63.859)	(253.644)
Income before taxes	65.134	33.699	15.609	(1.413)	17.367	(20.647)	32.317	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



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	Commercial 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	
Net Interest income	50,436	69,128	65,535	22,126	21,612	32,529	196,324	457,690
Net services fees income	36,701	14,390	21,413	8,976	(442)	(8,033)	44,972	117,977
Trading and investment income, net	(1,658)	-	3,294	-	48,851	8,681	42,119	101,287
Foreign exchange gains (losses), net	14,153	5,988	389	2	(50,115)	1,778	13,899	(13,906)
Other operating income	-	2,450	-	-	-	29,413	7,795	39,658
Provision for loan losses	(20,544)	(21,240)	(8,099)	(6,238)	-	903	(46,854)	(102,072)
Gross Operational Margin	79,088	70,716	82,532	24,866	19,906	65,271	258,255	600,634
Other income and expenses	-	-	-	-	-	493	748	1,241
Total Operating Expenses	(15,926)	(28,450)	(63,247)	(17,358)	(11,744)	(52,445)	(172,975)	(362,145)
Income before taxes	63,162	42,266	19,285	7,508	8,162	13,319	86,028	239,730
Average Loans	3,843,701	1,787,761	2,427,743	155,801	63,969	154	3,226,817	11,505,946
Average Investments	-	-	-	-	622,551	-	295,079	917,630

b) Assets and Liabilities

As of 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	
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 (**)	-	-	-	-	-	-	-	1,394,677
Total assets	4,661,428	1,495,752	2,318,250	155,384	1,261,539	3,409	2,247,149	13,537,588
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 (***)	-	-	-	-	-	-	-	432,882
Equity	-	-	-	-	-	-	-	1,001,666
Total liabilities and equity	1,053,404	826,166	1,101,782	19,329	6,567,683	416,553	2,118,123	13,537,588



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As of December 31, 2013

	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	
Loans:								
Mortgage	-	23,890	1,501,540	4,179	30	63	459,274	1,988,976
Consumer	34	4,376	337,718	162,813	-	-	1,118,308	1,623,249
Commercial	3,331,083	1,662,605	838,625	79	140,568	175	3,530,402	9,503,537
Loans before provisions	3,331,117	1,690,871	2,677,883	167,071	140,598	238	5,107,984	13,115,762
Provisions for loan losses	(20,718)	(15,311)	(10,789)	(5,115)	-	1,802	(76,045)	(126,176)
Loans net of allowances (*)	3,310,399	1,675,560	2,667,094	161,956	140,598	2,040	5,031,939	12,989,586
Trading portfolio financial assets	-	-	-	-	40,977	-	390,706	431,683
Investments under agreements to resell	-	-	-	-	11,660	-	190,005	201,665
Derivative financial instruments	-	-	-	-	339,773	-	36,507	376,280
Financial investments available-for-sale	-	-	-	-	633,305	-	255,782	889,087
Held to maturity investments	-	-	-	-	19,195	-	218,327	237,522
Assets unallocated to any reportable segment (**)	-	-	-	-	-	-	-	2,356,808
Total assets	3,310,399	1,675,560	2,667,094	161,956	1,185,508	2,040	6,123,266	17,482,631
Current Accounts and demand deposits	188,092	270,671	184,033	4	343	9,524	815,955	1,468,622
Other sight balances	77,066	69,656	33,691	7,097	8	118,621	1,676,622	1,982,761
Time Deposits and saving accounts	747,873	646,746	985,923	16,360	2,403,459	-	2,537,342	7,337,703
Obligations under repurchase agreements	-	-	-	-	74,602	11,388	256,455	342,445
Derivative financial instruments	-	-	-	-	261,661	-	19,922	281,583
Borrowings from financial institutions	-	-	-	-	839,983	-	433,857	1,273,840
Debt issued	-	-	-	-	2,066,648	-	347,909	2,414,557
Liabilities unallocated to any reportable segment (***)	-	-	-	-	-	-	-	649,223
Equity	-	-	-	-	-	-	-	1,731,897
Total liabilities and equity	1,013,031	987,073	1,203,647	23,461	5,646,704	139,533	6,088,062	17,482,631

(*) Loans and receivables (bank and customers) net of allowances for loan losses as of December 31, 2012 and 2013.
Year 2013 (note 10 MM\$126,039, note 9 MCh\$ 137).
Year 2012 (note 10 MM\$109,601, note 9 MCh\$ 178).



(**) Assets unallocated to any reportable segment correspond to the following:

ASSETS	Notes	12.31.2012	12.31.2013
		MCh\$	MCh\$
Cash and deposits in banks	5	520,228	911,088
Cash in the process of collection	5	123,777	112,755
Investments in associates	12	5,793	15,465
Intangible assets	13	489,306	836,922
Property, plant and equipment, net	14	65,086	98,242
Current taxes	15	-	-
Deferred income taxes	15	40,584	89,218
Other assets	16	149,903	293,118
		1,394,677	2,356,808



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(***) Liabilities unallocated to any reportable segment correspond to the following:

LIABILITIES	Notes	12.31.2012	12.31.2013
		MCh\$	MCh\$
Cash in the process of collection	5	68,883	57,352
Other financial obligations	19	18,120	16,807
Current income tax provision	15	9,057	45,158
Deferred income taxes	15	120,714	179,467
Provisions	20	136,240	164,932
Other liabilities	21	79,868	185,507
		432,882	649,223



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NOTE 5 - 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,	
	2012	2013
	MCh\$	MCh\$
Cash and deposits in banks		
Cash	127,617	164,628
Deposits in the Central Bank of Chile	38,416	39,285
Deposits in national banks	6,127	4,666
Foreign deposits	348,068	702,509
Subtotal Cash and deposits in banks	520,228	911,088
Cash in the process of collection, net (5b))	54,894	55,403
Highly liquid financial instruments (1)	138,409	294,260
Investments under agreements to resell (2)	19,489	66,725
Total cash and cash equivalents	733,020	1,327,476

(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,	
		2012	2013
		MCh\$	MCh\$
Trading Portfolio financial assets	6	59,477	86,617
Financial investment Available-for-sale portfolio	11	78,932	207,643
Highly liquid financial instruments		138,409	294,260

(2) Corresponds to investments under agreements to resell with maturities that do not exceed three months from their dates of acquisition.

This detail is presented below:

	Notes	As of December 31,	
		2012	2013
		MCh\$	MCh\$
Investment under agreement to resell	7a)	19,489	66,725



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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.

	As of December 31,	
	2012	2013
	MCh\$	MCh\$
Assets		
Outstanding notes from other banks	48,516	47,737
Funds receivable	75,261	65,018
Subtotal assets	123,777	112,755
Liabilities		
Funds Payable	68,883	57,352
Subtotal liabilities	68,883	57,352
Net items in course of collection	54,894	55,403



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NOTE 6 - TRADING PORTFOLIO FINANCIAL ASSETS

The detail of the financial instruments classified as trading financial assets is as follows:

	As of December 31,	
	2012	2013
	MCh\$	MCh\$
Chilean Central Bank and Government securities:		
Chilean Central Bank bonds	2,543	746
Chilean - Central Bank notes	-	-
Other Chilean Central Bank and government securities	-	9,106
Other national institution securities:		
Bonds	2,102	-
Notes	28,218	18,582
Other Securities	276	133
Foreign Institution Securities:		
Bonds	101,114	326,141
Notes	-	-
Other foreign Securities	3,409	64,443
Mutual funds Investments:		
Funds managed by related organizations	6,336	12,495
Funds managed by third parties	15,900	37
Total	<u>159,898</u> (*)	<u>431,683</u> (*)

As of December 31, 2013, investments purchased under agreement to resell have an average maturity of 4 days (0 days in 2012).

(*) This total includes MCh\$86,617 (MCh\$59,477 in 2012), included in Note 5 "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 7- INVESTMENT AND OBLIGATIONS UNDER REPURCHASE AGREEMENTS

- a) The Bank purchases financial instruments agreeing to resell them at a future date. As of December 31, 2012 and 2013 the instruments acquired under agreements to resell are as follows:

	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	19,489 (*)	1,824	-	21,313

	As of December 31, 2013			
	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	772	-	-	772
Other securities issued locally	9,669	1,219	-	10,888
Securities issued abroad:	-	-	-	-
Government and Central Bank securities	56,284	-	133,721	190,005
Other Securities issued abroad	-	-	-	-
Mutual Funds Investments:	-	-	-	-
Funds managed by related companies	-	-	-	-
Funds managed by third parties	-	-	-	-
Total	66,725 (*)	1,219	133,721	201,665

(*) This total includes MCh\$66,725 (MCh\$19,489 in 2012), included in Note 5 "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, 2012 and 2013, obligations under repurchase agreements are the following:

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	257,721	-	-	257,721

As of December 31, 2013

	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	11,628	-	-	11,628
Treasury Bonds and Notes	-	-	-	-
Other fiscal securities	17,405	-	-	17,405
Other securities issued locally:				
Other local bank securities	56,957	-	-	56,957
Bonds and company business papers	-	-	-	-
Other securities issued locally	-	-	-	-
Securities issued abroad:				
Government and Central Bank securities	256,455	-	-	256,455
Other Securities issued abroad	-	-	-	-
Mutual Funds Investments:				
Funds managed by related companies	-	-	-	-
Funds managed by third parties	-	-	-	-
Total	342,445	-	-	342,445



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NOTE 8 - DERIVATIVE FINANCIAL INSTRUMENT AND HEDGE ACCOUNTING

A. As of December 31, 2012 and 2013, the Bank holds the following portfolio of derivative financial instruments:

A.1) Derivatives financial assets

	As of December 31, 2012			
	Notional			Fair Value
	Upto 3 months	3 months to 1 year	Over one year	
	MCh\$	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

	As of December 31, 2013			
	Notional			Fair Value
	Upto 3 months	3 months to 1 year	Over one year	
	MCh\$	MCh\$	MCh\$	MCh\$
Foreign Currency Forwards	3,401,493	1,568,880	257,382	70,265
Interest Rate Swap	476,480	1,259,204	6,437,978	153,007
Foreign Currency Swap	52,983	348,823	1,761,247	150,528
Foreign Currency Call Options	61,226	65,320	-	1,968
Foreign Currency Put Options	35,861	40,490	-	512
Total	4,028,043	3,282,717	8,456,607	376,280



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A.2) Derivatives financial liabilities

	As of December 31, 2012			Fair Value MCh\$
	Notional			
	Up to 3 months	3 months to 1 year	Over one year	
	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

	As of December 31, 2013			Fair Value MCh\$
	Notional			
	Up to 3 months	3 months to 1 year	Over one year	
	MCh\$	MCh\$	MCh\$	
Foreign Currency Forwards	3,431,709	1,947,645	228,605	62,170
Interest Rate Swap	628,224	1,977,705	6,061,512	100,784
Foreign Currency Swap	78,762	305,554	1,209,442	114,518
Foreign Currency Call Options	68,540	53,231	-	3,549
Foreign Currency Put Options	9,750	20,094	-	562
Total	4,216,985	4,304,229	7,499,559	281,583



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B. Hedge accounting

Fair value hedges:

The Bank uses interest rate derivatives to reduce the risk of debt issuances (short and long-term) as well as long-term assets (commercial loans).

Below is a detail by maturity of hedged items and hedging instruments as of December 31, 2012 and 2013 under fair value hedges.

	As of December 31, 2012			
	Notional			
	Within 1 year MCh\$	Between 1 and 3 years MCh\$	Between 3 and 6 years MCh\$	Over 6 years MCh\$
Hedged Items				
Loans	-	95,890	78,171	45,407
Investment	40,000	12,466	-	-
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

	As of December 31, 2013			
	Notional			
	Within 1 year MCh\$	Between 1 and 3 years MCh\$	Between 3 and 6 years MCh\$	Over 6 years MCh\$
Hedged Items				
Loans	110,034	20,311	109,123	-
Investment	24,825	-	6,993	-
Bonds	-	-	157,924	20,000
Total	134,859	20,311	274,040	20,000
Hedging instrument				
Forward Currency	6,177	-	-	-
Interest Rate Swaps	106,059	8,080	238,227	20,000
Currency Swaps	22,623	12,231	35,813	-
Total	134,859	20,311	274,040	20,000



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Cash flow hedges:

Cash flow hedges are used by the Bank to:

- a) reduce the volatility of cash flows in balance sheet items that are indexed to inflation through the use of inflation forwards and combinations of swaps in pesos and indexed units.
- b) set the rate of a portion of the pool of short-term liabilities in pesos, thus reducing the risk of an important part of the Bank's cost of funding, although still maintaining the liquidity risk of the pool. This is achieved by setting the cash flows of the hedged items equal to those of the derivative instruments, modifying uncertain cash flows for certain cash flows, and
- c) it also sets the rate of funding sources at a floating rate, decreasing the risk that its funding costs increase.

Below is a detailed account of hedged items and hedging instruments by maturity as of December 31, 2012 and 2013, under cash flow hedges.

As of December 31, 2012

Notional

	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	-	-

As of December 31, 2013

Notional

	Within 1 year MCh\$	Between 1 and 3 years MCh\$	Between 3 and 6 years MCh\$	Over 6 years MCh\$
Hedged Items				
Loans	225,867	74,591	-	-
Investments	-	-	-	15,677
Demand Deposits	115,000	213,800	30,300	-
Financial Obligation	134,236	-	-	-
Total	475,103	288,391	30,300	15,677
Hedging instrument				
Foreign Currency Forwards	97,900	74,591	-	-
Interest Rate Swaps	236,367	213,800	30,300	-
Currency Swaps	140,836	-	-	15,677
Total	475,103	288,391	30,300	15,677



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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\$(5,187)(MCh\$ 570 in 2012)(Note 23g) 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\$51 (MCh\$ 2 in 2012) (Note 27 – Net Foreign Exchange Income (losses) – Foreign exchange gains (losses) on hedging derivatives), as of December 31, 2012 and 2013, respectively, were as follow with respect to the following hedged items:

	<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

	<u>As of December 31, 2013</u>	
	<u>MCh\$</u>	<u>MCh\$</u>
Demand Deposits	(3,324)	2
Loans	(766)	-
Investments	(646)	49
Financial Obligation	(451)	-
Net flows	(5,187)	51

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 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 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,		
	2011	2012	2013
	MCh\$	MCh\$	MCh\$
Beginning balance	799	(245)	365
Gains (losses) on hedge of net investment in foreign operation, before tax	(1,264)	757	(2,840)
Reclassification adjustments to profit or loss, before tax	-	-	-
Income tax relating to hedges of net investments in foreign operations	220	(147)	568
Closing balance	(245)	365	(1,907)

No ineffective portion was recognized in profit or loss for the years ended December 31, 2011, 2012 and 2013.



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NOTE 9 - LOANS AND RECEIVABLES TO BANKS

a) As of December 31, 2012 and 2013, loans and receivables to banks are as follows:

	As of December 31,	
	2012 MCh\$	2013 MCh\$
Local Banks		
Loans to local banks	-	-
Allowances for loans losses	-	-
Subtotal	-	-
Foreign Banks		
Loans to foreign banks	81,281	78,064
Other debts with foreign banks	11,114	-
Allowances for loans losses	(178)	(137)
Subtotal	92,217	77,927
Banco Central of Chile		
Restricted Deposits in the Central Bank of Chile	390,154	140,017
Subtotal	390,154	140,017
Total	482,371	217,944

b) The movement in the allowances for loan losses as of December 31, 2012 and 2013 is as follows:

	Note	As of December 31, 2012		
		Local Banks MCh\$	Foreign Banks MCh\$	Total MCh\$
Balance as of January 1, 2012		(373)	(151)	(524)
Write-offs		-	-	-
Established provisions	28	-	(83)	(83)
Released provisions	28	370	46	416
Impairment		-	-	-
Impairment reversal		-	-	-
Exchange Differences		3	10	13
Balances as of December 31, 2012		-	(178)	(178)



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	Note	As of December 31, 2013		
		Local Banks MCh\$	Foreign Banks MCh\$	Total MCh\$
Balance as of January 1, 2013		-	(178)	(178)
Write-offs		-	-	-
Established provisions	28	-	(1,054)	(1,054)
Released provisions	28	-	1,086	1,086
Impairment		-	-	-
Impairment reversal		-	-	-
Exchange Differences		-	9	9
Balances as of December 31, 2013		-	(137)	(137)



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NOTE 10 - LOANS AND RECEIVABLES TO CUSTOMERS

a) Loans and receivables to customers

As of December 31, 2012 and 2013, the composition of the loan portfolio is as follows:

As of December 31, 2012	Gross Assets			Allowances for loan losses			Net Asset MCh\$
	Normal Portfolio MCh\$	Impaired Portfolio MCh\$	Total MCh\$	Individually Evaluated for impairment MCh\$	Collectively evaluated for impairment MCh\$	Total 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	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



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As of December 31, 2013

	Gross Assets			Allowances for loan losses			Net Asset MCh\$
	Normal Portfolio MCh\$	Impaired Portfolio MCh\$	Total MCh\$	Individually Evaluated for MCh\$	Collectively evaluated for MCh\$	Total MCh\$	
Commercial loans:							
Commercial loans	7,447,610	241,817	7,689,427	53,854	10,192	64,046	7,625,381
Foreign trade loans	427,242	31,832	459,074	21,736	236	21,972	437,102
Current account debtors	26,925	1,010	27,935	444	298	742	27,193
Factoring operations	75,102	282	75,384	1,921	183	2,104	73,280
Leasing transactions (*)	773,884	37,998	811,882	80	340	420	811,462
Other loans and receivables	220,322	1,432	221,754	601	1,469	2,070	219,684
Subtotals	8,971,085	314,371	9,285,456	78,636	12,718	91,354	9,194,102
Mortgage loans:							
Letters of credit loans	71,285	2,764	74,049	-	218	218	73,831
Endorsable mutual mortgage loans	189,563	6,796	196,359	-	1,571	1,571	194,788
Other mutual mortgage loans	1,400,825	18,986	1,419,811	-	4,080	4,080	1,415,731
Leasing transactions (*)	256,177	4,706	260,883	-	738	738	260,145
Other loans and receivables	36,323	1,551	37,874	-	361	361	37,513
Subtotals	1,954,173	34,803	1,988,976	-	6,968	6,968	1,982,008
Consumer loans:							
Consumer loans	1,028,252	33,744	1,061,996	-	15,817	15,817	1,046,179
Current account debtors	39,547	465	40,012	-	1,074	1,074	38,938
Credit card	224,607	4,169	228,776	-	2,495	2,495	226,281
Consumer leasing transactions (*)	21,087	495	21,582	-	145	145	21,437
Other loans and receivables	265,828	5,055	270,883	-	8,186	8,186	262,697
Subtotals	1,579,321	43,928	1,623,249	-	27,717	27,717	1,595,532
Total	12,504,579	393,102	12,897,681	78,636	47,403	126,039	12,771,642

(*) Lease transactions (commercial, mortgage and consumer) are presented net and total MCh\$1,093,044 and MCh\$338,853 as of December 31, 2013 and 2012. See detail of term remaining until maturity in letter e).

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, 2013, MCh\$152,193 corresponds to leases of movable assets (MCh\$171,424 as of December 31, 2012) and MCh\$179,552 to leases of real estate assets (MCh\$170,713 as of December 31, 2012).

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. Based on the credit worthiness of the borrower.

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 2013, the Bank has received assets such as homes, apartments, commercial and agricultural lands, among others, with an fair value of MCh\$1,785 (MCh\$2,755 in 2012) through the execution of guarantees.



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b) Portfolio characteristics

As of December 31, 2012 and 2013, the loan portfolio before allowances for loan losses by customer economic activity was as follows:

	National Loans		Foreign Loans		Total		Distribution Percentage as of	
	2012 MCh\$	2013 MCh\$	2012 MCh\$	2013 MCh\$	2012 MCh\$	2013 MCh\$	2012 %	2013 %
Commercial loans:								
Manufacturing	569,720	499,037	247,564	332,767	817,284	831,804	8.09%	6.45%
Mining	244,407	328,377	112,302	457,884	356,709	786,261	3.53%	6.10%
Electricity, gas and water	237,908	146,316	179,737	351,301	417,645	497,617	4.13%	3.86%
Agriculture and livestock	236,327	179,008	26,963	123,906	263,290	302,914	2.61%	2.35%
Forestry and wood extraction	38,836	23,650	-	8,875	38,836	32,525	0.38%	0.25%
Fishing	48,611	1,212	-	-	48,611	1,212	0.48%	0.01%
Transport	153,111	196,092	50,871	165,982	203,982	362,074	2.02%	2.81%
Communications	16,845	3,423	54,137	111,671	70,982	115,094	0.70%	0.89%
Construction	865,713	854,452	98,660	257,438	964,373	1,111,890	9.54%	8.62%
Commerce	519,220	434,713	395,650	1,034,412	914,870	1,469,125	9.05%	11.39%
Services	2,861,452	2,695,813	228,715	980,883	3,090,167	3,676,696	30.59%	28.51%
Others	223,316	70,829	84,795	27,415	308,111	98,244	3.05%	0.76%
Subtotals	6,015,466	5,432,922	1,479,394	3,852,534	7,494,860	9,285,456	74.17%	71.99%
Mortgage Loans	1,382,442	1,529,701	149,533	459,275	1,531,975	1,988,976	15.16%	15.42%
Consumer loans	476,275	504,940	600,381	1,118,309	1,076,656	1,623,249	10.66%	12.59%
Total	7,874,183	7,467,563	2,229,308	5,430,118	10,103,491	12,897,681	100.00%	100.00%

c) Allowances for loans losses

The changes in allowances for loan losses during the years 2012 and 2013 are summarized as follows:

	Note	Individually Evaluated for impairment MCh\$	Collectively evaluated for impairment MCh\$	Total 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	28	47,407	72,060	119,467
Provision released	28	(31,932)	(20,750)	(52,682)
Exchange rate differences		(62)	(3)	(65)
	10a)	65,164	44,437	109,601



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	Note	Individually Evaluated for impairment	Collectively evaluated for impairment	Total
		MCh\$	MCh\$	MCh\$
Balances as January 1, 2013		65,164	44,437	109,601
Impaired portfolio write-offs:				
Commercial loans		(30,178)	(12,253)	(42,431)
Mortgage loans		-	(2,831)	(2,831)
Consumer loans		-	(62,296)	(62,296)
Total Write-offs		(30,178)	(77,380)	(107,558)
Established provision	28	193,586	137,423	331,009
Provision released	28	(148,563)	(62,875)	(211,438)
Impairment		-	-	-
Debt exchange (*)		(4,565)	-	(4,565)
Exchange rate differences		3,192	5,798	8,990
Balances as of December 31, 2013	10 a)	78,636	47,403	126,039

(*) More information regarding this transaction can be found in Note 3 Material Events, Corpbanca, letter d)

d) Portfolio sale

1. As of December 31, 2013 and 2012, the Bank and its subsidiaries engaged in portfolio purchases and sales. The effect on income of these transactions as a whole does not exceed 5% of before tax profit for the year, and is recorded within net gains from trading and brokerage activities in the Consolidated Statement of Income for the Period, disclosed in Note 26 within "Other Instruments at Fair Value through gain (losses)".

2. As of December 31, 2013 and 2012, the Bank and its subsidiaries de-recognized 100% of its sold portfolio, thus complying with the requirements of the accounting policy for derecognizing financial assets and liabilities in Note 1, letter aa) of the annual consolidated financial statements.



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During 2012 and 2013, 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 sale of the 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, 2012

	Number of loans	Currying	Proceeds	Released	Gain
		amount	for sale	Provisions	on sale
		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

As of December 31, 2013

	Number of loans	Currying	Proceeds	Released	Gain
		amount	for sale	Provisions	on sale
		MCh\$	MCh\$	MCh\$	MCh\$
					(*)
Loans sold	28.120	50.018	53.019	-	3.197
Loans sold	12.430	16.934	16.934	-	-
Total	40.550	66.952	69.953	-	3.197

(*) The gain on sale is included in the category "Trading and investment income, net" in the Consolidated Statements of Income.

(a) This amount is included in the release of provisions disclosed in Note 28.

(b) The gain on sale is included under line item "trading and investment income, net" in the Consolidated Statements of Income, disclosed in Note 26, line "Other financial investments at fair value with effect on gain (losses)."

The following table reflects the maturity of leasing contracts as of December 31, 2013 and 2012.

e) Lease

The maturity of finance leases as of December 31, 2013 and 2012, is detailed as follows:

	Note	As of December 31	
		2012	2013
		Net Leasing	Net Leasing
		MCh\$	MCh\$
Up to 1 month		11,310	29,928
From 1 month to 3 months		16,100	40,820
From 3 months to 1 year		65,168	167,689
From 1 year to 3 years		106,679	322,322
From 3 years to 6 years		55,647	223,757
Over 6 years		83,949	308,528
Total	10 a) (*)	338,853	1,093,044

(*) Includes commercial leasing transactions of MCh\$811,462 (MCh\$338,018) mortgage leasing transactions of MCh\$260,145 (MCh\$58) and consumer leasing transactions of MCh\$21,437 (MCh\$777) as of December 2013 and 2012.



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NOTE 11 - INVESTMENT INSTRUMENTS

As of December 31, 2012 and 2013, the detail of financial investments available for sale was as follows:

a) Financial investments

	As of December 31,					
	2012			2013		
	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	329,066	-	329,066	334,718	-	334,718
Chilean Treasury Bonds	69,706	-	69,706	847	-	847
Other government securities	46,203	-	46,203	21,769	-	21,769
Other financial instruments						
Promissory notes related to deposits in local banks	338,747	-	338,747	78,712	-	78,712
Chilean mortgage finance bonds	349	-	349	313	-	313
Chilean financial institution bonds	66,231	-	66,231	17,985	-	17,985
Other local investments	41,019	10,099	51,118	136,623	8,632	145,255
Financial instruments Issued abroad						
Foreign government and central bank instruments	206,296	74,259	280,555	212,280	93,750	306,030
Other foreign investments	14,818	20,619	35,437	85,840	135,140	220,980
Impairment Provision	-	-	-	-	-	-
Unquoted securities in active markets						
Chilean corporate bonds	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
Impairment Provision	-	-	-	-	-	-
Total	(*) <u>1,112,435</u>	<u>104,977</u>	<u>1,217,412</u>	(*) <u>889,087</u>	(*) <u>237,522</u>	<u>1,126,609</u>

(*) This total includes MCh\$207,643 (MCh\$78.932 in 2012), included in note No. 5 "Cash and cash equivalents", which corresponds to those financial instruments with maturities that do not exceed three months from their dates of acquisition.

As of December 31, 2013, the portfolio of financial investments available-for-sale includes net unrealized losses, net of taxes, recorded in other comprehensive income of MCh\$2,799 (MCh\$6,485 as of December 31, 2012)



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b) The movements of the investments available-for-sale portfolio as of December 31, 2012 and 2013 are as follows:

	As of December 31, 2012			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	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	1,120,578	492	(8,635)	1,112,435



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	As of December 31, 2013			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	334,864	381	(527)	334,718
Chilean Central Bank Notes	850	-	(3)	847
Other government securities	21,816	3	(50)	21,769
Subtotals	357,530	384	(580)	357,334
Other Financial Instruments				
Promissory notes related to deposits in local banks	78,375	337	-	78,712
Chilean mortgage finance bonds	310	3	-	313
Chilean financial institution bonds	17,985	-	-	17,985
Other local investments	138,317	467	(2,161)	136,623
Subtotals	234,987	807	(2,161)	233,633
Financial instruments Issued abroad				
Foreign government and central bank instruments	212,291	-	(11)	212,280
Other foreign investments	87,825	98	(2,083)	85,840
Impairment provision	-	-	-	-
Subtotals	300,116	98	(2,094)	298,120
Unquoted securities in active markets				
Chilean corporate bonds	-	-	-	-
Other investments	-	-	-	-
Impairment provision	-	-	-	-
Subtotals	-	-	-	-
Totals	892,633	1,289	(4,835)	889,087

c) Impairment of investment instruments

As of December 31, 2012 and 2013, there are no significant or prolonged declines in value.

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, 2012			
	Available for sale Portfolio			
	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 Chilean Central Bank and 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>

	As of December 31, 2013			
	Available for sale Portfolio			
	Total	Level 1	Level 2	Level 3
	MCh\$	MCh\$	MCh\$	MCh\$
Chilean Central Bank and Government securities				
Chilean Central Bank and Government securities	334,718	334,063	655	-
Chilean Central Bank Notes	847	847	-	-
Other government securities	21,769	-	21,769	-
Other Financial Instruments				
Promissory notes related to deposits in local banks	78,712	-	78,712	-
Chilean mortgage finance bonds	313	-	313	-
Chilean financial institution bonds	17,985	-	17,985	-
Other local investments	136,623	-	136,623	-
Financial instruments Issued abroad				
Foreign government and central bank instruments	212,280	212,281	-	-
Other foreign investments	85,840	48,685	37,153	-
	-	-	-	-
Impairment Provision	-	-	-	-
Totals	<u>889,087</u>	<u>595,876</u>	<u>293,210</u>	<u>-</u>



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NOTE 12 - INVESTMENTS IN OTHER COMPANIES

a) As of December 31, 2012 and 2013 the investments in other companies are detailed as follows:

Company	December 31, 2012		December 31, 2013	
	% Ownership	MCh\$	% Ownership	MCh\$
Nexus S.A.	12.90	1,057	12.90	1,057
Transbank S.A.	8.72	939	8.72	939
Combanc S.A.	4.72	135	5.29	159
Redbanc S.A.	2.50	110	2.50	110
Sociedad Interbancaria de Depósitos de Valores S.A.	3.91	75	3.91	75
Imerc OTC S.A	-	-	6.67	864 (ii)
Deceval S.A.	5.74	829 (i)	11.35	8,098 (i)
A.C.H Colombia	3.67	191 (i)	4.22	523 (i)
Redeban Multicolor S.A	1.60	283 (i)	1.60	284 (i)
Cámara de Compensación Divisas de Col. S.A.	3.19	30 (i)	7.76	73 (i)
Cámara de Riesgo Central de Contraparte S.A.	1.17	94 (i)	2.42	208 (i)
B.C.H. - Liquidación	-	-	0.00	15 (i)
Cifin	-	-	9.00	150 (i)
Servibanca - Tecibanca	-	-	4.54	719 (i)
Shares or rights in other companies				
Santiago Stock Exchange Shares	2.08	1,056	2.08	1,056
Chilean Electronic Stock Exchange Shares	2.44	211	2.44	211
Colombia Stock Exchange	0.48	783 (i)	0.97	841 (i)
Fogacol	-	-	150.000 Unit	83 (i)
Total		5,793		15,465

(i) Corresponds to investments in other companies carried out by the subsidiaries in Colombia.

(ii) As of December 31, 2013, Corpbanca had subscribed to and paid in for 667 shares, equivalent to MCh\$ 864, which were paid in when forming Servicios de Infraestructura de Mercado OTC S.A., doing business as IMERC-OTC S.A. IMERC-OTC S.A. was formed on June 21, 2013, in conjunction with other banks from the Chilean financial system to operate a centralized operations registry, providing registration, confirmation, storage, consolidation and reconciliation services for derivative transactions. The new company was formed with capital of Ch\$12,957,463,890, divided into 10,000 shares with no par value. As of the reporting date of the consolidated financial statements (December 31), of the 10,000 shares issued by the Company, 8,895 had been subscribed to and paid in.

During 2011, 2012 and 2013 the Bank received dividends from its investment in other companies as follows:

	2011 MCh\$	2012 MCh\$	2013 MCh\$
Dividends received	250	367	1,241
Total	250	367	1,241



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The movements of investment in other companies as of December 31, 2012 and 2013, were the following:

	<u>2012</u>	<u>2013</u>
	MCh\$	MCh\$
Opening balance at January 1	3,583	5,793
Investment acquisitions	2,210	9,672
Investment sales	-	-
Share on income	-	-
Dividends received	-	-
Exchange rate differences	-	-
Ending balance as of December 31,	<u>5,793</u>	<u>15,465</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 underlie the expected success of this acquisition.

iii) Assets acquired and liabilities assumed

- 1) The fair values presented as of December 31, 2012 in the audited consolidated financial statements (table below in letter (a)) were calculated on a provisional basis determined by professionals that were independent from Corpbanca and Subsidiaries (the Group) and its external auditors, as well as independent among themselves. Under IFRS 3, these provisional amounts were finalized within the one year measurement period.
- 2) During the measurement period, Corpbanca retroactively adjusted the provisional amount in accordance with IFRS 3.



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Accordingly, the fair value of the identifiable assets and liabilities of BSC as of the date of acquisition of the controlling interest and which fair value did not change between May 29, 2012 and June 22, 2012 was as follows:

	Fair value recognized at acquisition date	Fair value recognized at acquisition date	Adjustment during measurement period
	Provisional (a)	Final (b)	
	MCh\$	MCh\$	MCh\$
Total net identifiable assets at fair value	230,405	225,798	(4,607)
Intangible assets arising in acquisition	257,694	252,216	(5,478)
Contingent liabilities arising in acquisition	(2,868)	(2,924)	(56)
Deferred taxes arising in acquisition	(83,755)	(86,734)	(2,979)
Subtotal Fair Value	401,476	388,356	(13,120)
Non-controlling interest at fair value	(48,940)	(48,940)	-
Goodwill arising in acquisition	205,076	218,196	13,120
Consideration transferred for purchase	557,612	557,612	-
Net cash consideration paid	(99,320)	(99,320)	
Total	458,292	458,292	

- 3) This business combination was accounted for using the acquisition method as of the purchase date, which is the date on which control was transferred to the Group. The Bank obtains control in an investee when it has exposure, or rights, to variable returns from the investor's involvement with the investee and has the ability to use its power over the investee to affect the amount of the investor's returns. Potential voting rights that are currently enforceable or convertible were considered when evaluating control.
- 4) Corpbanca measured the non-controlling interest in the acquiree at fair value. This value was estimated by applying the discounted profits approach/discounted cash flow method.
- 5) The transaction did not include any agreements involving contingent consideration.
- 6) As of the date of acquisition, a contingent liability with a fair value of MCh\$ 2,868 was determined as a result of legal contingencies. As of the date of the reporting period, the Bank reevaluated that contingent liability and determined variations in its value, giving a final amount of MCh\$ 2,924.
- 7) The goodwill of MCh\$ 205,076 recognized as of the date of acquisition was attributed to expected synergies and other benefits arising from the combination of the assets and activities of BSC. This concept was not expected to be tax deductible. The final amount of goodwill determined by adjusting the fair value during the measurement period increased by MCh\$ 13,120 (letter (c) above).
- 8) The fair value of loans and receivables (both to customers and banks) amounted to MCh\$ 1,646,742. The unpaid principal balances under the contracts amount to MCh\$1,626,284 and are expected to be collected 100%.
- 9) 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 ended December 31, 2012. 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.
- 10) 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.
- 11) The functional currency of the acquired entity is the Colombian peso and the Bank follows International Accounting Standard No. 21, "Foreign Currency Translation".



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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, (in comparison with the provisional):

	Fair value recognized at acquisition date	Fair value recognized at acquisition date	Adjustment during measurement period
	Provisional (a)	Final (b)	
	MCh\$	MCh\$	MCh\$
Total net identifiable assets at fair value	12,382	12,382	-
Intangible assets arising in acquisition	10,149	9,796	(353)
Contingent liabilities arising in acquisition	-	-	-
Deferred taxes arising in acquisition	(3,349)	(3,331)	18
Subtotal Fair Value	19,182	18,847	(335)
Non-controlling interest at fair value	(1,313)	(1,313)	-
Goodwill arising in acquisition	4,691	5,026	335 (c)
Consideration transferred for purchase	22,560	22,560	-
Net cash consideration paid	(4,494)	(4,494)	-
Total	18,066	18,066	-

- The fair values presented as of December 31, 2012 in the audited consolidated financial statements (table below in letter (a)) were calculated on a provisional basis determined by professionals that were independent from Corpbanca and Subsidiaries (the Group) and its external auditors, as well as independent among themselves. Under IFRS 3, these provisional amounts were finalized within the one year measurement period.
- During the measurement period, Corpbanca retroactively adjusted the provisional amount in accordance with IFRS 3.
- As of the acquisition date, no contingent liabilities were determined.
- The goodwill of MCh\$ 4,691 recognized provisionally as of the date of acquisition was attributed to expected synergies and other benefits arising from the combination of the assets and activities of BSC. This concept was not expected to be tax deductible. The final amount of goodwill determined by adjusting the fair value during the measurement period increased by MCh\$ 335 (letter (c) above).



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iv. Considerations of importance in relation to the acquisition:

- 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 was 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.
- 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 ended December 31, 2012. 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".

d) Business Combination – Corpbanca Colombia and Subsidiaries with Helm Bank and Subsidiaries.

i. General Operating Aspects

Banco Corpbanca Colombia, headquartered in Colombia (mainly in Bogotá D.C.), acquired the voting and non-voting shares (see subsequent events footnote) of Helm Bank S.A. (hereinafter "Helm Bank") and subsidiaries, also headquartered in Colombia.

As part of the agreement between Corpbanca Colombia and the companies controlling Helm Bank, Corpbanca Colombia committed to acquiring up to 100% of the preferential dividend and non-voting shares (preferential shares) of Helm Bank. Corpbanca Colombia acquired, 2,387,387,295 common shares, which represent 58.89% of the outstanding common shares (51.61% of subscribed and paid capital) of Helm Bank during the first closing and 1,650,579,084 common shares, which represent 40.86% of the outstanding common shares (35.81% of subscribed to and paid in capital) of Helm Bank during the second closing for a total of 4,043,966,379 common shares, which represent 99.75% of the total outstanding common shares and 87.42% of the subscribed to and paid in capital of Helm Bank, in purchases made on August 6 and 29, 2013 (referred to above as first closing and second closing). On January 28, 2014, Corpbanca Colombia honored that commitment, carrying out a voluntary Takeover Bid (TOB) for the preferential shares as part of the third closing (see subsequent events footnote), which was mainly designed to offer a liquidity and sales mechanism to the preferential shareholders under the same economic conditions that were agreed upon for the sellers of the common shares of Helm Bank under the SPA⁵ and to facilitate the merger process, enabling Corpbanca Colombia and its subsidiaries to expand their presence in the medium and long term as loan establishments in the Colombian market, obtaining a 12.36% interest and giving a total interest of 99.7814% of subscribed to and paid in capital (See Note 38 Subsequent Events for more information). By virtue of express legal provisions, Corpbanca Colombia and Helm Bank must merge within a year following the date of the first acquisition of shares of Helm Bank (i.e. before August 6, 2014). As a result, these two entities have been working intensely on the preparation and advanced notice of the intention of the merger. This company is engaged in raising funds through checking account, demand and time deposits in order to provide loans. Corpbanca Colombia acquired an indirect interest as a result of the acquisition of Helm Bank, which also has complementary businesses through its subsidiaries Helm Comisionista, Helm Fiduciaria, Helm Caymán and Helm Panamá.

⁵ Share Purchase Agreement or SPA: A share purchase agreement for common shares of Helm Bank signed between Helm Corporation, Inversiones Carrón S.A.S, Comercial Camacho Gómez S.A.S. e Inversiones Timón S.A.S., together the first party, and HC Acquisitions SAS, the second party, who subsequently transferred the agreement to Corpbanca Colombia, by virtue of which the first party sold to the second party all of the common shares owned by Inv. Carrón S.A.S., Comercial Camacho Gómez S.A.S. and Inversiones Timón S.A.S., in Helm Bank, and by which Corpbanca Colombia committed to offer to purchase up to 100% of the Preferential Shares from the Preferential Shareholders under the same economic conditions set for the sellers of the aforementioned common shares.



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Helm Fiduciaria S.A. This subsidiary is a financial services corporation that is engaged in providing trust services and, in general, performing all transactions legally allowed for trust companies based on the requirements, restrictions and limitations of Colombian law. (Helm Bank S.A. has a 99.9807% direct and indirect interest.)

Helm Bank Panamá S.A. This subsidiary is organized under the law of the Republic of Panama and has been operating since April 15, 1998 in that country with an international license granted by the Superintendency of Banks through Ruling 2297 of October 17, 1997 that also allows it to be engaged in the banking business abroad. (Helm Bank S.A. has a 100% direct interest.)

Helm Comisionista de Bolsa S.A. This subsidiary carries out the activities particular to a securities brokerage firm based on the legal requirements, especially Ruling No. 400 of 1995 (Sole Ruling), issued by the Financial Superintendency. This entity has a 100% interest in the company Helm Casa de Valores Panamá, which is engaged in purchasing and selling securities under the laws of the Republic of Panama. (Helm Bank S.A. has a 99.9965% direct and indirect interest.)

Helm Bank Cayman. This subsidiary is engaged in providing unrestricted financial services. It can carry out banking business of any type, except with customers from the Grand Cayman Islands, in accordance with the laws of those islands. (Helm Bank S.A. has a 100% direct interest.)

See Note 1 Parent Company and Subsidiaries in Chile (table on ownership interests).

ii. Helm Bank and Subsidiaries

Helm Bank's strategy has been to maximize returns on its portfolio and reduce funding costs by enhancing the composition of its available resources.

iii. Main Reasons for the Purchase

After receiving the necessary regulatory authorizations from regulators in Chile, Colombia, Panama and the Cayman Islands, Corpbanca acquired control of Helm Bank and subsidiaries through its subsidiary Banco Corpbanca Colombia. With the recent acquisition of Helm Bank and its foreseen merger with Corpbanca Colombia, Corpbanca Chile has consolidated its operations in Colombia, reaffirming its long-term commitment to this market.

For Corpbanca Chile, the Colombian market has great potential and significant room for growth in the banking business. Many Chilean investors have invested in Colombia and the Bank aims to assist customers with these projects, to strengthen long-term relationships with people and companies in that country, and also to provide peace of mind to our shareholders and investors by diversifying risks and earnings sources.



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iv. Detail of Assets Acquired and Liabilities Assumed

The fair value of the identifiable assets and liabilities of Helm Bank and its subsidiaries as of the date of acquisition (August 6, 2013) was as follows:

	MCop\$	MCh\$
Total net identifiable assets at fair value	1,331,262	364,233
Non-controlling interest measured at fair value (using an income approach)	(5,428)	(1,485)
Goodwill arising from the acquisition	693,064	189,622 (i)
Intangible assets	535,028	146,384
Contingent liabilities	(13,533)	(3,703)
Deferred income taxes	(177,342)	(48,521)
Deferred taxes (tax goodwill)	115,443	31,585 (h)
Consideration transferred for the adquisition	<u>2,478,494</u>	<u>678,115</u>
Net cash received from subsidiary	1,276,481	349,245
Gross cash consideration	<u>(2,178,378)</u>	<u>(596,004)</u>
Net cash consideration paid	<u>(901,897)</u>	<u>(246,759)</u>
Liability for preferential shares	(307,011)	(83,998)
Net cash consideration paid	<u>(1,208,908)</u>	<u>(330,757)</u>

Important Matters Regarding the Acquisition

- i. The fair values presented here were calculated on a provisional basis determined by professionals that were independent from Corpbanca and its subsidiaries (the Group) and its external auditors, as well as independent among themselves. Accordingly, the Bank would like to point out the following considerations:
 - a) 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.
 - b) This business combination was accounted for using the acquisition method as of the purchase date, which is the date on which control is transferred to the Group. The Bank obtains control in an investee when it has exposure, or rights, to variable returns from the investor's involvement with the investee and has the ability to use its power over the investee to affect the amount of the investor's returns. Potential voting rights that are currently enforceable or convertible were considered when evaluating control. Due to its interest in Helm Bank, Banco Corpbanca has the following substantive rights:
 - ✓ Voting rights in proportion to its interest in the companies.
 - ✓ The right to name or remove key members of management of the investees that have the ability to direct relevant activities.
 - ✓ The right to assign or unassign investees to direct relevant activities.
 - ✓ The right to direct the activities of subordinates for the benefit of the bank.
 - c) The Group valued goodwill as of the acquisition date, taking into account the following factors:
 - ✓ the fair value of the consideration transferred;
 - ✓ the recoverable amount of any non-controlling interest in the acquiree, plus
 - ✓ if the business combination is performed in phases (not the case for our purposes), the fair value of the existing interests in the equity of the acquiree;
 - ✓ less the net amount recognized (generally the fair value) of the identifiable assets acquired and the identifiable liabilities assumed.
 - d) Regarding the preceding point, when the excess is negative, a gain on sale with advantageous conditions is recognized immediately in profit and loss (such was not the case with this business combination).



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- e) The fair value of intangible assets and their respective deferred taxes has been determined provisionally pending an independent valuation. See Note 13 “Intangible Assets” to these consolidated financial statements.
- f) As of the date of acquisition, a contingent liability with a fair value of Mcop\$ 13,533 (MCh\$ 3,703) was determined as a result of legal contingencies. As of the date of the reporting period, the Bank reevaluated that contingent liability and determined no variations in its value.
- g) As of the date of acquisition, the fair value of loans and receivables (including loans and advances to banks) totaled Mcop\$11,021,182 (MCh\$3,015,395) and their gross amount was Mcop\$11,485,865 (MCh\$ 3,142,532). None of these debtors were impaired and the Bank expects to collect the full amounts. In accordance with IFRS, the fair value of loans should be shown net of credit risk provisions.
- h) A deferred tax asset must be recognized as part of the purchase price allocation for the mercantile tax credit (tax goodwill) generated under Colombian regulations. This is based on a future tax benefit existing as of the transaction date to reduce the future income tax basis (i.e. this credit is likely to be recovered). This analysis is based on IAS 12. The amount for this deferred tax for the mercantile tax credit was Mcop\$ 115,443 (MCh\$ 31,585).
- i) The goodwill of Mcop\$ 693,064 (MCh\$ 189,622) recognized as of the date of acquisition was attributed to expected synergies and other benefits arising from the combination of the assets and activities of Helm Bank and Subsidiaries together with Corpbanca and Subsidiaries (described in section iii) “Main Reasons for the Purchase”).
- j) If new information is obtained within a year from the date of acquisition regarding facts and circumstances that existed as of the acquisition date, amounts previously presented are adjusted or if there is any additional information as of the acquisition date, the acquisition accounting will be reviewed.
- ii. Corpbanca decided to measure the non-controlling interest in the acquiree at fair value. This value was estimated by applying the discounted cash flow method.
- iii. Since the acquisition date, Helm Bank and its subsidiaries contributed MCh\$ 67,927 to net interest income, MCh\$ 12,753 to net fees and commissions, MCh\$ 92,429 to net operating income and MCh\$ 34,076 to before tax profit for the period. If the combination had occurred at the beginning of the period (January 1, 2013), net interest and inflation-indexing income would have been MCh\$ 280,981 and before tax profit for the period would have been MCh\$ 62,001. In determining these amounts, management has assumed that the provisional fair value adjustments originated on the date of acquisition would have been the same had the acquisition occurred on January 1, 2013.
- iv. The acquisition-related transaction costs of Mcop\$ 14,889 (MCh\$ 3,935), mainly for external legal fees and due diligence costs, were charged to administrative expenses in the Consolidated Statement of Income and included within cash flows from operating activities in the Statement of Cash Flows.
- v. The total consideration transferred in the transaction was Mcop\$ 2,178,378 (MCh\$ 596,004). Net cash received for cash flow purposes was Mcop\$ 901.897 (MCh\$ 246,759). In 2013, the line item “Acquisition of Subsidiary Helm Bank, net of cash acquired” has been added. This includes the net cash disbursement for the purchase of Helm Bank S.A. and subsidiaries for MCh\$ 255,444.
- vi. The transaction did not include any agreements involving contingent consideration.
- vii. Both the goodwill arising from the acquisition of a foreign business (the case of Helm and other group entities) as well as the fair value adjustments made to the carrying amount of the assets and liabilities must be treated as assets and liabilities of the same entity as a result of the acquisition of this business. This means that they should be expressed in the same functional currency of this company (the Colombian peso) and will be converted at the closing exchange rate (COP to CLP exchange rate for parent company accounting purposes).



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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 is allocated. 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.

e) Business Combination – Banco Corpbanca Chile and Helm Corredor de Seguros S.A.

i. General Operating Aspects

As part of the transaction with Helm, Corpbanca Chile, domiciled in Chile, acquired 80.00% of the shares with voting rights of Helm Corredor de Seguros S.A.

Helm Corredor de Seguros S.A. (HCS). This company, formed on January 16, 1985, is engaged in brokering insurance, under the supervision of the Colombian Financial Superintendency. It is domiciled in Bogota. This entity is not a subsidiary of Helm Bank S.A.

ii. Main Reasons for the Purchase

With this acquisition, Corpbanca sought to expand regionally and simultaneously participate in the growing Colombian banking market as a complementary business whose potential is based on the sound economic prospects of that country.

iii. Detail of Assets Acquired and Liabilities Assumed

The fair value of the identifiable assets and liabilities of Helm Corredores de Seguros S.A. as of the date of acquisition (August 6, 2013) was as follows:

	MCh\$
Total net identifiable assets at fair value	4,030
Non-controlling interest measured at fair value (using an income approach)	(2,278)
Intangible assets	1,797
Deferred income taxes	(616)
Goodwill arising from acquisition	6,171
Consideration transferred for the acquisition	<u><u>9,104</u></u>
Net cash received from subsidiary	419
Gross cash consideration	(9,104)
Net cash consideration paid	<u><u>(8,685)</u></u>

iv. Important Matters Regarding the Acquisition

- The fair values presented here were calculated on a provisional basis determined by professionals that were independent from Corpbanca and Subsidiaries (the Group) and its external auditors, as well as independent among themselves. They took into account the same criteria described in i.a) to i.e and i.i), ii), iv), vi) and vii), for the business combination between Corpbanca Colombia and Helm.
- As of the acquisition date, no contingent liabilities were determined.
- Since the acquisition date, HCS contributed MCh\$ 29 to net interest income, MCh\$ 3,081 to net fees and commissions, MCh\$ 3,111 to net operating income and MCh\$ 901 to before tax profit for the period ended on



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December 31, 2012. If the combination had occurred at the beginning of the period (January 1, 2013), revenue and net income of Banco Corpbanca Chile would have been MCh\$ 457,716 and before tax profit for the period would have been MCh\$ 232,600 (these amounts do not include the effects of the business combination with Helm and Subsidiaries). In determining these amounts, management has assumed that the provisional fair value adjustments originated on the date of acquisition would have been the same had the acquisition occurred on January 1, 2013.

- The goodwill of MCh\$ 6,171 recognized as of the date of acquisition was attributed to expected synergies and other benefits arising from the combination of the assets and activities of HCS. Goodwill was not expected to be tax deductible.
- The acquisition-related transaction costs, mainly legal fees and other external costs, were recognized by the parent company (Corpbanca Chile).

f) Reconciliation of Book Value of Goodwill.

Goodwill is tested annually to determine whether impairment exists (as of December 31, of each year) and when circumstances indicate that its book value may be impaired. This impairment is determined by evaluating the recoverable amount of each cash generating unit (or group of cash generating units) to which goodwill is allocated. Where the recoverable amount of the cash generating unit is less than its book value, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

The following table reconciles the book value of goodwill at the beginning and end of the period:

	2013
	MCh\$
As of January 01, 2013 (Note 13)	214,540
Accumulated impairment losses at beginning of period	-
Increase in goodwill due to acquisitions during the period (*)	195,793
Net translation adjustments arising during the period	1,659
Close of amounts, measurement period	-
Impairment losses recognized during the period	-
As of December 31, 2013 (Note 13)	<u>411,992</u>

* Goodwill Helm and Subsidiaries (MCh\$ 189,622) + Goodwill Helm Corredores de Seguros (MCh\$ 6,171). See Note 12 letter b).



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NOTE 13 - INTANGIBLE ASSETS

i) Intangible assets as of December 31, 2012 and 2013 consist of the following:

As of December 31, 2012

Concept	Useful life years	Remaining amortization years	Final gross	Amortization	Net
			balance	and impairment	Carrying
			MCh\$	for the Year	amount
			MCh\$	MCh\$	MCh\$
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			214,540	-	214,540
-License			49,630	-	49,630
-Other intangibles	6	6	4,193	(475)	3,718
-Customer relationship			196,605	(4,614)	191,991
Other projects	5	4	1,227	(202)	1,025
Total			500,206	(10,900)	489,306

As of December 31, 2013

Concept	Useful life years	Remaining amortization years	Final gross	Amortization	Net
			balance	and impairment	Carrying
			MCh\$	for the Year	amount
			MCh\$	MCh\$	MCh\$
Integrated banking system(1)	15	3	5,398	(1,181)	4,217
Computer equipment system or software			-	-	-
Projects	4	3	24,453	(9,010)	15,443
IT projects	8	6	27,058	(3,726)	23,332
Acquisition of Banco Corpbanca Helm					
-Goodwill			411,992	-	411,992
-License			50,567	-	50,567
-Other intangibles	4	4	19,308	(638)	18,670
-Customer relationship			326,382	(14,804)	311,578
Other projects	6	4	1,372	(249)	1,123
Total			866,530	(29,608)	836,922

(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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ii) The changes in the intangible assets during 2012 and 2013 is as follows:

	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	485,234	578	500,736
Retirements	-	-	-	-	-	-
Amortization (note 31 a))	(1,175)	(2,958)	(1,476)	(5,089)	(202)	(10,900)
Exchange differences	(14)	-	321	(20,266)	(362)	(20,321)
CorpBanca Colombia acquisition (*)	-	7,552	-	-	-	7,552
Balances as of December 31, 2012	5,368	10,960	12,074	459,879	1,025	489,306

	Integrated banking system MCh\$	Computer equipment system or software MCh\$	IT Projects MCh\$	Intangible arising from business combination- Colombia (**) MCh\$	Others MCh\$	Total
Balance as of January 1, 2013	5,368	10,960	12,074	459,879	1,025	489,306
Purchases	19	7,691	15,119	343,974	436	367,239
Retirements	-	-	(135)	-	-	(135)
Amortization (note 31 a))	(1,181)	(9,010)	(3,726)	(15,442)	(249)	(29,608)
Exchange rate differences	-	-	-	4,396	-	4,396
Other	11	(704)	-	-	(89)	(782)
Group Helm acquisition (*)	-	6,506	-	-	-	6,506
Balances as of December 31, 2013	4,217	15,443	23,332	792,807	1,123	836,922

(*) At December 31, 2012 and expressed in MCh\$, intangible assets before depreciation and exchange differences on translation amounted to MCh\$485,234, which are as follows: goodwill MCh\$218,196, license MCh\$52,018 (indefinite useful life) and other intangibles of MCh\$4,588 (6 years of useful life) and customer relationship of MCh\$195,610 (22 years of useful life) generated by the purchase of Corpbanca Colombia and goodwill MCh\$5,026 and customer relationships of MCh\$9,796 (38 years of useful life) generated by the purchase of Corpbanca Investment Trust Colombia S.A. (CITRUST).

(**) As of December 31, 2013 and expressed in MCh\$, intangible assets before amortization and the effects of exchange differences expressed in MCh\$ totaled MCh\$ 343,974, detailed as follows: Goodwill of MCh\$189,622, customer relationships for MCh\$133,039 (10 years of useful life) and brands for MCh\$13,345 (5 years of useful life) (total of MCh\$146,384) resulting from the purchase of Helm Bank and Subsidiaries. This also includes goodwill of MCh\$ 6,171 and other intangible assets arising from the business combination of MCh\$ 1,797(3 years of useful life) resulting from the purchase of Helm Corredores de Seguros. These business combinations are detailed further in Note 12 "Investments in Other Companies".

See more information Consolidate Statements of Cash Flow.



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iii) As of December 31, 2012 and 2013, the Bank has entered into the following contractual commitments for the acquisition of intangible assets:

	<u>2012</u>	<u>2013</u>
	MCh\$	MCh\$
License detail:		
Business object Borja Consultores Ltda.	-	981
Ingram Micro Chile S.A.	-	668
Licenciamiento Plataforma Cognos	307	-

iv) Impairment

At each reporting date, Banco Corpbanca will evaluate whether there is any indication of impairment of any asset. Should any such indication exist, or when impairment testing is required, the entity will estimate the asset's recoverable amount.

The entity will conduct impairment testing on an annual basis for intangible assets with indefinite useful lives, as well as intangible assets that are not yet available for use, by comparing their carrying amount with their recoverable amount. Impairment testing can be carried out at any time during the year, as long as it takes place at the same time each year. Impairment testing of different intangible assets can take place on different dates. However, if that intangible asset had been recognized initially during the current year, it will be tested for impairment before the year ends.

Impairment of goodwill is determined by evaluating the recoverable amount of each cash generating unit (or group) to which goodwill is allocated. Where the recoverable amount of the cash generating unit is less than its carrying amount, an impairment loss is recognized; goodwill acquired in a business combination shall be distributed as of the acquisition date among the CGUs or group of CGUs of the acquirer that are expected to benefit from the synergies of the business combination, regardless of whether other of the acquiree's assets or liabilities are allocated to these units. Impairment losses relating to goodwill cannot be reversed in future periods.

In accordance with IAS 36 "Impairment of Assets", annual impairment testing is permitted for a CGU to which goodwill has been allocated, or at any time for intangible assets with indefinite useful lives, as long as they are carried out at the same time each year. Different cash generating units and different intangible assets can be tested for impairment at different times during the year.

Corpbanca and its subsidiaries conducted impairment testing for intangible assets with indefinite lives, including intangible assets that were still not in use, and concluded that no impairment exists (See Note 31).



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NOTE 14 - PROPERTY, PLANT AND EQUIPMENT

a) Property, plant and equipment as of December 31, 2012 and 2013 is as follows:

As of December 31, 2012

<u>Item</u>	<u>Useful life years</u>	<u>Remaining amortization years</u>	<u>Final gross balance</u> MCh\$	<u>Depreciation and impairment for the Period</u> MCh\$	<u>Net Carrying amount</u> 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

As of December 31, 2013

<u>Item</u>	<u>Useful life years</u>	<u>Remaining amortization years</u>	<u>Final gross balance</u> MCh\$	<u>Depreciation and impairment for the Period</u> MCh\$	<u>Net Carrying amount</u> MCh\$
Land and buildings	21	18	80,941	(6,535)	74,406
Equipment	5	4	14,978	(3,457)	11,521
Other	9	4	15,003	(2,688)	12,315
- Furnitures			6,344	(1,337)	5,007
- Leasing assets			1,896	(354)	1,542
- Others			6,763	(997)	5,766
Total			110,922	(12,680)	98,242

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 m) are all of the 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 2012 and 2013 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, 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 (31 a))	(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	47,067	7,824	10,195	65,086

	<u>Land and buildings</u>	<u>Equipment</u>	<u>Other</u>	<u>Total</u>
	MCh\$	MCh\$	MCh\$	MCh\$
Balances as of January 1, 2013	47,067	7,824	10,195	65,086
Purchases	6,667	3,009	1,425	11,101
Retirements	(20,240)	(47)	-	(20,287) (*)
Depreciation (31 a))	(6,535)	(3,457)	(2,688)	(12,680)
Acquisition Helm Group	46,977	4,071	3,254	54,302
Other	470	121	129	720
Balances as of December 31, 2013	74,406	11,521	12,315	98,242

(*) Retirements include sales of branches during 2013, detailed as follows:

Sales of Branches in 2013 (MCh\$)					
	Number of Branches	Sale Value	Book Value		Gain on Sale
Total	31	42,046	18,792	(*)	23,254 (**)

(**) The gain on the sales of branches is part of the amount reflected in Note 32 a).

c) As of December 31, 2012 and 2013, 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, 2012	5,847	21,145	23,511	50,503
As of December 31, 2013	7,653	25,996	35,275	68,924



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d) As of December 31, 2012 and 2013, the Bank holds finance lease contracts that cannot be rescinded or unilaterally terminated. The future payment information is detailed as follows:

Future Financial Leasing Payments
Land, Buildings and Equipment

	Up to 1 Year	From 1 to 5	Over 5	Total
	MCh\$	Year	Years	
	MCh\$	MCh\$	MCh\$	MCh\$
As of December 31, 2012	589	860	-	1,449
As of December 31, 2013	486	770	-	1,256

e) As of December 31, 2013 and 2012, the Bank and its subsidiaries have no restrictions on property, plant and equipment. In addition, no property, plant and equipment have been given in guarantee for compliance of any obligations. There are also no amounts owed by the Bank on property, plant and equipment as of the aforementioned dates.



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NOTE 15 - 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 enacted tax legislation. Current taxes payable recognized as of December 31, 2013 was MCh\$45,158 (MCh\$9,057 as of December 31, 2012). The income tax provision (net of recoverable taxes) is as follows:

	As of December 31, 2012	As of December 31, 2013
	MCh\$	MCh\$
Income tax.	31,913	82,327
Corpbanca Colombia acquisition	4,192	(2,421)
Less:		
Monthly Provisional Payment	(23,675)	(30,458)
Tax credit for training costs	(1,595)	(1,006)
Tax credit for donations	(315)	(394)
Tax credit for property taxes on leased real estate assets	(993)	(519)
Other taxes to be recovered (1)	(470)	(2,371)
Total	9,057	45,158

(1) Corresponds to tax refunds of prior years

b) Effect on income

The tax expense for the years ended December 31, 2011, 2012 and 2013 is comprised of the following items:

	As of December 31,		
	2011	2012	2013
	MCh\$	MCh\$	MCh\$
Income Tax expense			
Current tax expense	(21,099)	(31,913)	(82,327)
Deferred taxes			
Deferred tax expenses/ (benefit)	(1,963)	9,488	18,940
Subtotal	(23,062)	(22,425)	(63,387)
Others	(241)	(488)	(1,104)
Net expense for income taxes	(23,303)	(22,913)	(64,491)



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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, 2012 and 2013.

The main tax rates of countries reported consolidated are: Chile 20%, Colombia 34%, U.S. 34% (The statutory rates).

	As of December 31					
	2011		2012		2013	
	Tax Rate %	Amount MCh\$	Tax Rate %	Amount MCh\$	Tax Rate %	Amount MCh\$
Calculation of statutory rate	20	28,124	20	28,413	20	47,946
Other permanent differences (*)	(2)	(3,315)	(7)	(10,381)	(9)	(21,746)
Rate change income tax	(1)	(1,750)	-	204	-	82
Effect subsidiary rates Colombia - New York (**)						
	-	244	3	4,677	17	38,209
	17	23,303	16	22,913	27	64,491

(*) This line includes the foreign exchange effect related to the Colombia and New York entities (foreign exchange gain of MCh\$11,197 in 2013 and a foreign exchange loss of MCh\$7,048 in 2012).

(**) This line reflects the differences in tax rates in other jurisdictions.

d) Other comprehensive income – tax effects

The table below sets for a summary of the deferred tax effect on other comprehensive income for the years ended December 31, 2011, 2012 and 2013, which consists of the following items:

Tax effect of “OCI” that will be reclassified to profit in subsequent periods:

	Note	As of December 31,		
		2011	2012	2013
		MCh\$	MCh\$	MCh\$
Financial assets available-for-sale		461	888	(911)
Hedge of a net investment in New York Branch	8b)	220	(147)	568
Cash Flow hedge		298	(361)	842
Total charge to other comprehensive income	23f)	979	380	499

“OCI” that will not be reclassified subsequently to profit or loss:

	As of December 31,		
	2011	2012	2013
	MCh\$	MCh\$	MCh\$
Remeasurement of defined benefit obligation	-	(10,301)	3,300
Income tax relating to defined benefit obligation	-	3,440	(1,122)
Total	-	(6,861)	2,178



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e) Effect of deferred taxes

Below are the effects of deferred taxes on assets and liabilities assigned as a result of timing differences (*):

Concepts:	As of December 31,					
	2012			2013		
	Assets MCh\$	Liabilities MCh\$	Net MCh\$	Assets MCh\$	Liabilities MCh\$	Net MCh\$
Provisions for loans losses	22,258	-	22,258	26,167	-	26,167
Accrued interest and inflation-indexing related to past-due loan portfolio	3,500	-	3,500	3,401	-	3,401
Unearned Price differences	134	-	134	93	-	93
Employees related provisions	4,837	-	4,837	4,316	-	4,316
Subsidiary tax loss	2,577	-	2,577	3,553	-	3,553
Depreciation of plant and equipment	-	(3,508)	(3,508)	-	(1,653)	(1,653)
Leases and other	-	(32,723)	(32,723)	-	(34,249)	(34,249)
Corpbanca Colombia Intangibles	-	(78,203)	(78,203)	-	(117,168)	(117,168)
Other Intangibles Corpbanca Colombia	-	-	-	23,326	-	23,326
Other	7,278	(6,280)	998	28,362	(26,397)	1,965
Total net asset (liability)	40,584	(120,714)	(80,130)	89,218	(179,467)	(90,249)

(*) 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 12 "Investments in other companies", letter b" Business Combination").

On July 29, 2010 was enacted in Chile Law No. 20,455, "Amends several laws to obtain resources for financing the reconstruction of the country", and 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 20630 of Chile, 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 previously, the Company recognizes a credit to income tax of MCh\$82 at December 31, 2013 (MCh\$204 at December 31, 2012, charge of MCh\$1,750 at December 31, 2011).



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NOTE 16 - OTHER ASSETS

a) The detail of other assets is as follows:

	<u>As of December 31, 2012</u>	<u>As of December 31, 2013</u>
	MCh\$	MCh\$
Rentals in advance (1)	20,715	19,067
Accounts and Notes receivable	49,397	101,087
Prepaid expenses	14,105	20,952
Projects under development (2)	14,529	24,688
Assets for Leasing (3)	17,123	46,768
Assets received in lieu of payment (4)	4,038	4,347
Exchange documents without presence	1,960	1,213
Guarantees constituted due to a threshold effect (5)	18,635	50,832
Other	9,401	24,164
Total	<u>149,903</u>	<u>293,118</u>

- (1) Rent paid in advance for SMU ATMs (See Note 33.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, the Bank expects 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
- (5) Guarantees for financial transactions.

b) The change due to received assets in lieu of payment during 2012 and 2013 is as follows:

	<u>As of December 31,</u>	
	<u>2012</u>	<u>2013</u>
	MCh\$	MCh\$
Balance as of January 1	3,497	4,038
Receipts	4,214	4,171
sales	(3,659)	(3,813)
Provision	(14)	(49)
Balance as of December 31	<u>4,038</u>	<u>4,347</u>



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NOTE 17 - CURRENT ACCOUNTS, DEMAND DEPOSITS, TIME DEPOSITS AND SAVING ACCOUNTS

As of December 31, 2012 and 2013, current accounts and demands deposits consist of the following:

	As of December 31,	
	2012	2013
	MCh\$	MCh\$
a) Current accounts and demand deposits		
Current Accounts	839,588	1,468,622
Other deposits and sight accounts	84,179	1,737,779
Other sight liabilities	38,096	53,128
Advance payments received from customers	114,144	138,312
Other sight liabilities	36,668	53,542
Total	1,112,675	3,451,383

As of December 31, 2012 and 2013, time deposits and saving accounts consist of the following:

	As of December 31,	
	2012	2013
	MCh\$	MCh\$
b) Time deposits and saving accounts		
Time deposits	7,248,774	7,273,216
Deposits due	-	-
Term Savings Accounts	390,570	32,630
Other term creditor Balances	43,331	31,857
Total	7,682,675	7,337,703



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NOTE 18 - BORROWINGS FROM FINANCIAL INSTITUTIONS

As of December 31, 2012 and 2013, borrowings from financial institutions include the following:

	As of December 31,	
	2012	2013
	MCh\$	MCh\$
Loans obtained from financial institutions and the Chilean Central Bank	-	-
Subtotal	-	-
Loans obtained from local financial institutions		
Bank of Tokyo Mitsubishi (Chile)	-	-
Subtotal	-	-
Loans obtained from foreign financial institutions		
Bank of America	50,896	49,182
Bank of Montreal Toronto	23,958	31,571
Banco Del Estado	9,594	5,264
Banco Latinoamericano de Comercio Exterior SA	19,191	10,573
Findeter S.A.-Financiera del Desarrollo Territorial	-	80,372
Bancoldex	46,920	59,821
Bank of New York	23,479	25,794
Banck of Nova Scotia	14,375	21,056
Banco de Bogota Miami Agency	9,606	-
Banco Latino Bladex	8,718	-
Banco de la producción S.A. Produbanco	-	28,463
OCBC Bank	7,187	21,056
Royal Bank of Scotland	21,562	18,424
Citibank N.A.	74,263	84,171
Commerzbank A.G.	60,947	91,908
Corporacion Andina de Fomento	22,774	26,003
Deutsche Bank USA	40,729	42,696
ING Bank N.V Amsterdam	10,474	54,095
HSBC England	4,797	13,160
JP Morgan Chase	15,815	10,528
Standard Chartered Bank	198,640	168,621
Sumitomo Mitsui	46,265	74,049
Toronto Dominion Bank	14,375	20,181
Wachovia Bank N.A.	24,024	26,049
Bladex Pamana	23,958	44,797
Banco Crédito del Peru	-	13,168
Fifth Third Bank	-	10,566
Mercantil Commercebank	19,312	15,266
Wells Fargo Bank	67,101	91,170
Swedbank	7,194	7,911
Ban Bogota Panama	4,792	-
Bancolombia	11,078	9,405
Banco Bogota - Colombia	-	1,505
Banco Bogota - Miami	1,492	-
Other banks	86,005	117,015
Subtotal	969,521	1,273,840
Total	969,521	1,273,840



The detail of borrowings from financial institutions by maturity is as follows:

	As of December 31,	
	2012	2013
	MCh\$	MCh\$
Due within 1 year	766,891	1,159,661
Due within 1 year but within 2 years	166,218	30,018
Due within 2 year but within 3 years	31,934	11,270
Due within 3 year but within 4 years	2,987	8,975
Due within 5 year but within 5 years	1,423	8,639
Due after 5 years	68	55,277
	969,521	1,273,840



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NOTE 19 - DEBT ISSUED AND OTHER FINANCIAL OBLIGATIONS

As of December 31, 2012 and 2013, the composition of these items is as follows:

	As of December 31,	
	2012	2013
	MCh\$	MCh\$
Debt issued		
Letters of credit	147,688	118,489
Bonds	1,044,124	1,521,952
Subordinated bonds	694,792	774,116
Subtotal	1,886,604	2,414,557
Other financial obligations		
Public Sector liabilities	10,618	7,458
Borrowings from domestic financial institutions	5,932	8,227
Foreign Borrowings	1,570	1,122
Subtotal	18,120	16,807
Total	1,904,724	2,431,364

Debt classified as short term includes demand obligations or obligations that will mature in less than one year. All other debt is classified as long term, and is detailed as follows:

	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	1,749,686	136,918	1,886,604
Other financial obligations	10,161	7,959	18,120

	As of December 31, 2013		
	Long Term	Short Term	Total
	MCh\$	MCh\$	MCh\$
Letters of credit	98,859	19,630	118,489
Bonds	1,464,497	57,455	1,521,952
Subordinated bonds	774,116	-	774,116
Debt issued	2,337,472	77,085	2,414,557
Other financial obligations	7,317	9,490	16,807



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The detail of letter of credit by maturity is as follows:

	As of December 31	
	2012	2013
	MCh\$	MCh\$
Due within 1 year	18,922	19,630
Due after 1 year but within 2 years	17,172	15,187
Due after 2 years but within 3 years	16,485	11,040
Due after 3 years but within 4 years	14,178	11,513
Due after 4 years but within 5 years	12,380	9,186
Due after 5 years	68,551	51,933
Total mortgage finance bonds	147,688	118,489

The detail of bonds issued is as follows:

	As of December 31				
	Expiration Date	Interest rate	Currency	2012	2013
				MCh\$	MCh\$
BCOR-J0606	01-06-2016	4.00%	UF	32,283	23,069
BCOR-L0707	01-07-2017	3.40%	UF	92,575	94,336
BCOR-M1207	01-06-2013	3.40%	UF	114,175	-
Bonds-R0110	09-07-2020	4.00%	UF	119,781	121,828
Bonds-AI0710	01-07-2020	3.00%	UF	108,325	111,246
Bonds-AD0710	01-07-2015	3.00%	UF	46,213	47,066
Bonds-Q0110	09-01-2015	3.60%	UF	112,565	113,310
Bonds-O0110	09-07-2015	6.30%	\$	22,839	22,966
Bonds-P0110	09-07-2020	7.30%	\$	23,957	23,917
BCORAE0710	01-07-2016	3.00%	UF	231,011	236,526
BCORAF0710	01-07-2017	3.00%	UF	140,400	143,288
BCORUSDD0118	15-01-2018	3.125%	US	-	382,465
Financial Flat rate Bonds	09-02-2016	12.36%	US	-	3,333
Financial Bonds UVR	03-08-2018	6.36%	US	-	14,210
Financial Bonds DTF	09-02-2014	6.08%	US	-	471
Financial Bonds IBR	03-08-2014	5.10%	US	-	24,293
Financial Bonds IPC	10-12-2019	6.18%	US	-	159,628
Total bonds				1,044,124	1,521,952

The detail of bonds issued by maturity is as follows:

	As of December 31	
	2012	2013
	MCh\$	MCh\$
Due within 1 year	114,402	57,455
Due after 1 year but within 2 years	-	212,046
Due after 2 years but within 3 years	181,545	280,038
Due after 3 years but within 4 years	263,294	270,054
Due after 4 years but within 5 years	232,831	422,305
Due after 5 years	252,052	280,054
Total bonds	1,044,124	1,521,952



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The detail of subordinated bonds is as follows:

As of December 31					
Expiration	Date	Interest rate	Currency	2012	2013
				MCh\$	MCh\$
Series UCOR-Y1197	01-11-2022	6.50%	UF	8,502	8,076
Series UCOR-Z1197	01-11-2022	6.50%	UF	19,771	18,785
Series UCOR-V0808	01-08-2033	4.60%	UF	121,606	124,174
Series UCOR AA-0809	09-08-2035	4.90%	UF	111,700	113,915
Serie UCOR BN0710	01-07-2040	4.00%	UF	69,546	71,015
Serie UCOR BI0710	01-07-2035	4.00%	UF	27,271	27,817
Serie UCOR BL0710	01-07-2038	4.00%	UF	94,740	96,646
Serie UCORBF0710	01-07-2032	4.00%	UF	11,190	122,899
Serie UCORBJ0710	01-07-2036	4.00%	UF	120,235	11,436
Serie UCORBP0710	01-07-2042	4.00%	UF	32,670	33,379
Serie A - issued Corpbanca Colombia	30-03-2017	10.84%	COP	1,324	1,332
Serie A - issued Corpbanca Colombia	30-03-2019	10.79%	COP	588	592
Serie B - issued CorpBanca Colombia.	30-03-2017	IPC+6,35	COP	9,078	8,931
Serie B - issued CorpBanca Colombia.	30-03-2019	IPC+4,45	COP	27,703	27,507
Serie B - issued CorpBanca Colombia.	30-03-2017	IPC+4,45	COP	38,868	38,631
Serie AS10 - issued CorpBanca Colombia.	07-02-2023	IPC+3,89	COP	-	28,694
Serie AS15- issued CorpBanca Colombia.	07-02-2028	IPC+4	COP	-	40,288
Total subordinated bonds				<u>694,792</u>	<u>774,116</u>

The detail of subordinated bonds by maturity is as follows:

	As of December 31	
	2012	2013
	MCh\$	MCh\$
Due within 1 year	-	-
Due after 1 year but within 2 years	-	-
Due after 2 years but within 3 years	-	10,340
Due after 3 years but within 4 years	10,402	66,482
Due after 4 years but within 5 years	66,571	-
Due after 5 years	617,819	697,294
Total subordinated bonds	<u>694,792</u>	<u>774,116</u>



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The detail of other financial obligations by maturity is as follows:

Other Financial Obligations

	As of December 31	
	2012	2013
	MCh\$	MCh\$
Due within 1 year	2,027	1,263
Due after 1 year but within 2 years	363	552
Due after 2 years but within 3 years	841	125
Due after 3 years but within 4 years	466	386
Due after 4 years but within 5 years	522	734
Due after 5 years	7,969	5,520
Total long term obligations	12,188	8,580

The detail of other short term financial obligations is as follows:

Amounts due to credit card operators	5,932	8,227
Total short term financial obligations :	5,932	8,227
Total other financial obligations	18,120	16,807



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NOTE 20 - PROVISIONS

As of December 31, 2012 and 2013 the Bank has recorded the following provisions and changes in its provisions:

a. Other provisions

The provisions as of December 31, 2012 and 2013 are as follows:

	As of December 31	
	2012	2013
	MCh\$	MCh\$
Provisions for employee benefits and salaries	73,088	80,801
Accrual for mandatory dividends	60,040	77,547
Allowances for contingencies	3,112	6,584
Total	136,240	164,932

Employee 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 2012 and 2013, were as follows:

	As of December 31, 2012			
	Employee 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	30,828	60,040	4,902	95,770
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	73,088	60,040	3,112	136,240



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	As of December 31, 2013			
	Employee benefits and staff salaries	Mandatory Dividends	Contingencies	Total
	MCh\$	MCh\$	MCh\$	MCh\$
Balance as of January 1, 2013	73,088	60,040	3,112	136,240
Established provision	45,893	77,547	107	123,547
Provisions released	(51,769)	(60,040)	(57)	(111,866)
Helm CorpBanca bank acquisition	11,231	-	12	11,243
Other changes	2,358	-	3,410	5,768
Balance as of December 31, 2013	80,801	77,547	6,584	164,932

Employee 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.

The provision balance changes during 2012 and 2013, shown below (contingencies):

	As of December 31,	
	2012	2013
	MCh\$	MCh\$
Balance as of January 1	374	3,112
Established provision 32b)	4,902	107
Provisions released 32a)	(6,606)	(57)
Acquisition Helm	4,577	12
Other	(135)	3,410
Balance as of December 31	3,112	6,584



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c. Provisions employee benefits and staff salaries

	As of December 31,	
	2012	2013
	MCh\$	MCh\$
Provision for severance indemnities	52,205 (*)	47,435 (*)
Provision for other employee benefits	15,365	26,088
Provision for vacations	5,518	7,278
Total	73,088	80,801

(*) In 2013, this amount includes amounts for MCh\$3,349 (MCh\$3,073 in 2012) (Long-term employee benefits) and MCh\$43,815 (MCh\$49,067 in 2012) (Retirement benefit plan) from the Colombian subsidiaries.

i) 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.

1.-Assumptions used

The main assumptions used in the valuation are presented in the following tables:

Summary of economic assumptions

	As of December	
	2012	2013
	%	%
Discount rate(s)	6.50	5.75
Expected rate(s) of salary increase	5.5	5.0

Summary of key demographic hypotheses

Retirement Age	55 years (men) and 50 years (women), both with 20 years of service or 30 years of service with no age requirement.
Mortality	RV-08 mortality table "Annuitants Valid" Colombian market.

2.-Methodology

Cost Method

To determine the cost of benefits, the method of the projected unit credit was used (to be described, as well as treatment costs).

Method applied to assets

The plan does not have its own assets.



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Financing

This plan is financed entirely by the stocks included in the statement of financial position of the entity.

Others

For fiscal year 2013, it is assumed that the nominal discount rate decreases from 6.5% to 5.75% annual. Additionally, the rate of wage increase of 5.5% decreased to 5.0% annual. Other assumptions (economic and demographic) are equal to those used in the previous year.

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:

Changes in provision

	As of December 31,	
	2012	2013
	MCh\$	MCh\$
Present value of the liability at the beginning of fiscal year	2,658	3,073
Increase in existing provision	808	667
Payments	(393)	(419)
Effect of change in actuarial factors	-	-
Others	-	28
Total	3,073	3,349

Cost of net profit

	As of December 31,	
	2012	2013
	MCh\$	MCh\$
Current service cost	622	479
Interest expense on obligation	186	188
Effect of change in actuarial factors	-	-
	808	667

ii) 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 Other long-term employee benefits.



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1.- **Assumptions** used:

The principal assumptions used in the valuation are presented in the following tables:

Summary of economic hypotheses

	As of December 31,	
	2012	2013
	%	%
Discount rate(s)	6.50	6.75
Expected rate(s) of salary increase	5.5	5.0
Inflation rate	3.5	3.0
Increase of pensions (nominal)	3.0	3.0

2.- **Methodology**

Cost Method

To determine the cost of benefits, the method of the Projected Unit Credit (PUC) was used, according to the provisions of IAS 19 (revised 2011). Under the PUC method, the “projected accrued benefit” is calculated for each benefit. For all active members of the plan, the “projected accrued benefit” is based on the formula of the Plan and the years of service to the date of calculation, but using a salary average, social security benefits and others, projected to the age at which it is assumed that the employee will no longer provide services. The defined benefit obligation is the present value of the “projected benefits accrued”.

The service cost is the amount of benefits earned in the year by the active members as a result of a year of credited service value.

The interest cost for the year is the interest on the defined benefit obligation.

Method applied to assets

The plan does not have its own assets

Financing

This plan is financed entirely by the stocks included in the statement of financial position of the entity.

Others

Actuarial results are explained mainly due to the increase in the discount rate (6.75% in 2013 compared to 6.5% in 2012 and the decline in the growth scenario of pensions in payment (3.0% in 2013 compared to 3.5% in 2012).

Amounts recognized in the income statement in respect of these defined benefit plans were as follows:

Changes in provision

	As of December 31,	
	2012	2013
	MCh\$	MCh\$
Present value of the liability at the beginning of fiscal year	40.892	49.067
Increase in existing provision	3.455	3.073
Payments	(5.581)	(5.476)
Effect of change in actuarial factors	10.301	(3.300)
Others	-	451
Total	49.067	43.815



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Cost of net profit

	As of December 31,	
	2012	2013
	MCh\$	MCh\$
Current service cost	-	-
Interest expense on obligation	3.455	3.073
Effect of change in actuarial factors	10.301	(3.300)
	13.756	(227)

iii) Actuarial Valuation Nature

Future actuarial calculations may differ with respect to the calculations presented, due to the following factors:

- The experience of the plans differ from those anticipated by economic and demographic hypotheses selected.
- Changes in economic and demographic assumptions.
- Increases or decreases expected as a natural part of the operation of the methodology for these calculations (example, the end of the amortization period or additional costs based on the funding status of the plan).
- Changes in the characteristics of the plan or applicable law, and

According to the above, there are no significant events affecting the results presented since the last valuation.



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NOTE 21 - OTHER LIABILITIES

As of December 31, 2012 and 2013, other liabilities are as follows:

	<u>As of December 31,</u>	
	<u>2012</u>	<u>2013</u>
	MCh\$	MCh\$
Accounts payable for Helm TOB (1)	-	83.998
Accounts and notes payable (2)	46.173	61.030
Dividends payable	296	307
Unearned income	2.300	6.000
Valuation adjustments of hedging (3)	10.083	1.010
Various creditors	14.101	5.987
Provision for commissions and consulting fees	1.640	1.212
Guarantees given by threshold effect	-	19.110
Other liabilities	5.275	6.853
Total	<u>79.868</u>	<u>185.507</u>

- (1) Accounts payable for the Helm TOB (see detail in Note 12 d) “Investments in Other Companies” and Note 38 “Subsequent Events”).
- (2) Group obligations for 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.
- (3) Corresponds to the changes in fair value of hedged items under fair value hedges.



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NOTE 22 - 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 2012	As of December 31 2013
	MCh\$	MCh\$
CONTINGENT LOANS	2,396,064	2,751,929
Collaterals and Guarantees	239,800	200,759
Collaterals and Guarantees in Chilean currency	-	-
Collaterals and Guarantees in foreign currency	239,800	200,759
Confirmed foreign letters of credit	19,604	15,762
Letters of credit	80,076	99,031
Performance bonds	674,263	761,728
Interbank letters of guarantee	-	-
Cleared lines of credit	1,031,903	1,399,496
Other credit commitments	350,418	275,153
Other contingent loans	-	-
THIRD PARTY OPERATIONS	660,249	1,279,978
Collections	27,016	22,602
Foreign Collections	18,770	13,607
Domestic Collections	8,246	8,995
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	41,373	230,511
Assets assigned to Insurance Companies	41,373	37,156
Securitized assets	-	-
Other assets assigned to third parties	-	193,355
Third party funds under management	591,860	1,026,865
Financial assets under management on behalf of third parties	591,860	1,026,865
Other assets under management on behalf of third parties	-	-
Financial assets acquired in own name	-	-
Other assets acquired in own name	-	-
SECURITIES CUSTODY	585,424	536,341
Securities in custody held by the bank	88,672	113,895
Securities in custody deposited in another entity	410,904	334,752
Bank-issued Securities	85,848	87,694
Term deposit notes	85,848	87,694
Saleable letters of credit	-	-
Other documents	-	-
COMMITMENTS	-	-
Underwriting transaction guarantees	-	-
Asset acquisition commitments	-	-
Total	3,641,737	4,568,248

The information above only includes the most significant balances.



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b) Pending litigation

As of December 31, 2013 and 2012, 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 were no probable material contingent losses to disclose or possible material contingent losses recorded or to be disclosed.

c) Contingent loans

The following table details the Bank's contractual obligations:

	As of December 31	
	2012	2013
	MCh\$	MCh\$
Sureties and guarantees	239,800	200,759
Letters of credit	80,076	99,031
Confirmed foreign letters of credit	19,604	15,762
Performance bonds	674,263	761,728
Amounts available on lines of credit and credit cards	1,031,903	1,399,496
Appropriations for Higher Education Law No. 20,027	319,111	224,265
Other	31,307	50,888
Total	2,396,064	2,751,929

d) Assets held in custody

The Bank holds the following assets under management:

	As of December 31	
	2012	2013
	MCh\$	MCh\$
Notes under collection	27,016	22,602
Financial assets transferred to and managed by the bank	41,373	230,511
Third party resources managed by the bank	591,860	1,026,865
Securities held in custody	585,424	536,341
Total	1,245,673	1,816,319



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e) Guarantees

e.1) Corpbanca

Assets given as collateral

	As of December 31	
	2012	2013
	MCh\$	MCh\$
Securities	17,549	2,766
Deposits	—	9
Other	5,619	10,888
Total amount given as collateral	23,168	13,663

e.2) Corpbanca Corredores de Bolsa S.A. (CCB)

Direct Commitments. As of December 31, 2013 and 2012, the Company does not have any direct commitments.

Guarantees constituted over Assets Established in Favor of Third-Party Obligations. As of December 31, 2013 and 2012, the Company does not have any real guarantees in assets established in favor of third parties.

Personal Guarantees. As of December 31, 2013 and 2012, the Company has not granted any personal guarantees.

Operating Guarantees

In compliance with articles 30 and 31 of Law No. 18,045 (Securities Market Law), the Company has established a guarantee of UF 4,000 maturing April 22, 2014, through Compañía de Seguros de Crédito Continental S.A., designating the Santiago Stock Exchange as its depository and custody institution.

On September 29, 2012, an employee fidelity insurance policy with US\$ 10,000,000 in coverage from CHUBB de CHILE Compañía de Seguros Generales originally expiring September 29, 2012, was extended. The new policy matured September 29, 2013 and its direct beneficiary was Corpbanca Corredores de Bolsa S.A. On September 29, 2013, this policy was extended for 30 days until October 29, 2013.

On October 29, 2013, an employee fidelity insurance policy with US\$ 10,000,000 in coverage was purchased from ORION SEGUROS GENERALES, expiring October 29, 2014.

The Company has shares in the stock exchanges to guarantee simultaneous operations for a total of MCh\$ 10,887 (MCh\$ 17,646 in December 2012), which was complemented in December 2012 with MCh\$ 501 in fixed income instruments.

The company has established guarantees for US\$ 100,000 equivalent to MCh\$ 53 and US\$ 30,137.69 equivalent to MCh\$ 16 (US\$ 100,000 equivalent to MCh\$ 48 and US\$ 30,137.69 equivalent to MCh\$ 14 in December 2012) to guarantee transactions with foreign traders.

The Company has fixed income instruments and cash deposits in the Santiago Stock Exchange to guarantee transactions in the Securities Settlement and Clearing House that totaled MCh\$ 2,766 and MCh\$ 1,378, respectively, in December 2013 (MCh\$ 5,047 and MCh\$ 0 in December 2012).



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e.3) Corpbanca Agencia de Valores

Direct Commitments. As of December 31, 2013 and 2012, the Company does not have any direct commitments.

Guarantees constituted over Assets Established in Favor of Third-Party Obligations As of December 31, 2013 and 2012, the Company does not have any real guarantees in assets established in favor of third parties.

Personal Guarantees. As of December 31, 2013 and 2012, the Company has not granted any personal guarantees.

Operating Guarantees

In compliance with article 30 of Law No. 18,045 (Securities Market Law), the Company has established a guarantee of UF 4,000 maturing December 01, 2014 through Mapfre Garantía y Crédito S.A. Compañía de Seguros, designating Corpbanca as a depository and custody institution.

On September 1, 2011, the Company established an additional guarantee of UF 24,000 maturing June 30, 2012 through Mapfre Garantía y Crédito S.A. Compañía de Seguros, designating Corpbanca as its depository and custody institution. In addition, during the month of March, the Company expanded the amount of that policy by UF 15,000, for a total of UF 39,000. On June 30, 2012, the Company renewed this additional policy for UF 39,000 from Mapfre Garantía y Crédito S.A. and expanded it to UF 54,000 maturing June 30, 2013, designating Corpbanca its depository and custody institution. On June 30, 2013, the additional policy was renewed with Mapfre Seguros Generales S.A., reducing the amount insured to UF 26,000 maturing June 30, 2014.

f) Other Liabilities

f.1) Corpbanca

- The Bank is authorized to transfer to its customers any obligations for deferred customs duties arising from imports of leased assets. These transfers take place with prior authorization from the National Customs Service. As of December 31, 2013 and 2012, the Bank has not transferred any customs duties obligations to its customers.

As of December 31, 2013, lease agreements for assets that have not been delivered amount to MCh\$ 99,663 (MCh\$ 87,806 in December 2012).

f.2) Corpbanca Corredores de Seguros

- In order to comply with Art. 58, letter d) of DFL 251 of 1930, which states, "Insurance Brokers, in order to conduct business, must comply with the requirement of contracting insurance policies as determined by the Superintendency of Securities and Insurance, in order to correctly and fully comply with the obligations arising from its activities and especially regarding damages that may be incurred by insured parties that contract policies through the brokerage house", the Company has contracted the following policies through Consorcio Nacional de Seguros S.A.:

2013

Effective date April 15, 2013 and expiration April 14, 2014:

Policy	Insured item	Insured Amount (UF)
10022061	Civil Liability	60,000
10022060	Guarntee	500



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2012

Effective date April 15, 2012 and expiration April 14, 2013:

Policy	Insured item	Insured Amount (UF)
10022061	Civil Liability	60,000
10022060	Guarantee	500

f.3) Corpbanca Administradora General de Fondos S.A

- On October 29, 2013, Corpbanca Administradora General de Fondos S.A. purchased a bankers blanket bond with Compañía Orion Seguros Generales, to insure itself against employee fraud, expiring October 29, 2014. The policy provides coverage of US\$ 5,000,000 per claim and an annual aggregate of US\$ 10,000,000.
- On September 27, 2013, Corpbanca Administradora General de Fondos S.A. extended the employee fidelity insurance policy it had with Chubb de Chile Compañía de Seguros Generales S.A., until October 29, 2013.
- On January 25, 2013, Corpbanca Administradora General de Fondos S.A. issued a bank guarantee to guarantee capital in favor of the beneficiaries of the Private Investment Fund Corp Inmobiliario I to be exclusively used in accordance with articles 226 and 227 of Law 18,045.
The guarantee is for UF 10,000.0000 (equivalent in pesos to MCh\$ 228) and it expires on January 10, 2014.
- On January 24, 2013, Corpbanca Administradora General de Fondos S.A. issued a bank guarantee to guarantee capital in favor of the beneficiaries of the Private Investment Fund Corp Inmobiliario II to be exclusively used in accordance with articles 226 and 227 of Law 18,045.
The guarantee is for UF 10,000.0000 (equivalent in pesos to MCh\$ 228) and it expires on January 10, 2014.
- On October 9, 2012, Corpbanca Administradora General de Fondos S.A. issued a bank guarantee from Banco Santander to guarantee faithful and timely compliance of portfolio management obligations and payment of employment and social security obligations for the contracting party’s employees, expiring March 31, 2016. The amount of the guarantee is UF 15,000.0000, equivalent in pesos to the total in UF as of the date of payment and without interest in favor of the Chilean Development Corporation, Taxpayer ID 60,706,000-2.
- On September 29, 2012, Corpbanca Administradora General de Fondos S.A. extended the employee fidelity insurance policy it had with Chubb de Chile Compañía de Seguros Generales S.A., maturing September 29, 2013. The amount of the policy is US\$ 10,000,000.

g) Others

g.1 Corpbanca Corredores de Bolsa S.A.

During the years ended December 31, 2013 and 2012, the Company and/or its Chief Executive Officer received the following sanctions:

- The Company and CEO were sanctioned by the SVS through Exempt Ruling 352 of September 10, 2012, for violating NCG 12; Ruling1,819 second paragraph, number 2; the Manual of Rights and Obligations of Stock Brokers of the Santiago Stock Exchange, Ruling1,920 of 2009 and Internal Communication 10,659 of the Santiago Stock Exchange, mainly for not maintaining up to date customer records, not having copies of the national ID cards for some customers, having incomplete contracts and other matters. No court or administrative recourse was filed against this sanctioning Ruling.
- The Company was sanctioned by the SVS through Exempt Ruling 461 of December 14, 2012, which was notified on December 20, 2012, for violating the provisions of the first paragraph of article 33 of the Securities Market Law in relation to article 188 of the Santiago Stock Exchange Regulations, for not having a customer’s consent to annul a stock purchase on the Santiago Stock Exchange for Ch\$4,450,750. No court or administrative recourse was filed against this sanctioning Ruling.



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c. The Company received a warning from the Best Practices Committee of the Santiago Stock Exchange via a Ruling dated December 17, 2012 and notified on December 19, 2012, in case number 58/12 brought by Alejandro Hernández Ureta for a two day delay in refunding a balance in favor of the customer of MCh\$1. No court or administrative recourse was filed against this sanctioning Ruling.

d. The Company received a sanction from the Best Practices Committee of the Santiago Stock Exchange via a Ruling dated October 4, 2013 and notified on October 9, 2013, in case number 64-2012, regarding 24 advances for simultaneous operations performed by the Company for its proprietary portfolio, in its role as short seller, that were not covered on the same day as indicated in the "Specific Audit Report of Matching of Custody and Simultaneous Operations of Corpbanca Corredores de Bolsa S.A. on February 29, 2012", dated June 6, 2012. This committee fined the Company 300 UF. No court or administrative recourse was filed against this sanctioning Ruling and the fine was paid.

CCLV⁶ Sanctions as of December 31, 2013:

On December 10, 2013, the Company was fined 5 UF by the CCLV for annulling accepted transactions.

On December 3, 2013, the Company was fined 50 UF by the CCLV for hedge of net seller positions during the extraordinary period.

On November 29, 2013, the Company was sanctioned by the CCLV for hedge of net seller positions during the complement period.

On July 11, 2013, the Company was sanctioned by the CCLV for hedge of net seller positions during the complement period.

On July 4, 2013, the Company was fined 5 UF by the CCLV for annulling accepted transactions.

On July 1, 2013, the Company was fined 5 UF by the CCLV for annulling accepted transactions.

On May 24, 2013, the Company was sanctioned by the CCLV for hedge of net seller positions during the complement period.

On April 10, 2013, the Company was fined 5 UF by the CCLV for annulling accepted transactions.

On March 14, 2013, the Company was fined 5 UF by the CCLV for annulling accepted transactions.

On February 27, 2013, the Company was fined 5 UF by the CCLV for annulling accepted transactions.

On February 4, 2013, the Company was fined 21.54 UF by the CCLV for hedge of net seller positions during the verification period.

On January 28, 2013, the Company was sanctioned by the CCLV for hedge of net seller positions during the complement period.

⁶ Contraparte Central S.A. subsidiary Santiago Stock Exchange



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On January 9, 2013, the Company was fined 50 UF by the CCLV for hedge of net seller positions during the extraordinary period. CCLV Sanctions as of December 31, 2012:

On November 27, 2012, the Company was sanctioned by the CCLV for hedge of net seller positions during the complement period.

On November 14, 2012, the Company was fined 5 UF by the CCLV for annulling accepted transactions.

On October 1, 2012, the Company was sanctioned by the CCLV for hedge of net seller positions during the complement period.

On July 19, 2012, the Company was fined 15.48 UF by the CCLV for hedge of net seller positions during the verification period.

On February 22, 2012, the Company was fined 5 UF by the CCLV for annulling accepted transactions.

On January 11, 2012, the Company was fined 5 UF by the CCLV for annulling accepted transactions.

During the same period, its Directors have not been sanctioned by any regulator.

g2 Corpbanca Administradora General de Fondos S.A

On December 19, 2013, the Chilean Treasury seized the funds deposited in account No. 1244905 at Corpbanca that the Company had in that bank for a past due tax obligation for MCh\$22, according to Administrative File 10305-2013 (Las Condes). On December 27, 2013, the tax obligation was paid and release of the seizure will soon be requested.



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NOTE 23 - SHAREHOLDERS' EQUITY

a) Movement in Shareholders' equity accounts (attributable to equity holders of the Bank)

As of December 31, 2013, 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 2012	Ordinary Shares 2013
	(number of shares)	(number of shares)
Issued as of January 1	250,358,194,234	293,358,194,234
Issuance of paid shares	43,000,000,000	47,000,000,000
Issuance of outstanding shares	-	-
Repurchase of Bank's issued shares (treasury shares)	-	-
Sale of bank own issued shares	-	-
Total	<u>293,358,194,234</u>	<u>340,358,194,234</u>
Capital MCh\$	638,234	781,559

Purchase and sale of shares (treasury shares)

2012-2013

During the years presented there were no transactions related to the purchase and sale of treasury shares.

Authorized, subscribed and paid shares

2013

In an Extraordinary Meeting of the Board of Directors (January 15, 2013), the Board made the following agreements related to the Extraordinary Shareholders' Meeting of Corpbanca held November 6, 2012:

- To preferentially offer shareholders 47,000,000,000 common shares, with no par value.
- To set the period for exercising the preferential right on these shares as January 16, 2013 to February 14, 2013.
- To offer the issuance preferentially to the Bank's shareholders, who will be entitled to subscribe 0.160213694 new shares for each share registered in the Shareholders' Registry five working days before the beginning of the first preferential period.
- In the preferential offer process, 100% of the shares offered were subscribed for a total of MCh\$291,168⁷. This amount consists of MCh\$ 143,325 in capital and MCh\$ 147,843 in reserves.

⁷ Information shown in Statement of Cash Flows and Statement of Changes in Equity.



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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) an increase in 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.
- 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.



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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.

Distribution of dividends

2013

Regarding 2012 profit, at the EGSM held on March 7, 2013, shareholders agreed to distribute MCh\$ 60,040 in earnings, representing 50% of profit for the year. The remaining 50% was left as retained earnings.

2012

Regarding 2011 profit, at the EGSM held on February 28, 2012, shareholders agreed to distribute MCh\$ 122,849 in earnings, representing 100% of profit for the year.

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.



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b) List of major shareholders

As of December 31, 2012 the list of major shareholders as follows:

	2012			
	N° of Shares	Share %		
Corp Group Banking S.A.	134,057,111,401	45.69741%	(1)	(*)
Compañía Inmobiliaria y de Inversiones SAGA Limitada	22,132,275,510	7.54445%	(1)	(*)
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 Cde B S.A.	2,671,307,937	0.91060%	(2)	(*)
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%	(3)	(4) (*)
Total	293,358,194,234	100.0000%		

(1) 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%.

(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) 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%.



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As of December 31, 2013 the shareholder composition is as follows:

	Common Stock		
	Año 2013		
	N° of Shares	Share %	
Corp Group Banking S.A.	154,043,852,909	45.25933%	(*)
Banco Santander por cuenta de Inv. Extranjeros	25,377,118,381	7.45600%	
Banco Itaú por cuenta de Inversionistas	18,653,411,916	5.48052%	
Banco de Chile por cuenta de Terceros no Residentes	18,024,857,961	5.29585%	
Compañía Inmobiliaria y de Inversiones SAGA Limitada	18,697,285,842	5.49341%	(1)(*)
Deutsche Bank Trust Company Americas (ADRS1)	10,139,985,500	2.97921%	
Moneda S.A. AFI para Pionero Fondo de Inversión	9,974,800,000	2.93068%	
Sierra Nevada Investments Chile Dos Ltda.	9,817,092,180	2.88434%	
Cía. de Seguros Corpvida S.A.	7,193,390,867	2.11348%	
Corpbanca Corredores de Bolsa S.A. por cuenta de Terceros	4,953,736,229	1.45545%	
Inv. Las Nieves S.A.	3,790,725,224	1.11375%	
Santander S.A. C de B	3,440,910,083	1.01097%	
Cía. de Seguros de Vida Consorcio Nacional de Seguros S.A.	3,389,025,493	0.99572%	
Bolsa de Comercio de Santiago Bolsa de Valores	2,967,790,771	0.87196%	
Compañía de Seguros Corpseguros S.A.	2,928,659,561	0.86046%	
BTGPactual Chile S.A. C de B	2,829,206,389	0.83124%	
Inversiones Tauro Limitada	2,822,883,095	0.82939%	
SN Holding S.A.	2,713,342,266	0.79720%	
Inmob. EInversiones Boquiñeni Ltda.	2,353,758,526	0.69155%	
RCCFondo de Inversión Privado	2,221,303,931	0.65264%	(*)
Other Shareholders	34,025,057,110	9.99684%	
Total	340,358,194,234	100.00000%	

(1) This group includes Deutsche Securities Corredores de Bolsa Ltda., which includes 952,160,000 shares in custody that are owned by Compañía Inmobiliaria y de Inversiones SAGA Limitada.

(*) In short, the Saieh Group has a 51.3760% interest in Corpbanca and Subsidiaries.

c) Dividends

The distribution of dividends of the Bank is as follows:

Year	Income attributable	To reserves or	Intended	Percentage	N° of Shares	Dividend per share
	to equity holders	retains earnings	Dividends	Distributed		
	MCh\$	MCh\$	MCh\$	%		(in MC\$)
2012 (Shareholders Meeting, February 2013)	120,080	60,040	60,040	50.00%	340,358,194,234	0.176
2011 (Shareholders 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



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d) As of December 31, the basic and diluted earnings per share are the following:

	2011		2012		2013	
	N° Shares Millions	Total MCh\$	N° Shares Millions	Total MCh\$	N° Shares Millions	Total MCh\$
Basic and diluted earnings per share						
Basic earnings per share						
Net income attributable to the Equity Holders of the						
Bank	-	119,142	-	119,102	-	162,422
Weighted average number of shares outstanding	238,829	-	277,831	-	337,605	-
Adjusted number of shares	238,829	-	277,831	-	337,605	-
Basic earnings per share (Chilean pesos)	-	0.50	-	0.429	-	0.481
Diluted earnings per share						
Net income attributable to the Equity Holders of the						
Bank	-	119,142	-	119,102	-	162,422
Weighted average number of shares outstanding	238,829	-	277,831	-	337,605	-
Diluted effect	-	-	-	-	-	-
Adjusted number of shares	238,829	-	277,831	-	337,605	-
Diluted earnings per share (Chilean pesos)	-	0.50	-	0.429	-	0.481

e) **Valuation Accounts**

Fair Value Reserve. This includes accumulated net changes in the fair value of investments available for sale until the investment is disposed of or the need to make impairment provisions exists.

Translation Reserves. This includes the effects of converting the financial statements of the New York Branch and Colombian subsidiaries, whose functional currencies are the US dollar and Colombian peso, respectively, to the presentation currency of Banco Corpbanca (the Chilean peso).

Cash Flow Hedge Reserves. This includes the effects of hedges on the Bank's exposure to variations in cash flows that are attributed to a particular risk related to a recognized asset and/or liability, which can affect profit and loss for the period.

Foreign Investment Accounting Hedge Reserve. Corresponds to adjustments for hedges of net investments in foreign operations, mentioned above.



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f) Other Comprehensive Income

Other Comprehensive Income	Note	2011	2012	2013
		MCh\$	MCh\$	MCh\$
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation - New York Branch - Colombia				
Gains (losses) on exchange differences on translation, before tax		1,238	(25,157)	11,960
Other comprehensive income, before tax, exchange differences on translation		1,238	(25,157)	11,960
Financial instruments available - for - sale				
Gains (losses) on remeasuring financial instruments available - for - sale, before tax		(1,258)	(5,368)	4,597
Other comprehensive income, before tax, financial instruments available		(1,258)	(5,368)	4,597
Cash flow hedges				
Gains (losses) on cash flow hedges, before tax		(2,576)	3,146	(5,757)
Other comprehensive income, before tax, cashflow hedges		(2,576)	3,146	(5,757)
Hedges of net investment in foreign operations				
Gains (losses) on hedges of net investment in foreign operations, before tax		(1,264)	757	(2,840)
Other comprehensive income, before tax, Hedges of net investment in foreign operations		(1,264)	757	(2,840)
Other comprehensive income, before tax		(3,860)	(26,622)	7,960
Income tax relating to components of other comprehensive income				
Income tax relating to instruments available - for - sale		461	888	(911)
Income tax relating to hedges of net investment in foreign operations		220	(147)	568
Income tax relating to cash flow hedge		298	(361)	842
Aggregated income tax relating to components of other comprehensive income		979	380	499
Other comprehensive income, after tax		(2,881)	(26,242)	8,459
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit obligation				
Gains (losses) on Remeasurement of defined benefit obligation, before tax		-	(10,301)	3,300
Income tax relating to components of other comprehensive income				
Income tax relating to defined benefit obligation	15 c)	-	3,440	(1,122)

g) Roll forward for the year ended (OCI)



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- Available for sale:

	As of December 31, 2013 MCh\$
Opening Balance, Accumulated other comprehensive income	(8,143)
Amount recognized in other comprehensive income for the year	12,775
Amount reclassified from equity to profit or loss for the year	(8,178)
	<hr/>
Ending balance, accumulated other comprehensive income	<u>(3,546)</u>

- Cash flow hedges:

	As of December 31, 2013 MCh\$
Opening Balance, Accumulated other comprehensive income	570
Amount recognized in other comprehensive income for the year	(1,563)
Amount reclassified from equity to profit or loss for the year	(4,194)
	<hr/>
Ending balance, accumulated other comprehensive income	<u>(5,187)</u>

h) 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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This corresponds to the net amount of equity in the dependent entities attributable to capital that does not belong, directly or indirectly, to the Bank, including the part of profit for the period that is attributed to them. Non-controlling interest in the subsidiary's equity and profit for the period is detailed as follows:

The non controlling interest in the subsidiaries' equity is summarized as follows:

2011

	Non-controlling	Equity	Net Income	Other Comprehensive	Comprehensive Income
	%	MCh\$	(1)	Income	Comprehensive Income
			MCh\$	MCh\$	MCh\$
SMU CORP S.A.	49.00%	2,609	(1,824)	-	(1,824)

2012

Subsidiaries	Non-controlling	Equity	Net Income	Other Comprehensive	Comprehensive Income
	%	MCh\$	(1)	Income	Comprehensive Income
			MCh\$	MCh\$	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

2013

Subsidiaries	Non-controlling	Equity	Net Income	Other Comprehensive	Comprehensive Income
	%	MCh\$	(1)	Income	Comprehensive Income
			MCh\$	MCh\$	MCh\$
SMU CORP S.A.	49.00%	2,386	(1,475)	-	(1,475)
Corredora de seguros Helm	20.00%	554	83	-	83
Banco CorpBanca Colombia y Filiales	33.62%	302,758	14,209	-	14,209
		305,698	12,817	-	12,817

The roll forward of non-controlling interest is as follow:

	As of December 31		
	2011	2012	2013
	MCh\$	MCh\$	MCh\$
Balance at January 1	2.943	2.609	54.370
Net income for the year ⁽¹⁾	(1.824)	51	12.817
Change in non-controlling interest	1.490	2.430	3.503
Non-controlling interest arising on the acquisition non participation in rights to sahere increase	-	49.280	235.008
Total	2.609	54.370	305.698

The proportion of voting rights held by non-controlling interests described above, no differences in the proportion of equity held in



property.

For subsidiaries with non-controlling interests cited above, the following important information is summarized below:

a) Dividends paid to non-controlling interests:

	<u>12.31.2011</u>	<u>12.31.2012</u>	<u>12.31.2013</u>
	MCh\$	MCh\$	MCh\$
Dividends paid	-	-	-

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b) The principal financial information presented below in summary form:

	<u>12.31.2011</u>	<u>12.31.2012</u>	<u>12.31.2013</u>
	MCh\$	MCh\$	MCh\$
Cash and deposit in banks	200,679	13,778	66
Loans and receivables from banks	4,781	65	-
Loans and receivables from customers, net	1,680,824	149,224	850
Intangible assets	156,379	38,031	366
Others	425,646	39,068	2,362
TOTAL ASSETS	<u>2,468,309</u>	<u>240,166</u>	<u>3,644</u>
Currents account and demand deposits	838,040	25,454	23
Time deposits and saving accounts	852,859	121,371	-
Debt issued	116,940	6,258	-
Others	354,772	32,713	1,012
TOTAL LIABILITIES	<u>2,162,611</u>	<u>185,796</u>	<u>1,035</u>
	<u>12.31.2011</u>	<u>12.31.2012</u>	<u>12.31.2013</u>
	MCh\$	MCh\$	MCh\$
Net interest income	45,955	5,692	40
Net service fee income	11,016	1,606	(17)
Operating income before provision for loan losses	60,605	7,808	(98)
Total operating income, net of loan losses, interest and	(45,407)	(7,745)	(2,140)
Total net operating income	15,198	62	(2,239)
Net income for the year	<u>12,817</u>	<u>51</u>	<u>(1,824)</u>
	<u>12.31.2011</u>	<u>12.31.2012</u>	<u>12.31.2013</u>
	MCh\$	MCh\$	MCh\$
Cash flow from operating activities	39,639	15,011	(654)
Cash flow from investing activities	(49,442)	(26,728)	(37)
Cash flow from financing activities	115,639	22,560	1,195

i) Dilutive effect of purchase of Helm Bank and subsidiaries

- Dilutive effect. Since Corpbanca Chile did not participate in the capital increase of Corpbanca Colombia in its existing proportion, the controlling and non-controlling interests changed, producing a dilution by the majority shareholder as a result of not participating in the capital increase for the original percentage, decreasing its interest from 91.9314% to 66.3877% of the shares. However, because the economic value was greater than the book value, it caused an increase because of the dilutive effect reflected in reserves in these financial statements. (For more information, see Statements of Changes in Shareholders' Equity).
- Movements generated by non-controlling interest. Corpbanca decided to value its non-controlling interest at fair value as a result of dilutive effect (see letter b) number iii) number 5 of Note 12). To do so, each movement of assets and liabilities created at the time of purchase will move in proportion to the non-controlling interest.



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NOTE 24 - INTEREST INCOME AND EXPENSE

a) The composition of interest income and inflation-indexing for the years ended December 31, 2011, 2012 and 2013 is as follows:

	As of December 31,								
	2011			2012			2013		
	Interest	Inflation(1)	Total	Interest	Inflation (1)	Total	Interest	Inflation (1)	Total
MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Normal Portfolio									
Investments under agreements to resell	3,016	18	3,034	1,604	71	1,675	15,115	20	15,135
Loans and receivables to banks	2,983	-	2,983	11,524	-	11,524	14,673	-	14,673
Commercial loans	238,510	50,507	289,017	407,363	47,354	454,717	536,812	43,437	580,249
Mortgage Loans	48,043	39,930	87,973	65,705	26,964	92,669	90,079	29,401	119,480
Consumer Loans	67,839	1,702	69,541	115,172	1,088	116,260	189,261	919	190,180
Financial investments	24,347	20,750	45,097	41,775	10,889	52,664	38,158	1,560	39,718
Other interest income	5,747	904	6,651	3,171	702	3,873	4,133	514	4,647
Gain (loss) from accounting hedges (*)	-	-	-	-	-	-	(713)	-	(713)
Subtotals	390,485	113,811	504,296	646,314	87,068	733,382	887,518	75,851	963,369
Impaired loan portfolio									
Interest Recovery									
Commercial loans	14,276	3,351	17,627	9,696	1,365	11,061	14,990	1,349	16,339
Mortgage Loans	1,326	842	2,168	723	311	1,034	1,479	629	2,108
Consumer Loans	4,510	21	4,531	17,507	8	17,515	25,285	5	25,290
Financial investments	-	-	-	-	-	-	-	-	-
Other Income on interest	-	-	-	-	-	-	-	-	-
Subtotals	20,112	4,214	24,326	27,926	1,684	29,610	41,754	1,983	43,737
Total interest income	410,597	118,025	528,622	674,240	88,752	762,992	929,272	77,834	1,007,106

For the years 2011, 2012 and 2013, "interest earned" in the Statement of Cash Flows includes credits for net interest of hedge adjustments (MCh\$528,622, MCh\$762,992 and MCh\$1,007,819, respectively).



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b) The detail of interest expenses for the years ended December 31, 2011, 2012 and 2013 is the following:

	As of December 31,								
	2011			2012			2013		
	Interests	Inflation	Total	Interests	Inflation	Total	Interests	Inflation	Total
	MCh\$	(1) MCh\$	MCh\$	MCh\$	(1) MCh\$	MCh\$	MCh\$	(1) MCh\$	MCh\$
Demand Deposits	(15)	(82)	(97)	(1,935)	(94)	(2,029)	(33,195)	(224)	(33,419)
Investments under agreements to repurchase	(8,148)	(315)	(8,463)	(15,697)	(54)	(15,751)	(14,569)	(167)	(14,736)
Deposits and Time Deposits	(193,555)	(11,062)	(204,617)	(346,776)	(12,865)	(359,641)	(352,167)	(9,476)	(361,643)
Borrowings from financial institutions	(8,466)	-	(8,466)	(14,771)	-	(14,771)	(15,987)	-	(15,987)
Debt issued	(56,435)	(52,147)	(108,582)	(70,095)	(38,460)	(108,555)	(95,368)	(32,843)	(128,211)
Other financial obligations	(604)	(525)	(1,129)	(1,073)	(264)	(1,337)	(334)	(805)	(1,139)
Other interest expenses	-	(1,404)	(1,404)	(24)	(1,504)	(1,528)	(379)	(857)	(1,236)
Hedge accounting gains (losses) (*)	(2,864)	-	(2,864)	(2,504)	-	(2,504)	6,955	-	6,955
Total Interest Expenses	(270,087)	(65,535)	(335,622)	(452,875)	(53,241)	(506,116)	(505,044)	(44,372)	(549,416)

(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.

(*) The period results are presented in this line for hedging derivatives used in hedging of asset except in the case of foreign currency hedges, whether the hedging instruments can show or have shown in the assets or liabilities in the statement of financial position. When the coverages are of rate and of currency, it will not be necessary to include here separately the effect of the rates, everything being able to be included in the foreign exchange gain(losses) (See Note 27 Net foreign exchange income (losses)).

c) For the years ended December 31, 2011, 2012 and 2013, the composition of net interest income is as follows:

	2011	2012	2013
	MCh\$	MCh\$	MCh\$
Interest Income	528,622	762,992	1,007,819
Interest expense	(332,758)	(503,612)	(556,371)
Interest Income	195,864	259,380	451,448
Income from hedge accounting (net)	(2,864)	(2,504)	6,242
Total net interest income	193,000	256,876	457,690

For the years 2011, 2012 and 2013, “interest paid” in the Statement of Cash Flows includes charges for net interest of hedge adjustments (MCh\$332,758 and, MCh\$503,612 MCh\$556,371, respectively).



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NOTE 25 - FEES AND INCOME FROM SERVICES

Fees and income from services and the related expenses for the years ended December 31, 2011, 2012 and 2013 are summarized as follows:

	As of December 31,		
	2011	2012	2013
	MCh\$	MCh\$	MCh\$
Income from fees and services			
Lines of credit and overdrafts	7,740	12,384	13,393
Letters of credit and guarantees	4,460	7,915	9,826
Card services	10,602	16,479	25,591
Account administration	6,353	7,116	8,959
Collections, billings and payments	9,586	20,591	30,127
Management and brokerage commissions for securities	4,321	4,083	6,281
Investments in mutual funds and others	6,406	9,220	14,522
Insurance brokerage	8,161	9,024	13,615
Financial advisors	10,756	11,245	11,725
Other fees earned	3,334	6,153	9,397
Other payments for services rendered	685	968	1,341
Total Income from fees and services	(1) 72,404	105,178	144,777

	As of December 31,		
	2011	2012	2013
	MCh\$	MCh\$	MCh\$
Expenses from services			
Credit card transactions	(6,963)	(9,089)	(12,367)
Brokerage	(259)	(2,480)	(3,588)
Commissions on interbank transactions	(702)	(961)	(3,212)
Other paid commissions	(2,184)	(2,914)	(3,779)
Transaction processing	(129)	(377)	(415)
Contract Services for customer benefits	(237)	(20)	(15)
Foreign trade	(916)	(1,133)	(824)
Expenses on return commissions	(652)	(1,195)	(1,191)
Commissions spent by loans and services to customers	-	(1,365)	(1,409)
Total expenses from services	(2) (12,042)	(19,534)	(26,800)
Net service fee income (1) +(2)	60,362	85,644	117,977

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 26 - NET TRADING AND INVESTMENT INCOME

Trading and investment income recognized on the consolidated statements of income for the years ended December 31, 2011, 2012 and 2013 is as follows:

	<u>As of December 31,</u>		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
	MCh\$	MCh\$	MCh\$
Trading instruments	13,109	19,922	10,660
Derivative financial instruments (*)	79,994	23,677	58,471
Other financial investments at fair value with effect on profit or loss	(1,364)	5,764	7,741
Financial investments available-for-sale realized gain (losses) (**)	6,403	5,526	22,293
Profit on bank-issued time deposit repurchase	82	74	397
Loss on bank-issued time deposit repurchase	(7)	(158)	(478)
Other	(472)	189	2,203
Total trading and investment income, net	<u>97,745</u>	<u>54,994</u>	<u>101,287</u>

(*) In line with the derivatives trading the results for the period are presented for financial derivatives not used for hedge accounting, wheter those derivatives can show the assets or liabilities in the statement of financial position. The results of the derivatives are delivered by profit or loss in the period where derivatives are individually considered, showing on different items the results that correspond to derivatives separated from the host contract. (See note 24 Interest Income and Expense and 27 Net Foreign Exchange Income (losses)).

(**) Results generated by instruments available for sale mainly composed by the following:

Fair value adjustments recognized in the results. This includes transfers to results, generated on exercise, of the fair value adjustments by selling of those instruments available for sell.

Results generated from sales and / or liquidation, corresponding to the difference between the value obtained as compensation and the fair book value of the instruments transferred.



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NOTE 27 - 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, 2011, 2012 and 2013 is as follows:

	As of December 31,		
	2011	2012	2013
	MCh\$	MCh\$	MCh\$
Gains (losses) of foreign currency exchange differences			
Net gains (losses) of foreign currency exchange positions	(7,219)	26,108	(18,980)
Other foreign currency exchange gains (losses)	3,257	3,524	1,963
Subtotals	(3,962)	29,632	(17,017)
Net earnings on exchange rate adjustments			
Adjustments to loan to customers	835	(557)	1,427
Adjustments to investment instruments	3,048	(3,226)	713
Adjustments to other liabilities	(331)	220	(88)
Fair value gains (losses) on hedging derivatives (1) (*)	(26,373)	4,627	1,059
Subtotales	(22,821)	1,064	3,111
Total	(26,783)	30,696	(13,906)

(1) In this present current earnings by hedging currency assets and liabilities. Different information to revealed in notes 24 Interest Income and Expense and 26 Net Trading and Investment Income.

(*) The Fair value gains (losses) on hedging derivatives for the periods ended on December 31, 2011, 2012 and 2013 is as follows:

	Cash Flows (CF) or Fair Value (FV) Hedge	Fair Value		Gain/(loss) MCh\$
		Assets MCh\$	Liabilities MCh\$	
As of December 31, 2011				
Derivatives held-for-hedging				
Foreign currency swaps	FV	-	2,936	(2,360)
Interest rate swaps	FV	2,877	374	(7,141)
Subtotal		2,877	3,310	(9,501)
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		4,962	5,589	(26,373)



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	Cash Flows (CF) or Fair Value (FV) Hedge	Fair Value		Gain/(loss)
		Assets MCh\$	Liabilities MCh\$	Mr Ch\$
As of December 31, 2012				
Derivatives held-for-hedging				
Foreign currency swaps	FV	82	284	5.365
Interest rate swaps	FV	2.978	24	838
Subtotal		3.060	308	6.203
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		5.200	3.660	4.627

	Cash Flows (CF) or Fair Value (FV) Hedge	Fair Value		Gain/(loss)
		Assets MCh\$	Liabilities MCh\$	MCh\$
As of December 31, 2013				
Derivatives held-for-hedging				
Foreign currency forwards	FV	27	-	(827)
Foreign currency swaps	FV	-	2.235	2.342
Interest rate swaps	FV	358	3.161	(5.010)
Subtotal		385	5.396	(3.495)
Foreign currency forwards	CF	6	793	(168)
Foreign currency swaps	CF	3.171	1.027	450
Interest rate swaps	CF	58	4.241	4.272
Subtotal		3.235	6.061	4.554
Total derivatives held-for-hedging		3.620	11.457	1.059



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NOTE 28 - PROVISION FOR LOAN LOSSES

The changes in provision for loan losses recorded on the income statement for the years ended December 31, 2011, 2012 and 2013 is as follows:

	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)

	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)



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**For the year ended December 31,
2013**

**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	(1,054)	(193,586)	-	-	(194,640)
Group Analysis	-	(29,038)	(7,602)	(100,783)	(137,423)
Charge to income for provisions recognized	(1,054)	(222,624)	(7,602)	(100,783)	(332,063)(*)
Used provisions:					
Individual Analysis	1,086	148,563	-	-	149,649
Group Analysis	-	14,027	4,604	44,244	62,875
Credit to income for provisions used	1,086	162,590	4,604	44,244	212,524(*)
Recovery of assets previously written-off	-	5,037	1,627	10,803	17,467
Net charge to income	32	(54,997)	(1,371)	(45,736)	(102,072)

(*) Consolidated Statements of Cash Flows, in the amounts respectively of 2011 MCh \$52,732; 2012 MCh\$ 66,452; and 2013 MCh\$ 119,539.

The break down by type of loan, whether assessed collectively or individually, for established and released provision amounts, respectively, is as follows:

	Established Provision			Note
	Individual Analysis	Group Analysis	2012	
	MCh\$	MCh\$	MCh\$	
Commercial Loans	(47,405)	(15,861)	(63,266)	
Mortgage Loans	-	(6,480)	(6,480)	
Consumer Loans	(2)	(49,719)	(49,721)	
	(47,407)	(72,060)	(119,467)	10
Banks	(83)	-	(83)	9
			(119,550)	

	Established Provision			Note
	Individual Analysis	Group	2013	
	MCh\$	Analysis	MCh\$	
Commercial Loans	(193,586)	(29,038)	(222,624)	
Mortgage Loans	-	(7,602)	(7,602)	
Consumer Loans	-	(100,783)	(100,783)	
	(193,586)	(137,423)	(331,009)	10
Banks	(1,054)	-	(1,054)	9
			(332,063)	



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	Released Provision			Note
	Individual Analysis	Group	2012	
	MCh\$	Analysis MCh\$	MCh\$	
Commercial Loans	31,930	4,687	36,617	
Mortgage Loans	-	5,995	5,995	
Consumer Loans	2	10,068	10,070	
	31,932	20,750	52,682	10
Banks	416	-	416	9
			53,098	

	Released Provision			Note
	Individual	Group	2013	
	Analysis MCh\$	Analysis MCh\$	MCh\$	
Commercial Loans	148,563	14,027	162,590	
Mortgage Loans	-	4,604	4,604	
Consumer Loans	-	44,244	44,244	
	148,563	62,875	211,438	10
Banks	1,086	-	1,086	9
			212,524	

In management's opinion, the credit risk provisions established cover all potential losses that may arise from incurred losses, based on the information examined by the Bank and its subsidiaries.



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NOTE 29 - PERSONNEL SALARIES EXPENSES

Personnel salaries expenses for the years ended December 31, 2011, 2012 and 2013 are as follows:

	As of December 31,		
	2011	2012	2013
	MCh\$	MCh\$	MCh\$
Personnel remunerations	(46,382)	(72,430)	(102,967)
Bonuses and gratifications/awards	(19,508)	(37,566)	(45,009)
Severance indemnities	(3,600)	(4,429)	(3,026)
Training Expenses	(832)	(753)	(955)
Other personnel expenses	(6,139)	(5,536)	(13,052)
Total	(76,461)	(120,714)	(165,009)



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NOTE 30 - ADMINISTRATION EXPENSES

Administration expenses for the years ended December 31, 2011, 2012 and 2013 are as follows:

	As of December 31,		
	2011 MCh\$	2012 MCh\$	2013 MCh\$
Maintenance and repair of fixed assets	(2,095)	(5,372)	(8,178)
Office rentals	(6,831)	(9,853)	(14,297)
Equipment rentals	(2,279)	(2,925)	(3,088)
Insurance premiums	(988)	(4,470)	(10,996)
Office supplies	(879)	(1,019)	(1,202)
IT and communications expense	(3,867)	(5,252)	(7,583)
Lighting, heating and other services	(2,628)	(3,657)	(4,697)
Security Service and transportation of securities	(1,379)	(1,453)	(2,213)
Public relations expense and staff travel expenses	(1,672)	(1,979)	(1,935)
Legal and Notary Costs	(169)	(475)	(1,435)
Technical report fees	(7,956)	(10,099)	(12,997)
Professional services fees	(592)	(599)	(1,233)
Securities classification fees	(181)	(66)	(180)
Penalties	(16)	(487)	(165)
Comprehensive management ATMs	(1,822)	(2,634)	(2,649)
Other administration expenses	(9,043)	(8,829)	(16,620)
Subtotal	(42,397)	(59,169)	(89,468)
Subcontracted services	(4,399)	(11,871)	(18,323)
Data processing	(3,212)	(6,580)	(9,526)
Sales	(66)	(168)	(307)
Loan valuation	(274)	(62)	(35)
Others	(847)	(5,061)	(8,455)
Board of Directors Expenses	(784)	(1,029)	(1,343)
Remunerations	(784)	(991)	(1,343)
Other Board of Directors expenses	-	(38)	-
Marketing and advertising	(4,411)	(7,494)	(6,672)
Real estate taxes, contributions and levies	(3,150)	(9,220)	(23,808)
Real estate taxes	(282)	(356)	(352)
Patents	(686)	(822)	(818)
Other taxes(*)	(25)	(5,266)	(18,795)
Contributions to SBIF	(2,157)	(2,776)	(3,843)
Total	(55,141)	(88,783)	(139,614)

(*) This amount corresponds primarily to taxes other than income taxes that affect Corpbanca Colombia and its subsidiaries (Colombian segment). They are taxes on local financial transactions, ongoing performance of commercial activities or services, non-discountable value added tax and equity tax, among others.



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NOTE 31 - DEPRECIATION, AMORTIZATION AND IMPAIRMENT

a) Depreciation and amortization expenses for the years ended December 31, 2011, 2012 and 2013 are as follows:

	For the years ended December 31,		
	2011	2012	2013
	MCh\$	MCh\$	MCh\$
Depreciation and amortization			
Depreciation of property, plant and equipment (Note 14)	(4,806)	(7,192)	(12,680)
Amortization of intangibles assets (Note 13)	(2,655)	(10,900)	(29,608)
Balances as of December 31,	(7,461)	(18,092)	(42,288)

b) Impairment losses for the years ended December 31, 2011, 2012 and 2013 are detailed below:

	For the years ended December 31,		
	2011	2012	2013
	MCh\$	MCh\$	MCh\$
Impairment of financial investments available-for-sale	-	-	-
Impairment of financial investments held-to-maturity	-	-	-
Subtotal financial assets (a)			
Impairment of property, plant and equipment	-	-	-
Impairment of Goodwill and Intangibles	-	-	-
Subtotal Non-financial assets (b)			
Total	-	-	-

At each reporting date, Banco Corpbanca and its subsidiaries (the Group) will evaluate whether there is any indication of impairment of any asset. Should any such indication exist, or when impairment testing is required, the entity will estimate the asset's recoverable amount.

(a) Financial assets

As of each reporting date, Corpbanca and its subsidiaries assess whether there is objective evidence that a financial asset or a group of financial assets may be impaired. Financial assets or asset groups are considered impaired only if there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the asset and the loss event had an impact on the estimated future cash flows of the financial asset or asset group that can be reliably estimated. Evidence of impairment may include, among other examples, debtors or a group of debtors with significant financial difficulties, non-compliance or delinquency in principal or interest payments, the potential to declare bankruptcy or undergo another form of financial reorganization, or observable data that indicate a measureable reduction in estimated future cash flows, such as adverse changes in the status of past due payments or in the economic conditions related to such non-compliance.

Corpbanca and subsidiaries performed impairment tests on these assets, concluding that there is no indication of impairment as of the date of these financial statements.



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(b) Non-financial assets

The carrying amounts of non-financial assets, excluding investment property and deferred taxes, are reviewed regularly, or at least every reporting period, to determine whether indications of impairment exist. If such indication exists, the recoverable amount of the asset is then estimated. The recoverable amount of an asset is the greater of the fair value less costs to sell, whether for an asset or a cash generating unit, and its value in use. That recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent from the cash flows of other assets or asset groups.

The entity will conduct impairment testing on an annual basis for intangible assets with indefinite useful lives, as well as intangible assets that are not yet available for use, by comparing their carrying amount with their recoverable amount. Impairment testing can be carried out at any time during the year, as long as it takes place at the same time each year. Impairment testing of different intangible assets can take place on different dates. However, if that intangible asset had been recognized initially during the current year, it will be tested for impairment before the year ends.

Impairment of goodwill is determined by evaluating the recoverable amount of each cash generating unit (or group) to which goodwill is allocated. Where the recoverable amount of the cash generating unit is less than its carrying amount, an impairment loss is recognized; goodwill acquired in a business combination shall be allocated of the acquisition date among the CGUs or group of CGUs of the acquirer that are expected to benefit from the synergies of the business combination, regardless of whether other of the acquiree's assets or liabilities are allocated to these units. Impairment losses relating to goodwill cannot be reversed in future periods.

In accordance with IAS 36 "Impairment of Assets", annual impairment testing is permitted for a CGU to which goodwill has been allocated, or at any time for intangible assets with indefinite useful lives, as long as they are carried out at the same time each year. Different cash generating units and different intangible assets can be tested for impairment at different times during the year.

Upon evaluating whether any indication of impairment exists for an asset, the entity shall consider at least the following factors:

External sources of information:

- (a) During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use.
- (b) Adverse conditions in the technological, market, economic or legal environment.
- (c) Increase in interest rates.
- (d) Market value of equity lower than carrying amount.

Internal sources of information:

- (a) Evidence of obsolescence of physical damage of an asset.
- (b) Plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite.
- (c) Decrease or expected decrease in an asset's performance.

In the event of objective impairment, the carrying amount of an asset will be reduced until the recoverable amount if, and only if, the recoverable amount is less than the carrying amount. This reduction is an impairment loss.

Impairment losses are recognized immediately in the Statement of Income unless the asset is accounted for at revalued value in accordance with other standards. Any impairment loss in revalued assets is treated as a decrease in the revaluation made in accordance with that standard. When the estimated amount of an impairment loss is greater than the carrying amount of the asset to which it is related, the entity will recognize a liability if, and only if, it were obligated to do so by another standard. After recognizing an impairment loss, charges for depreciating the asset are adjusted for future periods in order to distribute the asset's revised carrying amount, less its potential residual value, systematically over the remaining useful life.



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If an impairment loss is recognized, the deferred tax assets and liabilities related to it will also be determined by comparing the asset's revised carrying amount to its tax basis in accordance with IAS 12.

Impairment testing of goodwill and intangible assets with indefinite useful lives

For impairment testing purposes, goodwill acquired in a business combination (see Note 12 "Investments in Other Companies") and intangible assets with indefinite useful lives (see Note 13 "Intangible Assets") are allocated to the cash generating units in Colombia, which is also a reportable segment (see Note 4 "Segment Reporting").

The following table details the intangible assets with indefinite lives for 2013 and 2012:

	Note	Balances as of December 31	
		2012	2013
		MCh\$	MCh\$
Brands		1,355	11,603
Licenses	13	49,630	50,567
Database		493	500
Goodwill	13	214,540	411,992
Total		266,018	474,662

The Group has conducted impairment testing on a yearly basis as of December 31, 2013. Upon evaluating whether indications of impairment exist, the Group considers main factors such as the relationship between its market capitalization and the carrying amount of its equity. As of December 31, 2013, the Group's market capitalization is greater than the carrying amount of its equity (Price/BV around 2.3 times).

The growth of income and, therefore, profit by the Colombia Segment is based on three main principles. The first is that the industry in general is experiencing sustained growth in loan portfolios, backed by positive macroeconomic perspectives and opportunity for growth in the Colombian banking industry. The second is that Corpbanca's market share is expected to report sustained growth in upcoming years, rising from 2.8% in 2013 to close to 7% by 2019 (significant increase due to merger plans with Helm Bank and Subsidiaries). Lastly, the entity posts sound solvency figures, which gives it room for reinvestment and, consequently, improved conditions for growth.

The recoverable amount of the cash generating unit of the Colombia Segment has been determined using the income approach for valuing assets, relying mainly on the dividend discount model. This methodology considers the cash flow to be generated by dividends distributed to its shareholders on a perpetual horizon, discounted at their equity cost rate as of the valuation date in order to be able to estimate the economic value of the company's equity, using cash flow projections derived from financial assumptions approved by upper management, and that covers a period of seven years of explicit projection (until 2019), a perpetual time horizon and approximate growth in profits of 5% in perpetuity (beginning in 2019).

Management considers this growth rate to be justified by the acquisition of new subsidiaries in Colombia that enable it to attain greater market share and other potentialities explained in Note 12 to these financial statements. The discount rate for equity applied to the cash flow projections was 12.4%, used also to extrapolate the cash flows that go beyond period 5.

As a result of this analysis, upper management has not identified losses on this operating segment.



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Key assumptions used in calculating the recoverable amount

a. Projection period and perpetuity.

- Cash flow projections correspond to 7 years (2013-2019) after which a present value is calculated for cash flows in perpetuity by normalizing cash flows until 2021. This normalization is performed to increase the payment of dividends used in perpetuity without reducing the solvency ratio.
- The growth rate of cash flows in perpetuity is approximately 5% nominal. Projected inflation for Colombia is around 3%.

b. Loans and deposits.

- Loans were projected considering that 100 basis points of market share are earned until 2019 and the deposit portfolio was projected as a temporary balance account for the projected balance sheet.

c. Income

- Determined by average balances (calculated with respect to gaining market share) of mortgage loans, credit cards, commercial loans and consumer loans.

d. Costs.

- Cost projections are determined primarily by average balances of time and demand deposits.

e. Discount rate.

- In order to estimate the discount rate (K_e) and the weighted average cost of capital, the capital asset pricing model was used as a framework. This model sets the rate demanded by shareholders (K_e) equal to the risk-free rate plus a premium that the investors expect to assume for the systematic risk inherent to the company.
- The risk-free rate corresponds to U.S. treasury bonds, specifically US GT 30 and GOVT.
- The beta measures the share price volatility for a company with respect to the general securities market. It reflects the market or systematic risk, as opposed to the company's specific risk. We have selected a group of listed companies that operate in the Colombian banking industry. In the search for these indicators, we concentrated on companies whose main activities are similar. The betas of shares used for each of the comparable companies were taken from the Bloomberg platform. In order to adjust for the financial leverage effect of the beta of each company, the betas were "unlevered", based on the current history of the comparable company and its debt-equity ratio to give the asset beta of each company.
- A tax rate of 34% was used for the first three years and after that a rate of 33%, as set by the Colombian government. This tax is applied on net operating income (loss).
- Because the discount rate is a variable that has a considerable impact on results, sensitivity testing was performed for that rate.

f. Dividend payments.

- Dividend payments were used to maximize the cash flows of shareholders with the restriction that solvency did not go below 10% for projected cash flows and 11% in perpetuity.



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Sensitivity to changes in key assumptions used

In determining the recoverable amount of the cash generating unit analyzed, upper management believes that no reasonable possible change in any of the aforementioned key assumptions would make the carrying amount of the unit significantly exceed its recoverable amount.

Valuation of intangible assets with indefinite useful lives

Licenses.

The “with or without” methodology was used for the valuation, which reflects the difference between the values of the company based on the time it would take to obtain the intangible asset and, therefore, begin to receive cash flows. The key assumptions are detailed as follows:

- a. Period of time to obtain the license. A period of 18 months was defined as the time necessary to obtain a banking license and, therefore, begin to generate cash flows.
- b. Cash flows. The same flows used for the equity valuation model were used (i.e. dividend discount).
- c. Discount rate: The cash flows were discounted at the same rate used in the equity valuation model described above.

Brands⁸.

The relief from royalty method was used, which considers the income attributable to the brands of Corpbanca Colombia. It also considers a royalty equivalent to the percentage of income produced by the brands and the result of this cash flow is discounted to equity cost. The key assumptions are detailed as follows:

- a. Evolution of contribution margin. The assumptions that govern the evolution of income and costs are the same used in the valuation of Corpbanca’s economic equity.
- b. Tax Relief-From-Royalty. The royalty rate used is approximately 0.33%. The same tax rate described above is used.
- c. Marketing expenses. This uses the assumption that for the brand to continue to generate cash flows, marketing expenses must be incurred, specifically around 22% of results after the effects of the post-tax royalties.
- d. Cash flow discount rate: The same discount rates were used as in the valuation model for equity and perpetuity.

Databases.

For this asset, a value per user was estimated justified by the level of detail in the database and considering total customers for the Colombia segment.

⁸ The values of some brands are still being determined, in accordance with the measurement period established by IFRS 3 “Business Combination” for transactions carried out during 2013, described in Note 12.



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NOTE 32 - OTHER OPERATING INCOME AND EXPENSES

a) Other operating income

The detail of other operating income is as follows:

	As of December 31,		
	2011	2012	2013
	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	872	2,686	1,921
Others	416	36	71
Subtotal	1,288	2,935	1,992
Contingency provisions used			
Other contingency provisions (see note 20 b))	156	6,606	57
Subtotal	156	6,606	57
Other Revenues			
Gain on sales of property, plant and equipment (see note 14 b))	17	1,335	25,164
Gain on sale of investment in other companies	3,192	-	-
Compensation insurance companies	-	32	106
Subtotal	3,209	1,367	25,270
Other income	952	960	3,731
Leasing contributions revenue	1,016	1,473	3,833
Other operating income-Subsidiaries	854	1,271	360
Gain on sales of leased assets	1,048	444	1,146
Other operating income-Leasing	820	224	334
Income costs recovery credit leasing	-	-	185
Incentives for card use international brands	-	726	-
Returning insurance administration	-	2,044	2,750
Revenues from leasing loans expenses recovered	164	658	-
Subtotal	4,854	7,800	12,339
Total	9,507	18,708	39,658



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b) Other operating expenses

Other operating expenses for the years ended December 31, 2011, 2012 and 2013 are the following:

	Note	As of December 31,		
		2011 MCh\$	2012 MCh\$	2013 MCh\$
Provisions and expenses for assets received in lieu of payment				
- Provisions for assets received in lieu of payment		(229)	-	(35)
- Maintenance expenses of assets received in lieu of payment		(115)	(208)	(352)
Subtotal		(344)	(208)	(387)
Contingency provisions				
- Other contingency provisions	20b)	(1,657)	(4,902)	(107)
Subtotal		(1,657)	(4,902)	(107)
Other expenses				
- Other expenses		(11,642)	(20,945)	(14,740)
Subtotal		(11,642)	(20,945)	(14,740)
Total		(13,643)	(26,055)	(15,234)



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NOTE 33 - RELATED PARTY TRANSACTIONS⁹

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, 2012 and 2013 are specified below:

a) Loans granted to related parties

Loan granted to related parties as of December 31, 2012 and 2013 are as follows:

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	<u>139,492</u>	<u>13,682</u>	<u>23,359</u>
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).

2013	Operating Companies	Investment Companies	Individuals(1)
	MCh\$	MCh\$	MCh\$
Loans and receivables to customers:			
Commercial loans	161,421	193,076	1,915
Mortgage Loans	-	-	16,267
Consumer Loans	-	-	4,956
Loans and receivables to customers - gross	<u>161,421</u>	<u>193,076</u>	<u>23,138</u>
Provision for loan losses	(2,334)	(10,792)	(86)
Loans and receivables to customers, net	<u>159,087</u>	<u>182,284</u>	<u>23,053</u>
Other	71,457	332	2,166

(1) Includes loans that are equal to or greater than U.F. 3,000 (equivalent to MCh\$69.9 in 2013).

⁹ The variations in the information presented in 2013 with respect to 2012 are due to new consolidated information incorporated from Colombia (Note 12) as well as provisions contained in SBIF Ruling 3,561 (Note 1, letter qq) New Accounting Pronouncements).



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Other transactions with related parties

During the years ended December 31, 2011, 2012 and 2013, the Bank entered into the following transactions with related parties for amounts exceeding UF 1,000.

As of December 31, 2011:

Company	Description	Notes	Asset	Effect on Statement of Income	
			(Liability)	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	16	22,022	-	1,447

As of December 31, 2012:

Company	Description	Notes	Asset	Effect on Statement of Income	
			(Liability)	Income	(expense)
			MCh\$	MCh\$	MCh\$
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. and Corp Group Holding Inversiones Ltda.	Management advisory services		-	-	2,396
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	16	20,715	-	1,726
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

These transactions were carried out at normal market prices prevailing at the day of the transactions.



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As of December 31, 2013:

Company	Description	Notes	Asset	Effect on Statement of Income	
			(Liability)	Income	(expense)
			MCh\$	MCh\$	MCh\$
Inmobiliaria Edificio Corpgroup S.A.	Corporate office rent and building costs		-	-	2,740
Transbank S.A.	Credit Card processing		-	-	2,430
Corp Group Interhold S.A. and Corp Group Holding Inversiones Ltda.	Management advisory services		-	-	2,632
Redbanc S.A.	Automatic teller machine administration		-	-	1,782
Proservicen S.A.	Advertising services		-	-	1,508
Recaudaciones y Cobranzas S.A.	Office rent and credit collection		-	-	971
Operadora de Tarjeta de Crédito Nexus S.A.	Credit card processing		-	-	846
Fundación Corpgroup Centro Cultural	Donations		-	-	736
Fundación Descúbreme	Donations		-	-	80
Compañía de Seguros Vida Corp S.A.	Brokerage of insurance premiums and office rent		-	-	318
Empresa Periodística La Tercera S.A.	Advertising services		-	-	163
SMU S.A., Rendic Hnos S.A.	Prepaid rent for space for ATMs	16	19,067	-	1,928
Corpbanca Investment Valores S.A. Comisionista de Bolsa	Corporate office rent and building costs		3,120	223	281
Corpbanca Investment Trust S.A. Sociedad Fiduciaria	Corporate office rent and building costs		4,827	302	156
Helm Bank	Treasury operations		311	311	-

In accordance with IAS 24, the relationship of all listed companies in the above table falls under the category "other related parties".

b) Other assets and liabilities with related parties

As of December 31, 2012:

Company	Description	Notes	Balance	Effect on Statement of	
			Asset	Income	(expense)
			MCh\$	MCh\$	MCh\$
Fundación Corpgroup Centro Cultural	Donations		-	-	624
Fundación Descúbreme	Donations		-	-	66

As of December 31, 2013:

Company	Description	Notes	Balance	Effect on Statement of	
			Asset	Income	(expense)
			MCh\$	MCh\$	MCh\$
Fundación Corpgroup Centro Cultural	Donations	-	-	-	736
Fundación Descúbreme	Donations	-	-	-	80

c) Other assets and liabilities with related parties

	As of December 31,	
	2012	2013
	MCh\$	MCh\$
ASSETS		
Derivative financial instruments	17,746	20,589
Other assets	-	14,186
LIABILITIES		
Derivative financial instruments	4,820	1,965
Demand deposits	20,804	67,569
Deposits and other time deposits	13,769	170,930
Other Liabilities	-	1,092



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d) Operating income /expenses from related party transactions

Type of recognized income or expense	As of December 31,					
	2011		2012		2013	
	Income	Expenses	Income	Expenses	Income	Expenses
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Interest revenue	7,466	3,194	8,640	25,759	25,501	9,251
Income and expenses on fees and services	769	(2)	342	18	470	249
Gain and loss on trading	-	-	-	-	-	-
Gain and Loss on other financial transactions	-	-	-	-	311	-
Foreign currency exchanges	-	-	-	-	-	-
Operating support expense	-	13,434	541	13,829	525	15,994
Other income and expense	1	-	-	67	-	437
Total	8,236	16,626	9,523	39,673	26,807	25,931

e) Contracts with related parties

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. and Corp Group Holding	
Inversiones Ltda.	Management advisory services
Redbanc S.A.	Automatic teller machine administration
Promoservice 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
	Synergies Contract
Corpbanca Investment Trust S.A. Sociedad Fiduciaria	Office rentals
	Synergies Contract
	Network usage contract



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2013

Company	Description
Inmobiliaria Edificio Corpgroup S.A.	Office lease and building fees
Transbank S.A.	Credit card management
Corp Group Interhold S.A. and Corp Group Holding Inversiones Ltda.	Management advisory services
Redbanc S.A.	ATM management
Promoservice S.A.	Promotional services
Recaudaciones y Cobranzas S.A.	Office lease and collections services
Operadora de Tarjeta de Crédito Nexus S.A.	Credit card management
Fundación Corpgroup Centro Cultural	Donations
Compañía de Seguros Vida Corp S.A.	Brokerage of insurance premiums and office lease
Empresa Periodística La Tercera S.A.	Advertising services
SMU S.A., Rendic Hnos S.A.	Lease ATM space
Corpbanca Investment Valores S.A. Comisionista de Bolsa	Office leases
	Synergy agreement
Corpbanca Investment Trust S.A. Sociedad Fiduciaria	Synergy agreement
	Office leases
	Network use agreement
Helm Bank	Treasury transactions



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f) Remunerations to members of the board and key management personnel

Remunerations paid to key management personnel are sets forth in table below:

	<u>2012</u>	<u>2013</u>
	MCh\$	MCh\$
Short term employee remuneration	24,869	23,563
Severance indemnities	731	395
Total	<u>25,600</u>	<u>23,958</u>

2013

As agreed by shareholders at the Ordinary General Shareholders' Meeting on March 7, 2013, the Directors of Corpbanca received a total of MCh\$460 in compensation for the year.

As agreed at the same meeting, the members of the Directors' Audit Committee were paid total fees of MCh\$726.

Total compensation received by the Bank's executives and key management personnel during the year ended December 31, 2013, amounted to MCh\$16,627.

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

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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g) Key management personnel

As of December 31, 2012 and 2013, the composition of the Bank's key management personnel is as follows:

Position	Number of Executives	
	2012	2013
Directors	44	40
Chief Executive Officers-at Group level	1	-
Chief Executive Officers-at the Subsidiaries	10	10
Division Managers	23	25
Department Managers	147	168
Deputy Managers	114	146
Vicepresident	8	22

h) Transactions with key management personnel

During 2011, 2012 and 2013 transactions with key personnel were carried out as follows:

	Income		
	MCh\$		
	2011	2012	2013
Credit Cards	28	133	149
Consumer loans	62	490	283
Commercial loans	45	51	62
Mortgages loans	445	895	792



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NOTE 34 - FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

This disclosure was prepared based on the guidelines “Fair Value of Financial Instruments” from the IFRS 13 “Fair Value Measurements”.

The standard is effective for annual periods beginning on or after January 1, 2013. Early application is permitted (but not done by Group) and it must be prospectively applied from the beginning of the annual period in which it is adopted (for our purposes the 2013 period). The disclosure requirements do not need to be applied to comparative information provided for periods before initial application. (However, in some cases it is presented for 2012 only to provide additional information to financial statement users, although it is not comparable to the criteria applied in 2013.)

The following section details the main guidelines and definitions used by the Group:

Fair value. 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). The transaction is carried out in the principal¹⁰ or most advantageous¹¹ market and is not forced (i.e. it does not consider factors specific to the Group that may influence a real transaction).

Market participants. Buyers and sellers in the principal (or most advantageous) market for the asset or liability that have all of the following characteristics:

- a. They are independent of each other, i.e. they are not related parties as defined in IAS 24 “Related Party Disclosures”, although the price in a related party transaction may be used as an input to a fair value measurement if the entity has evidence that the transaction was entered into at market terms.
- b. They are knowledgeable, having a reasonable understanding about the asset or liability and the transaction using all available information, including information that might be obtained through due diligence efforts that are usual and customary.
- c. They are able to enter into a transaction for the asset or liability.
- d. They are willing to enter into a transaction for the asset or liability (i.e. they are motivated, but not forced or otherwise compelled, to do so).

Fair value measurement When measuring fair value, the Group takes into account the same characteristics of the asset or liability that market participants would consider in pricing that asset or liability on the measurement date.

Aspects of the transaction. A fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions. The measurement assumes that the transaction to sell the asset or transfer the liability takes place: (a) on the principal market for the asset or liability; or (b) in the absence of a principal market, on the most advantageous market for the asset or liability.

Market participants. The fair value measurement measures the fair value of the asset or liability using the assumptions that the market participants would use in pricing the asset or liability, assuming that the participants act in their best economic interest.

¹⁰ The market with the greatest volume and level of activity for the asset or liability.

¹¹ The market that maximizes the amount that would be received to sell the asset or minimizes the amount that would be paid to transfer the liability, after taking into account transaction costs and transport costs.



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Prices. Fair value is the price that will be received for the sale of an asset or paid for the transfer of a liability in a orderly transaction on the main (or most advantageous) market as of the measurement date under current market conditions (i.e. exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Highest and best use of non-financial assets. The fair value measurement of these assets takes into account the market participant's ability to generate economic benefits through the highest and best use of the asset or through the sale of the asset to another market participant that would maximize the value of the asset.

Group's own liabilities and equity instruments. The fair value measurement assumes that these items are transferred to a market participant on the date of measurement. The transfer of these items assumes that:

- a. A liability would remain outstanding and the market participant transferee would be required to fulfill the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date.
- b. An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be canceled or otherwise extinguished on the measurement date.

Default risk. The fair value of a liability reflects the effect of the default risk. This risk includes, but is not limited to, the entity's own credit risk. This risk is assumed to be the same before and after the liability is transferred.

Initial recognition. When an asset is acquired or a liability assumed in an exchange transaction involving that asset or liability, the transaction price is the price paid to acquire the asset or received to assume the liability (the entry price). In contrast, the fair value of the asset or liability is the price received to sell the asset or paid to transfer the liability (the exit price). Entities do not necessarily sell assets at the prices paid to acquire them. Likewise, they do not necessarily transfer liabilities at the price received to assume them.

Valuation techniques. The Bank will use techniques that are appropriate for the circumstances and for which sufficient data is available to measure the fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The following approaches deserve mention:

- a. **Market approach.** Uses prices and other relevant information generated by market transactions involving identical or comparable (similar) assets, liabilities, or a group of assets and liabilities (e.g. a business).
- b. **Cost approach.** Reflects the amount that would be required currently to replace the service capacity of an asset (current replacement cost).
- c. **Income approach.** Converts future amounts (cash flows or income and expenses) to a single current (discounted) amount, reflecting current market expectations about those future amounts. The fair value measurement is determined based on the value indicated by the current market expectations about those future amounts.

Present value techniques. Technique to adjust the discount rate and expected cash flows (expected present value). The present value technique used to measure the fair value will depend on the specific facts and circumstances of the asset or liability being measured and the availability of sufficient data.

Components of the present value measurement. Present value is the tool used to link future amounts (e.g. cash flows or values) to a present amount using a discount rate. A fair value measurement of an asset or a liability using a present value technique captures all the following elements from the perspective of market participants at the measurement date:

- a. An estimate of future cash flows for the asset or liability being measured.



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- b. Expectations about possible variations in the amount and timing of the cash flows representing the uncertainty inherent in the cash flows.
- c. The time value of money, represented by the rate on risk-free monetary assets that have maturity dates or durations that coincide with the period covered by the cash flows and pose neither uncertainty in timing nor risk of default to the holder (i.e. a risk-free interest rate).
- d. The price for bearing the uncertainty inherent in the cash flows (i.e. a risk premium).
- e. Other factors that market participants would take into account in the circumstances.
- f. For a liability, the non-performance risk relating to that liability, including the entity's (i.e. the debtor's) own credit risk.

Fair value hierarchy. Gives the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1 inputs) and lowest priority to unobservable inputs (Level 3 inputs). 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.

1.1 Determination of the fair value of financial instruments

The following table summarizes the fair values of the Bank's main financial assets and liabilities as of year-end 2013 and 2012, including those that are not recorded at fair value in the Consolidated Statement of Financial Position.

	Notes	As of December 31,			
		2012		2013	
		Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
		MCh\$	MCh\$	MCh\$	MCh\$
ASSETS					
Cash and deposits in banks	5	520,228	520,228	911,088	911,088
Cash in the process of collection	5	123,777	123,777	112,755	112,755
Trading portfolio financial assets	6	159,898	159,898	431,683	431,683
Investments under agreements to resell	7	21,313	21,313	201,665	201,665
Derivative financial instruments	8	268,027	268,027	376,280	376,280
Loans and receivables from banks	9	482,371	482,371	217,944	217,944
Loans and receivables from customers	10	9,993,890	10,033,332	12,771,642	12,691,109
Financial investments available-for-sale	11	1,112,435	1,112,435	889,087	889,087
Held to maturity investments	11	104,977	101,941	237,522	231,880
LIABILITIES					
Current accounts and demand deposits	17	1,112,675	1,112,675	3,451,383	3,451,383
Cash in the process of collection	5	68,883	68,883	57,352	57,352
Obligations under repurchase agreements	7	257,721	257,721	342,445	342,445
Time deposits and saving accounts	17	7,682,675	7,669,588	7,337,703	7,320,494
Derivative financial instruments	8	193,844	193,844	281,583	281,583
Borrowings from financial institutions	18	969,521	967,380	1,273,840	1,295,807
Debt issued	19	1,886,604	1,899,283	2,414,557	2,388,752
Other financial obligations	19	18,120	18,120	16,807	16,807

1.1.1. Fair Value Measurements of assets and liabilities only for disclosure purposes (non-recirring):

In addition, the fair value estimates presented above do not attempt to estimate the value of the Group's profits generated by its business, nor future business activities, and, therefore, do not represent the value of the Group as a going concern.



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The following section describes the methods used to estimate fair value:

As of December 31,	Note	Measurement at fair value of items not valued on a recurrent	
		2012 MCh\$	2013 MCh\$
ASSETS			
Cash and deposits in banks	5	520,228	911,088
Cash in the process of collection	5	123,777	112,755
Investments under agreements to resell	7	21,313	201,665
Loans and receivables from banks	9	482,371	217,944
Loans and receivables from customers	10	10,033,332	12,691,109
Held to maturity investments	11	101,941	231,880
		11,282,962	14,366,441
LIABILITIES			
Currents accounts and demand deposits	17	1,112,675	3,451,383
Cash in the process of collection	5	68,883	57,352
Obligations under repurchase agreements	7	257,721	342,445
Time deposits and saving accounts	17	7,669,588	7,320,493
Borrowings from financial institutions	18	967,380	1,295,807
Debt issued	19	1,899,283	2,388,752
Other financial obligations	19	18,120	16,807
		11,993,650	14,873,039

Cash, short-term assets and short-term liabilities

The fair value of these items approximates their book value given their short-term nature. These items include:

- Cash and deposits in banks
- Cash in the process of collection
- Investments under agreements to resell
- Current accounts and demand deposits
- Other financial obligations

Loans

The fair value of loans is determined using a discounted cash flow analysis, using a risk-free interest rate adjusted for expected losses from debtors based on their credit quality. The credit risk adjustment is based on the Group's credit risk policies and methodologies. These items include:

- Loans and receivables from banks
- Loans and receivables customers

Financial instruments held to maturity

The estimated fair value of these financial instruments is determined using quotes and transactions observed in the main market for identical instruments, or in their absence, for similar instruments. Fair value estimates of debt instruments or securities representative of debt take into account additional variables and inputs to the extent that they apply, including estimates of prepayment rates and the credit risk of issuers.



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Medium and long-term liabilities

The fair value of medium and long-term liabilities is determined using a discounted cash flow analysis, using an interest rate curve that reflects current market conditions at which the entity's debt instruments are traded. Medium and long-term liabilities include:

- Time deposits and saving accounts
- Borrowings from financial institutions
- Debt issued

1.1.2. Fair Value measurement of financial assets and liabilities (recurring)

December 31, 2013	Note	Fair value measurement of recurring items	
		2012 MCh\$	2013 MCh\$
ASSETS			
Trading portfolio financial assets	6	159.898	431.683
From the Chilean Government and Central Bank		2.543	9.852
Other instruments issued in Chile		30.596	18.715
Foreign government and Central Bank instruments		101.114	326.141
Other instruments issued abroad		3.409	64.443
Mutual fund investments		22.236	12.532
Financial investments available for sale	11	1.112.435	889.087
From the Chilean Government and Central Bank		444.975	357.334
Other instruments issued in Chile		446.346	233.633
Foreign government and Central Bank instruments		206.296	212.280
Other instruments issued abroad		14.818	85.840
Derivative financial instruments	8	268.027	376.280
Forwards		58.249	70.265
Swaps		208.405	303.535
Call Options		303	1.968
Put Options		1.070	512
Total		1.540.360	1.697.050
LIABILITIES			
Derivative financial instruments	8	193.844	281.583
Forwards		62.794	62.170
Swaps		129.273	215.302
Call Options		1.114	3.549
Put Options		663	562
Total		193.844	281.583



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Financial Instruments

The estimated fair value of these financial instruments is determined using quotes and transactions observed in the main market for identical instruments, or in their absence, for similar instruments. Fair value estimates of debt instruments or securities representative of debt take into account additional variables and inputs to the extent that they apply, including estimates of prepayment rates and the credit risk of issuers. These financial instruments are classified as follows:

- Trading portfolio financial assets
- Financial investments available for sale

Derivative instruments

The estimated fair value of derivative instruments is calculated using prices quoted on the market for financial instruments of similar characteristics.

The methodology therefore recognizes the credit risk of each counterparty.

The effect of both CVA (Counterparty Valuation Adjustment) and DVA (Negative Counterparty Valuation Adjustment) are incorporated in the valuation of a derivatives contracts.

These adjustments are recognized periodically in the financial statements since December 2013, the portfolio of derivative contracts accumulate an effect of MCh\$(2,182), the breakdown is as follows:

	As of December 31,			
	2013		2012	
	CVA MCh\$	DVA MCh\$	CVA MCh\$	DVA MCh\$
Derivatives held for hedging	-	7	(2)	-
Fair value	-	4	(2)	-
Currency Forwards	-	-	-	-
Currency Swaps	-	2	-	-
Interest rate swaps	-	2	(2)	-
Cash Flow	-	2	-	-
Currency Forwards	-	1	-	-
Currency Swaps	-	(1)	-	-
Interest rate swaps	-	3	-	-
Derivatives held for trading	(2,263)	73	(1,277)	-
Currency Forwards	(216)	14	(110)	-
Currency Swaps	(858)	5	(416)	-
Interest rate swaps	(1,174)	53	(742)	-
Currency call options	(12)	1	5	-
Currency put options	(4)	-	(14)	-
Total financial derivatives	(2,263)	80	(1,279)	-



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1.2 Fair value hierarchy

IFRS 13 establishes a fair value hierarchy that classifies assets and liabilities based on the characteristics of the data that the technique requires for its valuation:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Entity can access at the measurement date. The inputs needed to value the instruments in this category are available daily and used directly.

In the case of currency, shares and mutual funds, prices are observed directly in over-the-counter markets and the stock exchange. These prices correspond to the values at which the exact same assets are traded. As a result, the portfolio valuation does not require assumptions or models of any type.

For instruments issued by the Chilean Central Bank and the Chilean Treasury, benchmark prices are used. Benchmark prices are defined using similar durations, type of currency and are traded the equivalent of every day. The valuation of these instruments is identical to the Santiago Stock Exchange, which is a standard international methodology. This methodology uses the internal rate of return to discount the instrument's cash flows.

- 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.

The specific instrument does not have daily quotes. However, similar instruments can be observed (e.g. same issuer, different maturity; or different issuer, same maturity and risk rating). In general, they are diverse combinations of pseudo-arbitration. Although the inputs are not directly observable, observable inputs are available with the needed periodicity.

In this category, instruments are valued by discounting contractual cash flows based on a zero-coupon curve determined through the price of instruments with similar characteristics and a similar issuer risk. The income approach is used, which converts future amounts to present amounts.

For derivative instruments within this category, quotes from other-the-counter transactions reported by the most important brokers in the Chilean market and the Bloomberg platform are used. The inputs observed include forward prices, interest rates and volatilities. Based on these inputs, market curves are modeled. They are a numerical representation of the opportunity costs of the instrument's cash flows or the price volatility of an asset. Finally, cash flows are discounted.

The Black and Scholes model is used for options based on prices of brokers in the OTC market.

For money market instruments, prices of transactions on the Santiago Stock Exchange are observed and used to model market curves.

For corporate or bank bonds, given the lack of market depth, the Bank uses transactions (if any) in the Chilean market, on foreign markets, zero-coupon curves of risk-free instruments, adjustment curves, spread modeling, correlation with similar financial instruments, etc. and gives market curves as the final result. These market curves are provided by a pricing supplier and are widely accepted by the market, regulators and scholars.

- Level 3: inputs are unobservable inputs for the asset or liability.

This is used when prices, data or necessary inputs are not directly or indirectly observable for similar instruments for the asset or liability as of the valuation date. These fair value valuation models are subjective in nature. Therefore, they base their estimate of prices on a series of assumptions that are widely accepted by the market. The Group has two products in this category:



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Due to the lack of liquidity in the basis of the active banking rate (TAB) over the chamber rate (cámara), the price is not observable and, therefore, models must be used to estimate the future cash flows of the contract. This spread is calculated on a historical basis using the IRS with the greatest market depth, which is the chamber swap.

In addition, the Bank develops American forwards to meet its customers' needs. They do not have a secondary market and, therefore, their value is estimated using an extension of the Hull-White model, used widely by the financial services industry.

None of these products generate significant impacts on the Bank's results as a result of recalibration. The TAB swap does not have significant impacts on the valuation as the parameters are stable and the reversal to a historic average is empirically quick, which this model reflects correctly. On the other hand, the American forward behaves like a traditional forward when there is an important curve differential, which is the case between the Chilean peso-US dollar curve. Also, the model's parameters are very stable.

The table below summarizes the impacts on the portfolio of a recalibration of the models based on a stress scenario, recalibrating parameters with the shock incorporated.

Impact of Calibration in MCh\$	Total	Volatility of American forwards	TAB 30	TAB 90	TAB 180	TAB 360
American forward USD-CLP	-	-	-	-	-	-
Basis TAB CLP	973	-	230	197	528	18
Basis TAB CLF	(1.501)	-	-	-	(102)	(1.399)



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The following table summarizes the fair value hierarchy for the Group's recurring valuation of financial instruments:

Level	Instrument	Issuer	Price Source	Model
1	Currency	N/A	OTC, Bloomberg	Directly observable price.
	Shares	Various	Santiago Stock Exchange	Directly observable price.
	Mutual Funds	Asset Managers	SVS	Directly observable price.
	Bonds	Chilean Central Bank and Chilean Treasury	Santiago Stock Exchange	Internal rate of return (IRR) based on prices.
2	Derivatives	N/A	OTC (brokers), Bloomberg	Interest rate curves based on forward prices and coupon rates.
	Money market instruments	Chilean Central Bank and Chilean Treasury	Santiago Stock Exchange	Interest rate curves based on prices.
	Money market instruments	Banks	Santiago Stock Exchange	Interest rate curves based on prices.
	Bonds	Companies, banks	Pricing supplier	Interest rate curves based on correlations, spreads, extrapolations, etc
3	Derivatives, active banking rate (TAB)	N/A	OTC (brokers)	Interest rate curves based on modeling of TAB-Chamber spread.
	Derivatives, American forwards	N/A	Bloomberg	Black and Scholes with inputs from European options.

The following table classifies assets and liabilities measured at fair value on a recurring basis, in accordance with the fair value hierarchy established in IFRS 13 for year end 2012 and 2013.

Fair Value Measurement at reporting date using

December 31, 2012	Notes	Fair Value Amount	Quoted prices in Active Markets for identical assets (Level 1)	Significant Other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
ASSETS					
Trading securities	6	159,898	140,619	19,279	-
Available-for-sale securities	11	1,112,435	953,800	158,635	-
Derivatives	8	268,027	-	235,056	32,971
Total		1,540,360	1,094,419	412,970	32,971
LIABILITIES					
Derivatives	8	193,844	20,186	167,845	5,813
Total		193,844	20,186	167,845	5,813



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Fair Value Measurement at reporting date using

December 31, 2013	Notes	Fair Value Amount	Quoted prices in Active Markets for identical assets (Level 1)	Significant Other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
ASSETS					
Trading securities	6	431,683	348,525	83,158	-
Available-for-sale securities	11	889,087	595,877	293,210	-
Derivatives	8	376,280	-	340,558	35,722
Total		1,697,050	944,402	716,926	35,722
LIABILITIES					
Derivatives	8	281,583	-	278,867	2,716
Total		281,583	-	278,867	2,716

1.2.1 Transfers between level 1 and 2

The following table details transfers of assets and liabilities between Level 1 and Level 2 during 2013.

Fair value measurement of recurring items using

December 31, 2012	Note	Fair Value	Level 1 to 2	Level 2 to 1
ASSETS				
Trading portfolio financial assets securities	6	159.898	-	-
Financial instruments available for sale	11	1,112.435	-	-
Derivative financial instruments	8	268.027	-	-
Total		1,540.360	-	-
LIABILITIES				
Derivative financial instruments	8	193.844	-	-
Total		193.844	-	-



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Recurring fair value measurement of items

December 31, 2013	Note	Recurring fair value measurement of items		
		Fair Value	Level 1 to 2	Level 2 to 1
ASSETS				
Trading portfolio financial assets securities	6	431,683	18,331	-
Other instruments issued in Chile		-	18,331	-
Financial instruments available for sale	11	889,087	78,712	-
Other instruments issued in Chile		-	78,712	-
Derivative financial instruments	8	376,280	-	-
Total		1,697,050	97,043	-
LIABILITIES				
Derivative financial instruments	8	281,583	-	-
Total		281,583	-	-

Transfers from Level 1 to Level 2 observed during 2013 are due fully to implementing IFRS 13, as the transferred assets are valued using zero-coupon discount curves built using quoted input for transactions with similar instruments.

1.2.2 Disclosures regarding level 3 assets and liabilities

Level 3 assets and liabilities are valued using techniques that require inputs that are not observable on the market, for which the income approach is used to convert future amounts to present amounts.

This category includes:

- Derivative financial instruments indexed to the TAB rate. This rate is comprised of an interbank rate and a liquidity premium charged to financial institutions and is determined using a short-rate model with mean reversion.
- American forward options.

As none of these products has a market, the Bank uses financial engineering valuation techniques that use unobservable variables.

These techniques use the following inputs: transaction prices from the main financial instrument markets and assumptions that are widely accepted by the financial services industry. Using this information, unobservable variables are constructed such as: adjustment curves, spreads, volatilities and other variables necessary for the valuation. Lastly, all of the models are subject to internal contrasts by independent areas and have been reviewed by internal auditors and regulators.

None of these products generate significant impacts on the Bank's results as a result of recalibration. The American forward is only offered for the US dollar-Chilean peso market and until now, given the important differential between these interest rates, the product behaves like a traditional forward. The TAB swap does not have significant impacts on the valuation as the modeled liquidity premiums have a quick mean reversion for the short part and low volatility for the long part, concentrating on the book's sensitivity in the longest part of the curve. The following table reconciles assets and liabilities measured at fair value on a recurring basis as of year-end 2013 and 2012.



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Level 3 Reconciliation

December 31, 2012	Opening balance	Gain (loss) recognized in profit or loss	Gain (loss) recognized in equity	Net of purchases, sales and agreements	Transfers between level 1 and level 2	Closing balance
	MCh\$					MCh\$
ASSETS						
Trading securities	-	-	-	-	-	-
Financial assets available for sale	-	-	-	-	-	-
Derivative instruments	32,974	(3)	-	-	-	32,971
Total	32,974	(3)	-	-	-	32,971
LIABILITIES						
Derivative instruments	6,908	(1,095)	-	-	-	5,813
Total	6,908	(1,095)	-	-	-	5,813

Level 3 Reconciliation

December 31, 2013	Opening balance	Gain (loss) recognized in profit or loss	Gain (loss) recognized in equity	Net of purchases, sales and agreements	Transfers between level 1 and level 2	Closing balance
	MCh\$					MCh\$
ASSETS						
Trading securities	-	-	-	-	-	-
Financial assets available for sale	-	-	-	-	-	-
Derivative instruments	32,971	9,729	-	(6,978)	-	35,722
Total	32,971	9,729	-	(6,978)	-	35,722
LIABILITIES						
Derivative instruments	5,813	5,703	-	(8,800)	-	2,716
Total	5,813	5,703	-	(8,800)	-	2,716

1.2.3 Hierarchy for remaining assets and liabilities

The following table classifies assets and liabilities not measured at fair value on a recurring basis, in accordance with the fair value hierarchy as of year-end 2013 and 2012.



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Fair value measurement of non-recurring items

As of December 31, 2012	Note	Estimated Fair Value	Level 1	Level 2	Level 3
		MCh\$	MCh\$	MCh\$	MCh\$
ASSETS					
Cash and deposits in banks	5	520.228	-	-	520.228
Cash in the process of collection	5	123.777	-	-	123.777
Investments under agreements to resell	7	21.313	-	-	21.313
Loans and receivables from banks	9	482.371	-	-	482.371
Loans and receivables from customers	10	10,033.332	-	-	10,033.332
Held to maturity investments	11	101.941	-	101.941	-
		11,282.962	-	101.941	11,181.021
LIABILITIES					
Current accounts and demand deposits	17	1,112.675	-	-	1,112.675
Cash in the process of collection	5	68.883	-	-	68.883
Obligations under repurchase agreements	7	257.721	-	-	257.721
Time deposits and saving accounts	17	7,669.588	-	7,393.321	276.267
Borrowings from financial institutions	18	967.380	-	-	967.380
Debt issued	19	1,899.283	-	1,899.283	-
Other financial obligations	19	18.120	-	-	18.120
		11,993.650	-	9,292.604	2,701.046

Fair value measurement of non-recurring items

As of December 31, 2013	Note	Estimated Fair Value	Level 1	Level 2	Level 3
		MCh\$	MCh\$	MCh\$	MCh\$
ASSETS					
Cash and deposits in banks	5	911.088	-	-	911.088
Cash in the process of collection	5	112.755	-	-	112.755
Investments under agreements to resell	7	201.665	-	-	201.665
Loans and receivables from banks	9	217.944	-	-	217.944
Loans and receivables from customers	10	12,691.109	-	-	12,691.109
Held to maturity investments	11	231.880	-	231.880	-
		14,366.441	-	231.880	14,134.561
LIABILITIES					
Current accounts and demand deposits	17	3,451.383	-	-	3,451.383
Cash in the process of collection	5	57.352	-	-	57.352
Obligations under repurchase agreements	7	342.445	-	-	342.445
Time deposits and saving accounts	17	7,320.493	-	7,094.291	226.202
Borrowings from financial institutions	18	1,295.807	-	-	1,295.807
Debt issued	19	2,388.752	-	2,388.752	-
Other financial obligations	19	16.807	-	-	16.807
		14,873.039	-	9,483.043	5,389.996



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NOTE 35 - RISK MANAGEMENT

1. Introduction:

As a result of its activities, the Bank is exposed to several types of risks mainly related to its loan portfolio and financial instruments. The following sections describe the Bank’s main business activities and policies as they relate to risk management.

Risk Management Structure:

Board of Directors

At Corpbanca, the Board of Directors plays a leading role in corporate governance. They are responsible for establishing and monitoring the Bank’s risk management structure, for which it has a corporate governance system aligned with international best practices and Chilean regulations, mainly from the SBIF. One of the principal functions of the Board of Directors is to monitor, evaluate and guide upper management to ensure that their actions are in line with best practices. To accomplish this, various Committees, support areas, codes and manuals have been developed, which lay out behavioral guidelines for the Bank’s associates and assist them in carrying out their functions related to controlling and managing the Bank’s risks.

Directors’ and Audit Committee

The purpose of the Directors Committee is to strengthen self-regulation within the Bank, thus improving the efficiency of the directors’ supervisory activities. This committee is responsible for, among other functions, examining accounting and financial reports, transactions with related parties and compensation of managers and senior executives.

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

At a meeting of the Board of Directors on August 30, 2011, the board agreed that the Directors’ Committee would take on additional functions of an audit committee and its name would be changed to the Directors’-Audit Committee.

Corporate Governance Committee

The Corporate Governance Committee is a consultation body of the Board of Directors whose mission is to ensure the existence and development within the Bank of the best corporate governance practices for financial entities. To this end, it is responsible for evaluating the current practices and policies, proposing and making recommendations to the Board of Directors on improvements, reforms and adjustments that it deems appropriate, also ensuring proper implementation and application of these corporate governance practices and policies defined by the Bank’s Board of Directors. The Committee performs these functions for the Bank, its divisions, its subsidiaries and its foreign entities.

The Committee is comprised of five members of the Board of Directors and may include external advisors. It is chaired by Catalina Saieh Guzmán. The other members are Ana Holuigue Barros, Rafael Guilisasti Gana, José Luis Mardones Santander and Gustavo Arriagada Morales. Its permanent advisor is Alejandro Ferreiro Yazigi. During 2013, the Corporate Governance Committee met 9 times.

This Committee is governed by its by-laws, as well as applicable SBIF regulations, general character standards from the SVS, the General Banking Law, the Corporations Law and other current laws and regulations or others issued in the future on these matters. The work of this Committee is also particularly based on the principles of the Organization for Economic Cooperation and Development (OECD) as well as of the Basel Committee on Banking Supervision with regards to good governance matters in financial companies.



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During 2013, the Committee approved the by-laws that govern the Committee in terms of its composition and quorum for meeting, as well as its functions, powers and sessions.

Loan Committees

These committees are comprised of executives from the commercial and risk divisions as well as directors based on the required credit attributions and are intended to make decisions on different loan transactions and conditions that involve credit risk for the Bank. In addition, the highest decision-making authority the Executive Committee approves new, amended and/or updated credit policies.

Commercial Risk Committee

The objective of this Committee is to evaluate risk policies, mechanisms and procedures in place as well as to recommend measures and adjustments that help optimize the risk-return ratio for all segments within retail or consumer banking, maintaining risk in line with the returns sought by the Bank, granting flexible and specialized services that meet their customers needs. It proposes policies and strategies to improve diverse credit risk management processes in order to evaluate, rate and control the Bank's internal processes to guarantee effective compliance and achieve proposed objectives. It reports directly to the Bank's Board of Directors and is comprised of several directors other than the members of the Directors'-Audit Committee.

Asset-Liability Committee (ALCO)

This committee is responsible for establishing the policy framework for financial risk management, in accordance with guidelines defined by the Board of Directors and current legislation, as well as reviewing macroeconomic and financial conditions, the risks taken by the Company and the results obtained. Its main function is divided between commercial and financial matters. It approves the strategies that guide the Bank's composition of assets and liabilities, cash inflows and outflows and transactions with financial instruments. This was done so that, after considering the diverse alternatives available, the Bank makes the decisions that ensure the highest and most sustainable returns with risk levels that are compatible with the financial business, current regulations and internal standards.

Committee on the Prevention of Money Laundering and Terrorist Financing

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, maintaining itself informed of work carried out by the Compliance Officer and making decisions on any improvements to control measures proposed by the Compliance Officer.

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 Services Division Manager; the Organizational Development Division Manager and the Compliance Officer.

Office of the Comptroller

The main function of the Office of the Comptroller is to support the Board of Directors and upper management to ensure maintenance, application and proper functioning of the Bank's internal control system, which also entails supervising compliance with rules and procedures.

Code of Conduct and Market Information Manual

Corpbanca's objective is to continue progressing to become the best bank and have first-rate human capital. All associates and directors of Corpbanca and its subsidiaries must adhere to ethical standards based on principles and values designed to guide and maintain the highest possible standards.



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In response to our clients' trust and recognition, which are vital to our success, all associates and directors should strive to retain this trust, strictly complying with the General Code of Conduct, approved in 2008 by the Bank's management and the Audit 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

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.



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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 of the action and agreement plans of the Watch List Committee.

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



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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 V0

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
- Adverse situation in industry or market in which debtor does business
- Regulatory changes
- Damage to facilities

• **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
- Major investment projects

• **Payment Behavior**

- Payment defaults for 30 days in the Financial System and/or Defaulted Portfolio
- Requesting continual renewals
- Continuous internal overdrafts
- Unpaid balances more than 30 days past due in financial system and/or past-due portfolio
- Documents issued with insufficient funds
- Scarce movements in current account
- Unexplained labor and other violations
- Number of defaults in Bank and financial system

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.



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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.

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.



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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, if 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, 2012 and 2013, for different balance sheet components, including derivatives, and without deducting security interests in personal or real property or other credit improvements.

	Notes	Maximum exposure	
		2012 MCh\$	2013 MCh\$
Loans and receivables to banks	9	482,371	217,944
Loans and receivables to customers	10	9,993,890	12,771,642
Derivative financial instruments	8	268,027	376,280
Investments under agreements to resell	7	21,313	201,665
Financial investments available-for-sale	11	1,112,435	889,087
Financial investments held-to-maturity	11	104,977	237,522
Other assets	16	149,903	293,118
Total		<u>12,132,916</u>	<u>14,987,258</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.



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An analysis of credit risk concentration by industry of loans is as follows:

Notes	2012			2013			
	Maximum gross exposure MCh\$	Maximum net exposure (1) MCh\$	%	Maximum gross exposure MCh\$	Maximum net exposure MCh\$	%	
Manufacturing	817.284	808.665	10,90%	831.804	823.633	8,96%	
Mining	356.709	352.947	4,76%	786.261	778.537	8,47%	
Electricity, gas and water	417.645	413.241	5,57%	497.619	492.729	5,36%	
Agriculture and Livestock	263.290	260.513	3,51%	302.914	299.938	3,26%	
Forestry and wood extraction	38.836	38.427	0,52%	32.525	32.205	0,35%	
Fishing	48.611	48.098	0,65%	1.212	1.200	0,01%	
Transport	203.982	201.831	2,72%	362.074	358.516	3,90%	
Communications	70.982	70.233	0,95%	115.094	113.963	1,24%	
Construction	964.373	954.203	12,87%	1.111.889	1.100.965	11,97%	
Commerce	914.870	905.221	12,21%	1.469.127	1.454.694	15,82%	
Services	3.090.167	3.057.578	41,23%	3.676.693	3.640.575	39,60%	
Others	308.111	304.862	4,11%	98.244	97.147	1,06%	
Subtotal Commercial							
Loans	10	7.494.860	7.415.819	100%	9.285.456	9.194.102	100%
Consumer Loans	10	1.076.656	1.052.585		1.623.249	1.595.532	
Mortgage Loans	10	1.531.975	1.525.486		1.988.976	1.982.008	
Total		10.103.491	9.993.890		12.897.681	12.771.642	

(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.



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Credit quality by financial asset class

With regard to the quality of credits, these are described consistent with the standards issued by the Superintendent for Banks and Financial Institutions. A detail by credit quality is summarized as follows:

December 31, 2012

	Individual Portfolio											Group Portfolio				General Total MCh\$	Note		
	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\$			MCh\$	
Loans and receivables from banks	463,159	9,080	10,310	-	-	-	-	-	-	-	-	-	482,549	-	-	-	482,549	9	
Loans and receivable from 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				424,824	
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						
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				10	
Consumer loans	-	-	-	-	-	-	-	-	-	-	1,043,027	33,629	1,076,656	1,076,656				10	
Mortgage loans	-	-	-	-	-	-	-	-	-	-	1,499,243	32,732	1,531,975	1,531,975				10	
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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December 31, 2013

	Individual Portfolio											Group Portfolio							
	Normal Portfolio					Impaired Portfolio						Normal Portfolio		Impaired Portfolio		Total	General Total	Note	
	A1	A2	A3	A4	A5	A6	B1	B2	Impaired	Total	MCh\$	MCh\$	MCh\$	MCh\$					
Loans and receivables from banks	140,017	30,469	47,595	-	-	-	-	-	-	-	-	-	-	-	-	-	-	218,081	9
Loans and receivable from customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial loans:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General Commercial loans	190,904	1,309,328	2,544,546	2,158,738	613,593	39,635	188,112	32,088	197,290	7,274,234	370,663	44,530	415,193	7,689,427					
Foreign Trade loans	14,671	141,600	159,657	63,862	21,765	-	12,900	2,737	31,505	448,697	10,050	327	10,377	459,074					
Lines of credit and overdrafts	1	1,592	4,833	7,530	1,629	154	201	33	566	16,539	10,952	444	11,396	27,935					
Factored receivables	-	1,501	32,596	31,539	1,160	-	718	-	172	67,686	7,588	110	7,698	75,384					
Leasing contracts	1,031	11,664	146,350	339,226	139,767	8,497	29,465	3,752	31,979	711,731	94,132	6,019	100,151	811,882					
Other outstanding loans	1	277	2,692	4,660	1,594	49	205	46	949	10,473	210,801	480	211,281	221,754					
Subtotal Commercial loans	206,608	1,465,962	2,890,674	2,605,555	779,508	48,335	231,601	38,656	262,461	8,529,360	704,186	51,910	756,096	9,285,456				10	
Consumer loans	-	-	-	-	-	-	-	-	-	-	1,579,321	43,928	1,623,249	1,623,249				10	
Mortgage loans	-	-	-	-	-	-	-	-	-	-	1,954,173	34,803	1,988,976	1,988,976				10	
Total loans and receivables to customers	346,625	1,496,431	2,938,269	2,605,555	779,508	48,335	231,601	38,656	262,461	8,747,441	4,237,680	130,641	4,368,321	13,115,762					
Financial investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-					

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The overdue analysis by financial asset class is as follows:

	December 31, 2012			
	1-29 days	30-89 days	90 days or more	Total
	MCh\$	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	41,016	15,337	51,272	107,625

	December 31, 2013			
	1-29 days	30-89 days	90 days or more	Total
	MCh\$	MCh\$	MCh\$	MCh\$
Loans and receivables to banks	-	-	-	-
Loans and receivables to customers:				
Commercial loans	50,380	14,200	52,036	116,616
Mortgage loans	1,493	1,108	4,614	7,215
Consumer loans	26,007	7,449	7,441	40,897
Financial investments	-	-	-	-
Total	77,880	22,757	64,091	164,728

The fair value of the collateral of overdue but not impaired loans was MCh\$223,509 as of December 31, 2012 and MCh\$445,889 as of December 31, 2013.

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The following tables details assets and liabilities by currency as of December 31, 2012 and 2013:

As of December 31, 2012	Notes	US\$	Euro	Yen	Sterling pound	Colombian pesos	Other currencies	UF	Pesos	TC	Total
		MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	
Cash and due from bank	5	274,232	1,487	61	1,157	114,912	313	-	128,066	-	520,228
Cash in the process of collection	5	24,081	1,344	-	7	614	582	-	97,149	-	123,777
Trading portfolio financial assets	6	357	-	-	-	104,519	-	5,128	49,894	-	159,998
Investments under agreements to resell	7	72	-	-	-	-	-	1,009	20,232	-	21,313
Derivative financial instruments	8	155,142	-	-	-	4,699	-	-	108,186	-	268,027
Loans and receivables from banks	9	91,443	-	-	-	804	-	-	390,124	-	482,371
Loans and receivables from customers	10	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	11	23,059	-	-	-	218,350	-	481,512	382,188	7,326	1,112,435
Held to maturity investments	11	11,982	-	-	-	82,896	-	10,099	-	-	104,977
Investments in other companies	12	-	-	-	-	2,210	-	-	3,583	-	5,793
Intangible assets	13	123	-	-	-	23,347	(227)	-	466,063	-	489,306
Property, plant and equipment	14	99	-	-	-	9,347	-	-	55,640	-	65,086
Current taxes	15	-	-	-	-	-	-	-	-	-	-
Deferred income taxes	15	458	-	-	-	8,653	-	-	31,473	-	40,584
Other Assets	16	23,323	145	-	-	15,071	-	24	111,340	-	149,903
Total Assets		2,066,562	37,354	61	1,268	2,223,047	668	3,985,083	5,210,159	13,386	13,537,588
Current accounts and demand deposits	17	77,318	608	-	45	309,562	46	5,908	719,188	-	1,112,675
Cash in the process of collection	5	18,579	990	251	1,113	457	636	-	46,857	-	68,883
Obligations under repurchase agreements	7	13,455	-	-	-	-	-	-	244,266	-	257,721
Time deposits and saving accounts	17	840,994	2,329	-	-	1,504,242	-	740,654	4,594,455	1	7,682,675
Derivative financial instruments	8	94,820	-	-	-	5,568	-	30	93,426	-	193,844
Borrowings from financial institutions	18	953,856	2,297	-	104	13,671	99	-	(506)	-	969,521
Debt issued	19	-	-	-	-	77,561	-	1,762,222	46,821	-	1,886,604
Other financial obligations	19	-	-	-	-	1,570	-	8,583	6,544	1,423	18,120
Current income tax provision	15	15	-	-	-	8,647	-	-	395	-	9,057
Deferred income taxes	15	-	-	-	-	14,650	-	-	106,064	-	120,714
Provisions	20	2,957	-	-	-	53,950	-	-	79,333	-	136,240
Other Liabilities	21	(27,078)	30,789	(190)	7	25,208	89	1,410	49,633	-	79,868
Total Liabilities		1,974,916	37,013	61	1,269	2,015,086	870	2,518,807	5,986,476	1,424	12,535,922
Net Assets (liabilities)		91,723	341	-	(1)	209,424	(202)	1,459,415	(770,996)	11,962	1,001,666
Contingent loans	22	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 36.

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	As of December 31, 2013	Notes	US\$	Euro	Yen	Sterling pound	Colombian pesos	Other currencies	UF	Pesos	TC	Total
			MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	
Cash and due from bank	5		172,340	3,625	98	67	595,663	390	-	138,905	-	911,088
Cash in the process of collection	5		30,380	1,529	-	2,214	727	167	-	77,738	-	112,755
Trading portfolio financial assets	6		-	-	-	3	390,706	-	9,310	31,664	-	431,683
Investments under agreements to resell	7		-	-	-	-	190,005	-	772	10,888	-	201,665
Derivative financial instruments	8		191,371	-	-	-	36,507	-	-	148,402	-	376,280
Loans and receivables from banks	9		63,716	-	-	-	14,223	-	-	140,005	-	217,944
Loans and receivables from customers	10		1,205,734	4,039	-	240	4,985,764	-	3,676,190	2,883,446	14,229	12,771,642
Financial investments available-for-sale	11		74,381	-	-	-	255,782	-	201,724	349,001	8,199	889,087
Held to maturity investments	11		10,563	-	-	-	218,327	-	8,632	-	-	237,522
Investments in other companies	12		-	-	-	-	10,994	-	-	4,471	-	15,465
Intangible assets	13		118	-	-	-	355,572	-	-	481,232	-	836,922
Property, plant and equipment	14		1,140	-	-	-	60,792	-	-	36,310	-	98,242
Current taxes	15		-	-	-	-	-	-	-	-	-	-
Deferred income taxes	15		787	-	-	-	52,005	-	-	36,426	-	89,218
Other Assets	16		54,652	-	-	-	44,413	-	8	194,045	-	293,118
Total Assets			1,805,182	9,193	98	2,524	7,211,480	557	3,896,636	4,534,533	22,428	17,482,631
Current accounts and demand deposits	17		91,314	1,272	-	1	2,492,576	11	11,602	854,607	-	3,451,383
Cash in the process of collection	5		11,434	1,371	-	54	698	57	-	43,738	-	57,352
Obligations under repurchase agreements	7		10,899	-	-	-	256,455	-	-	75,091	-	342,445
Time deposits and saving accounts	17		626,742	267	-	-	2,537,342	-	377,280	3,796,071	1	7,337,703
Derivative financial instruments	8		137,037	-	-	-	19,922	-	32	124,592	-	281,583
Borrowings from financial institutions	18		836,699	3,326	-	240	433,857	-	-	282	-	1,273,840
Debt issued	19		382,466	-	-	-	347,909	-	1,637,283	46,899	-	2,414,557
Other financial obligations	19		-	-	-	-	1,122	-	6,224	8,840	621	16,807
Current income tax provisions	15		715	-	-	-	17,695	-	-	26,748	-	45,158
Deferred income taxes	15		104	-	-	-	82,916	-	-	96,447	-	179,467
Provisions	20		3,424	-	-	-	67,386	-	-	94,122	-	164,932
Other Liabilities	21		92,877	2,766	98	2,226	59,544	351	914	26,731	-	185,507
Total Liabilities			2,193,711	9,002	98	2,521	6,317,422	419	2,033,335	5,193,604	622	15,750,734
Net Assets (liabilities)			(389,413)	191	-	3	892,414	138	1,863,301	(671,401)	21,806	1,731,897
Contingent loans	22		1,318,986	12,127	78	-	1,012,045	-	158,588	250,105	-	2,751,929
Net asset (liability) position			929,573	12,318	78	3	1,904,459	138	2,021,889	(421,296)	21,806	4,483,826

The analysis, by contractual maturity, of assets and liabilities can be found in Note 36.

1. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT FINANCIAL RISK

A. Definition and Principles of Financial Risk Management

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

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.



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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, Financial Services Offered through Subsidiaries and Commercial Banking, represented by the Managers of the

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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.

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 financial 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.

1. Market Risk

a) Definition

Market risk is the exposure to economic gains or losses caused by movements in prices and market variables. This exposure stems from both the trading book, where positions are valued at fair value, and the banking book, which is at amortized cost. The different valuation methodologies require the use of diverse tools to measure and control the impact on either the value of the Bank's positions or its financial margin. .

Decisions as to how to manage these risks are reviewed by committees, the most important of which is the Asset-Liability Committee (ALCO).

Each of the activities are measured, analyzed and reported on a daily basis using different metrics to ascertain their risk profiles.

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 asset sensitivity and means that a decrease in interest rates would have a negative effect on net interest income while an increase in interest rates would have a positive 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.

The following section describes the main risk factors along with the tools we use to monitor the most important impacts of market risk factors to which the Bank and its subsidiaries are exposed.

1. Risk Factors

a) *Foreign Exchange Risk*

Foreign exchange risk is the exposure to adverse movements in the exchange rates of currencies other than the base currency for all balance sheet and off-balance sheet positions.

The main sources of foreign exchange risk are:

- Positions in foreign currency (FX) within the trading book.
- Currency mismatches between assets and liabilities in the banking book.
- Cash flow mismatches in different currencies.
- Structural positions produced from consolidating assets and liabilities from our foreign branches and subsidiaries denominated in currencies other than the Chilean peso. As a result, movements in exchange rates can generate volatility within the bank's income statement and equity. This effect is known as "translation risk".



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b) Indexation Risk

Indexation risk is the exposure to changes in indexed units (e.g. UF, UVR or others) linked to domestic or foreign currency in which any instruments, contracts or other transactions recorded in the balance sheet may be denominated.

c) Interest Rate Risk

Interest rate risk is the exposure to movements in market interest rates. Changes in market interest rates can affect both the price of trading instruments and the net interest margin and other gains from the banking book such as fees. Likewise, fluctuations in interest rates can affect the underlying value of the Bank's assets and liabilities and of derivative instruments that are recorded off balance sheet at fair value.

Interest rate risk can be represented by sensitivities to parallel and/or non-parallel yield shifts with the effects reflected in the prices of instruments, the financial margin and equity.

Movements in interest rates can be explained by at least the following risk factors:

- Systemic risk
- Funding liquidity risk
- Credit risk
- Specific risk

i. Prepayment or Call Risk

This risk arises from the possible prepayment (partial or full) of any transaction before its contractual maturity, generating the need to reinvest the freed cash flows at a different rate than that of the prepaid transaction.

ii. Underwriting Risk

This risk arises as a result of the Bank underwriting a placement of bonds or other debt instruments, taking on the risk of coming to own the portion of the issuance that could not be placed among potential interested parties.

d) Correlation Risk

Correlation risk is the exposure to changes in estimated correlations between the relative value of two or more assets, or a difference between the effective and estimated correlation over the life of the transaction.

e) Market Liquidity Risk

Market liquidity risk is the exposure to losses as a result of the potential impact on transaction prices or costs in the sale or closure of a position. This risk is related to the particular market's degree of depth.

f) Volatility Risk

In addition to the exposure related to the underlying asset, issuing options has other risks. These risks arise from the non-linear relationship between the gain generated by the option and the price and level of the underlying factors, as well as the exposure to changes in the perceived volatility of these factors.

b) Management Principles

The following principles govern the market risk management efforts of CorpBanca and its subsidiaries:

- Business and trades are conducted in line with established policies, pre-approved limits, guidelines, procedure controls and clearly defined delegation of decision-making authority, in compliance with applicable laws and regulations.



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- The Bank's organizational structure must ensure effective segregation of duties so that trading, monitoring, accounting and risk measurement and management are performed and reported independently using a dual-control system.
- Trading of new products and participation in new markets can only take place if:
 - The product has been approved by the Bank's New Product Committee.
 - A full assessment has been conducted to determine if the activity falls within the bank's general risk tolerance and specific commercial objectives.
 - Proper controls and limits have been set for that activity.
- The limits, terms and conditions stipulated in the authorizations are monitored on a daily basis and any excesses are reported no later than the following day.
- Trading positions are valued each day at fair value in accordance with the Valuation Policy.
- All trades must be executed at current market rates.

2. Funding Liquidity Risk

a) Definition

Funding liquidity risk is the exposure of the Bank and its subsidiaries to events that affect their ability to meet, in a timely manner and at reasonable costs, cash payment obligations arising from maturities of time deposits that are not renewed, withdrawals from demand accounts, maturities or settlements of derivatives, liquidations of investments or any other payment obligation.

Financial institutions are exposed to funding liquidity risk that is intrinsic to the role of intermediary that they play in the economy. In general, in financial markets demand for medium or long-term financing is usually much greater than the supply of funds for those terms while short-term financing is in considerable supply. In this sense, the role of intermediary played by financial institutions, which assume the risk of satisfying the demand for medium and long-term financing by brokering short-term available funds, is essential for the economy to function properly.

Appropriately managing funding liquidity risk not only allows contractual obligations to be met in a timely manner, but also enables:

- the liquidation of positions, when it so decides, to occur without significant losses.
- the commercial and treasury activities of the Bank and its subsidiaries to be financed at competitive rates.
- the Bank to avoid fines or regulatory sanctions for not complying with regulations.



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b) Management Principles

The principles used to manage funding liquidity risk include:

- Balancing strategic liquidity objectives with corporate profitability objectives, designing and implementing investment and financing strategies to compete with our key competitors.
 - Designing policies, limits and procedures in accordance with banking regulations, internal rules and CorpBanca's strategic business objectives.
 - Establishing a robust framework for managing liquidity risk that guarantees that the entity will maintain sufficient liquidity, including a cushion of high-quality, unencumbered liquid assets that can be used to contend with a series of stress-generating events, including those that bring about losses or weaken sources of secured and unsecured financing.
 - Clearly establishing liquidity risk tolerance appropriate for its business strategy and its size within the financial system.
 - The Bank has a financing strategy that promotes effective diversification of funding sources and maturities. It maintains a continuous presence in the funding market with correspondent banks and select customers, maintaining close relationships and promoting diversification of funding sources. It also keeps appropriate lines of financing available, ensuring its ability to obtain liquid resources quickly. The Bank has identified the main factors of vulnerability that affect its ability to secure funds and monitors the validity of the assumptions behind estimates for obtaining funding.
- a) CorpBanca actively manages its intraday liquidity positions and risks in order to punctually meet its payment and liquidation obligations both under normal circumstances as well as situations of stress, contributing to the smooth operations of the payment and settlement systems.

3. Counterparty Risk

Credit default risk is the risk of loss arising from non-compliance by a given counterparty, for whatever reason, in paying all or part of its obligations with the Bank under contractually agreed-upon conditions. This risk also includes a given counterparty's inability to comply with obligations to settle derivative operations with bilateral risk.

The Bank diversifies credit risk by placing limits on the concentration of this risk in any one individual debtor, debtor group, product, industry segment or country. Such risks are continuously monitored and the limits by debtor, debtor group, product, industry and country are reviewed at least once per year and approved by the respective committee.

Exposure to credit risk is evaluated using an individual analysis of the payment capacity of debtors and potential debtors to meet their obligations on time and as agreed.

Furthermore, the Bank has strict controls for derivative contracts negotiated directly with its counterparties. This exposure is managed using limits per customer based on a risk methodology equivalent to credit risk exposure. Lastly, the values of derivatives are adjusted to reflect the expected loss from the counterparty.

B. Corporate Governance Structure and Committees

CorpBanca has established a sound organizational structure for monitoring, controlling and managing market risks, based on the following principles:

- Risk is monitored and controlled by parties independent from those managing risk, thus correctly aligning incentives.
- Management efforts should be flexible, within the framework permitted by policies, rules and current regulations.



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- Senior management establishes the guidelines for risk appetite, and
- is informed periodically on risk levels assumed, contingencies and instances when limits are exceeded.

In order to guarantee the flexibility of management efforts and communication of risk levels to upper management, a network of committees has been established, detailed as follows:

- **Daily Committee:** Meets daily to review financial conditions and the latest market movements. This committee reviews the relevance of positions on a daily basis in order to detect in advance any scenarios that could negatively impact returns and liquidity. It also monitors the performance of strategies used for each of the portfolios.
- **Market and Proprietary Trading Committee:** Meets weekly to analyze management of positions. This committee reviews local and global economic conditions and projections in order to analyze the potential benefits and risks of the strategies executed and evaluate new strategies.
- **Financial Management Committee:** Meets biweekly to analyze management of structural interest rate and indexation risk in the banking book.
- **Liquidity Management Committee:** Meets biweekly to analyze management of funding liquidity risk.
- **Asset-Liability Committee (ALCO):** Meets biweekly to analyze economic and financial conditions and inform senior management of market and liquidity risk levels assumed by presenting indexes of market and funding liquidity risk, limit consumption and results of stress tests.
- **Board of Directors** The board of directors is informed each quarter of the market and funding liquidity risk levels assumed by presenting established risk indexes, limit consumption and results of stress tests.

The Divisions in charge of managing market and funding liquidity risk are:

The Treasury Division is responsible for managing market risk. Its primary objective is to generate or conduct business with customers while its secondary function is to carry out proprietary trading.

The Finance and International Division is responsible for managing all structural risks in the markets in which it operates through the Financial Management and Liquidity Management Areas in order to provide greater stability to the financial margin and ensure suitable levels of solvency and liquidity.

As with the structure for financial risk at a corporate level, each local financial risk unit arranges its functions based on the specific characteristics of the business, operations, legal requirements or other relevant aspects.

In order to guarantee adherence to corporate policies and proper local execution, the corporate financial risk area and local units have the following roles and functions:

Corporate Financial Risk Area:

- To design, propose and document risk policies and criteria, corporate limits and decision making and control processes.



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- To generate management schemes, systems and tools, overseeing and supporting implementation so that they function effectively.
- To know, assimilate and adapt internal and external best practices.
- To drive commercial activity to attain risk-weighted results.
- To consolidate, analyze and control financial risk incurred by all perimeter units.

Local Financial Risk Units:

- To measure, analyze and control the risks under their responsibility.
- To adapt and embrace corporate policies and procedures through local approval.
- To define and document local policies and lead local projects.
- To apply policies and decision-making systems to each market.
- To adapt the organization and management schemes to corporate frameworks and rules.

C. Monitoring and Controlling Financial Risk

1. Market Risk

a) Management Tools

(1) Internal Monitoring

(a) Limits and Warning Levels

The market risk limits are established on diverse metrics trying to cover all business lines and activities subject to market risk from various perspectives. The foremost important limits are:

Trading book:

- VaR Limits
- Limits of equivalent position and/or nominal
- Sensitivity limits to interest rates
- Gamma and Vega Limits

Structural interest rate risk:

- Sensitivity limit of net interest margin 1 year
- Sensitivity limit of equity value

(i) Trading Book

The trading book consists of financial instruments that are allocated to diverse portfolios based on their strategy. The market risk of these instruments stems mainly from being recorded at fair value. As a result, changes in market conditions can directly impact their value. The following sections describe the monitoring and control structure for market risk in the trading book used during 2013.

(a) Value at Risk (VaR)

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



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The Value at Risk (VaR) methodology is the main tool for controlling market risk in the trading book. Its appeal lies in its providing a statistical measurement of the maximum expected loss at a certain defined level of confidence, consolidating the risk exposures with the observed distribution of market factors.

The following table shows the limit structure used by the Bank and its subsidiaries for 2013. Changes were proposed during the year to the Treasury limit structure in Chile in response to new business lines developed. As a result, two new limits were established, effective beginning January 1, 2014; one is a corporate control for all Treasury operations while the other is a limit for the long-term trading portfolio in order to provide support for the bond underwriting business. During 2013, measurements of consumption over proposed limits were taken and communicated on a daily basis.

VaR Limits for Bank and Subsidiaries			
(MCh\$)			
		2013	2012
CORPBANCA CHILE	Market Making VaR		
	<i>Limit</i>	1,000	700
	Proprietary VaR		
	<i>Limit</i>	250	250
	Balance Sheet VaR		
	<i>Limit</i>	1,500	-
* VaR limit at 95% and 1 day.			
CONSOLIDATED COLOMBIA	<i>Limit</i>	682	682
(CorpBanca & Helm Bank)			
* VaR limit at 99% and 1 day.			
CORPBANCA CORREDORA DE BOLSA S.A.	<i>Limit</i>	80	80
	<i>VaR Rate</i>		
	<i>Limit</i>	60	60
	<i>Variable-Income VaR</i>		
	<i>Limit</i>	50	50
	<i>Currency VaR</i>		
	<i>Limit</i>	45	45
* VaR limit at 99% and 1 day.			
CORPBANCA NEW YORK	<i>Limit</i>	35	35

TABLE 1: VAR LIMIT STRUCTURE FOR THE BANK AND ITS SUBSIDIARIES



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The following table presents the use of VaR during 2013 for the Bank and its Chilean and foreign subsidiaries.

VaR Statistics for Bank and Subsidiaries							
(MMCh\$)							
VaR with 99% confidence level							
		2013				2012	2011
		Minimum	Average	Maximum	Last	Last	Last
CORPBANCA CHILE	VaR	782.11	1,370.63	3,094.57	1,465.56	852.54	516.56
	<i>Diversification Effect</i>	20.81	74.86	559.83	50.96	230.42	41.23
	<i>Interest Rate VaR</i>	18.61	87.39	569.28	45.65	717.13	517.01
	<i>Variable-Income VaR</i>	-	-	-	-	-	-
	<i>Currency VaR</i>	720.80	1,358.11	3,097.39	1,470.87	365.83	40.77
CONSOLIDATED COLOMBIA (CorpBanca & Helm Bank)	VaR	100.99	289.53	501.40	256.20	248.32	-
	<i>Diversification Effect</i>	203.47	29.81	323.58	13.85	23.99	-
	<i>Interest Rate VaR</i>	87.03	321.54	812.36	329.88	247.03	-
	<i>Variable-Income VaR</i>	-	-	-	-	-	-
	<i>Currency VaR</i>	0.43	57.03	324.84	11.00	25.28	-
CORPBANCA CORREDORA DE BOLSA	VaR	23.62	45.09	112.98	62.74	39.77	271.84
	<i>Diversification Effect</i>	84.09	126.41	264.43	195.23	105.37	545.11
	<i>Interest Rate VaR</i>	15.87	32.40	110.24	51.65	26.17	271.89
	<i>Variable-Income VaR</i>	1.08	18.16	47.86	41.61	10.34	-
	<i>Currency VaR</i>	1.39	29.03	52.50	39.23	29.10	1.38
CORPBANCA NEW YORK	VaR	8.19	10.05	11.99	11.93	18.63	-
	<i>Diversification Effect</i>	-	-	-	-	-	-
	<i>Interest Rate VaR</i>	8.19	10.05	11.99	11.93	18.63	-
	<i>Variable-Income VaR</i>	-	-	-	-	-	-
	<i>Currency VaR</i>	-	-	-	-	-	-

TABLE 2: VAR CONSUMPTION FOR THE BANK AND ITS SUBSIDIARIES



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The following tables show the daily evolution of the VaR during 2013 for the Bank and its subsidiary in Colombia. Worth highlighting is the increase in VaR in Colombia starting in August as a result of the incorporation of Helm.

VaR Statistics for Bank and Subsidiaries
Figures in millions of Chilean pesos (MCh\$)
VaR with 99% confidence level

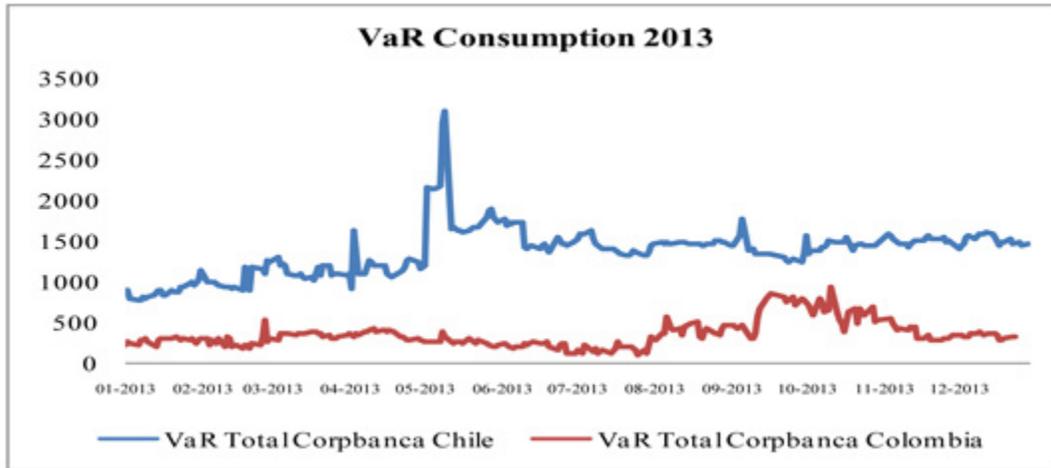


TABLE 3: VAR TRENDS IN CHILE AND COLOMBIA IN 2013

(i) *VaR Backtesting*

VaR backtesting is carried out at a local and corporate level by the different financial risk units. The backtesting methodology is applied consistently to all of the Bank’s portfolios. These exercises consist of comparing the estimated VaR measurements at a determined level of confidence and time horizon against the real results of losses obtained during the same time horizon. The methodology used compares the results obtained without considering the intraday results or changes in positions within the portfolio. This method corroborates the individual models’ ability to value and measure the risks from the different positions.

The following table shows trends in P&L and VaR for Chile and Colombia.

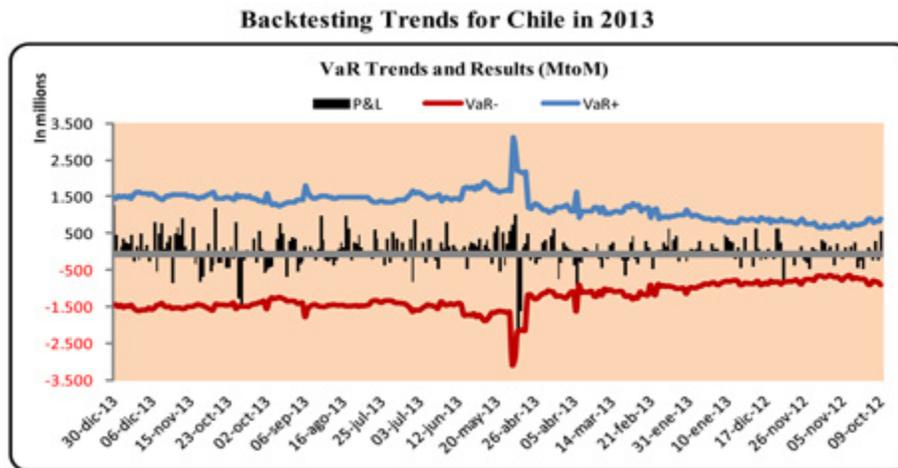


TABLE 4: BACKTESTING TRENDS FOR CHILE IN 2013



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The graph presented above shows VaR movements with data from 301 entries and the Bank's results in Chile. As can be appreciated, in this period there was no exception over the daily VaR, rendering the First Excess Test ineffective and stripping the Frequency Test (Kupiec Test) of an important factor. The latter test is located in the green area.

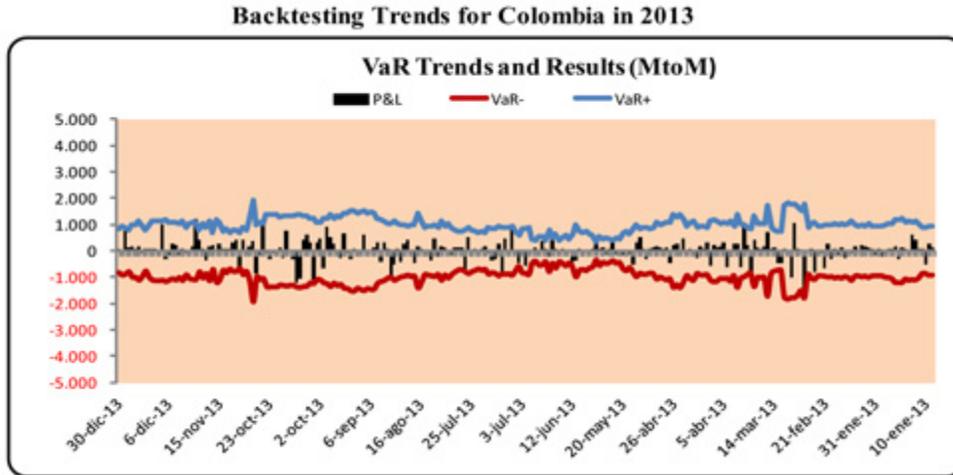


TABLE 5: BACKTESTING TRENDS FOR COLOMBIA IN 2013

The graph presented above shows VaR movements with data from 242 entries and the Bank's results in Colombia. During the period, there were 3 exceptions that surpassed the daily VaR. Based on the statistical tests, the model provides consistent results and, therefore, does not require adjustment.

(b) Interest Rate and Currency Sensitivity

Measuring interest rate and currency sensitivity is one of the main tools for monitoring market risk in the trading book, enabling the Bank to break down, understand and report on the directional positions to which it is exposed.

Interest rate and currency sensitivity is monitored on a daily basis and is limited by the VaR limits established for each portfolio.

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.

Exchange rate risk is controlled using notional limits, giving fluidity to currency products with customers and simultaneously limiting trading positions. The following table shows the current notional limits as well as closing positions and statistics for 2013.



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Exchange Rate	Year-end 2013				Consumption Statistics 2013		
	Limit [USD]	Position [USD]	VaR 95% [CLP]	VaR Inc 95% [CLP]	Minimum [USD]	Average [USD]	Maximum [USD]
USD/CLP	55.000.000	5.353.766	17.725.612	-10.266.294	-40.176.036	2.654.557	47.089.815
EUR/USD	20.000.000	- 4.140.088	15.475.433	-23.142.161	-11.684.192	- 1.528.818	11.400.037
JPY/USD	10.000.000	177.484	13.632.814	-42.087.759	- 6.525.423	- 645.232	5.148.712
GBP/USD	10.000.000	104.084	386.848	160.130	- 1.899.750	25.188	3.044.017
AUD/USD	5.000.000	16.037	94.175	34.103	- 2.083.458	38.393	2.119.728
BRL/USD	5.000.000	- 424	13.175	- 10.765	- 3.447.482	- 31.309	5.112.538
COP/USD	5.000.000	-	-	-	- 3.564.220	- 41.025	703
MXN/USD	5.000.000	149.444	339.183	286.078	- 3.003.213	160.962	6.059.132
PEN/USD	5.000.000	-	-	-	- 1.457	4.184	988.880
CAD/USD	5.000.000	17.819	221.639	151.052	- 425.295	56.557	1.815.774
NOK/USD	200.000	9.711	53.910	98.714	- 200.555	7.511	19.407
DKK/USD	200.000	29.806	113.809	166.516	- 36.200	16.964	30.731
SEK/USD	200.000	2.954	3.963	- 7.496	- 147.372	1.182	12.128
CHF/USD	200.000	81.166	399.435	277.457	- 7.713	42.601	1.110.078
WON/USD	200.000	-	-	-	-	-	-
CNY/USD	200.000	6.929	4.099	1.310	- 653	4.900	16.795

TABLE 6: CURRENT LIMITS AND CONSUMPTION OF CURRENCY POSITIONS FOR 2013

The following tables show the trends in the most important currency positions managed in Chile, which are the U.S. dollar (USD) and the euro (EUR).

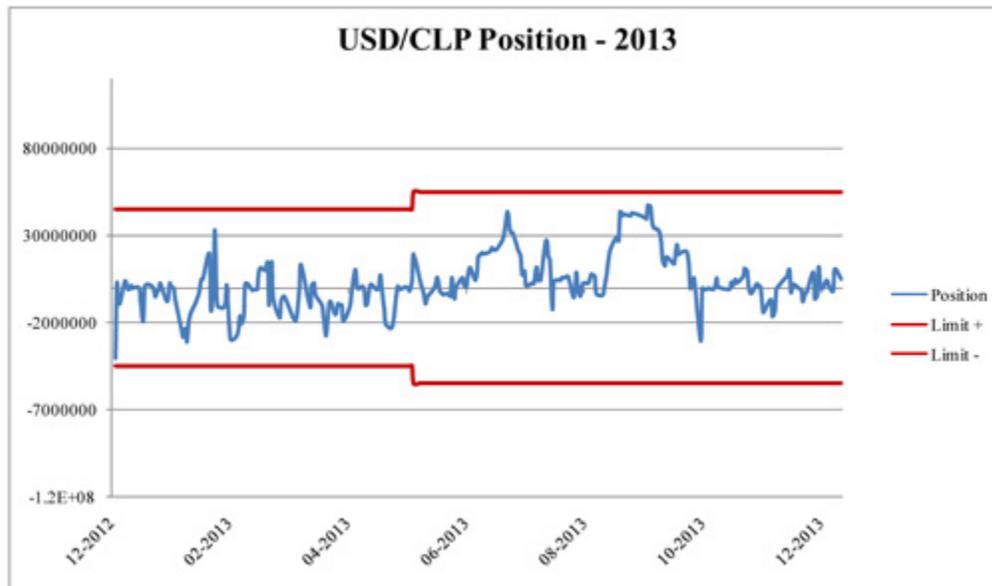


TABLE 7: EVOLUTION OF USD/CLP POSITION FOR 2013



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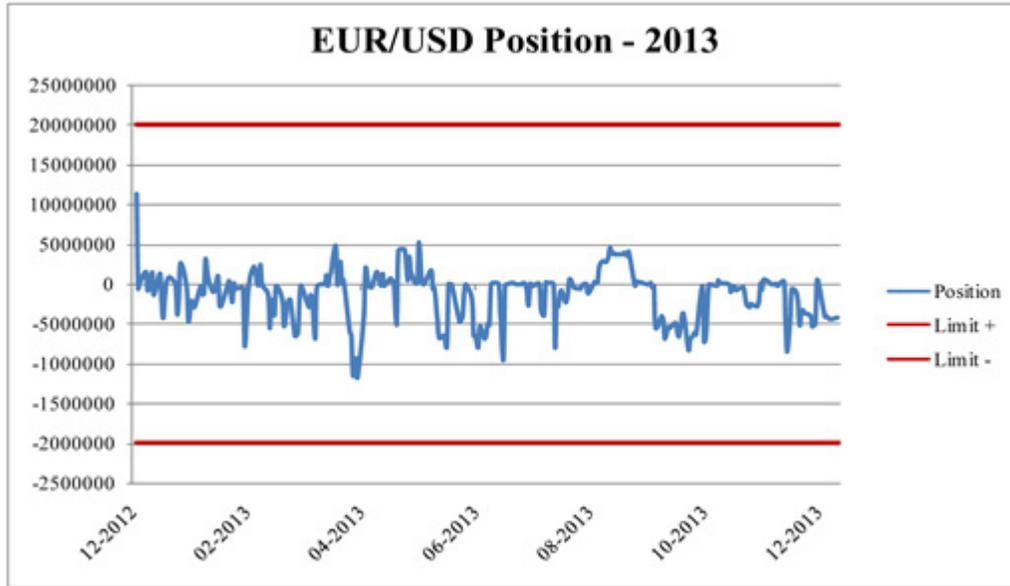


TABLE 8: EVOLUTION OF EUR/USD POSITION FOR 2013

The limit for Colombia uses an overall position for all currencies, which cannot exceed US\$ 30 million (notional). The table below shows the aggregate position for Colombia.

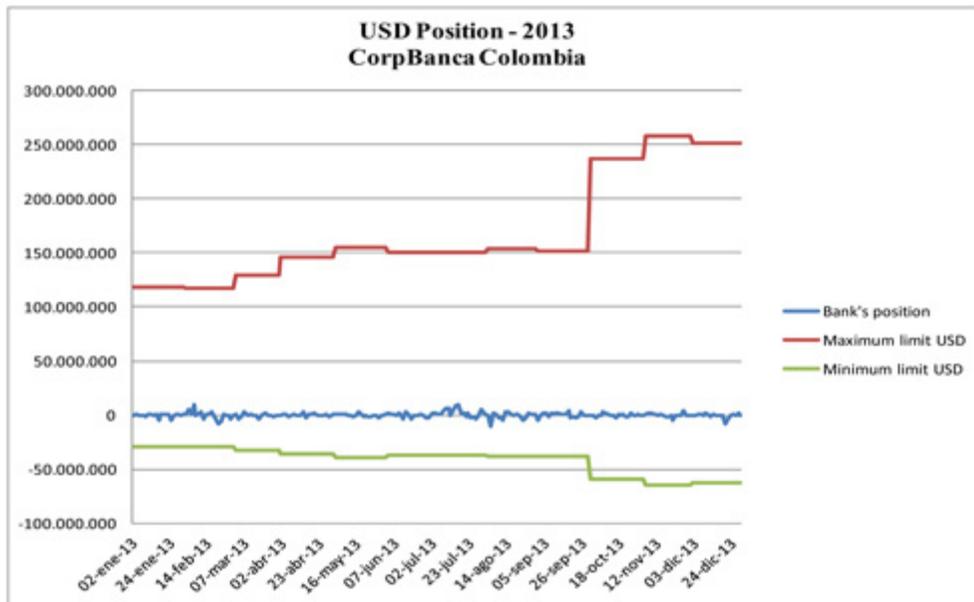


TABLE 9: EVOLUTION OF USD/CLP POSITION FOR 2013 CORPBANCA COLOMBIA



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USD POSITION-2013
HELM



TABLE 10: EVOLUTION OF USD/CLP POSITION FOR 2013 HELM BANK

(c) Sensitivity to Volatility

While the options portfolio is included in the VaR calculation described in the section above, the Bank also controls the risks associated with the currency options portfolio with additional limits, which promote the product as a customer necessity, more than as trading positions.

- Gamma Risk Limit or Effect of Convexity of Options
- Vega Risk Limit or Effect of Variability of Area of Implied Market Volatility

The following graphs show the use of limits as of year-end 2013 and trends in their use.

Index	Year-end 2013		Consumption Statistics 2013		
	Limit [MCh\$]	Value [MCh\$]	Minimum [MCh\$]	Average [MCh\$]	Maximum [MCh\$]
Gamma Risk	50	17	-	2	58
Vega Risk	300	221	20	156	285

TABLE 11: CONSUMPTION OF GAMMA AND VEGA RISK 2013



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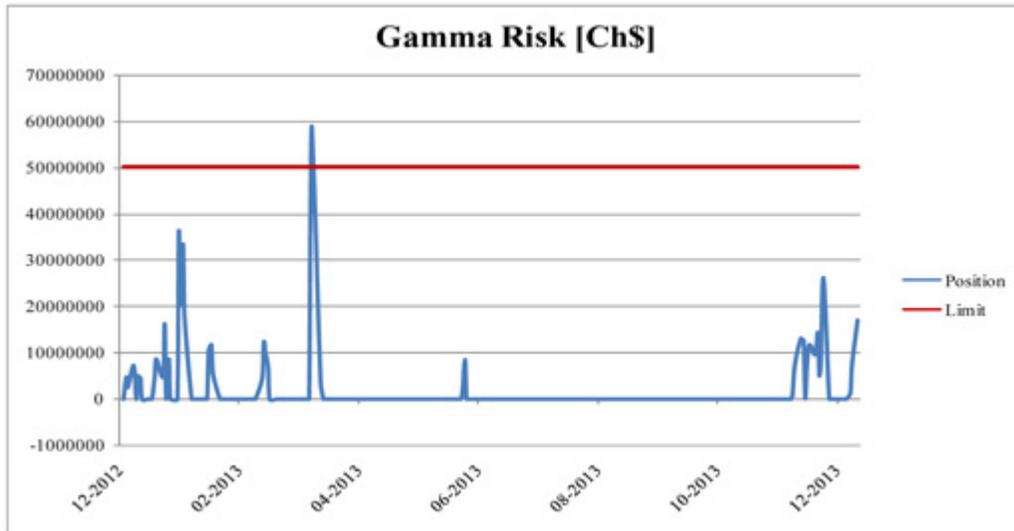


TABLE 12: TRENDS IN GAMMA RISK 2013



TABLE 13: TRENDS IN VEGA RISK 2013

In December 2013, the ALCO in Chile, and later the ALCO in Colombia, approved gamma and vega limits for our subsidiary in Colombia. With this milestone, options were included in the product offering available to customers that operate in Colombian pesos.

(ii) Banking Book

The banking book consists primarily of:

Assets

- Cash
- Commercial, mortgage and consumer loans from the commercial areas.
- Fixed-income instruments classified as available for sale or held to maturity.



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Liabilities

- Demand deposits
- Time deposits
- Senior and subordinated bonds
- Derivative instruments that qualify for hedge accounting: Derivatives that, meeting certain requirements, are given an accounting treatment different than those derivatives recorded in the trading book, the objective of which is to manage risks in the banking book.

The banking book's main risks and the tools used to monitor, control and manage these risks are described below.

(a) PV(90)

We use a sensitivity for 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.

The following graph shows the evolution of the index compared with its limit for Chile.

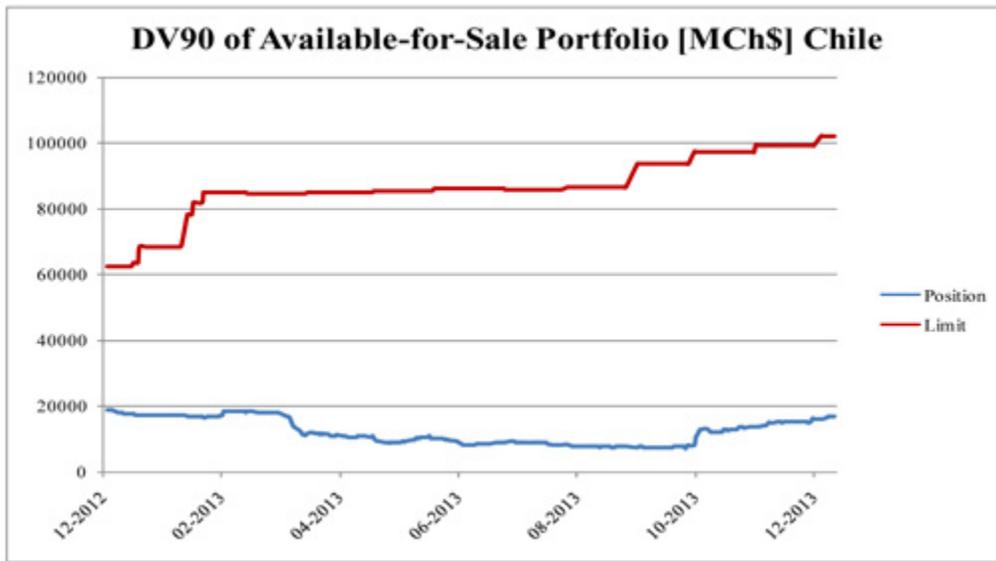


TABLE 14: EVOLUTION DV90 OF AVAILABLE-FOR-SALE PORTFOLIO DURING 2013



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The same limit applies to the available-for-sale portfolio in Colombia. The following graph shows the evolution of the index compared with its limit for Colombia (4% of regulatory capital)

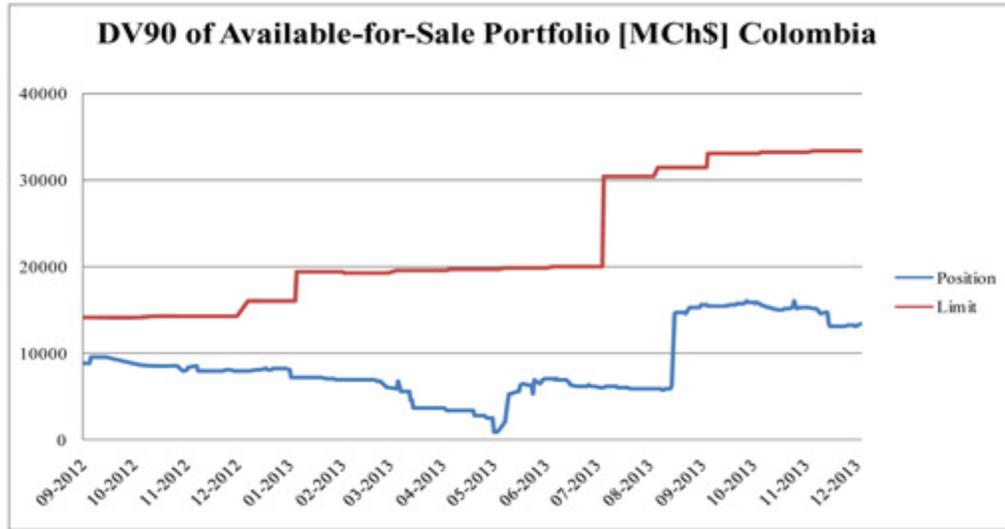


TABLE 15: EVOLUTION DV90 OF AVAILABLE-FOR-SALE PORTFOLIO DURING 2013

Note that towards the end of July 2013, the subsidiary’s capital increase automatically increased the limit. Also, the available-for-sale portfolio was included in the measurements in August with the incorporation of Helm.

(b) Sensitivity to Indexation

CorpBanca’s balance sheet presents a mismatch between inflation-indexed assets and liabilities. The Chilean market has more indexed assets than liabilities, which explains why the Bank has a mismatch of inflation-indexed assets. This is due to the existence of medium and long-term indexed assets that are financed with liabilities in Chilean pesos.

Hedge accounting is used as an effective and relatively low-cost tool to manage this risk.

The following table shows the size of the mismatch as of year-end 2013 and the mismatch statistics during the year.

	Statistics 2013			
	Year-end 2013 [MCh\$]	Minimum [MCh\$]	Average [MCh\$]	Maximum [MCh\$]
Total Mismatch	1.014.274	227.026	646.953	1.071.409
Balance Sheet Mismatch	1.632.697	952.373	1.373.277	1.675.313
Derivative Mismatch	- 627.076	- 1.402.856	- 737.517	- 126.734
Investment Mismatch	8.654	-	13.135	31.954

TABLE 16 INFLATION MISMATCH AS OF YEAR-END 2013 AND STATISTICS FOR THE YEAR



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The following graph shows trends in this mismatch during 2013 and the Bank's relative ease in managing this risk. Throughout 2013, exposure remained at moderate levels and increased at the end of the year, looking to benefit from the expected increase in inflation indices in Chile.

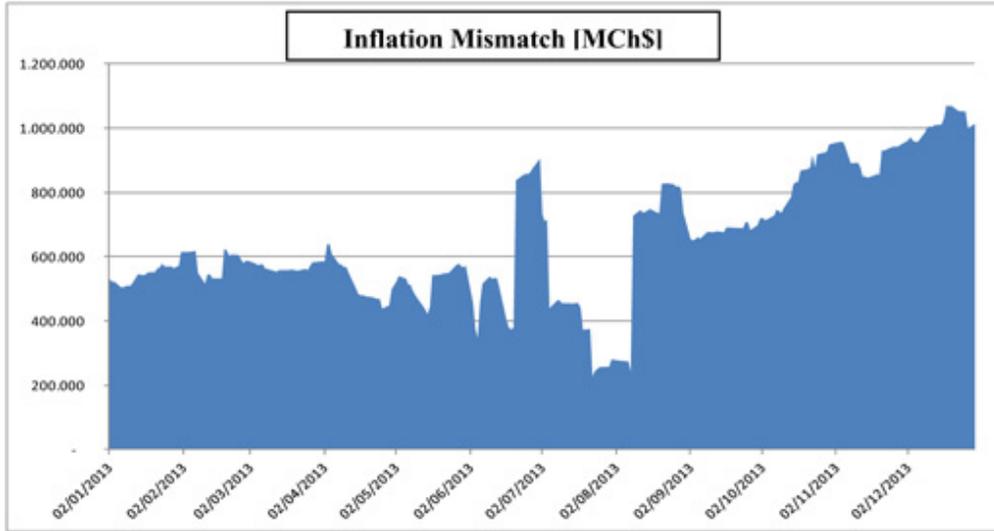


TABLE 17: EVOLUTION OF INFLATION MISMATCH DURING 2013

(c) Sensitivity of Financial Margin and Economic Capital

The Annual Income Sensitivity (AIS) index measures the sensitivity of the interest margin to 100 bps variations in the repricing rate for assets and liabilities during the next 12 months. The established limits are much lower than the Bank's annual net income. During 2013, the sensitivity risk in the interest margin in Chile has remained low with a positive sensitivity to drops in interest rates. This exposure increased towards the end of 2013.

The Market Value Sensitivity (MVS) index measures the sensitivity of the economic value (fair value) of the banking book in the event of a 100 bps increase in the valuation rates of assets and liabilities.

The tables below show the evolution of sensitivity indicators for interest margins and economic capital for Chile and Colombia. It is important to mention that Helm Bank was incorporated into these measurements beginning in August.

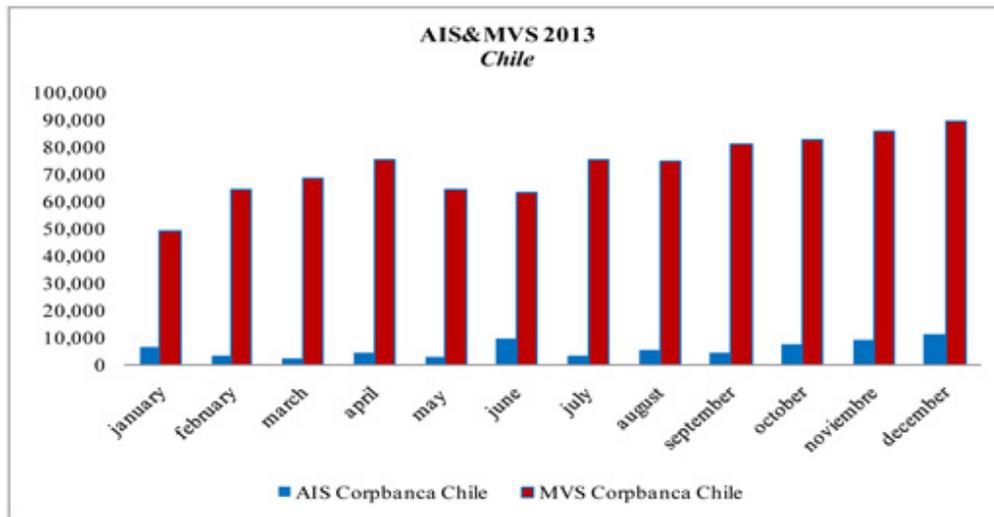


TABLE 18: EVOLUTION MVS AND AIS CHILE 2013



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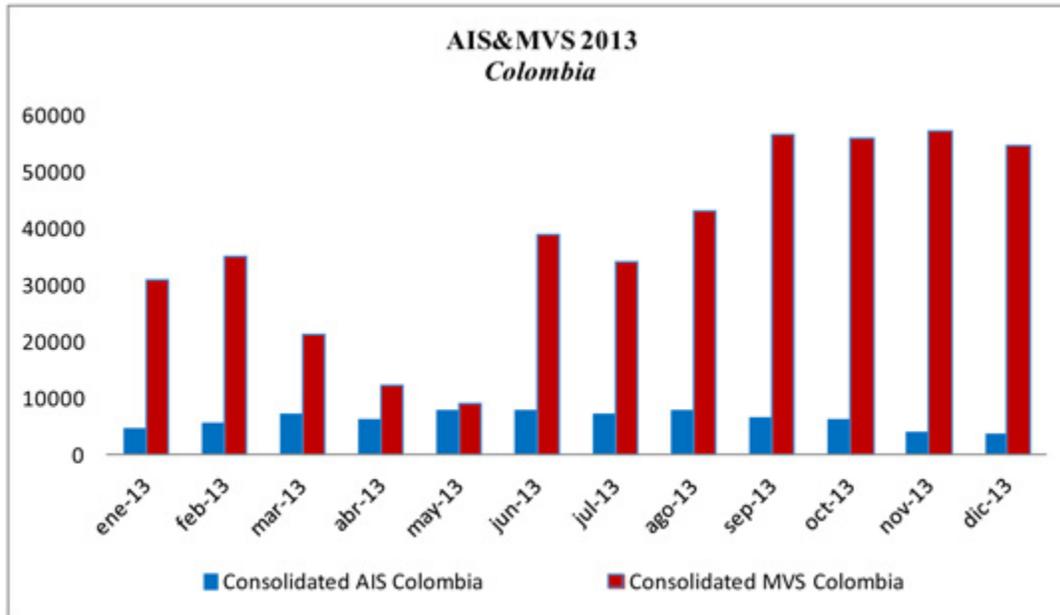


TABLE 19: EVOLUTION MVS AND AIS COLOMBIA 2013

The Gap Table below show the risk maturity structure in Chile and Colombia at the end of 2013:

CHILE															
CLP (MMCh\$)	Total	1M	3M	6M	9M	12M	2Y	3Y	4Y	5Y	7Y	10Y	15Y	20Y	20Y→
Assets	10.708.413	2.774.146	941.569	931.417	533.018	456.671	789.413	790.014	548.477	363.844	530.237	639.371	734.583	436.538	239.115
Liabilities	8.981.731	2.832.942	1.368.126	918.738	358.807	93.111	642.711	834.838	351.913	104.032	370.679	109.711	144.062	283.960	568.100
Net	1.726.682	- 58.795	- 426.557	12.679	174.211	363.559	146.702	- 44.824	196.563	259.812	159.558	529.660	590.521	152.578	-328.985
MX (MMCh\$)															
Total	1M	3M	6M	9M	12M	2Y	3Y	4Y	5Y	7Y	10Y	15Y	20Y	20Y→	
Assets	1.634.446	435.619	530.072	264.387	57.361	20.285	21.748	23.845	16.682	166.221	19.377	78.748	104	-	
Liabilities	1.895.473	788.451	452.897	105.353	95.499	8.970	13.360	12.873	12.494	386.584	1.421	17.569	-	-	
Net	- 261.026	- 352.833	77.174	159.034	- 38.138	11.316	8.388	10.971	4.188	-220.364	17.955	61.179	104	-	
COLOMBIA															
COP (MMCh\$)	Total	1M	3M	6M	9M	12M	2Y	3Y	4Y	5Y	7Y	10Y	15Y	20Y	20Y→
Assets	852.157	242.330	102.846	102.241	21.801	35.481	66.614	55.390	45.269	42.136	46.935	34.588	52.136	4.391	1
Liabilities	656.312	304.822	161.040	104.107	43.657	7.759	25.015	9.545	187	16	165	-	-	-	-
Net	195.845	- 62.492	- 58.195	- 1.866	- 21.856	27.721	41.599	45.845	45.083	42.120	46.770	34.588	52.136	4.391	1
MX (MMCh\$)															
Total	1M	3M	6M	9M	12M	2Y	3Y	4Y	5Y	7Y	10Y	15Y	20Y	20Y→	
Assets	86.222	16.623	29.313	16.903	4.758	18.349	275	-	-	-	-	-	-	-	
Liabilities	72.521	11.493	21.631	33.264	4.825	1.308	-	-	-	-	-	-	-	-	
Net	13.701	5.130	7.682	- 16.361	- 67	17.041	275	-	-	-	-	-	-	-	

(D) Structural Exchange Rate Risk

Structural exchange rate risk arises from the Bank's positions in currencies other than the Chilean peso related primarily to the consolidation of investments in subsidiaries or affiliates and the net income and hedges of these investments. The process of managing structural exchange rate risk is dynamic and attempts to limit the impact of currency depreciation, thus optimizing the financial cost of hedges.

The general policy for managing this risk is to finance them in the currency of the investment provided that the depth of the market so allows and the cost is justified by the expected depreciation. One-time hedges are also taken out when the Bank considers that any currency may weaken beyond market expectations with respect to the Chilean peso. As of year-end 2013, greater ongoing exposure was concentrated in Colombian pesos (approximately US\$ 1.5 billion).



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The Bank hedges part of these positions on a permanent basis using currency derivatives.

(b) Stress Tests

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.

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.

(i) Trading Book

In addition, market stress tests can be performed to test trading book positions under diverse extreme scenarios in order to estimate the losses they would generate.

The results of the market stress tests on the trading book are reported periodically to the ALCO and the Board of Directors.

Stress tests conducted during 2013 indicated that none of the critical scenarios considered would affect the Bank's solvency.

The list below enumerates some of the linear and historical sensitivity scenarios analyzed.

Scenario	Description
1	Parallel shift of 100 bps, +50 bps inflation compensation
2	Parallel shift of 200 bps, +100 bps inflation compensation
3	Parallel shift of 300 bps, +150 bps inflation compensation
4	Ramp of 0 to 100 bps in 1 year, +50 bps inflation compensation
5	Inverse ramp of 0 to 100 bps in 1 year, -200 bps inflation compensation
6	+3 standard deviations, +50 bps inflation compensation
7	+6 standard deviations, +150 bps inflation compensation
8	Shock to inflation compensation of +200 bps
9	Global recession, Δ inflation compensation: -200bps
10	Global recovery, Δ inflation compensation: +200bps

TABLE 20: TRADING BOOK



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(ii) Banking Book

Market stress tests are also performed to test the banking book under diverse extreme scenarios in order to estimate the potential losses they would generate on both the interest margin and on capital.

The results of the market stress tests on the banking book are disclosed periodically to the ALCO and the Board of Directors.

Scenario	Description
1	Parallel shift of 100 bps, +50 bps inflation compensation
2	Parallel shift of 200 bps, +100 bps inflation compensation
3	Parallel shift of 300 bps, +150 bps inflation compensation
4	Ramp of 0 to 100 bps in 1 year, +50 bps inflation compensation
5	Inverse ramp of 0 to 100 bps in 1 year, -200 bps inflation compensation
6	+3 standard deviations, +50 bps inflation compensation
7	+6 standard deviations, +150 bps inflation compensation
8	Shock to inflation compensation of +200 bps
9	Global recession, D inflation compensation: -200bps
10	Global recovery, D inflation compensation: +200bps

TABLE 21: BANKING BOOK

(c) Methodologies

(i) Trading Book

(a) Value at Risk - VaR

For the calculation of VaR, the non-parametric method of historical simulation is used, which consists of using a historical series of prices and the position at risk from the trading book.

A time series of simulated prices and yields is constructed with the assumption that the portfolio was conserved for the period of time of the historical series. The VaR tries to quantify a threshold of expected losses, which should only occur a certain percentage of times based on the level of confidence used in the calculation.

The VaR measure is calculated through historical simulation methodology, with a moving timeframe of the last 300 days market data, and full valuation approach.

As calculated by CorpBanca, VaR Limits 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.

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 factor to the other.

(i) Assumptions and Limitations

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.



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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.

(b) Rate Sensitivity

Sources of rate risk include forwards, swaps and options. Rate sensitivity is calculated and reported by portfolio, by relevant discount curve and by maturity.

The present value of the portfolio is stressed by 1 bp. In other words, the present value is calculated by increasing the respective discount rate by 1 bp. The sensitivity of options is calculated using the theta value.

The variation in the present value of the portfolio corresponds to its sensitivity at a variation of one basis point (bp).

$$DV01_{im} = PV'_{im} - PV$$

- DV01 : Sensitivity to 1 bp variation in rate i at band m.
- PV : Present value of portfolio's cash flows.
- PV'_{im} : Present value of portfolio's cash flows with shock of 1 bp in rate i at time band m.

$$PV'_{im} = P_{im} / (1 + r_{im} + 1 \text{ bp})^{\frac{T_i}{365}}$$

- P_{im} : Net position in CLP at time band i, currency m.
- r_{im} : Representative rate of currency m, time band i.
- T_i : Representative maturity of time band i.

(c) Currency Sensitivities

Sources of exchange rate risk come from both balance sheet and off-balance sheet positions such as derivatives.

Currency or position sensitivity corresponds to the market valuation of each cash flow in the currency of origin. That is, the cash flows in foreign currency expressed at present value.

$$P_m = (PV'_m - PV_m)$$

- PV : Present value of portfolio's cash flows.
- PV'_m : Present value of portfolio's cash flows with shock of 1 unit in exchange rate of currency m with respect to USD.



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(ii) *Banking Book*

(a) Sensitivity to Indexation

Sources of indexation risk come from both balance sheet and off-balance sheet positions such as derivatives that, as a result of a change in indexation units (UF, UVR or others), impact the Bank's net income.

As with currency sensitivity, indexation sensitivity is the market valuation of each indexed cash flow. That is, the cash flows in indexation units expressed at present value.

$$P_m = (PV'_m - PV_m)$$

- PV : Present value of portfolio's cash flows.
- PV'_m : Present value of portfolio's cash flows with shock of 1 unit in indexation unit.

(b) Sensitivity of Financial Margin

This measures the impact caused by a movement of 100 bp, over a twelve-month horizon, in the Bank's financial margin (interest earned less interest paid).

The information required to calculate the index is obtained from the regulatory cash flows of the market risk data from the balance sheet book (regulatory report C40) only considering the time bands up to 1Y included.

$$AIS = \sum_{i,m} P_{im}(1 - T_i/360)\Delta r$$

- AIS : Annual Income Sensitivity.
- P_{im} : Net position in CLP in respective time band.
- Δr : Variation of 100 bp.
- T_i : Representative maturity of time band i.

(c) Sensitivity of Economic Capital

This measures the sensitivity of the market value of the cash flows associated with assets and liabilities in the event of a parallel change of 100 bp in the relevant discount curve.

The information required to calculate the index is obtained from the cash flows of the Bank's entire portfolio using data from the banking book.

The present value of the aggregate flows are discounted using the average terms of the respective time bands. Then the present value is calculated similarly with a shock increasing the respective discount rate by 100 bp.

$$MVS = \sum_{i,m} (PV'_{im} - PV_{im})$$

- MVS : Market Value Sensitivity.
- PV_{im} : Present value of the cash flows of time band i, currency m.



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- PV_{im} : Present value of the cash flows of time band i, currency m, with a shock of 100 bp in discount rates.

$$PV_{im} = P_{im} / (1 + r_{im})^{\frac{T_i}{365}}$$

$$PV'_{im} = P_{im} / (1 + r_{im} + 100 \text{ bp})^{\frac{T_i}{365}}$$

- P_{im} : Net position in CLP at time band i, currency m.
- r_{im} : Representative rate of currency m, time band i.
- T_i : Representative maturity of time band i.

(2) Regulatory Method

(a) Quantitative Disclosure about regulatory Method

Regulatory monitoring of market risk exposure is measured in accordance with the provisions established in chapter III.B.2 of the Compendium of Financial Standards from the Chilean Central Bank and in Chapter 12-9 of the Updated Compilation of Standards from the Superintendency of Banks and Financial Institutions both for the trading book and the banking book. In the trading book, the impact is measured in the event of a change in the market price of its financial positions as a result of variations in interest rates, exchange rates and volatility. In the banking book, the impact is measured on the entity's financial margin and present value.

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 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.

Trading Portfolio

The limits established for the trading book are for exposure to interest rate risk and exchange rate risk. The difference between the regulatory capital recorded by the financial institution and the sum of the following two items cannot be negative: (i) the product of the credit risk-weighted assets defined in article 67 of the General Banking Law and the minimum percentage established for regulatory capital in article 66 of that law, and (ii) the sum of the trading book's exposure to interest rate risk and the exchange rate risks for the entire balance sheet measured in accordance with the Basel standard methodology with some important differences where exchange rate exposure stands out. As indicated in the paragraph above, the Bank must always comply with the following ratio:

$$RC - ((k * CRWA) + MRE) > 0$$

Where:

- RC : Regulatory Capital
- CRWA : Credit Risk Weighted Assets
- MRE : Exposure to interest rate risk in trading book and currency Risk in entire balance Sheet
- k : Minimum percentage established for regulatory capital in article 66 of General Banking Law



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Group	Description Sensitivity	Factor
i	Each of the foreign currencies of countries with long-term external debt in foreign currency with a rating of at least AAAs, or equivalent, from any of the risk rating agencies indicated in Chapter III.B.5 of this Compendium. It also considers the EURO and the position in gold.	$\sigma_i = 8\%$
j	Each of the foreign currencies of countries not included in basket i.	$\sigma_j = 35\%$

Market risk exposure in accordance with regulatory methodology is detailed below:

Market Risk Limit for Trading Book (MCh\$)	2013	2012	2011
Market risk-weighted assets	3,379,015	1,850,376	298,938
Rate trading	796,729	836,358	277,275
Currency trading	36,959	96,713	9,275
Options trading	11,960	9,763	12,388
Currency structural	2,533,366	907,543	-
Credit risk-weighted assets	15,058,532	11,494,413	7,799,275
Total risk-weighted assets	18,437,547	13,344,788	8,098,213
Regulatory capital	1,991,289	1,270,202	1,104,474
Basel index	13,22%	11,05%	14,16%
Basel index (includes MRE *)	10,80%	9,52%	13,64%
Margin	516,285	202,619	456,617
% Consumption	74,07%	84,05%	58,66%

(*) Market risk exposition

TABLE 22: MARKET RISK LIMIT FOR TRADING BOOK

The market risk presented in the table above (measured in units of risk-weighted assets) shows that capital consumption related to the Bank's exposures to market risks is explained in more than 75% of the cases by the effect of our investment in CorpBanca Colombia. As of December 2013, this investment amounted to approximately US\$ 1.1 billion. The main variation over 2012 stems from the incorporation of Helm Bank in our financial statements. This exposure to exchange rate risk--Chilean peso vs. Colombian peso--is considered structural in the sense that it arises from a long-term investment.

It is also worth mentioning that in accordance with Chilean regulations, a sensitivity factor of 35% is applied to net exposures in foreign currencies of countries other than those classified as AAA or their equivalent. The standard sensitivity factor in the Basel standards is only 8%. As a result, the capital consumption that the Bank must report to comply with local regulations is more than 4 times greater than if international recommendations were applied.

The regulatory model for market risk in Colombia, as in Chile, is based on the standard Basel model, separated into risk factors (i.e. interest rate, exchange rate and stock price). The volatilities applied to each of the factors are established by regulators. This result is used for the solvency margin, to which a factor equivalent to 100/9 is applied.



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Market Risk	2013 MCh\$	
Risk-weighted assets (RWA)	CorpBanca Colombia	Helm
Market Risk	218.022	199.708
Trading	218.022	199.708
Structural (currency)	-	-
Credit risk	2.727.654	2.706.501
Total RWA	2.945.675	2.906.210
Regulatory capital	671.710	363.648
Basel index	24,63%	13,44%
Basel index (includes MRE)	22,80%	12,51%
Margin	406.599	102.089
% Consumption	39,47%	71,93%

TABLE 23: MARKET RISK IN COLOMBIA

Non-trading Portfolio

Our disclosure about structural 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.

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 banking book’s exposure to the net interest and indexation margin is known as the short-term limit and cannot exceed 35% of the accumulated interest and indexation margin, plus fees sensitive to interest rates charged in the twelve months prior to the date of measurement. The exposure of capital to changes in interest rates has a long-term limit that cannot exceed 27% of regulatory capital. Both limits were presented and ratified by the Bank’s Board of Directors.



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The exposure of regulatory limits in the banking book for Chile are detailed as follows.

Market Risk Limit for Banking Book

SHORT-TERM LIMIT (MCh\$)	2013	2012	2011
Exposure	54,949	51,253	74,169
Rate risk	22,502	21,752	39,952
Indexation risk	28,666	25,900	31,134
Reduced revenue (fees sensitive to interest rates)	3,781	3,601	3,083
Limit	97,651	78,624	79,835
% Consumption	56,3%	65,2%	92,9%
Financial Margin plus Fees (12 months)	279,003	224,640	228,100
Percentage over financial margin	35%	35%	35%
Short-term limit	97,651	78,624	79,835
Consumption with respect to financial margin	19,7%	22,8%	32,5%
LONG-TERM LIMIT (MCh\$)	2013	2012	2011
Exposure	157,786	119,624	125,461
Rate risk	157,786	119,624	125,461
Limit	537,648	337,314	298,208
% Consumption	29,3%	35,5%	42,1%
Regulatory capital (RC)	1,991,289	1,249,311	1,104,474
Percentage over margin	27%	27%	27%
Long-term limit	537,648	337,314	298,208
Consumption with respect to RC	7,9%	9,6%	11,4%

TABLE 24: MARKET RISK LIMIT FOR BANKING BOOK

Finally, regulatory provisions in Colombia do not establish methodologies for determining market risk exposure for the banking book. However, they are monitored, controlled and reported on a daily basis using the internal methodologies described above.

(b) Methodologies

(i) Trading Book

(a) Interest Rate Risk

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.

The interest rate risk of the trading portfolio as defined by the Central Bank is equal to the sum of:

- 1) The sensitivity analysis of the trading portfolio
- 2) Vertical adjustment factor
- 3) Horizontal adjustment factor



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The sensitivity factor of the trading portfolio is calculated using the following formula:

$$\sum_m^M \left| \sum_{t=1}^{14} (\alpha_{mt} \times A_{mt} - \alpha_{mt} \times P_{mt}) \right|$$

Where:

- A_{mt} : Trading Assets (Chilean pesos, inflation linked and foreign currency)
- P_{mt} : Liabilities funding trading positions (Chilean pesos, inflation linked and foreign currency)
- α_{mt} : Sensitivity factor to raise interest rate
- m : Currency (Chilean pesos, inflation linked and foreign currency)
- t : Time period
- Σ : Summation
- $| |$: Absolute value

The vertical adjustment factor is calculated in the following manner:

$$\sum_m^M \sum_{t=1}^{14} (\beta \times \min(\alpha_{mt} \times A_{mt}; \alpha_{mt} \times P_{mt}))$$

Where:

- β : Vertical adjustment factor, equal to 10%
- $\min()$: Compensated net position

A horizontal adjustment must be made following the vertical adjustment. To determine the horizontal adjustment one must multiply the horizontal adjustment factor by the compensated net position for Zone 1, Zone 2, Zone 3, Zones 1 and 2, Zones 2 and 3 and Zones 1 through 3.

Horizontal adjustment= *Adjusted net position

Compensated net position Zone 1,2 or 3	Min (Adjusted net asset position; absolute value of adjusted net liability position in Zone 1,2 or 3)
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))



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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)			Sensitivity factor			Vertical Adjustment Factor	Horizontal adjustment factor		
		Ch\$	UF	FX	a Ch\$	A UF	A FX		Within the zones	Between Adjacent Zones	Between zones 1 and 3
Zone 1	1 Up to 30 days	125	350	125	0.0005	0.0014	0.0005	β= 10%	λ ₁ = 40%	λ ₁₂ = 40%	λ ₁₃ = 100%
	2 31 days to 3 mths	125	350	125	0.0019	0.0047	0.0020	β= 10%	λ ₁ = 40%	λ ₁₂ = 40%	λ ₁₃ = 100%
	3 3 – 6mths	125	350	125	0.0042	0.0088	0.0044	β= 10%	λ ₁ = 40%	λ ₁₂ = 40%	λ ₁₃ = 100%
	4 6 – 9mths	125	350	125	0.0060	0.0116	0.0072	β= 10%	λ ₁ = 40%	λ ₁₂ = 40%	λ ₁₃ = 100%
	5 9 mths – 1 year	125	350	125	0.0059	0.0140	0.0100	β= 10%	λ ₁ = 40%	λ ₁₂ = 40%	λ ₁₃ = 100%
Zone 2	6 1 – 2 years	100	125	100	0.0124	0.0166	0.0133	β= 10%	λ ₂ = 30%	λ ₁₂ = 40%	λ ₁₃ = 100%
	7 2 – 3 years	100	100	100	0.0191	0.0211	0.0211	β= 10%	λ ₂ = 30%	λ ₁₂ = 40%	λ ₁₃ = 100%
	8 3 – years	100	100	100	0.0248	0.0281	0.0281	β= 10%	λ ₂ = 30%	λ ₂₃ = 40%	λ ₁₃ = 100%
Zone 3	9 4 – 5 years	75	75	75	0.0221	0.258	0.258	β= 10%	λ ₃ = 30%	λ ₂₃ = 40%	λ ₁₃ = 100%
	10 5 – 7 years	75	75	75	0.0263	0.0320	0.0320	β= 10%	λ ₃ = 30%	λ ₂₃ = 40%	λ ₁₃ = 100%
	11 7 – 10 years	75	75	75	0.0307	0.0401	0.0401	β= 10%	λ ₃ = 30%	λ ₂₃ = 40%	λ ₁₃ = 100%
	12 10 – 15 years	75	75	75	0.0332	0.0486	0.0486	β= 10%	λ ₃ = 30%	λ ₂₃ = 40%	λ ₁₃ = 100%
	13 15 – 20 years	75	75	75	0.0317	0.0534	0.0534	β= 10%	λ ₃ = 30%	λ ₂₃ = 40%	λ ₁₃ = 100%
	14 > 20 years	75	75	75	0.0278	0.0539	0.0539	β= 10%	λ ₃ = 30%	λ ₂₃ = 40%	λ ₁₃ = 100%

(b) Foreign Currency Risk

Exposure to foreign currency risk: The foreign currency risk is calculated using sensitivity factors linked to the credit risk rating of the issuing country.

The foreign currency risk as defined by the Central Bank is equal to:

$$\text{Max} \left[\left(\sum_i PNA_i x \sigma_i + \sum_j PNA_j x \sigma_j \right); \left(\left| \sum_i PNP_i x \sigma_i + \sum_j PNP_j x \sigma_j \right| \right) \right] + |PN_{oro} x \sigma_i|$$

Where:

- PNA : Net asset position
- PNP : Net liabilities position
- PN : Net gold position
- σ : Sensitivity factor for each currency
- j : Foreign currency
- Σ : Summation
- || : Absolute value
- Max : Maximum value

(c) Volatility Risk

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.



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(ii) *Banking Book*

(a) Structural interest rate and inflation risk

The short-term interest rate risk and inflation risk of non-trading portfolio as defined by Central bank is equal to:

$$\sum_m^M \left| \sum_{t=1}^5 (A_{mt} - P_{mt}) \chi \mu_t \right| + |PN_{UR} \chi \tau| + |\Delta\phi|$$

The long-term interest rate risk of the non-trading portfolio is calculated according to the following formula:

$$\sum_m^M \left| \sum_{t=1}^{14} (A_{mt} - P_{mt}) \chi \rho_{mt} \right|$$

Where:

- A_{mt} : Non-trading Assets (Chilean pesos, inflation linked and foreign currency)
- P_{mt} : Non-trading Liabilities (Chilean pesos, inflation linked and foreign currency)
- μ_t : Sensitivity factor associated with interest rate movement
- PN_{UR} : Net position in inflation linked instruments, including those subject to price level restatement
- τ : Factor that measures the sensitive to movements in the inflation index. This factor is equal a 2%
- $\Delta\phi$: Effect on fees from shifts in interest rate and assumes a 200 basis point movement
- ρ_{mt} : Sensitive factor to increase in interest rates
- T : Time period
- M : Currency (Chilean pesos, inflation linked and foreign currency)
- Σ : Summation
- || : Absolute value

Period	Change in interest rate (bp)			Sensitivity factor			
	Ch\$	UF	FX	short term (μ)	Sensitivity factor long term (p mt)		
	Ch\$	UF	FX		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



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As of December 31, 2013, our interest rate risk gap (less than one year), measured according to the above methodology, was 56.3% 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 29.3% 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.

(iii) Assumptions and Limitations of Regulatory Method

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.

2. Funding Liquidity Risk

a) Management Tools

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 any other obligation. In order to comply with risk management objectives for funding liquidity risk, the monitoring and control structure is centered mainly on the following focal points:

- Short-term maturity mismatch
- Coverage capacity using liquid assets
- Concentration of funding sources

Additionally, the monitoring and control structure for liquidity risk is complemented with stress testing in order to observe the institution's ability to respond in the event of illiquid conditions.

(1) Internal Monitoring

(a) Limits and Warning Levels

(i) Thirty-day Liquidity Coverage Ratio

In addition to regulatory liquidity risk controls, we have also set internal liquidity limits, in order to safeguard the Bank's payment capacity in the event of illiquid conditions; a minimum has been established for the instruments portfolio that enables cash flows to be quickly generated either through liquidation or because they can be used as collateral for new funding sources. As part of our policy, we have developed two internal liquidity model.

Minimum Liquidity Requirement: In order to ensure that the bank will permanently hold enough liquid assets to meet all payments derived from obligation made by third parties in the bank over the next 3 days, we consider a limit on the minimum amount of liquid assets to be held on a daily basis.

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. The purpose of the LCR model is to evaluate our funding capacity



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assuming a hypothetical scenario of illiquidity. 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 composition of liquid assets as of year-end December 2013 after applying the respective price volatility haircuts and market liquidity adjustments is presented in the table below.

Liquid Assets CorpBanca Chile

Investment Portfolio Chile 12-31-2013 Amounts MCh\$	Liquid Assets in Domestic Currency (30 days)	Liquid Assets in Foreign Currency (30 days)	Total Liquid Assets
Cash and cash equivalents	267,482	63,473	330,955
Central bank or treasury bonds	340,831		340,831
Sovereign bonds		4,147	4,147
Bank time deposits	72,119		72,119
Corporate bonds	76,377	36,586	112,963
Bank bonds	21,980	7,278	29,258
Repo agreements	(64,247)		(64,247)
Average clearance reserves required	(131,199)	(13,535)	(144,734)
Liquid assets	583,343	97,949	681,292

TABLE 25: LIQUID ASSETS CORPBANCA CHILE

Liquid Assets CorpBanca Colombia

Investment Portfolio Colombia 12-31-2013 Amounts MCh\$	Liquid Assets in Domestic Currency (30 days)	Liquid Assets in Foreign Currency (30 days)	Total Liquid Assets
Cash and cash equivalents	129,603	8,280	137,883
Central bank or treasury bonds	454,570	-	454,570
Sovereign bonds	-	-	-
Bank time deposits	10,141	-	10,141
Corporate bonds	16,503	-	16,503
Bank bonds	2,420	-	2,420
Repo agreements	-	-	-
Average clearance reserves required	109,222	-	109,222
Liquid assets	613,237	8,280	621,517

TABLE 26: LIQUID ASSETS CORPBANCA COLOMBIA



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(ii) Daily Wholesale Maturities

In order to control concentration of wholesale funding sources and safeguard compliance with obligations, the Bank monitors maturities of deposits in Chilean pesos by wholesale customers.

Special treatment is given to this customer segment for two reasons:

- They individually could represent an important percentage of CorpBanca's business.
- Given the profile of these customers in the wholesale segment, the renewal rate for these deposits tends to be lower. This last reason is consistent with cash disbursement models in regulatory reports, which do not assume that wholesale customers will renew deposits.

The maturity profile for wholesale deposits is monitored on a daily basis for every country. As a result, excesses are detected and reported based on the structure of the maturity profile. Forecasted excesses must be justified the day after they are reported and must then be managed.

(iii) Warning Levels for Liquidity Requirements

In addition to monitoring and reporting all internal limits on a daily basis, senior management is informed each month through the ALCO and the Board of Directors is informed each quarter. Special importance is placed on the Bank's liquidity position by presenting an analysis of measurements of concentration, performance, premiums paid and/or other relevant variables.

a) Monitoring Funding Sources

Monitoring of variations in the stock of short-term funding such as time and demand deposits for each of the segments represents a key variable in monitoring the Bank's liquidity. Identifying abnormal volatilities in these funding sources enables the Bank to quickly foresee possible undesired liquidity problems and thus to suggest action plans for managing them.

During 2013, different strategies were implemented to diversify liabilities, including:

- Expanding stable funding sources such as on-line time deposits by individuals
- Issuing bonds abroad for US\$ 800 million, giving more stability to funding sources and decompressing the short-term institutional debt market.
- Capital increase of more than US\$ 600 million.

This strategy enabled the Bank to continue to improve its funding structure, providing more stable funding.

b) Survival Horizon under Individual Stress

As a function of stressed maturities and renewal ratios, days of survival are estimated based on projected liquidity needs and the portfolio of available liquid assets. Based on these scenarios, any significant deviation is studied to determine whether action plans need to be implemented.

(b) Stress Tests

Stress testing is a tool that complements the analysis of liquidity risk management as it enables the Bank to know its ability to respond in the event of extreme illiquid conditions and to trigger its contingency plans, if necessary, to address such conditions.



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In particular, three types of scenarios are modeled:

- **Individual Crisis:** the financial system loses confidence in the Bank, which translates into important withdrawals from demand accounts, decreases in deposits and bond investments by customers and penalties to its funding rates.
- **Systemic Crisis:** Local weakening of financial and credit conditions that causes the market to seek refuge in the U.S. dollar, greater restrictions on access to credit from abroad, massive outflows of capital, increases in the use of lines of credit and downward adjustments in expectations for the monetary policy rate.
- **Global Crisis:** Global weakening of financial, credit and economic conditions that causes the market to seek refuge in the U.S. dollar, greater restrictions on access to credit from abroad, decreased exposure to credit risk (replaced by sovereign risk), increases in the use of lines of credit and downward adjustments in expectations for the monetary policy rate.

(2) Regulatory Monitoring

(a) *Reserve Requirement*

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.

(b) *Liquidity requirement*

In accordance with Chapter III B.2 from the Chilean Central Bank and Chapter 12-9 of the Updated Compilation of Standards from the Superintendency of Banks and Financial Institutions, the Bank must measure and control its liquidity position based on the difference between cash flows payable from liability and expense accounts and cash flows receivable from asset and income accounts for a given period or time band, which is called maturity mismatch.

This measurement is determined for controlling the liquidity position of the Bank itself and of its subsidiaries. The maturity mismatch calculation is carried out separately for domestic and foreign currency, setting limits based on capital and cash flows accumulated at 30 and 90 days:

- The maturity mismatch in all currencies for periods less than or equal to 30 days must be less than or equal to the Bank's basic capital.
- The maturity mismatch in foreign currencies for periods less than or equal to 30 days must be less than or equal to the Bank's basic capital.
- The maturity mismatch in all currencies for periods less than or equal to 90 days must be less than or equal to twice the Bank's basic capital.



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In full compliance with the Chilean Central Bank and the Superintendency of Banks and Financial Institutions, CorpBanca's Board of Directors approved a policy to measure and control its liquidity position based on maturity mismatches on an adjusted basis with a 10% cushion with respect to the regulatory limit.

A greater cash flows mismatch represents a greater liquidity risk. This regulatory requirement must be communicated by all banks, so each investor can compare the information described above and identify the banks that have greater liquidity risk.

The table below shows the use of mismatch limits as of year-end 2013 and some consumption statistics for the year.

Table of Contents	Year-end 2013			Statistics 2013		
	Limit [MCh\$]	Mismatch [MCh\$]	Excess Reserves [MCh\$]	Minimum [MCh\$]	Average [MCh\$]	Maximum [MCh\$]
All currencies 30 days	1.404.443	- 146.681	1.257.762	611.922	1.178.762	1.759.117
All currencies 90 days	2.808.886	- 981.388	1.827.498	2.539.372	3.186.578	3.606.788
Foreign currency 30 days	1.404.443	19.210	1.423.653	675.159	1.112.338	1.329.750

Table of Contents	Year-end 2012			Year-end 2011		
	Limit [MCh\$]	Mismatch [MCh\$]	Excess Reserves [MCh\$]	Limit [MCh\$]	Mismatch [MCh\$]	Excess Reserves [MCh\$]
All currencies 30 days	927.030	219.292	1.146.322	725.845	293.239	1.019.084
All currencies 90 days	1.854.060	- 1.079.885	774.175	1.451.690	- 813.924	637.766
Foreign currency 30 days	927.030	- 462.366	464.664	725.845	- 71.351	654.494

Basic Capital referred to November of each year

TABLE 27: REGULATORY LIMITS AND CURRENCY MISMATCHES

Tables 28, 29 and 30 show the evolution of consumption for each limit in 2013.

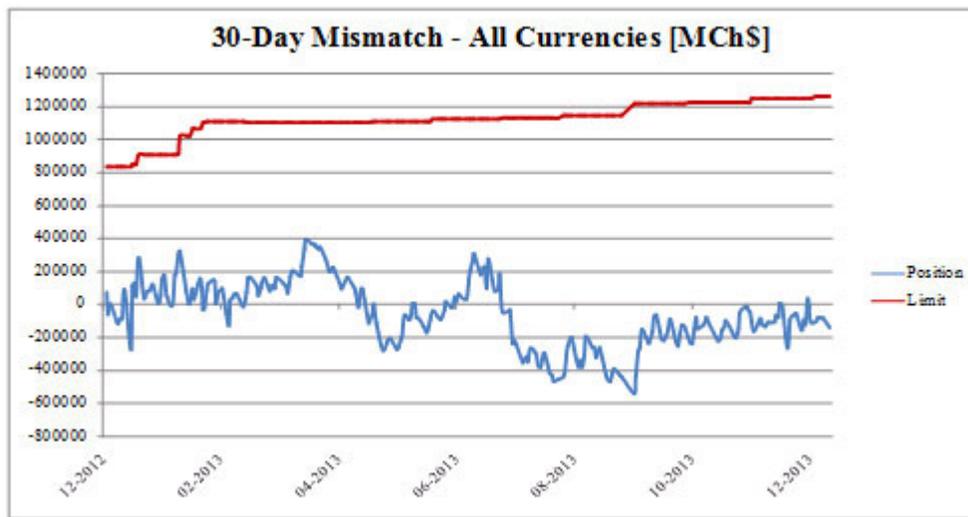


TABLE 28: EVOLUTION OF CONSOLIDATED MISMATCH IN ALL CURRENCIES AT 30 DAYS DURING 2013



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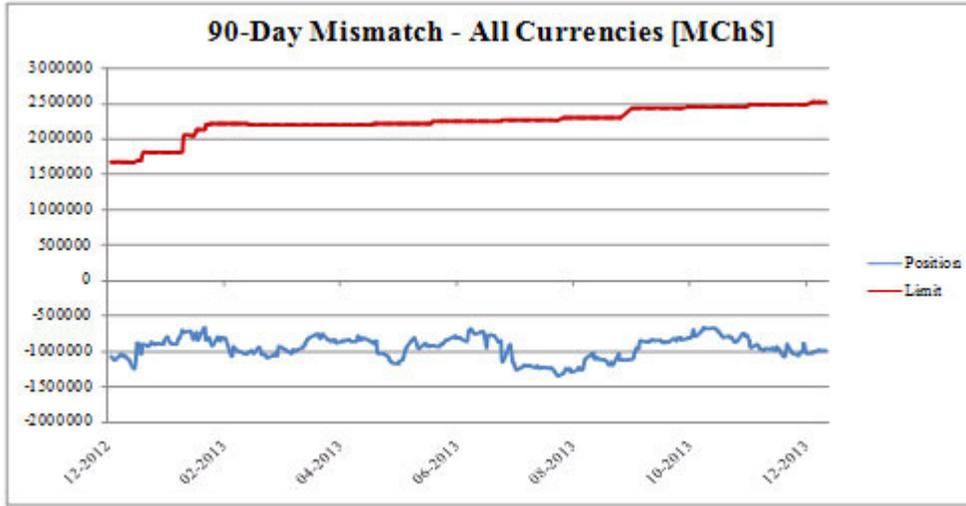


TABLE 29: EVOLUTION OF CONSOLIDATED MISMATCH IN ALL CURRENCIES AT 90 DAYS DURING 2013

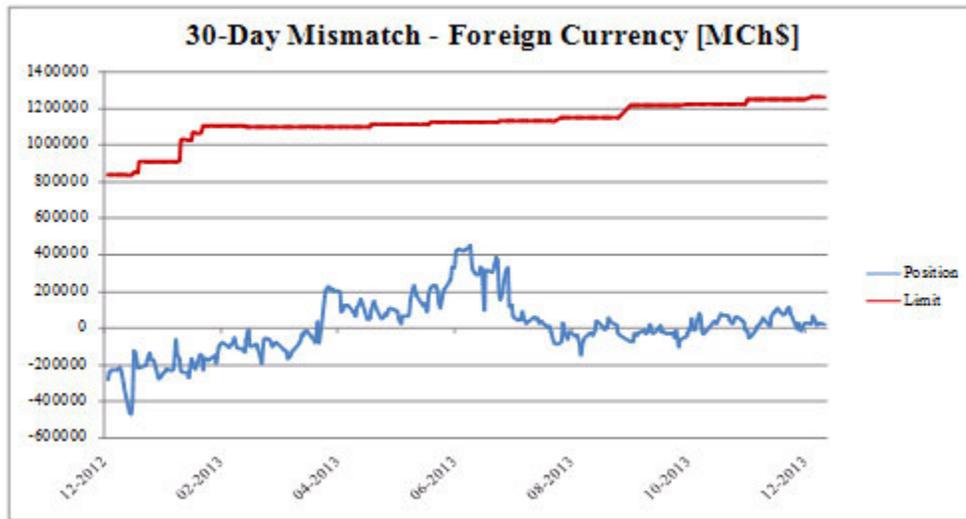


TABLE 30: EVOLUTION OF CONSOLIDATED MISMATCH IN FOREIGN CURRENCIES AT 30 DAYS DURING 2013

With respect to the Colombian market, regulatory measurement known as the standard LRI model measures seven and 30-day mismatches of balance sheet positions (assets and liabilities) and off-balance sheet positions such as derivatives.

The model indicates that renewal percentages are not applied for positions with contractual maturities. For positions without contractual maturities, historical behavior is analyzed in order to estimate structural cash flows and volatilities.

The net liquidity requirement is calculated as the difference between outflows and the minimum between 75% of outflows and total inflows. This requirement cannot be greater than liquid assets.



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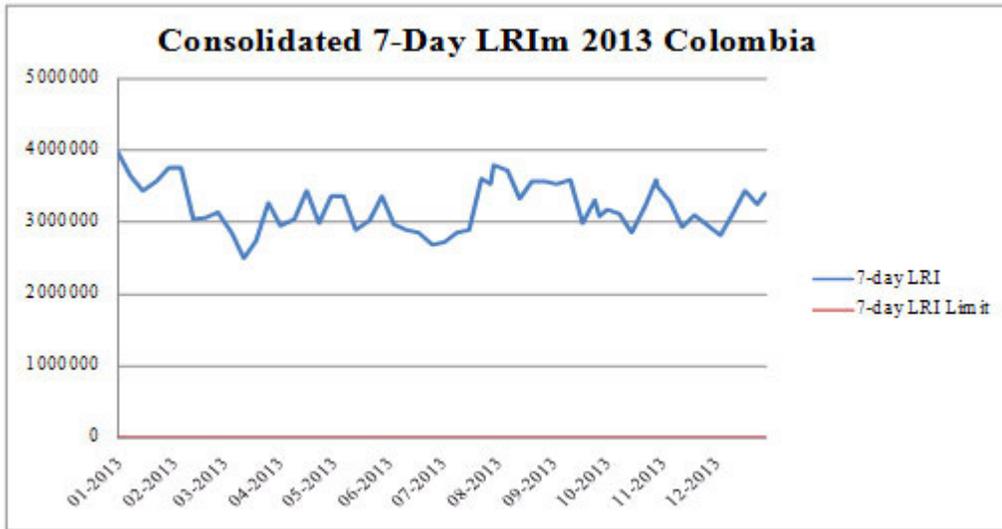


TABLE 31: EVOLUTION OF 7-DAY CONSOLIDATED RLI IN COLOMBIA FOR 2013

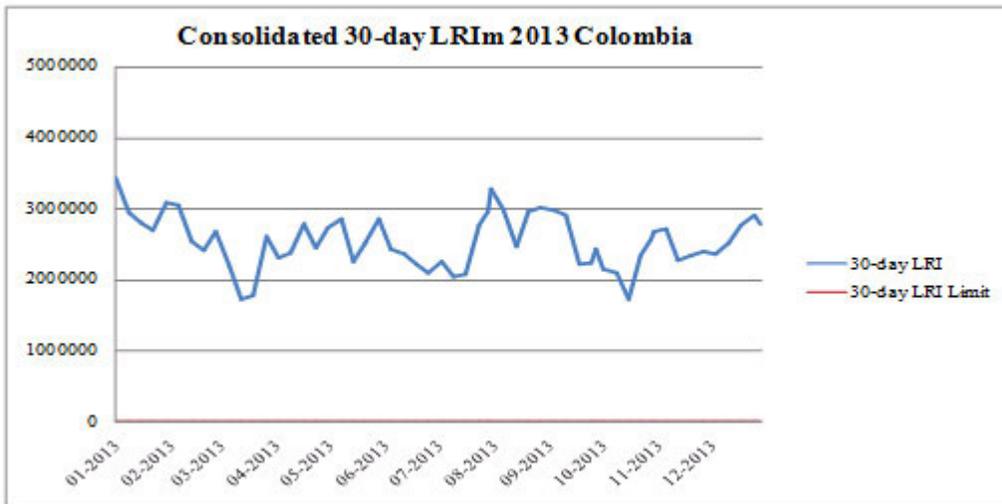


TABLE 32: EVOLUTION OF 30-DAY CONSOLIDATED RLI IN COLOMBIA FOR 2013



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Below we show additional information on liquidity GAP by buckets for Chile and Colombia for the year end 2013.

Chile 2013 (MMCh\$)

Term	7 Days	15 Days	30 Days	60 Days	90 Days	180 Days	360 Days	>> 360 Days
Cash outflows	- 927.496	- 336.171	- 536.785	- 842.926	- 579.631	- 1.171.442	- 838.664	- 4.273.298
Cash inflows	1.047.438	294.787	311.547	270.998	316.851	708.592	943.367	6.601.402
Static cash Flows	119.941	- 41.384	- 225.238	- 571.928	- 262.780	- 462.849	104.703	2.328.103
Cumulative Cash Flows	119.941	78.558	- 146.681	- 718.608	- 981.388	- 1.444.238	-1.339.535	988.569

Colombia 2013 (MMCh\$)

Term	7 Days	15 Days	30 Days	60 Days	90 Days	180 Days	360 Days	>> 360 Days
Cash outflows	- 442.154	- 152.429	- 413.696	- 385.502	- 424.248	- 522.769	- 539.206	- 2.886.830
Cash inflows	1.262.249	103.727	196.904	270.590	240.908	584.117	622.817	3.689.443
Static cash Flows	820.095	- 48.702	- 216.792	- 114.912	- 183.340	61.348	83.611	802.613
Cumulative Cash Flows	820.095	771.393	554.601	439.688	256.348	317.696	401.307	1.203.920

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, 2012 and 2013 the ratio of assets and risk weighted assets is as follows:

	<u>Consolidated Assets</u>		<u>Risk-Weighted Assets</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	MCh\$	MCh\$	MCh\$	MCh\$
In-Balance Assets (net of provisions):				
Cash and deposits in banks	911,088	520,228	-	-
Cash in the process of collection	112,755	123,777	38,367	57,291
Trading portfolio financial assets	431,683	159,898	114,243	43,966
Investments under agreements to resell	201,665	21,313	201,665	21,313
Derivative financial instruments	852,162 ¹	634,698	593,931	421,033
Loans and receivables from banks	217,944	482,371	76,716	89,341
Loans and receivables from customers, net	12,777,784	9,993,890	11,950,287	9,372,147
Financial investments available-for-sale	889,087	1,112,435	265,354	169,123
Held to maturity investments	237,522	104,977	153,147	104,977
Investments in other companies	15,465	5,793	15,465	5,793
Intangible assets	424,930 ²	280,597	424,930	280,597
Property, plant and equipment, net	98,242	65,086	98,242	65,086
Current taxes	-	-	-	-
Deferred income taxes	92,932	40,197	9,293	4,020
Other assets	290,678	148,549	290,678	148,549
Off-Balance sheet assets:				
Contingent loans	1,377,022	1,185,300	826,213	711,180
Total risk-weighted assets	18,930,959	14,879,109	15,058,531	11,494,416

Figures are presented as required by local regulations.

Risk-weighted assets are calculated according to Chapter 12-1 of the Recopilación Actualizada de Normas- RAN (updated compilation of rules) issued by the SBIF.

- Items presented at their credit equivalent risk value, as established in SBIF Chapter 12-1 "Equity for Legal and Regulatory Purposes."
- For calculation purposes, the amount of all assets that correspond to goodwill is subtracted as established in the aforementioned chapter.

	<u>Amount</u>		<u>Ratio</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	MCh\$	MCh\$		
Basic Capital	1,411,341 ³	941,945	7.30% ⁵	6.33%
Effective Equity	1,991,289 ⁴	1,270,202	13.22% ⁶	11.05%

- Basic capital is defined as the net amount that should be shown in the consolidated financial statements as "equity attributable to equity holders of the Bank" as indicated in the Compendium of Accounting Standards.
- Regulatory capital is equal to basic capital plus subordinated bonds, additional provisions, and non-controlling interest as indicated in the Compendium of Accounting Standards; however, if that amount is greater than 20% of basic capital, only the amount equivalent to that percentage will be added; goodwill is subtracted and if the sum of the assets corresponding to minority investments in subsidiaries other than banking support companies is greater than 5% of basic capital, the amount that the sum exceeds that percentage will also be subtracted.
- The consolidated basic capital ratio is equal to basic capital divided by total assets.
- The consolidated solvency ratio is equal to the ratio of regulatory capital to weighted assets.



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b) As of year-end 2013, the Bank includes the following information within its management objectives, policies and processes:

- The Bank, in consolidated terms, has total equity of MCh\$ 1,411,341 (MCh\$ 941,945 in 2012).
- In terms of regulatory ratios, the Bank closed the year in 2013 with a ratio of basic capital to total assets of 7.30% (6.33% in 2012), while the Basel Index (regulatory capital to total risk-weighted assets) was 13.22% (11.05% in 2012).

Operational Risk

a) Roles and Responsibilities

Board of Directors

The Board of Directors must ensure that the mechanisms used to manage operational risk, as well as the definition of roles and responsibilities (established in this policy) are in accordance with guidelines outlined by the Bank's shareholders.

Operational Risk and Information Security Committee

This committee is responsible for maintaining visibility regarding and commitment to operational risk management at the highest level of authority.

Operational Risk Management Area

The mission of this area is to define, promote, implement and monitor the framework for operational risk management, which should be in line with the Bank's focus, objectives and strategic goals.

Division Managers

Division managers are responsible for managing operational risks within their respective divisions. Their responsibilities include:

- Implementing operational risk policy in their respective business units.
- The most important operational risk management responsibilities of each division include:
 - Identifying risks.
 - Valuing risks (both qualitatively and quantitatively).
 - Improving risks.
 - Providing direct support for operational risk monitoring within the business unit.

b) Operational Risk Management Process

The operational risk management model for Corpbanca and subsidiaries includes the following activities or functions:

i) Creation of Risk Culture

Training and Communication

Ongoing training and communication regarding the threats facing the business, together with business-focused training, are crucial to achieving objectives. Evaluations of operational risk are based on identifying threats to the business process, the impact of those threats and the subsequent evaluation of controls to mitigate operational risk.



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ii) Evaluation

Evaluations of operational risk are based on identifying threats to the business process, the impact of those threats and the subsequent evaluation of controls to mitigate risk.

iii) Improvements

Each division manager must ensure that operational risks are reviewed regularly and that the proper measures are taken.



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NOTE 36 - 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, 2012 and 2013. 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, 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	7	36,133	13,412	1,664	18,082	35,751	54,856	159,898
Investments under agreements to resell	8	7,767	11,722	1,824	-	-	-	21,313
Derivative financial instruments	9	25,733	21,105	32,710	75,228	50,017	63,234	268,027
Loans and receivables from banks (*)	10	390,928	9,080	10,310	23,979	48,074	-	482,371
Loans and receivables from customers(*)	11	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	12	15,820	63,112	308,513	126,939	395,138	202,913	1,112,435
Financial investments held-to-maturity	12	15,617	5,480	19,916	9,756	19,239	34,969	104,977

(*) Loans and advances to banks are presented gross. The amount of provisions corresponds to MCh\$ 178.

(**) Loans are presented gross. Provisions by loan type are detailed as follows: Commercial MCh\$ 98,150, Mortgage MCh\$11,412 and Consumer MCh\$57,147.

		As of December 31, 2013						
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	7	15,789	8,708	240,361	146,337	18,501	1,987	431,683
Investments under agreements to resell	8	66,725	-	1,219	133,721	-	-	201,665
Derivative financial instruments	9	31,481	19,710	43,830	82,289	106,631	92,339	376,280
Loans and receivables from banks (*)	10	162,137	-	5,291	50,516	-	-	217,944
Loans and receivables from customers(*)	11	803,520	1,327,295	1,944,057	2,368,469	2,449,784	3,713,789	12,606,914
Commercial loans		531,450	1,280,289	1,730,618	1,861,086	1,779,845	1,900,340	9,083,628
Mortgage loans		5,470	11,740	54,519	155,701	253,159	1,494,204	1,974,793
Consumer Loans		266,991	35,913	159,867	352,836	417,974	321,054	1,554,635
Financial investments available-for-sale	12	123,073	-	135,238	26,765	286,120	317,891	889,087
Financial investments held-to-maturity	12	40,045	1,018	124,050	12,189	10,701	49,519	237,522

(*) Loans and advances to banks are presented gross. The amount of provisions corresponds to MCh\$ 137.

(**) Loans are presented gross. Provisions by loan type are detailed as follows: Commercial MCh\$201,376, Mortgage MCh\$22,295 and Consumer MCh\$84,208. Excludes amounts that have already matured, which total MCh\$ 164,728 as of December 31, 2013.



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Maturity of financial liabilities

Below are the main financial liabilities grouped according to their remaining terms, including interest accrued to December 31, 2012 and 2013:

		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	7,292,105	
Derivative financial instruments	8	25,784	20,444	33,183	52,228	43,275	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	1,886,604	

(*) Exclude term savings accounts totaling MCh\$390,570 during 2012.

		As of December 31, 2013						
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	298,840	43,605	-	-	-	342,445	
Time deposits and saving accounts (*)	17	2,753,220	2,213,463	1,766,388	489,612	60,263	7,305,073	
Derivative financial instruments	8	28,732	20,697	50,599	82,194	61,199	281,583	
Borrowings from financial institutions	18	182,786	204,972	761,389	42,873	31,855	1,273,840	
Debt issued	19	878	5,362	68,176	519,970	754,986	2,414,557	

(*) Excludes term savings accounts totaling MCh\$32,630 in 2013.



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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	
	12.31.13	12.31.12	12.31.12.13	12.31.12	12.31.13	12.31.12
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
ASSETS						
Cash and due from banks	1,466,885	818,436	-	-	1,466,885	818,436
Cash in the process of collection	66,520	55,572	-	-	66,520	55,572
Trading portfolio financial assets	742,214	218,875	-	-	742,214	218,875
Investments under agreements to resell	360,945	150	-	-	360,945	150
Derivative financial instruments	432,891	333,586	-	-	432,891	333,586
Loans and receivables to customers and banks	11,928,681	6,733,753	27,030	12,647	11,955,711	6,746,400
Financial investments available-for-sale	627,197	503,817	15,575	15,289	642,772	519,106
Held to maturity investments	434,813	198,009	-	-	434,813	198,009
Investments other companies	20,885	4,612	-	-	20,885	4,612.00
Intangible assets	675,690	48,508	-	-	675,690	48,508
Property, plant and equipment, net	117,650	19,714	-	-	117,650	19,714
Current taxes	-	-	-	-	-	-
Deferred income taxes	104,462	17,403	-	-	104,462	17,403
Other assets	186,623	80,430	-	-	186,623	80,430
TOTAL ASSETS	17,165,456	9,032,865	42,605	27,936	17,208,061	9,060,801
LIABILITIES						
Current accounts and demand deposits	4,910,952	808,872	-	-	4,910,952	808,872
Cash in the process of collection	25,862	45,968	-	-	25,862	45,968
Obligations under repurchase agreements	507,882	28,080	-	-	507,882	28,080
Time deposits and saving accounts	6,011,191	4,899,334	2	2	6,011,193	4,899,336
Derivative financial instruments	298,169	209,508	-	-	298,169	209,508
Borrowings from financial institutions	2,420,399	2,024,432	-	-	2,420,399	2,024,432
Debt issued	1,387,464	161,869	-	-	1,387,464	161,869
Other financial obligations	2,131	3,276	1,180	2,970	3,311	6,246
Current taxes	34,973	18,077	-	-	34,973	18,077
Deferred income taxes	157,710	30,574	-	-	157,710	30,574
Provisions	152,679	113,939	-	-	152,679	113,939
Other Liabilities	299,884	60,157	-	-	299,884	60,157
TOTAL LIABILITIES	16,209,296	8,404,086	1,182	2,972	16,210,478	8,407,058

(*) Includes transactions denominated in foreign currencies but that are settled in pesos.



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NOTE 38 - SUBSEQUENT EVENTS

CORPBANCA

a) Board of Directors

At the Board of Directors Meeting held on February 20, 2014, the Annual Shareholder Meeting was scheduled for March 13, 2014. At such meeting the dividend distribution of 57% of 2013 net income (local gaap) in the amount of MCh\$88,403, equivalent to \$0.26 dividend per share, was approved.

b) Strategic Partnership between Itaú-Unibanco and Corpbanca

On January 29, 2014, Corpbanca has signed a “Transaction Agreement” with Inversiones Corp Group Interhold Limitada, Inversiones Saga Limitada (these last two together —CorpGroupII), Itaú-Unibanco Holding, S.A. (—Itaú-Unibancoll) and Banco Itaú Chile, by virtue of which these parties have agreed to a strategic partnership of their operations in Chile and Colombia, subject to the condition that authorizations are obtained previously from the corresponding regulators and the shareholders of Corpbanca and Banco Itaú Chile, as indicated below.

This strategic partnership will be structured as a merger of Corpbanca and Banco Itaú Chile in conformity with the aforementioned Transaction Agreement, detailed as follows:

1. Prior Acts. CorpGroup will dispose of the shares it directly or indirectly holds in Corpbanca, equivalent to 1.53% of the share capital of that bank and Banco Itaú Chile will increase its capital by US\$652 million, by issuing shares that will be fully subscribed and paid by a fully-owned (direct or indirect) subsidiary of Itaú-Unibanco.

2. Merger. The merger of Corpbanca and Banco Itaú Chile, by which Corpbanca will absorb Banco Itaú Chile to form an entity called “Itaú-Corpbanca” will be submitted for approval from the shareholders of both entities at extraordinary shareholders’ meetings. If the merger is approved, 172,048,565,857 shares of Corpbanca are expected to be issued, which represent 33.58% of the share capital of the merged bank, which will be distributed among the shareholders of Banco Itaú Chile, while the current shareholders of Corpbanca will maintain 66.42% of the share capital of the merged bank. Thus, the number of shares will increase from 340,358,194,234 to 512,406,760,091 shares, which will be fully subscribed and paid.

3. Control. As a result of the merger, Itaú-Unibanco will become a shareholder of Corpbanca and as a result of the exchange of shares applicable to this merger, will acquire control of the merged bank in accordance with Articles 97 and 99 of Law 18,045 on Securities Markets, with CorpGroup conserving a considerable interest in the merged entity with 32.92% of the share capital and 33.5% of that capital in the market.

4. Colombia. In order to strengthen and consolidate the Bank’s operations in Colombia, subject to applicable restrictions under Colombian law, the merged bank will own 66.39% of the shares of Banco Corpbanca Colombia S.A., and will offer to acquire the remaining 33.61% of the shares that it does not own, which includes 12.38% currently owned indirectly by CorpGroup, which has committed to selling those shares. The price per share to be offered by Itaú-Corpbanca will be equal for all shareholders and correspond to the valuation given to Banco Corpbanca Colombia S.A. for the share exchange for the merger. The price for the 33.61% interest in Banco Corpbanca Colombia S.A., in the event they are sold, will be US\$894 million. For the same objective, Itaú-Corpbanca will acquire Itaú BBA Colombia S.A., Corporación Financiera, the entity through which Itaú-Unibanco does business in that country. The price to be paid will be book value, based on the most recent financial statements reported to the banking regulator in Colombia.

5. Course of Business. Between the signing of the Transaction Agreement and the execution of the merger, the parties have agreed that both Corpbanca and Banco Itaú Chile have certain restrictions during that period, which consist fundamentally in continuing to conduct business in a way substantially similar to how they have been conducting business up to this point. The parties expect to close the transaction in Chile during 2014.



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6. Shareholder Agreement. The Transaction Agreement contemplates, likewise, that when the transaction is closed in Chile, CorpGroup and Itaú-Unibanco will sign a shareholder agreement to regulate certain matters regarding the exercise of their political rights in Itaú-Corpbanca and matters regarding the transfer of shares:

- It will establish that the Board of Directors of the merged bank has 11 standing members and two alternates. Of the directors that may be elected by the shareholders agreement between CorpGroup and Itaú-Unibanco, the majority will be proposed by Itaú-Unibanco, based on its shareholding and the remaining directors will be proposed by CorpGroup. The Chairman will be proposed by CorpGroup and the CEO by Itaú-Unibanco. Most committees with directors will be comprised of a majority of members proposed by Itaú-Unibanco, based on its shareholding.
- Likewise, subject to current regulations, CorpGroup is committed to exercise its political rights in alignment with Itaú-Unibanco. CorpGroup will grant in favor of Itaú-Unibanco a pledge over 16.42% of the assets of the merged bank to guarantee the obligations undertaken in the shareholder agreement, with CorpGroup maintaining the right to exercise its political and economic rights that emanate from the pledged shares.
- It will reflect the intention of the parties in the sense that the merged bank distribute all available profits for each year after ensuring certain capital adequacy levels so that Itaú-Corpbanca complies fully with regulatory requirements and industry best practices.
- It will also impose certain non-complete obligations on CorpGroup and Itaú-Unibanco with respect to the merged bank.
- Lastly, regarding the share transfer, it will establish a right of first offer, a right to join third-party sales and the obligation to join certain third-party sales. It will also establish in favor of CorpGroup a sale and purchase right over 6.6% of the shares of the merged bank as a short-term liquidity mechanism, and a sale right as an alternative to keeping its interest in the merged bank. In both cases, the price will be market price with no premium.

The close of the transaction contemplated in the Transaction Agreement is subject to obtaining the relevant regulatory authorizations as well as approval of the merger from shareholders of Corpbanca and Banco Itaú Chile in the respective extraordinary shareholders' meetings that will be called to approve the merger.

The signing of the Transaction Agreement was approved by the Board of Directors of Corpbanca, based on a favorable report from the Directors' Committee, complying with the other requirements established in Section XVI "On Operations with Related Parties Involving Publicly-Held Corporations and their Subsidiaries" in Law 18,046 on Corporations.

The matters described above do not involve any adjustments to the financial statements as of December 31, 2013. At this stage (May 15, 2014), the effects that this information will have on the results of Corpbanca cannot be quantified.

c) Shareholder Litigation

A shareholder litigation captioned Cartica Management, LLC, et al. v. Corpbanca S.A., et al., was commenced on April 1, 2014, in the United States District Court for the Southern District of New York. Plaintiffs include minority shareholders, who own ADRs and other common shares. Other defendants include our directors and alternate directors, our CEO and CFO, CorpGroup, Saga and Mr. Saieh Bendeck. Plaintiffs allege that all defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder, that certain individual defendants and CorpGroup violated Section 20(a) of the Exchange Act, and that CorpGroup, Saga and Mr. Saieh Bendeck violated Section 13(d) of the Exchange Act and Rules 13d-1 and 13d-5 promulgated thereunder. Plaintiffs allege, among other things, that defendants have intentionally misrepresented and failed to disclose material facts concerning the pending Itaú Merger and the benefits CorpGroup and associated entities and individuals may receive in connection with the merger. Plaintiffs do not seek damages, but they purport to seek primarily declaratory and injunctive relief, including an injunction to prevent the Itaú Merger from proceeding. An adverse outcome to this litigation could require us to make additional disclosures relating to the Itaú Merger or prevent us from proceeding with it as contemplated.



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CORREDORA DE BOLSA S.A.

a) Board of Directors

At the Board of Directors Meeting held on March 12, 2014, the Annual Shareholder Meeting was scheduled for March 13, 2014. At such meeting was approved:

- 1.-Approval of the Annual Balance Sheet
- 2.-Approval of external auditors report
- 3.-Appointment of external auditors
- 4.-Distribution of profits
- 5.-Designation paar newspaper publications and citations
- 6.-Other matters within the competence of ordinary shareholders in accordance with the law and the bylaws

CORPBANCA ADMINISTRADORA GENERAL DE FONDOS

a) Board of Directors

At the Board of Directors Meeting held on March 12, 2014, the Annual Shareholder Meeting was scheduled for March 13, 2014.

b) Establishment of Guarantees

On January 10, 2014, the Entity established the following Bank Guarantees for General Fund Managers in order to guarantee faithful compliance of the company's obligations to manage third-party assets and compensation for damages resulting from non-fulfillment of these obligations in accordance with article 226¹² of Law 18,045. These policies are in effect from January 10, 2014 to January 10, 2015:

Guarantee No.	Beneficiary	Coverage in UF
43824724	Mutual Fund Corp Acciones Chilenas	10.000
43825003	Mutual Fund Corp Acciones Latinoamerica	10.000
43825046	Mutual Fund Corp Asia	10.000
43825143	Mutual Fund Corp Bonos Corporativos	10.000
43825194	Mutual Fund Corp Capital Balanceado	10.000
43825224	Mutual Fund Corp Capital Balanceado	10.000
43825321	Mutual Fund Corp Commodities	10.000
43825380	Mutual Fund Corp Deposito	11.000
43826115	Mutual Fund Corp Deuda Latam	10.000
43825488	Mutual Fund Corp Eficiencia	10.000
43825500	Mutual Fund Corp Emea	10.000
43825534	Mutual Fund Corp Europa	10.000
43825569	Mutual Fund Corp Investment A	10.000
43825640	Mutual Fund Corp Investment C	10.000
43825674	Mutual Fund Corp Investment D	10.000
43825720	Mutual Fund Corp Mas Futuro	29.000
43825810	Mutual Fund Corp Mas Ingreso	10.000
43826077	Mutual Fund Corp Mas Patrimonio	25.000
43826794	Mutual Fund Corp Mas Valor	10.000
43826697	Mutual Fund Corp Oportunidad	70.000
43826565	Mutual Fund Corp Oportunidad Dolar	10.000
43825682	Mutual Fund Corp Perfil Agresivo	10.000
43826433	Mutual Fund Corp Seleccion Nacional	10.000
43826310	Mutual Fund Corp Selecto	26.000
43826190	Mutual Fund Corp Selecto Global	10.000
43826158	Mutual Fund Corp Usa	10.000
43824970	Third-party portfolio management	181.000
43825550	Corp Europa I Private Investment Fund	10.000
43825518	Corp Europa II Private Investment Fund	10.000
43825461	Corp Inmobiliario I Private Investment Fund	10.000



43825372	Corp Inmobiliario II Private Investment Fund	10.000
43825178	Corp Usa Private Investment Fund	10.000
43825127	Corp Usa II Private Investment Fund	10.000
43825020	Corp Usa III Private Investment Fund	10.000
43825232	Corp Rentas Inmobiliarias Private Investment Fund	10.000

¹² Fund managers must establish a guarantee in benefit of the fund to ensure compliance of its obligations to manage third-party assets. This guarantee must be established before the fund begins to operate until it completely ceases to exist. This guarantee will be for an initial amount of 10,000 UF and may be established in cash, or through a bank guarantee or insurance policy.



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CORPBANCA COLOMBIA

a) Notice of Takeover Bid for Preferential Dividend and Non-Voting Shares of Helm Bank S.A.

On January 23, 2014, the Colombian Stock Exchange (BVC) informed the general public of the final results of the takeover bid (TOB) described in Note 3 “Material Events” Section Corpbanca Colombia, which totaled 568,206,073 shares or 99.38% of the total (571,749,928).

On January 27, this transaction was paid as described in the note “Investments in Other Companies”, letter e), section iv) and Note 21 “Other Liabilities”, giving it a total interest of 99.7814% in Helm Bank.

b) Merger between Banco Corpbanca Colombia S.A. and Helm Bank S.A.

On February 4, 2014, the legal representatives of Banco Corpbanca Colombia S.A., and Helm Bank S.A., loan entities headquartered in the city of Bogotá D.C., in compliance with article 57 of the Organic Statutes of the Financial System (hereinafter “EOSF”), notified their shareholders of the following:

1. That on December 2, 2013, the Colombian Financial Superintendency gave early notice on the merger to be executed by these banks, by which Banco Corpbanca Colombia S.A. absorbed Helm Bank S.A., which would in turn be dissolved without being liquidated, so that its assets, rights and obligations could be acquired by Corpbanca Colombia. This notice was subscribed by legal representatives from both entities through a power of attorney.



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- 2. Reasons for the Merger.** On August 6, 2013, for purposes of this merger, Corpbanca Colombia acquired 2,387,387,295 common shares of Helm Bank, which represent 58.89% of the outstanding common shares of that entity, and subsequently on August 29, 2013, it acquired 1,656,579,084 shares of the same type for a total of 4,043,966,379 shares, equivalent to 99.75% of these instruments and 87.42% of the total subscribed and paid capital of Helm Bank; likewise, on January 23, 2014, once the takeover bid acceptance period had concluded, the BVC awarded Corpbanca Colombia 568,206,073 Preferential Shares of Helm Bank, which represent 99.38% of these shares and 12.28% of the total subscribed and paid capital of Helm Bank, acquisitions that were carried out for the purposes of the merger and were previously authorized by the SFC in July 2013, giving it a 99.7814% interest. In order to comply with article 55 et seq. of the EOSF, these entities must complete the merger during the year following the date of the first acquisition of shares of Helm Bank by Corpbanca Colombia (i.e. before August 6, 2014).
- 3. Administrative and Financial Conditions.** As these banks are both loan establishments, the unification of their structures will create a more sound loan establishment, taking advantage of synergies that will maximize operating and administrative efficiency without neglecting customer service. Once the merger of Corpbanca Colombia has been completed, it will continue to comply with capital, solvency and equity regulations, as well as risk management practices in accordance with legal provisions.
- 4. Valuation Method and Exchange Ratio.** The methodology used to determine the value of the banks was the discounted dividend method (DDM)--a robust, efficient and reliable technical method that is widely accepted locally and internationally for valuing financial entities. The exchange ratio is determined as follows (information in COP\$):

Value per share of CORPBANCA COLOMBIA (X)	:	\$6,125,683
Value per common or preferential dividend and non-voting share of HELM BANK (Y):	:	\$563,210
Exchange ratio (X/Y)	:	\$10,876

Once merged, based on the valuation of the shares of Corpbanca Colombia, for every 10.876 common shares and/or preferential dividend and non-voting shares of Helm Bank, its shareholders will receive one (1) share of Corpbanca Colombia. For this, Corpbanca Colombia will issue 1,239,863 common shares to fulfill the aforementioned exchange ratio at a value of \$6,125.683 per share.

- 5. Additional Information.** The common shares that Corpbanca Colombia must issue in favor of the shareholders of Helm Bank must be issued in accordance with article 60-5 of the EOSF in order to comply with the aforementioned exchange ratio. This issuance will take place once the merger has been formalized and registered without needing issuance or takeover bid regulations or authorization from the Financial Superintendency. The fractions of shares that result from the exchange ratio may be negotiated or paid in cash by Corpbanca Colombia with a charge to the capital account, in accordance with article 60-5-2 of the EOSF beginning on the business day following the recording in public deed of the merger.
- 6. Withdrawal Right.** The shareholders may exercise their withdrawal right in conformity with article 62-4 of the EOSF.



CORPBANCA AND SUBSIDIARIES
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7. Inspection Right. As of February 4, 2014, the accounting records and other documents required by law, as well as the early notice of merger from the SFC, the merger commitment and other documents related to the merger process will be available to shareholders at the respective offices of the Secretary Generals of Corpbanca Colombia and Helm Bank located at Carrera 7 # 99-53 piso 19 and Carrera 7 # 27-18 piso 6 in Bogotá.

The matters described above do not involve any adjustments to the financial statements as of December 31, 2013. As of May 15, 2014, the financial effects that this information will have on the results of the Entity cannot be quantified.

c) Issuance of Subordinated Bonds

Towards the end of 2013, Banco Corpbanca Colombia, the International Finance Corporation (IFC), a member of the World Bank Group, and the IFC Capitalization Fund, a fund managed by IFC Asset Management Company, signed a document entitled "Note Purchase Agreement", by which, subject to compliance of certain conditions, Banco Corpbanca Colombia will issue and the IFC Capitalization Fund will purchase subordinated bonds for US\$ 170 million. Once issued, these floating rate notes will mature in 10 years, although the exact rate is not yet determined as of the issuance of these financial statements.

The net amount from the placement will be used by the Entity to increase loans in the market and finance other general corporate objectives.

The matters described above do not involve any adjustments to the financial statements as of December 31, 2013. At this stage, the financial effects that this information will have on the results of the Entity cannot be quantified.

d) Tax Reform (Law 1607 of December 26, 2012).

- Decree 2418 of 2013, which provides some of the regulations for Law 1607 of 2012, reduces withholding tax rates.

Article 94 of Law 1607 of 2012 amended 240 of the Tax Statute by decreasing from 33% to 25% the income tax rate for corporations, limited liability companies and other entities considered national entities in conformity with the law, including companies and other foreign entities of any nature that obtain income through branches or permanent establishments.

Thus, new withholding tax rates must be established for income taxes in order to make this reduction effective and guarantee the adequate flow of resources to the country in line with the new income tax rate and the changes introduced by Law 1607.

In accordance with articles 365, 366 and 395, the National Governor is authorized to establish withholding tax rates in order to facilitate, accelerate and ensure collection of income and complementary taxes.

The regulations bring about the following changes in 2014:

- They modify withholding at source for other concepts from 3.5% to 2.5% beginning January 1, 2014.
- Withholding at source for financial returns indicated in Decree 700 of 1997 is reduced from 7% to 4%.
- They create self-withholding of 2.5% on repo and simultaneous operations and temporary securities transfers.
- They create self-withholding of 2.5% on interest on active loan transactions.
- They modify the basis for calculating self-withholding of 11% on commissions.

The matters described above do not involve any adjustments to the financial statements as of December 31, 2013. At this stage, the financial effects that this information will have on the results of the Entity cannot be quantified. Furthermore, modifications are still being made to the aforementioned regulations.

In the period between January 1, and May 15, 2014, the date of issuance of these consolidated financial statements, there have been no other subsequent events that could materially affect the presentation and/or results of the financial statements.



CORPBANCA AND SUBSIDIARIES
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Juan Vargas Matta
Accounting Manager

Fernando Massú Tare
Chief Executive Officer

F-238



Exhibit 1.1

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 Superintendent, 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 Superintendent 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.



Exhibit 4.(a).2(i)

English Translation

SERVICE CONTRACT

In Santiago, Chile, on July 6, 2001, by and between **CORPGROUP INTERHOLD S.A.** [handwritten above line: RUT 97.023.800-2], a company formed under the laws of Chile, with domicile at Pedro de Valdivia 100, 14th Floor, Santiago, Chile, hereinafter "**CorpGroup**," represented by Ms. Maritza Saieh Bendeck, a Chilean national, married, civil engineer, national identification card number six million eight hundred thirty-four thousand twenty-three dash three, with domicile for the purposes of this contract in this city, Calle Pedro de Valdivia 100, 14th Floor, in her capacity as General Manager, and **CORPBANCA**, a company formed under the laws of Chile, with domicile at Huérfanos 1072, Santiago, hereinafter "**the Bank**," represented by Mr. Mario Chamorro Carrizo, a Chilean national, married, business engineer, national identification card number seven million eight hundred ninety-three thousand three hundred sixteen dash K, with domicile in this city, Calle Huérfanos 1072, in his capacity as General Manager, agree to enter into a contract for the provision of services which shall be governed by the following clauses:

FIRST: "CorpGroup" shall provide "the Bank" with professional and technical consulting, with its own employees or through professionals hired for that purpose, in the following areas:

- a) Finance. Includes:
 - i) Defining procedures and systems for generating financial information;
 - ii) Preparing management reports, budgets and cash flow statements;
 - iii) Preparing the information required for compliance with tax regulations;
 - vi) Definition and implementation of administrative procedures.

- b) Legal. Includes consulting in:
 - i) Preparation and/or analysis of corporate bylaws and reports on any changes thereto;
 - ii) Preparation, formulation and analysis of chattel mortgage agreements, technology data processing agreements, chattel mortgage agreements [sic], promises, guaranties, specific transactions, etc.;
 - iii) General legal advice and such legal services as the company may require.

- c) Studies. Including:
 - i) Economic and financial analysis of sectors, industries and target markets;
 - ii) Evaluations and feasibility studies of investment plans and new business.

SECOND: This contract shall endure for five years calculated from the date hereof, and shall be renewed automatically for successive annual periods, unless any of the parties notifies the other in writing of its decision not to renew it, at least thirty calendar days in advance of the expiration date of the respective annual period.

Notwithstanding the foregoing, starting on January 1, 2015, this agreement shall last for 10 (ten) years from such date. Upon the expiration of such term, the Bank and CorpGroup shall each have the option of renewing the agreement for 5 (five) additional years. The party that wishes to exercise its renewal option shall provide notice to the other party no later than 30 (thirty) days prior to the expiration of the 10 (ten) year term, in which case the other party shall be bound to accept such renewal. Should Mr. Álvaro Saieh Bendeck pass away before January 1, 2020, this agreement shall remain in force until the fifth anniversary from January 1, 2020 without any chance of renewal. Should he pass away on or after January 1, 2020, this agreement shall be automatically terminated.



THIRD: The price for the services provided by “CorpGroup” shall be UF 6,250, payable monthly in its equivalent in pesos, national currency. Taxes levied based on the present contract shall be borne by “CorpGroup.”

Travel, food and lodging expenses for “CorpGroup” personnel on the assignments they undertake outside of Santiago, Chile, shall be borne by CORPBANCA. Starting from January 1, 2015, such expenses shall be paid directly by the Bank, or reimbursed to CorpGroup if already paid by the latter, in which case such reimbursement shall be done in no more than 30 days from that date it is requested by CorpGroup in writing, providing documented accounts of the respective expenses. In this regard, and without limitation to the generality of the foregoing, the parties hereby agree that the executives of CorpGroup may travel in a private aircraft when rendering services subject to this agreement whose expenses shall be paid directly by the Bank to the national or foreign company in charge of providing such transportation services up to the yearly amount of USD\$705,000.00 (seven hundred and five thousand dollars of the United States of America).

The payment of any applicable taxes shall be borne by CORPBANCA, for which effect “the Bank” shall withhold and pay them, remitting the resulting net amount to “CorpGroup” in the manner indicated below.

The services may be provided directly by “CorpGroup” or by any affiliated or related company, in which case the corresponding payments shall be made directly to the company performing the service.

FOURTH: Nonpayment within the period agreed in the preceding clause shall by law place “the Bank” in default, and without need of any prior written or judicial notification, arrears interest of 9% (nine percent) per annum on the balance owed will accrue from that time.

FIFTH: The service may be rendered by CorpGroup in its offices in Santiago, Chile, or remotely from another place within the country or abroad. To that effect, it may use all kinds of technological means such as video conference, phone and electronic mail, among others. CorpGroup may as well render the services in the offices of the Bank in the opportunities the parties mutually consider more convenient.

SIXTH: The contracted service may include the preparation of a report on the matter under consultation, travel by professionals and technicians to CORPBANCA’s offices, or telephone consultations.

SEVENTH: All expenses required for the provision of the assistance agreed shall be borne exclusively by “CorpGroup,” with the exception of travel, food and lodging expenses for personnel who perform their tasks in another place, as requested by “the Bank,” as stated in the third clause.

EIGHTH: The present contract shall not imply exclusivity on the part of “CorpGroup,” and it reserves the right to provide services similar to those contracted through this document to third parties, except in the case of companies that compete with “the Bank” in the domestic market.

NINTH: “CorpGroup” undertakes to keep strict confidentiality over the information it becomes aware of through performance of the present contract, which shall be deemed secret. This obligation shall



subsist without a time limit, even after termination of the contracted services, "CorpGroup" undertaking to impose the same duty of confidentiality upon the personnel it deploys to provide the service.

TENTH: All difficulties that might arise between the parties in relation to the validity, interpretation and performance of this contract, shall be resolved by an arbiter, who shall decide as the sole authority and without the form of a trial, the parties hereby waiving all legal appeals. Mr. Miguel Ángel Poduje Sapiain is appointed arbiter. The parties hereafter waive any grounds for disqualification or recusal, which exist at this time, or which might exist at the time his intervention is required.

If the arbiter cannot or does not wish to act, and faced with a lack of agreement by the parties regarding another person, the appointment of the arbiter shall be the responsibility of Santiago's Civil Court on duty; in this latter case the arbiter shall have the capacity of an arbitrator in the matters of procedure and of law regarding any decision. Lack of agreement by the parties shall be understood if any of them appeals to the competent Court to request the appointment of a surrogate arbiter.

The arbitration shall take place in the city and community of Santiago, and the arbiter, regardless of the mechanism of his appointment, is authorized to establish procedures and forms of notification in case of disagreement by the parties.

ELEVENTH: For all legal effects derived from this contract, the parties establish domicile in the Community of Santiago.

[signature]
for CORPBANCA
Corp Banca Chile. Contract

[signature]
for CORPGROUP



Exhibit 4.(a).2(ii)

English Translation

SERVICE CONTRACT

CORPGROUP INTERHOLD S.A.

AND

CORPBANCA

In Santiago, Chile, on April 10, 2008, on one part, **CORPGROUP INTERHOLD S.A.**, tax identification number No. 96,758,830-K, represented by Mrs. Maritza Saieh Bendeck, national identification number No. 6,834,023-3, both domiciled in Rosario Norte Street 600, 23rd Floor, commune of Las Condes, city of Santiago, hereinafter "**Corpgroup**" and, on the other part, **CORPBANCA**, tax identification number No. 97,023,000-9, represented by Mr. Mario Chamorro Carrizo, national identification number No. 7,893,316-K, both domiciled in Rosario Norte Street 660, commune of Las Condes, city of Santiago, hereinafter the "**Bank**" have agreed to enter into the following service contract, hereinafter the "**Contract**":

FIRST: PURPOSE OF THE CONTRACT

By means of this Contract, Corpgroup agrees to render professional and technical advisory services in the following areas:

1.1 Financial: the services hired for this area comprise, among others, the following:

- I) Preparation of reports, budgets and strategic definitions;
- II) Definition of procedures and systems for the generation of financial information and decision making within such scope; and
- III) In general, advisory services in all matters related to finance and international businesses.

1.2 Capital Markets: the services hired for this area comprise, among others, the following:

- I) Preparation of reports relates to legal provisions that govern capital markets.
- II) Analysis of Corpbanca's initiatives and projects that affect capital markets, both in their preparation and in their implementation and development.
- III) Orientation and assistance in complying with norms and regulations currently in force.

1.3 Real Estate: the services hired for this area comprise, among others, the following:

- I) Advisory services in the evaluation of real estate projects Corpbanca intends to finance.
- II) Risk analysis of the business risk faced by the real estate projects in which Corpbanca gets involved.
- III) Reports related to the real estate market in general and its influence in projected finance decisions.



1.4 Operations: the services hired for this area comprise, among others, to intervene and advice in the supervision and coordination of services related to the functioning, maintenance and operations of Corpbanca's corporate building located in Rosario Norte 66, commune of Las Condes.

The technical and professional advisory services included in the matters indicated above shall be executed by executives hired by Corpgroup specifically to that effect, considering only individuals that are fit for such tasks with a renowned prestige in Chile and abroad, with high levels of specialization and broad knowledge in the respective matters.

The hired service may comprise drafting reports about the matters of advice, the traveling of professionals and technical staff to the offices of Corpbanca or the response of queries by phone or any other technological means.

SECOND: TERM

The Contract will become effective as of this date and shall have an initial duration of one (1) year. This term may be automatically and continuously renewed for equal terms of one (1) year unless any of the parties communicates its intention to terminate the Contract by means of a written communication to the other party with at least thirty (30) days of prior notice from the original expiration or ongoing renewal.

Notwithstanding the above, starting on January 1, 2015, this Contract shall last for 10 (ten) years from such date. Upon the expiration of such term, the Bank and Corpgroup shall each have the option of renewing the Contract for 5 (five) additional years, provided that on such date the services continue to be rendered with the participation of Álvaro Saieh Bendeck. The party that wishes to exercise its renewal option shall provide notice to the other party no later than 30 (thirty) days prior to the expiration of the 10 (ten) year term, in which case the other party shall be bound to accept such renewal. Should Mr. Álvaro Saieh Bendeck pass away before January 1, 2020, this Contract shall remain in force until the fifth anniversary from January 1, 2020 without any chance of renewal. Should he pass away on or after January 1, 2020, this Contract shall be automatically terminated.

THIRD: COMPENSATION FOR THE SERVICES

Corpgroup shall be entitled to a monthly compensation equivalent to 1,350 *Unidades de Fomento* calculated at the date of the effective payment.

Executives specially hired by Corpgroup to that effect shall render the services agreed upon pursuant to this Contract. Without prejudice to the above, CorpGroup may render services directly on its own account, either through its personnel or any affiliates or related entities in which case payments shall be made directly to the company providing the services.

The lack of timely payment shall immediately be considered a past due payment by Corpbanca without need of a written payment requirement or judicial action and shall accrue the maximum interest allowed by law from such date.

**FOURTH: RELATIONS AMONG THE COMPANY, ITS PERSONNEL AND CORPBANCA.**

The service may be rendered by CorpGroup in its offices in Santiago, Chile, or remotely from another place within the country or abroad. To that effect, it may use all kinds of technological means such as video conference, phone and electronic mail, among others. CorpGroup may as well render the services in the offices of the Corpbanca in the opportunities the parties mutually consider more convenient.

In any case, the labor and contractual relationship with the executives and personnel of CorpGroup shall remain effective at all times and, consequently, there shall not be any bond of subordination or dependency between such executives and Corpbanca.

FIFTH: CONFIDENTIALITY

The parties shall refrain from disclosing or using all or any confidential information related to the other party, disclosing the existence of this Contract, as well as any other confidential information of the other party or its affiliated companies, unless such information has become public by a cause other than the breach of any confidentiality obligation, or its disclosure were mandatory under laws and regulations.

The parties expressly declare and acknowledge that all information furnished to the other party for the performance of this Contract is strictly confidential.

This obligation shall remain in full force and effect without limit of time, even after the termination of the hired services, being CorpGroup obliged to inform the personnel employed in the provision of services the same duty of confidentiality.

SIXTH: ARBITRATION

All doubts or difficulties arising between the parties by reason of this Contract, or the obligations contemplated hereunder, whether referred to its existence, validity, nullity, performance, breach, application, interpretation, resolution or execution, or any matter related directly or indirectly with them, shall be resolved by and arbitrator *ex equo et bono* who shall act as mediator appointed by mutual agreement of the parties who will be vested with broad powers. The arbitrator shall not act in the form of a judicial proceeding and his resolutions shall not be subject to any remedies which the parties hereby expressly waive. The parties hereby appoint Mr. Miguel Angel Poduje Sapain as arbitrator. The parties hereby waive any cause for incompatibility that exists as of the date hereof or may exist at the time his intervention is required. Once the arbitration has been installed the arbitration proceeding shall remain open in a manner that the arbitrator may exercise his duties as many times as necessary and shall have, in each case, six months to resolve the matter. If the parties fail to agree on a procedure to solve the dispute, the arbitrator will always be authorized to determine such procedure, with broad powers, even with regard to the system for serving and notifying the parties provided that the first notification shall be conducted following the provisions of title VI of the first book of the Chilean Civil Procedure code.

Should Mr. Miguel Angel Poduje Sapain be prevented from or refuse to accept arbitration and in the absence of agreement on another person, the arbitrator shall be appointed by an Ordinary judge of Santiago, in which case the arbitrator shall act *ex equo et bono* with regard to procedural matters and at law with regard to the substance of his resolutions. If any party appears before a court requesting arbitration it shall be understood there is no agreement on the appointment of the arbitrator between the parties.



The arbitration shall be seated in the city and commune of Santiago, being the arbitrator, regardless of the manner he has been appointed, allowed to set the procedure and manners of service and notification absent an agreement of the parties.

SEVENTH: NO EXCLUSIVITY

This Contract is not exclusive for Corpgroup who reserves its right to provide similar services to third parties unless such parties are competitors of Corpbanca in Chile.

EIGHTH: EXPENSES

All expenses for the provision of the hired services shall be borne by Corpgroup with the exception of traveling, food and lodging expenses to the personal rendering services in another location at the request of Corpbanca, as provided in section four above.

Starting from January 1, 2015, such expenses shall be paid directly by the Bank, or reimbursed to Corpgroup if already paid by the latter, in which case such reimbursement shall be done in no more than 30 days from that date it is requested by Corpgroup in writing, providing documented accounts of the respective expenses. In this regard, and without limitation to the generality of the foregoing, the parties hereby agree that the executives of CorpGroup may travel in a private aircraft when rendering services subject to this Contract whose expenses shall be paid directly by the Bank to the national or foreign company in charge of providing such transportation services up to the yearly amount of USD\$150,000.00 (one hundred and fifty thousand dollars of the United States of America).

NINTH: DOMICILE AND JURISDICTION

For all purpose arising out of this Contract the parties set domicile in the city and commune of Santiago and submit to the jurisdiction of its Ordinary Courts.

This Contract is executed in two identical counterparts remaining one in the hands of each party.

[Illegible signature of Mrs. Maritza Saieh Bendeck]

[Illegible signature of Mr. Mario Chamorro Carrizzo]



Exhibit 4.(a).2(iii)

English Translation

SERVICE CONTRACT

In Santiago, Chile, on March 27, 2012, between **CORPBANCA** a banking corporation, tax identification number 97,023,000-9, represented by Mr. **FERNANDO MASSU TARE**, national identification number 6,867,306-2 both domiciled in the city of Santiago, Rosario Norte Street number 660, commune of Las Condes, hereinafter “**the Bank**”, on one part, and on the other part Mr. **ALVARO SAIH BENDECK**, national identification number 5,911,895-1, domiciled in the commune and city of Santiago, Rosario Norte Street number 660, floor 22, commune of Las Condes, acting on his own account and on behalf of **Corp Group Holding Inversiones Limitada**, hereinafter “**the Service Provider**”, who hereby enter into the following service contract:

FIRST: Background.

- (A) **CORPBANCA** is a banking corporation governed by the Banking Act and subject to the scrutiny of the *Superintendencia de Bancos e Instituciones Financieras*.
- (B) The “**Service Provider**” has broad experience in the Chilean and offshore financial market and in strategic planning related to banking operations.
- (C) This contract is a related party transaction under the provisions of Articles 146 and subsequent of Ley 18,046 and as provided by Article 50 *bis* of such legal body, the conditions of this contract were approved by the Directors-Audit Committee and by the board of the “**Bank**” in meetings respectively dated March 22, 2012 and March 27, 2012.

SECOND: Purpose of the contract and hired services.

By means of this contract, **CORPBANCA** hires the professional services of the “**Service Provider**” to receive advice in all matters related to:

- i) Strategic planning and definitions;
- ii) Advisory services in new businesses, including acquisitions in Chile or abroad; and
- iii) Advisory services in management controls.

The recipients of the services will be the following:

- i) With regard to strategic planning, the office of the CEO and the Board through its President;
- ii) With regard to advisory services in new businesses, the recipient will depend on the business segment or subsidiary involved.
- iii) With regard to advisory services in management controls, they shall also be received across the whole organization, interacting with the Controller.

The “**Service Provider**” shall prepare the documentation and information that support the advisory services, which shall be privileged and confidential, provided that it will be available to the President of the Directors-Audit committee.

The services may be rendered by the “**Service Provider**” in its offices in Santiago, Chile, or remotely from another place within the country or abroad. To that effect, it may use all kinds of



technological means such as video conference, phone and electronic mail, among others. The “**Service Provider**” may as well render the services in the offices of the “**Bank**” in the opportunities the parties mutually consider more convenient.

THIRD: Price of the Services.

The “**Bank**” shall pay an amount equivalent to 1,250 *Unidades de Fomento* on a monthly basis, for services rendered the prior month, within 15 calendar days from the receipt and acceptance of the respective invoice, at the value of the *Unidad de Fomento* in force on the date of the issuance of the receipt or invoice.

The services rendered pursuant to this contract are activities governed by number 5 of Article 20 of the Chilean Income Tax Act and, consequently, are not charged with Value Added Tax.

Starting from January 1, 2015, food, transportation and lodging expenses of the **Service Provider’s** personnel that is rendering services in a place other than its own offices at the request of the “**Bank**” shall be borne by the latter. Such expenses shall be paid directly by the “**Bank**”, or reimbursed to the “**Service Provider**” if already paid by the latter, in which case such reimbursement shall be done in no more than 30 days from that date it is requested by the “**Service Provider**” in writing, providing documented accounts of the respective expenses. In this regard, and without limitation to the generality of the foregoing, the parties hereby agree that the executives of the “**Service Provider**” may travel in a private aircraft when rendering services subject to this contract whose expenses shall be paid directly by the “**Bank**” to the national or foreign company in charge of providing such transportation services up to the yearly amount of USD\$140,000.00 (one hundred and forty thousand dollars of the United States of America).

FOURTH: Effectiveness and term.

This contract shall be effective as of this date, shall last one year and will be renewable for one-year periods, prior ratification by the Directors-Audit Committee.

Notwithstanding the above, starting on January 1, 2015, this contract shall last for 10 (ten) years from such date. Upon the expiration of such term, the “**Service Provider**” and the “**Bank**” shall each have the option of renewing the contract for 5 (five) additional years. The party that wishes to exercise its renewal option shall provide notice to the other party no later than 30 (thirty) days prior to the expiration of the 10 (ten) year term, in which case the other party shall be bound to accept such renewal. Should Mr. Álvaro Saieh Bendeck pass away before January 1, 2020, this contract shall remain in force until the fifth anniversary from January 1, 2020 without any chance of renewal. Should he pass away on or after January 1, 2020, this contract shall be automatically terminated.

FIFTH: Exclusividad.

The services rendered pursuant to this contract shall not be exclusive for the “**Bank**”. The services rendered pursuant to this contract shall be exclusive for the “**Service Provider**” in relation to banks that are a relevant competition for Corpbanca.



SIXTH: Contracting.

The parties expressly declare that, even though they are hiring the services of Corp Group Holding Inversiones Limitada, in rendering the services by the latter, the opinion of Mr. Álvaro Saieh Bendeck shall be evidenced and prevail.

SEVENTH: Confidentiality.

The parties commit to keep all information, matters, and documentation provided and accessed by occasion of the rendering of services confidential.

“**Confidential Information**” will be any oral or written information disclosed to the other party by reason of this contract, and specifically but without limitation, the data contained in documents, forms, annexes, data bases, and any other information, activity and commercial plan, whether past, present or future, of which such gains knowledge by reason of this contract and has not been publicly disclosed.

The “**Service Provider**” shall keep the Confidential Information confidential and shall not use it for any purpose other than rendering the services matter of this contract.

The terms and conditions of this clause shall remain in force and effect even after the termination of this contract for any cause.

EIGHT: Domicile.

For all legal purposes, the appearing parties set domicile in the city and commune of Santiago and submit to the jurisdiction of its Ordinary Courts.

NINTH: No Assignment.

The parties declare and acknowledge that this contract is executed in consideration of the experience and reputation of the “**Service Provider**”. Consequently, the latter may not assign, transfer or convey, totally or partially, the rights and obligations arising out of this contract. The breach of the provisions of this section by the “**Service Provider**” is a material breach of its obligations and shall trigger the immediate termination of this contract without need of judicial declaration or prior notice, being the “**Service Provider**” liable for any damages his actions may have caused to the “**Bank**”.

TENTH: Authority.

The authority of Mr. Fernando Massú Tare to represent **CORPBANCA** is evidenced in the public deed dated February 16, 2012, granted before the Notary of Santiago Mr. José Musalem Saffie.

The authority of Mr. Álvaro Saieh Bendeck to represent **Corp Group Holding Inversiones Limitada** is evidenced in the public deed dated July 12, 2010, granted before the Notary of Santiago Mr. José Musalem Saffie.

[Illegible signature for Mr. Fernando Massú Taré]

[Illegible signature for Mr. Álvaro Saieh Bendeck]



Exhibit 8.1

LIST OF SUBSIDIARIES

All of the following subsidiaries have their jurisdiction of incorporation in the Republic of Chile:

1. CorpBanka 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. Corp Legal 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 and other countries:

1. Banco CorpBanca Colombia S.A.
2. Helm Bank Colombia, S.A.
3. Helm Corredor de Seguros S.A.
4. CorpBanca Investment Valores S.A. Comisionista de Bolsa
5. CorpBanca Investment Trust Colombia S.A.
6. Helm Comisionista de Bolsa S.A.
7. Helm Fiduciaria S.A.
8. Helm Bank (Panamá) S.A.
9. Helm Casa de Valores (Panamá) S.A.
10. Helm Bank Caymán S.A.

All of the following subsidiaries have their jurisdiction of incorporation in the United States:

1. CorpBanca New York Branch
2. CorpBanca Securities INC-NY



Exhibit 10.C.1
EXECUTION COPY

TRANSACTION AGREEMENT

among

INVERSIONES CORP GROUP INTERHOLD LIMITADA.,

INVERSIONES GASA LIMITADA,

CORPBANCA,

ITAÚ UNIBANCO HOLDING S.A.,

and

BANCO ITAÚ CHILE

dated

JANUARY 29, 2014



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LIST OF EXHIBITS

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- 1 Form of Shareholders Agreement (Section 1.2(b))
- 2 Form of Consent and Agreement
- 3 Form of Registration Rights Agreement
- 4 Required Regulatory Consents
- 5 Form of Corp Group Pledge Agreements



TRANSACTION AGREEMENT

THIS TRANSACTION AGREEMENT (this “Agreement”), dated January 29, 2014, is entered into among Inversiones Corp Group Interhold Limitada, a limited liability company (*sociedad de responsabilidad limitada*) organized under the laws of Chile (“Interhold”), Inversiones Gasa Limitada, a limited liability company (*sociedad de responsabilidad limitada*) organized under the laws of Chile (“GASA” and, together with Interhold, “Corp Group Parent”), CorpBanca, a banking corporation (*sociedad anónima abierta especial bancaria*) organized under the laws of Chile (“CorpBanca”), Itaú Unibanco Holding S.A, a *sociedad anónima* organized under the laws of Brazil (“Itaú Parent”), and Banco Itaú Chile, a banking corporation (*sociedad anónima especial bancaria*) organized under the laws of Chile (“Itaú Chile”).

RECITALS

A. Approvals. The boards of directors of CorpBanca and Itaú Chile have determined that the transactions described herein are consistent with, and will further, their respective business strategies and goals, and are in the best interests of CorpBanca and Itaú Chile, respectively, and their respective shareholders.

B. The Transactions. This Agreement provides for a strategic business combination through (a) a capital increase by Itaú Chile, (b) the merger of Itaú Chile with and into CorpBanca with CorpBanca as the surviving corporation, (c) after approval or denial of the CorpBanca Colombia-Helm Merger by the SFC, either the acquisition of Itaú Colombia by CorpBanca or the merger of Itaú Colombia with and into CorpBanca Colombia, with CorpBanca Colombia as the surviving corporation, and (d) the purchase by CorpBanca of the shares of CorpBanca Colombia held by Corp Group Parent and the offer to purchase by CorpBanca of the shares of CorpBanca Colombia held by the other minority shareholders that are party to that certain Shareholders Agreement, dated July 31, 2013, among certain shareholders of CorpBanca Colombia (as amended, the “CorpBanca Colombia Shareholders Agreement”).

C. The Shareholders Transactions. In connection with the transactions referred to above, this Agreement provides for certain transactions between Corp Group Parent and Itaú Parent including (i) the formation of Itaú Holding by Itaú Parent, (ii) the execution of the Shareholders Agreement by Itaú Parent, Corp Group Parent, the Holding Companies and Corp Group Holding effective as of the Chilean Effective Time, (iii) the execution of the Registration Rights Agreement by CorpBanca and Corp Group Parent, and (iv) the execution of the pledge agreements by Interhold and Corp Group Banking, as pledgors, and Itaú Parent, as pledgee, in the form set forth in Exhibits 5A and 5B, respectively (the “Corp Group Pledge Agreements”).

D. Defined Terms. Certain capitalized terms used in this Agreement are defined in Section 7.1 of this Agreement.

NOW, THEREFORE, in consideration of the above and the mutual warranties, representations, covenants, and agreements set forth herein, and intending to be legally bound hereby, the Parties agree as follows:



ARTICLE 1

TERMS OF THE TRANSACTIONS

1.1 Time and Place of Closing. The closing (the “Closing”) of the Chilean Merger (as defined in Section 1.2) shall take place on the same day when the Chilean Effective Time (as defined in Section 1.3) is to occur (the “Closing Date”), unless another time is agreed to in writing by the Parties. The Parties shall coordinate to ensure the timing of the foregoing. The Closing shall be held at such location as shall be mutually agreed to in writing by the Parties.

1.2 The Transactions. Subject to the terms and conditions of this Agreement, the Parties shall effect the following transactions (collectively, the “Transactions”):

(a) Prior to the Chilean Effective Time, (i) by means of one or more capital increases, Itaú Chile shall offer to sell such number of shares of its common stock to its shareholders, and Itaú Parent shall, or shall cause one of its Subsidiaries to, subscribe for such shares in an amount necessary such that, the capital increase(s) will result in aggregate proceeds to Itaú Chile of U.S.\$652 million (the “Capital Raise”) and (ii) Corp Group Parent will sell or otherwise transfer 5,208,344,218 shares of CorpBanca to non-Affiliates.

(b) Prior to the Chilean Effective Time, Itaú Parent may elect to form or cause to be formed Itaú Holdco, a new company (*sociedad por acciones*) organized under the laws of Chile and wholly-owned directly or indirectly by Itaú Parent to hold Itaú Parent’s shares of CorpBanca Common Stock or it may hold such shares through one or more of its wholly owned subsidiaries (any such companies, collectively, “Itaú Holding Company” and, together with Corp Group Banking and SAGA, the “Holding Companies”).

(c) At the Chilean Effective Time, Itaú Chile shall merge with and into CorpBanca in accordance with the provisions of the Chilean Companies Law (the “Chilean Merger”). CorpBanca shall be the surviving corporation in the Chilean Merger and shall be governed by the laws of Chile. Upon consummation of the Chilean Merger, the separate corporate existence of Itaú Chile shall cease, and all assets and liabilities of Itaú Chile shall be assumed by CorpBanca. Effective as of the Chilean Effective Time, Itaú Parent, the Holding Companies, Corp Group Holding and Corp Group Parent shall enter into a shareholders’ agreement (the “Shareholders Agreement”) in the form attached as Exhibit 1.

(d) As soon as practicable after the Chilean Effective Time, (i) CorpBanca shall have made an offer to purchase from the other minority shareholders of CorpBanca Colombia that are party to the CorpBanca Colombia Shareholders Agreement all of the outstanding shares of CorpBanca Colombia owned by such minority shareholders, and (ii) subject to Section 1.6, CorpBanca shall purchase from Corp Group Parent all of the outstanding shares of CorpBanca Colombia owned by Corp Group Parent, in each case at a price equal to U.S.\$3.5367 per share (which is U.S.\$330,000,000 for Corp Group Parent and U.S.\$ 564,000,000 for such minority shareholders in the aggregate).



(e) Subject to Section 1.6, (i) CorpBanca and four wholly-owned Subsidiaries of CorpBanca shall purchase all of the shares of Itaú Colombia capital stock from Affiliates of Itaú Parent (the “Colombian Acquisition”) or, alternatively, (ii) Itaú Colombia shall merge with and into CorpBanca Colombia in accordance with the provisions of Colombian Law applicable to the merger of financial entities (the “Colombian Merger”), in each case as promptly as practicable after the Chilean Effective Time subject to Section 1.3(b). In the case of the Colombian Merger, if applicable pursuant to Section 1.6(i), CorpBanca Colombia shall be the surviving corporation and shall be governed by the laws of Colombia. Upon consummation of the Colombian Merger, if applicable, the separate corporate existence of Itaú Colombia shall cease, and all assets and liabilities of Itaú Colombia shall be assumed by CorpBanca Colombia.

1.3 Chilean Effective Time; Colombian Effective Time.

(a) Subject to the terms and conditions of this Agreement, on or before the Closing Date, the Parties will take all actions set forth in Schedule 1.3(a) to effect the Chilean Merger (the “Chilean Merger Steps”). The Chilean Merger shall take effect on the fifth Business Day following the date on which satisfaction or waiver of the last of the conditions set forth in Article 5 has occurred (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the fulfillment or waiver of those conditions and the continued satisfaction or waiver of all other conditions), or such other date mutually agreed upon by the Parties (the “Chilean Effective Time”).

(b) As soon as practicable after the Chilean Effective Time, the Parties will take all actions set forth in Schedule 1.3(b) to effect the Colombian Acquisition or the Colombian Merger, as the case may be; provided that, if applicable pursuant to Section 1.6(i), the request for authorization of the Colombian Merger by the *Superintendencia Financiera de Colombia* (“SFC”) pursuant to Part B of Schedule 1.3(b) to effect the Colombian Merger shall not be filed with the SFC before the approval or denial of the CorpBanca Colombia-Helm Merger by the SFC. The closing of the Colombian Acquisition (the “Colombian Acquisition Closing”) shall take place upon completion of the last of the actions set forth in Part A of Schedule 1.3(b) to effect the Colombian Acquisition (the “Colombian Acquisition Steps”), subject to the receipt of the approval of the Colombian Acquisition by the SFC. The closing of the Colombian Merger (the “Colombian Effective Time”) shall take place upon completion of the last of the actions set forth in Part B of Schedule 1.3(b) to effect the Colombian Merger (the “Colombian Merger Steps” and, together with the Colombian Acquisition Steps, the “Colombian Transaction Steps”), subject to the receipt of the approval of the Colombian Merger by the SFC.

1.4 Conversion of Itaú Chile Common Stock. At the Chilean Effective Time, subject to Section 1.4(c), by virtue of the Chilean Merger and without any action on the part of the Parties or the holder of any of the following securities:

(a) Each share of Itaú Chile Common Stock that is Outstanding immediately prior to the Chilean Effective Time shall be converted into the right to receive the number of shares of CorpBanca Common Stock equal to the Chilean Exchange Ratio; *provided*



that the Itaú Chile Common Stock Holders shall be deemed shareholders of CorpBanca upon the consummation of the Chilean Merger, pursuant to Article 66 of the Regulations of the Chilean Companies Law.

(b) All shares of Itaú Chile Common Stock converted pursuant to this Section 1.4 shall no longer be Outstanding and shall automatically be cancelled and retired and shall cease to exist as of the Chilean Effective Time, and each certificate previously representing any such shares of Itaú Chile Common Stock (the “Old Chilean Certificates”) shall cease to have any rights except it shall thereafter represent the right to receive a certificate representing the number of whole shares of CorpBanca Common Stock into which the shares of Itaú Chile Common Stock represented by such Old Chilean Certificate have been converted pursuant to this Section 1.4.

1.5 CorpBanca Common Stock. Each share of CorpBanca Common Stock issued and outstanding immediately prior to the Chilean Effective Time shall remain an issued and outstanding share of CorpBanca Common Stock and shall not be affected by the Chilean Merger.

1.6 Colombian Acquisition.

(a) As promptly as practicable (i) after the Chilean Effective Time, the Parties shall take all actions set forth in Part A of Schedule 1.3(b) to effect the Colombian Acquisition and (ii) after the approval of the Colombian Acquisition by the SFC, the Parties shall consummate the Colombian Acquisition.

(b) At the closing of the Colombian Acquisition (the “Colombian Acquisition Closing”), Itaú Parent shall cause its Affiliates to sell and transfer, free and clear of any and all Liens, to (i) CorpBanca, and CorpBanca shall purchase and acquire from such Affiliates of Itaú Parent, 94% of all of the outstanding shares of Itaú Colombia capital stock (the “Itaú Colombia Shares”) and (ii) four wholly-owned Subsidiaries of CorpBanca, and each such wholly-owned Subsidiary shall purchase and acquire from such Affiliates of Itaú Parent 1.5% of all the outstanding Itaú Colombia Shares, for an aggregate purchase price (for 100% of such shares) equal to the book value of Itaú Colombia based on the most recent month-end financial statements of Itaú Colombia submitted to the Regulatory Authorities prior to the Colombian Acquisition Closing, calculated in accordance with Colombian GAAP (the “Colombian Purchase Price”).

(c) At the Colombian Acquisition Closing, Itaú Parent shall deliver or cause to be delivered to CorpBanca:

(i) one or more certificates representing all of the Itaú Colombia Shares, free and clear of any Liens, duly endorsed in the name of CorpBanca or its wholly-owned Subsidiaries accompanied by a letter addressed to the legal representative of Itaú Colombia to serve as instrument of transfer duly executed; and

(ii) a receipt for the payment made by CorpBanca and/or its wholly-owned Subsidiaries to Itaú Parent (or its designated Affiliates) for the Colombian Purchase Price on the Colombian Acquisition Closing.



- (d) At the Colombian Acquisition Closing, CorpBanca shall deliver or cause to be delivered to Itaú Parent:
- (i) the Colombian Purchase Price by wire transfer in immediately available funds to the bank account indicated by Itaú Parent (or its designated Affiliates) to CorpBanca in writing two Business Days prior to the Colombian Acquisition Closing; and
 - (ii) confirmation that the share certificates in respect of the Itaú Colombia Shares have been duly delivered.
- (e) The Shareholders Agreement shall not apply to or with respect to CorpBanca Colombia and its Subsidiaries until such time as the CorpBanca Colombia Shareholders Agreement has been terminated pursuant to Section 7.1 thereof.
- (f) With respect to the directors of CorpBanca Colombia designated by CorpBanca, CorpBanca shall designate two directors nominated by Corp Group Parent.
- (g) The bylaws of Itaú Colombia will be amended to the extent necessary to comply with Chilean legal and regulatory requirements for foreign subsidiaries.
- (h) Following the Chilean Effective Time, Corp Group Parent shall, subject to receipt of any approvals from Governmental Authorities required under applicable Law, sell its shares of CorpBanca Colombia to CorpBanca pursuant to Section 1.2(d) on the dates and in the amounts described in Schedule 1.6(d).
- (i) Notwithstanding anything to the contrary in this Agreement, if each of the minority shareholders of CorpBanca Colombia identified in Schedule 1.6 shall have executed and delivered the Consent and Agreement in the form of Exhibit 2 hereto within 30 days after the date hereof, CorpGroup Parent and Itaú Parent shall effect the Colombian Merger in lieu of the Colombian Acquisition, in which case, (x) the Colombian Acquisition shall not occur and the Colombian Merger shall occur as promptly as reasonably practicable after the Chilean Effective Time subject to Section 1.3(b) and (y) CorpGroup Parent and Itaú Parent shall cause CorpBanca Colombia and Itaú Colombia to use reasonable best efforts to take such actions as are necessary to effect the Colombian Merger.

1.7 Conversion of Itaú Colombia Common Stock. If the Colombian Merger occurs, at the Colombian Effective Time, subject to Section 1.6, by virtue of the Colombian Merger and without any action on the part of the Parties or the holder of any of the following securities:

- (a) Each share of Itaú Colombia Common Stock that is Outstanding immediately prior to the Colombian Effective Time shall be converted into the right to receive the number of shares of CorpBanca Colombia Common Stock equal to the Colombian Exchange Ratio; provided that the Itaú Colombia Common Stock Holders shall be deemed shareholders of CorpBanca Colombia upon the consummation of the Colombian Transaction. Each shares of CorpBanca Colombia issued and outstanding immediately prior to the Colombian Effective Time shall remain an issued and outstanding share of CorpBanca Colombia Common Stock and shall not be affected by the Colombian Merger.



(b) All shares of Itaú Colombia Common Stock converted pursuant to this Section 1.5 shall no longer be Outstanding and shall automatically be cancelled and retired and shall cease to exist as of the Colombian Effective Time, and each certificate previously representing any such shares of Itaú Colombia Common Stock (the “Old Colombian Certificates”) shall cease to have any rights except it shall thereafter represent the right to receive a certificate representing the number of whole shares of CorpBanca Colombia Common Stock into which the shares of Itaú Colombia Common Stock represented by such Old Colombian Certificate have been converted pursuant to this Section 1.7.

1.8 Adjustments.

(a) If, following the date of this Agreement and prior to the Chilean Effective Time, the Outstanding shares of Itaú Chile Common Stock or CorpBanca Common Stock shall have, except as provided herein, been increased, decreased, changed into or exchanged for a different number or kind of shares or securities as a result of a capital increase, reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in capitalization, then an appropriate and proportionate adjustment shall be made to the Chilean Exchange Ratio and other amounts set forth in Article I calculated based on the number of outstanding shares of Itaú Chile Common Stock or CorpBanca Common Stock.

(b) If, following the date of this Agreement and prior to the Colombian Acquisition or the Colombian Effective Time, the Outstanding shares of Itaú Colombia Common Stock or CorpBanca Colombia Common Stock shall have, except as provided herein, been increased, decreased, changed into or exchanged (including for the avoidance of doubt as a result of the CorpBanca Colombia-Helm Merger) for a different number or kind of shares or securities as a result of a capital increase, reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in capitalization, then an appropriate and proportionate adjustment shall be made to the Colombian Exchange Ratio and other and other amounts set forth in Article I calculated based on the number of outstanding shares of Itaú Colombia Common Stock or CorpBanca Colombia Common Stock.

ARTICLE 2

EXCHANGE OF SHARES

2.1 Chilean Exchange Procedures.

(a) At or prior to the Chilean Effective Time, CorpBanca shall set aside or cause to be set aside, separately and for the benefit of the holders of Old Chilean Certificates, for exchange in accordance with Article 1 and this Article 2, (i) certificates or evidence of shares in book entry form representing CorpBanca Common Stock (collectively, “New Chilean Certificates”) and (ii) any dividends or distributions with respect thereto, in all cases to be paid pursuant to Article 1 and this Article 2 in exchange for Outstanding shares of Itaú Chile Common Stock.



(b) The Subsidiaries of Itaú Chile in which Itaú Chile is a direct shareholder (the “Direct Subsidiaries”) shall (i) issue and deliver certificates or evidence of shares in book entry form representing Direct Subsidiaries common stock in the name of CorpBanca in a number that is equal to the common stock held by Itaú Chile in such Direct Subsidiaries immediately before the Chilean Effective Time (collectively, “New Direct Subsidiaries Certificates”) and (ii) register in the stock ledger of the relevant Direct Subsidiaries CorpBanca in lieu of Itaú Chile as holder of the New Direct Subsidiaries Certificates.

2.2 Colombian Exchange Procedures.

(a) If the Colombian Merger occurs, at the Colombian Effective Time, CorpBanca Colombia shall issue, for the benefit of the holders of Itaú Colombia Common Stock, without being subject to any preemptive rights, for exchange in accordance with Article 1 and this Article 2, certificates or evidence of shares in book entry form representing CorpBanca Colombia Common Stock (collectively, “New Colombian Certificates”) in an amount sufficient to meet the Colombian Exchange Ratio. The CorpBanca Colombia Common Stock to be issued in connection with the Colombian Merger shall only be issued to the holders of Itaú Colombia Common Stock at the Colombian Effective Time.

(b) CorpBanca Colombia shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any Itaú Colombia Common Stock Holder such amounts as it is required to deduct and withhold with respect to the making of such payment under any provision of state, local or foreign tax Law. To the extent that amounts are so withheld by CorpBanca Colombia, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Itaú Colombia Common Stock Holder in respect of which such deduction and withholding was made by CorpBanca Colombia.

2.3 Independent Valuation. If the Colombian Merger is to be effected pursuant to Section 1.6(i), prior to the filing of the Colombian Merger approval request with the SFC pursuant to Section 2.4 of Part B of Schedule 1.3(b), in the terms of Article 62 of the Colombian Financial Statute (*Estatuto Orgánico del Sistema Financiero* or “EOSF”), Itaú Colombia and CorpBanca Colombia shall engage, and share equally the cost of, an internationally recognized investment bank with experience in the valuation of financial entities which independency and adequacy credentials shall have been previously approved by the SFC (an “Independent Appraiser”) to provide an independent valuation of each of Itaú Colombia and CorpBanca Colombia. The engagement shall provide (i) for a 60-day term to prepare the valuation report and deliver the valuation results to the board of directors of each of the Itaú Colombia and CorpBanca Colombia and (ii) that the valuation shall be performed using internationally accepted valuation methodologies for financial entities. The Parties undertake to vote in favor, or to cause their respective Affiliates to vote in favor, as applicable, of the Colombian Exchange Ratio, regardless of the exchange ratio obtained by the Independent Appraiser pursuant to this Section 2.3.



ARTICLE 3

REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of CorpBanca and CorpBanca Colombia. Subject to and giving effect to Sections 3.5 and 7.4 and except as set forth in Corp Group Parent's Disclosure Letter, CorpBanca hereby represents and warrants to the Itaú Parties with respect to itself and CorpBanca Colombia that:

(a) Organization, Standing, and Power; Subsidiaries.

(i) It and each of its Subsidiaries is duly organized and validly existing under the Laws of the jurisdiction in which it is organized.

(ii) It and each of its Subsidiaries has the requisite corporate power and authority to own, lease, and operate its properties and assets and to carry on its business as now conducted. It and each of its Subsidiaries is duly qualified or licensed to do business in each of the jurisdictions where the character of its assets or the nature or conduct of its business requires it to be so qualified or licensed. It has made available to the other Party a complete and correct copy of its Organizational Documents, each as amended to the date of this Agreement and as in full force and effect as of the date of this Agreement. A true and complete list of its direct and indirect Subsidiaries, and the ownership interest of it in each Subsidiary as of the date of this Agreement is set forth in Section 3.1 (a) of its Disclosure Letter. Other than its Subsidiaries as set forth in Section 3.1(a) of its Disclosure Letter, investments made in the ordinary course of business and other than in a fiduciary capacity on behalf of its customers, it does not, directly or indirectly, beneficially own any equity interests in a partnership or joint venture of any kind.

(b) Authority; No Breach of Agreement.

(i) It has the corporate power and authority necessary to execute, deliver and perform its obligations under this Agreement and to consummate the Transactions. The execution, delivery and performance of this Agreement and the consummation of the Transactions, including the Chilean Merger, the Colombian Acquisition and the Colombian Merger, by it have been duly and validly authorized by all necessary corporate action, subject only to the Chilean Transaction Steps and the Colombian Transaction Steps including the approval of (A) the Chilean Merger by the holders of two-thirds of the Outstanding shares of CorpBanca Common Stock and the Capital Raise by a majority of the Outstanding shares of CorpBanca Common Stock, in the case of CorpBanca (the "CorpBanca Shareholder Approval"), (B) the Colombian Merger by the holders of a number of Outstanding shares of CorpBanca Colombia Common Stock that represents a Supermajority Consent at the time of such approval (and by the holders of 70% of the preferred stock of CorpBanca Colombia, if there is any preferred stock of CorpBanca Colombia outstanding at the time of such approval),



in the case of CorpBanca Colombia (the “CorpBanca Colombia Shareholder Approval”), and (C) the other approvals set forth in Section 3.1(b)(i) of its Disclosure Letter. Subject to receipt of the CorpBanca Shareholder Approval and the CorpBanca Colombian Shareholder Approval and the other approvals set forth in Section 3.1(b)(i) of its Disclosure Letter and assuming due authorization, execution and delivery of this Agreement by each of the Itaú Parties, this Agreement represents a legal, valid and binding obligation of it, enforceable against it in accordance with its terms (except in all cases as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, receivership, conservatorship, moratorium or similar Laws affecting the enforcement of creditors’ rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought).

(ii) The execution, delivery and performance of this Agreement by it, the consummation by it of the Transactions and compliance by it with the provisions hereof will not (A) conflict with or result in a breach or violation of any provision of its Organizational Documents or the Organizational Documents of any of its Subsidiaries, (B) constitute or result in a Default under, or require any Consent pursuant to, or result in the creation or acceleration of any Lien (with or without the giving of notice, the lapse of time or both) on any asset of it or its Subsidiaries under, any Contract or Permit of it or its Subsidiaries, or any change in its rights or obligations under any Contract or (C) subject to receipt of the Required Regulatory Consents and the expiration or termination of any waiting period required by Law, violate any Law, Order or Permit applicable to it or its Subsidiaries or any of their respective assets.

(iii) Other than as set forth in Section 3.1(b)(iii) of its Disclosure Letter (collectively, the “CorpBanca Regulatory Consents”), no notice to, application or filing with, or Consent of, any Governmental Authority is necessary in connection with the execution, delivery or performance of this Agreement and the consummation by it or any of its Subsidiaries of the Transactions.

(c) Capital Stock.

(i) Its authorized capital stock, including all of its Outstanding shares of capital stock, is set forth in Section 3.1(c)(i) of its Disclosure Letter. Except as set forth in Section 3.1(c)(i) of its Disclosure Letter, there are no Outstanding shares of its capital stock or other equity securities, and there are no Outstanding Rights relating to its capital stock, and no Person has any Contract or any right or privilege (whether pre-emptive or contractual) capable of becoming a Contract or Right for the purchase, subscription or issuance of any of its securities. All of its Outstanding shares have been duly authorized and validly issued and are fully paid and non-assessable. None of its Outstanding shares has been issued in violation of any preemptive or similar rights of its current or past shareholders. As of the date of this Agreement, it has no contractual obligation to redeem, repurchase or otherwise acquire or to register with any securities regulator, any



shares of its capital stock or the capital stock of any of its Subsidiaries. Section 3.1(c)(i) of its Disclosure Letter also sets forth for each Outstanding Right (not contained in the respective Organizational Documents), relating to its capital stock, if any, the date of the grant, the expiration date, the number of shares of capital stock subject to such Right and the exercise price per share, as applicable.

(ii) The authorized capital stock of each of its Subsidiaries, including all of their Outstanding shares of capital stock, is set forth in Section 3.1(c)(ii) of its Disclosure Letter. Except as set forth in Section 3.1(c)(ii) of its Disclosure Letter, there are no Outstanding shares of capital stock or other equity securities of any of its Subsidiaries, and there are no Outstanding Rights relating to the capital stock of any of its Subsidiaries, and no Person has any Contract or any right or privilege (whether pre-emptive or contractual) capable of becoming a Contract or Right for the purchase, subscription or issuance of any securities of any of its Subsidiaries. All the Outstanding shares of capital stock of each of its Subsidiaries have been duly authorized and validly issued and are fully paid, non-assessable (except, with respect to bank Subsidiaries, as provided under applicable Law) and are owned by it or a Subsidiary of it free and clear of all Liens or Rights, and CorpBanca or one of its Subsidiaries has good and valid title to such shares of capital stock. None of the Outstanding shares of capital stock of its Subsidiaries has been issued in violation of any preemptive or similar rights of its current or past shareholders. As of the date of this Agreement, its Subsidiaries have no contractual obligation to redeem, repurchase or otherwise acquire or to register with any securities regulator, any shares of their capital stock or the capital stock of any of their Subsidiaries. Section 3.1(c)(ii) of its Disclosure Letter also sets forth for each Outstanding Right (not contained in the respective Organizational Documents), relating to the capital stock of its Subsidiaries, if any, the date of the grant, the expiration date, the number of shares of capital stock subject to such Right and the exercise price per share, as applicable.

(d) Financial Statements; Undisclosed Liabilities.

(i) CorpBanca's audited consolidated financial statements as of, and for the years ending on, December 31, 2011 and 2012 and its unaudited consolidated financial statements as of, and for the nine-month period ending on, September 30, 2013 (including, in each case, any related notes thereto) (the "CorpBanca Financial Statements") that have been made available to Itaú Parties have been prepared in accordance with IFRS and regulatory accounting guidelines passed by the Chilean Superintendency of Banks. The CorpBanca Financial Statements present fairly in all material respects the consolidated financial position, results of operations, changes in shareholders' equity and cash flows of CorpBanca and its consolidated Subsidiaries as of the dates and for the periods indicated therein (except, in the case of CorpBanca's unaudited financial statements, for normal year-end adjustments and the absence of footnotes).



(ii) Since September 30, 2013, none of CorpBanca or its Subsidiaries have incurred (A) any liability or obligation, in each case of the type that would be required to be disclosed on a consolidated balance sheet of CorpBanca and its Subsidiaries prepared in accordance with IFRS or (B) to CorpBanca’s knowledge, any liability not required to be so disclosed which would reasonably be expected to have a Material Adverse Effect, except (i) liabilities or obligations reflected or reserved against in CorpBanca’s balance sheet as of September 30, 2013 (or the notes thereto) included in the CorpBanca Financial Statements, (ii) liabilities incurred in the ordinary course of business since September 30, 2013 or (iii) obligations arising pursuant to the terms of the Contracts disclosed in Section 3.1(k) (or not required to be so disclosed).

(iii) CorpBanca Colombia’s audited consolidated financial statements as of, and for the years ending on, December 31, 2011 and 2012 and its unaudited consolidated financial statements as of, and for the nine-month period ending on, September 30, 2013 (including in each case, any related notes thereto) (the “CorpBanca Colombia Financial Statements”) that have been made available to Itaú Parties have been prepared in accordance with Colombian GAAP. The CorpBanca Colombia Financial Statements present fairly in all material respects the consolidated financial position, results of operations, changes in shareholders’ equity and cash flows of CorpBanca Colombia and its consolidated Subsidiaries as of the dates and for the periods indicated therein (except, in the case of CorpBanca Colombia’s unaudited financial statements, for normal year-end adjustments and the absence of footnotes).

(iv) Since September 30, 2013, none of CorpBanca Colombia or its Subsidiaries have incurred (A) any liability or obligation, in each case of the type that would be required to be disclosed on a consolidated balance sheet of CorpBanca Colombia and its Subsidiaries prepared in accordance with Colombian GAAP or (B) to CorpBanca’s knowledge, any liability not required to be so disclosed which would reasonably be expected to have a Material Adverse Effect, except (i) liabilities or obligations reflected or reserved against in the CorpBanca Colombia’s balance sheet as of September 30, 2013 (or the notes thereto) included in the CorpBanca Colombia Financial Statements, (ii) liabilities incurred in the ordinary course of business since September 30, 2013 or (iii) obligations arising pursuant to the terms of the Contracts disclosed in Section 3.1(l) (or not required to be so disclosed).

(v) The minutes of the meetings of the Board of Directors of CorpBanca and CorpBanca Colombia since January 1, 2011 and the minutes of the meetings of the Board committees of CorpBanca and CorpBanca Colombia since January 1, 2011 have in all material respects been maintained in accordance with applicable requirements of Law. It maintains a system of internal accounting controls sufficient to comply with all legal and accounting requirements applicable to its and its Subsidiaries’ business. Since January 1, 2011, it has not identified any significant deficiencies or material weaknesses in the design or operation of its internal control over financial reporting, and it has not experienced or effected any material change in internal control over financial reporting.



(vi) CorpBanca Colombia and Helm Bank are in compliance, and have at all times since January 1, 2011 complied, with the “minimum capital amounts” (*montos de capital mínimo*) required under Article 80 of the EOSF and Title I Chapter I of Decree 2555 of 2010, as amended from time to time.

(e) Absence of Certain Changes or Events. Since September 30, 2013, (i) it and its Subsidiaries have conducted their respective businesses in the ordinary course of such businesses, (ii) there have been no events, changes, developments or occurrences which have had, or are reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on it and (iii) it and its Subsidiaries have not taken action that, if it had been taken after the date of this Agreement, would have required the prior written Consent of the other Party under Section 4.2.

(f) Tax Matters. All Tax Returns required to be filed by or on behalf of it or any of its Subsidiaries have been timely filed or requests for extensions have been timely filed and any such extension has been granted and has not expired, and all such filed returns are complete and accurate. All Taxes attributable to it or any of its Subsidiaries that are or were due or payable (without regard to whether such Taxes have been assessed) have been paid in full or have been adequately provided for on its consolidated balance sheet and consolidated statement of earnings or income in accordance with IFRS (in the case of CorpBanca), Colombian GAAP (in the case of CorpBanca Colombia, Corpbanca Trust, Corpbanca Investment, Helm Bank, Helm Insurance, Helm Stockbroker, Helm Trust), or corresponding accounting principles (including those passed by the Chilean Superintendency of Banks) and standards pursuant to applicable Law and practice of its jurisdiction (in the case of Helm Bank Panamá, Helm Bank Cayman and Helm Securities Panamá) and no material deficiencies for any Taxes have been proposed, threatened, asserted or assessed in writing against or with respect to any Taxes due by or Tax Returns of it or its Subsidiaries. No audit assessment, dispute or claim concerning any material Tax liability is being conducted, is pending or has been threatened in writing by any Governmental Authority. There are no material Liens for Taxes upon the assets of it or its Subsidiaries, except for Taxes that are being contested in good faith by appropriate proceedings and for which adequate reserves, in accordance with IFRS (in the case of CorpBanca) or Colombian GAAP (in the case of CorpBanca Colombia, Corpbanca Trust, Corpbanca Investment, Helm Bank, Helm Insurance, Helm Stockbroker, Helm Trust), or corresponding accounting principles (including those passed by the Chilean Superintendency of Banks) and standards pursuant to applicable Law and practice of its jurisdiction (in the case of Helm Bank Panamá, Helm Bank Cayman and Helm Securities Panamá), have been established. All material Liens for Taxes that are being contested in good faith by appropriate proceedings have been appropriately disclosed to Itaú Parties. Neither it nor any of its Subsidiaries (i) is or has ever been a member of an affiliated group (other than a group the common parent of which is CorpBanca (in the case of CorpBanca) or CorpBanca Colombia (in the case of CorpBanca Colombia)) filing a joint, combined, unitary or consolidated Tax Return or (ii) has any material liability for Taxes of any other Person arising from the application of any provision of federal state, local or foreign Law that imposes joint or several liability on members of a consolidated or affiliated group, or as a transferee or successor, by



contract, or otherwise. Neither it nor any of its Subsidiaries is a party to a Tax sharing, indemnification or similar agreement or any agreement pursuant to which it or any of its Subsidiaries has any obligation to any Person (other than it or one of its Subsidiaries) with respect to Taxes. All material Taxes (determined both individually and in the aggregate) required to be withheld, collected or deposited by or with respect to it and each Subsidiary have been timely withheld, collected or deposited as the case may be, and to the extent required, have been paid to the relevant Governmental Authority. Neither it nor any of its Subsidiaries has requested or been granted any waiver of any federal, state, local or foreign statute of limitations with respect to, or any extension of a period for the assessment or collection of, any material Tax, which waiver or extension is still in effect.

(g) Certain Actions. Neither it nor any of its Subsidiaries or any Affiliates thereof has taken or agreed to take any action, and it has no knowledge of any fact or circumstance, that is reasonably likely to materially impede or materially delay receipt of any Required Regulatory Consents. To its knowledge, as of the date of this Agreement, there exists no fact, circumstance or reason that would cause any Required Regulatory Consents not to be received in a timely manner.

(h) Compliance with Permits, Laws and Orders.

(i) It and each of its Subsidiaries has in effect, and have at all times since January 1, 2011 held in effect, all Permits and has made all filings, applications and registrations with Governmental Authorities that are required for it and each of its Subsidiaries to own, lease or operate its material assets and to carry on its business as now conducted (and has paid all fees and assessments due and payable in connection therewith), and no Default has occurred and is continuing under any Permit applicable to its business or employees conducting its business.

(ii) Neither it nor any of its Subsidiaries is or has been since January 1, 2011 in Default under any Laws or Orders applicable to it or any of its Subsidiaries, its or any of its Subsidiaries' business or employees conducting its or any of its Subsidiaries' business, including any applicable personal or financial data protection, bank secrecy, discriminatory lending, anti-money laundering and sanctions Laws and Environmental Laws.

(iii) Since January 1, 2011, neither it nor any of its Subsidiaries has received any notification or communication from any Governmental Authority (A) asserting that it or any of its Subsidiaries is in Default under any Permits, Laws or Orders, (B) threatening to revoke any Permits or (C) requiring it or any of its Subsidiaries (x) to enter into or consent to the issuance of a cease and desist order, written supervisory or other agreement, consent decree, directive, commitment or memorandum of understanding or (y) to adopt any policy, procedure or resolution of its Board of Directors or similar undertaking, which restricts the conduct of its business, or relates to its capital adequacy, its credit or reserve policies, its management, or the payment of dividends or any other policy or procedure, and neither it nor any of its Subsidiaries has received any notice from a Governmental Authority that it is considering issuing or requiring any of the foregoing.



(iv) There (A) is no unresolved violation by any Governmental Authority with respect to any report or statement relating to any examinations or inspections of it or any of its Subsidiaries and (B) have been no formal or informal inquiries by, or disagreements or disputes with, any Governmental Authority with respect to its or any of its Subsidiaries' business, operations, policies or procedures since January 1, 2010.

(v) It and each of its Subsidiaries have properly administered all accounts for which it acts as a fiduciary, including accounts for which it serves as a trustee, *fiduciario*, agent, custodian, personal representative, guardian, conservator or investment advisor, in accordance with the terms of the governing documents and applicable Law. None of it or any of its Subsidiaries has committed any breach of trust or fiduciary duty with respect to any such fiduciary account.

(vi) None of it or its Subsidiaries has, directly or indirectly, (i) used any funds of it or any of its Subsidiaries for unlawful contributions, unlawful gifts, unlawful entertainment or other expenses relating to political activity, (ii) made any unlawful payment to foreign domestic governmental officials or employees or to foreign or domestic political parties or campaigns from funds of it or any of its Subsidiaries, (iii) established or maintained any unlawful fund of monies or other assets of it or any of its Subsidiaries or (iv) made any unlawful bribe or other unlawful payment to any Person, private or public, regardless of form, whether in money, property or services, in each case to obtain favorable treatment in securing business, to obtain special concessions for it or any of its Subsidiaries, to pay for favorable treatment for business secured or to pay for special concessions already obtained for it or any of its Subsidiaries.

(vii) SARLAFT. CorpBanca Colombia and each of its Subsidiaries has established a comprehensive anti-money laundering program (*Sistema de Administración del Riesgo de Lavado de Activos y Financiación del Terrorismo* or "Sarlaft") that complies with applicable Law.

(i) Labor Relations. Neither it nor any of its Subsidiaries is the subject of any Litigation asserting that it or any of its Subsidiaries has committed an unfair labor practice or seeking to compel it or any of its Subsidiaries to bargain with any labor union or labor organization as to wages or conditions of employment, nor is it or any of its Subsidiaries a party to or bound by any collective bargaining agreement, Contract or other agreement or understanding with a labor union or labor organization, nor is there any strike or other labor dispute involving it or any of its Subsidiaries pending or, to its knowledge, threatened, nor to its knowledge, is there any activity involving its or any of its Subsidiaries' employees seeking to certify a labor union or labor organization or engaging in any other organization activity. It and each of its Subsidiaries has complied



in all respects with all applicable Laws relating to the employment of its employees, including applicable Laws relating to equal employment opportunity, nondiscrimination, immigration, wages, hours, fringe benefits, severance, interest on severance, legal service bonuses, and all other fringe benefits, all surcharges and benefits, work or leaves on Sundays and holidays, all extralegal bonuses of any type and nature, travel allowances, the impact of the travelling allowances in the salary, legal salary discounts, monthly legal direct pension payments, data privacy, collective bargaining, the payment of social security and similar Taxes, occupational safety and health, and plant closing and, to its knowledge, neither it nor its Subsidiaries is liable for the payment of any compensation, damages, taxes, fines, penalties or other amounts, however designated, for failure to comply with any of the foregoing Laws.

(j) Compensation and Benefit Plans.

(i) Except for the Compensation and Benefit Plans listed in Section 3.1(j) of its Disclosure Letter, there are no other Compensation and Benefit Plans (funded or otherwise).

(ii) Each Compensation and Benefit Plan is maintained, operated and administered by it in accordance with applicable Laws and with the terms of such Compensation and Benefit Plan (including the making of any required contributions). It is not in default under or in violation of any of its respective Compensation and Benefit Plans.

(iii) Except pursuant to a Compensation and Benefit Plan set forth in Section 3.1(j) of its Disclosure Letter, neither the execution of this Agreement nor the consummation of the Transactions shall: (i) entitle any of its or any of its Subsidiaries' current or former employees to severance pay or benefits or any increase in severance pay or benefits under a Compensation and Benefit Plan upon any termination of employment or service, in each case, in excess of legally required severance payments or (ii) accelerate the time of payment or vesting or trigger any payment or funding (through a grantor trust or otherwise) of compensation or benefits under, or increase the amount payable or trigger any other obligation pursuant to, any Compensation and Benefit Plans to any of its or any of its Subsidiaries' current or former employees.

(k) Material Contracts.

(i) Except for Contracts set forth in Section 3.1(k) of its Disclosure Letter, as of the date of this Agreement, neither it nor any of its Subsidiaries, nor any of their respective assets, businesses or operations, is a party to, or is bound or affected by, or receives benefits under, (A) any Contract relating to the borrowing of money by it or any of its Subsidiaries or the guarantee by it or any of its Subsidiaries of any such obligation (other than Contracts pertaining to fully-secured repurchase agreements, trade payables and Contracts relating to borrowings, deposit-takings or guarantees made in the ordinary course of business consistent with past practice), (B) any Contract containing a non-compete or



client or customer non-solicit requirement or any other provisions that limit the ability of it or any of its Subsidiaries to compete in any line of business or with any Person, or that involve any restriction of the geographic area in which, or method by which, it or any of its Subsidiaries may carry on its business (other than as may be required by Law or any Governmental Authority) or which requires referrals of business or requires it or any of its Affiliates to make available investment opportunities to any Person on a priority, equal or exclusive basis, (C) any Contract with respect to the employment of any directors, executive officers or employees, or with any consultants that are natural Persons involving the payment of U.S.\$500,000 or more per annum, (D) any Contract which, upon the execution or delivery of this Agreement or consummation of the transactions contemplated by this Agreement will (either alone or upon the occurrence of any additional acts or events) result in any payment (including severance payment) becoming due from it or any of its Subsidiaries, (E) any Contract that could reasonably be expected to prohibit, delay or materially impair the consummation of any of the Transactions, (F) any Contract (or group of Contracts with the same party (or its Affiliates) involving similar transactions) that involves expenditures or receipts by it or any of its Subsidiaries in excess of U.S.\$5,000,000 per year not entered into in the ordinary course of business consistent with past practice, (G) any Contract with an Affiliate, (H) any Contract that grants any right of first refusal, right of first offer or similar right with respect to the sale or other transfer of any material assets, rights or properties of it or its Subsidiaries or (I) any Contract with any Governmental Authority (other than routine or customary Contracts with any self-regulatory body). With respect to each of its Contracts required to be disclosed in its Disclosure Letter pursuant to this Section 3.1(k)(i): (w) each such Contract is in full force and effect; (x) neither it nor any of its Subsidiaries is in Default thereunder; (y) neither it nor any of its Subsidiaries has repudiated or waived any material provision of any such Contract; and (z) no other party to any such Contract is, to its knowledge, in Default thereunder in any material respect.

(ii) All interest rate swaps, caps, floors, option agreements, futures and forward contracts, and other similar risk management arrangements, whether entered into for its own account or for the account of one or more of its Subsidiaries or their respective customers, were entered into (A) in accordance with prudent business practices and all applicable Laws and (B) with counterparties believed to be financially responsible, and each of them is enforceable against it or its Subsidiaries and, to its knowledge, the applicable counterparties thereto, in accordance with its terms (except in all cases as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, receivership, conservatorship, moratorium or similar Laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought), and is in full force and effect. Neither it nor any of its Subsidiaries, nor to its knowledge, any other party thereto, is in Default of any of its obligations under any such agreement or arrangement.



(l) Legal Proceedings. There is no Litigation pending or, to its knowledge, threatened against it or any of its Subsidiaries, or against any asset, interest or right of any of them, and there are no Orders of any Governmental Authority or arbitrators outstanding, or, to its knowledge, threatened, against it or any of its Subsidiaries.

(m) Reports. Since January 1, 2011, or the date of organization if later, it and each of its Subsidiaries has timely filed all reports and statements, together with any amendments required to be made with respect thereto, that it was required to file with any Governmental Authority, including the Chilean Superintendency of Banks, the Superintendency of Securities and Insurance, the Chilean Central Bank and the *Unidad de Análisis Financiero* (in the case of CorpBanca) and SFC, Colombian Central Bank, the *Unidad de Información y Análisis Financiero*, and the SEC (in the case of CorpBanca Colombia), and it and each of its Subsidiaries have paid all fees and assessments due and payable in connection therewith.

(n) Investment Securities and Commodities.

(i) Each of it and its Subsidiaries has good title to all securities and commodities owned by it (except those sold under repurchase agreements), free and clear of any Lien, except to the extent such securities or commodities are pledged in the ordinary course of business to secure obligations of it or its Subsidiaries.

(ii) It and its Subsidiaries and their respective businesses employ investment, securities, commodities, risk management and other policies, practices and procedures that it believes are prudent and reasonable in the context of such businesses.

(o) Intellectual Property.

(i) It and its Subsidiaries own, are licensed or otherwise have the right to use all Intellectual Property that is used by it and its Subsidiaries in their respective businesses as currently conducted, free and clear of all Liens.



(ii) To its knowledge, it and its Subsidiaries have not infringed, misappropriated or otherwise violated the Intellectual Property rights of any third Person since January 1, 2011, and the use of any third Person Intellectual Property is in accordance with any applicable Contract pursuant to which it or its Subsidiaries acquired the right to use such Intellectual Property. There is no claim pending or, to its knowledge, threatened against it or any of its Subsidiaries concerning the ownership, validity, registrability, enforceability, infringement, use or licensed right to use any Intellectual Property owned by it or its Subsidiaries.

(iii) To its knowledge, no third Person has infringed, misappropriated or otherwise violated it or its Subsidiaries' Intellectual Property rights. There are no claims pending or threatened by it or its Subsidiaries that (A) a third Person infringed or otherwise violated any of their Intellectual Property rights or (B) a third Person's owned or claimed Intellectual Property interferes with, infringes, dilutes or otherwise harms any of their Intellectual Property rights.

(iv) It and its Subsidiaries have taken reasonable measures to protect the confidentiality of all Trade Secrets that are owned by them.

(v) Except as set forth in Section 3.1(o)(v) of its Disclosure Letter, it and its Subsidiaries have and will have until the date required pursuant to applicable Law (and in any case at least until the Chilean Effective Time), all Intellectual Property rights required for the rightful use of all trademarks and names currently used in carrying out their businesses.

(vi) CorpBanca owns all right, title and interest, free and clear of any Liens, in and to the trademarks (including the "CorpBanca" name) set forth in Section 3.1(o)(vi) of its Disclosure Letter.

(p) Extensions of Credit.

(i) Each loan, revolving credit facility, account and note receivable, borrowing arrangement (including leases, guarantees and interest-bearing assets), letter of credit or other extension of credit or commitment to extend credit (each a "CorpBanca Extension of Credit") made or entered into by it or any of its Subsidiaries (i) is evidenced in all material respects by such documentation as is customary for the industry in which it and its Subsidiaries operate, (ii) to the extent carried on the books and records of it and its Subsidiaries as secured, has been secured by valid Liens and (iii) is the legal, valid and binding obligation of the obligor named therein, enforceable in accordance with its terms (except in all cases as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, receivership, conservatorship, moratorium or similar Laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought).



(ii) Each outstanding CorpBanca Extension of Credit has been solicited and originated and is administered and the relevant files are being maintained, in all material respects, in accordance with the relevant loan documents, its underwriting standards and applicable Law.

(iii) All data processing systems used by it and/or any of its Subsidiaries with respect to any CorpBanca Extension of Credit are sufficient to provide reasonable assurances that information pertaining to the CorpBanca Extension of Credit is recorded accurately. All data processing systems comply in all material respects with all applicable Laws, rules, regulations, orders and judgments governing CorpBanca Extension of Credit origination and servicing and the storage, disclosure, revelation to Governmental Authorities and disposal of information pertaining to obligors and any other individuals.

(iv) For the avoidance of doubt, and notwithstanding the foregoing or any other provision of this Agreement, no representation or warranty is being made as to whether such CorpBanca Extensions of Credit are ultimately collectible.

(q) Certain Loan Matters.

(i) Section 3.1(q) of its Disclosure Letter sets forth a list of all CorpBanca Extensions of Credit by it or any of its Subsidiaries to any of its directors, executive officers, principal shareholders and their related persons (*personas relacionadas*) (as such terms are defined in the Chilean Companies Law and Chilean Securities Law, as the case may be).

(ii) There are no CorpBanca Extensions of Credit to any of its employees, officers, directors or other of its Affiliates made in breach of the Chilean Banking Law or on which the borrower is paying a rate other than that reflected in the note or the relevant credit agreement.

(r) Properties. It or one of its Subsidiaries (i) has good and marketable title to all the properties and assets reflected in its latest audited balance sheet included in the Financial Statements as being owned by it or one of its Subsidiaries or acquired after the date thereof (except properties sold or otherwise disposed of since the date thereof in the ordinary course of business consistent with past practice), free and clear of all Liens (except for Permitted Liens) and (ii) is the lessee of all leasehold estates reflected in the latest audited financial statements included in the Financial Statements or acquired after the date thereof (except for leases that have expired by their terms or been legally terminated by it or one of its Subsidiaries since the date thereof) and is in possession of the properties purported to be leased thereunder, and each such lease is valid without Default thereunder by the lessee or, to its knowledge, the lessor. There are no pending or, to its knowledge, threatened condemnation proceedings against such owned properties and leasehold estates.



(s) Brokers and Finders. Except for Merrill Lynch, Pierce, Fenner & Smith Incorporated and Goldman Sachs & Co. (in each case pursuant to engagement letters which have been set forth in Section 3.1(s) of its Disclosure Letter), neither it nor any of its Subsidiaries nor any of their respective officers, directors, employees or Affiliates has employed any broker, finder or financial advisor or incurred any Liability for any financial advisory fees, investment bankers' fees, brokerage fees, commissions, or finders' fees in connection with this Agreement or the Transactions. It has disclosed to the Itaú Parties as of the date hereof the aggregate fees provided for in connection with the engagements of each of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Goldman Sachs & Co. related to this Agreement or the transactions contemplated hereby.

(t) Opinion of Financial Advisors. Prior to the execution of this Agreement, the Board of Directors of CorpBanca has received separate opinions of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Goldman Sachs & Co., each to the effect that as of the date thereof and based upon and subject to the matters set forth therein, the Chilean Exchange Ratio is fair, from a financial point of view, to CorpBanca. Such opinions have not been amended or rescinded prior to the execution of this Agreement.

(u) Insurance. It and its Subsidiaries are insured against such risks and in such amounts as its management reasonably has determined to be prudent in accordance with industry practices. All such policies are in full force and effect; none of it or any of its Subsidiaries are in material default thereunder; and all claims thereunder have been filed, and all premiums due thereunder have been paid, in due and timely fashion.

(v) Related Party Transactions. Except as set forth in Section 3.1(v) of its Disclosure Letter, there are no existing transactions or series of related transactions, or Contracts between it or any of its Subsidiaries, on the one hand, and any of its or its Subsidiaries' current directors or officers (or other Persons who in the 18-month period prior to the date of this Agreement were directors or officers), any Person who beneficially owns, directly or indirectly, 5% or more of its Outstanding shares of common stock or any Affiliate (other than it and its Subsidiaries) of such director, officer or Person, on the other hand, except those of a type available to its employees generally.

3.2 Representations and Warranties of Itaú Chile and Itaú Colombia. Subject to and giving effect to Sections 3.5 and 7.4 and except as set forth in Itaú's Disclosure Letter, each of Itaú Chile and Itaú Parent hereby represents and warrants to the Corp Group Parties with respect to itself and Itaú Colombia, respectively, that:

(a) Organization, Standing, and Power; Subsidiaries.

(i) It and each of its Subsidiaries is duly organized and validly existing under the Laws of the jurisdiction in which it is organized.

(ii) It and each of its Subsidiaries has the requisite corporate power and authority to own, lease, and operate its properties and assets and to carry on its business as now conducted. It and each of its Subsidiaries is duly qualified or licensed to do business in each of the jurisdictions where the character of its assets



or the nature or conduct of its business requires it to be so qualified or licensed. It has made available to the other Party a complete and correct copy of its Organizational Documents, each as amended to the date of this Agreement and as in full force and effect as of the date of this Agreement. A true and complete list of its direct and indirect Subsidiaries, and the ownership interest of it in each Subsidiary as of the date of this Agreement is set forth in Section 3.2(a) of its Disclosure Letter. Other than its Subsidiaries as set forth in Section 3.2(a) of its Disclosure Letter, investments made in the ordinary course of business and other than in a fiduciary capacity on behalf of its customers, it does not, directly or indirectly, beneficially own any equity interests in a partnership or joint venture of any kind.

(b) Authority; No Breach of Agreement.

(i) It has the corporate power and authority necessary to execute, deliver and perform its obligations under this Agreement and to consummate the Transactions. The execution, delivery and performance of this Agreement and the consummation of the Transactions, including the Chilean Merger, the Colombian Acquisition and the Colombian Merger, by it have been duly and validly authorized by all necessary corporate action, subject only to the Chilean Transaction Steps and the Colombian Transaction Steps including the approval of (A) the Chilean Merger by the holders of two-thirds of the Outstanding shares of Itaú Chile Common Stock and the Capital Raise by a majority of the Outstanding shares of Itaú Chile Common Stock, in the case of Itaú Chile (the “Itaú Chile Shareholder Approval”), (B) the Colombian Merger by the holders of a number of the Outstanding shares of Itaú Colombia Common Stock that represents a majority (plus one share) of the Outstanding shares of Itaú Colombia Common Stock at the time of such approval, in the case of Itaú Colombia (the “Itaú Colombia Shareholder Approval”), and (C) the other approvals set forth in Section 3.2(b)(i) of its Disclosure Letter. Subject to receipt of the Itaú Chile Shareholder Approval and the Itaú Colombia Shareholder Approval and the other approvals set forth in Section 3.2(b)(i) of its Disclosure Letter and assuming due authorization, execution and delivery of this Agreement by each of the Corp Group Parties, this Agreement represents a legal, valid and binding obligation of it, enforceable against it in accordance with its terms (except in all cases as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, receivership, conservatorship, moratorium or similar Laws affecting the enforcement of creditors’ rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought).

(ii) The execution, delivery and performance of this Agreement by it, the consummation by it of the Transactions and compliance by it with the provisions hereof will not (A) conflict with or result in a breach or violation of any provision of its Organizational Documents or the Organizational Documents of any of its Subsidiaries, (B) constitute or result in a Default under, or require



any Consent pursuant to, or result in the creation or acceleration of any Lien (with or without the giving of notice, the lapse of time or both) on any asset of it or its Subsidiaries under, any Contract or Permit of it or its Subsidiaries, or any change in its rights or obligations under any Contract or (C) subject to receipt of the Required Regulatory Consents and the expiration or termination of any waiting period required by Law, violate any Law, Order or Permit applicable to it or its Subsidiaries or any of their respective assets.

(iii) Other than as set forth in Section 3.2(b)(iii) of its Disclosure Letter (collectively, the “Itaú Bank Regulatory Consents”), no notice to, application or filing with, or Consent of, any Governmental Authority is necessary in connection with the execution, delivery or performance of this Agreement and the consummation by it or any of its Subsidiaries of the Transactions.

(c) Capital Stock.

(i) Its authorized capital stock, including all of its Outstanding shares of capital stock, is set forth in Section 3.2(c)(i) of its Disclosure Letter. Except as set forth in Section 3.2(c)(i) of its Disclosure Letter, there are no Outstanding shares of its capital stock or other equity securities, and there are no Outstanding Rights relating to its capital stock, and no Person has any Contract or any right or privilege (whether pre-emptive or contractual) capable of becoming a Contract or Right for the purchase, subscription or issuance of any of its securities. All of its Outstanding shares have been duly authorized and validly issued and are fully paid and non-assessable. None of its Outstanding shares has been issued in violation of any preemptive or similar rights of its current or past shareholders. As of the date of this Agreement, it has no contractual obligation to redeem, repurchase or otherwise acquire or to register with any securities regulator, any shares of its capital stock or the capital stock of any of its Subsidiaries. Section 3.2(c)(i) of its Disclosure Letter also sets forth for each Outstanding Right (not contained in the respective Organizational Documents), relating to its capital stock, if any, the date of the grant, the expiration date, the number of shares of capital stock subject to such Right and the exercise price per share, as applicable.

(ii) The authorized capital stock of each of its Subsidiaries, including all of their Outstanding shares of capital stock, is set forth in Section 3.2(c)(ii) of its Disclosure Letter. Except as set forth in Section 3.2(c)(ii) of its Disclosure Letter, there are no Outstanding shares of capital stock or other equity securities of any of its Subsidiaries, and there are no Outstanding Rights relating to the capital stock of any of its Subsidiaries, and no Person has any Contract or any right or privilege (whether pre-emptive or contractual) capable of becoming a Contract or Right for the purchase, subscription or issuance of any securities of any of its Subsidiaries. All the Outstanding shares of capital stock of each of its Subsidiaries have been duly authorized and validly issued and are fully paid, non-assessable (except, with respect to bank Subsidiaries, as provided under applicable Law) and are owned by it or a Subsidiary of it free and clear of all Liens or Rights, and Itaú Chile or one of its Subsidiaries has good and valid title



to such shares of capital stock. None of the Outstanding shares of capital stock of its Subsidiaries has been issued in violation of any preemptive or similar rights of its current or past shareholders. As of the date of this Agreement, its Subsidiaries have no contractual obligation to redeem, repurchase or otherwise acquire or to register with any securities regulator, any shares of their capital stock or the capital stock of any of their Subsidiaries. Section 3.2(c)(ii) of its Disclosure Letter also sets forth for each Outstanding Right (not contained in the respective Organizational Documents), relating to the capital stock of its Subsidiaries, if any, the date of the grant, the expiration date, the number of shares of capital stock subject to such Right and the exercise price per share, as applicable.

(d) Financial Statements; Undisclosed Liabilities.

(i) Itaú Chile's audited consolidated financial statements as of, and for the years ending on, December 31, 2011 and 2012 and its unaudited consolidated financial statements as of, and for the nine-month period ending on, September 30, 2013 (including, in each case, any related notes thereto) (the "Itaú Chile Financial Statements") that have been made available to Corp Group Parties have been prepared in accordance with IFRS and regulatory accounting guidelines passed by the Chilean Superintendency of Banks. The Itaú Chile Financial Statements present fairly in all material respects the consolidated financial position, results of operations, changes in shareholders' equity and cash flows of Itaú Chile and its consolidated Subsidiaries as of the dates and for the periods indicated therein (except, in the case of Itaú Chile's unaudited financial statements, for normal year-end adjustments and the absence of footnotes).

(ii) Since September 30, 2013, none of Itaú Chile or its Subsidiaries have incurred (A) any liability or obligation, in each case of the type that would be required to be disclosed on a consolidated balance sheet of Itaú Chile and its Subsidiaries prepared in accordance with IFRS or (B) to Itaú Chile's knowledge, any liability not required to be so disclosed which would reasonably be expected to have a Material Adverse Effect, except (i) liabilities or obligations reflected or reserved against in Itaú Chile's balance sheet as of September 30, 2013 (or the notes thereto) included in the Itaú Chile Financial Statements, (ii) liabilities incurred in the ordinary course of business since September 30, 2013 or (iii) obligations arising pursuant to the terms of the Contracts disclosed in Section 3.2(k) (or not required to be so disclosed).

(iii) Itaú Colombia's audited consolidated financial statements as of, and for the year ending on, December 31, 2012 and its unaudited consolidated financial statements as of, and for the nine-month period ending on, September 30, 2013 (including in each case, any related notes thereto) (the "Itaú Colombia Financial Statements") that have been made available to Corp Group Parties have been prepared in accordance with Colombian GAAP. The Itaú Colombia Financial Statements present fairly in all material respects the consolidated financial position, results of operations, changes in shareholders' equity and cash flows of Itaú Colombia and its consolidated Subsidiaries as of the dates and for the periods indicated therein (except, in the case of Itaú Colombia's unaudited financial statements, for normal year-end adjustments and the absence of footnotes).



(iv) Since September 30, 2013, none of Itaú Colombia or its Subsidiaries have incurred (A) any liability or obligation, in each case of the type that would be required to be disclosed on a consolidated balance sheet of Itaú Colombia and its Subsidiaries prepared in accordance with Colombian GAAP or (B) to Itaú Parent's knowledge, any liability not required to be so disclosed which would reasonably be expected to have a Material Adverse Effect, except (i) liabilities or obligations reflected or reserved against in the Itaú Colombia's balance sheet as of September 30, 2013 (or the notes thereto) included in the Itaú Colombia Financial Statements, (ii) liabilities incurred in the ordinary course of business since September 30, 2013 or (iii) obligations arising pursuant to the terms of the Contracts disclosed in Section 3.2(l) (or not required to be so disclosed).

(v) The minutes of meetings of the Board of Directors of Itaú Chile and Itaú Colombia since January 1, 2011 (or, in the case of Itaú Colombia, since its incorporation) and the minutes of the meetings of the Board committees of Itaú Chile and Itaú Colombia since January 1, 2011 (or, in the case of Itaú Colombia, since its incorporation) have in all material respects been maintained in accordance with applicable requirements of Law. It maintains a system of internal accounting controls sufficient to comply with all legal and accounting requirements applicable to its and its Subsidiaries' business. Since January 1, 2011, it has not identified any significant deficiencies or material weaknesses in the design or operation of its internal control over financial reporting and it has not experienced or effected any material change in internal control over financial reporting.

(vi) Itaú Chile and Itaú Colombia are in compliance, and have at all times since January 1, 2011 complied, to the extent applicable to such entities, with the minimum capital amounts and net worth (*patrimonio*) as set forth in Articles 50 and 51 of the Chilean Banking Law (in the case of Itaú Chile) and the "minimum capital amounts" (*montos de capital mínimo*) required under Article 80 of the EOSF and Title I Chapter I of Decree 2555 of 2010 (in the case of Itaú Colombia), each as amended from time to time.

(e) Absence of Certain Changes or Events. Since September 30, 2013, (i) it and its Subsidiaries have conducted their respective businesses in the ordinary course of such businesses, (ii) there have been no events, changes, developments or occurrences which have had, or are reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on it and (iii) it and its Subsidiaries have not taken action that, if it had been taken after the date of this Agreement, would have required the prior written Consent of the other Party under Section 4.2.



(f) Tax Matters. All Tax Returns required to be filed by or on behalf of it or any of its Subsidiaries have been timely filed or requests for extensions have been timely filed and any such extension has been granted and has not expired, and all such filed returns are complete and accurate. All Taxes attributable to it or any of its Subsidiaries that are or were due or payable (without regard to whether such Taxes have been assessed) have been paid in full or have been adequately provided for on its consolidated balance sheet and consolidated statement of earnings or income in accordance with IFRS (in the case of Itaú Chile), Colombian GAAP (in the case of Itaú Colombia and its Subsidiaries), or corresponding accounting principles (including those passed by the Chilean Superintendency of Banks) and standards pursuant to applicable Law and practice of its jurisdiction and no material deficiencies for any Taxes have been proposed, threatened, asserted or assessed in writing against or with respect to any Taxes due by or Tax Returns of it or its Subsidiaries. No audit assessment, dispute or claim concerning any material Tax liability is being conducted, is pending or has been threatened in writing by any Governmental Authority. There are no material Liens for Taxes upon the assets of it or its Subsidiaries, except for Taxes that are being contested in good faith by appropriate proceedings and for which adequate reserves, in accordance with IFRS (in the case of Itaú Chile) or Colombian GAAP (in the case of Itaú Colombia and its Subsidiaries), or corresponding accounting principles (including those passed by the Chilean Superintendency of Banks) and standards pursuant to applicable Law and practice of its jurisdiction, have been established. All material Liens for Taxes that are being contested in good faith by appropriate proceedings have been appropriately disclosed to Corp Group Parties. Neither it nor any of its Subsidiaries (i) is or has ever been a member of an affiliated group (other than a group the common parent of which is Itaú Chile (in the case of Itaú Chile) or Itaú Colombia (in the case of Itaú Colombia) filing a joint, combined, unitary or consolidated Tax Return or (ii) has any material liability for Taxes of any other Person arising from the application of any provision of federal state, local or foreign Law that imposes joint or several liability on members of a consolidated or affiliated group, or as a transferee or successor, by contract, or otherwise. Neither it nor any of its Subsidiaries is a party to a Tax sharing, indemnification or similar agreement or any agreement pursuant to which it or any of its Subsidiaries has any obligation to any Person (other than it or one of its Subsidiaries) with respect to Taxes. All material Taxes (determined both individually and in the aggregate) required to be withheld, collected or deposited by or with respect to it and each Subsidiary have been timely withheld, collected or deposited as the case may be, and to the extent required, have been paid to the relevant Governmental Authority. Neither it nor any of its Subsidiaries has requested or been granted any waiver of any federal, state, local or foreign statute of limitations with respect to, or any extension of a period for the assessment or collection of, any material Tax, which waiver or extension is still in effect.

(g) Certain Actions. Neither it nor any of its Subsidiaries or any Affiliates thereof has taken or agreed to take any action, and it has no knowledge of any fact or circumstance, that is reasonably likely to materially impede or materially delay receipt of any Required Regulatory Consents. To its knowledge, as of the date of this Agreement, there exists no fact, circumstance or reason that would cause any Required Regulatory Consents not to be received in a timely manner.



(h) Compliance with Permits, Laws and Orders.

(i) It and each of its Subsidiaries has in effect, and have at all times since January 1, 2011 (or, in the case of Itaú Colombia, since its incorporation) held in effect, all Permits and has made all filings, applications and registrations with Governmental Authorities that are required for it and each of its Subsidiaries to own, lease or operate its material assets and to carry on its business as now conducted (and has paid all fees and assessments due and payable in connection therewith), and no Default has occurred and is continuing under any Permit applicable to its business or employees conducting its business.

(ii) Neither it nor any of its Subsidiaries is or has been since January 1, 2011 in Default under any Laws or Orders applicable to it or any of its Subsidiaries, its or any of its Subsidiaries' business or employees conducting its or any of its Subsidiaries' business, including any applicable personal or financial data protection, bank secrecy, discriminatory lending, anti-money laundering and sanctions Laws and Environmental Laws.

(iii) Since January 1, 2011, neither it nor any of its Subsidiaries has received any notification or communication from any Governmental Authority (A) asserting that it or any of its Subsidiaries is in Default under any Permits, Laws or Orders, (B) threatening to revoke any Permits or (C) requiring it or any of its Subsidiaries (x) to enter into or consent to the issuance of a cease and desist order, written supervisory or other agreement, consent decree, directive, commitment or memorandum of understanding or (y) to adopt any policy, procedure or resolution of its Board of Directors or similar undertaking, which restricts the conduct of its business, or relates to its capital adequacy, its credit or reserve policies, its management, or the payment of dividends or any other policy or procedure, and neither it nor any of its Subsidiaries has received any notice from a Governmental Authority that it is considering issuing or requiring any of the foregoing.

(iv) There (A) is no unresolved violation by any Governmental Authority with respect to any report or statement relating to any examinations or inspections of it or any of its Subsidiaries and (B) have been no formal or informal inquiries by, or disagreements or disputes with, any Governmental Authority with respect to its or any of its Subsidiaries' business, operations, policies or procedures since January 1, 2010.

(v) It and each of its Subsidiaries have properly administered all accounts for which it acts as a fiduciary, including accounts for which it serves as a trustee, fiduciario, agent, custodian, personal representative, guardian, conservator or investment advisor, in accordance with the terms of the governing documents and applicable Law. None of it or any of its Subsidiaries has committed any breach of trust or fiduciary duty with respect to any such fiduciary account.



(vi) None of it or its Subsidiaries has, directly or indirectly, (i) used any funds of it or any of its Subsidiaries for unlawful contributions, unlawful gifts, unlawful entertainment or other expenses relating to political activity, (ii) made any unlawful payment to foreign domestic governmental officials or employees or to foreign or domestic political parties or campaigns from funds of it or any of its Subsidiaries, (iii) established or maintained any unlawful fund of monies or other assets of it or any of its Subsidiaries or (iv) made any unlawful bribe or other unlawful payment to any Person, private or public, regardless of form, whether in money, property or services, in each case to obtain favorable treatment in securing business, to obtain special concessions for it or any of its Subsidiaries, to pay for favorable treatment for business secured or to pay for special concessions already obtained for it or any of its Subsidiaries.

(vii) SARLAFT. Itaú Colombia and each of its Subsidiaries has established a comprehensive anti-money laundering program (*Sistema de Administración del Riesgo de Lavado de Activos y Financiación del Terrorismo* or “Sarlaft”) that complies with applicable Law.

(i) Labor Relations. Neither it nor any of its Subsidiaries is the subject of any Litigation asserting that it or any of its Subsidiaries has committed an unfair labor practice or seeking to compel it or any of its Subsidiaries to bargain with any labor union or labor organization as to wages or conditions of employment, nor is it or any of its Subsidiaries a party to or bound by any collective bargaining agreement, Contract or other agreement or understanding with a labor union or labor organization, nor is there any strike or other labor dispute involving it or any of its Subsidiaries pending or, to its knowledge, threatened, nor to its knowledge, is there any activity involving its or any of its Subsidiaries’ employees seeking to certify a labor union or labor organization or engaging in any other organization activity. It and each of its Subsidiaries has complied in all respects with all applicable Laws relating to the employment of its employees, including applicable Laws relating to equal employment opportunity, nondiscrimination, immigration, wages, hours, fringe benefits, severance, interest on severance, legal service bonuses, and all other fringe benefits, all surcharges and benefits, work or leaves on Sundays and holidays, all extralegal bonuses of any type and nature, travel allowances, the impact of the travelling allowances in the salary, legal salary discounts, monthly legal direct pension payments, data privacy, collective bargaining, the payment of social security and similar Taxes, occupational safety and health, and plant closing and, to its knowledge, neither it nor its Subsidiaries is liable for the payment of any compensation, damages, taxes, fines, penalties or other amounts, however designated, for failure to comply with any of the foregoing Laws.

(j) Compensation and Benefit Plans.

(i) Except for the Compensation and Benefit Plans listed in Section 3.2(j) of its Disclosure Letter, there are no other Compensation and Benefit Plans (funded or otherwise).



(ii) Each Compensation and Benefit Plan is maintained, operated and administered by it in accordance with applicable Laws and with the terms of such Compensation and Benefit Plan (including the making of any required contributions). It is not in default under or in violation of any of its respective Compensation and Benefit Plans.

(iii) Except pursuant to a Compensation and Benefit Plan set forth in Section 3.2(j) of its Disclosure Letter, neither the execution of this Agreement nor the consummation of the Transactions shall: (i) entitle any of its or any of its Subsidiaries' current or former employees to severance pay or benefits or any increase in severance pay or benefits under a Compensation and Benefit Plan upon any termination of employment or service, in each case, in excess of legally required severance payments or (ii) accelerate the time of payment or vesting or trigger any payment or funding (through a grantor trust or otherwise) of compensation or benefits under, or increase the amount payable or trigger any other obligation pursuant to, any Compensation and Benefit Plans to any of its or any of its Subsidiaries' current or former employees.

(k) Material Contracts.

(i) Except for Contracts set forth in Section 3.2(k) of its Disclosure Letter, as of the date of this Agreement, neither it nor any of its Subsidiaries, nor any of their respective assets, businesses or operations, is a party to, or is bound or affected by, or receives benefits under, (A) any Contract relating to the borrowing of money by it or any of its Subsidiaries or the guarantee by it or any of its Subsidiaries of any such obligation (other than Contracts pertaining to fully-secured repurchase agreements, trade payables and Contracts relating to borrowings, deposit-takings or guarantees made in the ordinary course of business consistent with past practice), (B) any Contract containing a non-compete or client or customer non-solicit requirement or any other provisions that limit the ability of it or any of its Subsidiaries to compete in any line of business or with any Person, or that involve any restriction of the geographic area in which, or method by which, it or any of its Subsidiaries may carry on its business (other than as may be required by Law or any Governmental Authority) or which requires referrals of business or requires it or any of its Affiliates to make available investment opportunities to any Person on a priority, equal or exclusive basis, (C) any Contract with respect to the employment of any directors, executive officers or employees, or with any consultants that are natural Persons involving the payment of U.S.\$500,000 or more per annum, (D) any Contract which, upon the execution or delivery of this Agreement or consummation of the transactions contemplated by this Agreement will (either alone or upon the occurrence of any additional acts or events) result in any payment (including severance payment) becoming due from it or any of its Subsidiaries, (E) any Contract that could reasonably be expected to prohibit, delay or materially impair the consummation of any of the Transactions, (F) any Contract (or group of Contracts with the same party (or its Affiliates) involving similar transactions) that involves expenditures or receipts by it or any of its Subsidiaries in excess of U.S.\$5,000,000 per year not



entered into in the ordinary course of business consistent with past practice, (G) any Contract with an Affiliate, (H) any Contract that grants any right of first refusal, right of first offer or similar right with respect to the sale or other transfer of any material assets, rights or properties of it or its Subsidiaries or (I) any Contract with any Governmental Authority (other than routine or customary Contracts with any self-regulatory body). With respect to each of its Contracts required to be disclosed in its Disclosure Letter pursuant to this Section 3.2(k)(i): (w) each such Contract is in full force and effect; (x) neither it nor any of its Subsidiaries is in Default thereunder; (y) neither it nor any of its Subsidiaries has repudiated or waived any material provision of any such Contract; and (z) no other party to any such Contract is, to its knowledge, in Default thereunder in any material respect.

(ii) All interest rate swaps, caps, floors, option agreements, futures and forward contracts, and other similar risk management arrangements, whether entered into for its own account or for the account of one or more of its Subsidiaries or their respective customers, were entered into (A) in accordance with prudent business practices and all applicable Laws and (B) with counterparties believed to be financially responsible, and each of them is enforceable against it or its Subsidiaries and, to its knowledge, the applicable counterparties thereto, in accordance with its terms (except in all cases as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, receivership, conservatorship, moratorium or similar Laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought), and is in full force and effect. Neither it nor any of its Subsidiaries, nor to its knowledge, any other party thereto, is in Default of any of its obligations under any such agreement or arrangement.

(iii) Itaú Parent or one of its Subsidiaries currently owns a majority of the outstanding capital stock of MCC and is a party to the MCC Contract pursuant to which it has the unconditional right, subject to receipt of any necessary approvals of any Regulatory Authorities required pursuant to Law, to acquire the remaining outstanding capital stock of MCC on specified dates that would result in it owning 100% of the outstanding capital stock of MCC by August 31, 2016.

(l) Legal Proceedings. There is no Litigation pending or, to its knowledge, threatened against it or any of its Subsidiaries, or against any asset, interest or right of any of them, and there are no Orders of any Governmental Authority or arbitrators outstanding, or, to its knowledge, threatened, against it or any of its Subsidiaries.

(m) Reports. Since January 1, 2011, or the date of organization if later, it and each of its Subsidiaries has timely filed all reports and statements, together with any amendments required to be made with respect thereto, that it was required to file with any Governmental Authority, including the Chilean Superintendency of Banks, the



Superintendency of Securities and Insurance, the Chilean Central Bank and the *Unidad de Análisis Financiero* (in the case of Itaú Chile) and SFC, Colombian Central Bank, the *Unidad de Información y Análisis Financiero*, and the SEC (in the case of Itaú Colombia), and it and each of its Subsidiaries have paid all fees and assessments due and payable in connection therewith.

(n) Investment Securities and Commodities.

(i) Each of it and its Subsidiaries has good title to all securities and commodities owned by it (except those sold under repurchase agreements), free and clear of any Lien, except to the extent such securities or commodities are pledged in the ordinary course of business to secure obligations of it or its Subsidiaries.

(ii) It and its Subsidiaries and their respective businesses employ investment, securities, commodities, risk management and other policies, practices and procedures that it believes are prudent and reasonable in the context of such businesses.

(o) Intellectual Property.

(i) It and its Subsidiaries own, are licensed or otherwise have the right to use all Intellectual Property that is used by it and its Subsidiaries in their respective businesses as currently conducted, free and clear of all Liens.

(ii) To its knowledge, it and its Subsidiaries have not infringed, misappropriated or otherwise violated the Intellectual Property rights of any third Person since January 1, 2011, and the use of any third Person Intellectual Property is in accordance with any applicable Contract pursuant to which it or its Subsidiaries acquired the right to use such Intellectual Property. There is no claim pending or, to its knowledge, threatened against it or any of its Subsidiaries concerning the ownership, validity, registrability, enforceability, infringement, use or licensed right to use any Intellectual Property owned by it or its Subsidiaries.

(iii) To its knowledge, no third Person has infringed, misappropriated or otherwise violated it or its Subsidiaries' Intellectual Property rights. There are no claims pending or threatened by it or its Subsidiaries that (A) a third Person infringed or otherwise violated any of their Intellectual Property rights or (B) a third Person's owned or claimed Intellectual Property interferes with, infringes, dilutes or otherwise harms any of their Intellectual Property rights.

(iv) It and its Subsidiaries have taken reasonable measures to protect the confidentiality of all Trade Secrets that are owned by them.



(v) Except as set forth in Section 3.2(o)(v) of its Disclosure Letter, it and its Subsidiaries have and will have until the date required pursuant to applicable Law (and in any case at least until the Chilean Effective Time), all Intellectual Property rights required for the rightful use of all trademarks and names currently used in carrying out their businesses.

(vi) Itaú Chile owns all right, title and interest, free and clear of any Liens, in and to the trademarks (including the “Itaú” name) set forth in Section 3.2(o)(vi) of its Disclosure Letter.

(p) Extensions of Credit.

(i) Each loan, revolving credit facility, account and note receivable, borrowing arrangement (including leases, guarantees and interest-bearing assets), letter of credit or other extension of credit or commitment to extend credit (each a “Itaú Chile Extension of Credit”) made or entered into by it or any of its Subsidiaries (i) is evidenced in all material respects by such documentation as is customary for the industry in which it and its Subsidiaries operate, (ii) to the extent carried on the books and records of it and its Subsidiaries as secured, has been secured by valid Liens and (iii) is the legal, valid and binding obligation of the obligor named therein, enforceable in accordance with its terms (except in all cases as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, receivership, conservatorship, moratorium or similar Laws affecting the enforcement of creditors’ rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought).

(ii) Each outstanding Itaú Chile Extension of Credit has been solicited and originated and is administered and the relevant files are being maintained, in all material respects, in accordance with the relevant loan documents, its underwriting standards and applicable Law.

(iii) All data processing systems used by it and/or any of its Subsidiaries with respect to any Itaú Chile Extension of Credit are sufficient to provide reasonable assurances that information pertaining to the Itaú Chile Extension of Credit is recorded accurately. All data processing systems comply in all material respects with all applicable Laws, rules, regulations, orders and judgments governing Itaú Chile Extension of Credit origination and servicing and the storage, disclosure, revelation to Governmental Authorities and disposal of information pertaining to obligors and any other individuals.

(iv) For the avoidance of doubt, and notwithstanding the foregoing or any other provision of this Agreement, no representation or warranty is being made as to whether such Itaú Chile Extensions of Credit are ultimately collectible.



(q) Certain Loan Matters.

(i) Section 3.2(q) of its Disclosure Letter sets forth a list of all Itaú Chile Extensions of Credit by it or any of its Subsidiaries to any of its directors, executive officers, principal shareholders and their related persons (*personas relacionadas*) (as such terms are defined in the Chilean Companies Law and Chilean Securities Law, as the case may be).

(ii) There are no Itaú Chile Extensions of Credit to any of its employees, officers, directors or other of its Affiliates made in breach of the Chilean Banking Law or on which the borrower is paying a rate other than that reflected in the note or the relevant credit agreement.

(r) Properties. It or one of its Subsidiaries (i) has good and marketable title to all the properties and assets reflected in its latest audited balance sheet included in the Financial Statements as being owned by it or one of its Subsidiaries or acquired after the date thereof (except properties sold or otherwise disposed of since the date thereof in the ordinary course of business consistent with past practice), free and clear of all Liens (except for Permitted Liens) and (ii) is the lessee of all leasehold estates reflected in the latest audited financial statements included in the Financial Statements or acquired after the date thereof (except for leases that have expired by their terms or been legally terminated by it or one of its Subsidiaries since the date thereof) and is in possession of the properties purported to be leased thereunder, and each such lease is valid without Default thereunder by the lessee or, to its knowledge, the lessor. There are no pending or, to its knowledge, threatened condemnation proceedings against such owned properties and leasehold estates.

(s) Brokers and Finders. Neither it nor any of its Subsidiaries nor any of their respective officers, directors, employees or Affiliates has employed any broker, finder or financial advisor or incurred any Liability for any financial advisory fees, investment bankers' fees, brokerage fees, commissions, or finders' fees in connection with this Agreement or the Transactions.

(t) Insurance. It and its Subsidiaries are insured against such risks and in such amounts as its management reasonably has determined to be prudent in accordance with industry practices. All such policies are in full force and effect; none of it or any of its Subsidiaries are in material default thereunder; and all claims thereunder have been filed, and all premiums due thereunder have been paid, in due and timely fashion.

(u) Related Party Transactions. Except as set forth in Section 3.2(u) of its Disclosure Letter, there are no existing transactions or series of related transactions, or Contracts between it or any of its Subsidiaries, on the one hand, and any of its or its Subsidiaries' current directors or officers (or other Persons who in the 18-month period prior to the date of this Agreement were directors) or officers, any Person who beneficially owns, directly or indirectly, 5% or more of its Outstanding shares of common stock or any Affiliate (other than it and its Subsidiaries) of such director, officer or Person, on the other hand, except those of a type available to its employees generally.



3.3 Representations and Warranties of Corp Group Parent. Subject to and giving effect to Sections 3.5 and 7.4 and except as set forth in its Disclosure Letter, Corp Group Parent hereby represents and warrants to the Itaú Parties that:

(a) Authority. It has the corporate power and authority necessary to execute, deliver and perform its obligations under this Agreement, the Shareholders Agreement, the Registration Rights Agreement and the Corp Group Pledge Agreement to which it is a party and to consummate the transactions contemplated thereby and the Transactions. The execution, delivery and performance of this Agreement, the Shareholders Agreement and the Registration Rights Agreement and the consummation of the transactions contemplated thereby and the Transactions by it have been duly and validly authorized by all necessary corporate action. Corp Group Banking has the corporate power and authority necessary to execute, deliver and perform its obligations under the Corp Group Pledge Agreement to which it is a party and to consummate the transactions contemplated thereby. The execution, delivery and performance by Corp Group Banking of the Corp Group Pledge Agreement to which it is a party and the consummation of the transactions contemplated thereby by it have been duly and validly authorized by all necessary corporate action. Assuming due authorization, execution, and delivery of this Agreement by CorpBanca and the other Parties, this Agreement represents a legal, valid, and binding obligation of it, enforceable against it in accordance with its terms (except in all cases as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, receivership, conservatorship, moratorium or similar Laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought).

(b) Consents. No consent, approval, license, permit, order or authorization of, or registration, declaration or filing with, any Governmental Authority is required to be made by it for or in connection with its execution and delivery of this Agreement or the consummation by it of the Transactions.

(c) Noncontravention. The execution and delivery by it of this Agreement do not, and the consummation by it of the Transactions will not, contravene or violate (i) any provision of its Organizational Documents, (ii) any applicable Law to which it is subject or (iii) subject to receipt of the Consents set forth in Section 3.3(c) of its Disclosure Letter, any provision of, or result in the termination or acceleration of, or entitle any party to accelerate any obligation or indebtedness under, any Contract to which it is a party.

(d) Ownership of Stock. It is the registered owner of, and has good and valid title to, the CorpBanca Common Stock and CorpBanca Colombia Common Stock as set forth in Section 3.3(d) of its Disclosure Letter, free and clear of all Liens other than restrictions contained in the Organizational Documents of CorpBanca and CorpBanca Colombia.

3.4 Representations and Warranties of Itaú Parent. Subject to and giving effect to Sections 3.5 and 7.4 and except as set forth in its Disclosure Letter, Itaú Parent hereby represents and warrants to the Corp Group Parties that:



(a) Authority. It has the corporate power and authority necessary to execute, deliver and perform its obligations under this Agreement and the Shareholders Agreement and to consummate the transactions contemplated thereby and the Transactions. The execution, delivery and performance of this Agreement and the Shareholders Agreement and the consummation of the transactions contemplated thereby and the Transactions by it have been duly and validly authorized by all necessary corporate action. Assuming due authorization, execution, and delivery of this Agreement by Itaú Chile and the other Parties, this Agreement represents a legal, valid, and binding obligation of it, enforceable against it in accordance with its terms (except in all cases as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, receivership, conservatorship, moratorium or similar Laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought).

(b) Consents. Other than as set forth in Section 3.4(b) of its Disclosure Letter (collectively, the "Itaú Parent Regulatory Consents"), no consent, approval, license, permit, order or authorization of, or registration, declaration or filing with, any Governmental Authority, is required to be made by it for or in connection with its execution and delivery of this Agreement or the consummation by it of the Transactions.

(c) Noncontravention. The execution and delivery by it of this Agreement do not, and the consummation by it of the Transactions will not, contravene or violate (i) any provision of its Organizational Documents, (ii) any applicable Law to which it is subject or (iii) any provision of, or result in the termination or acceleration of, or entitle any party to accelerate any obligation or indebtedness under, any Contract to which it is a party.

(d) Ownership of Stock. It or one or more of its wholly-owned Subsidiaries is the registered owner of, and has good and valid title to, all of the Itaú Chile Common Stock and Itaú Colombia Common Stock, in each case free and clear of all Liens other than restrictions contained in the Organizational Documents of Itaú Chile and Itaú Colombia, respectively.

3.5 Standards.

(a) No representation or warranty of any Party hereto contained in Sections 3.1, 3.2, 3.3 or 3.4 shall be deemed untrue or incorrect, and no Party hereto shall be deemed to have breached a representation or warranty, as a consequence of the existence or absence of any fact, circumstance or event unless such fact, circumstance or event, individually or taken together with all other facts, circumstances or events inconsistent with any representation or warranty contained in Section 3.1, in the case of CorpBanca and CorpBanca Colombia, Section 3.2, in the case of Itaú Chile and Itaú Colombia, Section 3.3, in the case of Corp Group Parent, and Section 3.4, in the case of Itaú Parent, has had or is reasonably likely to have a Material Adverse Effect on such Party, other than the representations and warranties in:



- (i) Section 3.1(a)(i) and the first three sentences of 3.1(a)(ii) (in each case only with respect to CorpBanca and CorpBanca Colombia and not with respect to any of their Subsidiaries), 3.1(b)(i), 3.1(b)(ii)(A), 3.1(c)(ii), and 3.1(o)(vi) (only with respect to the “CorpBanca” name), which shall be true and correct in all material respects with respect to CorpBanca and CorpBanca Colombia;
- (ii) Section 3.1(t), which shall be true and correct in all material respects;
- (iii) Section 3.1(c)(i) which shall be true and correct except to a *de minimis* extent (relative to Section 3.1(c)(i) taken as a whole) with respect to CorpBanca and CorpBanca Colombia;
- (iv) Section 3.1(e)(ii), and 3.1(s) which shall be true and correct in all respects with respect to CorpBanca, CorpBanca Colombia and their respective Subsidiaries taken as a whole;
- (v) Section 3.2(a)(i) and the first three sentences of 3.2(a)(ii) (in each case only with respect to Itaú Chile and Itaú Colombia and not with respect to any of their Subsidiaries), 3.2(b)(i), 3.2(b)(ii)(A), 3.2(c)(ii), and 3.2(o)(vi) (only with respect to the “Itaú” name), which shall be true and correct in all material respects with respect to Itaú Chile and Itaú Colombia;
- (vi) Section 3.2(c)(i) which shall be true and correct except to a *de minimis* extent (relative to Section 3.2(c)(i) taken as a whole) with respect to Itaú Chile and Itaú Colombia;
- (vii) Section 3.2(e)(ii), and 3.2(s) which shall be true and correct in all respects with respect to Itaú Chile, Itaú Colombia and their respective Subsidiaries taken as a whole;
- (viii) Section 3.3(d) which shall be true and correct except to a *de minimis* extent (relative to Section 3.3(d) taken as a whole) with respect to Corp Group Parent; and
- (ix) Section 3.4(d) except to a *de minimis* extent (relative to Section 3.4(d) taken as a whole) with respect to Itaú Parent).

(b) The term “Material Adverse Effect,” as used with respect to a Party, means any effect, circumstance, occurrence or change which (i) is materially adverse to the business, financial condition, operations or results of operations of (x) CorpBanca, CorpBanca Colombia and their respective Subsidiaries, taken as a whole, in the case of each of the Corp Group Parties or (y) Itaú Chile, Itaú Colombia and their respective Subsidiaries, taken as a whole, in the case of each of the Itaú Parties; or (ii) materially impairs the ability of such Party to consummate the Transactions on a timely basis; *provided* that in determining whether a Material Adverse Effect has occurred with respect to such Party under clause (i), there shall be excluded (with respect to each of clause (A), (B), (C) and (D) below, only to the extent that the adverse effect of a change on it is not materially disproportionate compared to the effect on other companies of a similar size operating in the banking industry in the jurisdictions in which the Party operates) any effect, circumstance, occurrence or change to the extent attributable to or resulting from (A) any



changes in Laws, regulations or interpretations of Laws or regulations generally affecting the financial services industries in which the Parties operate, (B) any change in IFRS or regulatory accounting requirements generally affecting the financial services industries in which the Parties operate, (C) events, conditions or trends in economic, business or financial conditions generally affecting the financial services industries in which the Parties operate, including changes in prevailing interest rates, currency exchange rates and trading volumes in Chile, Colombia or foreign securities markets, (D) changes in national or international political or social conditions including the engagement by Chile, Brazil, Colombia or Panama in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon or within Chile, Brazil, Colombia or Panama, or any of their respective territories, possessions or diplomatic or consular offices or upon any military installation, equipment or personnel of Chile, Brazil, Colombia or Panama, (E) the effects of the actions expressly required by this Agreement and (F) the announcement of this Agreement and the Transactions; and *provided further* that in no event shall a change in the trading prices of a Party's common stock by itself (but for the avoidance of doubt not the underlying causes thereof to the extent such causes are not otherwise excluded pursuant to (A) – (E) above) constitute a Material Adverse Effect.

ARTICLE 4

COVENANTS AND ADDITIONAL AGREEMENTS

4.1 Conduct of Business Prior to Chilean Effective Time. During the period from the date of this Agreement through (i) the Chilean Effective Time and (ii) only with respect to Itaú Colombia, through the Colombian Acquisition Closing or the Colombian Effective Time, as the case may be, except as set forth in Section 4.1 or Section 4.2 of its Disclosure Letter, except as expressly contemplated or permitted by this Agreement and except as Consented to in writing by the other Bank Parties (which Consent shall not be unreasonably withheld or delayed), each of the Parties shall, and shall cause each of their respective Subsidiaries (including the Bank Parties, as applicable) to, (a) conduct its business in the ordinary course consistent with past practice, (b) use reasonable best efforts to maintain and preserve intact its business organization, assets, employees and relationships with customers, suppliers, employees and business associates and (c) take no action that would reasonably be expected to adversely affect or delay the ability of any Party to obtain any Required Regulatory Consents, to perform its covenants and agreements under this Agreement or to consummate the Transactions on a timely basis.

4.2 Forbearances. (i) During the period from the date of this Agreement through the Chilean Effective Time, except as set forth in Section 4.2(i) of its Disclosure Letter, except as expressly contemplated or permitted by this Agreement or as otherwise provided in this Section 4.2, none of the Bank Parties shall, and none of the Bank Parties shall permit any of its Subsidiaries to, without the prior written Consent of the other Bank Parties (which Consent shall not be unreasonably withheld or delayed):

- (a) amend its Organizational Documents or enter into a plan of consolidation, merger, share exchange, reorganization or similar business combination (other than with respect to consolidations, mergers, share exchanges, reorganizations or similar business combinations solely among its wholly-owned Subsidiaries) or a letter of intent or agreement in principle with respect thereto;



(b) except as provided in Section 4.3 (i) adjust, split, combine or reclassify any capital stock or authorize the issuance of any securities in respect of, in lieu of or in substitution for, shares of its capital stock, (ii) set a record date or payment date for, make, declare or pay any dividend (other than dividends paid in the ordinary course of business by any of its direct or indirect wholly-owned Subsidiaries to it or any of its other direct or indirect wholly-owned Subsidiaries) or dividends expressly permitted pursuant to Section 4.3), or make any other distribution on, or directly or indirectly redeem, purchase or otherwise acquire, any shares of its capital stock or any securities or obligations convertible (whether currently convertible or convertible only after the passage of time or the occurrence of certain events) into or exercisable or exchangeable for any shares of its capital stock, (iii) grant or issue any Rights, (iv) issue, sell or otherwise permit to become outstanding any additional shares of capital stock, (v) make any change in any instrument or Contract governing the terms of any of its securities (other than for the purposes of effecting the Transactions) or (v) enter into any Contract with respect to the sale or voting of its capital stock;

(c) other than in the ordinary course of business consistent with past practice or pursuant to Contracts in force at the date of this Agreement, and other than by way of foreclosures or acquisitions of control in a fiduciary or similar capacity or in satisfaction of debts previously contracted in good faith, make any material investment in or acquisition of (either by purchase of stock or securities, contributions to capital, property transfers or purchase of any property or assets) any other Person other than its wholly-owned Subsidiaries as of the date of this Agreement;

(d) (i) enter into any new line of business which is not within the Banking Business, (ii) change its lending, investment, underwriting, securitization, servicing, risk and asset liability management and other banking and operating, policies that are material to it and its Subsidiaries, taken as a whole, except as required by applicable Law or any regulations or policies imposed on it by any Governmental Authority or (iii) make application for the opening, relocation or closing of any, or open, relocate or close any, branch office, loan production office or other significant office or operations facility, other than branches in the jurisdiction of incorporation of each Bank Party in the ordinary course of business and consistent with past practice;

(e) sell, transfer, mortgage, encumber or otherwise dispose of any part of its business or any of its properties or assets to any Person other than a wholly-owned Subsidiary or cancel, release or assign any indebtedness of any Person to any Person other than a wholly-owned Subsidiary or any claims against any Person to any Person other than a wholly-owned Subsidiary, except in the ordinary course of business consistent with past practice or pursuant to Contracts in force as of the date of this Agreement and disclosed in Section 4.2(i)(e) of its Disclosure Letter;



(f) other than in the ordinary course of business consistent with past practice: incur any indebtedness for borrowed money (or modify any of the material terms of any such outstanding indebtedness) other than indebtedness of it or any of its wholly-owned Subsidiaries to it or any of its wholly-owned subsidiaries; assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any Person which is not one of its wholly-owned subsidiaries; or make any loan or advance to any Person which is not one of its wholly-owned subsidiaries;

(g) restructure or make any material change to its investment securities portfolio, its derivatives portfolio or its interest rate exposure, through purchases, sales or otherwise, or the manner in which the portfolio is classified or reported;

(h) other than in the ordinary course of business, terminate, amend, waive or knowingly fail to use reasonable best efforts to enforce, any material provision of any material Contract, other than normal renewals of Contracts without materially adverse changes, additions or deletions of terms; or enter into any Contract that would be required to be disclosed under Section 3.1(k)(B), (D), (E), (G) or (H), or Section 3.2(k)(B), (D), (E), (G) or (H), as the case may be, if it were in effect on the date hereof;

(i) other than as required by Compensation and Benefit Plans and Contracts as in effect at the date of this Agreement or applicable Law, (i) increase by more than 20% the aggregate compensation or benefits of any of its current or former officers, directors, employees with annual base compensation in excess of U.S.\$350,000 or consultants (for avoidance of doubt, all references to “directors” in this Section 4.2(i)(i) refer to members of its Board of Directors) other than in the ordinary course of business consistent with past practice, (ii) become a party to, adopt, terminate, materially amend or commit itself to any Compensation and Benefit Plan or Contract (or any individual Contracts evidencing grants or awards thereunder) or employment, severance, change in control, retention, bonus guarantee, collective bargaining or similar agreement or arrangement with or for the benefit of any current or former officer, director, employee with annual base compensation in excess of \$350,000 or consultant or (iii) pay or award, or commit to pay or award, any bonuses (other than bonuses in respect of which a provision has been made and contemplated in any of the Bank Parties’ yearly or quarterly financial statements prior to the date hereof) or incentive compensation or (iv) grant or accelerate the vesting of any equity-based awards.

(j) settle any Litigation, except for any Litigation involving solely money damages in an amount not greater than \$1,000,000 individually, and that does not involve or create an adverse precedent for Litigation that is reasonably likely to be material to it and its Subsidiaries taken as a whole; or agree or consent to the issuance of any Order restricting, or otherwise affecting in any material respect, its business or operations;

(k) implement or adopt any change in its financial accounting principles, practices or methods, including reserving methodologies, other than as may be required by IFRS or Colombian GAAP, as applicable, regulatory accounting guidelines (including those passed by the Chilean Superintendency of Banks) or applicable Law, and as concurred to by its independent auditors;



(l) file or amend any material Tax Return except in the ordinary course of business; settle or compromise any material Tax Liability in an amount greater than \$2,000,000; make, change or revoke any material Tax election except to the extent consistent with past practice or as required by Law; agree to any extension or waiver of the statute of limitations with respect to assessment or determination of material Taxes, surrender any right to claim a material Tax refund; or change any material method of Tax accounting;

(m) knowingly take, or knowingly omit to take, any action that is reasonably likely to result in any of the conditions to the Transactions, including the Chilean Merger and the Colombian Merger, set forth in Article 5 not being satisfied on a timely basis except, in each case, as may be required by applicable Law;

(n) adopt a plan of complete or partial liquidation or resolutions providing for or authorizing such a liquidation or dissolution, restructuring, recapitalization or reorganization; or

(o) agree to take, or adopt any resolutions of its Board of Directors or similar governing body in support of, any of the actions prohibited to it by this Section 4.2(i).

(ii) During the period from the date of this Agreement through the Colombian Acquisition Closing or the Colombian Effective Time, as the case may be, except as set forth in Section 4.2(ii) of its Disclosure Letter, except as expressly contemplated or permitted by this Agreement or as otherwise provided in this Section 4.2 (ii), Itaú Colombia shall not, and shall not permit any of its Subsidiaries, and Itaú Parent shall not permit Itaú Colombia or any of the Subsidiaries of Itaú Colombia to, without the prior written Consent of the Corp Group Parties (which Consent shall not be unreasonably withheld or delayed), take any of the actions that would require the consent of Corp Group Parent under Section 2.8 of the Shareholders Agreement.

(iii) Corp Group Parent and Itaú Parent agree that, for the purposes of this Section 4.2, any Subsidiary of any of the Bank Parties in which capital any of the Bank Parties or Bank Parties' Affiliates or their officers or directors has a participation not lower than 95% shall be considered a wholly owned Subsidiary of such Bank Party.

4.3 Dividends. Each Party agrees that, from and after the date of this Agreement until the Chilean Effective Time:

(a) CorpBanca may (to the extent legally and contractually permitted to do so), but shall not be obligated to, declare and pay annual dividends on Outstanding shares of CorpBanca Common Stock at a rate not to exceed 57% of the distributable earnings for the year ended December 31, 2013 and if Closing has not occurred, 50% of the distributable earnings for the year ended December 31, 2014, with usual record and payment dates for such dividends in accordance with past practice.



(b) Helm Bank (prior to the CorpBanca Colombia-Helm Merger) and CorpBanca Colombia (after the CorpBanca Colombia-Helm Merger) may (to the extent legally and contractually permitted to do so), but shall not be obligated to, declare and pay annual dividends on Outstanding shares of Helm Bank common stock and preferred stock or CorpBanca Colombia common stock and preferred stock, as applicable, at a rate not to exceed COP\$9.40 (Colombian Pesos) per share per annum, with usual record and payment dates for such dividends in accordance with past practice.

(c) Itaú Chile shall not declare and pay any dividends on Outstanding shares of Itaú Chile Common Stock for the year ended December 31, 2013. Itaú Chile may (to the extent legally and contractually permitted to do so), but shall not be obligated to, declare and pay annual dividends on Outstanding shares of Itaú Chile Common Stock if Closing has not occurred, at a rate not to exceed 50% of the distributable earnings for the year ended December 31, 2014, with record and payment dates for such dividends determined by Itaú Chile in accordance with Law (after coordination with CorpBanca so that both CorpBanca and Itaú Chile pay dividends on similar dates).

(d) Itaú Colombia shall not declare and pay annual dividends on Outstanding shares of Itaú Colombia Common Stock.

4.4 Shareholders' Approvals.

(a) CorpBanca shall (i) duly call a meeting of its shareholders (the "CorpBanca Shareholders' Meeting") to be held as soon as reasonably practicable after receipt of the Required Regulatory Consents and the other consents required pursuant to Section 5.1(d) for the purpose of obtaining the CorpBanca Shareholder Approval and (ii) use its reasonable best efforts to cause such meeting to occur as soon as reasonably practicable; provided that the Parties agree to discuss in good faith following the date hereof with respect to whether to hold the CorpBanca Shareholders' Meeting prior to the receipt of such consents. Except with the prior approval of Itaú Chile, no other matters shall be submitted for the approval of CorpBanca shareholders at the CorpBanca Shareholders' Meeting. The Board of Directors of CorpBanca shall use its reasonable best efforts to obtain the CorpBanca Shareholder Approval. Nothing contained in this Agreement shall be deemed to relieve CorpBanca of its obligation to submit this Agreement to its shareholders for a vote on the adoption hereof.

(b) CorpBanca shall adjourn or postpone the CorpBanca Shareholders' Meeting if, as of the time for which such meeting is originally scheduled, there are insufficient shares of CorpBanca Common Stock represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of such meeting. Notwithstanding the foregoing, if CorpBanca shall have failed to obtain the CorpBanca Shareholder Approval at the duly called CorpBanca Shareholders' Meeting, or any adjournment or postponement thereof, or any additional meeting of CorpBanca shareholders called pursuant to clause (ii) of this Section 4.4(b)), each of the Parties shall in good faith use its reasonable best efforts to (i) negotiate a restructuring of the transactions provided for herein (it being understood that no Party shall have any obligation to alter or change any material terms, including the amount or kind of the consideration to be issued to CorpBanca Common Stock Holders as provided for in this Agreement, in a manner adverse to such Party or its Affiliates) and/or (ii) resubmit this Agreement and the transactions contemplated hereby (or as restructured pursuant to this Section 4.4(b)) to the CorpBanca Common Stock Holders for approval. Notwithstanding the foregoing, the CorpBanca



Shareholders' Meeting need not be called or held during the pendency of any breach of this Agreement by an Itaú Party or other circumstances (not caused by Corp Group Parties) that, if uncured on the Closing Date, would result in any of the closing conditions contained in Section 5.1 (other than 5.1(a)) or 5.2 (other than 5.2 (c)) not being satisfied; *provided* that CorpBanca shall have notified the applicable Itaú Party in writing of such breach and its determination not to call or hold the CorpBanca Shareholder's Meeting pending such breach being cured.

(c) Itaú Chile shall (i) duly call a meeting of its shareholders (the "Itaú Chile Shareholders' Meeting") to be held as soon as reasonably practicable after receipt of the Required Regulatory Consents and as provided in the Chilean Merger Steps for the purpose of obtaining the Itaú Chile Shareholder Approval and (ii) cause such meeting to occur as soon as reasonably practicable; provided that the Parties agree to discuss in good faith following the date hereof with respect to whether to hold the Itaú Chile Shareholders' Meeting prior to the receipt of such consents. Except with the prior approval of CorpBanca, no other matters shall be submitted for the approval of Itaú Chile shareholders at the Itaú Bank Chile Shareholders' Meeting. The Board of Directors of Itaú Chile shall use its reasonable best efforts to obtain the Itaú Chile Shareholder Approval. Nothing in this Agreement shall be deemed to relieve Itaú Chile of its obligation to submit this Agreement to its shareholders for a vote on the adoption hereof.

(d) If the Consent and Agreement is executed pursuant to Section 1.6(i), after the approval or denial of the CorpBanca Colombia-Helm Merger by the SFC, but in any case as soon as reasonably practicable as provided in the Colombian Merger Steps, CorpBanca Colombia shall duly call a meeting of its shareholders (the "CorpBanca Colombia Shareholders' Meeting") to be held as soon as reasonably practicable as provided in the Colombian Merger Steps for the purpose of obtaining the CorpBanca Colombia Shareholder Approval and shall use its reasonable best efforts to cause such meeting to occur as soon as reasonably practicable; provided that the Parties agree to discuss in good faith following the date hereof with respect to whether to hold the CorpBanca Colombia Shareholders' Meeting prior to the receipt of such consents. Except with the prior approval of Itaú Colombia, no other matters shall be submitted for the approval of CorpBanca Colombia shareholders at the CorpBanca Colombia Shareholders' Meeting. If the Consent and Agreement is executed pursuant to Section 1.6(i), the Board of Directors of CorpBanca Colombia shall use its reasonable best efforts to obtain the CorpBanca Colombia Shareholder Approval, and nothing contained in this Agreement shall be deemed to relieve CorpBanca Colombia of its obligation to submit this Agreement to its shareholders for a vote on the adoption hereof.

(e) CorpBanca Colombia shall adjourn or postpone the CorpBanca Colombia Shareholders' Meeting if, as of the time for which such meeting is originally scheduled there are insufficient shares of CorpBanca Colombia Common Stock represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of such meeting. Notwithstanding the foregoing, if CorpBanca Colombia shall have failed to obtain the CorpBanca Colombia Shareholder Approval at the duly called CorpBanca Colombia Shareholders' Meeting, or any adjournment or postponement thereof, or any additional meeting of CorpBanca Colombia shareholders called pursuant to clause (ii) of this Section 4.4(e)), each of the Parties shall in good faith use its reasonable best efforts to (i) negotiate a restructuring of the transactions provided for herein (it being understood that no Party shall have any obligation



to alter or change any material terms, including the amount or kind of the consideration to be issued to holders of CorpBanca Colombia Common Stock as provided for in this Agreement, in a manner adverse to such Party or its Affiliates) and/or (ii) resubmit the transactions contemplated hereby (or as restructured pursuant to this Section 4.4(e)) to the holders of CorpBanca Colombia Common Stock (and the holders of preferred stock of CorpBanca Colombia, if any) for approval.

(f) If the Consent and Agreement is executed pursuant to Section 1.6(i), after approval or denial of the CorpBanca Colombia-Helm Merger by the SFC, but in any case as soon as reasonably practicable as provided in the Colombian Transaction Steps, Itaú Colombia shall duly call a meeting of its shareholders (the “Itaú Colombia Shareholders’ Meeting”) to be held as soon as reasonably practicable as provided in the Colombian Transaction Steps for the purpose of obtaining the Itaú Colombia Shareholder Approval and shall use its reasonable best efforts to cause such meeting to occur as soon as reasonably practicable; provided that the Parties agree to discuss in good faith following the date hereof with respect to whether to hold the Itaú Colombia Shareholders’ Meeting prior to the receipt of such consents. Except with the prior approval of CorpBanca Colombia, no other matters shall be submitted for the approval of Itaú Colombia shareholders at the Itaú Colombia Shareholders’ Meeting. If the Consent and Agreement is executed pursuant to Section 1.6(i), the Board of Directors of Itaú Colombia shall use its reasonable best efforts to obtain the Itaú Colombia Shareholder Approval, and nothing in this Agreement shall be deemed to relieve Itaú Colombia of its obligation to submit this Agreement to its shareholders for a vote on the adoption hereof. Notwithstanding anything to the contrary herein, in lieu of convening the Itaú Colombia Shareholders’ Meeting, Itaú Colombia may, to the extent permitted by applicable Law and its Organizational Documents, deliver a written consent of its sole shareholder setting forth the Itaú Colombia Shareholder Approval.

(g) At any CorpBanca Shareholders’ Meeting or any CorpBanca Colombia Shareholders’ Meeting, or in connection with any written consent of the CorpBanca Common Stock Holders or the holders of CorpBanca Colombia Common Stock, Corp Group Parent will vote its shares of CorpBanca Common Stock and CorpBanca Colombia Common Stock, and Corp Group Parent will cause CorpBanca Colombia to vote its shares of CorpBanca Colombia Common Stock, and CorpBanca will vote its shares of CorpBanca Colombia Common Stock, in each case (i) in favor of the Transactions, as applicable, and any proposal to adjourn or postpone the CorpBanca Shareholders’ Meeting or the CorpBanca Colombia Shareholders’ Meeting to a later date if there are not sufficient votes to obtain the CorpBanca Shareholder Approval or the CorpBanca Colombia Shareholder Approval, as applicable, and (ii) against any Contract, transaction or proposal that relates to an Acquisition Proposal. Each of Corp Group Parent and CorpBanca agrees that it will not (A) sell, short sell, transfer, assign, tender or otherwise dispose of any of its shares of CorpBanca Common Stock or CorpBanca Colombia Common Stock, as applicable, (a “Transfer”) in a manner that would result in Corp Group Parent or CorpBanca, as applicable, not having the full and exclusive ability to vote such shares, (B) take any action that would result in Corp Group Parent or CorpBanca, as applicable, not having full and exclusive power to vote the shares (whether through delivery of a proxy to a third Person, entry into a voting agreement, depositing such shares into a voting trust or otherwise) or (C) enter into any Contract with respect to any such action or Transfer; *provided* that the foregoing limitations will not apply to the incurrence of any Lien not prohibited to be incurred under the Shareholders’ Agreement.



(h) At any Itaú Chile Shareholders' Meeting or any Itaú Colombia Shareholders' Meeting, or in connection with any written consent of the holders of Itaú Chile Common Stock or Itaú Colombia Common Stock Holders, Itaú Parent shall cause its applicable Affiliates to vote their shares of Itaú Chile Common Stock and Itaú Colombia Common Stock (i) in favor of the Transactions, as applicable, and any proposal to adjourn or postpone the Itaú Chile Shareholders' Meeting or the Itaú Colombia Shareholders' Meeting to a later date if there are not sufficient votes to obtain the Itaú Chile Shareholder Approval or the Itaú Colombia Shareholder Approval, as applicable, and (ii) against any Contract, transaction or proposal that relates to an Acquisition Proposal. Each of Itaú Parent and Itaú Chile agrees that it will not (A) Transfer any of its shares of Itaú Chile Common Stock or Itaú Colombia Common Stock, as applicable, in a manner that would result in Itaú Chile and its Affiliates not having the full and exclusive ability to vote such shares, or (B) take any action that would result in Itaú Chile and its Affiliates not having full and exclusive power to vote the shares (whether through delivery of a proxy to a third Person, entry into a voting agreement, depositing such shares into a voting trust or otherwise) or (C) enter into any Contract with respect to any such action or Transfer; *provided* that the foregoing limitations will not apply to the incurrence of any Lien not prohibited to be incurred under the Shareholders' Agreement.

4.5 Filings with Governmental Authorities.

(a) Each of CorpBanca and, if applicable pursuant to Section 1.6(i), CorpBanca Colombia shall, as promptly as reasonably practicable after the date hereof, (i) prepare and, if required by applicable Law, file with the applicable Governmental Authority all required materials relating to the CorpBanca Shareholders' Meeting and the CorpBanca Shareholder Approval and the CorpBanca Colombia Shareholders' Meeting and the CorpBanca Colombia Shareholder Approval, respectively (each, "Shareholder Meeting Materials"); (ii) use its reasonable best efforts to respond to any comments received from any Governmental Authority with respect to any Shareholder Meeting Materials (and provide copies of any such comments to Itaú Parent promptly upon receipt); (iii) use its reasonable best efforts to have its Shareholder Meeting Materials cleared by the applicable Governmental Authority, to the extent required by applicable Law; (iv) mail to its shareholders its Shareholder Meeting Materials and all other customary proxy or other materials for shareholder meetings; and (v) to the extent required by applicable Law, prepare, file and distribute to its shareholders any supplement or amendment to any Shareholder Meeting Materials if any event shall occur which requires such action at any time prior to CorpBanca Shareholders' Meeting and the CorpBanca Colombia Shareholders' Meeting, respectively; *provided* that CorpBanca Colombia will not be required to file with the SFC the request for approval of the Colombian Merger before the CorpBanca Colombia-Helm Merger is either approved or denied by the SFC. The Parties shall cooperate in connection with the preparation and filing of the Shareholder Meeting Materials, and CorpBanca and CorpBanca Colombia shall provide Itaú Parent a reasonable opportunity to review and comment upon the Shareholder Meeting Materials, or any amendments or supplements thereto, or any comments from a Governmental Authority received with respect thereto, prior to filing with a Governmental Authority or mailing to shareholders of the same.



4.6 Applications and Consents; Governmental Filings.

(a) The Parties shall cooperate and use their reasonable best efforts in seeking all Required Regulatory Consents and other material third-party Consents necessary to consummate the Transactions as promptly as practicable; *provided* that the request for approval of the Colombian Merger by the SFC, if applicable pursuant to Section 1.6(i), shall not be filed before the approval of the CorpBanca Colombia-Helm Merger by the SFC is obtained.

(b) Without limiting the foregoing, the Parties shall cooperate with each other and use their reasonable best efforts to prepare as promptly as practicable all documentation and to effect all filings with respect to, and to obtain, all Required Regulatory Consents.

(c) Subject to the terms and conditions of this Agreement, each of the Parties will use its reasonable best efforts to take, or cause to be taken, in good faith, all actions, and to do, or cause to be done, all things necessary, proper or advisable under applicable Laws, including using its reasonable best efforts to lift or rescind any Order adversely affecting its ability to consummate the Transactions on a timely basis, to cause to be satisfied the conditions in Article 5, and to permit consummation of the Transactions as promptly as practicable, and each will reasonably cooperate with the other Party to that end and furnish information and assistance to the other Party as may be reasonably necessary or advisable in connection with any filing, notice or application made by or on behalf of the other Party to any third party and/or Governmental Authority; *provided* that nothing contained herein shall preclude any Party from exercising its rights under this Agreement; *provided further* that notwithstanding the foregoing, nothing contained herein shall be deemed to require any Party to take any action, or commit to take any action, or agree to any condition or restriction, in connection with obtaining any Consents of Governmental Authorities that would reasonably be expected to have a Material Adverse Effect on either CorpBanca and its Subsidiaries, taken as a whole, or Itaú Chile, Itaú Colombia their Subsidiaries, taken as a whole (a “Materially Burdensome Regulatory Condition”).

(d) Each Party will promptly furnish to the other Party copies of non-confidential portions of applications filed with all Governmental Authorities and copies of non-confidential portions of written communications received by such Party from any Governmental Authorities with respect to the Transactions. Each Party agrees that it will consult with the other Party with respect to the obtaining of all Required Regulatory Consents and other material Consents necessary or advisable to consummate the transactions contemplated by this Agreement, and each Party will keep the other Party apprised of the status of material matters relating to completion of the Transactions and will use reasonable efforts to give the other Party reasonable notice thereof and the opportunity to attend and observe in any meetings or discussions with Governmental Authorities in connection with the Transactions, to the extent not prohibited by such Governmental Authorities. Each Party will have the right to review in advance, and to the extent practicable each will consult with the other, in each case subject to applicable Laws relating to the exchange of information, with respect to all information relating to the other Party, and any of their respective Subsidiaries, which appears in any filing made with, or with respect to all written materials submitted to, any Governmental Authority or other third party in connection with the Transactions. In exercising the foregoing right, each of the Parties hereto agrees to act reasonably and as promptly as practicable. All documents that the Parties or their respective Subsidiaries are responsible for filing with any Governmental Authority in connection with the Transactions (including to obtain Consents of Governmental Authorities) will comply as to form in all material respects with the provisions of applicable Law.



4.7 Notification of Certain Matters. Each Party will give prompt notice to the other Party (and subsequently keep the other Party informed on a current basis) upon its becoming aware of the occurrence or existence of any fact, event or circumstance that (a) is reasonably likely, individually or taken together with all other facts, events and circumstances known to it, to result in any Material Adverse Effect on it or (b) would cause or constitute a material breach of any of its representations, warranties, covenants or agreements contained herein; provided that any failure to give notice in accordance with the foregoing with respect to any breach shall not be deemed to constitute the failure of any condition set forth in Sections 5.2(b) or 5.3(b) to be satisfied, or otherwise constitute a breach of this Agreement by the Party failing to give such notice, in each case unless the underlying breach would independently result in a failure of the conditions set forth in Section 5.2(a), 5.2(b), 5.3(a) or 5.3(b) to be satisfied.

4.8 Investigation and Confidentiality.

(a) Prior to the Chilean Effective Time, each Party shall permit the other Party to make or cause to be made such investigation of the business and Properties of it and its Subsidiaries and of their respective financial and legal conditions as the other Party reasonably requests (including reasonable access to such Party's personnel), upon reasonable notice; *provided* that such investigation shall be reasonably related to the Transactions and shall not interfere unnecessarily with normal operations; and *provided further* that neither Party nor any of their respective Subsidiaries shall be required to provide access to or to disclose information where such access or disclosure would jeopardize the attorney-client or other privilege with respect to such information or contravene any Law, Order or Contract, and the Parties will use their reasonable efforts to make appropriate substitute disclosure arrangements, to the extent practicable, in circumstances in which the restrictions of the preceding sentence apply. No investigation by a Party shall be deemed to modify, waive or otherwise affect the representations, warranties, covenants and agreements of the other Party.

(b) Each Party shall, and shall cause its Representatives to, maintain the confidentiality of all confidential information furnished to it by the other Party concerning its and its Subsidiaries' businesses, operations, financial positions and private information of clients to the extent required by and in accordance with the Confidentiality Agreements and shall not use such information for any purpose except in furtherance of the transactions contemplated by this Agreement. If this Agreement is terminated prior to the Chilean Effective Time, each Party shall promptly return or certify the destruction of all documents and copies and extracts thereof and all work papers containing confidential information received from the other Party.

(c) Nothing contained in this Agreement shall give either Party, directly or indirectly, the right to control or direct the operations of the other Party prior to the Chilean Effective Time. Prior to the Chilean Effective Time, each Party shall exercise, consistent with and subject to the terms and conditions of this Agreement, complete control and supervision over its and its Subsidiaries' respective operations.

4.9 Press Releases; Public Announcements. Prior to the Chilean Effective Time, the Parties shall consult with each other before issuing any press release or public statement or making any other public disclosure (including any broad-based employee communication that is reasonably likely to become the subject of public disclosure) materially related to this Agreement



and the Transactions and will not issue any such press release or public statement or make any other public disclosure without the prior written consent of the other Party (which will not be unreasonably withheld or delayed); *provided* that nothing in this Section 4.9 shall be deemed to prohibit any Party from making any disclosure necessary in order to satisfy such Party's disclosure obligations imposed by Law or the São Paulo Stock Exchange, Santiago Stock Exchange, NYSE or any other self-regulatory organization or, in connection with CorpBanca Colombia or the Itaú Colombia Transactions, any notice required by the SFC or the Colombian Code of Commerce or the Colombian stock market regulation. In addition to the foregoing, but subject to the proviso in the immediately preceding sentence, no Party shall issue any press release or otherwise make any public statement or disclosure concerning the other Party or the other Party's business, financial condition or results of operations without the consent of such other Party (which will not be unreasonably withheld or delayed).

4.10 Acquisition Proposals.

(a) Each Party agrees that it will not, and will cause its Subsidiaries and its and its Subsidiaries' officers, directors, Representatives and Affiliates not to, directly or indirectly, (i) initiate, solicit, encourage or knowingly facilitate inquiries or proposals with respect to, (ii) engage or participate in any negotiations concerning, (iii) provide any nonpublic information or data to, or have or participate in any discussions with, any Person relating to or (iv) approve or recommend, or propose to approve or recommend, or execute or enter into, any letter of intent, agreement in principle, merger agreement, asset purchase or share exchange agreement, option agreement or other similar agreement related to an Acquisition Proposal. Each Party agrees that it will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any parties conducted heretofore with respect to any Acquisition Proposals.

(b) Except as expressly set forth in Section 6.1, nothing in this Section 4.9 shall (x) permit either Party to terminate this Agreement or (y) affect any other obligation of the Parties under this Agreement, including the obligation to submit this Agreement to a vote of their respective shareholders.

4.11 Employee Matters.

(a) Following the Chilean Effective Time, CorpBanca at its election shall either (i) offer generally to officers and employees of Itaú Chile and its Subsidiaries, who at or after the Chilean Effective Time become employees of CorpBanca or its Subsidiaries ("Itaú Chile Continuing Employees"), employee benefits under Compensation and Benefit Plans maintained by CorpBanca, on terms and conditions which are the same as for similarly situated officers and employees of CorpBanca and its Subsidiaries, who at or after the Chilean Effective Time become or remain employees of CorpBanca or its Subsidiaries (the "CorpBanca Continuing Employees"), and/or (ii) maintain for the benefit of Itaú Chile Continuing Employees, the Compensation and Benefit Plans maintained by Itaú Chile immediately prior to the Chilean Effective Time ("Itaú Chile Plans"); *provided* that CorpBanca may amend any Itaú Chile Plans to comply with any Law or as necessary and appropriate for other business reasons. For purposes of this Section 4.11, Compensation and Benefit Plans maintained by CorpBanca or Itaú Chile are deemed to include Compensation and Benefit Plans maintained by their respective Subsidiaries. As soon as practicable following the Chilean Effective Time, CorpBanca shall review, evaluate



and analyze Itaú Chile Plans with a view towards developing appropriate and effective Compensation and Benefit Plans for the benefit of employees of CorpBanca and its Subsidiaries on a going forward basis that does not discriminate between Itaú Chile Continuing Employees and CorpBanca Continuing Employees (together, the “Continuing Employees”). CorpBanca will honor, or cause to be honored, in accordance with their terms, all vested or accrued benefit obligations to, and contractual rights of, the Continuing Employees, including, without limitation, any benefits or rights arising as a result of the Chilean Merger (either alone or in combination with any other event).

(b) For purposes of eligibility, participation, vesting and benefit accrual (except not for purposes of benefit accrual to the extent that such credit would result in a duplication of benefits) under CorpBanca’s Compensation and Benefit Plans, service with or credited by Itaú Chile or any of its Subsidiaries or any of their predecessors shall be treated as service with CorpBanca.

(c) Effective as of the Chilean Effective Time, CorpBanca hereby assumes all Compensation and Benefit Plans maintained by Itaú Chile, that require express assumption by any successor to Itaú Chile.

(d) Nothing in this Section 4.11 shall be interpreted as preventing CorpBanca, from and after the Chilean Effective Time, from amending, modifying or terminating any Itaú Chile Plans or other Contracts, arrangements, commitments or understandings, in accordance with their terms and applicable Law.

(e) Notwithstanding anything to the contrary set forth herein, this Agreement is not intended, and it shall not be construed, to create third party beneficiary rights in any current or former employee, including the Continuing Employees (including any beneficiaries or dependents thereof), under or with respect to any plan, program or arrangement described in or contemplated by this Agreement and shall not confer upon any such current or former employee, including each Continuing Employee, the right to continued employment for any period of time following the Closing.

4.12 Indemnification of Officers and Directors.

(a) From and after the Chilean Effective Time, in the event of any threatened or actual claim, action, suit, proceeding or investigation, whether civil, criminal or administrative, in which any Person who is now, or has been at any time prior to the date of this Agreement, or who becomes prior to the Chilean Effective Time, a director or officer of CorpBanca or Itaú Chile or any of their Subsidiaries (the “Indemnified Parties”) is, or is threatened to be, made a party based in whole or in part on, or arising in whole or in part out of, or pertaining to this Agreement or any of the Transactions, whether in any case asserted or arising before or after the Chilean Effective Time, CorpBanca shall indemnify, defend and hold harmless, to the fullest extent permitted by applicable Law, each such Indemnified Party against any Liability (including advancement of reasonable attorneys’ fees and expenses prior to the final disposition of any claim, suit, proceeding or investigation to each Indemnified Party to the fullest extent permitted by Law upon receipt of any undertaking required by applicable Law), judgments, fines and amounts paid in settlement in connection with any such threatened or actual claim, action, suit, proceeding or investigation.



(b) Without limiting the indemnification and other rights provided in clause (a), all rights to indemnification and all limitations on Liability existing in favor of the directors, officers and employees of CorpBanca or Itaú Chile and their respective Subsidiaries as provided in their respective Organizational Documents as in effect as of the date of this Agreement or in any indemnification agreement in existence on the date of this Agreement with CorpBanca or Itaú Chile or their Subsidiaries shall survive the Chilean Merger and shall continue in full force and effect to the fullest extent permitted by Law and shall be honored by CorpBanca and its Subsidiaries or their respective successors as if they were the indemnifying party thereunder, without any amendment thereto; *provided* that nothing contained in this Section 4.12 shall be deemed to preclude any liquidation, consolidation or merger of any CorpBanca or Itaú Chile Subsidiaries, in which case all of such rights to indemnification and limitations on Liability shall be deemed to so survive and continue notwithstanding any such liquidation, consolidation or merger.

(c) CorpBanca, from and after the Chilean Effective Time, will directly or indirectly cause the Persons who served as directors or officers of CorpBanca or Itaú Chile, immediately prior to the Chilean Effective Time, to be covered by CorpBanca's or Itaú Chile's existing directors' and officers' liability insurance policy with respect to acts or omissions occurring prior to the Chilean Effective Time, which were committed by such officers and directors in their capacity as such; *provided* that (i) CorpBanca may substitute therefor policies of at least the same coverage and amounts containing terms and conditions which are not less advantageous than such policy, (ii) in no event shall CorpBanca be required to expend more than 250% per year of coverage of the amount currently expended by CorpBanca or Itaú Chile per year of coverage as of the date of this Agreement (the "Maximum Amount") to maintain or procure insurance coverage pursuant hereto and (iii) if notwithstanding the use of reasonable best efforts to do so, CorpBanca is unable to maintain or obtain the insurance called for by this Section 4.11(c), CorpBanca shall obtain as much comparable insurance as available for the Maximum Amount. Such insurance coverage shall commence at the Chilean Effective Time and will be provided for a period of no less than six years after the Chilean Effective Time. In lieu of the foregoing, CorpBanca, upon the consent of the other Party, may obtain at or prior to the Chilean Effective Time a six-year "tail" policy under CorpBanca's or Itaú Chile's existing directors and officers insurance policy providing equivalent coverage to that described in the preceding sentence if and to the extent that the same may be obtained for an amount that, on an annual basis, does not exceed the Maximum Amount.

(d) Any Indemnified Party wishing to claim indemnification under Section 4.12(a), upon learning of any claim, action, suit, proceeding or investigation described above, shall promptly notify CorpBanca thereof; *provided* that the failure so to notify shall not affect the obligations of CorpBanca under Section 4.12(a) unless and to the extent that CorpBanca is actually and materially prejudiced as a result of such failure.

(e) The provisions of this Section 4.12 are intended to be for the benefit of, and shall be enforceable by, each Indemnified Party and his or her heirs and representatives.



4.13 Corporate Governance.

(a) An internationally recognized management firm shall be retained by the Parties after the date hereof to evaluate the existing management of each of the Bank Parties and recommend a list of the most qualified candidates to serve as the initial Senior Management (including country heads) of CorpBanca and its Subsidiaries after the Chilean Effective Time. Such recommendation shall be made on the basis of international, merit-based standards, professional track record and relevant industry and jurisdiction-specific experience. After receiving such recommendation, which shall be nonbinding, Itaú Parent and Corp Group Parent shall jointly (but, in the event that Itaú Parent and Corp Group Parent shall fail to agree, Itaú Parent shall) determine in good faith the individuals who are most qualified to serve as Senior Management. For the avoidance of doubt, the appointment of the Senior Management shall not be limited to such recommended list.

(b) Shareholders Agreement, Registration Rights Agreement and Pledge Agreements. At the Closing, (i) Corp Group Parent and Itaú Parent shall enter into the Shareholders Agreement, (ii) Corp Group Parent and CorpBanca shall enter into the Registration Rights Agreement and (iii) Interhold, Corp Group Banking and Itaú Parent shall enter into the Corp Group Pledge Agreements.

4.14 Termination of Certain Arrangements.

(a) All Contracts and transactions disclosed in Section 4.14 of CorpBanca's Disclosure Letter and CorpBanca Colombia's Disclosure Letter shall be terminated by the applicable Corp Group Parent Party before the Chilean Effective Time without any Liability to CorpBanca and its Subsidiaries.

(b) All Contracts and transactions disclosed in Section 4.14 of Itaú Bank Chile's Disclosure Letter and Itaú Colombia's Disclosure Letter shall be terminated by the applicable Itaú Party before the Chilean Effective Time without any Liability to Itaú Chile and its Subsidiaries.

4.15 Merger Integration Committee.

As promptly as practicable following the date hereof, and subject to any relevant Laws and in compliance with any regulatory restrictions, the Parties shall establish a joint merger integration committee (the "Merger Integration Committee") consisting of three (3) Representatives designated by Corp Group Parent and three (3) Representatives designated by Itaú Parent to (i) confer on a regular and continued basis regarding the general status of the ongoing operations of CorpBanca and its Subsidiaries and Itaú Chile and its Subsidiaries and (ii) plan the steps necessary to efficiently implement the Transactions. The Merger Integration Committee shall be co-chaired by a Representative of each of Corp Group Parent and Itaú Parent and shall meet in person or telephonically as frequently as shall be reasonably determined by Corp Group Parent and Itaú Parent; *provided* that such meetings or telephone conversations shall not unreasonably interfere with the conduct of the business of CorpBanca and its Subsidiaries or Itaú Chile and its Subsidiaries. All costs associated with the establishment and the operation of the Merger Integration Committee shall be borne equally by CorpBanca and Itaú Chile. All confidential information relating to CorpBanca and its Subsidiaries and Itaú Chile and its Subsidiaries provided during any meetings of the Merger Integration Committee shall be kept confidential pursuant to Section 4.8.



4.16 CorpBanca Colombia IPO.

(a) Itaú Parent and Corp Group Parent shall cause CorpBanca to cause CorpBanca Colombia to consummate a primary offering of shares that constitutes a Qualified IPO (as defined in the CorpBanca Colombia Shareholders Agreement) as promptly as practicable on or after the Chilean Effective Time.

(b) As promptly as practicable after the date hereof, Itaú Parent and Corp Group Parent shall cause CorpBanca to, and CorpBanca shall, and shall cause CorpBanca Colombia to, take all actions necessary and advisable in order to comply with Section 4.16(a), including without limitation:

(i) engaging internationally renowned investment bankers and accounting firms as well as necessary international and local legal counsel;

(ii) preparing and filing of a prospectus and/or offering memorandum as may be needed for the issuance and sale of shares in such Qualified IPO in accordance with the intended method or methods of distribution thereof;

(iii) collaborating with the investment bankers, accounting firms and legal counsel referred to in clause (i) above in connection with the preparation of such prospectus and/or offering memorandum; and

(iv) providing the investment bankers, accounting firms and legal counsel referred to in clause (i) above with the opportunity to conduct a reasonable investigation of the business and affairs of CorpBanca Colombia in connection with the preparation for the Qualified IPO, including reasonable access to CorpBanca Colombia's books and records, officers, accountants and other advisors.

4.17 CorpBanca Colombia-Helm Merger.

If the approval of the CorpBanca Colombia-Helm Merger is approved by the SFC, CorpBanca shall cause the Helm Merger to be promptly consummated thereafter. If (i) the Chilean Merger is consummated, (ii) the approval of the CorpBanca Colombia-Helm Merger is denied by the SFC, (iii) in order to comply with Colombian law and relevant SFC resolutions, CorpBanca Colombia is required to sell all of its shares of Helm Bank (the "CorpBanca Helm Bank Shares") and (iv) the Helm Sale Consideration is less than the Helm Value, CorpBanca shall pay Itaú Parent an amount equal to 22.29% of the Helm Value Shortfall.



4.18 Charitable Contributions.

Itaú Parent and Corp Group Parent shall cause CorpBanca and its Subsidiaries to make, and CorpBanca shall make, certain charitable donations as set forth on Schedule 4.18.

4.19 Colombian Trademark.

If the CorpBanca Colombia Shareholders Agreement shall have been terminated, Corp Group Parent shall cause the assignment and transfer to CorpBanca Colombia of all right, title and interest, free and clear of any Liens, in and to the trademarks (including the “CorpBanca” name) set forth on Schedule 4.19. If the CorpBanca Colombia Shareholders Agreement shall not have been terminated, Corp Group Parent shall not, and shall cause its Subsidiaries not to, oppose, contest or dispute the use of such trademarks by CorpBanca Colombia or take any action that would prevent it from causing the assignment and transfer to CorpBanca Colombia of all right, title and interest, free and clear of any Liens, in and to such trademarks if and when the CorpBanca Colombia Shareholders Agreement is terminated.

4.20 Insurance Matters.

(a) Following the Chilean Effective Time, Itaú Parent shall cause Itaú Chile Compañía de Seguros de Vida S.A. (“Itaú Insurance Company”) to (i) provide Itaú Insurance Company’s life insurance-related products (the “Itaú Insurance Products”) to CorpBanca Insurance Clients and (ii) pay to CorpBanca Insurance Brokers brokerage and/or services fees (the “Insurance Brokerage Fees”) in an aggregate annual amount equal to 47.7% (the “Applicable Premium Percentage”), as it may be adjusted from time to time pursuant to Section 4.20(b), of the aggregate revenues generated from the sales of the Itaú Insurance Products by CorpBanca Insurance Brokers for the relevant year, in consideration and exchange for the offer of the Itaú Insurance Products by CorpBanca Insurance Brokers to the CorpBanca Insurance Clients. The Applicable Premium Percentage shall be applied to calculate the Insurance Brokerage Fees during the period commencing on the Chilean Effective Time and ending on the last day of the calendar year (the “First Applicable Premium Percentage Year”) subsequent to the year on which the Chilean Effective Time occurs.

(b) On June 30 of any fiscal year following the First Applicable Premium Percentage Year (the “Calculation Date”), CorpBanca shall implement the procedure described in this Section 4.20(b) to determine whether the average insurance-related brokerage and/or services fees (expressed as a percentage of premiums earned) paid by insurance companies to the five largest Chilean insurance brokers (measured in terms of total premiums) that are Subsidiaries of banks (“Insurance Fees Market Average”) during the prior fiscal year have varied, upwards or downwards, by more than ten percent (10%) as compared to the Benchmark Fee Rate (a “Trigger Event”). The “Benchmark Fee Rate” shall be the Insurance Fees Market Average determined by the application of the procedure described in this Section 4.20(b) for the first Calculation Date and shall be revised to equal the Insurance Fees Market Average with respect to each future Calculation Date in which a Trigger Event occurs. If a Trigger Event occurs, the Parties shall negotiate in good faith to agree on a revised Applicable Premium Percentage that shall become effective immediately and shall not be lower than the Benchmark Fee Rate for the previous fiscal year. If the Parties are unable to agree on a revised Applicable Premium Percentage within fifteen (15) days of the final determination of the Insurance Fees Market Average, the Applicable Premium Percentage shall be immediately revised to equal the Insurance Fees Market Average.



The procedure for determining the Insurance Fees Market Average (and whether a Trigger Event has occurred) shall be the following:

(i) CorpBanca shall hire one benchmarking expert from those listed in Schedule 4.20(a) (“Benchmarking Expert”) to conduct market research of insurance-related brokerage and/or services fees paid by insurance companies to banks and insurance brokers that are Subsidiaries of banks and, based on such research, determine (with instructions to make such determination within thirty (30) days of such Benchmarking Expert’s selection) the Insurance Fees Market Average and whether a Trigger Event has occurred, which determination will, if acceptable to CorpBanca, be final and binding until a new Applicable Premium Percentage with respect to the next Calculation Date is determined pursuant to this Section 4.20.

(ii) in the event such revised Applicable Premium Percentage is not acceptable to CorpBanca, then CorpBanca shall hire another Benchmarking Expert selected by CorpBanca from those listed in Schedule 4.20(a) to conduct market research for the same purposes described in item (i) above and, based on such research, determine (with instructions to make such determination within thirty (30) days of such Benchmarking Expert’s selection) the Insurance Fees Market Average and whether a Trigger Event has occurred. If the difference between the Insurance Fees Market Average determined pursuant to such procedure is lower than ten percent (10%), the simple average between the Insurance Fees Market Averages as determined by both Benchmarking Experts, and the calculation of whether a Trigger Event has occurred based on such determination, shall be final and binding until a new Applicable Premium Percentage with respect to the next Calculation Date is determined pursuant to this Section 4.20. If the difference between the Insurance Fees Market Averages determined pursuant to such procedure is higher than ten percent (10%), CorpBanca may hire an actuary firm from those listed in Schedule 4.20(b) to determine (with instructions to make such determination within thirty (30) days of such firm’s selection) the Insurance Fees Market Average and whether a Trigger Event has occurred, which determination shall be final and binding until a new Applicable Premium Percentage with respect to the next Calculation Date is determined pursuant to this Section 4.20.

(c) If Itaú Parent desires not to continue to cause Itaú Insurance Company to offer the Itaú Insurance Products to CorpBanca Insurance Clients, Itaú Parent shall (i) use its reasonable best efforts to, 90 days prior to the date on which Itaú Insurance Company ceases to provide the Itaú Insurance Products to CorpBanca Insurance Clients (the “Insurance Termination Date”), enter into an agreement with a third party and one or more CorpBanca Insurance Brokers (the “New Insurance Brokerage Contract”) effective as of the Insurance Termination Date whereby such third party will provide the Itaú Insurance Products to the CorpBanca Insurance Clients and pay to such CorpBanca Insurance Brokers the related Insurance Brokerage Fees on substantially the same terms set forth in Section 4.20(a) and (b); and (ii) until a New Insurance Contract is effective, continue to pay CorpBanca or the CorpBanca Insurance Brokers an amount equal to the average of the Insurance Brokerage Fees paid by Itaú Insurance Company to CorpBanca or the CorpBanca Insurance Brokers under this Section 4.20 in the 12-month period prior to the Insurance Termination Date.



4.21 Certain Other Businesses.

(a) If the Colombian Merger is to be effected pursuant to Section 1.6(i), the Parties shall cooperate in good faith to, on the Colombian Effective Time, transfer, assign or otherwise convey, in accordance with applicable Law, the Financing Corporation Business to a Subsidiary of CorpBanca Colombia.

(b) During the six (6) month period following the date hereof, the Parties shall discuss and consult in good faith regarding whether CorpBanca will continue to hold its ownership interest in SMU Corp. and agree to implement the mutual determination made by the Parties; *provided* if by such six (6) month anniversary the Parties have not reached a mutual agreement, Itaú Parent shall have the right to determine in its sole discretion whether CorpBanca will continue to hold its ownership interest in SMU Corp. and, if Itaú Parent so determines, Corp Group Parent will, and will cause CorpBanca to use reasonable best efforts to divest, transfer, liquidate or otherwise dispose all of CorpBanca's and its Subsidiaries' investment in SMU Corp. as promptly as reasonably practicable and on commercially reasonable terms.

(c) Itaú Parent shall cause its applicable Subsidiary to enforce its rights under the MCC Contract to purchase the remaining outstanding capital stock of MCC by August 31, 2016 to the extent it has not otherwise acquired such capital stock by that date. Promptly following the later of (i) the Chilean Effective Time and (ii) the acquisition of 100% of the outstanding capital stock of MCC, Itaú Parent shall cause its applicable Subsidiary to transfer 100% of the outstanding capital stock of MCC to CorpBanca for Fair Value (as defined in the Shareholders Agreement) and other customary terms and conditions (including representations, warranties and indemnities).

4.22 Referral Fees.

Itaú Parent and Corp Group Parent hereby acknowledge and agree that certain Chilean clients of CorpBanca may be interested in contracting financial services and products from financial entities located outside of Chile. Itaú Parent and CorpBanca shall discuss in good faith and on an arm's-length basis the fees to be paid by Itaú Parent and its relevant Subsidiaries to CorpBanca or one or more of its Subsidiaries in consideration for or in connection with referrals of CorpBanca's clients. Any such fees shall be paid in the most economically efficient manner to both parties in the relevant transaction. No fees shall be due by Itaú Parent or its Affiliates in connection with services and products that are requested by CorpBanca's clients directly from Itaú Parent or any of its Affiliates other than CorpBanca and its Subsidiaries. Itaú Parent and CorpBanca and their respective Affiliates shall always comply with all applicable laws and regulations in the offer of such services and products to CorpBanca's clients, the performance of their obligations and the exercise of their rights under this Section 4.22.



4.23 Use of the Parties' Brands; Corporate Names.

- (a) At the Chilean Effective Time, the CorpBanca bylaws shall be amended to change CorpBanca's corporate name to "Itaú Corpbanca".
- (b) The Parties agree that, at and following the Chilean Effective Time, the exclusive brand used by CorpBanca and its Subsidiaries to identify its operations, products and services will be the Itaú Brand (subject to a reasonable transition period).

ARTICLE 5

CONDITIONS PRECEDENT TO OBLIGATIONS TO CONSUMMATE

5.1 Conditions to Obligations of Each Party. The respective obligations of each Party to consummate the Chilean Merger are subject to the satisfaction of the following conditions, unless waived by each Party pursuant to Section 7.7:

(a) Shareholder Approval. CorpBanca shall have obtained the CorpBanca Shareholder Approval.

(b) Regulatory Approvals. All Regulatory Consents set forth on Exhibit 4 (collectively, the "Required Regulatory Consents") shall (i) have been obtained or made and be in full force and effect, and all waiting periods required by Law shall have expired or been terminated, and (ii) not be subject to any Materially Burdensome Regulatory Condition.

(c) No Orders; Illegality. No Order issued by any Governmental Authority of Chile, Colombia or Brazil (whether temporary, preliminary or permanent) preventing or suspending the consummation of the Transactions or requiring any change to the terms or structure of the Transactions set forth in Section 1.2, or imposing any condition on the Transactions, that in each case would have a material adverse economic impact on a Party shall be in effect, and no Law or Order shall have been enacted, entered, promulgated or enforced by any Governmental Authority of Chile, Colombia or Brazil that prohibits or makes illegal the consummation of the Transactions.

(d) Consents. The consents set forth on Section 5.1(d) of Corp Group Parent's Disclosure Letter shall have been obtained and shall remain in full force and effect.

5.2 Conditions to Obligations of the Corp Group Parties. The obligations of the Corp Group Parties to consummate the Chilean Merger are subject to the satisfaction of the following conditions, unless waived by the Corp Group Parties pursuant to Section 7.7:

(a) Representations and Warranties. The representations and warranties of Itaú Parties set forth in this Agreement, after giving effect to Sections 3.5 and 7.4, shall be true and correct as of the date of this Agreement and as of the Closing Date as though made at and as of the Closing Date (except that representations and warranties that by their terms speak specifically as of the date of this Agreement or some other date shall be true and correct as of such date), and the Corp Group Parties shall have received a certificate, dated the Closing Date, signed on behalf of Itaú Parent, to such effect.



(b) Performance of Agreements and Covenants. Each of the Itaú Parties shall have duly performed and complied with the agreements and covenants required to be performed and complied with by it pursuant to this Agreement prior to the Chilean Effective Time in all material respects, and the Corp Group Parties shall have received a certificate, dated the Closing Date, signed on behalf of Itaú Parent, to such effect.

(c) Shareholders Agreement and Pledge Agreements. Itaú Parent shall have duly executed and delivered to Corp Group Parent (A) the Shareholders Agreement and (B) the Corp Group Pledge Agreements.

(d) No Material Adverse Effect. Since the date hereof, no circumstance, occurrence or change shall have occurred that has had a Material Adverse Effect on the Itaú Parties.

5.3 Conditions to Obligations of the Itaú Parties. The obligations of the Itaú Parties to consummate the Chilean Merger are subject to the satisfaction of the following conditions, unless waived by the Itaú Parties pursuant to Section 7.7:

(a) Representations and Warranties. The representations and warranties of the Corp Group Parties set forth in this Agreement, after giving effect to Sections 3.5 and 7.4, shall be true and correct as of the date of this Agreement and as of the Closing Date as though made at and as of the Closing Date (except that representations and warranties that by their terms speak specifically as of the date of this Agreement or some other date shall be true and correct as of such date), and the Itaú Parties shall have received a certificate, dated the Closing Date, signed on behalf of Corp Group Parent, to such effect.

(b) Performance of Agreements and Covenants. Each of the Corp Group Parties shall have duly performed and complied with the agreements and covenants required to be performed and complied with by it pursuant to this Agreement prior to the Chilean Effective Time in all material respects, and the Itaú Parties shall have received a certificate, dated the Closing Date, signed on behalf of Corp Group Parent, to such effect.

(c) Shareholders Agreement and Pledge Agreements. Corp Group Parent shall (i) have duly executed and delivered the Corp Group Pledge Agreement to which Interhold is a party; (ii) have caused Corp Group Banking to duly execute and deliver to Itaú Parent the Corp Group Pledge Agreement to which Corp Group Banking is a party and (iii) directly or indirectly, own at least 84,154,814,190 of the outstanding shares of CorpBanca Common Stock free and clear of any Liens other than restrictions contained in the Organizational Documents of CorpBanca or any Liens to Itaú Parent or its Affiliates.

(d) No Material Adverse Effect. Since the date hereof, no circumstance, occurrence or change shall have occurred that has had a Material Adverse Effect on the Corp Group Parties.



ARTICLE 6

TERMINATION

6.1 Termination. Notwithstanding any other provision of this Agreement, and notwithstanding the receipt of any Shareholder Approval, this Agreement may be terminated and the Transactions abandoned at any time prior to the Chilean Effective Time, by action taken or authorized by the Board of Directors of the terminating Party or Parties:

(a) By mutual consent of both Parties; or

(b) By either Party, upon written notice to the other Party, in the event of a breach of any representation, warranty, covenant or agreement contained in this Agreement on the part of the other Party, which breach, individually or in the aggregate, would result in, if occurring or continuing on the Closing Date, the failure of the conditions to the terminating Party's obligations set forth in Section 5.2 or 5.3, as the case may be, and which cannot be or has not been cured within forty-five (45) days after the giving of written notice to the breaching Party of such breach (or such fewer days as remain prior to the Termination Date); *provided* that the terminating Party is not then in material breach of any representation, warranty, covenant or other agreement contained herein; or

(c) By either Party, upon written notice to the other Party, in the event that any Required Regulatory Consent has been denied by final non-appealable action of the relevant Governmental Authority (*provided* that the right to terminate this Agreement under this Section 6.1(c) shall not be available to any Party whose failure to comply with any provision of this Agreement has been the cause of, or resulted in, the failure to obtain a Required Regulatory Consent); or any Governmental Authority of competent jurisdiction shall have issued an Order or taken any other action permanently restraining, enjoining or otherwise prohibiting the Transactions, and such Order or other action has become final and non-appealable; or

(d) By either Party, upon written notice to the other Party, in the event that the Chilean Merger has not been consummated by the second anniversary of the date of this Agreement (the "Termination Date"); *provided* that the right to terminate this Agreement under this Section 6.1(d) shall not be available to any Party whose failure to comply with any provision of this Agreement has been the cause of, or resulted in, the failure of the Chilean Merger to be consummated on or before the Termination Date.

(e) By Itaú Parent, upon written notice to Corp Group Parent, in the event that Corp Group Parent has (i) failed to call the CorpBanca Shareholders Meeting in violation of Section 4.4(a)(i), or (ii)(A) voted against the Transactions, or failed to attend or vote at, the CorpBanca Shareholders Meeting that has been duly called, (B) voted in favor of an alternative Acquisition Proposal or (C) tendered shares into an alternative Acquisition Proposal, in each case of (A), (B) and (C) in violation of Section 4.4(g).



(f) By Corp Group Parent, upon written notice to Itaú Parent, in the event that Itaú Parent has (i) failed to call the Itaú Chile Shareholders Meeting in violation of Section 4.4(c)(i), or (ii)(A) voted against the Transactions, or failed to attend or vote at, the Itaú Chile Shareholders Meeting that has been duly called, (B) voted in favor of an alternative Acquisition Proposal or (C) tendered shares into an alternative Acquisition Proposal, in each case of (A), (B) and (C) in violation of Section 4.4(h).

6.2 Effect of Termination. (a) In the event of the termination and abandonment of this Agreement pursuant to Section 6.1, this Agreement shall become void and have no effect, and none of the Parties, any of their respective Subsidiaries, or any of the officers or directors of any of them, shall have any Liability of any nature whatsoever hereunder or in conjunction with the Transactions, except that (a) the provisions of Sections 3.1(s), 3.2(s) and 4.9(b), this Section 6.2(a) and Article 7 shall survive any such termination and abandonment, and (b) a termination of this Agreement shall not relieve a breaching Party from Liability for any willful and material breach of this Agreement.

(b) In the event this Agreement is terminated pursuant to Section 6.1(e), then Corp Group Parent shall on the date of such termination pay Itaú Parent, by wire transfer of same day funds, a fee equal to US\$400 million (the "Termination Fee"). In the event this Agreement is terminated pursuant to Section 6.1(f), then Itaú Parent shall on the date of such termination pay Corp Group Parent, by wire transfer of same day funds, the Termination Fee.

(c) The Parties acknowledge that the agreements contained in this Section 6.2 are an integral part of the transactions contemplated by this Agreement, and that without these agreements the Parties would not enter into this Agreement; accordingly, if a Party fails promptly to pay the amount due pursuant to this Section 6.2, and, in order to obtain such payment, the other Party commences a proceeding which results in a judgment against such Party for the Termination Fee or any portion thereof, such Party shall pay the costs and expenses of the other Party (including attorneys' fees and expenses) in connection with such proceeding. In addition, if a Party fails to pay the amounts payable pursuant to this Section 6.2, then such Party shall pay interest on such overdue amounts at a rate per annum equal to the "prime rate" (as published in the Wall Street Journal) in effect on the date on which such payment was required to be made for the period commencing as of the date that such overdue amount was originally required to be paid.

ARTICLE 7

MISCELLANEOUS

7.1 Definitions.

(a) Except as otherwise provided herein, the capitalized terms set forth below shall have the following meanings:

"1933 Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.



“1934 Act” shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Acquisition Proposal” shall mean, other than the transactions contemplated by this Agreement, any offer, proposal or inquiry relating to, or any third party indication of interest in, (i) any acquisition or purchase, direct or indirect, of 20% or more of the consolidated assets of a Party and its Subsidiaries (including Stock of its Subsidiaries) or 20% or more of any class of equity or voting securities of a Party or its Subsidiaries whose assets, individually or in the aggregate, constitute more than 20% of the consolidated assets of the Party, (ii) any tender offer (including a self-tender offer) or exchange offer that, if consummated, would result in such third party (or the shareholders of such third party) beneficially owning 20% or more of any class of equity or voting securities of a Party or its Subsidiaries whose assets, individually or in the aggregate, constitute more than 20% of the consolidated assets of the Party or (iii) a joint venture, partnership, merger, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving a Party or its Subsidiaries whose assets, individually or in the aggregate, constitute more than 20% of the consolidated assets of the Party. For purposes of this definition of “Acquisition Proposal,” the term “Party” shall not include Itaú Parent.

“Affiliate” of a Person shall mean any other Person directly, or indirectly through one or more intermediaries, controlling, controlled by or under common control with such Person. For purposes of this definition, “control” of a Person shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“Bank Party” shall mean any of CorpBanca, CorpBanca Colombia, Itaú Chile and Itaú Colombia.

“Banking Business” shall mean providing (i) consumer financial products and/or services, including secured and/or unsecured consumer lending, consumer mortgage products, consumer card products, retail banking products and/or services, and consumer leasing; and/or (ii) deposit-taking services including both consumer and commercial deposits, and payroll services; and/or (iii) credit and/or debit card transaction processing services (which transaction processing services, for the avoidance of doubt, include merchant acquiring); and/or (iv) commercial financial products and/or services, including bilateral and syndicated loans and trustee and depositary services; and/or (v) investment banking; and/or (vi) financial advisory services relating to the services described in (i)-(v) above; and/or (vii) all businesses related or reasonably incidental thereto.

“Business Day” shall mean any day that is not a Saturday, Sunday or other day on which commercial banks in New York City, Santiago, Chile, São Paulo, Brazil or Bogotá, Colombia are authorized or required by law to remain closed.

“Chile” shall mean the Republic of Chile.



“Chilean Antitrust Law” shall mean Decree Law No. 211 *Ley de Defensa de la Libre Competencia* and any other Chilean statutes, rules, regulations, orders, decrees, administrative and judicial doctrines and other Laws that are designed or intended to prohibit, restrict, or regulate actions having the purpose or effect of monopolization or restraint of trade or lessening the competition through mergers, acquisitions, business combinations or similar transactions.

“Chilean Banking Law” shall mean Decree with Force of Law No. 3 by *General de Bancos*.

“Chilean Companies Law” shall mean Law No. 18,046 *Ley Sobre Sociedades Anónimas*.

“Chilean Exchange Ratio” shall mean, for each share of Itaú Chile Common Stock, a number of shares of CorpBanca Common Stock equal to 172,048,565,857 divided by the number of outstanding shares of Itaú Chile Common Stock as of the Chilean Effective Time.

“Chilean Securities Law” shall mean Law No. 18,045 *Ley de Mercado de Valores*.

“Chilean Securities Registry” shall mean the *Registro de Valores de la Superintendencia de Bancos e Instituciones Financieras*.

“Colombia” shall mean the Republic of Colombia.

“Colombian Code of Commerce” shall mean Law Decree 410 of 1971.

“Colombian Exchange Ratio” shall mean, for each share of Itaú Colombia Common Stock, a number of shares of CorpBanca Colombia Common Stock equal to (i) the quotient of the Colombian Purchase Price and U.S.\$ 2,672 million, multiplied by (ii) the number of outstanding shares of CorpBanca Colombia Common Stock as of the Colombian Effective Time divided by (iii) the number of outstanding shares of Itaú Colombia Common Stock as of the Colombian Effective Time.

“Colombian GAAP” shall mean generally accepted accounting principles in Colombia as applicable to CorpBanca Colombia and its Subsidiaries (including pursuant to the *Circular Básica Contable y Financiera* and Decree 2649 of 1993, as such accounting principles may be applied or interpreted by the Colombian Financial Superintendency (*Superintendencia Financiera de Colombia*) to banks or other financial institutions licensed in Colombia or such other replacement accounting principles as the Colombian Financial Superintendency from time to time as officially interpreted or applied to such banks).

“Compensation and Benefit Plan” shall mean any employment or consulting agreement or any material bonus, profit sharing, deferred compensation, incentive compensation, equity compensation, holiday, hospitalization, medical insurance, life



insurance, disability, welfare, retention, severance, fringe benefit, retirement or other employee benefits plan or agreement, in each case, that is sponsored, maintained or contributed to by CorpBanca or its Subsidiaries or Itaú Chile or its subsidiaries, as applicable, for the benefit of their employees (other than governmental or mandatory social security arrangements, and any other such plans, programs, agreements or arrangements that CorpBanca or its Subsidiaries or Itaú Chile or its subsidiaries, as applicable, are required to sponsor, maintain or contribute to under applicable Law).

“Confidentiality Agreements” shall mean (i) that certain Confidentiality Agreement, dated November 12, 2013, by and between CorpBanca and Itaú Parent and (ii) that certain Confidentiality Agreement, dated September 3, 2013, by and between Interhold and Itaú Parent.

“Consent” shall mean any consent, approval, authorization, clearance, exemption, waiver or similar affirmation by any Person pursuant to any Contract, Law, Order or Permit.

“Consideration” shall mean the Fair Value (as defined in the Shareholders Agreement) of all cash, securities, assets and other property (including, without limitation, the Fair Value of amounts paid, distributed or issued, or to be paid pursuant to an escrow arrangement or other arrangements based on future events, distributed or issued, to holders of common stock, preferred stock, convertible securities, warrants, stock appreciation rights, options or similar rights or securities of Helm Bank in connection with a sale of the CorpBanca Helm Bank Shares).

“Contract” shall mean any written or oral agreement, arrangement, commitment, contract, license, indenture, instrument, lease or undertaking of any kind or character to which any Person is a party and that is legally binding on any Person or its capital stock, assets or business.

“COP” shall mean the Colombian legal currency.

“CorpBanca Colombia” shall mean Banco Corpbanca Colombia S.A., an *establecimiento bancario* organized as a capital stock corporation (*sociedad anónima*) under the Laws of Colombia.

“CorpBanca Colombia-Helm Merger” shall mean the merger between CorpBanca Colombia and Helm Bank.

“CorpBanca Common Stock” shall mean the common stock of CorpBanca.

“CorpBanca Colombia Common Stock” shall mean the common stock of CorpBanca Colombia.

“Corpbanca Insurance Brokers” shall mean both CorpBanca Corredores de Seguros S.A., a corporation (*sociedad anónima*), and Itaú Chile Corredora de Seguros Limitada, a limited liability company (*sociedad de responsabilidad limitada*), both of which organized under the laws of Chile, as well as any other Subsidiaries of CorpBanca that are permitted under applicable Law to conduct insurance brokerage activities in Chile.



“CorpBanca Insurance Clients” shall mean all clients of CorpBanca and its Subsidiaries that are permitted under applicable law to receive an offer from CorpBanca Insurance Brokers to acquire an insurance policy in Chile.

“Corpbanca Investment” shall mean shall mean Corpbanca Investment Valores Colombia S.A., a *sociedad comisionista de bolsa* organized as a stock corporation (*sociedad anónima*) under the Laws of Colombia.

“Corpbanca Trust” shall mean Investment Trust Colombia S.A., a *sociedad fiduciaria* organized as a stock corporation (*sociedad anónima*) under the Laws of Colombia.

“Corp Group Banking” shall mean Corp Group Banking S.A., a company (*sociedad por acciones*) organized under the laws of Chile.

“Corp Group Holding” shall mean Corp Group Holding Inversiones Limitada, a limited liability company (*sociedad de responsabilidad limitada*) organized under the laws of Chile.

“Corp Group Parties” shall mean Corp Group Parent and CorpBanca.

“Default” shall mean (i) any breach or violation of or default under any Contract, Law, Order or Permit, (ii) any occurrence of any event that with the passage of time or the giving of notice or both would constitute a breach or violation of or default under any Contract, Law, Order or Permit or (iii) any occurrence of any event that with or without the passage of time or the giving of notice would give rise to a right to terminate or revoke, change the current terms of, or renegotiate, or to accelerate, increase, or impose any Liability under, any Contract, Law, Order or Permit.

“Environmental Laws” shall mean all Laws, Orders and Permits relating to: (i) the protection or restoration of the environment, health and safety as it relates to hazardous substance exposure or natural resource damages, (ii) the handling, use, presence, disposal, release or threatened release of, or exposure to, any hazardous substance, or (iii) noise, odor, wetlands, indoor air, pollution, contamination or any injury to persons or property from exposure to any hazardous substance.

“Exhibits” 1 through 5, inclusive, shall mean the Exhibits so marked, copies of which are attached to this Agreement. Such Exhibits are hereby incorporated by reference herein and made a part hereof, and may be referred to in this Agreement and any other related instrument or document without being attached hereto.

“Financial Statements” shall mean the CorpBanca Financial Statements and the Itaú Chile Financial Statements and the Itaú Colombia Financial Statements.



“Financing Corporation Business” shall mean the financing businesses as currently conducted by Itaú Colombia pursuant to applicable Colombian Law and in the ordinary course of business consistent with past practice in which CorpBanca Colombia is not authorized to participate, including acting as factoring intermediary, representative of securities holders, investment banker, underwriter and capital investor.

“Governmental Authority” shall mean each Regulatory Authority and any other domestic or foreign court, administrative agency, commission or other governmental authority or instrumentality (including the staff thereof) or any industry self-regulatory authority (including the staff thereof).

“Helm Bank” shall mean Helm Bank Colombia S.A., a Colombian *establecimiento bancario* organized as a capital stock corporation (*sociedad anónima*) under the laws of Colombia.

“Helm Bank Cayman” shall mean Helm Bank Cayman (in voluntary liquidation), an exempted company incorporated under the laws of Cayman islands.

“Helm Bank Panamá” shall mean Helm Bank Panamá S.A., a Panamanian *establecimiento bancario* organized as a capital stock corporation (*sociedad anónima*) under the laws of Panama.

“Helm Insurance” shall mean Helm Corredor de Seguros S.A., a Colombian *corredor de seguros* organized as a capital stock corporation (*sociedad anónima*) under the laws of Colombia.

“Helm Sale Consideration” shall mean an amount equal to the aggregate Consideration paid, distributed or issued or to be paid, distributed or issued, directly or indirectly, by an acquirer to a seller or sellers in connection with a sale of the CorpBanca Helm Bank Shares.

“Helm Securities Panamá” shall mean Helm Casa de Valores Panamá S.A., a Panamanian *casa de valores* organized as a capital stock corporation (*sociedad anónima*) under the laws of Panama.

“Helm Stockbroker” shall mean Helm Comisionista de Bolsa S.A., a Colombian *comisionista de bolsa* organized as a capital stock corporation (*sociedad anónima*) under the laws of Colombia.

“Helm Trust” shall mean Helm Fiduciaria S.A., a Colombian *sociedad fiduciaria* organized as a capital stock corporation (*sociedad anónima*) under the laws of Colombia.

“Helm Value” shall mean US\$1.580 billion.

“Helm Value Shortfall” shall mean an amount equal to the Helm Value less the Helm Sale Consideration.



“IFRS” shall mean International Financial Reporting Standards, as issued by the International Accounting Standards Board, consistently applied during the periods involved.

“Intellectual Property” shall mean all patents, trademarks, trade names, service marks, domain names, database rights, copyrights, and any applications therefor, mask works, technology, know-how, Trade Secrets, algorithms, processes, computer software programs or applications (in both source code and object code form) and all other intellectual property or proprietary rights.

“Internal Revenue Code” shall mean the U.S. Internal Revenue Code of 1986, as amended.

“Itaú Brand” means the trademark “Itaú” (and any logo used in connection with it) and any variations thereof that are used to identify its operations, products or services and are aligned with Itaú Parent’s marketing and communication policies.

“Itaú Chile Common Stock” shall mean the common stock of Itaú Chile.

“Itaú Colombia” shall mean Itaú BBA Colombia, S.A. Corporacion Financiera, a *corporación financiera* organized as a capital stock corporation (*sociedad anónima*) under the Laws of Colombia.

“Itaú Colombia Common Stock” shall mean the common stock of Itaú Colombia.

“Itaú Parties” shall mean Itaú Parent and Itaú Chile.

“Law” shall mean any code, law (including common law), ordinance, regulation, rule or statute applicable to a Person or its assets, Liabilities or business, including those promulgated, interpreted or enforced by any Governmental Authority.

“Liability” shall mean any direct or indirect primary or secondary, liability, indebtedness, obligation, penalty, cost or expense (including costs of investigation, collection and defense), claim, deficiency or guaranty of any type, whether accrued, absolute or contingent, liquidated or unliquidated, matured or unmatured, or otherwise.

“Lien” shall mean any mortgage, pledge, reservation, restriction (other than a restriction on transfers arising under the Securities Laws), security interest, lien or encumbrance of any nature whatsoever of, on or with respect to any property or property interest, other than (i) Liens for property Taxes not yet due and payable and (ii) in the case of depository institution Subsidiaries of a Party, pledges to secure deposits.

“Litigation” shall mean any action, arbitration, cause of action, claim, complaint, criminal prosecution, demand letter, governmental or other examination or investigation, hearing, administrative or other proceeding, suit or notice (written or oral) by any Person alleging potential Liability, but shall not include regular, periodic examinations by Regulatory Authorities.



“MCC” means Munita, Cruzat y Claro S.A. Corredores de Bolsa, a privately held stock corporation incorporated under the laws of Chile.

“MCC Contract” means that certain Stock Purchase Agreement by and among MCC Inversiones Globales Ltda, Unibol S.A., Inversiones Río Bamba Ltda., Sociedad Promotora de Inversiones y Rentas Balaguer LTDA., BICSA Holdings Ltd., Itaú Unibanco Holdings S.A., and certain beneficial owners set forth therein, dated as of August 1, 2011.

“NYSE” shall mean the New York Stock Exchange, Inc.

“other Bank Party” shall mean (i) CorpBanca and CorpBanca Colombia, with respect to Itaú Chile and Itaú Colombia, and (ii) Itaú Chile and Itaú Colombia, with respect to CorpBanca and CorpBanca Colombia.

“other Party” shall mean (i) Corp Group Parent, CorpBanca and CorpBanca Colombia, with respect to Itaú Parent, Itaú Chile and Itaú Colombia, and (ii) Itaú Parent, Itaú Chile and Itaú Colombia, with respect to Corp Group Parent, CorpBanca and CorpBanca Colombia.

“Order” shall mean any administrative decision or award, decree, injunction, judgment, order, quasi-judicial decision or award, ruling or writ of any federal, state, local or foreign or other arbitrator, mediator, tribunal or Governmental Authority.

“Organizational Documents” shall mean the articles of association, incorporation, memorandum of association, certificate of incorporation, charter, by-laws, shareholders agreements or other similar governing instruments, in each case as amended as of the date specified, of any Person.

“Outstanding” shall mean, with respect to shares of capital stock or Rights of a Party or any of CorpBanca’s Subsidiaries, shares of such capital stock or Rights that are issued and outstanding at a particular time.

“Panama” shall mean the Republic of Panama.

“Party” shall mean any of the Corp Group Parties or Itaú Parties, and “Parties” shall mean both the Corp Group Parties and Itaú Parties.

“Permit” shall mean any federal, state, local and foreign governmental approval, authorization, certificate, easement, filing, franchise, license, order or permit from Governmental Authorities that are required for the operation of a Party’s respective businesses.

“Permitted Lien” shall mean (i) mechanics’, materialmens’, warehousemens’, carriers’, workers’ or repairmens’ liens or other similar Encumbrances arising or incurred in the ordinary course of business, (ii) Liens for Taxes, assessments, judgments and other governmental charges not yet due and payable or being contested in good faith by appropriate proceedings, (iii) statutory limitations, conditions, exceptions, gaps or other



imperfections in chain of title, or other irregularities in the records of a Governmental Authority maintaining such records that (x) were not incurred in connection with any financial indebtedness and (y) do not materially impair the continued use of the property encumbered thereby, and any rights reserved or vested in any Person by any original patent or grant or any statutory provision, (iv) liens or title retention arrangements arising under conditional sales contracts and leases entered into in the ordinary course of business, (v) covenants, conditions, restrictions, agreements, easements or other Liens referenced in the relevant Financial Statements or in the relevant Disclosure Letter, (vi) easements, licenses, covenants, rights-of-way and other similar restrictions, including, without limitation, any other agreements or restrictions or conditions that would be shown in a public registry or by survey, title report or physical inspection, (vii) zoning, building and other Liens arising pursuant to applicable Law that, individually or in the aggregate, do not materially impair the continued use of the asset or property to which they relate, (viii) defects, irregularities or imperfections of title and other Liens that, individually or in the aggregate, do not materially impair the continued use of the asset or property to which they relate; (ix) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds and other obligations of a like nature incurred in the ordinary course of business and (x) with respect to leased real property, the terms and conditions of the leases with respect thereto.

“Person” shall mean a natural person or any legal, commercial or governmental entity, including a corporation, general partnership, joint venture, limited partnership, limited liability company, trust, business association, group acting in concert, or any person acting in a representative capacity.

“Regulatory Authorities” shall mean, collectively, the Brazilian Central Bank (*Banco Central do Brasil*), Chilean Superintendency of Banks, the Chilean Central Bank, the Chilean Superintendency of Securities and Insurance, the Santiago Stock Exchange, the *Unidad de Análisis Financiero*, the SFC, the Colombian Central Bank, the *Direccion de Impuestos y Aduanas Nacionales* (DIAN), the Colombian Stock Exchange, the Board of Governors of the U.S. Federal Reserve System, the NYSE, the U.S. Department of Justice, the U.S. Federal Trade Commission, the SEC, the Cayman Islands Monetary Authority, the Panama *Superintendencia de Bancos* and the Panama *Superintendencia de Valores* (including, in each case, the staff thereof).

“Regulatory Consents” shall mean, collectively, the CorpBanca Regulatory Consents, the Itaú Bank Regulatory Consents and the Itaú Parent Regulatory Consents.

“Representative” shall mean any investment banker, financial advisor, attorney, accountant, consultant, agent or other representative of a Person.

“Rights” shall mean, with respect to any Person, securities, or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire, or any options, calls, restricted stock, deferred stock awards, stock units, phantom awards, dividend equivalents or commitments relating to, or any stock appreciation right or other instrument the value of which is determined in whole or in part by reference to the market price or value of, shares of capital stock or earnings of such Person.



“SAGA” shall mean *Compañía Inmobiliaria y de Inversiones Limitada*, a limited liability company (*sociedad de responsabilidad limitada*) organized under the laws of Chile.

“Santiago Stock Exchange” shall mean the *Bolsa de Comercio de Santiago*, Chile.

“São Paulo Stock Exchange” shall mean BM&FBOVESPA.

“SEC” shall mean the United States Securities and Exchange Commission.

“Securities Laws” shall mean Law No. 18,045, *Ley de Mercado de Valores*, Decree 2555 of 2010, in each case, as amended from time to time, and all other applicable regulations, requirements, orders, resolutions, *circulares* and policies of the SFC, the 1933 Act, the 1934 Act, each as amended, and state securities and “Blue Sky” Laws, including in each case the rules and regulations of any Governmental Authority promulgated thereunder.

“Senior Management” shall mean the chief executive officer (CEO), chief financial officer (CFO), chief operating officer (COO), Head of Wholesale banking, Head of commercial banking, Head of Retail banking, Chief Credit Risk Officer, Head of Corporate Development, Head of Wealth Management, Head of Treasury, Head of Human Resources, Head of Legal, Head of Compliance and other officers with annual base compensation higher than US\$350,000 (or the equivalent thereof in other currencies).

“Subsidiary” or “Subsidiaries” shall mean, with respect to any Person, any corporation, company, partnership, limited liability company or other organization, whether incorporated or unincorporated, which is directly or indirectly controlled by such Person; *provided* that there shall not be included any such entity acquired through foreclosure or any such entity the equity securities of which are owned or controlled in a fiduciary capacity. For purposes of this definition, “control” of a Person shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“Supermajority Consent” shall have the meaning set forth in the CorpBanca Colombia Shareholders Agreement.

“Tax” or “Taxes” shall mean all Chilean or Colombia (as the case may be) and foreign federal, state, and local taxes, levies, imposts, duties or other like assessments, including income, gross receipts, excise, employment, sales, use, transfer, license, payroll, franchise, severance, stamp, occupation, windfall profits, environmental, federal highway use, commercial rent, customs duties, capital stock, paid-up capital, profits, withholding, social security, single business and unemployment, disability, real property, personal property, registration, ad valorem, value added, alternative or add-on minimum, estimated or other tax of any kind whatsoever, including any related interest and penalties or additions thereto.



“Tax Return” shall mean any report, return, information return or other information required to be supplied to a Taxing authority in connection with Taxes, including any return of an Affiliated or combined or unitary group that includes a Party or its Subsidiaries.

“Trade Secrets” shall mean all trade secrets and confidential information and know-how, including without limitation confidential processes, schematics, business methods, formulae, drawings, prototypes, models, designs, customer lists and supplier lists.

(b) The terms set forth below shall have the meanings ascribed thereto in the referenced sections:¹

Agreement	Preamble
Average Premium	Section 4.20
Capital Raise	Section 1.2(c)
Chilean Effective Time	Section 1.3
Chilean Merger	Section 1.2(a)
Chilean Merger Steps	Section 1.3(c)
Closing	Section 1.1
Closing Date	Section 1.1
Colombian Acquisition Closing	Section 1.3(b)
Colombian Acquisition Steps	Section 1.3(b)
Colombian Direct Subsidiaries	Section 2.3(d)
Colombian Effective Time	Section 1.3
Colombian Exchange Fund	Section 2.3(a)
Colombian Merger	Section 1.2(b)
Colombian Merger Steps	Section 1.3(b)
Colombian Purchase Price	Section 1.6(b)
Colombian Transaction Steps	Section 1.3(b)
Continuing Employees	Section 4.10(a)
CorpBanca	Preamble
CorpBanca Colombia	Preamble
CorpBanca Colombia Common Stockholder	Section 2.3(b)
CorpBanca Colombia Financial Statements	Section 3.1(d)(iii)
CorpBanca Colombia Shareholder Approval	Section 3.1(b)(i)
CorpBanca Colombia Shareholders’ Agreement	Recitals
CorpBanca Colombia Shareholders’ Meeting	Section 4.4(d)
CorpBanca Continuing Employees	Section 4.11(a)
CorpBanca Extension of Credit	Section 3.1(p)(i)

¹ Note: Table to be updated.



CorpBanca Financial Statements	Section 3.1(d)(i)
CorpBanca Helm Bank Shares	Section 4.17
CorpBanca HoldCo	Recitals
CorpBanca Regulatory Consents	Section 3.1(b)(iii)
CorpBanca Shareholder Approval	Section 3.1(b)(i)
CorpBanca Shareholders' Meeting	Section 4.4(a)
Corp Group Parent	Preamble
Corp Group Pledge Agreements	Recitals
Direct Subsidiaries	Section 2.1(c)
Disclosure Letter	Section 7.4
Holding Companies	Recitals
Indemnified Parties	Section 4.12(a)
Insurance Fees' Market Average	Section 4.20
Itaú Chile	Preamble
Itaú Chile Common Stock Holder	Section 2.1(b)
Itaú Chile Continuing Employees	Section 4.11(a)(i)
Itaú Chile Extension of Credit	Section 3.2(o)(i)
Itaú Chile Financial Statements	Section 3.2(d)(i)
Itaú Chile Shareholder Approval	Section 3.2(b)(i)
Itaú Chile Shareholders' Meeting	Section 4.4(c)
Itaú Colombia	Preamble
Itaú Colombia Financial Statements	Section 3.2(d)(iii)
Itaú Colombia Shareholder Approval	Section 3.2(b)(i)
Itaú Colombia Shareholders' Meeting	Section 4.4(f)
Itaú Colombia Shares	Section 1.6(b)
Itaú HoldCo	Recitals
Itaú's Insurance Company	Section 4.20
Material Adverse Effect	Section 3.5(b)
Materially Burdensome Regulatory Condition	Section 4.6(c)
Maximum Amount	Section 4.12(c)(ii)
New Chilean Certificates	Section 2.1(a)
New Colombian Certificates	Section 2.3(c)
New Colombian Direct Subsidiaries Certificates	Section 2.3(d)(i)
New Direct Subsidiaries Certificates	Section 2.1(c)(i)
Old Chilean Certificates	Section 1.4(b)
Old Colombian Certificates	Section 1.5(b)
Qualified IPO	Section 4.16
Registration Rights Agreement	Section 4.13(b)
Regulatory Consents	Section 3.2(b)(iii)
Required Regulatory Consents	Section 5.1(b)
SFC	Section 3.1(m)
Shareholders Agreement	Section 1.2(a)
Termination Date	Section 6.1(d)
Termination Fee	Section 6.2(b)
Transactions	Section 1.2



(c) Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words “include,” “includes,” or “including” are used in this Agreement, they shall be deemed followed by the words “without limitation.” The words “hereby,” “herein,” “hereof” or “hereunder,” and similar terms are to be deemed to refer to this Agreement as a whole and not to any specific section.

(d) All references herein to “dollars” or “\$” shall mean U.S. dollars.

7.2 Non-Survival of Representations and Covenants. Except for Article 1 and Article 2, Sections 4.4(d), (e), (f) and (h), 4.5(a), 4.6, 4.7, 4.8(b), 4.9, 4.11, 4.12, 4.13, 4.16, 4.17, 4.18, 4.19, 4.20, 4.21 4.22 and 4.23 and this Article 7, the respective representations, warranties, obligations, covenants and agreements of the Parties shall not survive the Chilean Effective Time. Except for Article 1 and Article 2, Sections 4.8(b), 4.11, 4.12, 4.13, 4.16, 4.17, 4.18, 4.19, .4.20, 4.21, 4.22 and 4.23 and this Article 7, the respective representations, warranties, obligations, covenants and agreements of the Parties shall not survive the Colombian Effective Time.

7.3 Expenses. Except as otherwise provided in this Section 7.3, each of the Parties shall bear and pay all costs and expenses incurred by it or on its behalf in connection with the Transactions contemplated hereunder, including filing, registration, and application fees, printing fees, and fees and expenses of its own financial or other consultants, investment bankers, accountants, and counsel, except that the Parties shall each bear and pay one half of the filing fees in connection with any filing under the Chilean Antitrust Law or Chilean Securities Registry, any Colombian registry tax (*impuesto de registro*) and mercantile registry fees (*derechos de inscripción*) with respect to the filing of the Colombian public deed set forth in Section 1.3(b) hereof in the mercantile registry (*registro mercantil*) or in any real state public registry office (*oficinas de registro de instrumentos públicos*).

7.4 Disclosure Letters. Prior to the execution and delivery of this Agreement, each Party has delivered to the other Party a letter (its “Disclosure Letter”) setting forth, among other things, items the disclosure of which is necessary or appropriate either in response to an express disclosure requirement contained in a provision hereof or as an exception to one or more of such Party’s representations or warranties contained in Sections 3.1, 3.2, 3.3 and 3.4, as applicable, or to one or more of its covenants contained in Article 4; *provided* that (i) no such item is required to be set forth in a Party’s Disclosure Letter as an exception to any representation or warranty of such Party if its absence would not result in the related representation or warranty being deemed untrue or incorrect under the standard established by Section 3.5, and (ii) the mere inclusion of an item in a Party’s Disclosure Letter as an exception to a representation or warranty shall not be deemed an admission by that Party that such item represents a material exception or fact, event or circumstance or that such item is reasonably likely to result in a Material Adverse Effect with respect to such Party. Any disclosures made with respect to a subsection of Sections 3.1, 3.2, 3.3 and 3.4, as applicable, shall be deemed to qualify (a) any subsections of Sections 3.1, 3.2, 3.3 and 3.4, as applicable, specifically referenced or cross-referenced and (b) other subsections of Sections 3.1, 3.2, 3.3 and 3.4, as applicable, to the extent it is reasonably apparent (notwithstanding the absence of a specific cross reference) from a reading of the disclosure that such disclosure (i) applies to such other subsections and (ii) contains sufficient detail to enable a reasonable person to recognize the relevance of such disclosure to such other subsections.



7.5 Entire Agreement. Except as otherwise expressly provided herein, this Agreement (including the Disclosure Letters and Exhibits) constitutes the entire agreement between the Parties with respect to the transactions contemplated hereunder and supersedes all prior arrangements or understandings with respect thereto, written or oral, other than the Confidentiality Agreement, which shall remain in effect. Nothing in this Agreement, expressed or implied, is intended to confer upon any Person, other than the Parties or their respective successors, any rights, remedies, obligations or liabilities under or by reason of this Agreement except as provided in Section 4.12.

7.6 Amendments. Before the Chilean Effective Time, this Agreement may be amended by a subsequent writing signed by each of the Parties, by action taken or authorized by their respective Boards of Directors, whether before or after the CorpBanca Shareholder Approval, CorpBanca Colombia Shareholder Approval, Itaú Chile Shareholder Approval or Itaú Chile Shareholder Approval have been obtained, except to the extent that any such amendment would violate applicable Law or would require the approval of the shareholders of CorpBanca, CorpBanca Colombia, Itaú Chile or Itaú Colombia, unless such required approval is obtained.

7.7 Waivers.

(a) Either Party shall have the right to waive any Default in the performance of any term of this Agreement by the other Party, to waive or extend the time for the compliance or fulfillment by the other Party of any and all of such other Party's obligations under this Agreement, and to waive any or all of the conditions precedent to its obligations under this Agreement, except any condition which, if not satisfied, would result in the violation of any Law. No waiver by a Party shall be effective unless in writing signed by a duly authorized officer of such Party.

(b) The failure of any Party at any time or times to require performance of any provision hereof shall in no manner affect the right of such Party at a later time to enforce the same or any other provision of this Agreement. No waiver of any condition or of the breach of any term contained in this Agreement in one or more instances shall be deemed to be or construed as a further or continuing waiver of such condition or breach or a waiver of any other condition or of the breach of any other term of this Agreement.

7.8 Assignment. Except as expressly contemplated hereby, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any Party (whether by operation of Law or otherwise) without the prior written consent of each other Party; *provided* that each of Itaú Parent and Corp Group Parent may assign any of its rights and obligations hereunder to one or more of its wholly-owned Subsidiaries; *provided, further*, that such assignment shall not relieve Itaú Parent or Corp Group Parent, as the case may be, of any of their respective obligations hereunder. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by the Parties and their respective successors and assigns.



7.9 Notices. All notices or other communications which are required or permitted hereunder shall be in writing and sufficient if delivered by hand, by facsimile transmission, by registered or certified mail, postage pre-paid, or by courier or overnight carrier, to the Persons at the addresses set forth below (or at such other address as may be provided hereunder), and shall be deemed to have been delivered as of the date so delivered. A copy of each such notice or other communication shall also be sent via email to the addresses set forth below:

Corp Group Parent: Rosario Norte 660, Las Condes
Santiago, Chile
Fax Number: 562 2660-6021
Email: alvarobarriga@corpgroup.cl
Attention: Pilar Dañobeitía E.
Alvaro Barriga O.

Copy to Counsel (which shall not constitute notice): Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017
Fax Number: +1 (212) 455-2502
Email: dwilliams@stblaw.com
echung@stblaw.com
Attention: David L. Williams
Edward Chung

and
Claro & Cía.
Av. Apoquindo 3721, 14th Floor
Santiago, Chile 755 0177
Fax Number: +(562) 2367 3003
Email: jmeyzaguirreg@claro.cl
flarrain@claro.cl
Attention: José María Eyzaguirre B.
Felipe Larrain

CorpBanca: Rosario Norte 660, Las Condes
Santiago, Chile
Fax Number: 562 2660-6020
Email: fernando.massu@corpbanca.cl
Attention: Fernando Massu T.



Copy to Counsel (which shall not constitute notice):

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017
Fax Number: +1 (212) 455-2502
Email: dwilliams@stblaw.com
 echung@stblaw.com
Attention: David L. Williams
 Edward Chung

and

Claro & Cía.

Av. Apoquindo 3721, 14th Floor
Santiago, Chile 755 0177
Fax Number: +(562) 2367 3003
Email: jmeyzaguirreg@claro.cl
 flarrain@claro.cl
Attention: José María Eyzaguirre B.
 Felipe Larrain

Itaú Parent:

Praça Alfredo Egydio de Souza Aranha, 100
Torre Olavo Setubal, PI
04344-902 – São Paulo – SP – Brasil
Fax Number: +55 11 5019-2302
Email: Ricardo.marino@itau-unibanco.com.br
Attention: Ricardo Villela Marino



Copy to Counsel (which shall not constitute notice):

Praça Alfredo Egydio de Souza Aranha, 100
Torre Conceição, 12º andar
04344-902 – São Paulo – SP – Brasil
Fax Number: +5511 5019 1788
Attention: Álvaro F. Rizzi Rodrigues
Email: fernando.chagas@unibanco.com.br
Fax Number: +5511 5019-1114
Attention: Fernando Della Torre Chagas

and

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
Fax Number: +1 (212) 403-2000
Email: rkim@wlrk.com
mfveblen@wlrk.com
Attention: Richard K. Kim
Mark F. Veblen

and

Claro & Cía.
Av. Apoquindo 3721, 14th Floor
Santiago, Chile 755 0177
Fax Number: +(562) 2367 3003
Email: cristobal.eyzaguirre@claro.cl
lnunez@claro.cl
Attention: Cristóbal Eyzaguirre
Luisa Núñez

Itaú Chile:

Enrique Foster Sur, 20, 6th Floor
Santiago, Chile
Fax Number:
Email: bbuvinicguerovich@itau.cl
Attention: Boris Buvinic Guerovich



Copy to Counsel (which shall not constitute notice):

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Fax Number: +(562) 2367 3003
Email: cristobal.eyzaguirre@claro.cl
lnunez@claro.cl
Attention: Cristóbal Eyzaguirre
Luisa Núñez

7.10 Governing Law. This Agreement shall be governed by, and interpreted and construed in accordance with, the Law of the State of New York, without regard to its conflict of law principles.

7.11 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument, and which counterparts may be delivered by facsimile or electronic mail.

7.12 Captions. The captions contained in this Agreement are for reference purposes only and are not part of this Agreement.



7.13 Interpretations. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any Party solely by virtue of such Party being considered the draftsman. The Parties acknowledge and agree that this Agreement has been reviewed, negotiated and accepted by all Parties and their attorneys and shall be construed and interpreted according to the ordinary meaning of the words used so as fairly to accomplish the purposes and intentions of the Parties.

7.14 Severability. If any term or provision of this Agreement is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the Transactions is not affected in any manner materially adverse to any Party. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon a suitable and equitable substitute provision to effect the original intent of the Parties. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

7.15 Waiver of Jury Trial. Each of the Parties hereby irrevocably waives to the fullest extent permitted by applicable law any right it may have to a trial by jury with respect to any litigation ancillary to arbitration directly or indirectly arising out of, under or in connection with this Agreement or the Transactions. Each of the Parties hereto hereby (i) certifies that no representative of any other party has represented, expressly or otherwise, that such other party would not, in the event of any such action or liability, seek to enforce the foregoing waiver; and (ii) acknowledges that it has been induced to enter into this agreement and the transactions contemplated by this agreement, as applicable, by, among other things, the mutual waivers and certifications in this Section 7.15.

7.16 Dispute Resolution. Each of the Parties irrevocably agrees that, without prejudice to the parties' respective rights under Section 7.17 to resort to a court of competent jurisdiction, all disputes, controversies or claims arising out of or in connection with this Agreement shall be finally settled by international arbitration under the Rules of Arbitration of the International Chamber of Commerce (the "ICC Rules") by three (3) arbitrators. Within thirty (30) days of receiving notice of any dispute, controversy or claim arising out of or in connection with this Agreement, each of the Parties irrevocably agrees that they shall in good faith attempt to agree on arbitrators who are qualified in New York Law. In the event the Parties cannot agree on arbitrators within such thirty (30) day period, then the arbitrators shall be appointed in accordance with the ICC Rules. The place of arbitration shall be New York, New York. The language of the arbitration shall be English. The arbitral award will be final and binding on the Parties, not subject to appeal, and enforceable in accordance with its terms. The Parties agree that by submitting the dispute, controversy or claim to arbitration under the ICC Rules, the Parties undertake to implement any final award rendered by the arbitral tribunal without delay and that the prevailing Party shall be entitled to have the final award enforced in any court of competent jurisdiction. The arbitration costs will be borne by the losing Party (or Parties) or such other Party (or Parties) as designated by the arbitral tribunal. In case it is necessary for one (1) or more Parties to the dispute to enforce the arbitral award through any type of court proceedings, the other Party (or Parties) to the dispute will bear all reasonable costs, expenses and attorney fees including any extra court fees or arbitration fees.



7.17 Specific Performance. Each Party acknowledges that money damages would not be an adequate remedy in the event that any of the covenants or agreements in this Agreement are not performed in accordance with its terms, and subject to Section 7.16 above it is therefore agreed that in addition to and without limiting any other remedy or right it may have, the non-breaching Party will have the right to seek an injunction, temporary restraining order or other equitable relief in any court of competent jurisdiction enjoining any such breach and enforcing specifically the terms and provisions hereof. Each Party agrees that the courts of the State of New York and the federal courts of the United States of America located in the Borough of Manhattan, New York, United States, are a court of competent jurisdiction for seeking any such relief. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the Transactions in the courts of the State of New York and the federal courts of the United States of America located in New York County, New York, United States, 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. Each Party further irrevocably consents to the service of process out of any of the aforementioned courts in any such suit, action or other proceeding by the mailing of copies thereof by mail to such Party at its address set forth in this Agreement, such service of process to be effective upon acknowledgment of receipt of such registered mail; *provided* that nothing in this Section shall affect the right of any Party to serve legal process in any other manner permitted by Law. The consent to jurisdiction set forth in this Section 7.17 shall not constitute a general consent to service of process in the State of New York and shall have no effect for any purpose except as provided in this Section 7.17. The Parties agree that a final judgment in any such suit, 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.

7.18 Further Assurances. At any time or from time to time after the date hereof, the Parties agree to cooperate with each other, and at the request of any other Party, to execute and deliver any further instruments or documents and to take all such further action as another Party may reasonably request in order to evidence or effectuate the consummation of the transactions contemplated hereby and to otherwise carry out the intent of the Parties hereunder.



IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be duly executed and delivered on its behalf by its duly authorized officers as of the day and year first above written.

INVERSIONES CORP GROUP INTERHOLD
LIMITADA

By: /s/ Jorge Andrés Saieh

Name: Jorge Andrés Saieh

Title:

[Signature Page to Transaction Agreement]



INVERSIONES GASA LIMITADA

By: /s/ Jorge Andrés Saieh
Name: Jorge Andrés Saieh
Title:

[Signature Page to Transaction Agreement]



CORPBANCA

By: /s/ Fernando Massú

Name: Fernando Massú

Title:

[Signature Page to Transaction Agreement]



ITAÚ UNIBANCO HOLDING S.A.

By: /s/ Ricardo Marino

Name: Ricardo Marino

Title:

By: /s/ Caio Ibrahim David

Name: Caio Ibrahim David

Title:

[Signature Page to Transaction Agreement]



BANCO ITAÚ CHILE

By: /s/ Boris Buvinic

Name: Boris Buvinic

Title:

[Signature Page to Transaction Agreement]



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SHAREHOLDERS AGREEMENT

between

ITAÚ UNIBANCO HOLDING, S.A.,

["ITAÚ HOLDING COMPANY"],

INVERSIONES GASA LIMITADA,

CORP GROUP HOLDING INVERSIONES LTDA.,

CORP GROUP BANKING S.A.,

COMPANÍA INMOBILIARIA Y DE INVERSIONES SAGA LIMITADA

and

INVERSIONES CORP GROUP INTERHOLD LTDA.

dated as of [•]



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Exhibits

- A Pledge Agreement
- B Investment Banks
- C Optimal Regulatory Capital
- D ROE
- E Initial CEO of the Chilean Bank
- F Framework with upper limits on credit exposures



THIS SHAREHOLDERS AGREEMENT (this “Agreement”) is entered into as of [•] by and among Itaú Unibanco Holding, S.A., a *sociedad anónima* organized under the laws of Brazil (“Itaú Parent”), [“Itaú Holding Company”], a *sociedad por acciones* organized under the laws of Chile (“Company One”), Corp Group Holding Inversiones Limitada, a limited liability company (*sociedad de responsabilidad limitada*) organized under the laws of Chile (“CG Holding”), Inversiones Corp Group Interhold Ltda., a limited liability company (*sociedad de responsabilidad limitada*) organized under the laws of Chile (“Interhold”), Inversiones Gasa Limitada, a limited liability partnership (*sociedad de responsabilidad limitada*) organized under the laws of Chile (“GASA” and, collectively with CG Holding and Interhold, “Corp Group Parent”), Corp Group Banking S.A., a company (*sociedad anónima*) organized under the laws of Chile (“CGB”) and Compañía Inmobiliaria y de Inversiones Saga Limitada, a limited liability company (*sociedad de responsabilidad limitada*) organized under the laws of Chile (“SAGA” and together with CGB, “Company Two”; collectively with Company One, the “Companies”).

RECITALS

WHEREAS, Corp Group Parent and Itaú Parent are parties to a Transaction Agreement, dated as of January [29], 2014 (the “Transaction Agreement”).

WHEREAS, pursuant to the Transaction Agreement, Itaú Parent and Corp Group Parent have undertaken certain transactions in order to improve the competitive position of CorpBanca and its Subsidiaries in the Banking Business, improve client relationships and establish a long term relationship.

WHEREAS, as of the date hereof, (i) Itaú Parent directly or indirectly holds 100% of the shares of Company One, which owns approximately 34% of the outstanding Bank Shares (as defined herein) and (ii) Corp Group Parent directly or indirectly holds more than 99% of the shares of Company Two, which owns approximately 32% of the outstanding Bank Shares.

WHEREAS, concurrently with their entry into this Agreement, the Shareholders have entered into a certain pledge agreement attached as Exhibit A with respect to the shares of CGB and certain of its Banks Shares (the “Pledge Agreement”).

WHEREAS, each of the Shareholders desires to promote the interests of the Chilean Bank and its Subsidiaries and the mutual interests of the Shareholders by establishing herein certain terms and conditions upon which the Company Shares (as defined herein) and Bank Shares will be held.

WHEREAS Itaú Parent, [as controlling Shareholder of the Chilean Bank] and in consideration for the covenants and other agreements of Corp Group Parent in this Agreement, has agreed to grant certain rights and benefits to Corp Group Parent on corporate governance, liquidity rights and other matters.

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual promises hereinafter set forth, the parties hereto hereby agree as follows:



ARTICLE I

DEFINITIONS

SECTION 1.1. Certain Defined Terms. [Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Transaction Agreement.]¹ As used herein, the following terms shall have the following meanings:

“Affiliate” means, with respect to any Person, any Person directly or indirectly controlling, controlled by or under common control with such Person.

“Agreement” has the meaning assigned to such term in the introductory paragraph.

“Average Asset Growth Multiple” means for any year: (a) the average of the annual growth rate of the aggregate consolidated total assets of the three (3) largest privately-owned banks (measured in terms of total assets) in Chile (excluding the Chilean Bank) or Colombia (excluding the Colombian Bank), as the case may be, in each of the three full years immediately preceding such year (published by the Chilean *Superintendencia de Bancos e Instituciones Financieras* (in the case of Chilean Bank) or the *Superintendencia Financiera de Colombia* (in the case of the Colombian Bank), as the case may be, *divided by* (b) the average of the annual growth rate of the nominal gross domestic product of such country (Chile or Colombia, as the case may be) in each of the three full years immediately preceding such year as published by the *Banco Central de Chile* (in the case of Chile) and the *Departamento Administrativo Nacional de Estadística* (in the case of Colombia).

“Bank Shares” means the shares of the Chilean Bank.

“Bank Shares Dividend Put Exercise Date” has the meaning assigned to such term in Section 6.2(d)(ii).

“Bank Shares Dividend Put Price” has the meaning assigned to such term in Section 6.2(d)(ii).

“Banking Business” means providing (i) consumer financial products and/or services, including secured and/or unsecured consumer lending, consumer mortgage products, consumer card products, retail banking products and/or services, and consumer leasing; and/or (ii) deposit-taking services including both consumer and commercial deposits, and payroll services; and/or (iii) credit and/or debit card transaction processing services (which transaction processing services, for the avoidance of doubt, include merchant acquiring); and/or (iv) commercial financial products and/or services, including bilateral and syndicated loans, trustee and depositary services; and/or (v) investment banking services; and/or (vi) financial advisory services related to the services described in clauses (i) through (v) above; and/or (vii) all businesses related or reasonably incidental thereto.

¹ NTD: All terms defined in the TA to be imported into the final version of this Agreement



“Board” means the respective Board of Directors of the Chilean Bank and its Subsidiaries (including the Colombian Bank).

“Breach Call Notice” has the meaning assigned to such term in Section 5.2(a).

“Breach Call Option” has the meaning assigned to such term in Section 5.2(a).

“Breach Call Price” has the meaning assigned to such term in Section 5.2(a).

“Breach Put Notice” has the meaning assigned to such term in Section 5.2(a).

“Breach Put Option” has the meaning assigned to such term in Section 5.2(a).

“Breach Put Price” has the meaning assigned to such term in Section 5.2(a).

“Breaching Shareholder” means any Shareholder who commits a Material Breach of this Agreement.

“Business Day” means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in Santiago de Chile (Chile), Bogotá (Colombia), Panama (Republic of Panama), São Paulo (Brazil) and/or the City of New York.

“Business Plan and Budget” means the three (3)-year business plan and annual budget for the Chilean Bank and its Subsidiaries, which shall include planned expenditures, revenues, sources and uses of funds and timing and estimates of dividends and shall be presented to the Board for approval at least fifteen (15) days in advance of the applicable Board meeting.

“Call Price” has the meaning assigned to such term in Section 5.1(b)(ii).

“Capital Ratio” means, on any date with respect to a regulated bank in Chile or Colombia, as the case may be, the percentage represented by the ratio of such bank’s (a) regulatory capital required by applicable Law of the applicable country to (b) risk-weighted assets (including any risk-weighted assets of its Subsidiaries that are consolidated for purposes of calculating minimum regulatory capital ratio in such country) of such bank.

“Cause” means, with respect to any person who is the CEO of the Chilean Bank and/or the Colombian Bank, (i) such person’s conviction of, or his/her guilty plea to, any criminal felony offense punishable by imprisonment that is reasonably likely to adversely affect such person’s suitability to perform his/her duties, including any such offense involving fraud, theft, embezzlement, forgery, willful misappropriation of funds or property, or other fraudulent or dishonest acts, (ii) such person’s willful malfeasance or willful misconduct or any reckless or grossly negligent act or omission, in each case in connection with his/her duties that is materially injurious to the financial condition or business reputation of the Chilean Bank or any of its Subsidiaries or Affiliates or (iii) any other omissions or commissions by such person which constitute grounds for termination for cause under applicable Law.

“Central America” means Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.



“Change of Control” means, with respect to Corp Group Parent, the following occurring in a single transaction or in a series of related transactions: the Saieh Group ceasing to own, directly and indirectly, at least 50% plus one additional share of the issued voting stock of Corp Group Parent.

“Chilean Bank” means CorpBanca.

“Chilean Bank Board” means the Board of Directors of the Chilean Bank.

“Chilean Corporations Act” means Law No. 18,046 *Ley sobre Sociedades Anónimas*.

“Colombian Bank” means CorpBanca Colombia.

“Common Stock” means the common stock of the Companies or the Chilean Bank and any securities issued in respect thereof, or in substitution therefor, in connection with any stock split, dividend or combination, or any reclassification, recapitalization, merger, consolidation, exchange or other similar reorganization.

“Company” and “Companies” have the meaning assigned to such terms in the introductory paragraph.

“Company Shares” means the shares of the Companies.

“Contract” means any agreement, contract, arrangement or understanding, whether formal or informal, written or oral, that is legally binding.

“Confidential Information” has the meaning assigned to such term in Section 7.15(a).

“control” (including the terms “controlling”, “controlled by” and “under common control with”), with respect to the relationship between or among two or more Persons, means (a) the possession, directly or indirectly, of the power to (i) direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, (ii) cast, or control the casting of, more than one-half of the maximum number of votes that may be cast at a general or other meeting of stockholders of such Person, or (iii) appoint or remove the majority of the directors or equivalent officers of such Person; (b) the holding of more than one-half of the issued share capital of such Person (excluding any part of that issued share capital that carries no right other than the right to receive a specified amount in a distribution of either profits or capital) or (c) being the general partner and/or managing member and/or fund manager of such Person.

“Corp Group Parent” has the meaning assigned to such term in the introductory paragraph (together with its Permitted Transferees).

“Corp Group Parent Put Exercise Date” has the meaning assigned to such term in Section 5.1(a)(i).



“CorpBanca” means CorpBanca, a special banking open corporation (*sociedad anónima abierta especial bancaria*), organized and existing under the Laws of Chile.

“Cure Period” has the meaning assigned to such term in Section 5.2(a).

“Director” means a member of the Board.

“Disclosing Party” has the meaning assigned to such term in Section 7.15(a).

“Dividend Call Price” has the meaning assigned to such term in Section 6.2(a)(ii)

“Dividend Period” has the meaning assigned to such term in Section 6.2(a).

“Dividend Policy” means the dividend policy relating to each of the Chilean Bank and its Subsidiaries, which shall always be in accordance with Section 6.2.

“Dividend Put Price” has the meaning assigned to such term in Section 6.2(d)(ii).

“Drag-Along Shares” has the meaning assigned to such term in Section 3.5(a).

“Dragged Shareholder” has the meaning assigned to such term in Section 3.5(a).

“Dragging Shareholder” has the meaning assigned to such term in Section 3.5(a).

“Encumber” means, directly or indirectly, to pledge, encumber, hypothecate or otherwise restrict (including any restriction with respect to voting), either voluntarily or involuntarily, or to enter into any Contract with respect to the pledge, encumbrance, hypothecation or other restriction of, any Equity Securities beneficially owned by a Person or any interest in any Equity Securities beneficially owned by a Person.

“Equity Securities” means any shares of any class or series or any securities (including debt securities) or rights convertible into or exercisable or exchangeable for shares of any class or series of capital stock (or which are convertible into or exercisable or exchangeable for any security which is, in turn, convertible into or exercisable or exchangeable for shares of any class or series of capital stock), whether now authorized or not.

“Equity to Assets Ratio” means for any Person, for any year, the ratio of (a) such Person’s average consolidated shareholders’ equity, as reported to the Chilean *Superintendencia de Bancos e Instituciones Financieras* (in the case of the Chilean Bank or any other Chilean bank) or the *Superintendencia Financiera de Colombia* (in the case of the Colombian Bank or any other Colombian bank), as applicable, for such year, to (b) such Person’s average consolidated total assets, as reported to the *Chilean Superintendencia de Bancos e Instituciones Financieras* (in the case of the Chilean Bank or any other Chilean bank) or the *Superintendencia Financiera de Colombia* (in the case of the Colombian Bank or any other Colombian bank), as applicable, for such year.



“Exchange Ratio” means, with respect to any Company, as of any date, the number of Bank Shares owned by such Company divided by the number of Company Shares of such Company outstanding.

“Exempt Transaction” means any transaction or series of related transactions having a value less than the Exempt Transaction Threshold; provided that a Shareholder may require that the value be determined according to the Fair Value determination procedure to the extent that such Shareholder believes in good faith that such value may exceed the Exempt Transaction Threshold.

“Exempt Transaction Threshold” shall initially mean US\$500 million; provided that such threshold shall be increased or decreased, as applicable, on March 31 of each year by the percentage increase or decrease, as applicable, in Tangible Equity of the Chilean Bank at the end of the Chilean Bank’s last Fiscal Year as compared to the Chilean Bank’s prior Fiscal Year.

“Fair Value” means the valuation made by two (2) internationally renowned Investment Banks selected pursuant to the following process: each of Corp Group Parent and Itaú Parent shall submit a list of three (3) Investment Banks to the other Shareholder who shall pick one (1) Investment Bank from the list to serve as one (1) of the two (2) Investment Banks performing the valuation. The Investment Banks shall have reasonable access to Senior Management, being allowed to conduct interviews during business hours and obtain reasonably requested supporting documentation. If the amounts determined by the Investment Banks differ by ten percent (10%) or less of the higher amount, the Fair Value shall be the average of the two valuations. If, however, the difference is higher than ten percent (10%), the Fair Value shall be finally determined by a third internationally renowned Investment Bank chosen by the first two (2) Investment Banks within ten (10) calendar days after delivery of the initial valuations. The third Investment Bank shall conduct its own valuation and determine a Fair Value within the range of the two valuations conducted by the Investment Banks appointed by the Shareholders and notify the Shareholders of its valuation within fifteen (15) calendar days of its appointment. The fees and expenses of all of the Investment Banks shall be borne solely by Itaú Parent in the case of Section 3.5 and the Investing Person in the case of Section 6.1(c).

“Fiscal Year” means the calendar year, and reference to any Fiscal Year (e.g., Fiscal Year 2014) means the Fiscal Year ending on the last day of such Fiscal Year (e.g., December 31, 2014).

“Forecasted System Growth” means for any year (i) the Average Asset Growth Multiple *multiplied* by (ii) the forecasted growth of the nominal gross domestic product for the relevant country (Chile or Colombia, as the case may be) for such year, as forecasted by the International Monetary Fund in the World Economic Outlook (published in October of the preceding year).

“GAAP” means the applicable generally accepted accounting principles in the applicable country.

“Governmental Authority” means each Regulatory Authority and any other domestic or foreign court, administrative agency, commission or other governmental authority or instrumentality (including the staff thereof) or any industry self-regulatory authority (including the staff thereof).



“ICC Rules” has the meaning assigned to such term in Section 7.10(b).

“IFRS” means the International Financial Reporting Standards issued by the International Accounting Standards Board as applied by the Chilean Superintendency of Banks.

“Independent Director” means any individual to be appointed as a Director who is in compliance with independence conditions set forth under the corporate and/or financial laws and/or regulations (as in force from time to time) applicable to independent board members of banking institutions and/or publicly held companies in the applicable jurisdiction.

“Investing Person” has the meaning assigned to such term in Section 6.1(c).

“Investment Bank” means an internationally recognized global investment banking firm listed on Exhibit B or otherwise mutually agreed by Itaú Parent and Corp Group Parent.

“Itaú Parent” has the meaning assigned to such term in the introductory paragraph (together with its Permitted Transferees).

“Itaú Parent Brand” means the trademark “Itaú” (and any logo used in connection with it) and any variations thereof that are used to identify its operations, products or services and are aligned with Itaú Parent’s marketing and communication policies.

“Itaú Parent Equity Securities” has the meaning assigned to such term in Section 3.8.

“Itaú Parent Equity Transaction” has the meaning assigned to such term in Section 3.8.

“IUPAR” means Itaú Unibanco Participações S.A., a corporation (*sociedad anónima*) organized under the laws of Brazil.

“Majority of the Chilean Bank Condition” means at least the sum of 50% of the issued voting stock of the Chilean Bank plus one additional share of issued voting stock of the Chilean Bank being owned, directly and indirectly, in the aggregate (i) if Section 2.2(a) is in effect, by the Shareholders, the Companies and their respective Permitted Transferees or (ii) if Section 2.2(a) is not in effect, Itaú Parent, Company One and their Permitted Transferees and Affiliates (excluding, in the case of clause (ii), any shares that remain subject to a call right by Corp Group Parent hereunder).

“Market Price” means, as of any date of determination for (i) any listed security (other than a Company Share), the volume weighted average closing price of such listed security for the thirty days immediately preceding the date of determination and (ii) a Company Share, the product of the Exchange Ratio multiplied by the Market Price of a Bank Share (as determined pursuant to clause (i) of this definition).



“Material Breach” means (i) a material breach of Section 2.2(a), Section 2.2(b), Section 2.2(d), Section 2.2(e), Section 2.2(f), Section 2.3, Section 2.8, Section 2.9, Article III, Section 6.1, Section 6.2 or Section 6.3, which breach in the case of Section 6.3 results in the applicable brand name(s) being unavailable to the Chilean Bank or (ii) a violation by the pledgee of clause 23 (Covenant to Release Pledge) of the Pledge Agreement.

“MCC Entities” means MCC Securities Inc. an exempted company limited by shares, organized under the laws of the Cayman Island; MCC Asesorías Internacionales Limitada, a limited liability company (sociedad de responsabilidad limitada) organized under the laws of Chile; and Munita, Cruzat y Claro S.A. Corredores de Bolsa, a corporation (sociedad anónima) organized under the laws of Chile.

“Minimum Growth Rate” for any year means the minimum growth rate of the total assets of the Chilean Bank and the Colombian Bank (determined in accordance with IFRS) for the applicable country (e.g., Chile or Colombia) determined in good faith by the Board of the Chilean Bank (but in no event exceeding Forecasted System Growth in such country for such year) reasonably necessary to maintain the market share of the Chilean Bank and the Colombian Bank (each measured in terms of assets in their respective countries) as of the last day of the immediately preceding year.

“Minimum Dividend Amount” means a cash amount equal to US\$120 million per annum.

“New Business Opportunity” has the meaning assigned to such term in Section 6.5(a).

“Newco” has the meaning assigned to such term in Section 3.1(c).

“Non-Compete Period” means the period beginning on the date hereof and ending on the first (1st) anniversary of the termination of Section 6.1, in accordance with Section 6.1.

“On An Adjusted Basis” means, with respect to the percentage of Bank Shares owned by any Shareholder, that such percentage shall expressly include Bank Shares directly and indirectly held by such Shareholder (including through its ownership of Company Shares) and shall expressly not include any reduction for dilution experienced by any Shareholder as a result of (i) a merger or reorganization, consolidation or a similar business combination involving the Chilean Bank having a dilutive effect or (ii) any issuance or sale of Equity Securities not subject to the prior approval of Corp Group Parent pursuant to Section 2.8(b) hereof; provided that in the event of an issuance or sale of Equity Securities (including options or warrants) pursuant to Section 2.8(b), such percentage shall include the reduction for dilution experienced by such Shareholder only to the extent (and for the amount) such issuance or sale by the Chilean Bank was necessary to meet the minimum regulatory capital required by applicable Law in the applicable country at the time of such issuance or sale (and shall not include any reduction for dilution as a result of the issuance or sale of Equity Securities by the Chilean Bank in excess of the minimum amount needed to be issued or sold to meet such minimum regulatory capital requirement).



“Optimal Regulatory Capital” means at any date, with respect to either the Chilean Bank or the Colombian Bank, as the case may be, (a) the higher of (i) 120% of the minimum regulatory Capital Ratio required by applicable Law of the applicable country and (ii) the average regulatory Capital Ratio of the three largest privately-owned banks (excluding the Chilean Bank and/or the Colombian Bank) (measured in terms of assets) in Chile or Colombia, as the case may be, in each case as of the last day of the most recent fiscal year *multiplied by* (b) the risk-weighted assets (including any risk-weighted assets of Subsidiaries that are consolidated for purposes of calculating minimum regulatory Capital Ratio in such country) of the Chilean Bank or the Colombian Bank, as the case may be, as of the date one year from the last day of the most recent fiscal year assuming that such risk-weighted assets grow during such year at a rate equal to the Minimum Growth Rate. For purposes of illustration, an example of the calculation of Optimal Regulatory Capital as of the date of this Agreement is set forth on Exhibit C.

“Organizational Documents” means, with respect to any Person, the articles of organization, certificate of incorporation (*escritura de constitución*), certificate of existence and legal representation (*certificado de existencia y representación legal*), bylaws (*estatutos*), limited liability company agreement, operating agreement or any other similar organizational documents of such Person.

“Permitted Transferee” means, with respect to Itaú Parent or Company One, any Person that is a wholly-owned Subsidiary of Itaú Parent for so long as such Person continues to be a wholly-owned Subsidiary of Itaú Parent, and with respect to Corp Group Parent and Company Two, any Person that is a wholly-owned Subsidiary of Corp Group Parent for so long as such Person continues to be a wholly-owned Subsidiary of Corp Group Parent; provided that (1) such Transfer shall not relieve the Transferring Shareholder of any of its obligations under this Agreement and (2) no Person shall qualify as a Permitted Transferee if a purpose of the Transfer to such Person is to circumvent the restrictions imposed by this Agreement and (3) immediately prior to a Permitted Transferee ceasing to be a wholly-owned Subsidiary of a Shareholder such Permitted Transferee shall be required to Transfer all of its Company Shares back to such Shareholder or another Permitted Transferee of such Shareholder.

“Person” means any individual, corporation, limited liability company, limited or general partnership, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivisions thereof or any group comprised of two or more of the foregoing.

“Preapproved Matters” has the meaning assigned to such term in Section 6.4.

“Receiving Party” has the meaning assigned to such term in Section 7.15(a).

“Regulatory Authority” means, collectively, the Brazilian Central Bank (*Banco Central do Brasil*), the Chilean Superintendency of Banks, the Chilean Central Bank, the Chilean Superintendency of Securities and Insurances, the Santiago Stock Exchange (*Bolsa de Comercio de Santiago*), the *Unidad de Análisis Financiero*, the SFC, the Colombian Central Bank, the Colombian Stock Exchange, the Board of Governors of the U.S. Federal Reserve System, the U.S. Department of Justice, the U.S. Federal Trade Commission and the SEC (including, in each case, the staff thereof and any successors thereto).



“Representatives” means, with respect to any Person and its Affiliates, officers, directors, trustees, employees, agents, representatives and advisors, including counsel, accountants, and financial advisors.

“Required Dividend” means 100% of the annual cash distributable earnings of the Chilean Bank and its Subsidiaries, net of any reserves required to maintain Optimal Regulatory Capital at the Chilean Bank and its Subsidiaries, as applicable.

“Required Transfer” has the meaning assigned to such term in Section 3.5(a).

“Required Transfer Notice” has the meaning assigned to such term in Section 3.5(a).

“ROE” for any Person for any year means (a) such Person’s consolidated net income as reported to the Chilean *Superintendencia de Bancos e Instituciones Financieras* (in the case of the Chilean Bank) or the *Superintendencia Financiera de Colombia* (in the case of the Colombian Bank), as applicable, for such year, adjusted for merger-related extraordinary charges incurred during the 24-month period following the Closing Date, *divided by* (b)(i) the mid-point between such Person’s Equity to Assets Ratio for such year and the average Equity to Assets Ratio of the three largest privately-owned banks (measured in terms of assets) in Chile or Colombia, as applicable (excluding the Chilean Bank and the Colombian Bank, as the case may be), for such year, *multiplied by* (ii) such Person’s average consolidated total assets as reported to the Chilean *Superintendencia de Bancos e Instituciones Financieras* (in the case of the Chilean Bank) or the *Superintendencia Financiera de Colombia* (in the case of the Colombian Bank), as applicable, for such year. For purposes of calculating ROE and Equity to Assets Ratio, if such Person does not provide consolidated financial statements to the applicable banking regulator referred to above, such Person’s consolidated net income, total assets and shareholders’ equity shall be those set forth in its annual audited consolidated financial statements in accordance with IFRS (in the case of the Chilean Bank) or Colombian GAAP (in the case of the Colombian Bank) for the relevant year. For purposes of illustration, an example of the calculation of ROE is set forth on Exhibit D.

“ROFO Notice” has the meaning assigned to such term in Section 3.3(a).

“ROFO Offer” has the meaning assigned to such term in Section 3.3(b).

“ROFO Offer Notice” has the meaning assigned to such term in Section 3.3(b).

“ROFO Price” has the meaning assigned to such term in Section 3.3(a).

“ROFO Recipients” has the meaning assigned to such term in Section 3.3(a).

“ROFO Seller” has the meaning assigned to such term in Section 3.3(a).

“ROFO Shares” has the meaning assigned to such term in Section 3.3(a).

“Saieh Group” means (a) Alvaro Saieh Bendeck, his spouse, his children and their respective children, grandchildren and spouses; (b) the respective children, grandchildren, spouses, ancestors, descendants, heirs, legatees and successors of any person described in clause



(a) above or in this clause (b); (c) the executor, administrator or other representative of any person described in clauses (a) or (b) above who is deceased, incompetent or incapacitated; (d) any trust or other entity (including a charitable remainder trust) in which any of the persons described in clauses (a), (b) or (c) above, individually or in the aggregate, have a majority interest, whether or not fixed or exclusive; and (e) any Affiliate of any one or more of the persons described in clauses (a), (b), (c) or (d) above.

“Section 3.6 Put Notice” has the meaning assigned to such term in Section 3.6(b)

“Section 3.6 Tender Offer” has the meaning assigned to such term in Section 3.6(d)

“Senior Management” means the chief executive officer (CEO), chief financial officer (CFO), chief operating officer (COO), Head of Wholesale banking, Head of commercial banking, Head of Retail banking, Chief Credit Risk Officer, Head of Corporate Development, Head of Wealth Management, Head of Treasury, Head of Human Resources, Head of Legal, Head of Compliance and other officers with annual base compensation higher than US\$500,000 (or the equivalent thereof in other currencies).

“Shareholder” means Itaú Parent and Corp Group Parent as well as their Permitted Transferees and the Companies to the extent the context requires.

“Shareholder Designee” has the meaning assigned to such term in Section 2.2(a).

“Subsidiary” means, with respect to any Person, any corporation, joint venture, general or limited partnership, limited liability company or other legal entity of which a majority of the securities entitled to vote generally in the election of directors, managers or trustees thereof, or a majority of the equity interest therein, at the time as of which any determination is being made, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof. For purposes of this Agreement, subject to Section 7.8, each of Itaú Colombia and its Subsidiaries shall be deemed a Subsidiary of the Chilean Bank from the Chilean Effective Time through the Colombian Effective Time, in each case regardless of whether any such entity constitutes a Subsidiary pursuant to the definition in the preceding sentence.

“Supermajority Consent” means the consent of (i) Corp Group Parent, so long as Corp Group Parent owns at least 13% On An Adjusted Basis of the Bank Shares; and (ii) Itaú Parent.

“Tag-Along Price” has the meaning assigned to such term in Section 3.4(d).

“Tangible Equity” means consolidated shareholders’ equity less goodwill and other intangible assets, in each case determined in accordance with IFRS.

“Tax Entitlement” has the meaning assigned to such term in Section 3.1(a).

“Taxes” means all taxes, levies, charges, penalties or other assessments imposed by any Governmental Authority, including, but not limited to income, excise, property, sales, transfers, franchise, payroll, withholding, social security or other similar taxes, including any interest or penalties attributable thereto.



“Termination Threshold” has the meaning assigned to such term in Section 7.1(a)(iii).

“Territory” means Chile, Colombia and the Republic of Panama.

“Third Party” means, with respect to any Shareholder, any other Person (other than a Permitted Transferee or an Affiliate, officer, director or employee of such Shareholder).

“Transaction Agreement” has the meaning assigned to such term in the Recitals.

“Transfer” means, directly or indirectly, to sell, transfer, assign or similarly dispose of, either voluntarily or involuntarily, or to enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, assignment or similar disposition of, any Company Shares or Bank Shares beneficially owned by a Person or any interest in any Company Shares or Bank Shares beneficially owned by a Person.

“Transferee” means any Person to whom any Shareholder or any Transferee thereof Transfers Shares in accordance with the terms hereof.

“Transfer Notice” has the meaning assigned to such term in Section 3.4(a).

“Transferred Shares” has the meaning assigned to such term in Section 3.4(a).

“Transferring Shareholder” has the meaning assigned to such term in Section 3.4(a).

“wholly-owned Subsidiary” means, with respect to any Person, a Subsidiary of which at least 95% of the equity interest is owned or controlled, directly or indirectly, by such Person or one or more of the other wholly-owned Subsidiaries of such Person or a combination thereof.

SECTION 1.2. Other Definitional Provisions.

(a) The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Article and Section references are to this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(c) The headings in this Agreement are included for convenience of reference only and shall not limit or otherwise affect the meaning or interpretation of this Agreement.



(d) The words “including” and “include” and other words of similar import shall be deemed to be followed by the phrase “without limitation”.

(e) References to agreements and other documents shall be deemed to include all subsequent amendments and other modifications thereto.

(f) References to statutes shall include all regulations promulgated thereunder and references to statutes or regulations shall be construed as including all statutory and regulatory provisions consolidating, amending or replacing the statute or regulation.

(g) Except as otherwise set forth herein, schedules to this Agreement are a material part hereof and shall be treated as if fully incorporated into the body of the Agreement and shall be included in the definition of “Agreement”.

(h) Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified and shall be counted from the day immediately following the date from which such number of days are to be counted.

ARTICLE II

CORPORATE GOVERNANCE

SECTION 2.1. General; Agreement to Vote; Best Practices.

(a) From and after the date hereof, each Shareholder shall take all actions reasonably necessary to give effect to the provisions of this Agreement. Each Shareholder shall vote or cause to be voted all Company Shares, Bank Shares or other securities beneficially owned by such Shareholder at any shareholders meeting, upon any matter submitted for action by the shareholders of the Companies, the Chilean Bank or any of its Subsidiaries, in conformity with the specific terms and provisions of this Agreement and the Organizational Documents of the Companies, the Chilean Bank and its Subsidiaries. To the extent permitted by applicable Law, in the event that there is any conflict between such Organizational Documents and this Agreement, this Agreement shall prevail. The Shareholders shall vote, to the extent permitted by applicable Law, together as a single block on all matters in accordance with the recommendation of Itaú Parent (other than with respect to any matter that is the subject of Section 2.8).

(b) For the purpose of enhancing transparency and accountability of the Chilean Bank and its Subsidiaries, the Shareholders shall take all actions reasonably necessary to cause the Chilean Bank and its Subsidiaries to adhere to (i) the best practice standards customary for banks and their Subsidiaries operating internationally, including with respect to the implementation and compliance with (A) anti-money laundering policies and regulations and financial record-keeping and reporting requirements, (B) policies and regulations relating to business in countries subject to U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, (C) anti-bribery policies and regulations and (D) risk management and reputational risk policies; and (ii) the corporate governance practices comparable to those followed by foreign companies listed on the New York Stock Exchange, subject to the terms and conditions set forth in this Agreement. Management decisions will be made in the best interest of the Chilean Bank and



its Subsidiaries and their respective shareholders. The Shareholders will use reasonable best efforts to cause the Chilean Bank and its Subsidiaries to be operated in a manner that at a minimum satisfies international standards of efficiency, cost controls and arms' length, competitive procurement for all financial and other services.

SECTION 2.2. Composition and Size of the Boards of the Chilean Bank and its Subsidiaries.

(a) Of the number of the Directors of each of the Board of (i) the Chilean Bank and the Colombian Bank that the Companies are entitled or able to appoint (including by causing the Chilean Bank to appoint) at any time (in addition to any Independent Directors required by applicable Law) and (ii) the respective Subsidiaries of the Chilean Bank and the Colombian Bank that the Chilean Bank and the Colombian Bank, respectively, are entitled or able to appoint at any time (in addition to any Independent Directors required by applicable Law), each Shareholder shall be entitled to designate a number of Directors in proportion to its respective direct and indirect percentage ownership of the Bank Shares owned by the Shareholders, rounded to the nearest whole number; provided that Itaú Parent shall designate at least a majority of such Directors appointed by the Companies on each such Board; provided, further, that Corp Group Parent shall designate at least one of such Directors on each such Board (each Person designated for appointment to the relevant Board, a "Shareholder Designee", and collectively, the "Shareholder Designees"). The Shareholders shall cause the Companies to take all actions necessary and appropriate to effect the appointment of such Shareholder Designees. The Board of the Chilean Bank shall be comprised of eleven (11) Directors and two alternate Directors (one selected by Itaú Parent and one selected by Corp Group Parent). The Board of the Colombian Bank shall be comprised of nine (9) Directors. The number of directors on the Board of all Subsidiaries of the Companies other than the Chilean Bank and the Colombian Bank shall be specified by the Board of the Chilean Bank. The Shareholders shall cause the Companies to cause the Directors of the relevant Board appointed by the Companies to vote, to the extent permitted by applicable Law, together as a single block on all matters in accordance with the recommendation of Itaú Parent (other than with respect to any matter that is the subject of Section 2.8).

(b) The Shareholders shall cause the Companies to cause, in the respective Board, (i) a designee of Corp Group Parent to be the Chairman of the Chilean Bank Board as long as Corp Group Parent and its Permitted Transferees hold at least 13% On An Adjusted Basis of the Bank Shares, (ii) a designee of Corp Group Parent to be the Chairman of the Colombian Bank Board as long as Corp Group Parent and its Permitted Transferees hold at least 13% On An Adjusted Basis of the Bank Shares and (iii) a designee of Itaú Parent to be the Vice-Chairman of the Chilean Bank Board and the Colombian Bank Board. The Shareholders shall cause the Companies to ensure that the Chairman of the Chilean Bank Board shall not have a casting vote.

(c) The Shareholders shall cause the Companies to take all necessary action to remove any Director designated by a Shareholder to serve on any Board with or without cause (including in the event such Director does not vote in the Chilean Bank Board, the Colombian Bank Board, or any other Board of a Subsidiary of the Chilean Bank with the other directors appointed by the Companies as a single block in accordance with the last sentence of Section 2.2(a)), upon the request of such Shareholder, including by means of an extraordinary shareholders meeting to be held in the Chilean Bank or relevant Subsidiary to replace such Director, if necessary, through the revocation of the entire relevant Board.



(d) In the event that (i) a Director of the Chilean Bank, the Colombian Bank or any other Subsidiary of the Chilean Bank designated by Corp Group Parent or Itaú Parent fails to comply with the requirement of such directors to vote on a certain matter (other than with respect to any matter that is the subject of Section 2.8) as a single block as set forth in Section 2.2(a) and (ii) other than in the case of any such Director who is a member of the Saieh Group or any such Director who so fails to comply on more than two occasions (and more than two matters) in any calendar year, the relevant Board is unable to adopt a decision on such matter in accordance with the last sentence of Section 2.2(a), then the Shareholder who designated such Director shall take all required action (including, if necessary, the procedure set forth in Section 2.2(c)) such that such Director shall be removed from the relevant Board within 60 calendar days. If (i) such Director shall not have ceased to serve on the relevant Board at or prior to such time and the other Shareholder and the Companies shall have cooperated with the Shareholder who appointed such Director in removing such Director and (ii) the relevant Board has been unable to adopt a decision on such matter in accordance with the last sentence of Section 2.2(a), then such event shall constitute a Material Breach by the Shareholder who designated such Director.

(e) In the event that a vacancy is created at any time by the death, disability, retirement, resignation or removal (with or without cause, but except as provided in Section 2.2(f)) of any Director designated pursuant to this Section 2.2, the Shareholders agree to take, and to cause the Companies to take, at any time and from time to time, all necessary actions to have the vacancy created thereby to be filled by a new designee of the Shareholder who designated such Director as soon as possible, who shall be designated in the manner specified in this Section 2.2.

(f) In the event a Shareholder shall cease to have the right to designate one or more Directors in accordance with this Section 2.2, such Shareholder shall cause such Director(s) to resign. If such resignation shall not have become effective within 15 Business Days after receipt of a written request for such resignation from the other Shareholder, then the Shareholders shall follow, and shall cause the Companies to follow, the procedure set forth in Section 2.2(c) to cause such Director(s) to no longer serve in such capacity and to replace such Director(s) in accordance with the appointment entitlements set forth in Section 2.2(a).

(g) The Directors shall be entitled to compensation in connection with their duties as members of the Board; and the Shareholders shall cause the Chilean Bank and its Subsidiaries to reimburse each Director for their reasonable out-of-pocket expenses incurred by such Director for the purpose of attending meetings of the Board or committees thereof in accordance with the applicable expense reimbursement policies in effect at such time.

(h) The Shareholders shall cause the Chilean Bank and its Subsidiaries to maintain D&O insurance, which shall cover only Directors and be consistent with international D&O insurance standards.



SECTION 2.3. Board Committees.

Subject to applicable Law, the Shareholders shall cause the Companies to use reasonable best efforts to cause the Chilean Bank and the Colombian Bank to create the following committees of each such Board with the following member compositions and purposes.

(a) Directors Committee. The Directors Committee (for so long as it is required per Article 50 bis of the Chilean Corporations Act) shall be comprised of three (3) members. If the appointment of the members who do not integrate the Directors Committee by Law relies on the Board, Itaú Parent shall be entitled to appoint one (1) member, and if the appointment of the members who do not integrate the Directors Committee by Law relies on the Independent Director, Itaú Parent shall use its best efforts to convince and persuade such Independent Director to appoint as member of the Directors Committee one (1) Director appointed by Itaú Parent.

(b) Audit Committee. Each Audit Committee shall be comprised of five (5) members. Itaú Parent shall be entitled to appoint three (3) members, and Corp Group Parent shall be entitled to appoint two (2) members.

(c) Management and Talent Committee. Each Management and Talent Committee shall determine an objective process to recommend the appointment of the Senior Management pursuant to Section 2.7(a), shall have an advisory role in relation with the administration of Senior Management and the right to make non-binding recommendations to the Board relating to the compensation, the milestones to be achieved and the evaluation of the CEO and other senior officers. The Management and Talent Committee shall be comprised of five (5) members, and Itaú Parent shall be entitled to appoint three (3) members and Corp Group Parent shall be entitled to appoint two (2) members.

(d) Credit Committee. The Credit Committee shall (i) have binding power to establish the limits and procedures of the credit policy of the Chilean Bank and its Subsidiaries and the power to establish approval exceptions for financial decisions exceeding certain thresholds (to be defined by the Credit Committee) and (ii) shall impose a binding framework with upper limits on credit exposures attached as Exhibit F hereto beyond which the approval of Itaú Parent will be required. Itaú Parent shall respond to any such requests for its approval within seven (7) Business Days; provided that if during such period Itaú Parent responds with a request for additional information, it shall have seven (7) Business Days following the receipt of such information to respond to the request for its approval. If no denial from Itaú Parent is received within such seven (7) Business Day period, the relevant request shall be deemed approved. Itaú Parent and Corp Group Parent agree to cause the Companies to cause the relevant Credit Committee to be (x) comprised of five (5) members of which Itaú Parent shall be entitled to appoint three (3) members, and Corp Group Parent shall be entitled to appoint two (2) members, all of whom shall be local executives or Directors of the relevant Board and (y) headed by a local executive officer or Director to be recommended by the Chief Executive Officer of the Chilean Bank or its relevant Subsidiary, as applicable.

(e) Asset and Liability Management Committee. The Asset and Liability Management Committee shall be comprised of five (5) members of which Itaú Parent shall be entitled to appoint three (3) members, and Corp Group Parent shall be entitled to appoint two (2) members.



(f) Other. In addition, the relevant Boards shall have the power to establish and designate additional committees as they deem fit in their discretion or any other committees required by applicable Law. To the extent permitted by applicable Law, such committees shall be comprised of five (5) members and of the members on each such committee that are not required to be Independent Directors under applicable Law, Itaú Parent will have the right to appoint a majority of such representatives on each such committee, and Corp Group Parent shall have the right to appoint the remainder of such representatives on each such committee. Except as otherwise set forth above, the vote of a majority of the members of the relevant Committee shall be required for action by such Committee. For the avoidance of doubt, for any such committee where no Independent Directors are required by Law, the committee shall be comprised of three (3) members designated by Itaú Parent and two (2) members designated by Corp Group Parent.

SECTION 2.4. Political Donations. The Shareholders shall cause the Companies to cause the Chilean Bank to make political donations to donees to be proposed and agreed by the Shareholders and consistent with past practice in the four fiscal years prior to the date in which the donation is made subject to there being no obligation for such donations to exceed the amount set forth on Schedule 2.4 in any fiscal year.

SECTION 2.5. Frequency of Meetings.

(a) The Boards shall meet at least monthly (and with quarterly in-person meetings), or with the frequency determined by the relevant Board, at the registered office of the Chilean Bank or its Subsidiaries, as applicable, or at any other place. Special meetings of the Boards shall be called at the direction of the Chairman or one (1) or more Directors, upon notice of the matters to be discussed at such meeting but without any necessity to show cause for the need to convene such meeting, upon not less than five (5) Business Days' notice given by the Chairman or Vice Chairman of the Chilean Bank or relevant Subsidiary (which director shall give such notice if properly directed to do so as aforesaid). Emergency meetings of the Boards may be held at the offices of the Chilean Bank or the relevant Subsidiary (or such other place as shall be agreed by all Directors) upon not less than one (1) Business Day's telephone notice specifying in reasonable detail the nature of such emergency (to be confirmed by written facsimile or email notice) by the Chairman or Vice Chairman of the Chilean Bank or relevant Subsidiary; provided that without the consent of a majority of the Directors, no more than two emergency meetings of the Boards shall be held in any calendar month.

(b) With respect to regular Board meetings, not later than ten (10) Business Days before each meeting, the Chairman or Vice Chairman shall deliver to each Director the notice of each such meeting, together with (i) an agenda specifying in reasonable detail the matters to be discussed at the meeting and (ii) supporting analyses or discussion materials, if any. Any Director that wishes to have any additional matter discussed at any such meeting shall give the Chairman or Vice Chairman and each other Director not later than two (2) Business Days prior to any such meeting, notice of each matter he or she so wishes to discuss.



(c) Directors may participate in a meeting of the Board by means of a telephone conference, video conference or other communications equipment through which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting. Evidence of such meeting shall be recorded in compliance with requirements set forth by the applicable Law (to the extent required).

(d) The Shareholders shall cause the Chilean Bank and its Subsidiaries to comply, to the extent permitted under applicable Law, with the procedures in this Section 2.5.

SECTION 2.6. Quorum; Approval Required; Action by Written Consent.

(a) A majority of the Directors shall constitute a quorum for all meetings of the relevant Boards; provided that a quorum shall not exist without the consent of a majority of the Directors of the relevant Board appointed by Itaú Parent if less than all of the Directors appointed by Itaú Parent to such Board are present. Subject to Section 2.8, the vote of the majority of the Directors attending a meeting shall be required to pass a resolution of the relevant Board.

(b) To the extent permitted by applicable Law, any action required or permitted to be taken by the Directors of the relevant Board, either at a meeting or otherwise, may be taken without a meeting if such Directors unanimously consent thereto in writing and the writings are filed with the notes of the decisions and resolutions.

(c) The Shareholders shall cause, and shall cause the Companies to cause, the Chilean Bank and its Subsidiaries to comply with the procedures in this Section 2.6.

(d) Any Shareholder which owns any shares of the Colombian Bank shall (i) grant an irrevocable power of attorney to a designee appointed by the Board of the Chilean Bank to attend, and vote in, any shareholders' meeting of the Colombian Bank which such Shareholder does not attend, and (ii) vote in any shareholders' meeting of the Colombian Bank in accordance with the instruction provided by the Board of the Chilean Bank.

SECTION 2.7. Officers.

(a) The Board of the Chilean Bank shall appoint from time to time the CEO, the country heads and other Senior Management of the Chilean Bank and the Colombian Bank. The initial CEO shall be set forth on Exhibit E. The Shareholders shall cause the Chilean Bank to cause its Subsidiaries to appoint designees of the Board of the Chilean Bank from time to time to the designated positions at such Subsidiary. The Management and Talent Committee will determine an objective process to recommend their successors based on internal promotion, international, merit-based standards and professional track record, and relevant industry and jurisdiction-specific experience. The list of selected candidates will be proposed to the Board of the Chilean Bank who shall be ultimately responsible for their final appointment.

(b) Only the Board of the Chilean Bank shall have the right to remove any officer designated pursuant to Section 2.7(a); provided that Corp Group Parent shall be entitled to remove any CEO of the Chilean Bank and/or the Colombian Bank (i) if for three (3) consecutive years (excluding the year in which the Closing Date occurs), the ROE of the Chilean Bank or the Colombian Bank, as applicable, is at least 100 basis points lower than the average ROE of the three



largest privately-owned banks (measured in terms of assets) in Chile or Colombia, as applicable (excluding the Chilean Bank and the Colombian Bank, as the case may be) during such three-year period or (ii) for Cause.

(c) The CEO and officers of the Chilean Bank and its Subsidiaries shall be vested with the powers of management and representation of the Chilean Bank and its Subsidiaries, but such powers shall be exercised in accordance with the provisions of this Agreement, the Organizational Documents of the Chilean Bank and its applicable Subsidiaries, the resolutions of the applicable Board of Directors and the resolutions of the applicable shareholders.

SECTION 2.8. Shareholder Consent Rights. The Shareholders agree that the Chilean Bank shall not take (and shall not permit any Subsidiary to take) any of the following actions or transactions without obtaining Supermajority Consent, which shall be necessary for authorizing, effecting or validating the following actions or transactions (provided that no consent shall be required for the Preapproved Matters):

(a) (i) merge, reorganize or consolidate the Chilean Bank or any of its Subsidiaries with any Person or (ii) enter into a joint venture or similar transaction with any Person other than, in the case of this clause (ii), any Exempt Transaction;

(b) issue or sell any Equity Securities (including options or warrants) of the Chilean Bank or any of its Subsidiaries, other than solely to the extent required to comply with immediate legal or regulatory requirements or to meet the Optimal Regulatory Capital;

(c) repurchase or otherwise retire or acquire any Bank Shares or other outstanding Equity Securities of the Chilean Bank or any of its Subsidiaries;

(d) (i) list or delist the Common Stock or other Equity Securities of the Chilean Bank or any of its Subsidiaries on any stock exchange or (ii) decide on which stock exchange(s) such Common Stock or other Equity Securities will be listed;

(e) enter into, modify or terminate a Contract or transaction with a related party (as defined in Article 44 of the Chilean Corporations Act, with respect to the Chilean Bank and its Subsidiaries, or Title XVI of the Chilean Corporations Act, with respect to the Chilean Bank, or Article 260-1 of the Colombian Tax Code (*Estatuto Tributario*), with respect to the Colombian Bank), other than any transaction between the Chilean Bank or a Subsidiary of the Chilean Bank, on the one hand, and another Subsidiary of the Chilean Bank, on the other hand;

(f) any (i) acquisition by the Chilean Bank or any Subsidiary of the stock, equity interests, assets or business of any Person or (ii) disposition of assets of the Chilean Bank or any Subsidiary or the capital stock or other equity interests of any Subsidiary, other than, in either case, an Exempt Transaction;

(g) effect any liquidations, dissolutions, reorganizations through a voluntary bankruptcy or similar transactions involving the Chilean Bank or any of its Subsidiaries, other than to the extent required to comply with immediate legal or regulatory requirements;



(h) amend or repeal any provision of the Organizational Documents of the Chilean Bank or any of its Subsidiaries (including the location of the registered office) to the extent such changes are not required by applicable Law or regulation or required to implement an issuance or sale of Equity Securities that does not require a Supermajority Consent under Section 2.8(b); or reclassify, alter the terms, designations, powers and preferences or other rights of the holders of, any Bank Shares or other Equity Securities of the Chilean Bank or any of its Subsidiaries;

(i) change the size or powers of the Board or any committee thereof to the extent such changes are not required by applicable Law or regulation;

(j) enter into any new line of business that is not a Banking Business;

(k) create or dissolve one or more Subsidiaries that would represent more than the Exempt Transaction Threshold;

(l) at the initiative of the Chilean Bank or any of its Subsidiaries (other than to comply with immediate legal or regulatory requirements), enter into any agreements between the Chilean Bank or any of its Subsidiaries, on the one hand, and any Governmental Authority, on the other hand, other than in the ordinary course of business;

(m) unless required by applicable Law or a change in the applicable GAAP, IFRS or the rules of the Chilean Superintendency of Banks (*Superintendencia de Bancos e Instituciones Financieras*) or the Colombian Financial Superintendency (*Superintendencia Financiera de Colombia*), as applicable, make any change in the external auditors of the Chilean Bank or any of its Subsidiaries; provided that Corp Group Parent shall not, without good business cause shown, withhold its consent for a proposal to change the external auditor of any of the Chilean Bank or its Subsidiaries to the external auditor of Itaú Parent;

(n) make any change to the Dividend Policy;

(o) enter into any agreement that limits or restricts the ability of the Chilean Bank or any of its Subsidiaries or Affiliates to directly or indirectly (whether as principal, agent, independent contractor, partner or otherwise) own, manage, operate, control, participate in, perform services for, or otherwise carry on or engage in any business or in any geographic area;

(p) enter into any Contract to do any of the foregoing actions; and

(q) any other matter not set forth above in this Section 2.8 that requires the approval of a supermajority of the shareholders of the Chilean Bank under Article 67 of the Chilean Corporations Act.

SECTION 2.9. Holdcos.

Company One shall remain a direct or indirect wholly-owned Subsidiary of Itaú Parent and Company Two shall remain a direct or indirect wholly-owned Subsidiary of Corp Group Parent. All Bank Shares held directly or indirectly by Itaú Parent and its Affiliates shall be



held by Company One, any Newcos transferred to Itau Parent pursuant to Section 3.1(c) and Permitted Transferees thereof and all Bank Shares held directly or indirectly by Corp Group Parent shall be held by Company Two, any Newcos transferred to Corp Group Parent pursuant to Section 3.1(c) and Permitted Transferees thereof, and any Bank Shares acquired following the date hereof shall be subject to this Agreement *mutatis mutandis*.

SECTION 2.10. Consultative Procedure.

The Shareholders agree to follow the consultative procedures set forth on Schedule 2.10 with respect to the matters described therein.

ARTICLE III

TRANSFERS

SECTION 3.1. Rights and Obligations of Transferees.

(a) Except as otherwise contemplated by this Agreement, no Shareholder shall directly or indirectly purchase or otherwise acquire Bank Shares or any beneficial interest therein to the extent such acquisition would require any of the Shareholders to launch a tender offer to acquire all Bank Shares; provided that nothing in this Agreement shall prohibit Itau Parent or Company One from purchasing or otherwise acquiring Bank Shares to the extent necessary for the Majority of the Chilean Bank Condition to remain satisfied.

(b) The Shareholders shall implement, and shall cause the Companies to implement, any sale of Bank Shares pursuant to this Agreement through the Santiago Stock Exchange (*Bolsa de Comercio de Santiago*) including through sales of American or Global Depositary Shares evidencing Bank Shares.

(c) The Shareholders shall implement, and shall cause the Companies to implement, any sale of Company Shares pursuant to this Agreement by (i) creating a new company (*sociedad por acciones*) organized under the laws of Chile a ("Newco"), (ii) Transferring into the Newco, free and clear of any Encumbrances, a number of Bank Shares equal to the number of Company Shares being Transferred multiplied by the Exchange Ratio and (iii) Transferring all shares of Newco ("Newco Shares") free and clear of any Encumbrances to the applicable Shareholder. The Transferring Shareholder shall indemnify and hold harmless the Shareholder who is the Transferee from any Liabilities of Newco arising out of or relating to the period of time prior to such Transfer. Following such Transfer, Newco shall be considered a "Company" for all purposes hereunder.

SECTION 3.2. Restrictions on Transfers and Encumbrances.

(a) Subject to compliance with Sections 2.9, 3.1, 3.2, 3.3 and 3.4 and with applicable Laws and regulations, any Shareholder (i) may freely Transfer Company Shares and (ii) may cause the Company in which it directly or indirectly holds Company Shares to freely Transfer such Company's Bank Shares without restriction (subject to Section 3.2(d)).



(b) Any Company and Shareholder shall provide the other Shareholders with written notice at least five Business Days in advance of effecting any Transfer of Bank Shares.

(c) Any Shareholder or Company may at any time and from time to time or in any manner Encumber its Company Shares and/or Bank Shares; provided that (i) the lender (or other holder or beneficiary of such Encumbrance) shall not have any rights under this Agreement, (ii) the Shareholder shall retain, directly or indirectly, all voting rights in connection with any Company Shares and/or Bank Shares and the lender (or other holder or beneficiary of such Encumbrance) shall have no voting rights in connection with, or rights to direct the voting of, any such Company Shares and/or Bank Shares except in case and during the continuance of a default in respect of the obligations secured by such Encumbrance, (iii) any Company Shares and/or Bank Shares, the ownership of which is transferred to the lender (or other holder or beneficiary of such Encumbrance) or another Third Party pursuant to foreclosure thereof shall not be subject to this Agreement (other than Encumbrances in favor of the other Shareholder or its Affiliates) and (iv) any Transfer of such Company Shares and/or Bank Shares to the other Shareholder, to the Companies or a Third Party shall be made free and clear of any Encumbrances.

(d) So long as the Majority of the Chilean Bank Condition remains satisfied, Corp Group Parent shall cause Company Two to maintain ownership of not less than the lower of:

(i) []² Bank Shares (which shall be adjusted from time to time for any reorganizations, recapitalizations, reclassifications, stock dividends, stock splits and other similar changes in capitalization); and

(ii) the minimum percentage of the outstanding Bank Shares required for the Majority of the Chilean Bank Condition to remain satisfied (it being understood that such minimum percentage shall not be adjusted upwards due to any subsequent reduction in the aggregate percentage of the total outstanding Bank Shares owned, directly and indirectly, by Itaú Parent, Company One and their respective Affiliates); provided that if the Majority of the Chilean Bank Condition ceases to remain satisfied but the Shareholders, the Companies and their Permitted Transferees own at least 45% of the issued voting stock of the Chilean Bank, this provision shall continue to apply for a six month grace period and shall only apply thereafter if the Majority of the Chilean Bank Condition is satisfied at the end of such grace period.

(e) Pursuant to the Registration Rights Agreement, Company Two and Corp Group Parent shall be entitled to certain registration rights on the terms and conditions set forth therein; provided that Company Two and Corp Group Parent shall not be permitted to Transfer any shares pursuant to such Registration Rights Agreement unless such Transfer is permitted under this Agreement. Itaú Parent shall cause the Chilean Bank to comply with its obligations under the Registration Rights Agreement.

² To insert number of shares that is equal to 16.42% of the outstanding Bank Shares on the date of this Agreement



SECTION 3.3. Right of First Offer. No Shareholder shall Transfer any of its Company Shares other than to a Permitted Transferee, except as set forth below:

(a) If either Shareholder (a “ROFO Seller”) proposes to Transfer any or all of such ROFO Seller’s Company Shares, prior to any Transfer of Company Shares, such ROFO Seller shall deliver to the other Shareholder (the “ROFO Recipient”) written notice (the “ROFO Notice”), stating such ROFO Seller’s intention to effect such a Transfer, the number of Company Shares subject to such Transfer (the “ROFO Shares”), the price per ROFO Share or the formula by which such price per ROFO Share is to be determined (which price must consist of only cash consideration) (the “ROFO Price”) and the other material terms and conditions of the proposed Transfer. The ROFO Notice may require that the ROFO Seller and ROFO Recipient enter into a definitive agreement with respect to any sale of the ROFO Shares to the ROFO Recipient on a date that is no less than thirty (30) days and no later than sixty (60) days after the date of the ROFO Notice.

(b) The ROFO Recipient will have the right, exercisable by delivery of an irrevocable written offer (each, a “ROFO Offer Notice”) to the ROFO Seller within thirty (30) days after receipt of the ROFO Notice, to make an offer to purchase all, but not less than all, of the ROFO Shares for a purchase price equal to the ROFO Price and on the other proposed terms and conditions as set forth in the ROFO Notice (each, a “ROFO Offer”).

(c) Following delivery of the ROFO Offer Notice, if applicable, the ROFO Recipient will purchase the ROFO Shares by delivering cash equal to the aggregate ROFO Price due for such ROFO Shares by wire transfer to an account designated in writing by the ROFO Seller against delivery of certificates or other instruments representing the ROFO Shares so purchased, it being understood that the consummation of such sale shall occur only after the receipt of required authorizations as set forth in Section 3.3(e).

(d) If no ROFO Offer Notice is delivered to the ROFO Seller, or if the ROFO Recipient elects not to make an offer to purchase all of the ROFO Shares pursuant to this Section 3.3, then the ROFO Seller shall be permitted for a period of six (6) months from the date the ROFO Offer Notice was due to be received by the ROFO Seller to sell to a Third Party not less than all of the ROFO Shares at a price not less than that contained in the ROFO Notice and otherwise on other terms and conditions not materially less favorable to the ROFO Seller than those contained in the ROFO Notice. Promptly after such sale to such Third Party, the ROFO Seller will notify the ROFO Recipient of the closing thereof and will furnish such evidence of the completion and time of completion of such sale and the terms and conditions of such sale as may reasonably be requested by the ROFO Recipient.

(e) Upon exercise by the ROFO Recipients of their rights of first offer under this Section 3.3, to the extent an offer or offers are received by the ROFO Seller for all ROFO Shares, the ROFO Recipients and the ROFO Seller shall be legally obligated to consummate the purchase contemplated thereby and shall use their reasonable best efforts to secure any governmental authorization required, to comply as soon as reasonably practicable with all applicable Laws and to take all such other actions and to execute such additional documents as are reasonably necessary or appropriate in connection therewith and to consummate the purchase of the ROFO Shares as promptly as practicable.



(f) In the event that such Transfer is not consummated under Sections 3.3(c) or (d), then this Section 3.3 shall again apply and such ROFO Seller shall not Transfer such Company Shares without again complying with this Section 3.3.

SECTION 3.4. Right of Co-Sale.

(a) In the event of a proposed Transfer of Company Shares or Bank Shares by Company One, by Itaú Parent or its Permitted Transferees (the “Transferring Shareholder”), Company Two, Corp Group Parent and its Permitted Transferees shall have the right to participate in the Transfer in the manner set forth in this Section 3.4. Prior to any such Transfer, the Transferring Shareholder shall deliver to Corp Group Parent prompt written notice (the “Transfer Notice”) stating, to the extent applicable, (i) the name of the proposed Transferee, (ii) the number of Company Shares or Bank Shares, as the case may be, proposed to be Transferred (the “Transferred Shares”), (iii) the proposed purchase price therefor (the “Tag-Along Price”), including a description of any non-cash consideration in sufficient detail and (iv) any other material terms and conditions of the proposed Transfer, including the proposed date for entering into a definitive agreement with respect to such Transfer (which may not be less than thirty (30) days after delivery of the Transfer Notice). The Transfer Notice shall be accompanied by a written offer from the proposed Transferee to purchase the Transferred Shares and copies of all transaction documents relating to the proposed Transfer.

(b) On or prior to the thirtieth day following receipt of the Transfer Notice, Corp Group Parent, Company Two and their Permitted Transferees may elect to Transfer to the proposed Transferee up to a number of Company Shares or Bank Shares, at Corp Group Parent’s option in its sole discretion, in each case determined in accordance with Section 3.4(c) by giving written notice to the Transferring Shareholder stating that Corp Group Parent elects to exercise its right of co-sale under this Section 3.4 and shall state the number of Company Shares or Bank Shares, as the case may be, sought to be Transferred.

(c) The proposed Transferee of Transferred Shares will not be obligated to purchase a number of Company Shares or Bank Shares, as the case may be, exceeding that set forth in the Transfer Notice, and in the event such Transferee elects to purchase less than all of the total Company Shares and/or Bank Shares sought to be Transferred by Corp Group Parent, Company Two, their Permitted Transferees and the Transferring Shareholder, Corp Group Parent, Company Two and their Permitted Transferees shall be entitled to Transfer to the proposed Transferee a number of Company Shares or Bank Shares, as applicable, equal to, in the case of Bank Shares, (i) the total number of Transferred Shares that are Bank Shares set forth in the Transfer Notice multiplied by (ii) a fraction, (A) the numerator of which is the total number of Bank Shares held by Company Two, and (B) the denominator of which is the total number of Bank Shares held by the Companies, and in the case of the Company Shares, a number of Company Shares calculated on the basis of the number of Bank Shares underlying the Company Shares based on the applicable Exchange Ratios. In order to be entitled to exercise its right to sell Company Shares or Bank Shares, as the case may be, to the proposed Transferee pursuant to this Section 3.4, Corp Group Parent, Company Two and their Permitted Transferees must agree to make to the proposed Transferee the same representations, warranties, covenants, indemnities and other agreements as the Transferring Shareholder agrees to make in connection with the proposed Transfer; provided that (i) any representations, warranties, covenants, indemnities and other



agreements shall be made severally and not jointly and (ii) Corp Group Parent, Company Two and their Permitted Transferees will be responsible for their pro rata share of any escrow or holdback arrangement. The Transferring Shareholder and Corp Group Parent, Company Two and their Permitted Transferees shall be responsible for their respective share of the costs of the proposed Transfer of Company Shares or Bank Shares based on the gross proceeds received or to be received in such proposed Transfer to the extent not paid or reimbursed by the proposed Transferee.

(d) If Corp Group Parent elects to Transfer Bank Shares pursuant to this Section 3.4, and such Transfer is not made through a tender offer launched by the proposed Transferee, Company Two shall place an order on the Santiago Stock Exchange to sell its respective Transferred Shares, and the proposed Transferee shall place an order to buy such Transferred Shares at a price not less than the Tag-Along Price; provided that (1) any such sale of Bank Shares shall be implemented through one of the mechanisms available on the Santiago Stock Exchange that only allows block sales (and, if both Company One and Company Two have elected to sell Bank Shares through the Santiago Stock Exchange, all such sales shall be combined as a single block sale) and (2) if, as a result of the competitive bidding procedures of the Santiago Stock Exchange, the Bank Shares sold by Company Two pursuant to this Section 3.4 are unexpectedly sold over the Santiago Stock Exchange to a Third Party other than the proposed Transferee, then the Transferring Shareholder and proposed Transferee shall have no further obligations under this Section 3.4 with respect to the Transferred Shares held by Company Two.

(e) Corp Group Parent, if exercising its right of co-sale hereunder through the sale of Company Shares, agrees to participate in the Transfer by delivering to the Transferring Shareholder at the closing of the Transfer of such Transferring Shareholder's Transferred Shares to the Transferee, certificates representing the Transferred Shares to be Transferred by Corp Group Parent, duly endorsed for Transfer or accompanied by stock powers duly executed, in either case executed in blank or in favor of the applicable purchaser, or the corresponding executed *traspasos*, as applicable, against payment of the aggregate purchase price therefor by wire transfer of immediately available funds.

(f) Transfers to Permitted Transferees of Itaú Parent shall not be subject to co-sale rights provided by this Section 3.4.

SECTION 3.5. Drag-Along Rights.

(a) In the event of a proposed bona-fide and arm's-length sale of all of the issued and outstanding Company Shares or Bank Shares (the "Drag-Along Shares") held by Itaú Parent, Company One and each of their Permitted Transferees (collectively, the "Dragging Shareholder") to any Person other than an Affiliate of any Dragging Shareholder, and if at such time the Dragged Shareholder shall own less than 10% On An Adjusted Basis of all of the issued and outstanding Bank Shares, then the Dragging Shareholder may deliver to Company Two, Corp Group Parent and its Permitted Transferees (collectively, the "Dragged Shareholder") written notice (the "Required Transfer Notice") of such proposed sale (the "Required Transfer"), which notice shall state (i) the name of the proposed Transferee, (ii) the proposed purchase price (which shall provide that the aggregate valuation of the Chilean Bank is at least equal to the higher of (x) its Fair Value and (y) the product of the Market Price multiplied by the number of Bank Shares outstanding in



each case as of the date of the Required Transfer Notice), (iii) the obligation of the Transferee to purchase all of the Dragged Shareholder Shares, and (iv) any other material terms and conditions of the Required Transfer, including the Required Transfer date (which date may not be less than thirty (30) days after delivery of the Required Transfer Notice). Such notice shall be accompanied by (A) a written offer from the proposed Transferee to purchase all the Company Shares or Bank Shares owned by the Companies and the Shareholders, and (B) copies of all transaction documents relating to the Required Transfer.

(b) The Dragged Shareholder shall be obligated to sell either all of its Company Shares or all of its Bank Shares (at the Dragged Shareholder's option in its sole discretion), free and clear of liens pursuant to the Required Transfer at the same price and on other terms no less favorable to the Dragged Shareholder than the Dragging Shareholder; to participate in the Required Transfer; to vote any voting Company Shares or Bank Shares in favor of the Required Transfer at any meeting of shareholders called to vote on or approve the Required Transfer and/or to consent in writing to the Required Transfer; to use its reasonable best efforts to cause its designated Directors to vote in favor of the Required Transfer at any meeting of the Board called to vote on or approve the Required Transfer and/or to consent in writing to the Required Transfer; to waive all dissenters' or appraisal rights in connection with the Required Transfer, if any; to enter into agreements relating to the Required Transfer, if any; and to agree (as to itself) to make to the proposed Transferee the same representations, warranties, covenants and agreements as the Dragging Shareholder agrees to make in connection with the Required Transfer; provided that (i) any representations, warranties, covenants, indemnities and other agreements shall be made severally and not jointly and shall not extend beyond representations or warranties relating to unencumbered title to its Company Shares or Bank Shares and its legal authority and capacity to enter into and perform the transaction documents; provided that each Shareholder will be responsible for its pro rata share of any escrow or holdback arrangement, and (ii) the Dragged Shareholder shall not be obligated to enter into any non-competition covenant. If either Company or any Shareholders are given an option as to the form and amount of consideration to be received, each Company and all Shareholders will be given the same option. Unless otherwise agreed by each Shareholder, any non-cash consideration shall be allocated among each Company and Shareholders pro rata based upon the aggregate amount of consideration to be received by such Company and Shareholders.

(c) If the Dragged Shareholder elects to Transfer Bank Shares pursuant to this Section 3.5, and such Transfer is not made through a tender offer launched by the proposed Transferee, it shall place an order on the Santiago Stock Exchange to sell the respective Bank Shares, and the proposed Transferee shall place an order to buy such Bank Shares at a price not less than the proposed purchase price set forth in the Required Transfer Notice; provided that (1) any such sale of Bank Shares shall be implemented through one of the mechanisms available on the Santiago Stock Exchange that only allows block sales (and, if both the Dragged Shareholder and the Dragging Shareholder have elected to sell Bank Shares through the Santiago Stock Exchange, all such sales shall be combined as a single block sale), and (2) if, as a result of the competitive bidding procedures of the Santiago Stock Exchange, the Bank Shares sold by the Dragged Shareholder pursuant to this Section 3.5 are unexpectedly sold over the Santiago Stock Exchange to a Third Party other than the proposed Transferee, then the Dragged Shareholder shall have no further obligation under this Section 3.5.



(d) Any expenses incurred for the benefit of the Companies and all Shareholders in relation to a Required Transfer pursuant to this Section 3.5 shall be paid by the Shareholders in accordance with their respective pro rata portion of the Bank Shares to be Transferred (including any Bank Shares Transferred indirectly through a Transfer of Company Shares) to the extent not paid or reimbursed by the Transferee.

SECTION 3.6. Put of Company Shares. (a) If and to the extent that Company Two is prohibited from selling its Bank Shares pursuant to Section 3.2(d), Corp Group Parent and its Permitted Transferees shall have the unconditional right, from time to time on one or more occasions, to sell to Itaú Parent, and Itaú Parent shall have the unconditional obligation to acquire from Corp Group Parent and its Permitted Transferees, any number of Company Shares at a price per share equal to the Market Price as of the date on which Corp Group Parent notifies Itaú Parent of Corp Group Parent’s exercise of its unconditional right to sell pursuant to this Section 3.6(a) if immediately following such sale the Majority of the Chilean Bank Condition would remain satisfied (for the avoidance of doubt, such number of Company Shares shall not exceed the minimum number of Company Shares that would result in the Majority of the Chilean Bank Condition being satisfied if Section 2.2(a) were not in effect).

(b) If Corp Group Parent wishes to exercise the right to sell pursuant to Section 3.6(a), it shall notify Itaú Parent in writing of its intention (the “Section 3.6 Put Notice”), which notice shall be irrevocable and unconditional. Itaú Parent shall pay the purchase price of the Company Shares transferred pursuant to Section 3.6(a) in one single payment in cash, by wire transfer of immediately available funds to the account specified by Corp Group Parent without withholding or deduction for or on account of any Taxes (other than as required by applicable Law). The payment of the purchase price and the purchase and sale of the applicable Company Shares shall be consummated no later than ninety (90) calendar days after the relevant notice provided by Corp Group Parent pursuant to this Section 3.6(b); provided that such closing shall be delayed until ten (10) Business Days after the date that all necessary regulatory approvals for such purchase and sale have been obtained. The Shareholders shall use their reasonable best efforts to obtain all necessary regulatory approvals for such purchase and sale as promptly as practicable.

(c) At the time of payment of the purchase price of the Company Shares set forth in Section 3.6(b), Itaú Parent shall pay Corp Group Parent, as an indemnity for not being able to benefit from the Tax Entitlement it would have received by selling the underlying Bank Shares in the Santiago Stock Exchange, a cash amount equal to (i) 50% of any Taxes of Corp Group Parent or its Affiliates arising out of or in connection with the Transfer pursuant to this Section 3.6 that would not have arisen if it sold the underlying Bank Shares in the Santiago Stock Exchange and received the applicable Tax Entitlement and (ii) any Taxes of Corp Group Parent or its Affiliates arising out of the application of this Section 3.6(c).

(d) Notwithstanding the foregoing, the number of Company Shares which Itaú Parent is required to purchase pursuant to any Section 3.6 Put Notice shall be reduced by a number equal to (i) the sum of the number of Bank Shares purchased by Itaú Parent in the 15 Business Day period following the date of such Section 3.6 Put Notice (such that Company Two shall be permitted to sell such number of Bank Shares under Section 3.2(d)) and the number of Bank Shares sold by Company Two in the applicable Section 3.6 Tender Offer (as defined below) divided by (ii) the Exchange Ratio. “Section 3.6 Tender Offer” means a tender offer which may be



commenced by Itaú Parent within 20 Business Days after the date of any Section 3.6 Put Notice to purchase at a price not less than the Market Price applicable to the Section 3.6 Notice up to a number of Bank Shares equal to the number of Company Shares set forth in such Section 3.6 Put Notice multiplied by the Exchange Ratio. Corp Group Parent shall cause Company Two to tender such number of Bank Shares into the applicable Section 3.6 Tender Offer.

SECTION 3.7. Change of Control of Corp Group Parent. Prior to consummating a Change of Control of Corp Group Parent, Corp Group Parent shall notify Itaú Parent and Company One of Corp Group Parent's (or its direct or indirect owners') intention to engage in a Change of Control. As a result of the delivery of such notice, Corp Group Parent shall provide Itaú Parent a right of first offer to purchase a number of its Company Shares equal to the number required for the Majority of the Chilean Bank Condition to remain satisfied assuming that Section 2.2(a) were not in effect at a price equal to the higher of the Market Price and Fair Value of such shares. If Itaú Parent accepts the price proposed by Corp Group Parent, Corp Group Parent shall be obligated to cause Company Two to sell such Company Shares to Itaú Parent at such price. Itaú Parent shall pay the purchase price of the Company Shares transferred pursuant to this Section 3.7 in one single payment in cash, by wire transfer of immediately available funds to the account specified by Corp Group Parent without withholding or deduction for or on account of any Taxes (other than as required by applicable Law). The payment of the purchase price and the purchase and sale of the applicable Company Shares shall be consummated no later than ninety (90) calendar days after the relevant notice provided by Corp Group Parent pursuant to this Section 3.7; provided that such closing shall be delayed until ten (10) Business Days after the date that all necessary regulatory approvals for such purchase and sale have been obtained. The Shareholders shall use their reasonable best efforts to obtain all necessary regulatory approvals for such purchase and sale as promptly as practicable. In the event that Itaú Parent does not accept the price proposed by Corp Group Parent and as a result Itaú Parent and Corp Group Parent do not reach agreement on a sale of such Company Shares to Itaú Parent, then Corp Group Parent shall be permitted to proceed with such Change of Control and Itaú Parent shall be entitled to unilaterally terminate this Agreement during a period of sixty (60) days after receipt of notice of the consummation of such Change of Control given by Corp Group Parent.

SECTION 3.8. Right to Exchange Shares for Shares of Itaú Parent. In the event Itaú Parent issues or sells (each, an "Itaú Parent Equity Transaction"), any Equity Securities (including options or warrants) of Itaú Parent ("Itaú Parent Equity Securities") to any Person as consideration for or in connection with a transaction or series of transactions involving the direct or indirect investment by Itaú Parent or its Affiliates in Equity Securities or assets of any other Person, including by means of a merger or any corporate reorganization involving the issuance of Itaú Parent Equity Securities, Itaú Parent shall inform Corp Group Parent of such issuance or sale and shall offer to Corp Group Parent the right to exchange for the same type of Itaú Parent Equity Securities. Corp Group Parent shall be entitled to exchange any or all of Corp Group Parent's and its Permitted Transferees Company Shares (and/or Company Two's Bank Shares) for such Itaú Parent Equity Securities at an exchange ratio that reflects the relative Fair Values of the relevant Itaú Parent Equity Securities and the Company Shares (and/or Bank Shares) as of the applicable date, as the case may be; provided that if the issuance of any such Itaú Parent Equity Securities to Corp Group Parent would result in IUPAR ceasing to hold more than 50% of Itaú Parent's voting equity, then Corp Group Parent shall have the right to exchange no more than an amount of Itaú Parent Equity Securities the issuance of which would not result in IUPAR ceasing to hold more



than 50% of Itaú Parent’s voting equity. Itaú Parent shall, and shall cause its relevant Subsidiaries to, effect any such exchange no later than ten (10) Business Days after the receipt of any regulatory and corporate approvals required in connection with such exchange. The Shareholders shall cooperate in good faith to complete any such exchange as promptly as practicable and shall use their reasonable best efforts to obtain all necessary regulatory and corporate approvals for any such exchange as promptly as practicable.

SECTION 3.9. Controlling Shareholder.

(a) Notwithstanding anything to the contrary in this Agreement, Itaú Parent shall have no obligation to purchase Bank Shares or Company Shares from Company Two, Corp Group Parent or any of its Permitted Transferees under this Agreement to the extent such purchase would, in and of itself, require Itaú Parent to make a tender offer for all of the outstanding Bank Shares as a result thereof.

(b) Notwithstanding anything to the contrary in this Agreement, if Itaú Parent is not the Controlling Shareholder (as defined in Article 97 of the Chilean Securities Market Act) of the Chilean Bank, prior to consummating any obligation to purchase Company Shares or Bank Shares from Corp Group Parent, Company Two or their Permitted Transferees under any applicable provisions of this Agreement (including, without limitation, Sections 3.6, 5.1 or 6.2) which would result in Itaú Parent being the Controlling Shareholder of the Chilean Bank, Itaú Parent shall commence a tender offer to purchase a number of Bank Shares which would result in Itaú Parent being the Controlling Shareholder of the Chilean Bank for the purchase price provided in such applicable provision of this Agreement and shall in any event satisfy its obligation (whether through the tender offer or a subsequent purchase thereafter) within ninety (90) calendar days. Corp Group Parent shall cause Company Two to tender its Bank Shares into such tender offer and, to the extent (and only to the extent) that such Bank Shares are purchased by Itaú Parent through such tender offer, Itaú Parent shall be deemed to have purchased such Bank Shares in satisfaction of such applicable provision of this Agreement (it being agreed and understood that any applicable obligations of Itaú Parent to sell such Bank Shares back to Corp Group Parent or Company Two shall not be adversely affected by this Section 3.9(b)).

SECTION 3.10. Tax Benefit Allocation.

(a) The Shareholders hereby acknowledge that (i) before the Chilean Effective Time certain Bank Shares owned by the Companies had, either totally or partially, the exemption on capital gains set forth in Article 107 of the Chilean Income Tax Law entitling the holder of such Bank Shares to transfer them free of Chilean capital gains tax (the “Tax Entitlement”) and (ii) the Tax Entitlement remains in the Bank Shares held, directly or indirectly, by the Companies.

(b) The Shareholders (i) agree to use reasonable best efforts and cooperate so that the provisions set forth in this Agreement (including without limitation with respect to any Transfer contemplated by Section 3.6) are implemented in a manner that allows the Shareholders to use the Tax Entitlement and (ii) shall consider all mechanisms available at such time to allow a Shareholder to use the Tax Entitlement or mitigate in any way the overall tax result of the implementation of such provisions; provided that such efforts shall neither alter the economic substance of the provisions of this Agreement nor generate a detrimental tax effect on the other Shareholder.



ARTICLE IV

PREEMPTIVE RIGHTS

SECTION 4.1. Preemptive Rights. The applicable preemptive rights as of the date hereof under the Chilean Corporations Act shall apply to issuances and sales of Equity Securities of the Chilean Bank. Notwithstanding any amendments to the Chilean Corporations Act, the preemptive rights under the legislation in force as of the date hereof shall continue to apply.

ARTICLE V

PUT AND CALL OPTIONS

SECTION 5.1 Corp Group Parent Liquidity Put and Call Options.

(a) At any time and from time to time during the period starting on the date hereof and ending 18 months after the Closing Date, Corp Group Parent shall have the unconditional right either to (at the option of Corp Group Parent in its sole discretion):

(i) sell to Itaú Parent, and Itaú Parent shall have the unconditional obligation to acquire from Corp Group Parent Company Shares representing in the aggregate up to 6.6% of all of the outstanding Bank Shares based on the Exchange Ratio at a price equal to the Market Price as of the date on which Corp Group Parent notifies Itaú Parent of Corp Group Parent's exercise of its unconditional right to sell pursuant to this Section 5.1(a) (the "Corp Group Parent Put Exercise Date"); or

(ii) cause Company Two to sell to Itaú Parent or one of its wholly-owned Subsidiaries Bank Shares representing up to 6.6% of all of the outstanding Bank Shares on the Corp Group Parent Put Exercise Date (it being understood that in such event Itaú Parent unconditionally agrees to place an order on the Santiago Stock Exchange on the ninth Business Day after the Corp Group Parent Put Exercise Date to buy all of such Bank Shares at a price not less than the Market Price of such shares as of the Corp Group Parent Put Exercise Date);

provided that (1) any sale of Bank Shares pursuant to clause (ii) above shall be implemented through one of the mechanisms available on the Santiago Stock Exchange that only allows block sales and (2) if, as a result of the competitive bidding procedures of the Santiago Stock Exchange, the Bank Shares sold by Company Two pursuant to clause (a)(ii) above are unexpectedly sold over the Santiago Stock Exchange to a Third Party other than Itaú Parent or any of its Affiliates at a price higher than the Market Price of such shares as of the Corp Group Parent Put Exercise Date, then Corp Group Parent shall no longer have the right set forth in Section 5.1 (b)(ii) to repurchase such Bank Shares from Itaú Parent or one of its wholly-owned Subsidiaries.



(b) At any time and from time to time during the five (5)-year period starting on any Corp Group Parent Put Exercise Date, Corp Group Parent shall have the unconditional right either to (at the option of Corp Group Parent in its sole discretion):

(i) acquire from Itaú Parent, and Itaú Parent shall have the unconditional obligation to sell to Corp Group Parent, a number of Company Shares up to the number of Company Shares sold pursuant to Section 5.1(a)(i) at the same price per Company Share as was paid by Itaú Parent pursuant to Section 5.1 (a)(i) plus an annual interest rate at the Chilean *Índice de Cámara Promedio* plus a spread that is not to exceed the lowest spread then being offered by the Chilean Bank to non-governmental borrowers in Chile; or

(ii) cause Itaú Parent to place an order on the Santiago Stock Exchange (on a date coordinated by the Shareholders) to sell to Corp Group Parent and/or Company Two a number of Bank Shares up to the number of Bank Shares sold to Itaú Parent or one of its wholly-owned Subsidiaries by Company Two pursuant to Section 5.1(a)(ii) at the same price per Bank Share as was paid by Itaú Parent or one of its wholly-owned Subsidiaries pursuant to Section 5.1(a)(ii) plus an annual interest rate at the Chilean *Índice de Cámara Promedio* plus a spread that is not to exceed the lowest spread then being offered by the Chilean Bank to non-governmental borrowers in Chile (the “Call Price”) (it being understood that in such event Itaú Parent unconditionally agrees to sell all of such Bank Shares at such Call Price);

provided that (1) any sale of Bank Shares pursuant to clause (ii) above shall be implemented through one of the mechanisms available on the Santiago Stock Exchange that only allows block sales, (2) if, as a result of the competitive bidding procedures of the Santiago Stock Exchange, the Bank Shares sold by Itaú Parent or one of its wholly-owned Subsidiaries pursuant to clause (b)(ii) above are sold over the Santiago Stock Exchange to a Third Party at a price higher than the Call Price of such shares, then Corp Group Parent and/or Company Two shall not have right to repurchase such Bank Shares and (3) for purposes of determining which Company Shares or Bank Shares are being acquired when Corp Group Parent’s and Company Two’s unconditional right to acquire is exercised pursuant to this Section 5.1(b), a first in/first out methodology shall be used.

(c) If Corp Group Parent or Company Two wish to exercise the right to sell or the right to buy pursuant to Section 5.1(a) or (b), respectively, Corp Group Parent shall notify Itaú Parent in writing of its intention, which notice shall be irrevocable and unconditional.

(d) Itaú Parent and Corp Group Parent and/or Company Two shall pay the purchase price of the Company Shares transferred pursuant to this Section 5.1 in a single payment in cash for each individual transaction, by wire transfer of immediately available funds to the account specified by Itaú Parent or Corp Group Parent, as applicable, without withholding or deduction for or on account of any Taxes (other than as required by applicable Law).

(e) The purchase and sale of the applicable Company Shares or Bank Shares, as the case may be, shall be consummated as soon as practicable and no later than ninety (90) calendar days, in each case after the relevant notice provided by Corp Group Parent pursuant to Section 5.1(c); provided that such closing shall be delayed until ten (10) Business Days after the date that all necessary regulatory and corporate approvals for such purchase and sale have been obtained. The Shareholders shall use their reasonable best efforts to obtain all necessary regulatory and corporate approvals for the purchase and sale in a prompt manner.



SECTION 5.2. Call Option in Event of Material Breach.

(a) If a Shareholder commits a Material Breach of this Agreement (the “Breaching Shareholder”), then, without limiting any other right or remedy the non-Breaching Shareholder may have, the non-Breaching Shareholder shall have the right to give written notice to the Breaching Shareholder describing such Material Breach and demanding that the Breaching Shareholder cure the Material Breach by fully performing its obligation. If the Breaching Shareholder has not cured its Material Breach within fifty (50) calendar days after receipt of any such notice from the non-Breaching Shareholder (the “Cure Period”), (i) the non-Breaching Shareholder shall have the unconditional right (the “Breach Call Option”), by written notice from the non-Breaching Shareholder to the Breaching Shareholder delivered at any time during the continuance of such Material Breach after the Cure Period (the “Breach Call Notice”), to require the Breaching Shareholder to sell, and the Breaching Shareholder shall have the unconditional obligation to sell and transfer all of its Company Shares (or all the Bank Shares held by the Company in which the Breaching Shareholder and its Permitted Transferees own Company Shares) to the non-Breaching Shareholder at a price per Share (the “Breach Call Price”) equal to 80% of the Market Price as of the date of the Breach Call Notice, and (ii) if the non-Breaching Shareholder is Corp Group Parent, Corp Group Parent shall also have the right (the “Breach Put Option”), by written notice to Itaú Parent delivered at any time during the continuance of such Material Breach after the Cure Period the (“Breach Put Notice”), to sell to Itaú Parent, and Itaú Parent shall thereupon acquire from Corp Group Parent, all of its and its Permitted Transferees’ Company Shares (or all of the Bank Shares held by Company Two) at a price per Share (the “Breach Put Price”) equal to 120% of the Market Price as of the date of the Breach Put Notice. If the Breaching Shareholder cures the Material Breach that gave rise to the Breach Call Option or Breach Put Option prior to receiving a Breach Call Notice or Breach Put Notice from the non-Breaching Shareholder, the non-Breaching Shareholder shall no longer have the right to exercise the Breach Call Option (or the Breach Put Option) in respect of such Material Breach in question. The non-Breaching Shareholder shall have the right to decide whether Company Shares or Bank Shares shall be sold and purchased pursuant to this Section 5.2. Notwithstanding the foregoing, if the non-Breaching Shareholder is Itaú Parent, Itaú Parent may elect to purchase the maximum number of Bank Shares or Company Shares which would allow Itaú Parent to avoid making a public offer for all of the outstanding Bank Shares (and, upon the consummation of such purchase, this Agreement shall automatically terminate).

(b) The non-Breaching Shareholder shall pay the Breach Call Price for the Company Shares or Bank Shares to the Breaching Shareholder in one single payment, in cash, by wire transfer of immediately available funds to the account specified by the Breaching Shareholder, without withholding or deduction for or on account of any Taxes (other than as required by applicable Law). The Breaching Shareholder and non-Breaching Shareholder shall cooperate in good faith to complete the sale as promptly as reasonably practicable and shall use their reasonable best efforts to obtain all necessary regulatory consents for such purchase and sale in a prompt manner.



(c) Itaú Parent shall pay the Breach Put Price for the Company Shares or Bank Shares to Corp Group Parent in one single payment, in cash, by wire transfer of immediately available funds to the account specified by Corp Group Parent, without withholding or deduction for or on account of any Taxes (other than as required by applicable Law). Corp Group Parent and Itaú Parent shall cooperate in good faith to complete the sale as promptly as reasonably practicable and shall use their reasonable best efforts to obtain all necessary regulatory consents for such purchase and sale in a prompt manner.

ARTICLE VI

ADDITIONAL AGREEMENTS AND COVENANTS

SECTION 6.1. Non-Competition; Non-Solicit.

(a) During the Non-Compete Period, each Shareholder shall not, and shall cause its controlled Affiliates not to, directly or indirectly, own, invest, control, acquire, operate, manage, participate or engage in any Banking Business in the Territory (or any Banking Business with clients for whom a majority of their consolidated revenue in the last fiscal year was from business in the Territory) other than (i) through its investment in the Chilean Bank and its Subsidiaries and (ii) through any *sociedad de apoyo al giro* in which the Chilean Bank has an ownership interest even if not a Subsidiary thereof (including Transbank S.A., Redbanc S.A. and ComBank S.A.), which shall be the exclusive vehicles through which the Shareholders may engage in any Banking Business in the Territory.

(b) During the Non-Compete Period, each Shareholder shall not, and shall cause its controlled Affiliates not to, directly or indirectly: solicit for hire, hire or otherwise induce or attempt to induce any officer of the Chilean Bank or any of its Subsidiaries to leave the employment of the Chilean Bank or any of its Subsidiaries, or in any way interfere with the relationship between the Chilean Bank or any of its Subsidiaries, on the one hand, and any officer thereof on the other hand; provided that general hiring solicitations (and hires in connection therewith) not targeted at such officer shall not be in breach of this provision; and provided further that it shall not be in breach of this provision if such actions are commenced more than one year after such Person’s employment or contractual relationship with the Chilean Bank or any of its Subsidiaries has been terminated; unless such employment or relationship was terminated by the Chilean Bank or any of its Subsidiaries in which case no restriction shall apply.

(c) Nothing herein shall prohibit any Person (an “Investing Person”) from: (i) providing consumer financing and other financial products or services offered from time to time by supermarkets and other nonbank retailers in the applicable jurisdiction; provided that if SMU determines to offer products or services together with any bank in connection therewith, Corp Group Parent shall use commercially reasonable efforts to cause SMU to enter into arms-length negotiations with the Chilean Bank with respect to such offering; (ii) financing or providing asset management products and services; (iii) receiving from or providing to any Person a personal guaranty or a loan or engaging in other financial arrangements in connection with a transaction or transactions that does not otherwise constitute a Banking Business in the Territory; (iv) making investments by or in employee retirement, pension or similar plans or funds or in companies that



manage such plans or funds; (v) acquiring, owning, controlling or managing, in any Person and, for this purpose, controlled Affiliates of such Investing Person shall be deemed to be one Investing Person (or a part of its business), that has any Banking Business in the Territory pursuant to purchase, merger, consolidation or otherwise so long as (A) the Banking Business in the Territory conducted by such Person or business constitutes not more than 10% of the revenues of such acquired Person or business and not more than 5% of the revenues of the Chilean Bank, in each case for the immediately preceding 12 months, and (B) after consummation of such acquisition, the Investing Person offers the Chilean Bank the right to acquire from the Investing Person such Banking Business (to the extent located inside the Territory) for cash at the Fair Value thereof; (vi) acquiring, owning, controlling, managing, investing in any Person or business which would not otherwise be permitted under this Section 6.1; provided that the Investing Person undertakes to sell the portion of the business carried on by such Person or business so acquired which would otherwise result in a breach of this Section 6.1; provided that: (x) pending such sale, the Investing Person takes reasonable steps to avoid any disclosure of any Confidential Information by it, or its Representatives to such Person or business, (y) the sale process is commenced promptly after such acquisition and the Investing Person does not refuse offers to acquire such portion of the business for consideration equal to or greater than its Fair Value and otherwise on customary terms and (z) the Chilean Bank is permitted to participate in the sales process; (vii) acquiring, owning, controlling, managing, investing in any Person that has any Banking Business in the Territory or engaging in a New Business Opportunity if such transaction or New Business Opportunity was presented by the Chilean Bank to Itaú Parent, in the case that Corp Group Parent and/or its Permitted Transferees are the Investing Person, or Corp Group Parent, in the case that Itaú Parent and/or its Permitted Transferees are the Investment Person, under Sections 2.8 and 6.5, as applicable, and the Shareholder to which the transaction or New Business Opportunity was presented withheld its consent to the Chilean Bank consummating such transaction; (viii) providing products or services pursuant to any unsolicited request from any client that operates in the Territory which cannot be reasonably provided by the Chilean Bank or its Subsidiaries or (ix) acquiring, owning, managing or investing in the MCC Entities or prohibit any activities currently conducted by the MCC Entities. Notwithstanding anything in this Section 6.1(c) to the contrary, no Person shall have any liability for any inadvertent immaterial breach of this Section 6.1, subject to the breaching party taking commercially reasonable remedial action promptly upon receiving notice of such breach.

(d) The Shareholders recognize that the covenants in this Section 6.1, and the territorial, time and other limitations with respect thereto, are reasonable and properly required for the adequate protection of the Shareholders, the Chilean Bank and its Subsidiaries. Each Shareholder agrees that such limitations are reasonable with respect to its activities, business and public purpose. The Shareholders agree and acknowledge that the violation of this Section 6.1 would cause irreparable injury to the Shareholders, as the owners of the Chilean Bank Shares, and that the remedy at law for any violation or threatened violation thereof would be inadequate and that, in addition to whatever other remedies may be available at law or in equity, Shareholders shall be entitled to seek temporary and permanent injunctive or other equitable relief without the necessity of proving actual damages or posting bond. The Shareholders also waive any requirement of proving actual damages in connection with obtaining any such injunctive or other equitable relief. Further, it is the intention of the Shareholders that the provisions of this Section 6.1 shall be enforced to the fullest extent permissible under the Laws and the public policies of the State of New York or any other applicable jurisdiction. If, at the time of enforcement of this



Section 6.1, a court holds that the restrictions stated herein are unreasonable under the circumstances then existing, the Shareholders agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area set forth in this Section 6.1.

SECTION 6.2. Dividend Policy; Dividend Put and Call Options.

(a) For each of the eight full fiscal years of the Chilean Bank following the Closing Date (the “Dividend Period”), each of the Shareholders will cause the Chilean Bank to adopt an annual business plan and budget that expressly provides for the management of the Chilean Bank and its Subsidiaries in a manner that has as its primary target, in the following order of priority: (i) *first*, complying with Optimal Regulatory Capital for such fiscal year (including achieving up to, but in no event exceeding, the Minimum Growth Rate inherent in the definition of Optimal Regulatory Capital), (ii) *second* (after achieving the objective in clause (i) above), the payment by the Chilean Bank of cash dividends aggregating at least US\$370 million for each year during the Dividend Period and (iii) *third* (after achieving the objectives in both clause (i) and (ii) above), achieving a growth rate of the total assets of the Chilean Bank and the Colombian Bank above the Minimum Growth Rate and other reasonable objectives as determined by the Board of the Chilean Bank; *provided* that the Board of the Chilean Bank shall have expressly determined in good faith that such growth rate and objectives would not reasonably be expected to cause the Chilean Bank to fail to achieve the objectives in clauses (i) and (ii) in any of the next two fiscal years after such determination and during the Dividend Period.

(b) The Shareholders agree to cause the Chilean Bank Board to (i) cause management of the Chilean Bank and its Subsidiaries to conduct the business of the Chilean Bank and its Subsidiaries in accordance with the annual business plan and budget adopted in accordance with Section 6.2(a) (it being understood the obligation to cause the business of the Chilean Bank and its Subsidiaries to be conducted in accordance with such annual business plan and budget does not constitute a guarantee that the objectives in the Business Plan and Budget will be achieved in any given year), (ii) to discuss on a quarterly basis the adherence of the Chilean Bank and its Subsidiaries to the annual business plan and budget and (iii) if the Chilean Bank Board or such management seeks to deviate from the annual business plan and budget, to permit the Chilean Bank or its Subsidiaries to deviate from the annual business plan and budget adopted in accordance with Section 6.2(a) only if such deviation is itself in compliance with Section 6.2(a), including the priorities set forth therein for any year during such eight-year period following the Closing Date, except to the extent deviations are solely in response to unforeseen changes in economic, business or financial conditions generally affecting the financial services industries in which the Chilean Bank and its Subsidiaries operate and were not contemplated by the annual business plan and budget initially adopted in accordance with Section 6.2(a).

(c) If the amount of the dividends paid in cash by the Chilean Bank is less than U.S. \$370 million for any fiscal year during the Dividend Period, the Shareholders will cause the Companies to cause the Chilean Bank and its Subsidiaries to maximize the use of Tier 2 capital, to the fullest extent permitted by applicable Law to increase its regulatory capital to the extent required to maintain Optimal Regulatory Capital requirements for such fiscal year.



(d) The Shareholders shall cause the Chilean Bank to pay the annual Required Dividend before March 31 of each Fiscal Year. If the portion of the Required Dividend declared by the Chilean Bank to be received by Corp Group Parent in cash is less than the Minimum Dividend Amount in any fiscal year during the first eight full fiscal years following the Closing Date, Corp Group Parent shall have the unconditional right, from and after the date that such dividend is declared, either to (at the option of Corp Group Parent in its sole discretion):

(i) sell to Itaú Parent, and Itaú Parent shall have the unconditional obligation to acquire from Corp Group Parent, at a price per Company Share equal to the Market Price as of the date on which Corp Group Parent notifies Itaú Parent of Corp Group Parent's exercise of its unconditional right to sell pursuant to this Section 6.2(d)(i) (the "Dividend Put Price"), a number of Company Shares of Company Two equal to (A) the Minimum Dividend Amount minus the portion of the Required Dividend declared by the Chilean Bank to be received by Corp Group Parent, divided by (B) the Dividend Put Price; or

(ii) cause Company Two to sell to Itaú Parent or one of its wholly-owned Subsidiaries, at a price per Bank Share (the "Bank Shares Dividend Put Price") equal to the Market Price as of the date on which Corp Group Parent notifies Itaú Parent of Corp Group Parent's exercise of its unconditional right to sell pursuant to this Section 6.2(d)(ii) (the "Bank Shares Dividend Put Exercise Date"), a number of Bank Shares equal to (A) the Minimum Dividend Amount minus the Required Dividend declared by the Chilean Bank and to be received by Corp Group Parent, divided by (B) the Bank Shares Dividend Put Price; provided that in such event Itaú Parent unconditionally agrees to place an order on the Santiago Stock Exchange on the ninth Business Day after the Bank Shares Dividend Put Exercise Date to buy all of such Bank Shares at a price not less than the Market Price of such Bank Shares as of such date;

provided, further, that (1) any sale of Bank Shares pursuant to Section 6.2(d)(ii) shall be implemented through one of the mechanisms available on the Santiago Stock Exchange that only allows block sales and (2) if, as a result of the competitive bidding procedures of the Santiago Stock Exchange, the Bank Shares sold by Company Two pursuant to Section 6.2(d)(ii) are unexpectedly sold over the Santiago Stock Exchange to a Third Party at a price higher than the Market Price of such shares as of the Bank Shares Dividend Put Exercise Date, then Corp Group Parent shall no longer have the right set forth in Section 6.2(e) to repurchase such Bank Shares from Itaú Parent or one of its wholly-owned Subsidiaries.

(e) During the five-year period following the exercise by Corp Group Parent of any right to sell Company Shares or Bank Shares pursuant to Section 6.2(d), Corp Group Parent shall have the unconditional right either to (at the option of Corp Group Parent in its sole discretion):

(i) acquire from Itaú Parent, and Itaú Parent shall have the unconditional obligation to sell to Corp Group Parent, a number of Company Shares up to the number of Company Shares sold pursuant to Section 6.2(d)(i) at the same price per Company Share as was paid by Itaú Parent pursuant to Section 6.2(d)(i) plus an annual interest rate at the Chilean *Índice de Cámara Promedio* plus a spread that is not to exceed the lowest spread then being offered by the Chilean Bank to non-governmental borrowers in Chile; or



(ii) cause Itaú Parent to place an order on the Santiago Stock Exchange (on a date coordinated by the Shareholders) to sell to Corp Group Parent and/or Company Two a number of Bank Shares up to the number of Bank Shares sold to Itaú Parent or one of its wholly-owned Subsidiaries by Company Two pursuant to Section 6.2(d)(ii) at the same price per Bank Share as was paid by Itaú Parent or one of its wholly-owned Subsidiaries pursuant to Section 6.2(d)(i) plus an annual interest rate at the Chilean *Índice de Cámara Promedio* plus a spread that is not to exceed the lowest spread then being offered by the Chilean Bank to non-governmental borrowers in Chile (the “Dividend Call Price”) (it being understood that in such event Itaú Parent unconditionally agrees to sell all of such Bank Shares at the Dividend Call Price);

provided, further, that (1) any sale of Bank Shares pursuant to Section 6.2(e)(ii) shall be implemented through one of the mechanisms available on the Santiago Stock Exchange that only allows block sales, (2) if, as a result of the competitive bidding procedures of the Santiago Stock Exchange, the Bank Shares sold by Itaú Parent or one of its wholly-owned Subsidiaries pursuant to Section 6.2(e)(ii) are sold over the Santiago Stock Exchange to a Third Party at a price higher than the Dividend Call Price of such shares, then Corp Group Parent and/or Company Two shall not have right to repurchase such Bank Shares and (3) for purposes of determining which Company Shares or Bank Shares are being acquired when Corp Group Parent’s and Company Two’s unconditional right to acquire is exercised pursuant to this Section 6.2(e), a first in/first out methodology shall be used.

(f) Itaú Parent, Company One, Corp Group Parent and Company Two, as applicable, shall pay the purchase price of the Company Shares or Bank Shares transferred pursuant to Section 6.2(d) or (e) in a single payment in cash for each individual transaction, by wire transfer of immediately available funds to the account specified by Itaú Parent or Corp Group Parent, as applicable, without withholding or deduction for or on account of any Taxes (other than as required by applicable Law). The payment of the purchase price and the purchase and sale of the applicable Company Shares or Bank Shares, as the case may be, shall be consummated as soon as practicable and no later than ten (10) Business Days, in each case after the date on which Corp Group Parent notifies Itaú Parent in writing of the exercise of the unconditional right to sell pursuant to Section 6.2(d) or to buy pursuant to Section 6.2(e); provided that such closing shall be delayed until ten (10) Business Days after the date that all necessary regulatory consents for such purchase and sale have been obtained. The Shareholders shall use their reasonable best efforts to obtain all necessary regulatory consents for any such purchase and sale in a prompt manner.

SECTION 6.3. Use of the Shareholders’ Brands.

(a) The Chilean Bank’s corporate name shall be “Itaú Corpbanca”.

(b) The Shareholders agree that for so long as Itaú Parent directly or indirectly owns Bank Shares, subject to the corresponding license agreements, CorpBanca and its Subsidiaries shall have a royalty-free, perpetual license to use the Itaú Brand, whether alone or in conjunction with other trademarks. Subject to section 6.3(c) below, all advertising, promotional, marketing, product literature, press releases, public filings or other consumer-facing materials shall be determined by Itaú Parent in its sole discretion.



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(c) The Shareholders shall cause CorpBanca and its Subsidiaries to exclusively use the Itaú Brand and the Shareholders shall cause the names of the Subsidiaries to be changed to reflect such Itaú Brand as directed by Itaú Parent.

SECTION 6.4. Preapproved Matters.

Corp Group Parent undertakes to consent to (including for purposes of Section 2.8) and affirmatively vote its Bank Shares at any shareholders' meeting in favor of the approval of (i) a transaction between the Chilean Bank's stock-broker (*corredora*) Subsidiary and MCC at such time as MCC is wholly owned by an Affiliate of Itaú Parent, which transaction may be structured as an acquisition of Equity Securities of MCC by the Chilean Bank (followed by a merger such Subsidiary and MCC) and shall involve a valuation equal to the Fair Value thereof ("Preapproved Matters") and (ii) the implementation of Section 6.3.

SECTION 6.5. Strategic Transactions.

(a) Corp Group Parent and Itaú Parent intend to use the Chilean Bank and its Subsidiaries as their exclusive vehicle to pursue business opportunities in the Banking Business in Chile, Colombia, Peru and Central America. As a result, if either Corp Group Parent or Itaú Parent, or any of its respective Affiliates, intends to pursue or develop any new business opportunities in the Banking Business in Chile, Colombia, Peru and/or Central America (each, a "New Business Opportunity"), individually or with third parties, Corp Group Parent and Itaú Parent (as the case may be) shall or, if applicable, shall cause its Affiliate, to notify the other party and shall provide the Chilean Bank with the exclusive right to pursue such New Business Opportunity (through the Chilean Bank and its Subsidiaries) prior to presenting it to or pursuing it individually or with third parties. If Corp Group Parent or Itaú Parent does not agree to the Chilean Bank pursuing or continuing to pursue or consummating any particular New Business Opportunity within thirty (30) days following receipt of such notice, the other party shall have the right to pursue and implement such New Business Opportunity unilaterally and not through the Chilean Bank.

(b) Corp Group Parent and Itaú Parent shall use their best efforts to avoid dilution of their respective equity ownership in the Chilean Bank in connection with the implementation of any New Business Opportunity. If Corp Group Parent agrees to the Chilean Bank pursuing a New Business Opportunity that would require a capital increase and/or a change in the dividend policy of the Chilean Bank, Itaú Parent shall provide Corp Group Parent with long-term financing in an amount reasonably deemed necessary by Corp Group Parent to finance its subscription of its pro rata share of all Bank Shares issued by the Chilean Bank in such capital increase; provided that such financing will bear interest at a market rate and contain other terms, including guarantees, that are commercially reasonable for comparable credits at such time. If Corp Group Parent agrees to allow the Chilean Bank to pursue and implement such New Business Opportunity but decides not to participate in the capital increase in connection therewith, Itaú Parent will grant Corp Group Parent an unconditional additional call option with respect to the number of Bank Shares or Company Shares (at the election of Corp Group Parent in its sole discretion) that if purchased by Corp Group Parent at such time would restore its direct and indirect ownership percentage of outstanding Bank Shares to its ownership percentage of outstanding Bank Shares immediately prior to such capital increase, with such call option being



subject to the terms of Sections 5.1(b)-(e) (except that the strike price thereof shall be an amount equal to the price per Share that Itaú Parent paid in the capital increase plus interest at the Chilean *Índice de Cámara Promedio* plus a spread that is not to exceed the lowest spread then being offered by the Chilean Bank to non-governmental borrowers in Chile).

SECTION 6.6. Itaú Parent's Paraguay and Uruguay Operations. Corp Group Parent and Itaú Parent shall (i) negotiate in good faith the inclusion of their respective businesses in Paraguay and Uruguay as part of the business owned and operated by the Chilean Bank, (ii) shall use their reasonable best efforts to agree on the valuation of such businesses in Paraguay and Uruguay and (iii) if Corp Group Parent and Itaú Parent agree on the valuation of such businesses, such businesses shall be transferred to, and owned and operated by, the Chilean Bank, it being agreed that nothing in this Section 6.6 shall be construed to require Corp Group Parent or Itaú Parent to agree to any transaction that Corp Group Parent or Itaú Parent, respectively, determine in good faith would impair the consummation or anticipated benefits of the transactions contemplated by this Agreement or impose an adverse effect on such party.

ARTICLE VII

MISCELLANEOUS

SECTION 7.1. Termination.

(a) This Agreement shall terminate:

(i) upon written agreement to that effect, signed by all parties hereto or all parties then possessing any rights hereunder;

(ii) upon Company One, Itaú Parent and their Permitted Transferees ceasing to own, directly or indirectly, any Bank Shares;

(iii) upon Company Two, Corp Group Parent and their Permitted Transferees ceasing to own, directly or indirectly, at least 13% On An Adjusted Basis of the outstanding Bank Shares (the "Termination Threshold"); provided that if the Termination Threshold is adjusted in accordance with the definition of the term "On An Adjusted Basis", Itaú Parent and Corp Group Parent agree to execute an addendum to this Agreement evidencing the amount of such adjustment and the Termination Threshold then in effect; provided further that Sections 2.2 (other than 2.2(b)), 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9, 3.10, 4.1, 5.1 and 6.1 shall survive any such termination and shall continue to be in full force and effect until Company Two, Corp Group Parent and its Permitted Transferees cease to own directly or indirectly at least 3.25% of the outstanding Bank Shares; or

(iv) at the election of Corp Group Parent, upon Itaú Parent, Company One and their Permitted Transferees and Newcos acquired by Itaú Parent ceasing to own more than 50% plus one Company Share of Company One or ceasing to own more than 168,701,938,465 Bank Shares (which shall be adjusted from time to time for any reorganizations, recapitalizations, reclassifications, stock dividends, stock splits and other



similar changes in capitalization); provided further that Sections 3.4, 3.5, 3.6, 3.8, 3.10, 4.1 and 5.1 shall survive any such termination and shall continue to be in full force and effect until Company Two, Corp Group Parent and its Permitted Transferees cease to own directly or indirectly at least 3.25% of the outstanding Bank Shares.

(b) Nothing herein shall relieve any party from any liability for the breach of any of the agreements set forth in this Agreement.

SECTION 7.2. Minority Rights. In the event of a change in applicable Law affecting the rights of the Shareholders under this Agreement, the Shareholders shall, to the extent permitted by applicable Law, use their reasonable best efforts to maintain all rights and protections granted to minority shareholders under this Agreement or under the applicable Law as of the date hereof (including dividend rights and rights granted under the applicable public tender offers regulations).

SECTION 7.3. Amendments and Waivers. Except as otherwise provided herein, no modification, amendment or waiver of any provision of this Agreement shall be effective without the consent of each and all Shareholders. The failure of any party to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms.

SECTION 7.4. Successors, Assigns and Transferees. This Agreement shall bind and inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns. Shareholders may assign their respective rights and obligations hereunder to any Transferees only to the extent expressly provided herein.

SECTION 7.5. Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by confirmed facsimile or email transmission if sent during normal business hours of the recipient, if not, then on the next Business Day; provided that a copy of such notice is also sent via internationally recognized overnight courier, specifying next day delivery, with written verification of receipt; (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one (1) Business Day after deposit with an internationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to such party's address as set forth below or at such other address as the party shall have furnished to each other party in writing in accordance with this provision:

Inversiones Corp Group Interhold
Ltda.:

Rosario Norte 660, Las Condes
Santiago, Chile
Fax Number: (56-2) 2660-6021
Attention: Alvaro Barriga O.



Copy to Counsel:

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017
Fax Number: (212) 455-2502
Attention: David L. Williams
Edward Chung

and

Claro & Cía.
Av. Apoquindo 3721, 14th Floor
Santiago, Chile 755 0177
Fax Number: (56-2) 2367 3003
Attention: José María Eyzaguirre B.
Felipe Larrain

Itaú Parent:

Praça Alfredo Egydio de Souza Aranha, 100
Torre Olavo Setubal, PI
04344-902 – São Paulo – SP – Brasil
Fax Number: +55 11 5019-2302
Attention: Ricardo Villela Marino



Copy to Counsel (which shall not constitute notice):

Praça Alfredo Egydio de Souza Aranha, 100
Torre Conceição, 12º andar
04344-902 – São Paulo – SP – Brasil
Fax Number: +5511 5019 1788
Attention: Álvaro F. Rizzi Rodrigues
Fax Number: +5511 5019-1114
Attention: Fernando Della Torre Chagas

and

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
Fax Number: +1 (212) 403-2000
Attention: Richard K. Kim
Mark F. Veblen

and

Claro & Cía.

Av. Apoquindo 3721, 14th Floor
Santiago, Chile 755 0177
Fax Number: +(562) 2367 3003
Attention: Cristóbal Eyzaguirre
Luisa Núñez

[Itaú Unibanco Holding, S.A.]:

[address]
Fax Number:
Attention:



Copy to Counsel:

Praça Alfredo Egydio de Souza Aranha, 100
Torre Conceição, 12º andar
04344-902 – São Paulo – SP – Brasil
Fax Number: +5511 5019 1788
Attention: Álvaro F. Rizzi Rodrigues
Fax Number: +5511 5019-1114
Attention: Fernando Della Torre Chagas

and

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
Fax Number: (212) 403-2000
Attention: Richard K. Kim
Mark F. Veblen

and

Claro & Cía.

Av. Apoquindo 3721, 14th Floor
Santiago, Chile 755 0177
Fax Number: (56-2) 2367 3003
Attention: Cristóbal Eyzaguirre
Luisa Núñez

SECTION 7.6. Further Assurances. At any time or from time to time after the date hereof, the parties agree to cooperate with each other, and at the request of any other party, to execute and deliver any further instruments or documents and to take all such further action as the other party may reasonably request in order to evidence or effectuate the consummation of the transactions contemplated hereby and to otherwise carry out the intent of the parties hereunder.

SECTION 7.7. Entire Agreement. Except as otherwise expressly set forth herein, this Agreement embodies the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, that may have related to the subject matter hereof in any way.

SECTION 7.8. Restrictions on Other Agreements. Following the date hereof, no Shareholder or any of its, her or his Permitted Transferees shall enter into or agree to be bound by any shareholder agreements or arrangements of any kind with any Person with respect to any Company Shares or Bank Shares. Notwithstanding anything to the contrary set forth in this Agreement, this Agreement shall not apply to or with respect to the Colombian Bank and its Subsidiaries until such time as the CorpBanca Colombia Shareholders Agreement has been terminated pursuant to Section 7.1 thereof).



SECTION 7.9. Delays or Omissions. It is agreed that no delay or omission to exercise any right, power or remedy accruing to any party, upon any breach, default or noncompliance by another party under this Agreement, shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of or in any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character on the part of any party hereto of any breach, default or noncompliance under this Agreement or any waiver on such party's part of any provisions or conditions of this Agreement, must be in writing and signed by the party granting the waiver and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, by Law, or otherwise afforded to any party, shall be cumulative and not alternative.

SECTION 7.10. Governing Law; Dispute Resolution; Waiver of Jury Trial.

(a) **Governing Law.** THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF NEW YORK WITHOUT REGARD TO ITS CONFLICT OF LAW PRINCIPLES (EXCEPT FOR SUCH CORPORATE ACTIONS, DECISIONS AND ACTIVITIES TO BE CONDUCTED AND ADOPTED BY THE CORPORATE BODIES OF THE CHILEAN BANK OR ITS SUBSIDIARIES SHALL BE GOVERNED BY THE MANDATORY RULES STATED FOR SUCH ACTIONS, DECISIONS AND ACTIVITIES UNDER CHILEAN OR COLOMBIAN LAW, AS APPLICABLE).

(b) **Dispute Resolution.** Each of the parties irrevocably agrees that all disputes, controversies or claims arising out of or in connection with this Agreement shall be finally settled by international arbitration under the Rules of Arbitration of the International Chamber of Commerce (the "ICC Rules") by three (3) arbitrators. Within thirty (30) days of receiving notice of any dispute, controversy or claim arising out of or in connection with this Agreement, each of the parties irrevocably agrees that they shall in good faith attempt to agree on arbitrators who are qualified in New York Law. In the event the parties cannot agree on arbitrators within such thirty (30) day period, then the arbitrators shall be appointed in accordance with the ICC Rules. The place of arbitration shall be New York, New York. The language of the arbitration shall be English. The arbitral award will be final and binding on the parties, not subject to appeal, and enforceable in accordance with its terms. The parties agree that by submitting the dispute, controversy or claim to arbitration under the ICC Rules, the parties undertake to implement any final award rendered by the arbitral tribunal without delay and that the prevailing party shall be entitled to have the final award enforced in any applicable court. The arbitration costs will be borne by the losing party (or parties) or such other party (or parties) as designated by the arbitrator or arbitral panel (as applicable). In case it is necessary for one (1) or more parties to the dispute to enforce the arbitral award through any type of court proceedings, the other party (or parties) to the dispute will bear all reasonable costs, expenses and attorney fees including any extra court fees or arbitration fees.

(c) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION OR LIABILITY DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH



THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HERETO HEREBY (I) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY SUCH ACTION OR LIABILITY, SEEK TO ENFORCE THE FOREGOING WAIVER; AND (II) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7.10(c).

SECTION 7.11. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable Law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

SECTION 7.12. Enforcement. Each party hereto acknowledges that money damages would not be an adequate remedy in the event that any of the covenants or agreements in this Agreement are not performed in accordance with its terms, and subject to Section 7.10(b) above it is therefore agreed that in addition to and without limiting any other remedy or right it may have, the non-breaching party will have the right to seek an injunction, temporary restraining order or other equitable relief in any court of competent jurisdiction enjoining any such breach and enforcing specifically the terms and provisions hereof.

SECTION 7.13. Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

SECTION 7.14. No Recourse. Notwithstanding anything that may be expressed or implied in this Agreement, each Shareholder covenant, agree and acknowledge that no recourse under this Agreement or any documents or instruments delivered in connection with this Agreement shall be had against any current or future director, officer, employee, general or limited partner or member of any Shareholder or of any Affiliate or assignee thereof, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable Law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any current or future officer, agent or employee of any Shareholder or any current or future member of any Shareholder or any current or future director, officer, employee, partner or member of any Shareholder or of any Affiliate or assignee thereof, as such for any obligation of any Shareholder under this Agreement or any documents or instruments delivered in connection with this Agreement for any claim based on, in respect of or by reason of such obligations.



SECTION 7.15. Confidentiality.

(a) In performing their obligations under this Agreement, the parties hereto may have access to and receive certain confidential information about or proprietary information of the other parties hereto (“Confidential Information”). Except as otherwise expressly permitted by this Section 7.15 or otherwise in this Agreement, any party hereto receiving Confidential Information (a “Receiving Party”) shall maintain the confidentiality of such Confidential Information that is disclosed to it by or on behalf of another party hereto (a “Disclosing Party”) and shall not, without the prior written consent of the relevant Disclosing Party, disclose or permit any other Person access to such Disclosing Party’s Confidential Information or use the Confidential Information except as expressly provided in this Section 7.15 or otherwise in this Agreement. In connection with actions taken by a Receiving Party in performing its obligations under this Agreement or exercising any rights it may have under this Agreement, a Receiving Party may disclose to its Representatives any Confidential Information that is reasonably necessary for such Representatives to assist such Receiving Party in connection with this Agreement and related matters. A Receiving Party shall be responsible for its Representatives maintaining the confidentiality of the Confidential Information and any breaches of this Section 7.15 by its Representatives.

(b) “Confidential Information” shall not include, and the provisions of this Section 7.15 shall not apply to, any information that: (i) at the time of disclosure is generally available to the public (other than as a result of a disclosure directly or indirectly by a party hereto in violation of this Section 7.15); (ii) is or becomes available to a party on a non-confidential basis from a source other than a Disclosing Party; provided that, to such party’s knowledge, such source was not prohibited from disclosing such information to such party by a legal, contractual or fiduciary obligation of confidentiality or secrecy owed to a Disclosing Party; or (iii) a party can establish is already in its possession; provided that such information is not subject to a legal, contractual or fiduciary obligation of confidentiality or secrecy owed to a Disclosing Party.

SECTION 7.16. Public Announcements. None of the parties to this Agreement shall make, or cause to be made, any press release or public announcement, or otherwise communicate with any news media, in respect of this Agreement or the transactions contemplated hereby unless otherwise mutually agreed by Itaú Parent and Corp Group Parent, unless such press release or public announcement is otherwise required by applicable Law or the rules of any stock exchange, in which case, the parties to this Agreement shall, to the extent practicable and legally permissible, consult with each other as to the timing and contents of any such press release, public announcement or communication.

SECTION 7.17. No Third-Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of, and be enforceable by, only the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever, including any rights of employment for any specified period, under or by reason of this Agreement.

SECTION 7.18. Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement may be executed by facsimile signature(s).



SECTION 7.19. Representations and Warranties of the Shareholders. Each Shareholder, severally and not jointly, represents and warrants to the other Shareholders, as of the date hereof or as of the date such Shareholder becomes a party hereto, that:

- (a) Such Shareholder is an entity duly organized and validly existing under the Laws of the jurisdiction of its organization.
- (b) Such Shareholder has full power and authority to enter into, execute and deliver this Agreement. The execution and delivery of this Agreement and the performance of the rights and obligations hereunder have been duly and validly authorized by such Shareholder and no other proceedings by or on behalf of such Shareholder will be necessary to authorize this Agreement or the performance of the rights and obligations hereunder. This Agreement constitutes the valid and binding obligations of such Shareholder enforceable against it in accordance with its terms, except as the enforceability thereof may be limited by (i) bankruptcy, insolvency, reorganization or other similar Laws affecting enforcement of creditors' rights generally and (ii) subject to general principles of equity.
- (c) The execution, delivery and performance of this Agreement by such Shareholder will not (i) violate (A) the Organizational Documents of such Shareholder or (B) any Law, treaty, rule or regulation applicable to or binding upon such Shareholder or any of its properties or assets or (ii) result in a breach of any contractual obligation to which such Shareholder is a party or by which it or any of its properties or assets is bound, in the case of each of clauses (i)(B) and (ii) in any respect that would reasonably be expected to have a material adverse effect on the ability of such Shareholder to perform its obligations under this Agreement.
- (d) In the case of Itaú Parent and Corp Group Parent, such Shareholder owns, as of the date hereof, directly or indirectly, the shares of Company Stock of Company One and Company Two, respectively, free and clear of all Encumbrances of any kind on the right to vote or Transfer such shares and has the sole power, authority and legal capacity to vote and Transfer such shares and in the case of Company One and Company Two, such Company owns, as of the date hereof, the shares of the Chilean Bank referred to in the Recitals free and clear of all Encumbrances of any kind on the right to vote or Transfer such shares and (together with Itaú Parent and Corp Group Parent) has the sole power, authority and legal capacity to vote and Transfer such shares (in each case other than Encumbrances in favor of the other Shareholder or its Affiliates).
- (e) Except for the representations and warranties contained in this Section 7.19, no such Shareholder, nor any other Person or entity acting on behalf of such Shareholder, makes any representation or warranty, express or implied to any other Shareholder.

[Rest of page intentionally left blank]



IN WITNESS WHEREOF, the parties hereto have executed this Shareholders Agreement as of the date set forth in the first paragraph hereof.

ITAÚ UNIBANCO HOLDING, S.A.

By: _____
Name:
Title:

[ITAÚ HOLDING COMPANY]

By: _____
Name:
Title:

CORP GROUP HOLDING INVERSIONES
LIMITADA

By: _____
Name:
Title:

INVERSIONES CORP GROUP
INTERHOLD LIMITADA

By: _____
Name:
Title:

CORP GROUP BANKING S.A.

By: _____
Name:
Title:



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INVERSIONES GASAS LIMITADA

By: _____
Name:
Title:

COMPANIA INMOBILIARIA Y DE
INVERSIONES SAGA LIMITADA

By: _____
Name:
Title:



EXHIBIT 5 A

English Translation

FILE No.

**PLEDGE WITHOUT CONVEYANCE ON SHARES
INVERSIONES CORP GROUP INTERHOLD LIMITADA
TO
ITAÚ UNIBANCO HOLDING, S.A.**

In the City of **SANTIAGO, REPUBLIC OF CHILE**, on this [•], before me, [•], there appeared:

Mr. [•], [nationality], [marital status], [profession or occupation], holder of national identity card [•], who acts in the name and on behalf, as it shall be hereinafter evidenced, of **INVERSIONES CORP GROUP INTERHOLD LIMITADA**, *Rol Único Tributario Número* (taxpayer's identification number) [•], hereinafter also referred to as the "**Pledgor**", [•], both of them domiciled to the effects hereof at [•];

Mr. [•], [nationality], [marital status], [profession or occupation], holder of national identity card [•], who acts in the name and on behalf, as it shall be hereinafter evidenced, of **INVERSIONES GASA LIMITADA**, *Rol Único Tributario Número* (taxpayer's identification number) [•], both of them domiciled to the effects hereof at [•];

Mr. [•], [nationality], [marital status], [profession or occupation], holder of national identity card [•], who acts in the name and on behalf, as it shall be hereinafter evidenced, of **CORP GROUP HOLDING INVERSIONES LIMITADA**, *Rol Único Tributario Número* (taxpayer's identification number) [•], both of them domiciled to the effects hereof at [•];

Mr. [•], [nationality], [marital status], [profession or occupation], holder of national identity card [•], who acts in the name and on behalf, as it shall be hereinafter evidenced, of **ITAÚ UNIBANCO HOLDING, S.A.**, *Rol Único Tributario Número* (taxpayer's identification number) [•], hereinafter also referred to as the "**Pledgee**", [•], both of them domiciled to the effects hereof at [•]; and

Mr. [•], [nationality], [marital status], [profession or occupation], holder of national identity card [•], who acts in the name and on behalf, as it shall be hereinafter evidenced, of **CORP GROUP BANKING S.A.**, *Rol Único Tributario Número* (taxpayer's identification number) [•], hereinafter also referred to as the "**Company**";

INVERSIONES GASA LIMITADA, CORP GROUP HOLDING INVERSIONES LIMITADA, CORP GROUP BANKING S.A. and INVERSIONES CORP GROUP INTERHOLD LIMITADA shall be hereinafter referred to as the "**Debtor**".



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The appearing parties, who are of age and evidence their identities by means of the above mentioned identity cards, state as follows:

SECTION ONE. BACKGROUND. 1. 1. Shareholders' Agreement. Pledgee, Pledgor and the Debtor and other parties entered into an agreement in English known as "*Shareholders' Agreement*", hereinafter referred to as the "**Shareholders' Agreement**" as evidenced in the private deed executed on [●], and governed by the laws in force in the State of New York, United States of America. Such agreement establishes the rights and obligations of the parties, and the way in which they are to exercise their rights in [Corpbanca]. Among other matters, the Shareholders Agreement establishes certain rules and obligations concerning resolutions to be adopted or taken at shareholders' meetings, corporate management and administration, representations and warranties made by the direct and indirect shareholders who undersigned such agreement, as well as certain provisions governing the assignment or transfer of shares in [Corpbanca], dispute resolutions, termination grounds, and other miscellaneous provisions. **One. Two. Secured Obligations.** Each of the affirmative or negative covenants of Debtor to the Pledgee contained in or derived from the Shareholders' Agreement or any other instrument that the Debtor could have accepted, or may execute or accept in the future to evidence such obligations, as well as each and every obligations that the Debtor may owe or undertake in the future, to the Pledgee as a consequence of the execution of the documents to be entered into under the Shareholders' Agreement shall be hereinafter jointly referred to as the "**Secured Obligations**". The term "**Secured Obligations**" shall also refer to the obligation to execute any document or agreement, the obligation to perform any act under or on the occasion of the Shareholders Agreement and the obligation to pay any fine contemplated under the Shareholders' Agreement, or any amendments, exhibits, attachments, appendixes or any other supplementary documents thereto. Secured Obligations shall also refer to the obligation to pay Pledgee any indemnification and compensation to which Pledgee may be entitled under the Shareholders' Agreement [including but not limited to the obligation to pay a fine amounting to US\$ The description of the Secured Obligations contained in Section **One** hereof is solely made for reference purposes, merely to place on record the tenor thereof in general, it being specifically pointed out that, to all legal and contractual effects, the accurate terms and conditions of the Secured Obligations set forth herein are those set forth and contemplated in the Shareholders' Agreement. It is hereby expressly stated that in order to comply with the provisions set forth in Section 3 subsection 2 of Article XIV of the *Ley de Prenda sin Desplazamiento* (Chilean Pledge Without Conveyance Law) this pledge without conveyance generally secures the fulfillment of all the obligations assumed by Debtor under the Shareholders' Agreement.

SECTION TWO. BACKGROUND ON SHARES.- Two. One. Pledgor is the sole and unconditional owner of [●] shares in the Company, all of which have been fully paid and registered in its own name in the Shareholders' Registry of the Company /the "Shares"/. Those shares represent 100% of Pledgor's shares in the Company. **Two. Two.** By public deed executed on [●], at the Notarial Office [●], Pledgor granted a first lien pledge on securities to the banks, on [●] of the shares referred to in Two. One above to Banco Itaú BBA, Nassau Branch, in order to secure repayment of the loan granted by public deed on [●], amounting to [●].



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EXHIBIT 5 A

SECTION THREE: PLEDGE ON SHARES. Three. One. Pledgor hereby pledges the Shares in compliance with the provisions set forth in articles 1 and 5 five of article 14 of the Chilean “*Ley de Prenda sin Desplazamiento*” No. 20.190 “/hereinafter referred to as the “**Pledge Without Conveyance Law**”, the Pledge Without Conveyance Register Regulations under Supreme Decree No. 722 jointly enacted by the Ministry of Justice and the Ministry of Finance and published in the Official Gazette on 23 October 2010 /hereinafter referred to as the “**Pledge Without Conveyance Regulation**”/ to Pledgee, in order to ensure the full, timely and effective repayment of all Secured Obligations during the effective term of the obligations under the Shareholders’ Agreement. Such pledge also encumbers all shares to be issued by the Company and to be subscribed for by Pledgor in the future, according to what is set forth in section Nine. One below /the “**Future Shares**”/. - **Three. Two.** The pledge hereby levied shall further secure the reimbursement of all legal costs and collection expenses, whether judicial or extrajudicial, including reasonable attorneys’ fees, if any, which may be incurred as a result of any proceedings or demands brought for the collection or foreclosure of this pledge; and it shall also encumber any other obligation undertaken by Debtor by means of any instruments that it may execute or accept in the future, in substitution or lieu thereof, or in addition to those that have already been executed and delivered to Pledgee or to its successors or substitutes, in respect of any documents or instruments evidencing the Secured Obligations.- **Three. Three.** All amounts received as a consequence of the judicial or extrajudicial payment of the Secured Obligations shall belong to the Pledgee under this Pledge, and shall be paid to Pledgee, after deducting all expenses and collection costs, according to the provisions set forth in the Shareholders’ Agreement and in this document. Subject to the provisions set forth in **section 23 hereof**, it is expressly agreed that the pledge granted under this instrument is indivisible; therefore, the release thereof shall not be claimed until the full payment of all the Secured Obligations.- **Three. Four.** To the effects of the provisions set forth in section 4 of the Pledge Without Conveyance Regulations, the parties expressly agree that the minimum value of the affirmative and negative covenants referred to above amounts to [\$_]. **Three. Five.** It is hereby expressly stated that any obligation agreed to be paid in foreign currency shall be deemed extinguished only up to the foreign currency amount paid by the Pledgee in freely convertible and available funds, or should the payment be made in another currency, only up to the amount sufficient for the Pledgee to acquire the foreign currency with which such payment should have been done under the agreement or the law, on the business day immediately following the day in which the Pledgee has received such amount. **Three. Six.** Pledgee hereby accepts the pledge without conveyance on the Shares and on the Future Shares levied hereunder.

SECTION FOUR: REPRESENTATIONS OF PLEDGOR.- Pledgor hereby represents to Pledgee that: **/One/** Pledgor is duly empowered to make the representations contained herein and to execute this agreement; that this public deed has been duly executed by Pledgor and that it contains legal, valid and enforceable obligations binding upon Pledgor; **/Two/** Pledgor is the sole and exclusive owner of the Pledged Shares and that, unless otherwise stated or acknowledged in the



Shareholders' Agreement or herein, such Shares are free of any encumbrances, liens, charges, litigations, prohibitions to levy and sell or any other restrictions, attachments, preliminary injunctions and precautionary measures, actions for cancellation, and third parties' preferential rights, and that they are not subject to any impediments that may prevent, hinder, delay or impair the free disposition thereof or the creation of the pledge and prohibitions or injunctions evidenced herein; and that they have not been legally enjoined or restrained from executing this agreement; and that such Shares are not subject to any options (puts and calls), promises to sell, conditional sales, term sales, or to any other act or agreement that conveys, or is intended to convey title thereof, or to give them as security for the fulfillment of any other obligations and that, to the date hereof, there are no impediments that may prevent, hinder, delay or impair the free disposition or creation of the Pledge evidenced herein; and /Three/ the execution, fulfillment and subscription of this pledge does not supersede any other agreement or undertaking entered into by Pledgor, nor any law, decree, regulation or statutory or administrative rule; and that no other governmental authorization, approval or notice or from third parties is required to subscribe, fully performed and execute these presents.

SECTION FIVE: PROHIBITIONS.- Pledgor hereby undertakes, unless otherwise provided for in the Shareholders' Agreement and in Section 23 hereof, not to encumber, sell, dispose of, or otherwise perform any act or enter into any agreement that may adversely affect the Shares, without Pledgee's previous written authorization during the effective term hereof. The appearing parties hereby declare that "lien" shall refer to any collateral or security interest or any charge, encumbrance, prohibition, right in favor of third parties, attachment, impediment or restriction that may adversely affect or impair the free use, enjoyment or disposition of the Shares.

SECTION SIX: Six. One. REGISTRATION AND ANNOTATION. One/ The pledge hereby granted is to be recorded, at the expense of the Pledgor with the Pledge Without Conveyance Register according to the provisions set forth in article 24 of article 14 of the Chilean Pledge Without Conveyance Law. **Two/** Pledgor shall be bound to execute and subscribe a statement deed as well as to perform any other acts and enter into any kind of agreements, whether by a public or private instrument, intended to identify the Future Shares to be pledged hereunder once they are issued, within the ten business days immediately following the expiration date of each calendar month in which Pledgor has acquired the Future Shares. **Six. Two. NOTICE IN THE REGISTER OF SHAREHOLDERS** The pledge and prohibition contained herein shall be notified, recorded and registered with the Shareholders' Register Book of the Company by a Notary Public as set forth in article 23 of the Chilean Corporations' Law.-

SECTION SEVEN: PLEDGEE'S RIGHTS, BENEFITS AND PRIVILEGES. Seven. One.- While no Relevant Event of Default /as defined below/ occurs under the Shareholders' Agreement, Pledgor shall retain full exercise of the rights as legitimate holder of the pledged shares owned by Pledgor, including the exercise of the right to attend and participate in shareholders' meetings with the right to a voice and vote thereat, the right to collect and receive any corporate capital dividends or abatements as well as to exercise any economic and political rights to which it may be entitled. Still, and without prejudice to the foregoing, Pledgor's rights



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as legitimate owner of the pledged Shares shall be exercised in a manner consistent with the provisions set forth in the Shareholders' Agreement. Pledgor may participate in all shareholders' meetings of the Company and vote on any matters when required to do so, and in general Pledgor may exercise any other rights to which the Pledgor is entitled as shareholder in the Company, without any further restrictions other than those set forth above. However, upon the occurrence of any relevant event of default which remains uncured under the Shareholders' Agreement /hereinafter referred to as a "Relevant Event of Default", which shall be construed as a "Material Breach", as such term is defined in the Shareholders' Agreement/, the Pledgee shall be entitled to exercise all political rights/ right to a voice and vote/ to which the Pledgor would be entitled as a shareholder of the Company if the pledge under this agreement had never existed. Notwithstanding the foregoing, the parties agree that the Pledgee's right to a voice and vote, exclusively with regard to the distribution of dividends or abatement of corporate capital to be approved at a shareholders' meetings of the Company shall not be included among the political rights to be exercised by Pledgee upon the occurrence of a Relevant Event of Default, /and that such right to a voice and vote with regard to such matter may be exercised by Pledgor who shall also fully retained the right to collect and receive any potential dividends or distributions derived from capital stock abatements/. In order that Pledgee becomes empowered to exercise the political rights referred to above upon the potential occurrence of a Relevant Event of Default, Pledgee shall send a prior written notice to the Company through a Notary Public /hereinafter referred to as the "Notice"/ a copy of which shall also be sent to Pledgor. Only for notification purposes and without having to prove the relevant breach to any individual, Pledgee shall exercise all political rights that Pledgor would otherwise hold as legitimate owner of the pledged Shares in the Company as stated above, and shall cure such breach and/or terminate the act or omission giving rise to the Relevant Event of Default. In this case, and except for the aforementioned exception referred to the distribution of dividends and capital abatement, the Pledgor shall refrain from exercising such rights to a voice and vote, which shall, as of right, be exercised exclusively by the Pledgee for as long as the Relevant Event of Default remains uncured, for which purpose, Pledgor authorizes irrevocably authorizes Pledgee, such authorization being accepted on behalf of Pledgee by Pledgee's attorney-in-fact identified in the recitals hereof, to exercise the right to speak and vote inherent in the pledged Shares under the terms set forth above. The Pledgor hereby expressly represents that the power of attorney hereby granted is irrevocable and coupled with an interest in compliance with the provisions set forth in section 241 of the Commercial Code; because the Pledgee is interested in the fulfillment thereof. In order to avoid any doubts, once the Relevant Event of Default has been cured, all rights shall return, as of right, to be solely and exclusively enjoyed by Pledgor, all of which shall be notified by Pledgee to the Company as stated above; and a copy of such Notice shall be given to Pledgor. - **Seven. Two.**- Subject to the terms and conditions set forth in the Shareholders' Agreement and to the provisions contemplated in the other terms and conditions hereof/ and in particular, without affecting the Pledgor's right to approve, collect and receive dividends and capital abatements, and to exercise, sell or extinguish, at its own discretion, any rights of first refusal to subscribe for any capital increases/, the pledge, restriction and prohibition granted hereunder shall automatically include and encumber all increases in the value of the Shares and the equity rights granted to their



shareholders which also include all proceeds and benefits that may derive from or be produced by them, including any dividends and profits, bonus shares, preemptive rights or options (puts and calls) of any kind whatsoever, as indicated below. Subject to the provisions set forth at the beginning of this section, Pledgor also undertakes to require the issuance of any new stock certificate related to new shares to be issued by the Company and entitled to it, during the effective term of the pledge hereunder granted; and, moreover, Pledgor hereby empowers Pledgee to demand the Company in Pledgor's name and behalf, to issue the relevant stock certificate. Pledgor hereby expressly represents that the power of attorney hereby granted is irrevocable and coupled with an interest in compliance with the provisions set forth in section 241 of the Commercial Code; because the Pledgee is interested in the fulfillment thereof.- **Seven. Three.** Pledgee shall enjoy and may enforce against Pledgor and third parties, all benefits, privileges and preemptive rights granted to pledgees by the law.-

SECTION EIGHT: ACCEPTANCE BY PLEDGOR AND ADDITIONAL EARLY FORECLOSURE. Pledgor hereby accepts and agrees for the benefit of Pledgee that the breach of the Secured Obligations either by Pledgor or Debtor shall cause the immediate enforceability and foreclosure of this pledge, as well as any interest thereon and expenses arising herefrom, against which any remedies or actions for recovery or collection and/or of any other nature derived herefrom may be enforced or brought.

SECTION NINE: ADDITIONAL OBLIGATIONS OF PLEDGOR.- Nine. One.- Pledge on Future Shares - Pursuant to what is stated in Section Three. One above but subject to the terms and conditions of the Shareholders' Agreement and the provisions set forth in the other terms and conditions hereof, Pledgor hereby agrees to maintain at all times and/or pledge in the future 100% of the shares owned by it /at present or in the future/ in the Company, which shall always be first lien pledges, except for the new shares to be pledged and which shall be subject to the prohibition to encumber and sell as it has already been agreed upon, have already been subject to a first lien pledge in favor of Itaú BBA, Nassau Branch or any other company which is a person related to Pledgee, in which case the pledge to be granted shall be a second lien pledge. In compliance with the foregoing and in order to fulfill the obligation set forth herein, but subject to the terms and conditions of the Shareholders' Agreement and to the provisions set forth in the other terms and conditions hereof, Pledgor hereby agrees to extend the pledge on Shares and the prohibitions and restrictions hereunder granted to any other cash shares of the Company or securities granting future rights on the shares in the Company to be acquired in the future for any reason. To such effects, Pledgor shall successively execute a new public deed of pledge and prohibitions under the terms set forth herein for each share that may be acquired in the future, and on "as acquired basis", no later than 30 calendar days from the date of registration of the shares in its own name in the Shareholders' Registry of the Company- Pledgor may also regularly give written notice to Pledgee of the acquisition of any share in the Company not encumbered by the pledge on shares already granted no later than 30 calendar days from the registration date of the shares in the Shareholders' Registry of the Company. **Nine. Two. Irrevocable Special Power of Attorney.** Notwithstanding Pledgor's obligation undertaken in Section Nine. One above, to subscribe in due course for the relevant pledges and prohibitions,



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Pledgor hereby grants a special and irrevocable power of attorney to Pledgee as broad as is legally required, which is accepted by its attorney-in-fact already identified in the recitals hereof, in order that the Pledgee, acting in the name and behalf of the Company, and at its sole discretion, may grant and execute any relevant pledges and prohibitions on behalf of the Pledgor in the same terms and conditions, *mutatis mutandis*, as those set forth herein to cause the registration thereof with the Pledge Without Conveyance Register and the Shareholders' Registry of the Company. In order to exercise the powers granted by this power of attorney and in accordance with the foregoing, Pledgee shall be granted broad powers to carry out any other acts that may be required to achieve this power of attorney, and shall be expressly empowered to self-contract. Under this irrevocable power of attorney, Pledgee may, also in the agreements to be entered into by it, grant a special power of attorney to one or more individuals in order that, any one of them acting individually, may exercise, with full judicial and extrajudicial powers, the rights granted by the security agreements to Pledgor or to any successors or assigns thereof. This special and irrevocable power of attorney may not be invoked by Pledgor as a ground to justify Pledgor's breach of any of the obligations arising herefrom. Pledgor hereby expressly represents that the power of attorney hereby granted is irrevocable and coupled with an interest in compliance with the provisions set forth in section 241 of the Commercial Code; because the Pledgee is interested in the fulfillment thereof.- **Nine. Three. Split up, Merger and Consolidation.**- Pledgor hereby agrees that any split-up or merger agreement of the Company as well as any merger of the Company with and into third parties, or any transformation thereof, shall be implemented under the terms and conditions set forth in the Shareholders' Agreement . Furthermore, the pledges, restrictions and prohibitions hereby granted shall also encumber any shares in the new companies to be created as a consequence of the split-up, merger, consolidation, or transformation, or which survive any of them, which belong or would belong to Pledgor as owner of the Shares subject to the pledge, restrictions, and prohibitions granted hereunder and to all those new shares to be encumbered by these pledges, restrictions and prohibitions in compliance with the provisions set forth above. Pledgee is hereby exclusively authorized to cause the registration of these pledges and prohibitions in the Pledge Without Conveyance Registry and in the relevant shareholders' registry, consequently the Pledgor hereby waives fulfillment of such formalities.

SECTION TEN: INCREASES OF SHARES. - Should new bonus shares be issued, the relevant stock certificates to be issued shall also be affected by the pledge granted herein, and such pledge on the stock certificates must be recorded in the Pledge Without Conveyance Registry and in the Shareholders' Registry of the Company, at the sole request of the Notary Public in the name and on behalf of Pledgee.-

SECTION ELEVEN: CONSERVATION OF OWNERSHIP -The Company shall bring at its sole expense, any judicial and extrajudicial actions that are reasonably necessary to retain the ownership and free possession of the Collateral and as well as to defend them against third parties' actions. The foregoing provision shall not affect Pledgor's right to sell the Shares listed in section twenty-three hereof.-



SECTION TWELVE: SUFFICIENT TITLE.- Pledgor hereby represents to Pledgee that this public deed together with a faithful and authorized copy hereof is a good and sufficient title to bring and further all relevant legal actions and remedies that may be required by law regarding the pledge hereby granted. The provisions set forth herein shall not be construed under any circumstance as any restriction on Pledgee's rights by virtue of the law nor an amendment, substitution or restriction of Pledgee's rights under the Shareholders' Agreement. Likewise, it is hereby placed on record that the pledge and prohibitions hereby granted are without prejudice to any other guarantees that could have been granted by the Pledgor, Debtor and/or third parties to secure performance of the Secured Obligations.

SECTION THIRTEEN: SPECIAL POWER OF ATTORNEY. Thirteen. One. Without prejudice to any appointment of attorneys-in-fact to receive judicial notices served or to be served in the future, Pledgor hereby additionally grants a special and irrevocable power of attorney to [•], domiciled at [•], so that, he/she may receive in the name and on behalf of Pledgor any judicial or extrajudicial notices, demands, letters of request, in any legal action, or proceedings or litigation, irrespective of whether the applicable procedure or the competent court or authority having jurisdiction over them may be with regard to the pledge hereby granted. Pursuant to the irrevocable power of attorney hereby granted, the attorney-in-fact shall be broadly empowered to receive any kind of notices, answer complaints and perform any other acts under the powers set forth in the first subsection of Section 7 of the Code of Civil Procedure of the Republic of Chile. For all purposes hereof, and unless Pledgor gives prior written notice of its new address to Pledgee no later than 15 days in advance, such Notice shall be deemed duly given when personally delivered to any individual at the specified address. **Thirteen. Two.** [•], who is personally present upon the execution hereof, is of legal age and proves his identity with the identity card referred to above states that he/she accepts the irrevocable special power of attorney granted herein and agree not waive it without the written consent of Pledgee, in which case Pledgor shall previously appoint a new attorney-in-fact to perform judicial acts with the same powers and under the same terms as those set forth herein. The newly appointed attorney-in-fact shall appear and accept the power of attorney granted in the same waiver deed, be an individual who permanently resides in Chile and shall be previously approved by Pledgee. **Thirteen. Three.** Moreover, Pledgor hereby agrees to maintain at any time one attorney-in-fact with the same powers and under the same terms set forth in this section should the irrevocable power of attorney granted herein be terminated by death or inability of any of the attorneys-in-fact. The power of attorney hereby granted by Pledgor does not revoke any other power of attorney heretofore granted and, it shall not be deemed revoked by another power of attorney that may be granted in the future.-

SECTION FOURTEEN: CORPORATE ACCEPTANCE.- [•], who is personally present upon the execution hereof on behalf of the Company is served with notice of the pledge and restrictions and prohibitions granted hereunder.-

SECTION FIFTEEN. ACCEPTANCE AND DECLARATION OF PLEDGOR.- The Pledgor hereby entirely represents that the pledge granted hereunder is for the sole benefit of Pledgee and



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that, consequently, it shall remain in full force and effect and shall not be affected by any agreements, acts and contracts heretofore executed or that may be entered into in the future by Pledgor and third parties.

SECTION SIXTEEN: TAXES AND EXPENSES. Sixteen. One. Pledgor represents that the acts and agreements contemplated herein as well as the exercise of the rights that may derive therefrom have not been or are not subject to any taxes or other similar charges, and that, consequently, the Pledgee may freely exercise them without any restriction whatsoever. **Sixteen. Two.-** Pledgor shall be solely liable for the payment of taxes and expenses under this agreement, including any fees and expenses of deeds and registration of pledges and prohibitions as well as of any other expenses incurred as a consequence of any other future instruments and proceedings derived from this agreement.-

SECTION SEVENTEEN: WAIVER OF RIGHTS. NO RESTRICTION.- Seventeen. One. No right, statement or benefit shall be deemed waived by any of the parties unless such waiver is made in writing and signed by the waiving party.- **Seventeen. Two.** The pledge on shares and the provisions set forth herein shall not be construed under any circumstance as an amendment, substitution, or restriction on Pledgee's rights granted by the Shareholder's Agreement and/or any other security agreements or security interests that the parties may execute in the future under such Shareholders' Agreement.

SECTION EIGHTEENTH: NULLITY, INVALIDITY OR INEFFECTIVENESS.- The declaration of nullity, invalidity or unenforceability of any provision herein shall cause it to be deemed not written or invalid, but the nullity or invalidity of such provision shall not affect the validity or enforceability of the remaining provisions hereof. Furthermore, the parties hereby agree to replace such null or invalid provision by any other valid and enforceable provision that, as far as possible, has the same economic, commercial or other effects set forth in the provision declared null or invalid.

SECTION NINETEEN: SUCCESSORS AND ASSIGNS.- This Pledge on Shares and the prohibition granted herein shall inure to the benefit of the Pledgee, and the rights granted by it may be directly exercised by the Pledgee or any of the successors or assigns thereof, as authorized under the Shareholders' Agreement, as well as by those who may legally or conventionally subrogate in their rights. Such successors or assigns and those who may legally or conventionally subrogate in their rights shall enjoy and enforce against Pledgor the same rights and benefits that this public deed grants to the Pledgee, which are considered valid to all legal and contractual effects that may be relevant.

SECTION TWENTY: DOMICILE AND JURISDICTION.- To all legal effects arising herefrom, the Pledgor and the Company hereby establish their principal places of business/domiciles in the City of Santiago de Chile, and submit to the jurisdiction of the ordinary courts therein located. This pledge agreement is governed by the laws and other statutory provisions in force in the Republic of Chile.



SECTION TWENTY-ONE. POWER OF ATTORNEY. The appearing parties hereby grant an irrevocable power of attorney to [•], [•]; and [•] and [•], so that any one of the first two of them acting with any one of the second two of them, may make any necessary changes, corrections or clarifications to this agreement required to evidence the creation of the pledge, and they shall also be empowered to execute the relevant public deeds or private instruments that may be required to such effect as well as those that may be required to such effect, and also any other modifications that may be required to subscribe to cause the registration of the pledge in the Registry of Pledge Without Conveyance.-

SECTION TWENTY-TWO. POWER TO GIVE NOTICE AND REGISTER.- The holder of a certified copy hereof is authorized and empowered to give notice, carry out and require from the Pledgor, through a Notary Public, to cause the annotation of the pledge and the prohibitions contained in this instrument with the Public Registry of Pledge Without Conveyance and in the Shareholders' Registry, as well as to perform any other act that may be required or advisable to implement this pledge and prohibitions.

SECTION TWENTY-THREE: DUTY TO RELEASE THE PLEDGE. The Pledgee hereby acknowledges and accepts that, subject to the fulfillment of certain rules on the transfer of shares established in Section 3 of the Shareholders' Agreement, the Pledgor hereby is authorized to request the release of this pledge in order to sell the Shares. Furthermore, the Pledgor hereby agrees to enter into such release agreement at least two days in advance to the date on which the Pledgor is to implement a transfer under the terms and conditions of the Shareholders' Agreement.-

SECTION TWENTY-FOUR: Pledgor hereby agrees to subscribe and execute all public deeds and other instruments that may be required to levy a second lien commercial pledge on the pledged Shares under the terms of sections 813 *et seq.* of the Chilean Commercial Code, immediately after the release of the pledges on the Shares in favor of Itaú BBA, Nassau Branch. For such purpose, Pledgor hereby agrees to subscribe in due course all relevant amending deeds or deeds evidencing the creation of the pledge and prohibitions no later than 5 business days following the occurrence of the fact stated above. In order to fulfill Pledgor's obligation to execute the relevant deeds and other documents that may be required to such effect, Pledgor hereby grants a special and irrevocable power of attorney to the Pledgee as broad as is legally required, which is accepted by its representative already identified at the recitals hereof, in order that the latter acting in the name and behalf of the Company, and its sole discretion, may grant and executed without any waiting period, all relevant pledges and prohibitions on behalf of the Pledgor, in the same terms and conditions *mutatis mutandi* as those set forth herein / provided that it shall be a commercial pledge /, to cause the registration thereof with the Shareholders' Registry of the Company. In order to exercise the powers granted by this power of attorney and in accordance with the foregoing, Pledgee shall be granted broad powers to carry out any other acts that may be required to achieve this power of attorney, and shall be expressly empowered to self-contract and even determine at its sole discretion, the amount of the Secured Obligation. Under this irrevocable power of attorney, Pledgee may, also in the



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agreements to be entered into by it, grant a special power of attorney to one or more individuals in order that, any one of them acting individually, may exercise, with full judicial and extrajudicial powers, the rights granted by the security agreements to Pledgor or to any successors or assigns thereof. This special and irrevocable power of attorney may not be invoked by Pledgor as a ground to justify Pledgor's breach of any of the obligations arising herefrom. The Pledgor hereby expressly represents that the power of attorney hereby granted is irrevocable and coupled with an interest in compliance with the provisions set forth in section 241 of the Commercial Code; because the Pledgee is interested in the fulfillment thereof.

SECTION TWENTY-FIVE: HEADINGS OF THE SECTIONS.- Titles and headings given by the appearing Parties to the several provisions of this agreement have been established for reference and reading purposes only, and shall not adversely affect the meaning or scope that the relevant Section in its aggregate, may have different from such headings. **LEGAL CAPACITY TO REPRESENT THE PARTIES.** The legal capacity of [•] to act in the name and on behalf of **INVERSIONES CORP GROUP INTERHOLD LTDA.** is evidenced in [•]. The legal capacity of Mr. [•] to represent **ITAÚ UNIBANCO HOLDING, S.A.** is evidenced in [•] -. The legal capacity of [•] to represent **CORP GROUP BANKING S.A.** is evidenced in [•]-. **Such legal capacities are not inserted herein because they are known to the parties and the authorizing Notary Public and at their express request.- IN WITNESS WHEREOF, and once these presents have been read by the appearing parties, they sign them along with the authorizing Notary Public. The parties are delivered copies hereof. I attest.-**

[•]
p.p. **INVERSIONES CORP GROUP INTERHOLD LIMITADA**

[•]
p.p. **ITAÚ UNIBANCO HOLDING, S.A.**

[•]
p.p. **CORP GROUP BANKING S.A.**

[•]

[•]



EXHIBIT 5 B

English Translation

FILE No.

**PLEDGE WITHOUT CONVEYANCE ON SHARES
CORP GROUP BANKING S.A.
TO
ITAÚ UNIBANCO HOLDING, S.A.**

In the City of **SANTIAGO, REPUBLIC OF CHILE**, on this [•], before me, [•], there appeared:

Mr. [•], [nationality], [marital status], [profession or occupation], holder of national identity card [•], who acts in the name and on behalf, as it shall be hereinafter evidenced, of **CORP GROUP BANKING S.A.**, *Rol Único Tributario Número* (taxpayer's identification number) [•], hereinafter also referred to as the "**Pledgor**", [•], both of them domiciled to the effects hereof at [•];

Mr. [•], [nationality], [marital status], [profession or occupation], holder of national identity card [•], who acts in the name and on behalf, as it shall be hereinafter evidenced, of **ITAÚ UNIBANCO HOLDING, S.A.**, *Rol Único Tributario Número* (taxpayer's identification number) [•], hereinafter also referred to as the "**Pledgee**", [•], both of them domiciled to the effects hereof at [•];

Mr. [•], [nationality], [marital status], [profession or occupation], holder of national identity card [•], who acts in the name and on behalf, as it shall be hereinafter evidenced, of **[CORPBANCA]**, *Rol Único Tributario Número* (taxpayer's identification number) [•], hereinafter also referred to as the "**Company**";

Mr. [•], [nationality], [marital status], [profession or occupation], holder of national identity card [•], who acts in the name and on behalf, as it shall be hereinafter evidenced, of **INVERSIONES CORP GROUP INTERHOLD LIMITADA**, *Rol Único Tributario Número* (taxpayer's identification number) [•], [•], both of them domiciled to the effects hereof at [•];

Mr. [•], [nationality], [marital status], [profession or occupation], holder of national identity card [•], who acts in the name and on behalf, as it shall be hereinafter evidenced, of **INVERSIONES GASA LIMITADA**, *Rol Único Tributario Número* (taxpayer's identification number) [•], [•], both of them domiciled to the effects hereof at [•];
and

Mr. [•], [nationality], [marital status], [profession or occupation], holder of national identity card [•], who acts in the name and on behalf, as it shall be hereinafter evidenced, of **CORP GROUP HOLDING INVERSIONES LIMITADA**, *Rol Único Tributario Número* (taxpayer's identification number) [•], [•], both of them domiciled to the effects hereof at [•].



INVERSIONES CORP GROUP INTERHOLD LIMITADA, INVERSIONES GASA LIMITADA, and CORP GROUP HOLDING INVERSIONES LIMITADA, shall be hereinafter referred to as the “Debtor”

The appearing parties, who are of age and evidence their identities by means of the above mentioned identity cards, state as follows:

SECTION ONE. BACKGROUND. One. One. Shareholders’ Agreement. The Pledgee, the Pledgor and the Debtor and other parties entered into an agreement in English known as “Shareholders’ Agreement”, hereinafter referred to as the “**Shareholders’ Agreement**” as evidenced in the private deed executed on [●], and governed by the laws in force in the State of New York, United States of America. Such agreement establishes the rights and obligations of the parties, and the way in which they are to exercise their rights in the Company. Among other matters, the Shareholders Agreement establishes rules and obligations concerning resolutions to be adopted or taken at shareholders’ meetings, corporate management and administration, representations and warranties made by the direct and indirect shareholders who undersigned such agreement, as well as certain provisions governing the assignment or transfer of shares in the Company, dispute resolutions, termination grounds, and other miscellaneous provisions. **One. Two. Secured Obligations.** Each of the affirmative or negative covenants of Debtor and Pledgor to the Pledgee contained in or derived from the Shareholders’ Agreement or any other instrument that the Debtor and/or Pledgor could have accepted, or may execute or accept in the future to evidence such obligations, as well as each and every obligations that the Debtor and/or Pledgor may owe or undertake in the future, to the Pledgee as a consequence of the execution of the documents to be entered into under the Shareholders’ Agreement shall be hereinafter jointly referred to as the “**Secured Obligations**”. The term “Secured Obligations” shall also refer to the obligation to execute any document or agreement, the obligation to perform any act under or on the occasion of the Shareholders Agreement and the obligation to pay any fine contemplated under the Shareholders’ Agreement, or any amendments, exhibits, attachments, appendixes or any other supplementary documents thereto. Secured Obligations shall also refer to the obligation to pay Pledgee any indemnification and compensation to which Pledgee may be entitled under the Shareholders’ Agreement, [including but not limited to the obligation to pay a fine amounting to US\$ The description of the Secured Obligations contained in Section **One** hereof is solely made for reference purposes, merely to place on record the tenor thereof in general, it being specifically pointed out that, to all legal and contractual effects, the accurate terms and conditions of the Secured Obligations set forth herein are those set forth and contemplated in the Shareholders’ Agreement. It is hereby expressly stated that in order to comply with the provisions set forth in Article 3 sub-section 2 of Section 14 of the *Ley de Prenda sin Desplazamiento* (Chilean Pledge Without Conveyance Law) this Pledge Without Conveyance generally secures the fulfillment of all the obligations assumed by Debtor and Pledgor under the Shareholders’ Agreement.

SECTION TWO. BACKGROUND ON SHARES.- Two. One. Pledgor is the sole and unconditional owner of [●] shares in the Company, all of which have been fully paid-up and registered in its own name in the Register Book of Shareholders of the Company. Those shares represent 100%



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of Pledgor's shares in the Company. **Two. Two.** By public deed executed on [●], at the Notarial Office [●], Pledgor granted a first lien pledge on securities to the banks on [●] of the shares referred to in Two. One above to Banco Itaú BBA, Nassau Branch, in order to secure repayment of the loan granted by public deed on [●], amounting to [●].

SECTION THREE: PLEDGE ON SHARES. Three. One. Pledgor hereby pledges [●] shares in the Company equivalent to [16% of the total capital stock of the Company once merged with Banco Itaú Chile or the lower amount set forth in section 3.2(d) of the Shareholders' Agreement] /the "**Shares**", in compliance with the provisions set forth in articles 1 and 5 five of article 14 of the Chilean "*Ley de Prenda sin Desplazamiento*" No. 20.190 /hereinafter referred to as the "**Pledge Without Conveyance Law**", the Pledge Register Regulations under Supreme Decree No. 722 jointly enacted by the Ministry of Justice and the Ministry of Finance and published in the Official Gazette on 23 October 2010 /hereinafter referred to as the "**Pledge Without Conveyance Regulation**"/ to the Pledgee, in order to ensure the full, timely and effective repayment of all Secured Obligations during the effective term of the obligations under the Shareholders' Agreement. Such pledge also encumbers all shares to be issued by the Company and to be subscribed for by Pledgor in the future, according to what is set forth in section Nine. One. below /the "**Future Shares**". **Three. Two.** The pledge hereby levied shall further secure the reimbursement of all legal costs and collection expenses, whether judicial or extrajudicial, including reasonable attorneys' fees, if any, which may be incurred as a result of any proceedings or demands brought for the collection or foreclosure of this pledge; and it shall also encumber any other obligation undertaken by Debtor and/or Pledgor by means of any instruments that it may execute or accept in the future, in substitution or lieu thereof, or in addition to those that have already been executed and delivered to the Pledgee or its successors or substitutes, in respect of any documents or instruments evidencing the Secured Obligations.- **Three. Three.** All amounts obtained as a consequence of the judicial or extrajudicial payment of the Secured Obligations shall belong to the Pledgee under this Pledge, and shall be paid to Pledgee, after deducting all expenses and collection costs, according to the provisions set forth in the Shareholders' Agreement and in this document. Subject to the provisions set forth in section 23 hereof, it is expressly agreed that the pledge granted under this instrument is indivisible; therefore, the release thereof shall not be claimed until the full payment of all the Secured Obligations. **Three. Four.** To the effects of the provisions set forth in section 4 of the Pledge Without Conveyance Regulations, the parties expressly agree that the minimum value of the affirmative and negative covenants referred to above amounts to [\$]. **Three. Five.** It is hereby expressly stated that any obligation agreed to be paid in foreign currency under the Shareholders' Agreement shall be deemed extinguished only up to the foreign currency amount paid to the Pledgee in freely convertible and available funds, or should the payment be made in another currency, only up to the amount sufficient for the Pledgee to acquire the foreign currency with which such payment should have been done under the agreement or the law, on the business day immediately following the day in which the Pledgee has received such amount. **Three. Six.** Pledgee hereby accepts the pledge without conveyance on the Shares and on the Future Shares levied hereunder.



SECTION FOUR: REPRESENTATIONS OF PLEDGOR AND DEBTOR.- Pledgor and Debtor, as appropriate, represent to Pledgee that: **/One/** Pledgor and Debtor are duly empowered to make the representations contained herein and to execute this agreement; that this public deed has been duly executed by them and that it contains legal, valid and enforceable obligations binding upon them; **/Two/** Pledgor is the sole and exclusive owner of the Pledged Shares and that, unless otherwise stated or acknowledged in the Shareholders' Agreement or herein, such Shares are free of any encumbrances, liens, charges, litigations, prohibitions to levy and sell or any other restrictions, attachments, preliminary injunctions and precautionary measures, actions for cancellation, and third parties' preferential rights, and that they are not subject to any impediments that may prevent, hinder, delay or impair the free disposition thereof or the creation of the pledge and prohibitions or injunctions evidenced herein; and that they have not been legally enjoined or restrained from executing this agreement; and that such Shares are not subject to any options (puts and calls), promises to sell, conditional sales, term sales, or to any other act or agreement that conveys, or is intended to convey title thereof, or to give them as security for the fulfillment of any other obligations and that, to the date hereof, there are no impediments that may prevent, hinder, delay or impair the free disposition or creation of the Pledge evidenced herein; and **/Three/** the execution, fulfillment and subscription of this pledge does not supersede any other agreement or undertaking entered into by Pledgor or Debtor, nor any law, decree, regulation or statutory or administrative rule; and that no other governmental authorization, approval or notice or from third parties is required to subscribe, fully performed and execute these presents.

SECTION FIVE: PROHIBITIONS.- Pledgor hereby undertakes, unless otherwise provided for in the Shareholders' Agreement and in Section 23 hereof, not to encumber, sell, dispose of, or otherwise perform any act or enter into any agreement that may adversely affect the Shares, without the Pledgee's previous written authorization during the effective term hereof. The appearing parties hereby declare that "lien" shall refer to any collateral or security interest or any charge, encumbrance, prohibition, right in favor of third parties, attachment, impediment or restriction that may adversely affect or impair the free use, enjoyment or disposition of the Shares.

SECTION SIX: Six. One. REGISTRATION AND ANNOTATION. One/ The pledge hereby granted is to be recorded, at the expense of the Pledgor with the Pledge Without Conveyance Register according to the provisions set forth in article 24 of article 14 of the Chilean Pledge Without Conveyance Law. **Two/** Pledgor shall be bound to execute and subscribe a statement deed as well as to perform any other acts and enter into any kind of agreements, whether by a public or private instrument, intended to identify the Future Shares to be pledged hereunder on a when-issued basis, within the ten business days immediately following the expiration date of each calendar month in which Pledgor has acquired Future Shares. **Six. Two. NOTICE IN THE REGISTER OF SHAREHOLDERS** The pledge and prohibition contained herein shall be notified, recorded and registered with the Shareholders' Registry of the Company by a Notary Public as set forth in article 23 of the Chilean Corporations' Law.-



EXHIBIT 5 B

SECTION SEVEN: PLEDGEE'S RIGHTS, BENEFITS AND PRIVILEGES. Seven. One.- While no Relevant Event of Default / as defined below occurs/ under the Shareholders' Agreement, Pledgor shall retain full exercise of the rights as legitimate holder of the pledged shares owned by Pledgor, including the exercise of the right to attend and participate in shareholders' meetings with the right to a voice and vote thereat, the right to collect and receive any corporate capital dividends or abatements as well as to exercise any economic and political rights to which it may be entitled. Still, and without prejudice to the foregoing, Pledgor's rights as legitimate owner of the pledged Shares shall be exercised in a manner consistent with the provisions set forth in the Shareholders' Agreement. Pledgor may participate in all shareholders' meetings of the Company and vote on any matters when required to do so, and in general Pledgor may exercise any other rights to which Pledgor is entitled as shareholder in the Company, without any further restrictions other than those set forth above. However, upon the occurrence of any relevant event of default which remains uncured under the Shareholders' Agreement /hereinafter referred to as a "**Relevant Event of Default**", which shall be construed as a "*Material Breach*", as such term is defined in the Shareholders' Agreement/, the Pledgee shall be entitled to exercise all political rights / right to a voice and vote/ to which Pledgor would be entitled as shareholder of the Company if the pledge under this agreement had never existed. Notwithstanding the foregoing, the parties agree that the Pledgee's right to a voice and vote, exclusively with regard to the distribution of dividends or abatement of corporate capital to be approved at a shareholders' meetings of the Company shall not be included among the political rights to be exercised by Pledgee upon the occurrence of any Relevant Event of Default, /and that such right to a voice and vote with regard to such matter may be exercised by Pledgor who shall also fully retained the right to collect and receive any potential dividends or distributions derived from capital stock abatements/. In order that Pledgee becomes empowered to exercise the political rights referred to above upon the potential occurrence of a Relevant Event of Default, Pledgee shall send a prior written notice to the Company through a Notary Public /hereinafter referred to as the "**Notice**"/ a copy of which shall also be sent to Pledgor. Only for notification purposes and without having to prove the relevant breach to any individual, Pledgee shall exercise all political rights that Pledgor would otherwise hold as legitimate owner of the pledged Shares in the Company as stated above, and shall cure such breach and/or terminate the act or omission giving rise to the Relevant Event of Default. In this case, and except for the aforementioned exception referred to the distribution of dividends and capital abatement, the Pledgor shall refrain from exercising such rights to a voice and vote, which shall, as of right, be exercised exclusively by Pledgee for as long as the Relevant Event of Default remains uncured, for which purpose, Pledgor authorizes irrevocably authorizes Pledgee, such authorization being accepted on behalf of Pledgee by Pledgee's attorney-in-fact identified in the recitals hereof, to exercise the right to a voice and vote inherent in the pledged Shares under the terms set forth above. Pledgor hereby expressly represents that the power of attorney hereby granted is irrevocable and coupled with an interest in compliance with the provisions set forth in section 241 of the Commercial Code; because Pledgee is interested in the fulfillment thereof. In order to avoid any doubts, once the Relevant Event of Default has been cured, all rights shall return, as of right, to be solely and exclusively enjoyed by Pledgor, all of which shall be notified by Pledgee to the Company as stated above; and a copy of such Notice



shall be given to Pledgor. **Seven. Two.**- Subject to the terms and conditions set forth in the Shareholders' Agreement and to the provisions contemplated in the other terms and conditions hereof/ and in particular, without affecting the Pledgor's right to approve, collect and receive dividends and capital abatements, and to exercise, sell or extinguish, at its own discretion, any rights of first refusal to subscribe for any capital increases/, the pledge, restriction and prohibition granted hereunder shall automatically include and encumber all increases in the value of the Shares and the equity rights granted to their shareholders which also include all proceeds and benefits that may derive from or be produced by them, including any dividends and profits, bonus shares, preemptive rights or options (puts and calls) of any kind whatsoever, as indicated below. Subject to the provisions set forth at the beginning of this section, Pledgor also undertakes to require the issuance of any new stock certificate related to new shares to be issued by the Company and entitled to it, during the effective term of the pledge hereunder granted; and, moreover, Pledgor hereby empowers Pledgee to demand the Company in Pledgor's name and behalf, to issue the relevant stock certificate. Pledgor hereby expressly represents that the power of attorney hereby granted is irrevocable and coupled with an interest in compliance with the provisions set forth in section 241 of the Commercial Code; because the Pledgee is interested in the fulfillment thereof.- **Seven. Three.** Pledgee shall enjoy and may enforce against Pledgor and third parties, all benefits, privileges and preemptive rights granted to pledgees by the law.-

SECTION EIGHT: ACCEPTANCE BY PLEDGOR AND ADDITIONAL EARLY FORECLOSURE. Pledgor hereby accepts and agrees for the benefit of Pledgee that the breach of the Secured Obligations either by Pledgor or Debtor shall cause the immediate enforceability and foreclosure of this pledge, as well as any interest thereon and expenses arising herefrom, against which any remedies or actions for recovery or collection and/or of any other nature derived herefrom may be enforced or brought.

SECTION NINE: ADDITIONAL OBLIGATIONS BY PLEDGOR.- Nine. One.- Pledge on Future Shares - Pursuant to what is stated in Section Three. One above but subject to the terms and conditions of the Shareholders' Agreement and the provisions set forth in the other terms and conditions hereof, Pledgor hereby agrees to maintain the pledge at all times and/or pledge any number of the shares owned by it /at present or in the future/ in the Company representing at least [16% therein after its merger with Banco Itaú Chile or a lower amount indicated in Section Three Two (d) of the Shareholders' Agreement], which shall always be first lien pledges, except when the new shares to be pledged and subject to the prohibition to encumber and sell as it has been already agreed upon, have already been subject to a first lien pledge in favor of Itaú BBA, Nassau Branch or any other company which is a person related to Pledgee, in which case the pledge to be granted shall be a second lien pledge. In compliance with the foregoing and in order to fulfill the obligation set forth herein, but subject to the terms and conditions of the Shareholders' Agreement and to the provisions set forth in the other terms and conditions hereof, Pledgor hereby agrees to extend the pledge on Shares and the prohibitions and restrictions hereunder granted to any other cash shares of the Company or securities granting future rights on the shares in the Company to be acquired in the future for any purpose. To such



EXHIBIT 5 B

effects, Pledgor shall successively execute a new public deed of pledge and prohibitions under the terms set forth herein for each share that may be acquired in the future, and on "as acquired basis", no later than 30 calendar days from the date of registration of the shares in its own name in the Shareholders' Registry of the Company- Pledgor may also regularly give written notice to Pledgee of the acquisition of any share in the Company not encumbered by the pledge on shares already granted no later than 30 calendar days from the registration date of the shares in the Shareholders' Registry of the Company. **Nine. Two. Irrevocable Special Power of Attorney.** Notwithstanding Pledgor's obligation undertaken in Section Nine. One above, to subscribe in due course for the relevant pledges and prohibitions, Pledgor hereby grants a special and irrevocable power of attorney to Pledgee as broad as is legally required, which is accepted by its attorney-in-fact already identified in the recitals hereof, in order that Pledgee. acting in the name and behalf of the Company, and at its sole discretion, may grant and execute any relevant pledges and prohibitions on behalf of the Pledgor in the same terms and conditions, *mutatis mutandis*, as those set forth herein to cause the registration thereof with the Pledge Without Conveyance Registry and the Shareholders' Registry of the Company. In order to exercise the powers granted by this power of attorney and in accordance with the foregoing, Pledgee shall be granted broad powers to carry out any other acts that may be required to achieve this power of attorney, and shall be expressly empowered to self-contract. Under this irrevocable power of attorney, Pledgee may, also in the agreements to be entered into by it, grant a special power of attorney to one or more individuals in order that, any one of them acting individually, may exercise, with full judicial and extrajudicial powers, the rights granted by the security agreements to Pledgor or to any successors or assigns thereof. This special and irrevocable power of attorney may not be invoked by Pledgor as a ground to justify Pledgor's breach of any of the obligations arising herefrom. Pledgor hereby expressly represents that the power of attorney hereby granted is irrevocable and coupled with an interest in compliance with the provisions set forth in section 241 of the Commercial Code; because Pledgee is interested in the fulfillment thereof.-

Nine. Three. Split up, Merger and Consolidation.- Pledgor hereby agrees that any split-up or merger agreement of the Company as well as any merger of the Company with and into third parties, or any transformation thereof, shall be implemented under the terms and conditions set forth in the Shareholders' Agreement . Furthermore, the pledges, restrictions and prohibitions hereby granted shall also encumber any shares in the new companies to be created as a consequence of the split-up, merger, consolidation, or transformation, or which survive any of them, which belong or would belong to Pledgor as owner of the Shares subject to the pledge, restrictions, and prohibitions granted hereunder and to all those new shares to be encumbered by these pledges, restrictions and prohibitions in compliance with the provisions set forth above. Pledgee is hereby exclusively authorized to cause the registration of these pledges and prohibitions in the Pledge Without Conveyance Registry and in the relevant shareholders' registry, consequently the Pledgor hereby waives fulfillment of such formalities.

SECTION TEN: INCREASES OF SHARES. - Should new bonus shares be issued, the relevant stock certificates to be issued shall also be affected by the pledge granted herein, and such pledge on the stock certificates must be recorded in the Pledge Without Conveyance Registry and in the Registered Book of Shareholders of the Company, at the sole request of the Notary Public in the name and on behalf of Pledgee.-



SECTION ELEVEN: CONSERVATION OF OWNERSHIP-The Company shall bring at its sole expense, any judicial and extrajudicial actions that are reasonably necessary to retain the ownership and free possession of the Collateral and as well as to defend them against third parties' actions. The foregoing provision shall not affect Pledgor's right to sell the Shares listed in section twenty-three hereof.-

SECTION TWELVE: SUFFICIENT TITLE.- Pledgor and Debtor hereby represent to Pledgee that this public deed together with a faithful and authorized copy hereof is a good and sufficient title to bring and further all relevant legal actions and remedies that may be required by law regarding the pledge hereby granted. The provisions set forth herein shall not be construed under any circumstance as any restriction on Pledgee's rights by virtue of the law nor an amendment, substitution or restriction of Pledgee's rights under the Shareholders' Agreement. Moreover, it is hereby placed on record that the pledge and prohibitions hereby granted are without prejudice to any other guarantees that could have been granted by Pledgor, Debtor and/or third parties to secure performance of the Secured Obligations.

SECTION THIRTEEN: SPECIAL POWER OF ATTORNEY. Thirteen. One. Without prejudice to any appointment of attorneys-in-fact to receive judicial notices served or to be served in the future, Pledgor hereby additionally grants a special and irrevocable power of attorney to [•], domiciled at [•], so that, he/she may receive in the name and on behalf of Pledgor any judicial or extrajudicial notices, demands, letters of request, in any legal action, or proceedings or litigation, irrespective of whether the applicable procedure or the competent court or authority having jurisdiction over them may be with regard to the pledge hereby granted. Pursuant to the irrevocable power of attorney hereby granted, the attorney-in-fact shall be broadly empowered to receive any kind of notices, answer complaints and perform any other acts under the powers set forth in the first subsection of Section 7 of the Code of Civil Procedure of the Republic of Chile. For all purposes hereof, and unless Pledgor gives prior written notice of its new address to Pledgee no later than 15 days in advance, such Notice shall be deemed duly given when personally delivered to any individual at the specified address. **Thirteen. Two.** [•], who is personally present upon the execution hereof, is of legal age and proves his identity with the identity card referred to above states that he/she accepts the irrevocable special power of attorney granted herein and agrees not waive it without the written consent of Pledgee, in which case Pledgor shall previously appoint a new attorney-in-fact to perform judicial acts with the same powers and under the same terms as those set forth herein. The newly appointed attorney-in-fact shall appear and accept the power of attorney granted in the same waiver deed, be an individual who permanently resides in Chile and shall be previously approved by Pledgee. **Thirteen. Three.** Moreover, Pledgor hereby agrees to maintain at any time one attorney-in-fact with the same powers and under the same terms set forth in this section should the irrevocable power of attorney granted herein be terminated by death or inability of any of the attorneys-in-fact. The power of attorney hereby granted by Pledgor does not revoke any other power of attorney heretofore granted and, it shall not be deemed revoked by another power of attorney that may be granted in the future.-



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SECTION FOURTEEN: CORPORATE ACCEPTANCE.- [•], who is personally present upon the execution hereof on behalf of the Company is served with notice of the pledge and restrictions and prohibitions granted hereunder.-

SECTION FIFTEEN. ACCEPTANCE AND DECLARATION OF DEBTOR AND PLEDGOR.- Fifteen. One. The Debtor hereby entirely accepts the pledge granted by Pledgor to secure the fulfillment of Debtor's obligations under the Shareholders' Agreement. **Fifteen. Two.** Debtor and Pledgor hereby represent that the pledge granted hereunder is for the sole benefit of Pledgee and that, consequently, it shall remain in full force and effect and shall not be affected by any agreements, acts and contracts heretofore executed or that may be executed in the future among Debtor and Pledgor.

SECTION SIXTEEN: TAXES AND EXPENSES. Sixteen. One. Pledgor hereby represents that the acts and agreements contemplated herein as well as the exercise of the rights that may derive therefrom have not been or are not subject to any taxes or other similar charges, and that, consequently, the Pledgee may freely exercise them without any restriction whatsoever. **Sixteen. Two.-** Pledgor shall be solely liable for the payment of taxes and expenses under this agreement, including any fees and expenses of deeds and registration of pledges and prohibitions as well as of any other expenses incurred as a consequence of any other future instruments and proceedings derived from this agreement.-

SECTION SEVENTEEN: WAIVER OF RIGHTS. NO RESTRICTION.- Seventeen. One. No right, statement or benefit shall be deemed waived by any of the parties unless such waiver is made in writing and signed by the waiving party.- **Seventeen. Two.** The pledge on shares and the provisions set forth herein shall not be construed under any circumstance as an amendment, substitution, or restriction on Pledgee's rights granted by the Shareholder's Agreement and/or any other security agreements or security interests that the parties may execute in the future under such Shareholders' Agreement.

SECTION EIGHTEENTH: NULLITY, INVALIDITY OR INEFFECTIVENESS.- The declaration of nullity, invalidity or unenforceability of any provision herein shall cause it to be deemed not written or invalid, but the nullity or invalidity of such provision shall not affect the validity or enforceability of the remaining provisions hereof. Furthermore, the parties hereby agree to replace such null or invalid provision by any other valid and enforceable provision that, as far as possible, has the same economic, commercial or other effects set forth in the provision declared null or invalid.

SECTION NINETEEN: SUCCESSORS AND ASSIGNS.- This Pledge on Shares and the prohibition granted herein shall inure to the benefit of the Pledgee, and the rights granted by it may be directly exercised by the Pledgee or any of the successors or assigns thereof, as authorized under the Shareholders' Agreement, as well as by those who may legally or conventionally



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subrogate in their rights. Such successors or assigns and those who may legally or conventionally subrogate in their rights shall enjoy and enforce against Pledgor the same rights and benefits that this public deed grants to the Pledgee, which are considered valid to all legal and contractual effects that may be relevant.

SECTION TWENTY: DOMICILE AND JURISDICTION.- To all legal effects arising herefrom, Pledgor and the Company hereby establish their principal places of business/domiciles in the City of Santiago de Chile, and submit to the jurisdiction of the ordinary courts therein located. This pledge agreement is governed by the laws and other statutory provisions in force in the Republic of Chile.

SECTION TWENTY-ONE. POWER OF ATTORNEY. The appearing parties hereby grant an irrevocable power of attorney to [•], [•]; and [•] and [•], so that any one of the first two of them acting with any one of the second two of them, may make any necessary changes, corrections or clarifications to this agreement required to evidence the creation of the pledge, and they shall also be empowered to execute the relevant public deeds or private instrument that may be required to such effect as well as those that may be required to such effect, and also any other modifications that may be required to subscribe to cause the registration of the pledge in the Pledge Without Conveyance Registry.-

SECTION TWENTY-TWO. POWER TO GIVE NOTICE AND REGISTER.- The holder of a certified copy hereof is authorized and empowered to give notice, carry out and require from the Pledgor, through a Notary Public, to cause the annotation of the pledge and the prohibitions contained in this instrument with the Pledge Without Conveyance Registry and in the Shareholders' Registry, as well as to perform any other acts that may be required or advisable to implement this pledge and prohibitions.

SECTION TWENTY-THREE: DUTY TO RELEASE THE PLEDGE -The Pledgee hereby acknowledges and accepts that, subject to the fulfillment of certain rules on the transfer of shares established in Section 3 of the Shareholders' Agreement, Pledgor hereby is authorized to request the release of this pledge in order to sell the Shares. Furthermore, Pledgor hereby agrees to enter into such release agreement at least two days in advance to the date on which the Pledgor is to implement a transfer under the terms and conditions of the Shareholders' Agreement.-

SECTION TWENTY-FOUR: PROMISE TO CREATE A COMMERCIAL PLEDGE. Pledgor hereby agrees to subscribe and execute all public deeds and other instruments that may be required to levy a second lien commercial pledge on the pledged Shares under the terms of sections 813 *et seq.* of the Chilean Commercial Code, immediately after the release of the pledges on the Shares in favor of Itaú BBA, Nassau Branch. For such purpose, Pledgor hereby agrees to subscribe in due course all relevant amending deeds or deeds evidencing the creation of the pledge and prohibitions no later than 5 business days following the occurrence of the fact stated above. In order to fulfill Pledgor's obligation to execute the relevant deeds and other documents that may be required to such effect, Pledgor hereby grants a special and irrevocable power of attorney to



EXHIBIT 5 B

Pledgee as broad as is legally required, which is accepted by its representative already identified at the recitals hereof, in order that the latter acting in the name and behalf of the Company, and its sole discretion, may grant and executed without any waiting period, all relevant pledges and prohibitions on behalf of the Pledgor, in the same terms and conditions *mutatis mutandi* as those set forth herein / provided that it shall be a commercial pledge /, to cause the registration thereof with the Shareholders' Registry of the Company. In order to exercise the powers granted by this power of attorney and in accordance with the foregoing, Pledgee shall be granted broad powers to carry out any other acts that may be required to achieve this power of attorney, and shall be expressly empowered to self-contract and even determine at its sole discretion, the amount of the Secured Obligation. Under this irrevocable power of attorney, Pledgee may, in the agreements to be entered into by it, grant a special power of attorney to one or more individuals in order that, any one of them acting individually, may exercise, with full judicial and extrajudicial powers, the rights granted by the security agreements to Pledgor or to any successors or assigns thereof. This special and irrevocable power of attorney may not be alleged by Pledgor as grounds to justify Pledgor's breach of any of the obligations arising herefrom. Pledgor hereby expressly represents that the power of attorney hereby granted is irrevocable and coupled with an interest in compliance with the provisions set forth in section 241 of the Commercial Code; because the Pledgee is interested in the fulfillment thereof.

SECTION TWENTY-FIVE: HEADINGS OF THE SECTIONS.- Titles and headings given by the appearing Parties to the several provisions of this agreement have been established for reference and reading purposes only, and shall not adversely affect the meaning or scope that the relevant Section in its aggregate, may have different from such headings. **LEGAL CAPACITY TO REPRESENT THE PARTIES.** The legal capacity of [•] to act in the name and on behalf of **CORP GROUP BANKING S.A.** is evidenced in [•] The legal capacity of Mr. [•] to represent **ITAÚ UNIBANCO HOLDING, S.A.** is evidenced in [•] -. The legal capacity of [•] to represent **CORPBANCA** is evidenced in [•] -. The legal capacity of Mr. [•] to represent **INVERSIONES CORP GROUP INTERHOLD LTDA.** is evidenced in [•]. Such legal capacities are not inserted herein because they are known to the parties and the authorizing Notary Public and at their express request.- **IN WITNESS WHEREOF**, and once these presents have been read by the appearing parties, they sign them along with the authorizing Notary Public. The parties are delivered copies hereof. I attest.-

[•]
p.p. **CORP GROUP BANKING S.A.**

[•]
p.p. **ITAÚ UNIBANCO HOLDING, S.A.**

[•]
p.p. **CORPBANCA**

[•]



p.p. INVERSIONES CORP GROUP INTERHOLD LIMITADA

[•]

[•]

p.p. INVERSIONES GASA LIMITADA

[•]

[•]

p.p. CORP GROUP INVERSIONES LIMITADA

[•]

[•]



Exhibit B

Investment Banks

Bank of America Merrill Lynch
Barclays Capital
Citigroup
Credit Suisse
Deutsche Bank
Goldman, Sachs & Co.
J.P. Morgan
Lazard
Morgan Stanley & Co.
Rothschild
UBS



Exhibit C

Optimal Regulatory Capital



Project Andes

Optimal Regulatory Capital and Dividends

January 2014



Optimal Regulatory Capital Definition Summary

- At any date, with respect to either the Chilean bank or the Colombian bank, the higher of:
 - The percentage represented by 120% of the aggregate minimum regulatory capital ratio required by the applicable country
 - The percentage represented by the average regulatory capital ratio of the three largest privately-owned banks (measured in terms of assets) in the applicable country as of the end of the most recent fiscal year, multiplied by
- The RWAs of the applicable entity as of the date that is one year from the date of determination assuming that such RWAs grow at a rate up to (but in no event exceeding) the Minimum Growth Rate

Chile (CLP mm)		Colombia (COP mm)	
31-Dec-12		31-Dec-12	
Regulatory Capital		Regulatory Capital	
Banco Santander-Chile	\$ 2,735,316	Bancolombia S.A.	\$ 12,029,807
Banco de Chile	2,738,311	Banco de Bogota	7,484,696
Banco de Crédito e Inversiones	2,008,120	Daviyenda S.A.	6,412,465
Total	\$ 7,481,747	Total	\$ 25,926,968
Risk Weighted Assets		Risk Weighted Assets^a	
Banco Santander-Chile	\$ 19,940,397	Bancolombia S.A.	\$ 67,400,787
Banco de Chile	20,709,523	Banco de Bogota	47,188,611
Banco de Crédito e Inversiones	14,761,038	Daviyenda S.A.	36,610,889
Total	\$ 55,410,958	Total	\$ 151,200,287
Banco Santander-Chile	13.7 %	Bancolombia S.A.	17.8 %
Banco de Chile	13.2	Banco de Bogota	15.9
Banco de Crédito e Inversiones	13.6	Daviyenda S.A.	17.5
Total Risk Regulatory Capital Ratio	13.5 %	Total Risk Regulatory Capital Ratio	17.1 %
Minimum Regulatory Capital Ratio ^b	11.0 %	Minimum Regulatory Capital Ratio ^{b,4}	11.8 %
120% of Minimum Regulatory Capital Ratio	15.2 %	120% of Minimum Regulatory Capital Ratio	14.2 %
Optimal Regulatory Capital Ratio	13.5 %	Optimal Regulatory Capital Ratio	17.1 %
Risk-Weighted Assets	\$ 11,494,416	Risk-Weighted Assets	\$ 19,285,674
Optimal Regulatory Capital	\$ 1,552,009	Optimal Regulatory Capital	\$ 3,308,998

Source: Superintendencia de Bancos e Instituciones Financieras Chile and Superintendencia Financiera de Colombia

¹ In Chile, defined as "patrimonio efectivo total", divided by risk weighted assets. Patrimonio efectivo de un banco se define como la suma de los siguientes factores: i) Su capital pagado y reservas o capital básico; ii) Los bonos subordinados que haya colocado, valorados al precio de colocación y hasta concurrencia de un 50% de su capital básico. El valor computable de estos bonos disminuirá en un 20% por cada año que transcurra desde que fallen seis años para su vencimiento; iii) Las provisiones voluntarias que haya constituido, hasta concurrencia del 1,25% de sus activos ponderados por riesgo. Son provisiones voluntarias las que excedan de aquellas que los bancos deban mantener por disposición de la ley o por norma de la Superintendencia; **In Colombia:** "El índice de solvencia se define como el valor del patrimonio técnico, dividido por el valor de los activos ponderados más el riesgo de mercado. El patrimonio técnico corresponde a la suma del patrimonio básico más el patrimonio adicional. El patrimonio adicional sólo puede sumar hasta el 100% del patrimonio básico. Si el patrimonio Básico es mayor que el patrimonio Adicional, el patrimonio Técnico es igual al 2 veces el patrimonio Básico."

² Minimum regulatory capital ratio expected to be in line with the one imposed to Banco Santander-Chile and Banco de Chile.

³ Includes market risk as established by Superintendencia Financiera de Colombia: "El Decreto 1720 de 2001 estableció que el Riesgo de Mercado (RM) es obligatorio a partir del 1 de enero 2002, para meses anteriores era opcional. Los valores de esta columna corresponden al 100% (ene-04). Una vez determinado el valor de la exposición a riesgos de mercado, éste se multiplicará por cien noventa (100/9) y el resultado se adicionará al valor de los activos ponderados por nivel de riesgo (Decreto 1720 de 2001, artículo 6, literal b)."

⁴ As a condition to authorize the acquisition of Heim, Superintendencia Financiera de Colombia demanded a compromise from CorpBanca Colombia that the merged bank (CorpBanca Colombia-Heim) will maintain a minimum solvency ratio of 11.8%.



Average Asset Growth Example

Definitions

Average Asset Growth Multiple:

- (i) the average of the annual growth rate of the aggregate consolidated total assets of the three (3) largest privately-owned banks (measured in terms of total assets) in Chile (excluding the Chilean Bank) or Colombia (excluding the Colombian Bank), as the case may be. In each of the three full years immediately preceding such year (published by the Chilean Superintendencia de Bancos e Instituciones Financieras (in the case of the Chilean Bank) or the Superintendencia Financiera de Colombia (in the case of the Colombian Bank), divided by;
- (ii) the average of the annual growth rate of the nominal gross domestic product of such country (Chile or Colombia, as the case may be) in each of the three full years immediately preceding such year¹

Forecasted System Growth:

- (i) Average Asset Growth Multiple (A), multiplied by;
- (ii) the forecasted growth² of the nominal gross domestic product for the relevant country (Chile or Colombia, as the case may be) for such year, as forecasted by the International Monetary Fund in the World Economic Outlook (published in October of the preceding year)

Illustrative Example

	Historical			Forecasted	
	2010	2011	2012	2013E	2014E
Chile					
Total Assets Growth Rate ³					
Banco Santander-Chile	6.3 %	11.6 %	0.4 %	6.9 %	6.9 %
Banco de Chile	4.5 %	19.1 %	7.0 %	11.4 %	11.4 %
Banco de Credito e Inversiones	0.6 %	22.3 %	11.2 %	9.3 %	9.3 %
Weighted Total Assets Growth Rate	4.3 %	17.0 %	6.7 %	9.2 %	9.2 %
A Preceding 3-Yrs Average Growth Rate				9.0 %	10.6 %
B Real GDP Growth Rate			4.3 %	4.4 %	4.5 %
C Inflation Rate			3.0 %	2.6 %	3.0 %
CPI/CPI-C Nominal GDP Growth Rate	15.1 %	9.5 %	7.4 %	7.1 %	7.6 %
E Preceding 3-Yrs Average Growth Rate				10.7 %	8.0 %
FAAG Average Asset Growth Multiple				0.8 x	1.3 x
GDP Forecasted System Growth				6.8 %	10.1 %
Average Regulatory Capital Ratio of 3 Largest Banks⁴	13.0 %	13.0 %	13.5 %	13.5 %	13.5 %
Colombia					
Total Assets Growth Rate ³					
Bancolombia S.A.	19.9 %	24.5 %	19.1 %	18.7 %	18.7 %
Banco de Bogota	39.1 %	15.8 %	12.5 %	14.6 %	14.6 %
Devolvidos S.A.	21.3 %	21.1 %	14.7 %	17.6 %	17.6 %
Weighted Total Assets Growth Rate	26.8 %	21.0 %	18.1 %	17.3 %	17.3 %
A Preceding 3-Yrs Average Growth Rate				21.2 %	18.1 %
B Real GDP Growth Rate			4.0 %	3.7 %	4.2 %
C Inflation Rate			3.2 %	2.4 %	3.0 %
CPI/CPI-C Nominal GDP Growth Rate	8.0 %	14.1 %	7.3 %	6.2 %	7.3 %
E Preceding 3-Yrs Average Growth Rate				9.8 %	9.2 %
FAAG Average Asset Growth Multiple				2.2 x	2.0 x
GDP Forecasted System Growth				13.3 %	14.3 %
Average Regulatory Capital Ratio of 3 Largest Banks⁴	16.5 %	16.5 %	17.1 %	17.1 %	17.1 %

¹ In the case of Chile, annual growth rate of nominal gross domestic product for the first and second years of the average sourced as published by the Banco Central de Chile; annual growth rate of nominal gross domestic product for the third year of the average sourced as forecasted by the International Monetary Fund in the World Economic Outlook (published in October of the relevant year) and defined as: $(1 + \text{real gross domestic product growth for the relevant year}) \times (1 + \text{consumer prices growth for the relevant year}) - 1$. In the case of Colombia, annual growth rate of nominal gross domestic product for the first, second, and third years of the average sourced as reported (in the case of the first and second year of the average) and forecasted (in the case of the third year of the average) by the International Monetary Fund in the World Economic Outlook (published in October of the third year) and defined as: $(1 + \text{real gross domestic product growth for the relevant year}) \times (1 + \text{consumer prices growth for the relevant year}) - 1$

² Defined as $(1 + \text{real gross domestic product growth for the relevant year}) \times (1 + \text{consumer prices growth for the relevant year}) - 1$

³ For Chilean banks, 2013E asset growth rates are annualized as of Sep-2013; for Colombian banks, 2013E growth rates are annualized as of Oct-2013. 2014E growth rates for Chilean and Colombia banks are equal to 2013E growth rates for illustrative purposes.

⁴ In Chile, defined as "patrimonio efectivo total", divided by risk weighted assets. Patrimonio efectivo de un banco se define como la suma de los siguientes factores: i) Su capital pagado y reservas o capital básico; ii) Los bonos subordinados que haya colocado, valorados al precio de colocación y hasta concurrencia de un 50% de su capital básico. El valor computable de estos bonos disminuirá en un 20% por cada año que transcurra desde que fallen seis años para su vencimiento; iii) Las provisiones voluntarias que haya constituido, hasta concurrencia del 1,25% de sus activos ponderados por riesgo. Son provisiones voluntarias las que excedan de aquellas que los bancos deban mantener por disposición de la ley o por norma de la Superintendencia; In Colombia: "El índice de solvencia se define como el valor del patrimonio técnico, dividido por el valor de los activos ponderados más el riesgo de mercado. El patrimonio técnico corresponde a la suma del patrimonio básico más el patrimonio adicional. El patrimonio adicional sólo puede sumar hasta el 100% del patrimonio básico. Incluye que si el patrimonio Básico es mayor que el patrimonio Adicional"



Exhibit D

ROE

Exhibit D

"ROE" for any Person for any year means (a) such Person's consolidated net income as reported to the Chilean Superintendencia de Bancos e Instituciones Financieras (in the case of the Chilean Bank) or the Superintendencia Financiera de Colombia (in the case of the Colombian Bank), as applicable, for such year, adjusted for merger-related extraordinary charges incurred during the 24-month period following the Closing Date, divided by (b)(i) the percentage represented by the mid-point between such Person's Equity to Assets Ratio for such year and the average Equity to Assets Ratio of the three largest privately-owned banks (measured in terms of assets) in Chile or Colombia, as applicable (excluding the Chilean Bank and the Colombian Bank, as the case may be), for such year, multiplied by (ii) such Person's average consolidated total assets as reported to the Chilean Superintendencia de Bancos e Instituciones Financieras (in the case of the Chilean Bank) or the Superintendencia Financiera de Colombia (in the case of the Colombian Bank), as applicable, for such year. For purposes of calculating ROE and Equity to Assets Ratio, if such Person does not provide consolidated financial statements to the applicable banking regulator referred to above, such Person's consolidated net income, total assets and shareholders' equity shall be the one set forth in its annual audited consolidated financial statements in accordance with IFRS (in the case of the Chilean Bank) or Colombian GAAP (in the case of the Colombian Bank) for the relevant year.

	a	b	c	b / c	a / b
	Consolidated net income	Average consolidated shareholders' equity	Average consolidated assets	Equity to Assets Ratio	ROE
Bank 1	\$200	\$1,000	\$10,000	10.00%	20.00%
Bank 2	225	1,100	15,000	7.33	20.45
Bank 3	250	1,500	20,000	7.50	16.67
Total	\$675	\$3,600	\$45,000	8.00% i	18.75%
Person	\$100	\$720 i x ii	\$9,000 ii	8.00%	13.89%

- a** Consolidated net income as reported to the Chilean Superintendencia de Bancos e Instituciones Financieras (in the case of the Chilean Bank) or the Superintendencia Financiera de Colombia (in the case of the Colombian Bank), as applicable, for such year
- b** Consolidated shareholders' equity as reported to the Chilean Superintendencia de Bancos e Instituciones Financieras (in the case of the Chilean Bank) or the Superintendencia Financiera de Colombia (in the case of the Colombian Bank), as applicable, for such year. Average to be calculated as the sum of the latest reported consolidated shareholders' equity and consolidated shareholders' equity reported as of the same date of the prior year, divided by 2
- c** Average consolidated assets as reported to the Chilean Superintendencia de Bancos e Instituciones Financieras (in the case of the Chilean Bank) or the Superintendencia Financiera de Colombia (in the case of the Colombian Bank), as applicable, for such year. Average to be calculated as the sum of the latest reported consolidated assets and consolidated assets reported as of the same date of the prior year, divided by 2

"Equity to Assets Ratio" means for any Person, for any year, the ratio of (a) such Person's average consolidated shareholders' equity, as reported to the Chilean Superintendencia de Bancos e Instituciones Financieras (in the case of the Chilean Bank or any other Chilean bank) or the Superintendencia Financiera de Colombia (in the case of the Colombian Bank), as applicable, for such year, to (b) such Person's average consolidated total assets, as reported to the Chilean Superintendencia de Bancos e Instituciones Financieras (in the case of the Chilean Bank or any other Chilean bank) or the Superintendencia Financiera de Colombia (in the case of the Colombian Bank), as applicable, for such year.



Exhibit E

Initial CEO of the Chilean Bank

Boris Buvinic Guerovich



Exhibit F

Framework with upper limits on credit exposures

Credit Approvals

Credit Approvals and Limits

Credit Approvals

- **Superior Approvals Credit Committee**
- **Intermediate Level Approvals**
- **Level 1 Committee (N1)**
 - IBBA Vice-President
 - IBBA Credit Director
 - ACR Credit Risk Director
- **Credit Committee – Local level**
 - Member appointed by Itaú – head of the committee
 - Member appointed by Itaú
 - Member appointed by Itaú
 - Member appointed by Corp Group Parent
 - Member appointed by Corp Group Parent
- **Level 3 Committee (N3) – Local level**
 - Comprised of 3 local executives

Credit Approvals						
US\$ MM	Up to 3 years term			Over 3 years term		
	N1	Credit Committee	N3	N1	Credit Committee	N3
Aaa - A2	245	130	30	150	130	30
A3 - Baa2	190	75	25	125	75	25
Baa3 - Ba3	100	30	15	75	30	15
Ba4 - B2	60	10	5	45	10	5
B3 - C3	25	5	3	20	5	3

Committees Description

Level1 Committee
N1

- Comprised of 3 executives from Brazil
- This committee's credit decision must be unanimous
- Above the N1's credit limit, approval by other instances is required
- The decisions of the Committee related to credits of the Chilean Bank and its subsidiaries shall be registered in minutes that shall include details on (i) the loans that have been approved or rejected and (ii) voting of each committee member. The portion of such minutes dealing with credits of the Chilean Bank and its subsidiaries shall be delivered to the Board of Directors

Credit Committee

- All credit requests shall be analyzed by this committee. If the amount of such credit request exceeds this committee's limit, the Credit Committee shall analyze the request prior to sending its recommendation to higher instances (i.e., N1 Committee or higher)
- Comprised of 5 local executives or directors:
 - 3 appointed by Itaú
 - 2 appointed by Corp Group Parent
- Headed by a local executive officer or Director to be recommended by the Chilean CEO
- The credit decisions will be taken by the majority of the members of the Credit Committee
- Credit limits established according to term and client's rating, as described on the table above
- Above the Credit Committee's credit limit, approval by N1 committee is required
- Any denial by the N1 committee of any such requests for approval must be delivered in writing within 7 business days. If no such denial is delivered in writing within 7 business days, the relevant request shall be deemed approved by the N1 committee. Such term shall be renewed each time clarifications and/or further details are requested by the N1 committee.

Level3 Committee
N3

- Comprised of 3 local executives
- This committee's credit decision must be taken by a majority of the members
- Above the N3's credit limit, approval by Credit Committee is required



Exhibit 2

THIS CONSENT AND AGREEMENT is entered into as of [•], 2014 (the “Agreement”) among Corp Group Holding Inversiones Ltda. (“Corp Group”), CorpBanca, a banking corporation (*sociedad anónima abierta especial bancaria*) organized under the laws of Chile (“CorpBanca”), Inversiones Timón S.A.S., a simplified stock corporation (*sociedad por acciones simplificada*) organized and existing under the laws of Colombia (“IT”), Inversiones Carrón S.A.S., a simplified stock corporation (*sociedad por acciones simplificada*) organized and existing under the laws of Colombia (“IC”), Comercial Camacho Gomez S.A.S., a simplified stock corporation (*sociedad por acciones simplificada*) organized and existing under the laws of Colombia (“CCG”), and Kresge Stock Holding Company Inc., a corporation organized and existing under the laws of Panama (together with its Permitted Transferees, “KSHC” and together with IT, IC, ICG, the “Minority Shareholders”).

RECITALS

WHEREAS, Corp Group, CorpBanca, Itaú Unibanco Holding, S.A., a company (*sociedad anónima*) organized under the laws of Brazil (“Itaú Unibanco”), and certain of their affiliates, have entered into a Transaction Agreement a copy of which is attached as Exhibit A (the “Transaction Agreement”).

WHEREAS, the parties hereto and certain of their affiliates are parties to the Amended and Restated Shareholders Agreement (as amended, the “Shareholders Agreement”) dated as of July 31, 2013 relating to Banco Corpbanca Colombia S.A. (the “Company”) (capitalized terms which are not defined herein are used herein as defined in the Shareholders Agreement).

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual promises hereinafter set forth, the parties hereto hereby agree as follows:

ARTICLE I

CERTAIN AGREEMENTS

SECTION 1.1. Approval and Consent. Each of the Minority Shareholders hereby unconditionally and irrevocably approves and consents to the Transaction Agreement and the transactions contemplated thereby (including for the purposes of Section 3.6 of the Shareholders Agreement) and, except as set forth herein, hereby waive its rights under the Shareholders Agreement in respect thereof. At any shareholders’ meeting of the Company, or in connection with any written consent of the shareholders of the Company, each of the Minority Shareholders shall vote all of its Shares in favor of the transactions contemplated by the Transaction Agreement.

SECTION 1.2. Sale of Shares. Each of the Minority Shareholders hereby unconditionally and irrevocably agrees to sell, and CorpBanca agrees to purchase, all of such Minority Shareholders’ Shares at a purchase price of U.S.\$3.5367 per Share, subject to and in



accordance with the Transaction Agreement (including Section 1.2(d) thereof) (simultaneously with the sale of Corp Group's Shares pursuant thereto). Corp Group shall provide notice of the date of the closing for such sale at least five Business Days prior to such closing date. At such closing, each Minority Shareholder shall deliver stock certificates evidencing such Shares against payment of the purchase price therefor in immediately available funds.

SECTION 1.3. KSHC Filing. KSHC hereby agrees to undertake all actions required under applicable law to timely complete and file before the Colombian foreign exchange and tax authorities the substitution of foreign investment in connection with the sale of its Shares pursuant to this Agreement, including filing the relevant tax return.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.1. Representations and Warranties. Each Minority Shareholder hereby represents and warrants that:

(a) It has the corporate power and authority necessary to execute, deliver and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement and the consummation of the transactions hereby by it have been duly and validly authorized by all necessary corporate action. Assuming due authorization, execution, and delivery of this Agreement by the other parties hereto, this Agreement represents a legal, valid, and binding obligation of it, enforceable against it in accordance with its terms (except in all cases as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, receivership, conservatorship, moratorium or similar laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought).

(b) No consent, approval, license, permit, order or authorization of, or registration, declaration or filing with, any governmental authority is required to be made by it for or in connection with its execution and delivery of this Agreement or the consummation by it of the transactions contemplated hereby.

(c) The execution and delivery by it of this Agreement do not, and the consummation by it of the transactions contemplated hereby will not, contravene or violate (i) any provision of its Organizational Documents, (ii) any applicable law to which it is subject or (iii) any provision of, or result in the termination or acceleration of, or entitle any party to accelerate any obligation or indebtedness under, any contract to which it is a party.

(d) It is the registered owner of, and has good and valid title to, the Shares as set forth in Exhibit B, free and clear of all liens other than restrictions contained in the Organizational Documents of the Company and the Shareholders Agreement.



ARTICLE III

MISCELLANEOUS

SECTION 3.1. Amendments and Waivers. Except as otherwise provided herein, no modification, amendment or waiver of any provision of this Agreement shall be effective without the consent of each party. The failure of any party to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms.

SECTION 3.2. Successors, Assigns and Transferees. This Agreement shall bind and inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns (including Permitted Transferees).

SECTION 3.3. Further Assurances. At any time or from time to time after the date hereof, the parties agree to cooperate with each other, and at the request of any other party, to execute and deliver any further instruments or documents and to take all such further action as the other party may reasonably request in order to evidence or effectuate the consummation of the transactions contemplated hereby and to otherwise carry out the intent of the parties hereunder.

SECTION 3.4. Entire Agreement. Except as otherwise expressly set forth herein, this Agreement embodies the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, that may have related to the subject matter hereof in any way.

SECTION 3.5. Governing Law; Dispute Resolution; Waiver of Jury Trial.

(a) Governing Law. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF NEW YORK (EXCEPT FOR SUCH CORPORATE ACTIONS, DECISIONS AND ACTIVITIES TO BE CONDUCTED AND ADOPTED BY THE CORPORATE BODIES OF THE COMPANY SHALL BE GOVERNED BY THE MANDATORY RULES STATED FOR SUCH ACTIONS, DECISIONS AND ACTIVITIES UNDER COLOMBIAN LAW).

(b) Dispute Resolution. Each of the parties irrevocably agrees that all disputes, controversies or claims arising out of or in connection with this Agreement shall be finally settled by international arbitration under the Rules of Arbitration of the International Chamber of Commerce (the "ICC Rules") by one (1) or three (3) arbitrators, as provided herein. Within thirty (30) days of receiving notice of any dispute, controversy or claim arising out of or in connection with this Agreement, each of the parties irrevocably agrees that they shall in good faith attempt to agree on an arbitrator(s) who is qualified in New York Law. In the event the parties cannot agree on an arbitrator(s) within such thirty (30) day period, then the arbitrator(s) shall be appointed in accordance with the ICC Rules. The place of arbitration shall be New York, New York. The



language of the arbitration shall be English. The arbitral award will be final and binding on the parties, not subject to appeal, and enforceable in accordance with its terms. The parties agree that by submitting the dispute, controversy or claim to arbitration under the ICC Rules, the parties undertake to implement any final award rendered by the arbitral tribunal without delay and that the prevailing party shall be entitled to have the final award enforced in any applicable court. The arbitration costs will be borne by the losing party (or parties) or such other party (or parties) as designated by the arbitrator or arbitral panel (as applicable). In case it is necessary for one (1) or more parties to the dispute to enforce the arbitral award through any type of court proceedings, the other party (or parties) to the dispute will bear all reasonable costs, expenses and attorney fees including any extra court fees or arbitration fees.

(c) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION OR LIABILITY DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HERETO HEREBY (I) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY SUCH ACTION OR LIABILITY, SEEK TO ENFORCE THE FOREGOING WAIVER; AND (II) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 3.5(c).

SECTION 3.6. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

SECTION 3.7. Enforcement. Each party hereto acknowledges that money damages would not be an adequate remedy in the event that any of the covenants or agreements in this Agreement are not performed in accordance with its terms, and subject to Section 3.5(b) above it is therefore agreed that in addition to and without limiting any other remedy or right it may have, the non-breaching party will have the right to an injunction, temporary restraining order or other equitable relief in any court of competent jurisdiction enjoining any such breach and enforcing specifically the terms and provisions hereof.

SECTION 3.8. Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

SECTION 3.9. No Third-Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of, and be enforceable by, only the parties hereto and their



respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

SECTION 3.10. Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement may be executed by facsimile signature(s).

[Rest of page intentionally left blank]



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth in the first paragraph hereof.

CORP GROUP HOLDING INVERSIONES LTDA.

By: _____
Name:
Title:

CORPBANCA

By: _____
Name:
Title:

INVERSIONES TIMÓN S.A.S

By: _____
Name:
Title:

INVERSIONES CARRÓN, S.A.S.

By: _____
Name:
Title:

COMERCIAL CAMACHO GOMEZ S.A.S.

By: _____
Name:
Title:

KRESGE STOCK HOLDING COMPANY INC.

By: _____
Name:
Title:

**Exhibit 3**

**FORM OF
REGISTRATION RIGHTS AGREEMENT**

This REGISTRATION RIGHTS AGREEMENT (this “Agreement”), dated as of [], 2014, is entered into by and among CorpBanca, a banking corporation (*sociedad anónima abierta especial bancaria*) organized under the laws of Chile (the “Company”), Inversiones Corp Group Interhold Limitada, a limited liability company (*sociedad de responsabilidad limitada*) organized under the laws of Chile (“Interhold”), and Inversiones Gasa Limitada, a limited liability company (*sociedad de responsabilidad limitada*) organized under the laws of Chile (“GASA” and, together with Interhold, “Corp Group Parent”, and, collectively with any other Person who may become a party hereto pursuant to Section 11(c), the “Shareholders” and each a “Shareholder”).

WHEREAS, the Company and the Shareholders are parties to the Transaction Agreement, dated as of January 29, 2014, as the same may be amended, supplemented or otherwise modified from time to time (the “Transaction Agreement”); and

WHEREAS, in accordance with Section 4.13(b) of the Transaction Agreement, the Company and the Shareholders agreed to enter into this Agreement on the Closing Date (as defined in the Transaction Agreement); and

WHEREAS, Corp Group Parent desires to have, and the Company desires to grant, certain registration and other rights with respect to the Registrable Securities on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

Section 1. Definitions. As used in this Agreement, the following terms shall have the following meanings, and terms used herein but not otherwise defined herein shall have the meanings assigned to them in the Transaction Agreement:

“Adverse Disclosure” means public disclosure of material non-public information that, in the good faith judgment of the Company’s board of directors (after consultation with legal counsel): (i) would be required to be made in any Registration Statement filed with the SEC by the Company so that such Registration Statement would not be materially misleading; (ii) would not be required to be made at such time but for the filing, effectiveness or continued use of such Registration Statement; and (iii) would not be in the best interests of the Company to disclose publicly.

“Agreement” shall have the meaning set forth in the preamble.

“Automatic Shelf Registration Statement” shall have the meaning set forth in Rule 405 (or any successor provision) of the Securities Act.

“Common Stock” means the common stock of the Company.

“Corp Group Parent” shall have the meaning set forth in the preamble.

“Demand Notice” shall have the meaning set forth in Section 3(a).

“Demand Registration” shall have the meaning set forth in Section 3(a).



“Exchange Act” shall mean the U.S. Securities Exchange Act of 1934, as amended, and any successor statute thereto, and the rules and regulations of the SEC promulgated thereunder.

“Indemnified Party” shall have the meaning set forth in Section 8(c).

“Indemnifying Party” shall have the meaning set forth in Section 8(c).

“Long-Form Registration” shall have the meaning set forth in Section 3(a).

“Losses” shall have the meaning set forth in Section 8(a).

“Other Registration Rights Agreement” shall have the meaning set forth in Section 11(j).

“Person” shall mean any natural person, corporation, limited partnership, general partnership, limited liability company, joint stock company, joint venture, association, company, estate, trust, bank trust company, land trust, business trust, or other organization, whether or not a legal entity, custodian, trustee-executor, administrator, nominee or entity in a representative capacity and any government or agency or political subdivision thereof.

“Piggyback Notice” shall have the meaning set forth in Section 4(a).

“Piggyback Registration” shall have the meaning set forth in Section 4(a).

“Piggyback Request” shall have the meaning set forth in Section 4(a).

“Proceeding” shall mean an action, claim, suit, arbitration or proceeding (including an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

“Prospectus” shall mean the prospectus included in any Registration Statement (including a prospectus that discloses information previously omitted from a prospectus filed as part of an effective Registration Statement in reliance upon Rule 430A or Rule 430B promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such prospectus.

“Public Offering” shall mean the sale of Common Stock to the public pursuant to an effective Registration Statement (other than Form F-4 or Form F-8 or any successor form) filed under the Securities Act or any comparable law or regulatory scheme of any foreign jurisdiction.

“Qualifying Offering” shall mean an underwritten offering in which the Company enters into an underwriting agreement and provides customary due diligence to one or more underwriters or any registered offering in which the Company must prepare a Long-Form Registration.

“Registrable Securities” shall mean, as of any date of determination, any (i) Common Stock held by Corp Group Parent and/or its Affiliates, (ii) American or Global Depository Shares or American or Global Depository Receipts representing such shares of Common Stock or American or Global Depository Shares, as the case may be, and (iii) preemptive rights or other securities issued or issuable with respect to any such shares by way of share split, share dividend, distribution, combination, reclassification, recapitalization, merger, consolidation, reorganization, exchange, replacement or similar event or otherwise, and any American Depository Shares or American Depository Receipts evidencing such securities, a, *provided* that for the avoidance of doubt, Registrable Securities shall not include any Itaú Parent Equity Securities (as defined in the Shareholders Agreement) issued in exchange for any Common Stock pursuant to Section 3.8 of the Shareholders Agreement or any put or call rights contained in the Shareholders Agreement. As to any particular Registrable Securities, once issued, such securities shall cease to be Registrable Securities when (i) they are sold pursuant to an effective Registration Statement under the Securities Act, (ii) the holder thereof is able to dispose of all of its, his or her Registrable Securities pursuant to Rule 144 without any volume limitations or manner of sale limitations thereunder, or (iii) they shall have ceased to be outstanding.



“Registration Statement” shall mean any registration statement of the Company under the Securities Act which covers any of the Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such registration statement, including post-effective amendments, all exhibits and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

“Rule 144” shall mean Rule 144 under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

“SEC” shall mean the U.S. Securities and Exchange Commission or any successor agency having jurisdiction under the Securities Act.

“Scheduled Black-Out Period” shall mean the period from and including the fifteenth day prior to the Company’s public release of quarterly earnings through and including the date of such public release by the Company.

“Securities Act” shall mean the U.S. Securities Act of 1933, as amended, and any successor statute thereto, and the rules and regulations of the SEC promulgated thereunder.

“Shareholders” shall have the meaning set forth in the preamble.

“Shelf Offering” shall have the meaning set forth in Section 4(c).

“Short-Form Registration” shall have the meaning set forth in Section 3(a).

“Take-Down Notice” shall have the meaning set forth in Section 4(c).

“Threshold Size” shall have the meaning set forth in Section 3(a).

“Transaction Agreement” shall have the meaning set forth in the recitals.

“underwritten registration” or “underwritten offering” shall mean a registration in which securities of the Company are sold to an underwriter for reoffering to the public or in which an underwriter commits to acquire such securities if and to the extent they are not acquired by third parties.

“Well-Known Seasoned Issuer” shall have the meaning set forth in Rule 405 (or any successor provision) of the Securities Act.

Section 2. Holders of Registrable Securities. A Person is deemed, and shall only be deemed, to be a holder of Registrable Securities if such Person owns Registrable Securities or has a right to acquire such Registrable Securities and such Person is a Shareholder (or a permitted transferee pursuant to Section 11(c)).

Section 3. Demand Registrations.

(a) Requests for Registration. Subject to the following paragraphs of this Section 3(a), Corp Group Parent shall have the right, by delivering or causing to be delivered a written notice to the Company, to require the Company to register pursuant to the terms of this Agreement, under and in accordance with the provisions of the Securities Act, the offer, sale and distribution of the number of Registrable Securities requested to be so registered pursuant to the terms of this Agreement on Form F-3 (which, unless Corp Group Parent requests otherwise, shall be (i) filed pursuant to Rule 415 under the Securities Act and (ii) if the Company is a Well-Known Seasoned Issuer at the time of filing such registration statement with the SEC, designated by the Company as an Automatic Shelf Registration Statement), if the Company is then eligible for such short-form, or any similar or



successor short-form registration (“Short-Form Registrations”) or, if the Company is not then eligible for such short form registration, on Form F-1 or any similar or successor long-form registration (“Long-Form Registrations”) (any such written notice, a “Demand Notice” and any such registration, a “Demand Registration”), as soon as reasonably practicable after delivery of such Demand Notice, but, in any event, the Company shall be required to make the initial filing of the Registration Statement within 30 days following receipt of such Demand Notice in the case of a Short-Form Registration or within 150 days following receipt of such Demand Notice in the case of a Long-Form Registration; *provided* that a Demand Notice may only be made if the sale of the Registrable Securities requested to be registered by such Shareholders is reasonably expected to result in aggregate gross cash proceeds in excess of \$250,000,000 (without regard to any underwriting discount or commission) (the “Threshold Size”). Following receipt of a Demand Notice for a Demand Registration in accordance with this Section 3(a), the Company shall use its reasonable best efforts to file a Registration Statement in accordance with such Demand Notice and the preceding sentence and shall use its reasonable best efforts to cause such Registration Statement to be declared effective under the Securities Act as promptly as practicable after the filing thereof.

No Demand Registration shall be deemed to have occurred for purposes of this Section 3(a), and any Demand Notice delivered in connection therewith shall not count as a Demand Notice for purposes of Section 3(e), if (i) the Registration Statement relating thereto (A) does not become effective or (B) is not maintained effective for the period required pursuant to this Section 3 or (ii) the offering of the Registrable Securities pursuant to such Registration Statement is subject to a stop order, injunction, or similar order or requirement of the SEC during such period or (iii) the conditions to closing specified in any underwriting agreement, purchase agreement, or similar agreement entered into in connection with the registration relating to such request are not satisfied or waived, in each of the foregoing cases other than as a result of a Corp Group Parent’s action.

All requests made pursuant to this Section 3 will specify the number of Registrable Securities to be registered and the intended method(s) of disposition thereof.

Except as otherwise agreed by Corp Group Parent, the Company shall maintain the continuous effectiveness of the Registration Statement with respect to any Demand Registration until such securities cease to be Registrable Securities or such shorter period, as confirmed in writing by Corp Group Parent, ending when such Registrable Securities have actually been sold.

Within five business days after receipt by the Company of a Demand Notice pursuant to this Section 3(a), the Company shall deliver a written notice of any such Demand Notice to all other holders of Registrable Securities, and the Company shall, subject to the provisions of Section 3(b), include in such Demand Registration all such Registrable Securities with respect to which the Company has received written requests for inclusion therein within 10 business days after the date that such notice has been delivered; *provided* that such holders must agree to the method of distribution proposed by the Shareholders who delivered the Demand Notice and, in connection with any underwritten registration, such holders (together with the Company and the other holders including securities in such underwritten registration) must enter into an underwriting agreement in customary form reasonably approved by the Company and, solely with respect to any representations, warranties or obligations of the applicable Shareholders contained in such underwriting agreement, the Shareholders holding the majority of the Registrable Securities. All requests made pursuant to the preceding sentence shall specify the aggregate amount of Registrable Securities to be registered and the intended method of distribution of such securities.

(b) Priority on Demand Registration. If any of the Registrable Securities registered pursuant to a Demand Registration are to be sold in an underwritten offering, and the managing underwriter(s) advise the Company or holders of such securities in writing that in its good faith opinion the total number or dollar amount of Registrable Securities proposed to be sold in such offering is such as to adversely affect the price, timing or distribution of such offering (including securities proposed to be included by other holders entitled to include such securities in such Registration Statement pursuant to incidental or piggyback registration rights), then there shall be included in such underwritten offering the number or dollar amount of Registrable Securities that in the opinion of such managing underwriter(s) can be sold without adversely affecting such offering, and such number of Registrable Securities shall be allocated as follows:



(i) first, *pro rata* among the holders of Registrable Securities that have requested to participate in such Demand Registration on the basis of the percentage of the Registrable Securities requested to be included in such Registration Statement by such holders; and

(ii) second, the securities for which inclusion in such Demand Registration, as the case may be, was requested by the Company.

(c) Postponement of Demand Registration. The Company shall be entitled to (1) postpone, the filing (but not the preparation) of a Registration Statement or (2) require each holder of Registrable Securities to refrain from disposing Registrable Securities pursuant to a Registration Statement (and each such holder shall forthwith discontinue such disposition) (collectively (1) and (2) a "Suspension"), if, the Company delivers a notice to the Stockholders stating that (A), in the good faith judgment of the board of directors of the Company (after consultation with legal counsel), such registration, offering or disposition would (i) require the Company to make an Adverse Disclosure, or (ii) materially interfere with any bona fide material financing, acquisition, disposition or other similar transaction involving the Company or any of its Subsidiaries then under consideration or (iii) occur during a Scheduled Black-Out Period, or (B) any event of the kind described in Section 6(c) (ii), (iii) or (iv) has occurred; *provided* that in the case of a Suspension declared pursuant to clause (A)(i) or (A)(ii) above, the Company shall be limited to calling no more than two (2) Suspensions in any 12-month period, with each Suspension being for a reasonable period and such Suspensions not aggregating more than 60 days in any 12-month period. Such notification shall contain a non-binding approximation of the anticipated delay. The Shareholders receiving such notification shall keep the information contained in such certificate confidential subject to the same terms set forth in Section 6(o). If the Company shall so postpone the filing of a Registration Statement, Corp Group Parent shall have the right to withdraw the request for registration by giving written notice to the Company within 10 days of the anticipated termination date of the postponement period, as provided in the certificate delivered to Corp Group Parent and, for the avoidance of doubt, upon such withdrawal, the withdrawn request shall not constitute a Demand Notice; *provided* that in the event Corp Group Parent does not so withdraw the request for registration, the Company shall continue to prepare a Registration Statement during such postponement such that, if it exercises its rights under this Section 3(c), it shall be in a position to and shall, as promptly as practicable following the expiration of the applicable deferral or suspension period, file or update and use its reasonable best efforts to cause the effectiveness of the applicable deferred or suspended Registration Statement.

(d) Cancellation of a Demand Registration. Holders of a majority of the Registrable Securities that are to be registered in a particular offering pursuant to this Section 3 shall have the right to notify the Company that they have determined that the registration statement be abandoned or withdrawn, in which event the Company shall abandon or withdraw such registration statement; *provided* that such Demand Notice underlying such abandonment or withdrawal shall not be deemed to be a Demand Notice for purposes of Section 3(e) if in response to a material adverse change regarding the Company based primarily on facts not known to such holders of Registrable Securities or different from the facts known to such holders at the time they submitted the Demand Notice; *provided, further,* that if any registration statement is abandoned or withdrawn pursuant to this Section 3(d) for any reason other than as described in the foregoing proviso, the holders of Registrable Securities that delivered the Demand Notice relating to such registration statement shall reimburse the Company for all of its reasonable out of pocket expenses incurred in connection with or arising out of such abandoned or withdrawn registration statement (including all expenses described in Section 7), *pro rata* according to the number of Registrable Securities.

(e) Limitation of Demand Notices. In connection with the provisions of this Section 3, Corp Group Parent may not make more than one Demand Registration request with respect to a Qualifying Offering in any 365-day period.

Section 4. Piggyback Registration; Shelf Take Down.

(a) Right to Piggyback. Except with respect to a Demand Registration, the procedures for which are addressed in Section 3, if the Company proposes to file a registration statement under the Securities



Act with respect to an offering of Registrable Securities, whether or not for sale for its own account and whether or not an underwritten offering or an underwritten registration (other than a registration statement (i) on Form F-4, Form F-8 or any successor forms thereto or (ii) filed to effectuate an exchange offer or any employee benefit or dividend reinvestment plan or with respect to an issuance of shares by the Company to the extent required to comply with immediate legal or regulatory requirements or to meet the Optimal Regulatory Capital (as defined under the Shareholders Agreement)), then the Company shall give prompt written notice of such filing no later than five business days prior to the filing date (the “Piggyback Notice”) to all of the holders of Registrable Securities. The Piggyback Notice shall offer such holders the opportunity to include (or cause to be included) in such registration statement the number of Registrable Securities as each such holder may request (each, a “Piggyback Registration”). Subject to Section 4(b), the Company shall include in each such Piggyback Registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein (each a “Piggyback Request”) within 10 business days after notice has been given to the applicable holder. The Company shall not be required to maintain the effectiveness of the Registration Statement for a Piggyback Registration beyond the earlier to occur of (x) 180 days after the effective date thereof and (y) consummation of the distribution by the holders of the Registrable Securities included in such Registration Statement.

(b) Priority on Piggyback Registrations. If any of the Registrable Securities to be registered pursuant to the registration giving rise to the rights under this Section 4 are to be sold in an underwritten offering, the Company shall use reasonable best efforts to cause the managing underwriter(s) of a proposed underwritten offering to permit holders of Registrable Securities who have timely submitted a Piggyback Request in connection with such offering to include in such offering all Registrable Securities included in each holder’s Piggyback Request on the same terms and subject to the same conditions as any other shares of capital stock, if any, of the Company included in the offering. Notwithstanding the foregoing, if the managing underwriter(s) of such underwritten offering advise the Company in writing that it is their good faith opinion the total number or dollar amount of securities that such holders, the Company and any other Persons having rights to participate in such registration, intend to include in such offering is such as to adversely affect the price, timing or distribution of the securities in such offering, then there shall be included in such underwritten offering the number or dollar amount of securities that in the opinion of such managing underwriter(s) can be sold without so adversely affecting such offering, and such number of Registrable Securities shall be allocated as follows:

(i) first, all securities proposed to be sold by the Company for its own account;

(ii) second, all Registrable Securities requested to be included in such registration pursuant to Section 4, pro rata among such holders on the basis of the percentage of the Registrable Securities requested to be included in such Registration Statement by such holders; and

(iii) third, all other securities requested to be included in such Registration Statement; *provided* that holders may, prior to the earlier of the (x) effectiveness of the Registration Statement and (y) time at which the offering price and/or underwriter’s discount are determined with the managing underwriter(s) and (z) in the case of any Qualifying Offering in which the Company is offering or selling securities, the filing of any preliminary prospectus that includes a price range with respect to such Qualifying Offering, withdraw their request to be included in such registration pursuant to this Section 4.

(c) Shelf-Take Downs. At any time that a shelf registration statement covering Registrable Securities pursuant to Section 3 or Section 4 (or otherwise) is effective, if Corp Group Parent delivers a notice to the Company (each, a “Take-Down Notice”) stating that it intends to sell all or part of its Registrable Securities included by it on the shelf registration statement (each, a “Shelf Offering”), then, the Company shall amend or supplement the shelf registration statement as may be necessary in order to enable such Registrable Securities to be distributed pursuant to the Shelf Offering. In connection with any Shelf Offering, including any Shelf Offering that is a Qualifying Offering, if the Shelf Offering is underwritten, in the event that the managing underwriter(s) of such Shelf Offering advise such holders in writing that it is their good faith opinion the total number or dollar amount of securities proposed to be sold exceeds the total number or dollar amount of such securities that can be sold without having an adverse effect on the price, timing or distribution of the Registrable Securities to be included, then the managing underwriter(s) may limit the number of Registrable Securities which



would otherwise be included in such Shelf Offering in the same manner as described in Section 3(b) with respect to a limitation of shares to be included in a registration; *provided* that each Shelf Offering that is an Qualifying Offering initiated by Corp Group Parent shall be deemed to be a demand subject to the provisions of Section 3(a) (subject to Section 3(d)), and shall decrease by one the number of Demand Notices Corp Group Parent is entitled to pursuant to Section 3(e); *provided, further*, that a Take-Down Notice with respect to an underwritten offering may only be made if the sale of the Registrable Securities requested to be registered by such Shareholders is reasonably expected to result in aggregate gross cash proceeds in excess of the Threshold Size.

Section 5. Restrictions on Public Sale by Holders of Registrable Securities.

Each holder of Registrable Securities agrees with all other holders of Registrable Securities and the Company in connection with any underwritten offering made pursuant to a Registration Statement filed pursuant to Section 3 or Section 4, as applicable, if requested in writing by the managing underwriter or underwriters in such offering, it will not (i) effect any public sale or distribution of any of the Company’s securities (except as part of such underwritten offering), including a sale pursuant to Rule 144 or any swap or other economic arrangement that transfers to another Person any of the economic consequences of owning Common Stock or (ii) give any Demand Notice during the period commencing on the date of the Prospectus pursuant to which such underwritten public offering may be made and continuing for not more than 90 days after the date of such Prospectus (or Prospectus supplement if the offering is made pursuant to a “shelf” registration), plus a then customary “booster shot” extension required to permit research analysts to publish research reports compliant with Rule 139 under the Securities Act pursuant to FINRA Rule 2711 (or a successor thereto).

Section 6. Registration Procedures. If and whenever the Company is required to effect the registration of any Registrable Securities under the Securities Act as provided in Section 3 or Section 4, the Company shall use its reasonable best efforts to effect such registration to permit the sale of such Registrable Securities in accordance with the intended method or methods of disposition thereof, and pursuant thereto the Company shall cooperate in the sale of the securities and shall use its reasonable best efforts, as expeditiously as possible to the extent applicable, to:

(a) prepare and file with the SEC a Registration Statement or Registration Statements on such form as shall be available for the sale of the Registrable Securities by the holders thereof or by the Company in accordance with the intended method or methods of distribution thereof and in accordance with this Agreement, and use its reasonable best efforts to cause such Registration Statement to become effective and to remain effective as provided herein; *provided* that before filing a Registration Statement or Prospectus or any amendments or supplements thereto (including documents that would be incorporated or deemed to be incorporated therein by reference), the Company shall furnish or otherwise make available to the holders of the Registrable Securities covered by such Registration Statement, their counsel and the managing underwriters, if any, copies of all such documents proposed to be filed, which documents will be subject to the reasonable review and comment of such counsel, and such other documents reasonably requested by such counsel, including any comment letter from the SEC;

(b) prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be necessary to keep such Registration Statement continuously effective during the period provided herein and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement; and cause the related Prospectus to be supplemented by any Prospectus supplement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of the securities covered by such Registration Statement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) under the Securities Act;

(c) notify each selling holder of Registrable Securities, its counsel and the managing underwriters, if any, promptly, and (if requested by any such Person) confirm such notice in writing, (i) when a Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to a Registration Statement or any post-effective amendment, when the same has become effective, (ii) of any request by the SEC or any other federal or state governmental authority for amendments or supplements to a Registration



Statement or related Prospectus or for additional information, (iii) of the issuance by the SEC of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose, and (v) if the Company has knowledge of the happening of any event that makes any statement made in such Registration Statement or related Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in such Registration Statement, Prospectus or documents so that, in the case of the Registration Statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, not misleading, and that in the case of the Prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

(d) prevent the issuance or obtain the withdrawal of any order suspending the effectiveness of a Registration Statement, or the lifting of any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction at the earliest date reasonably practicable;

(e) if requested by the managing underwriters, if any, promptly include in a Prospectus supplement or post-effective amendment such information as the managing underwriters, if any, and Corp Group Parent may reasonably request in order to permit the intended method of distribution of such securities and make all required filings of such Prospectus supplement or such post-effective amendment as soon as practicable after the Company has received such request; *provided* that the Company shall not be required to take any actions under this Section 6(e) that are not, based on advice of counsel for the Company, in compliance with applicable law;

(f) furnish or make available to each selling holder of Registrable Securities, its counsel and each managing underwriter, if any, without charge, at least one conformed copy of the Registration Statement, the Prospectus and Prospectus supplements, if applicable, and each post-effective amendment thereto, including financial statements (but excluding schedules, all documents incorporated or deemed to be incorporated therein by reference, and all exhibits, unless requested in writing by such holder, counsel or underwriter); *provided* that the Company may furnish or make available any such documents in electronic format;

(g) deliver to each selling holder of Registrable Securities, its counsel, and the underwriters, if any, without charge, as many copies of the Prospectus or Prospectuses (including each form of Prospectus) and each amendment or supplement thereto as such Persons may reasonably request from time to time in connection with the distribution of the Registrable Securities; *provided* that the Company may furnish or make available any such documents in electronic format (other than, in the case of a Qualifying Offering, upon the request of the managing underwriters, if any, thereof for a reasonable number of printed copies of any such Prospectus or Prospectuses); and the Company, subject to Section 3(c), hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling holders of Registrable Securities and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any such amendment or supplement thereto;

(h) prior to any public offering of Registrable Securities, register or qualify or cooperate with the selling holders of Registrable Securities, the underwriters, if any, and their respective counsel in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Securities for offer and sale under the securities or "blue sky" laws of such jurisdictions within the United States as any seller or underwriter reasonably requests in writing and to keep each such registration or qualification (or exemption therefrom) effective during the period such Registration Statement is required to be kept effective pursuant to this Agreement and to take any other action that may be necessary or advisable to enable such holders of Registrable Securities to consummate the disposition of such Registrable Securities in such jurisdiction; *provided* that the Company will not be required to (i) qualify generally to do business in any jurisdiction where would not otherwise be required to qualify but for this Agreement or (ii) take any action that would subject it to general service of process in any such jurisdiction where it would not otherwise be subject but for this Agreement;



(i) cooperate with, and direct the Company's transfer agent to cooperate with, the selling holders of Registrable Securities and the managing underwriters, if any, to facilitate the timely settlement of any offering or sale of Registrable Securities, including the preparation and delivery of certificates (not bearing any legends) or book-entry (not bearing stop transfer instructions) representing Registrable Securities to be sold after receiving written representations in a form reasonably acceptable to the Company from each holder of such Registrable Securities, including, among any other representations reasonably requested by the Company, that the Registrable Securities represented by the certificates so delivered by such holder will be transferred in accordance with the Registration Statement and, in connection therewith, if reasonably required by the Company's transfer agent, the Company shall promptly after the effectiveness of the registration statement cause an opinion of counsel as to the effectiveness of any Registration Statement to be delivered to and maintained with its transfer agent, together with any other authorizations, certificates and directions required by the transfer agent which authorize and direct the transfer agent to issue such Registrable Securities without restriction upon sale by the holder of such shares of Registrable Securities under the Registration Statement;

(j) subject to the Company's right to declare a Suspension pursuant to Section 3(c), upon the occurrence of, and its knowledge of, any event contemplated by Section 6(c)(v) above, prepare a supplement or post-effective amendment to the Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Securities being sold thereunder, such that the Registration Statement will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, not misleading, and the Prospectus 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, in light of the circumstances under which they were made, not misleading;

(k) prior to the effective date of the Registration Statement relating to the Registrable Securities, provide a CUSIP number for the Registrable Securities;

(l) provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by such Registration Statement from and after a date not later than the effective date of such Registration Statement;

(m) use reasonable best efforts to cause all shares of Registrable Securities covered by such Registration Statement to be listed (subject to official notice of issuance) on a national securities exchange if shares of the particular class of Registrable Securities are at that time listed on such exchange, as the case may be, prior to the effectiveness of such Registration Statement;

(n) enter into underwriting agreements in form, scope and substance as is customary in underwritten offerings and such other documents reasonably required under the terms of such underwriting agreements, including customary legal opinions and auditor "comfort" letters) and take all such other actions reasonably requested by the managing underwriters, if any, to expedite or facilitate the disposition of such Registrable Securities;

(o) in connection with a customary due diligence review, make available for inspection by a representative of the selling holders of Registrable Securities, any underwriter participating in any such disposition of Registrable Securities, if any, and any counsel or accountants retained by such selling holders or underwriter (collectively, the "Offering Persons"), at the offices where normally kept, during reasonable business hours, all financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries, and cause the officers, directors and employees of the Company and its subsidiaries to supply all information and participate in customary due diligence sessions in each case reasonably requested by any such representative, underwriter, counsel or accountant in connection with such Registration Statement; *provided* that any information that is not generally publicly available at the time of delivery of such information shall be kept



confidential by such Offering Persons unless, and only to the extent, (i) disclosure of such information is required by court or administrative order or in connection with an audit or examination by, or a blanket document request from, a regulatory or self-regulatory authority, bank examiner or auditor, (ii) disclosure of such information, in the reasonable judgment of the Offering Persons, is required by law or applicable legal process (including in connection with the offer and sale of securities pursuant to the rules and regulations of the SEC), (iii) such information is or becomes generally available to the public other than as a result of a non-permitted disclosure or failure to safeguard by such Offering Persons in violation of this Agreement or (iv) such information (A) was known to such Offering Persons (prior to its disclosure by the Company) from a source other than the Company when such source, to the knowledge of the Offering Persons, was not bound by any contractual, legal or fiduciary obligation of confidentiality to the Company with respect to such information, (B) becomes available to the Offering Persons from a source other than the Company when such source, to the knowledge of the Offering Persons, is not bound by any contractual, legal or fiduciary obligation of confidentiality to the Company with respect to such information or (C) was developed independently by the Offering Persons or their respective representatives without the use of, or reliance on, information provided by the Company. In the case of a proposed disclosure pursuant to (i) or (ii) above, such Person shall be required to give the Company written notice of the proposed disclosure prior to such disclosure (except in the case of (ii) above when a proposed disclosure was or is to be made in connection with a Registration Statement or Prospectus under this Agreement and except in the case of clause (i) above when a proposed disclosure is in connection with a routine audit or examination by, or a blanket document request from, a regulatory or self-regulatory authority, bank examiner or auditor);

(p) cause its officers to use their reasonable best efforts to support the marketing of the Registrable Securities covered by the Registration Statement (including participation in “road shows” of customary duration and geographic extent) taking into account the Company’s business needs; it being understood that, notwithstanding anything in this Agreement to the contrary, the Company and its officers shall not be obligated to engage in (i) more than one road show in any 365-day period or (ii) any roadshow for an offering that is not reasonably be expected to result in aggregate gross cash proceeds in excess of the Threshold Size; and

(q) cooperate with each seller of Registrable Securities and each underwriter or agent participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the FINRA, including the use reasonable best efforts to obtain FINRA’s pre-clearance or pre-approval of the Registration Statement and applicable Prospectus upon filing with the SEC.

In the case of a Public Offering in Chile, at the request of Corp Group Parent, the Company shall reasonably cooperate to facilitate such Public Offering, including taking actions comparable to the foregoing paragraphs (m), (o) and (p), taking into account customary practices of Public Offerings in Chile, to the extent necessary or advisable to consummate such Public Offering.

The Company may require each holder of Registrable Securities as to which any registration is being effected to furnish to the Company in writing such information required in connection with such registration regarding such seller and the distribution of such Registrable Securities as the Company may, from time to time, reasonably request in writing.

Section 7. Registration Expenses. All fees and expenses incurred by the Company and incident to the performance of or compliance with this Agreement by the Company (including without limitation (i) all registration and filing fees (including fees and expenses with respect to (A) all SEC, stock exchange or trading system and FINRA registration, listing, filing and qualification and any other fees associated with such filings, including with respect to counsel for the underwriters and any qualified independent underwriter in connection with FINRA qualifications, and (B) compliance with securities or “blue sky” laws, including any fees and disbursements of counsel for the underwriters in connection with “blue sky” qualifications of the Registrable Securities pursuant to Section 6(h)), (ii) fees and expenses of the financial printer, (iii) messenger, telephone and delivery expenses of the Company, (iv) fees and disbursements of counsel for the Company, (v) fees and disbursements of all independent certified public accountants, including the expenses of any special audits and/or “comfort letters” required by or incident to such performance and compliance), shall be borne by the Company, whether or not any Registration Statement is filed or becomes effective. All underwriters’ discounts and selling commissions, fees and expenses of



any legal counsel or other advisors to the holders of Registrable Securities (except in connection with FINRA registration pursuant to clause (A) above) and other fees and expenses incurred by the holders of Registrable Securities, in each case related to Registrable Securities registered in accordance with this Agreement, shall be borne by the holders of Registrable Securities included in such registration *pro rata* among each other on the basis of the number of Registrable Securities so registered. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder.

Section 8. Indemnification.

(a) Indemnification by the Company. The Company shall, without limitation as to time, indemnify and hold harmless, to the fullest extent permitted by law, each holder of Registrable Securities whose Registrable Securities are covered by a Registration Statement or Prospectus, the officers, directors, partners, members, managers, shareholders, accountants, attorneys, agents and employees of each of them, each Person who controls each such holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, partners, members, managers, shareholders, accountants, attorneys, agents and employees of each such controlling person, each underwriter, if any, and each Person who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) such underwriter, from and against any and all losses, claims, damages, liabilities, costs (including costs of preparation and reasonable attorneys' fees and any legal or other fees or expenses actually incurred by such party or person in connection with any investigation or Proceeding or defending or, subject to the last sentence of this Section 8(a), settling any such Loss or claim), expenses, judgments, fines, penalties, charges and amounts paid in settlement (collectively, "Losses"), as incurred, in each case arising out of or based upon any untrue statement (or alleged untrue statement) of a material fact contained in any Prospectus, offering circular, any amendments or supplements thereto, "issuer free writing prospectus" (as such term is defined in Rule 433 under the Securities Act) or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or any violation by the Company of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation thereunder applicable to the Company and (without limitation of the preceding portions of this Section 8(a)), *provided* that the Company will not be liable in any such case to the extent that any such Loss arises out of or is based on (i) any untrue statement or omission by such holder or underwriter, but only if such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such Registration Statement, Prospectus or offering circular in reliance upon and in conformity with written information regarding such holder of Registrable Securities furnished to the Company by such holder of Registrable Securities or its authorized representatives expressly for inclusion therein, or (ii) any sales of Registrable Securities while a Suspension is in effect. It is agreed that the indemnity agreement contained in this Section 8(a) shall not apply to amounts paid in settlement of any such Loss or action if such settlement is effected without the prior written consent of the Company (which consent shall not be unreasonably withheld).

(b) Indemnification by Holder of Registrable Securities. As a condition to including any Registrable Securities in any registration statement filed in accordance with this Agreement, each holder of Registrable Securities shall indemnify, to the fullest extent permitted by law, severally and not jointly with any other holders of Registrable Securities, the Company, its Subsidiaries, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act) and each their respective officers, directors, partners, members, managers, shareholders, accountants, attorneys, agents and employees from and against all Losses arising out of or based on any untrue statement of a material fact contained in any such Registration Statement, Prospectus, offering circular, any amendments or supplements thereto, "issuer free writing prospectus" (as such term is defined in Rule 433 under the Securities Act), or any omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or omission is made in such Registration Statement, Prospectus, offering circular, any amendments or supplements thereto, "issuer free writing prospectus" (as such term is defined in Rule 433 under the Securities Act) in reliance upon and in conformity with written information regarding such holder of Registrable Securities furnished to the Company by such holder of Registrable Securities



or its authorized representatives expressly for inclusion therein; *provided* that the obligations of such holder under such undertaking shall not apply to amounts paid in settlement of any such Losses (or actions in respect thereof) if such settlement is effected without the consent of such holder (which consent shall not be unreasonably withheld); and provided, further, that the liability of such holder of Registrable Securities shall be limited to the net proceeds received by such selling holder from the sale of Registrable Securities covered by such Registration Statement.

(c) Conduct of Indemnification Proceedings. If any Person shall be entitled to indemnity hereunder (each, an “Indemnified Party”), such Indemnified Party shall give prompt notice to the party from which such indemnity is sought (each, an “Indemnifying Party”) of any claim or of the commencement of any Proceeding with respect to which such Indemnified Party seeks indemnification or contribution pursuant hereto; *provided* that the delay or failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party from any obligation or liability except to the extent that the Indemnifying Party has been materially prejudiced by such delay or failure. The Indemnifying Party shall have the right, exercisable by giving written notice to an Indemnified Party promptly after the receipt of written notice from such Indemnified Party of such claim or Proceeding, to assume, at the Indemnifying Party’s expense, the defense of any such claim or Proceeding, with counsel reasonably satisfactory to such Indemnified Party; *provided* that an Indemnified Party shall have the right to employ separate counsel in any such claim or Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless: (i) the Indemnifying Party agrees to pay such fees and expenses; (ii) based on advice of counsel, a conflict of interest between such indemnified and indemnifying parties is reasonably likely to exist in respect of such claims, or (iii) the Indemnifying Party fails promptly to assume, or in the event of a conflict of interest cannot assume, the defense of such claim or Proceeding or fails to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding, in which case the Indemnified Party shall have the right to employ separate counsel and to assume the defense of such claim or proceeding at the Indemnifying Party’s expense; *provided, further*, that the Indemnifying Party shall not, in connection with any one such claim or Proceeding or separate but substantially similar or related claims or Proceedings in the same jurisdiction, arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one firm of attorneys (together with appropriate local counsel) at any time for all of the Indemnified Parties. Whether or not such defense is assumed by the Indemnifying Party, such Indemnifying Party will not be subject to any liability for any settlement made without its consent (but such consent will not be unreasonably withheld). The Indemnifying Party shall not consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release, in form and substance reasonably satisfactory to the Indemnified Party, from all liability in respect of such claim or litigation for which such Indemnified Party would be entitled to indemnification hereunder.

(d) Contribution. If the indemnification provided for in this Section 8 is unavailable to an Indemnified Party in respect of any Losses (other than in accordance with its terms), then each applicable Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party, on the one hand, and such Indemnified Party, on the other hand, in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party, on the one hand, and Indemnified Party, on the other hand, shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made (or omitted) by, or relates to information supplied in writing by, such Indemnifying Party or Indemnified Party, and the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent any such action, statement or omission.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 8(d) were determined by *pro rata* allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 8(d), an Indemnifying Party that is a selling holder of Registrable Securities shall not be required to contribute any amount in excess of the amount that such Indemnifying Party has otherwise been, or would otherwise be, required to pay pursuant to Section 8(b) by reason of such untrue or alleged untrue statement or omission or



alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

Section 9. Rule 144. The Company shall use reasonable best efforts to: (i) file the reports required to be filed by it under the Securities Act and the Exchange Act in a timely manner, to the extent required from time to time to enable all holders to sell Registrable Securities without registration under the Securities Act within the limitations of the exemption provided by Rule 144; and (ii) so long as any Registrable Securities are outstanding, furnish holders thereof upon request (A) a written statement by the Company as to its compliance with the reporting requirements of Rule 144 under the Securities Act, and of the Exchange Act and (B) a copy of the most recent annual or quarterly report of the Company (except to the extent the same is available on EDGAR).

Section 10. Underwritten Registrations. In connection with any underwritten offering, each of Corp Group Parent and the Company shall be entitled to select one of up to two investment bankers and managers to serve as joint-lead underwriters, after prior consultation with the other party in good faith. No Person may participate in any underwritten offering hereunder unless such person (a) agrees to sell the Registrable Securities it desires to have covered by a Registration Statement on the basis provided in any customary underwriting agreement for such offering, (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements, *provided* that (x) such Person shall not be required to undertake any indemnification or contribution obligations to the Company or any underwriter with respect thereto other than as specifically provided in Section 8 and (x) the obligations of such Person pursuant to such underwriting agreement shall be several and not joint subject to the limitations set forth in the provisos contained in Section 8(b).

Section 11. Miscellaneous.

(a) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given without the written consent of each of the Shareholders. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of holders of Registrable Securities whose securities are being sold pursuant to a Registration Statement and that does not directly or indirectly affect the rights of other holders of Registrable Securities may be given by holders of at least a majority of the Registrable Securities being sold by such holders pursuant to such Registration Statement.

(b) Notices. All notices required to be given hereunder shall be in writing and shall be deemed to be duly given if personally delivered, telecopied and confirmed, or mailed by certified mail, return receipt requested, or overnight delivery service with proof of receipt maintained, at the following address (or any other address that any such party may designate by written notice to the other parties):

If to the Company, to the address of its principal executive offices. If to any Shareholder, at such Shareholder's address as set forth on the records of the Company. Any such notice shall, if delivered personally, be deemed received upon delivery; shall, if delivered by telecopy, be deemed received on the first business day following written confirmation; and shall, if delivered by internationally recognized overnight courier service, be deemed received the second business day after being sent.

(c) Successors and Assigns; Shareholder Status. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties; *provided* that (x) the Company may not assign this Agreement (in whole or in part) without the prior written consent of the holders of a majority of the Registrable Securities, (y) a Shareholder may not assign this Agreement (in whole or in part) without



the prior written consent of the Company except to a transferee of Registrable Securities pursuant to transfers to (i) Affiliates of such Shareholder or (ii) the other Shareholder and its Affiliates, in each case that are permitted under the Shareholders Agreement and where such Shareholder has also provided the Company with prior written notice of the proposed assignment and (z) such successor or assign shall not be entitled to such rights unless the successor or assign shall have executed and delivered to the Company an Addendum Agreement substantially in the form of Exhibit A hereto (which shall also be executed by the Company) promptly following the acquisition of such Registrable Securities, in which event such successor or assign shall be deemed a Shareholder for purposes of this Agreement. For the avoidance of doubt, if any Shareholder assigns some or all of its rights hereunder to deliver a Demand Notice or a Take-Down Notice to any permitted assignee, such Shareholder shall, if such rights to deliver Demand Notices or Take-Down Notices are subject to limitations pursuant to this Agreement, including Section 3(e) and the provisos to Section 4(c), no longer be entitled to exercise such rights, but only to the extent assigned, and the exercise of such Demand Notice or Take-Down Notice by such assignee shall be subject to the provisions of this Agreement, including Section 3(e) and the provisos to Section 4(c). Except as provided in Section 8 with respect to an Indemnified Party, nothing expressed or mentioned in this Agreement is intended or shall be construed to give any Person other than the parties hereto and their respective successors and permitted assigns any legal or equitable right, remedy or claim under, in or in respect of this Agreement or any provision herein contained.

(d) Counterparts. This Agreement may be executed in two or more counterparts and delivered by facsimile, pdf or other electronic transmission with the same effect as if all signatory parties had signed and delivered the same original document, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(e) Headings; Construction. The section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Unless the context requires otherwise: (i) pronouns in the masculine, feminine and neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and vice versa; (ii) the term “including” shall be construed to be expansive rather than limiting in nature and to mean “including, without limitation,”; (iii) references to sections and paragraphs refer to sections and paragraphs of this Agreement; and (iv) the words “this Agreement,” “herein,” “hereof,” “hereby,” “hereunder” and words of similar import refer to this Agreement as a whole, including Exhibit A hereto, and not to any particular subdivision unless expressly so limited.

(f) Severability. If any term or provision of this Agreement is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the Transactions is not affected in any manner materially adverse to any party hereto. Upon such determination, the parties hereto shall negotiate in good faith in an effort to agree upon a suitable and equitable substitute provision to effect the original intent of the parties hereto. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

(g) Entire Agreement; Supremacy. This Agreement, the Transaction Agreement and the Shareholders Agreement are intended by the parties as a final expression of their agreement, and are intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein and therein, with respect to the registration rights granted by the Company with respect to Registrable Securities. This Agreement, together with the Transaction Agreement and the Shareholders Agreement, supersedes all prior agreements and understandings between the parties with respect to such subject matter. In the event of any conflict between this Agreement and the Shareholders Agreement or any Other Registration Rights Agreement, the Shareholders Agreement and/or Other Registration Rights Agreement, as the case may be, shall control; in furtherance and not in limitation of the foregoing, nothing in this Agreement shall permit a Shareholder to engage in any Transfer (as defined in the Shareholders Agreement) unless such is expressly permitted under the Shareholders Agreement.



(h) Securities Held by the Company or its Subsidiaries. Whenever the consent or approval of holders of a specified percentage of Registrable Securities is required hereunder, Registrable Securities held by the Company or its subsidiaries shall not be counted in determining whether such consent or approval was given by the holders of such required percentage.

(i) Specific Performance. The parties hereto recognize and agree that money damages may be insufficient to compensate the holders of any Registrable Securities for breaches by the Company of the terms hereof and, consequently, that the equitable remedy of specific performance of the terms hereof will be available in the event of any such breach.

(j) Term. This Agreement shall terminate with respect to a Shareholder on the earlier of (i) the date on which Corp Group Parent ceases to hold Registrable Securities and (ii) the date on which the Shareholders Agreement has been terminated in accordance with its terms and all terms thereof have ceased to survive with respect to such Shareholder; *provided* that Corp Group Parent’s rights and obligations pursuant to Section 8, as well as the Company’s obligations to pay expenses pursuant to Section 7, shall survive with respect to any registration statement in which any Registrable Securities of Corp Group Parent were included. From and after the date of this Agreement, the Company shall not enter into any agreement with any Person giving, including any holder or prospective holder of any securities of the Company, any registration rights the terms of which conflict with, the registration rights granted to Corp Group Parent hereunder (each, an “Other Registration Rights Agreement”).

(k) Governing Law; Dispute Resolution; Waiver of Jury Trial.

(i) Governing Law. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF NEW YORK WITHOUT REGARD TO ITS CONFLICT OF LAW PRINCIPLES (EXCEPT FOR SUCH CORPORATE ACTIONS, DECISIONS AND ACTIVITIES TO BE CONDUCTED AND ADOPTED BY THE CORPORATE BODIES OF THE COMPANY OR ITS SUBSIDIARIES SHALL BE GOVERNED BY THE MANDATORY RULES STATED FOR SUCH ACTIONS, DECISIONS AND ACTIVITIES UNDER CHILEAN OR COLOMBIAN LAW, AS APPLICABLE).

(ii) Dispute Resolution. Each of the parties irrevocably agrees that all disputes, controversies or claims arising out of or in connection with this Agreement shall be finally settled by international arbitration under the Rules of Arbitration of the International Chamber of Commerce (the “ICC Rules”) by three (3) arbitrators. Within thirty (30) days of receiving notice of any dispute, controversy or claim arising out of or in connection with this Agreement, each of the parties irrevocably agrees that they shall in good faith attempt to agree on arbitrators who are qualified in New York Law. In the event the parties cannot agree on arbitrators within such thirty (30) day period, then the arbitrators shall be appointed in accordance with the ICC Rules. The place of arbitration shall be New York, New York. The language of the arbitration shall be English. The arbitral award will be final and binding on the parties, not subject to appeal, and enforceable in accordance with its terms. The parties agree that by submitting the dispute, controversy or claim to arbitration under the ICC Rules, the parties undertake to implement any final award rendered by the arbitral tribunal without delay and that the prevailing party shall be entitled to have the final award enforced in any applicable court. The arbitration costs will be borne by the losing party (or parties) or such other party (or parties) as designated by the arbitrator or arbitral panel (as applicable). In case it is necessary for one (1) or more parties to the dispute to enforce the arbitral award through any type of court proceedings, the other party (or parties) to the dispute will bear all reasonable costs, expenses and attorney fees including any extra court fees or arbitration fees.

(iii) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION OR LIABILITY DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HERETO HEREBY (I) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT



SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY SUCH ACTION OR LIABILITY, SEEK TO ENFORCE THE FOREGOING WAIVER; AND (II) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11(k)(iii).



IN WITNESS WHEREOF, the parties hereto have caused this Registration Rights Agreement to be duly executed as of the date first above written.

INVERSIONES CORP GROUP INTERHOLD LIMITADA

By:
Name:
Title:

INVERSIONES GASA LIMITADA

By: _____
Name:
Title:

CORPBANCA

By: _____
Name:
Title:



EXHIBIT A

ADDENDUM AGREEMENT

This Addendum Agreement is made this ___ day of _____, 20___, by and between _____ (the “New Shareholder”) and [●] (the “Company”), pursuant to a Registration Rights Agreement dated as of [●], 2014 (the “Agreement”), by and among the Company and . Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

W I T N E S S E T H:

WHEREAS, the Company has agreed to provide registration rights with respect to the Registrable Securities as set forth in the Agreement; and

WHEREAS, the New Shareholder has acquired Registrable Securities directly or indirectly from a Shareholder; and

WHEREAS, the Company and the Shareholders have required in the Agreement that all persons desiring registration rights pursuant to the Agreement must enter into an Addendum Agreement binding the New Shareholder to the Agreement to the same extent as if it were an original party thereto;

NOW, THEREFORE, in consideration of the mutual promises of the parties, the New Shareholder acknowledges that it has received and read the Agreement and that the New Shareholder shall be bound by, and shall have the benefit of, all of the terms and conditions set out in the Agreement to the same extent as if it were an original party to the Agreement (or as otherwise provided therein) and shall be deemed to be a Shareholder thereunder.

New Shareholder

Address:



Agreed to on behalf of [the Company] pursuant to Section 11(c) of the Agreement.

[THE COMPANY]

By: _____

Printed Name and Title

Exhibit A-2



Exhibit 4

Required Regulatory Consents

“*CIMA*”: means Cayman Islands Monetary Authority.

“*SBIF*”: means the Chilean Superintendency of Banks (*Superintendencia de Bancos e Instituciones Financieras*).

“*SBP*”: means the *Superintendencia de Bancos de Panamá*.

“*SMV*”: means the Superintendencia del Mercado de Valores de Panamá.



1. *Regulatory Consents to be obtained from Chilean Governmental Authorities:*
 - i. The Capital Raise requires the following Regulatory Consents:
 - (a) General SBIF approval (applicable to the entire Transaction).
 - (b) SBIF approval of the Capital Raise pursuant to the provisions of Article 52 of the Chilean Banking Law.
 - ii. The Chilean Merger requires the following Regulatory Consents:
 - (a) SBIF approval of the Chilean Merger pursuant to the provisions set forth in Article 35 bis of the Chilean Banking Act, if applicable.
 - (b) SBIF approval of the amendments to the by-laws of CorpBanca (as a result of the Chilean Merger) and issuance of the relevant certificate with an excerpt of the approved amendments pursuant to Article 31 of the Chilean Banking Law.
 - (c) SBIF approval for the acquisition of more than 10% of CorpBanca (as a result of the exchange of shares in the Chilean Merger) by any shareholder of Itaú Chile, as the non surviving Chilean bank, all pursuant to the provisions set forth in Article 36 of the Chilean Banking Act.
1. *Regulatory Consents to be obtained from American Governmental Authorities.*
 - i. The Chilean Merger requires the following Regulatory Consents:
 - (a) U.S. Federal Reserve Board approval pursuant to 12 C.F.R. § 211.24 (applicable to the entire Transaction).
 - (b) U.S. Office of the Comptroller of the Currency approval pursuant to 12 C.F.R. § 5.70 (for the indirect acquisition of CorpBanca New York Branch as a result of the Chilean Merger / execution of the shareholders' agreement).
2. *Regulatory Consents to be obtained from Colombian Governmental Authorities.*
 - i. The indirect acquisition of a beneficial ownership by Itaú Parent in CorpBanca Colombia as a result of the Chilean Merger requires following Regulatory Consents:
 - (a) The prior authorization of the SFC pursuant to article 88 of the *Estatuto Orgánico del Sistema Financiero* ("EOSF").
 - (b) The Colombian Stock Exchange, pursuant to article 1.5.1.7 of the general rules of the Colombian Stock Exchange.



3. *Regulatory Consents to be obtained from Brazilian Governmental Authorities:*

- i. Each of the Capital Raise and Chilean Merger requires the prior approval of the Brazilian Central Bank.

4. *Regulatory Consents to be obtained from Panamanian Governmental Authorities:*

- i. The Chilean Merger is subject to the following Regulatory Consents:

- (a) Prior approval from the Superintendency of Capital Markets of Panama.
- (b) Prior approval from the Superintendency of Banks of Panama.

5. *Regulatory Consents to be obtained from Caymanian Governmental Authorities:*

i. Corp Group Parent selling of 5,208,344,218 shares of CorpBanca to non-Affiliates is subject to prior approval from CIMA according to the Banks and Trust Companies Law to the extent a change of beneficial ownership in CorpBanca results from such transfer.

ii. The Chilean Merger is subject to prior approval from CIMA according to the Banks and Trust Companies Law to the extent a change of beneficial ownership of CorpBanca and its respective Colombian Subsidiaries results from the Chilean Merger.



EXHIBIT 5 A

English Translation

FILE No.

**PLEDGE WITHOUT CONVEYANCE ON SHARES
INVERSIONES CORP GROUP INTERHOLD LIMITADA
TO
ITAÚ UNIBANCO HOLDING, S.A.**

In the City of **SANTIAGO, REPUBLIC OF CHILE**, on this [•], before me, [•], there appeared:

Mr. [•], [nationality], [marital status], [profession or occupation], holder of national identity card [•], who acts in the name and on behalf, as it shall be hereinafter evidenced, of **INVERSIONES CORP GROUP INTERHOLD LIMITADA**, *Rol Único Tributario Número* (taxpayer's identification number) [•], hereinafter also referred to as the "**Pledgor**", [•], both of them domiciled to the effects hereof at [•];

Mr. [•], [nationality], [marital status], [profession or occupation], holder of national identity card [•], who acts in the name and on behalf, as it shall be hereinafter evidenced, of **INVERSIONES GASA LIMITADA**, *Rol Único Tributario Número* (taxpayer's identification number) [•], both of them domiciled to the effects hereof at [•];

Mr. [•], [nationality], [marital status], [profession or occupation], holder of national identity card [•], who acts in the name and on behalf, as it shall be hereinafter evidenced, of **CORP GROUP HOLDING INVERSIONES LIMITADA**, *Rol Único Tributario Número* (taxpayer's identification number) [•], both of them domiciled to the effects hereof at [•];

Mr. [•], [nationality], [marital status], [profession or occupation], holder of national identity card [•], who acts in the name and on behalf, as it shall be hereinafter evidenced, of **ITAÚ UNIBANCO HOLDING, S.A.**, *Rol Único Tributario Número* (taxpayer's identification number) [•], hereinafter also referred to as the "**Pledgee**", [•], both of them domiciled to the effects hereof at [•]; and

Mr. [•], [nationality], [marital status], [profession or occupation], holder of national identity card [•], who acts in the name and on behalf, as it shall be hereinafter evidenced, of **CORP GROUP BANKING S.A.**, *Rol Único Tributario Número* (taxpayer's identification number) [•], hereinafter also referred to as the "**Company**";

INVERSIONES GASA LIMITADA, CORP GROUP HOLDING INVERSIONES LIMITADA, CORP GROUP BANKING S.A. and INVERSIONES CORP GROUP INTERHOLD LIMITADA shall be hereinafter referred to as the "**Debtor**".



The appearing parties, who are of age and evidence their identities by means of the above mentioned identity cards, state as follows:

SECTION ONE. BACKGROUND. 1. 1. Shareholders' Agreement. Pledgee, Pledgor and the Debtor and other parties entered into an agreement in English known as "*Shareholders' Agreement*", hereinafter referred to as the "**Shareholders' Agreement**" as evidenced in the private deed executed on [●], and governed by the laws in force in the State of New York, United States of America. Such agreement establishes the rights and obligations of the parties, and the way in which they are to exercise their rights in [Corpbanca]. Among other matters, the Shareholders Agreement establishes certain rules and obligations concerning resolutions to be adopted or taken at shareholders' meetings, corporate management and administration, representations and warranties made by the direct and indirect shareholders who undersigned such agreement, as well as certain provisions governing the assignment or transfer of shares in [Corpbanca], dispute resolutions, termination grounds, and other miscellaneous provisions. **One. Two. Secured Obligations.** Each of the affirmative or negative covenants of Debtor to the Pledgee contained in or derived from the Shareholders' Agreement or any other instrument that the Debtor could have accepted, or may execute or accept in the future to evidence such obligations, as well as each and every obligations that the Debtor may owe or undertake in the future, to the Pledgee as a consequence of the execution of the documents to be entered into under the Shareholders' Agreement shall be hereinafter jointly referred to as the "**Secured Obligations**". The term "**Secured Obligations**" shall also refer to the obligation to execute any document or agreement, the obligation to perform any act under or on the occasion of the Shareholders Agreement and the obligation to pay any fine contemplated under the Shareholders' Agreement, or any amendments, exhibits, attachments, appendixes or any other supplementary documents thereto. Secured Obligations shall also refer to the obligation to pay Pledgee any indemnification and compensation to which Pledgee may be entitled under the Shareholders' Agreement [including but not limited to the obligation to pay a fine amounting to US\$ The description of the Secured Obligations contained in Section **One** hereof is solely made for reference purposes, merely to place on record the tenor thereof in general, it being specifically pointed out that, to all legal and contractual effects, the accurate terms and conditions of the Secured Obligations set forth herein are those set forth and contemplated in the Shareholders' Agreement. It is hereby expressly stated that in order to comply with the provisions set forth in Section 3 subsection 2 of Article XIV of the *Ley de Prenda sin Desplazamiento* (Chilean Pledge Without Conveyance Law) this pledge without conveyance generally secures the fulfillment of all the obligations assumed by Debtor under the Shareholders' Agreement.

SECTION TWO. BACKGROUND ON SHARES.- Two. One. Pledgor is the sole and unconditional owner of [●] shares in the Company, all of which have been fully paid and registered in its own name in the Shareholders' Registry of the Company /the "Shares"/. Those shares represent 100% of Pledgor's shares in the Company. **Two. Two.** By public deed executed on [●], at the Notarial Office [●], Pledgor granted a first lien pledge on securities to the banks, on [●] of the shares referred to in Two. One above to Banco Itaú BBA, Nassau Branch, in order to secure repayment of the loan granted by public deed on [●], amounting to [●].



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SECTION THREE: PLEDGE ON SHARES. Three. One. Pledgor hereby pledges the Shares in compliance with the provisions set forth in articles 1 and 5 five of article 14 of the Chilean “*Ley de Prenda sin Desplazamiento*” No. 20.190 “/hereinafter referred to as the “**Pledge Without Conveyance Law**”, the Pledge Without Conveyance Register Regulations under Supreme Decree No. 722 jointly enacted by the Ministry of Justice and the Ministry of Finance and published in the Official Gazette on 23 October 2010 /hereinafter referred to as the “**Pledge Without Conveyance Regulation**”/ to Pledgee, in order to ensure the full, timely and effective repayment of all Secured Obligations during the effective term of the obligations under the Shareholders’ Agreement. Such pledge also encumbers all shares to be issued by the Company and to be subscribed for by Pledgor in the future, according to what is set forth in section Nine. One below /the “**Future Shares**”/. - **Three. Two.** The pledge hereby levied shall further secure the reimbursement of all legal costs and collection expenses, whether judicial or extrajudicial, including reasonable attorneys’ fees, if any, which may be incurred as a result of any proceedings or demands brought for the collection or foreclosure of this pledge; and it shall also encumber any other obligation undertaken by Debtor by means of any instruments that it may execute or accept in the future, in substitution or lieu thereof, or in addition to those that have already been executed and delivered to Pledgee or to its successors or substitutes, in respect of any documents or instruments evidencing the Secured Obligations.- **Three. Three.** All amounts received as a consequence of the judicial or extrajudicial payment of the Secured Obligations shall belong to the Pledgee under this Pledge, and shall be paid to Pledgee, after deducting all expenses and collection costs, according to the provisions set forth in the Shareholders’ Agreement and in this document. Subject to the provisions set forth in **section 23 hereof**, it is expressly agreed that the pledge granted under this instrument is indivisible; therefore, the release thereof shall not be claimed until the full payment of all the Secured Obligations.- **Three. Four.** To the effects of the provisions set forth in section 4 of the Pledge Without Conveyance Regulations, the parties expressly agree that the minimum value of the affirmative and negative covenants referred to above amounts to [\$_]. **Three. Five.** It is hereby expressly stated that any obligation agreed to be paid in foreign currency shall be deemed extinguished only up to the foreign currency amount paid by the Pledgee in freely convertible and available funds, or should the payment be made in another currency, only up to the amount sufficient for the Pledgee to acquire the foreign currency with which such payment should have been done under the agreement or the law, on the business day immediately following the day in which the Pledgee has received such amount. **Three. Six.** Pledgee hereby accepts the pledge without conveyance on the Shares and on the Future Shares levied hereunder.

SECTION FOUR: REPRESENTATIONS OF PLEDGOR.- Pledgor hereby represents to Pledgee that: **/One/** Pledgor is duly empowered to make the representations contained herein and to execute this agreement; that this public deed has been duly executed by Pledgor and that it contains legal, valid and enforceable obligations binding upon Pledgor; **/Two/** Pledgor is the sole and exclusive owner of the Pledged Shares and that, unless otherwise stated or acknowledged in the



Shareholders' Agreement or herein, such Shares are free of any encumbrances, liens, charges, litigations, prohibitions to levy and sell or any other restrictions, attachments, preliminary injunctions and precautionary measures, actions for cancellation, and third parties' preferential rights, and that they are not subject to any impediments that may prevent, hinder, delay or impair the free disposition thereof or the creation of the pledge and prohibitions or injunctions evidenced herein; and that they have not been legally enjoined or restrained from executing this agreement; and that such Shares are not subject to any options (puts and calls), promises to sell, conditional sales, term sales, or to any other act or agreement that conveys, or is intended to convey title thereof, or to give them as security for the fulfillment of any other obligations and that, to the date hereof, there are no impediments that may prevent, hinder, delay or impair the free disposition or creation of the Pledge evidenced herein; and /Three/ the execution, fulfillment and subscription of this pledge does not supersede any other agreement or undertaking entered into by Pledgor, nor any law, decree, regulation or statutory or administrative rule; and that no other governmental authorization, approval or notice or from third parties is required to subscribe, fully performed and execute these presents.

SECTION FIVE: PROHIBITIONS.- Pledgor hereby undertakes, unless otherwise provided for in the Shareholders' Agreement and in Section 23 hereof, not to encumber, sell, dispose of, or otherwise perform any act or enter into any agreement that may adversely affect the Shares, without Pledgee's previous written authorization during the effective term hereof. The appearing parties hereby declare that "lien" shall refer to any collateral or security interest or any charge, encumbrance, prohibition, right in favor of third parties, attachment, impediment or restriction that may adversely affect or impair the free use, enjoyment or disposition of the Shares.

SECTION SIX: Six. One. REGISTRATION AND ANNOTATION. One/ The pledge hereby granted is to be recorded, at the expense of the Pledgor with the Pledge Without Conveyance Register according to the provisions set forth in article 24 of article 14 of the Chilean Pledge Without Conveyance Law. **Two/** Pledgor shall be bound to execute and subscribe a statement deed as well as to perform any other acts and enter into any kind of agreements, whether by a public or private instrument, intended to identify the Future Shares to be pledged hereunder once they are issued, within the ten business days immediately following the expiration date of each calendar month in which Pledgor has acquired the Future Shares. **Six. Two. NOTICE IN THE REGISTER OF SHAREHOLDERS** The pledge and prohibition contained herein shall be notified, recorded and registered with the Shareholders' Register Book of the Company by a Notary Public as set forth in article 23 of the Chilean Corporations' Law.-

SECTION SEVEN: PLEDGEE'S RIGHTS, BENEFITS AND PRIVILEGES. Seven. One.- While no Relevant Event of Default /as defined below/ occurs under the Shareholders' Agreement, Pledgor shall retain full exercise of the rights as legitimate holder of the pledged shares owned by Pledgor, including the exercise of the right to attend and participate in shareholders' meetings with the right to a voice and vote thereat, the right to collect and receive any corporate capital dividends or abatements as well as to exercise any economic and political rights to which it may be entitled. Still, and without prejudice to the foregoing, Pledgor's rights



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as legitimate owner of the pledged Shares shall be exercised in a manner consistent with the provisions set forth in the Shareholders' Agreement. Pledgor may participate in all shareholders' meetings of the Company and vote on any matters when required to do so, and in general Pledgor may exercise any other rights to which the Pledgor is entitled as shareholder in the Company, without any further restrictions other than those set forth above. However, upon the occurrence of any relevant event of default which remains uncured under the Shareholders' Agreement /hereinafter referred to as a "Relevant Event of Default", which shall be construed as a "Material Breach", as such term is defined in the Shareholders' Agreement/, the Pledgee shall be entitled to exercise all political rights/ right to a voice and vote/ to which the Pledgor would be entitled as a shareholder of the Company if the pledge under this agreement had never existed. Notwithstanding the foregoing, the parties agree that the Pledgee's right to a voice and vote, exclusively with regard to the distribution of dividends or abatement of corporate capital to be approved at a shareholders' meetings of the Company shall not be included among the political rights to be exercised by Pledgee upon the occurrence of a Relevant Event of Default, /and that such right to a voice and vote with regard to such matter may be exercised by Pledgor who shall also fully retained the right to collect and receive any potential dividends or distributions derived from capital stock abatements/. In order that Pledgee becomes empowered to exercise the political rights referred to above upon the potential occurrence of a Relevant Event of Default, Pledgee shall send a prior written notice to the Company through a Notary Public /hereinafter referred to as the "Notice"/ a copy of which shall also be sent to Pledgor. Only for notification purposes and without having to prove the relevant breach to any individual, Pledgee shall exercise all political rights that Pledgor would otherwise hold as legitimate owner of the pledged Shares in the Company as stated above, and shall cure such breach and/or terminate the act or omission giving rise to the Relevant Event of Default. In this case, and except for the aforementioned exception referred to the distribution of dividends and capital abatement, the Pledgor shall refrain from exercising such rights to a voice and vote, which shall, as of right, be exercised exclusively by the Pledgee for as long as the Relevant Event of Default remains uncured, for which purpose, Pledgor authorizes irrevocably authorizes Pledgee, such authorization being accepted on behalf of Pledgee by Pledgee's attorney-in-fact identified in the recitals hereof, to exercise the right to speak and vote inherent in the pledged Shares under the terms set forth above. The Pledgor hereby expressly represents that the power of attorney hereby granted is irrevocable and coupled with an interest in compliance with the provisions set forth in section 241 of the Commercial Code; because the Pledgee is interested in the fulfillment thereof. In order to avoid any doubts, once the Relevant Event of Default has been cured, all rights shall return, as of right, to be solely and exclusively enjoyed by Pledgor, all of which shall be notified by Pledgee to the Company as stated above; and a copy of such Notice shall be given to Pledgor. - **Seven. Two.**- Subject to the terms and conditions set forth in the Shareholders' Agreement and to the provisions contemplated in the other terms and conditions hereof/ and in particular, without affecting the Pledgor's right to approve, collect and receive dividends and capital abatements, and to exercise, sell or extinguish, at its own discretion, any rights of first refusal to subscribe for any capital increases/, the pledge, restriction and prohibition granted hereunder shall automatically include and encumber all increases in the value of the Shares and the equity rights granted to their



shareholders which also include all proceeds and benefits that may derive from or be produced by them, including any dividends and profits, bonus shares, preemptive rights or options (puts and calls) of any kind whatsoever, as indicated below. Subject to the provisions set forth at the beginning of this section, Pledgor also undertakes to require the issuance of any new stock certificate related to new shares to be issued by the Company and entitled to it, during the effective term of the pledge hereunder granted; and, moreover, Pledgor hereby empowers Pledgee to demand the Company in Pledgor's name and behalf, to issue the relevant stock certificate. Pledgor hereby expressly represents that the power of attorney hereby granted is irrevocable and coupled with an interest in compliance with the provisions set forth in section 241 of the Commercial Code; because the Pledgee is interested in the fulfillment thereof.- **Seven. Three.** Pledgee shall enjoy and may enforce against Pledgor and third parties, all benefits, privileges and preemptive rights granted to pledgees by the law.-

SECTION EIGHT: ACCEPTANCE BY PLEDGOR AND ADDITIONAL EARLY FORECLOSURE. Pledgor hereby accepts and agrees for the benefit of Pledgee that the breach of the Secured Obligations either by Pledgor or Debtor shall cause the immediate enforceability and foreclosure of this pledge, as well as any interest thereon and expenses arising herefrom, against which any remedies or actions for recovery or collection and/or of any other nature derived herefrom may be enforced or brought.

SECTION NINE: ADDITIONAL OBLIGATIONS OF PLEDGOR.- Nine. One.- Pledge on Future Shares - Pursuant to what is stated in Section Three. One above but subject to the terms and conditions of the Shareholders' Agreement and the provisions set forth in the other terms and conditions hereof, Pledgor hereby agrees to maintain at all times and/or pledge in the future 100% of the shares owned by it /at present or in the future/ in the Company, which shall always be first lien pledges, except for the new shares to be pledged and which shall be subject to the prohibition to encumber and sell as it has already been agreed upon, have already been subject to a first lien pledge in favor of Itaú BBA, Nassau Branch or any other company which is a person related to Pledgee, in which case the pledge to be granted shall be a second lien pledge. In compliance with the foregoing and in order to fulfill the obligation set forth herein, but subject to the terms and conditions of the Shareholders' Agreement and to the provisions set forth in the other terms and conditions hereof, Pledgor hereby agrees to extend the pledge on Shares and the prohibitions and restrictions hereunder granted to any other cash shares of the Company or securities granting future rights on the shares in the Company to be acquired in the future for any reason. To such effects, Pledgor shall successively execute a new public deed of pledge and prohibitions under the terms set forth herein for each share that may be acquired in the future, and on "as acquired basis", no later than 30 calendar days from the date of registration of the shares in its own name in the Shareholders' Registry of the Company- Pledgor may also regularly give written notice to Pledgee of the acquisition of any share in the Company not encumbered by the pledge on shares already granted no later than 30 calendar days from the registration date of the shares in the Shareholders' Registry of the Company. **Nine. Two. Irrevocable Special Power of Attorney.** Notwithstanding Pledgor's obligation undertaken in Section Nine. One above, to subscribe in due course for the relevant pledges and prohibitions,



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Pledgor hereby grants a special and irrevocable power of attorney to Pledgee as broad as is legally required, which is accepted by its attorney-in-fact already identified in the recitals hereof, in order that the Pledgee, acting in the name and behalf of the Company, and at its sole discretion, may grant and execute any relevant pledges and prohibitions on behalf of the Pledgor in the same terms and conditions, *mutatis mutandis*, as those set forth herein to cause the registration thereof with the Pledge Without Conveyance Register and the Shareholders' Registry of the Company. In order to exercise the powers granted by this power of attorney and in accordance with the foregoing, Pledgee shall be granted broad powers to carry out any other acts that may be required to achieve this power of attorney, and shall be expressly empowered to self-contract. Under this irrevocable power of attorney, Pledgee may, also in the agreements to be entered into by it, grant a special power of attorney to one or more individuals in order that, any one of them acting individually, may exercise, with full judicial and extrajudicial powers, the rights granted by the security agreements to Pledgor or to any successors or assigns thereof. This special and irrevocable power of attorney may not be invoked by Pledgor as a ground to justify Pledgor's breach of any of the obligations arising herefrom. Pledgor hereby expressly represents that the power of attorney hereby granted is irrevocable and coupled with an interest in compliance with the provisions set forth in section 241 of the Commercial Code; because the Pledgee is interested in the fulfillment thereof. - **Nine. Three. Split up, Merger and Consolidation.**- Pledgor hereby agrees that any split-up or merger agreement of the Company as well as any merger of the Company with and into third parties, or any transformation thereof, shall be implemented under the terms and conditions set forth in the Shareholders' Agreement . Furthermore, the pledges, restrictions and prohibitions hereby granted shall also encumber any shares in the new companies to be created as a consequence of the split-up, merger, consolidation, or transformation, or which survive any of them, which belong or would belong to Pledgor as owner of the Shares subject to the pledge, restrictions, and prohibitions granted hereunder and to all those new shares to be encumbered by these pledges, restrictions and prohibitions in compliance with the provisions set forth above. Pledgee is hereby exclusively authorized to cause the registration of these pledges and prohibitions in the Pledge Without Conveyance Registry and in the relevant shareholders' registry, consequently the Pledgor hereby waives fulfillment of such formalities.

SECTION TEN: INCREASES OF SHARES. - Should new bonus shares be issued, the relevant stock certificates to be issued shall also be affected by the pledge granted herein, and such pledge on the stock certificates must be recorded in the Pledge Without Conveyance Registry and in the Shareholders' Registry of the Company, at the sole request of the Notary Public in the name and on behalf of Pledgee.-

SECTION ELEVEN: CONSERVATION OF OWNERSHIP -The Company shall bring at its sole expense, any judicial and extrajudicial actions that are reasonably necessary to retain the ownership and free possession of the Collateral and as well as to defend them against third parties' actions. The foregoing provision shall not affect Pledgor's right to sell the Shares listed in section twenty-three hereof.-



SECTION TWELVE: SUFFICIENT TITLE.- Pledgor hereby represents to Pledgee that this public deed together with a faithful and authorized copy hereof is a good and sufficient title to bring and further all relevant legal actions and remedies that may be required by law regarding the pledge hereby granted. The provisions set forth herein shall not be construed under any circumstance as any restriction on Pledgee's rights by virtue of the law nor an amendment, substitution or restriction of Pledgee's rights under the Shareholders' Agreement. Likewise, it is hereby placed on record that the pledge and prohibitions hereby granted are without prejudice to any other guarantees that could have been granted by the Pledgor, Debtor and/or third parties to secure performance of the Secured Obligations.

SECTION THIRTEEN: SPECIAL POWER OF ATTORNEY. Thirteen. One. Without prejudice to any appointment of attorneys-in-fact to receive judicial notices served or to be served in the future, Pledgor hereby additionally grants a special and irrevocable power of attorney to [•], domiciled at [•], so that, he/she may receive in the name and on behalf of Pledgor any judicial or extrajudicial notices, demands, letters of request, in any legal action, or proceedings or litigation, irrespective of whether the applicable procedure or the competent court or authority having jurisdiction over them may be with regard to the pledge hereby granted. Pursuant to the irrevocable power of attorney hereby granted, the attorney-in-fact shall be broadly empowered to receive any kind of notices, answer complaints and perform any other acts under the powers set forth in the first subsection of Section 7 of the Code of Civil Procedure of the Republic of Chile. For all purposes hereof, and unless Pledgor gives prior written notice of its new address to Pledgee no later than 15 days in advance, such Notice shall be deemed duly given when personally delivered to any individual at the specified address. **Thirteen. Two.** [•], who is personally present upon the execution hereof, is of legal age and proves his identity with the identity card referred to above states that he/she accepts the irrevocable special power of attorney granted herein and agree not waive it without the written consent of Pledgee, in which case Pledgor shall previously appoint a new attorney-in-fact to perform judicial acts with the same powers and under the same terms as those set forth herein. The newly appointed attorney-in-fact shall appear and accept the power of attorney granted in the same waiver deed, be an individual who permanently resides in Chile and shall be previously approved by Pledgee. **Thirteen. Three.** Moreover, Pledgor hereby agrees to maintain at any time one attorney-in-fact with the same powers and under the same terms set forth in this section should the irrevocable power of attorney granted herein be terminated by death or inability of any of the attorneys-in-fact. The power of attorney hereby granted by Pledgor does not revoke any other power of attorney heretofore granted and, it shall not be deemed revoked by another power of attorney that may be granted in the future.-

SECTION FOURTEEN: CORPORATE ACCEPTANCE.- [•], who is personally present upon the execution hereof on behalf of the Company is served with notice of the pledge and restrictions and prohibitions granted hereunder.-

SECTION FIFTEEN. ACCEPTANCE AND DECLARATION OF PLEDGOR.- The Pledgor hereby entirely represents that the pledge granted hereunder is for the sole benefit of Pledgee and



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that, consequently, it shall remain in full force and effect and shall not be affected by any agreements, acts and contracts heretofore executed or that may be entered into in the future by Pledgor and third parties.

SECTION SIXTEEN: TAXES AND EXPENSES. Sixteen. One. Pledgor represents that the acts and agreements contemplated herein as well as the exercise of the rights that may derive therefrom have not been or are not subject to any taxes or other similar charges, and that, consequently, the Pledgee may freely exercise them without any restriction whatsoever. **Sixteen. Two.-** Pledgor shall be solely liable for the payment of taxes and expenses under this agreement, including any fees and expenses of deeds and registration of pledges and prohibitions as well as of any other expenses incurred as a consequence of any other future instruments and proceedings derived from this agreement.-

SECTION SEVENTEEN: WAIVER OF RIGHTS. NO RESTRICTION.- Seventeen. One. No right, statement or benefit shall be deemed waived by any of the parties unless such waiver is made in writing and signed by the waiving party.- **Seventeen. Two.** The pledge on shares and the provisions set forth herein shall not be construed under any circumstance as an amendment, substitution, or restriction on Pledgee's rights granted by the Shareholder's Agreement and/or any other security agreements or security interests that the parties may execute in the future under such Shareholders' Agreement.

SECTION EIGHTEENTH: NULLITY, INVALIDITY OR INEFFECTIVENESS.- The declaration of nullity, invalidity or unenforceability of any provision herein shall cause it to be deemed not written or invalid, but the nullity or invalidity of such provision shall not affect the validity or enforceability of the remaining provisions hereof. Furthermore, the parties hereby agree to replace such null or invalid provision by any other valid and enforceable provision that, as far as possible, has the same economic, commercial or other effects set forth in the provision declared null or invalid.

SECTION NINETEEN: SUCCESSORS AND ASSIGNS.- This Pledge on Shares and the prohibition granted herein shall inure to the benefit of the Pledgee, and the rights granted by it may be directly exercised by the Pledgee or any of the successors or assigns thereof, as authorized under the Shareholders' Agreement, as well as by those who may legally or conventionally subrogate in their rights. Such successors or assigns and those who may legally or conventionally subrogate in their rights shall enjoy and enforce against Pledgor the same rights and benefits that this public deed grants to the Pledgee, which are considered valid to all legal and contractual effects that may be relevant.

SECTION TWENTY: DOMICILE AND JURISDICTION.- To all legal effects arising herefrom, the Pledgor and the Company hereby establish their principal places of business/domiciles in the City of Santiago de Chile, and submit to the jurisdiction of the ordinary courts therein located. This pledge agreement is governed by the laws and other statutory provisions in force in the Republic of Chile.



SECTION TWENTY-ONE. POWER OF ATTORNEY. The appearing parties hereby grant an irrevocable power of attorney to [•], [•]; and [•] and [•], so that any one of the first two of them acting with any one of the second two of them, may make any necessary changes, corrections or clarifications to this agreement required to evidence the creation of the pledge, and they shall also be empowered to execute the relevant public deeds or private instruments that may be required to such effect as well as those that may be required to such effect, and also any other modifications that may be required to subscribe to cause the registration of the pledge in the Registry of Pledge Without Conveyance.-

SECTION TWENTY-TWO. POWER TO GIVE NOTICE AND REGISTER.- The holder of a certified copy hereof is authorized and empowered to give notice, carry out and require from the Pledgor, through a Notary Public, to cause the annotation of the pledge and the prohibitions contained in this instrument with the Public Registry of Pledge Without Conveyance and in the Shareholders' Registry, as well as to perform any other act that may be required or advisable to implement this pledge and prohibitions.

SECTION TWENTY-THREE: DUTY TO RELEASE THE PLEDGE. The Pledgee hereby acknowledges and accepts that, subject to the fulfillment of certain rules on the transfer of shares established in Section 3 of the Shareholders' Agreement, the Pledgor hereby is authorized to request the release of this pledge in order to sell the Shares. Furthermore, the Pledgor hereby agrees to enter into such release agreement at least two days in advance to the date on which the Pledgor is to implement a transfer under the terms and conditions of the Shareholders' Agreement.-

SECTION TWENTY-FOUR: Pledgor hereby agrees to subscribe and execute all public deeds and other instruments that may be required to levy a second lien commercial pledge on the pledged Shares under the terms of sections 813 *et seq.* of the Chilean Commercial Code, immediately after the release of the pledges on the Shares in favor of Itaú BBA, Nassau Branch. For such purpose, Pledgor hereby agrees to subscribe in due course all relevant amending deeds or deeds evidencing the creation of the pledge and prohibitions no later than 5 business days following the occurrence of the fact stated above. In order to fulfill Pledgor's obligation to execute the relevant deeds and other documents that may be required to such effect, Pledgor hereby grants a special and irrevocable power of attorney to the Pledgee as broad as is legally required, which is accepted by its representative already identified at the recitals hereof, in order that the latter acting in the name and behalf of the Company, and its sole discretion, may grant and executed without any waiting period, all relevant pledges and prohibitions on behalf of the Pledgor, in the same terms and conditions *mutatis mutandi* as those set forth herein / provided that it shall be a commercial pledge /, to cause the registration thereof with the Shareholders' Registry of the Company. In order to exercise the powers granted by this power of attorney and in accordance with the foregoing, Pledgee shall be granted broad powers to carry out any other acts that may be required to achieve this power of attorney, and shall be expressly empowered to self-contract and even determine at its sole discretion, the amount of the Secured Obligation. Under this irrevocable power of attorney, Pledgee may, also in the



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agreements to be entered into by it, grant a special power of attorney to one or more individuals in order that, any one of them acting individually, may exercise, with full judicial and extrajudicial powers, the rights granted by the security agreements to Pledgor or to any successors or assigns thereof. This special and irrevocable power of attorney may not be invoked by Pledgor as a ground to justify Pledgor's breach of any of the obligations arising herefrom. The Pledgor hereby expressly represents that the power of attorney hereby granted is irrevocable and coupled with an interest in compliance with the provisions set forth in section 241 of the Commercial Code; because the Pledgee is interested in the fulfillment thereof.

SECTION TWENTY-FIVE: HEADINGS OF THE SECTIONS.- Titles and headings given by the appearing Parties to the several provisions of this agreement have been established for reference and reading purposes only, and shall not adversely affect the meaning or scope that the relevant Section in its aggregate, may have different from such headings. **LEGAL CAPACITY TO REPRESENT THE PARTIES.** The legal capacity of [•] to act in the name and on behalf of **INVERSIONES CORP GROUP INTERHOLD LTDA.** is evidenced in [•] The legal capacity of Mr. [•] to represent **ITAÚ UNIBANCO HOLDING, S.A.** is evidenced in [•] -. The legal capacity of [•] to represent **CORP GROUP BANKING S.A.** is evidenced in [•]-. **Such legal capacities are not inserted herein because they are known to the parties and the authorizing Notary Public and at their express request.- IN WITNESS WHEREOF, and once these presents have been read by the appearing parties, they sign them along with the authorizing Notary Public. The parties are delivered copies hereof. I attest.-**

[•]
p.p. **INVERSIONES CORP GROUP INTERHOLD LIMITADA**

[•]
p.p. **ITAÚ UNIBANCO HOLDING, S.A.**

[•]
p.p. **CORP GROUP BANKING S.A.**

[•]

[•]



EXHIBIT 5 B

English Translation

FILE No.

**PLEDGE WITHOUT CONVEYANCE ON SHARES
CORP GROUP BANKING S.A.
TO
ITAÚ UNIBANCO HOLDING, S.A.**

In the City of **SANTIAGO, REPUBLIC OF CHILE**, on this [•], before me, [•], there appeared:

Mr. [•], [nationality], [marital status], [profession or occupation], holder of national identity card [•], who acts in the name and on behalf, as it shall be hereinafter evidenced, of **CORP GROUP BANKING S.A.**, *Rol Único Tributario Número* (taxpayer's identification number) [•], hereinafter also referred to as the "**Pledgor**", [•], both of them domiciled to the effects hereof at [•];

Mr. [•], [nationality], [marital status], [profession or occupation], holder of national identity card [•], who acts in the name and on behalf, as it shall be hereinafter evidenced, of **ITAÚ UNIBANCO HOLDING, S.A.**, *Rol Único Tributario Número* (taxpayer's identification number) [•], hereinafter also referred to as the "**Pledgee**", [•], both of them domiciled to the effects hereof at [•];

Mr. [•], [nationality], [marital status], [profession or occupation], holder of national identity card [•], who acts in the name and on behalf, as it shall be hereinafter evidenced, of **[CORPBANCA]**, *Rol Único Tributario Número* (taxpayer's identification number) [•], hereinafter also referred to as the "**Company**";

Mr. [•], [nationality], [marital status], [profession or occupation], holder of national identity card [•], who acts in the name and on behalf, as it shall be hereinafter evidenced, of **INVERSIONES CORP GROUP INTERHOLD LIMITADA**, *Rol Único Tributario Número* (taxpayer's identification number) [•], [•], both of them domiciled to the effects hereof at [•];

Mr. [•], [nationality], [marital status], [profession or occupation], holder of national identity card [•], who acts in the name and on behalf, as it shall be hereinafter evidenced, of **INVERSIONES GASA LIMITADA**, *Rol Único Tributario Número* (taxpayer's identification number) [•], [•], both of them domiciled to the effects hereof at [•];
and

Mr. [•], [nationality], [marital status], [profession or occupation], holder of national identity card [•], who acts in the name and on behalf, as it shall be hereinafter evidenced, of **CORP GROUP HOLDING INVERSIONES LIMITADA**, *Rol Único Tributario Número* (taxpayer's identification number) [•], [•], both of them domiciled to the effects hereof at [•].



INVERSIONES CORP GROUP INTERHOLD LIMITADA, INVERSIONES GASA LIMITADA, and CORP GROUP HOLDING INVERSIONES LIMITADA, shall be hereinafter referred to as the “Debtor”

The appearing parties, who are of age and evidence their identities by means of the above mentioned identity cards, state as follows:

SECTION ONE. BACKGROUND. One. One. Shareholders’ Agreement. The Pledgee, the Pledgor and the Debtor and other parties entered into an agreement in English known as “Shareholders’ Agreement”, hereinafter referred to as the “**Shareholders’ Agreement**” as evidenced in the private deed executed on [●], and governed by the laws in force in the State of New York, United States of America. Such agreement establishes the rights and obligations of the parties, and the way in which they are to exercise their rights in the Company. Among other matters, the Shareholders Agreement establishes rules and obligations concerning resolutions to be adopted or taken at shareholders’ meetings, corporate management and administration, representations and warranties made by the direct and indirect shareholders who undersigned such agreement, as well as certain provisions governing the assignment or transfer of shares in the Company, dispute resolutions, termination grounds, and other miscellaneous provisions. **One. Two. Secured Obligations.** Each of the affirmative or negative covenants of Debtor and Pledgor to the Pledgee contained in or derived from the Shareholders’ Agreement or any other instrument that the Debtor and/or Pledgor could have accepted, or may execute or accept in the future to evidence such obligations, as well as each and every obligations that the Debtor and/or Pledgor may owe or undertake in the future, to the Pledgee as a consequence of the execution of the documents to be entered into under the Shareholders’ Agreement shall be hereinafter jointly referred to as the “**Secured Obligations**”. The term “Secured Obligations” shall also refer to the obligation to execute any document or agreement, the obligation to perform any act under or on the occasion of the Shareholders Agreement and the obligation to pay any fine contemplated under the Shareholders’ Agreement, or any amendments, exhibits, attachments, appendixes or any other supplementary documents thereto. Secured Obligations shall also refer to the obligation to pay Pledgee any indemnification and compensation to which Pledgee may be entitled under the Shareholders’ Agreement, [including but not limited to the obligation to pay a fine amounting to US\$ The description of the Secured Obligations contained in Section **One** hereof is solely made for reference purposes, merely to place on record the tenor thereof in general, it being specifically pointed out that, to all legal and contractual effects, the accurate terms and conditions of the Secured Obligations set forth herein are those set forth and contemplated in the Shareholders’ Agreement. It is hereby expressly stated that in order to comply with the provisions set forth in Article 3 sub-section 2 of Section 14 of the *Ley de Prenda sin Desplazamiento* (Chilean Pledge Without Conveyance Law) this Pledge Without Conveyance generally secures the fulfillment of all the obligations assumed by Debtor and Pledgor under the Shareholders’ Agreement.

SECTION TWO. BACKGROUND ON SHARES.- Two. One. Pledgor is the sole and unconditional owner of [●] shares in the Company, all of which have been fully paid-up and registered in its own name in the Register Book of Shareholders of the Company. Those shares represent 100%



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of Pledgor's shares in the Company. **Two. Two.** By public deed executed on [●], at the Notarial Office [●], Pledgor granted a first lien pledge on securities to the banks on [●] of the shares referred to in Two. One above to Banco Itaú BBA, Nassau Branch, in order to secure repayment of the loan granted by public deed on [●], amounting to [●].

SECTION THREE: PLEDGE ON SHARES. Three. One. Pledgor hereby pledges [●] shares in the Company equivalent to [16% of the total capital stock of the Company once merged with Banco Itaú Chile or the lower amount set forth in section 3.2(d) of the Shareholders' Agreement] /the "**Shares**", in compliance with the provisions set forth in articles 1 and 5 five of article 14 of the Chilean "*Ley de Prenda sin Desplazamiento*" No. 20.190 /hereinafter referred to as the "**Pledge Without Conveyance Law**", the Pledge Register Regulations under Supreme Decree No. 722 jointly enacted by the Ministry of Justice and the Ministry of Finance and published in the Official Gazette on 23 October 2010 /hereinafter referred to as the "**Pledge Without Conveyance Regulation**"/ to the Pledgee, in order to ensure the full, timely and effective repayment of all Secured Obligations during the effective term of the obligations under the Shareholders' Agreement. Such pledge also encumbers all shares to be issued by the Company and to be subscribed for by Pledgor in the future, according to what is set forth in section Nine. One. below /the "**Future Shares**". **Three. Two.** The pledge hereby levied shall further secure the reimbursement of all legal costs and collection expenses, whether judicial or extrajudicial, including reasonable attorneys' fees, if any, which may be incurred as a result of any proceedings or demands brought for the collection or foreclosure of this pledge; and it shall also encumber any other obligation undertaken by Debtor and/or Pledgor by means of any instruments that it may execute or accept in the future, in substitution or lieu thereof, or in addition to those that have already been executed and delivered to the Pledgee or its successors or substitutes, in respect of any documents or instruments evidencing the Secured Obligations.- **Three. Three.** All amounts obtained as a consequence of the judicial or extrajudicial payment of the Secured Obligations shall belong to the Pledgee under this Pledge, and shall be paid to Pledgee, after deducting all expenses and collection costs, according to the provisions set forth in the Shareholders' Agreement and in this document. Subject to the provisions set forth in section 23 hereof, it is expressly agreed that the pledge granted under this instrument is indivisible; therefore, the release thereof shall not be claimed until the full payment of all the Secured Obligations. **Three. Four.** To the effects of the provisions set forth in section 4 of the Pledge Without Conveyance Regulations, the parties expressly agree that the minimum value of the affirmative and negative covenants referred to above amounts to [\$]. **Three. Five.** It is hereby expressly stated that any obligation agreed to be paid in foreign currency under the Shareholders' Agreement shall be deemed extinguished only up to the foreign currency amount paid to the Pledgee in freely convertible and available funds, or should the payment be made in another currency, only up to the amount sufficient for the Pledgee to acquire the foreign currency with which such payment should have been done under the agreement or the law, on the business day immediately following the day in which the Pledgee has received such amount. **Three. Six.** Pledgee hereby accepts the pledge without conveyance on the Shares and on the Future Shares levied hereunder.



SECTION FOUR: REPRESENTATIONS OF PLEDGOR AND DEBTOR.- Pledgor and Debtor, as appropriate, represent to Pledgee that: **/One/** Pledgor and Debtor are duly empowered to make the representations contained herein and to execute this agreement; that this public deed has been duly executed by them and that it contains legal, valid and enforceable obligations binding upon them; **/Two/** Pledgor is the sole and exclusive owner of the Pledged Shares and that, unless otherwise stated or acknowledged in the Shareholders' Agreement or herein, such Shares are free of any encumbrances, liens, charges, litigations, prohibitions to levy and sell or any other restrictions, attachments, preliminary injunctions and precautionary measures, actions for cancellation, and third parties' preferential rights, and that they are not subject to any impediments that may prevent, hinder, delay or impair the free disposition thereof or the creation of the pledge and prohibitions or injunctions evidenced herein; and that they have not been legally enjoined or restrained from executing this agreement; and that such Shares are not subject to any options (puts and calls), promises to sell, conditional sales, term sales, or to any other act or agreement that conveys, or is intended to convey title thereof, or to give them as security for the fulfillment of any other obligations and that, to the date hereof, there are no impediments that may prevent, hinder, delay or impair the free disposition or creation of the Pledge evidenced herein; and **/Three/** the execution, fulfillment and subscription of this pledge does not supersede any other agreement or undertaking entered into by Pledgor or Debtor, nor any law, decree, regulation or statutory or administrative rule; and that no other governmental authorization, approval or notice or from third parties is required to subscribe, fully performed and execute these presents.

SECTION FIVE: PROHIBITIONS.- Pledgor hereby undertakes, unless otherwise provided for in the Shareholders' Agreement and in Section 23 hereof, not to encumber, sell, dispose of, or otherwise perform any act or enter into any agreement that may adversely affect the Shares, without the Pledgee's previous written authorization during the effective term hereof. The appearing parties hereby declare that "lien" shall refer to any collateral or security interest or any charge, encumbrance, prohibition, right in favor of third parties, attachment, impediment or restriction that may adversely affect or impair the free use, enjoyment or disposition of the Shares.

SECTION SIX: Six. One. REGISTRATION AND ANNOTATION. One/ The pledge hereby granted is to be recorded, at the expense of the Pledgor with the Pledge Without Conveyance Register according to the provisions set forth in article 24 of article 14 of the Chilean Pledge Without Conveyance Law. **Two/** Pledgor shall be bound to execute and subscribe a statement deed as well as to perform any other acts and enter into any kind of agreements, whether by a public or private instrument, intended to identify the Future Shares to be pledged hereunder on a when-issued basis, within the ten business days immediately following the expiration date of each calendar month in which Pledgor has acquired Future Shares. **Six. Two. NOTICE IN THE REGISTER OF SHAREHOLDERS** The pledge and prohibition contained herein shall be notified, recorded and registered with the Shareholders' Registry of the Company by a Notary Public as set forth in article 23 of the Chilean Corporations' Law.-



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SECTION SEVEN: PLEDGEE'S RIGHTS, BENEFITS AND PRIVILEGES. Seven. One.- While no Relevant Event of Default / as defined below occurs/ under the Shareholders' Agreement, Pledgor shall retain full exercise of the rights as legitimate holder of the pledged shares owned by Pledgor, including the exercise of the right to attend and participate in shareholders' meetings with the right to a voice and vote thereat, the right to collect and receive any corporate capital dividends or abatements as well as to exercise any economic and political rights to which it may be entitled. Still, and without prejudice to the foregoing, Pledgor's rights as legitimate owner of the pledged Shares shall be exercised in a manner consistent with the provisions set forth in the Shareholders' Agreement. Pledgor may participate in all shareholders' meetings of the Company and vote on any matters when required to do so, and in general Pledgor may exercise any other rights to which Pledgor is entitled as shareholder in the Company, without any further restrictions other than those set forth above. However, upon the occurrence of any relevant event of default which remains uncured under the Shareholders' Agreement /hereinafter referred to as a "**Relevant Event of Default**", which shall be construed as a "*Material Breach*", as such term is defined in the Shareholders' Agreement/, the Pledgee shall be entitled to exercise all political rights / right to a voice and vote/ to which Pledgor would be entitled as shareholder of the Company if the pledge under this agreement had never existed. Notwithstanding the foregoing, the parties agree that the Pledgee's right to a voice and vote, exclusively with regard to the distribution of dividends or abatement of corporate capital to be approved at a shareholders' meetings of the Company shall not be included among the political rights to be exercised by Pledgee upon the occurrence of any Relevant Event of Default, /and that such right to a voice and vote with regard to such matter may be exercised by Pledgor who shall also fully retained the right to collect and receive any potential dividends or distributions derived from capital stock abatements/. In order that Pledgee becomes empowered to exercise the political rights referred to above upon the potential occurrence of a Relevant Event of Default, Pledgee shall send a prior written notice to the Company through a Notary Public /hereinafter referred to as the "**Notice**"/ a copy of which shall also be sent to Pledgor. Only for notification purposes and without having to prove the relevant breach to any individual, Pledgee shall exercise all political rights that Pledgor would otherwise hold as legitimate owner of the pledged Shares in the Company as stated above, and shall cure such breach and/or terminate the act or omission giving rise to the Relevant Event of Default. In this case, and except for the aforementioned exception referred to the distribution of dividends and capital abatement, the Pledgor shall refrain from exercising such rights to a voice and vote, which shall, as of right, be exercised exclusively by Pledgee for as long as the Relevant Event of Default remains uncured, for which purpose, Pledgor authorizes irrevocably authorizes Pledgee, such authorization being accepted on behalf of Pledgee by Pledgee's attorney-in-fact identified in the recitals hereof, to exercise the right to a voice and vote inherent in the pledged Shares under the terms set forth above. Pledgor hereby expressly represents that the power of attorney hereby granted is irrevocable and coupled with an interest in compliance with the provisions set forth in section 241 of the Commercial Code; because Pledgee is interested in the fulfillment thereof. In order to avoid any doubts, once the Relevant Event of Default has been cured, all rights shall return, as of right, to be solely and exclusively enjoyed by Pledgor, all of which shall be notified by Pledgee to the Company as stated above; and a copy of such Notice



shall be given to Pledgor. **Seven. Two.**- Subject to the terms and conditions set forth in the Shareholders' Agreement and to the provisions contemplated in the other terms and conditions hereof/ and in particular, without affecting the Pledgor's right to approve, collect and receive dividends and capital abatements, and to exercise, sell or extinguish, at its own discretion, any rights of first refusal to subscribe for any capital increases/, the pledge, restriction and prohibition granted hereunder shall automatically include and encumber all increases in the value of the Shares and the equity rights granted to their shareholders which also include all proceeds and benefits that may derive from or be produced by them, including any dividends and profits, bonus shares, preemptive rights or options (puts and calls) of any kind whatsoever, as indicated below. Subject to the provisions set forth at the beginning of this section, Pledgor also undertakes to require the issuance of any new stock certificate related to new shares to be issued by the Company and entitled to it, during the effective term of the pledge hereunder granted; and, moreover, Pledgor hereby empowers Pledgee to demand the Company in Pledgor's name and behalf, to issue the relevant stock certificate. Pledgor hereby expressly represents that the power of attorney hereby granted is irrevocable and coupled with an interest in compliance with the provisions set forth in section 241 of the Commercial Code; because the Pledgee is interested in the fulfillment thereof.- **Seven. Three.** Pledgee shall enjoy and may enforce against Pledgor and third parties, all benefits, privileges and preemptive rights granted to pledgees by the law.-

SECTION EIGHT: ACCEPTANCE BY PLEDGOR AND ADDITIONAL EARLY FORECLOSURE. Pledgor hereby accepts and agrees for the benefit of Pledgee that the breach of the Secured Obligations either by Pledgor or Debtor shall cause the immediate enforceability and foreclosure of this pledge, as well as any interest thereon and expenses arising herefrom, against which any remedies or actions for recovery or collection and/or of any other nature derived herefrom may be enforced or brought.

SECTION NINE: ADDITIONAL OBLIGATIONS BY PLEDGOR.- Nine. One.- Pledge on Future Shares - Pursuant to what is stated in Section Three. One above but subject to the terms and conditions of the Shareholders' Agreement and the provisions set forth in the other terms and conditions hereof, Pledgor hereby agrees to maintain the pledge at all times and/or pledge any number of the shares owned by it /at present or in the future/ in the Company representing at least [16% therein after its merger with Banco Itaú Chile or a lower amount indicated in Section Three Two (d) of the Shareholders' Agreement], which shall always be first lien pledges, except when the new shares to be pledged and subject to the prohibition to encumber and sell as it has been already agreed upon, have already been subject to a first lien pledge in favor of Itaú BBA, Nassau Branch or any other company which is a person related to Pledgee, in which case the pledge to be granted shall be a second lien pledge. In compliance with the foregoing and in order to fulfill the obligation set forth herein, but subject to the terms and conditions of the Shareholders' Agreement and to the provisions set forth in the other terms and conditions hereof, Pledgor hereby agrees to extend the pledge on Shares and the prohibitions and restrictions hereunder granted to any other cash shares of the Company or securities granting future rights on the shares in the Company to be acquired in the future for any purpose. To such



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effects, Pledgor shall successively execute a new public deed of pledge and prohibitions under the terms set forth herein for each share that may be acquired in the future, and on "as acquired basis", no later than 30 calendar days from the date of registration of the shares in its own name in the Shareholders' Registry of the Company- Pledgor may also regularly give written notice to Pledgee of the acquisition of any share in the Company not encumbered by the pledge on shares already granted no later than 30 calendar days from the registration date of the shares in the Shareholders' Registry of the Company. **Nine. Two. Irrevocable Special Power of Attorney.** Notwithstanding Pledgor's obligation undertaken in Section Nine. One above, to subscribe in due course for the relevant pledges and prohibitions, Pledgor hereby grants a special and irrevocable power of attorney to Pledgee as broad as is legally required, which is accepted by its attorney-in-fact already identified in the recitals hereof, in order that Pledgee. acting in the name and behalf of the Company, and at its sole discretion, may grant and execute any relevant pledges and prohibitions on behalf of the Pledgor in the same terms and conditions, *mutatis mutandis*, as those set forth herein to cause the registration thereof with the Pledge Without Conveyance Registry and the Shareholders' Registry of the Company. In order to exercise the powers granted by this power of attorney and in accordance with the foregoing, Pledgee shall be granted broad powers to carry out any other acts that may be required to achieve this power of attorney, and shall be expressly empowered to self-contract. Under this irrevocable power of attorney, Pledgee may, also in the agreements to be entered into by it, grant a special power of attorney to one or more individuals in order that, any one of them acting individually, may exercise, with full judicial and extrajudicial powers, the rights granted by the security agreements to Pledgor or to any successors or assigns thereof. This special and irrevocable power of attorney may not be invoked by Pledgor as a ground to justify Pledgor's breach of any of the obligations arising herefrom. Pledgor hereby expressly represents that the power of attorney hereby granted is irrevocable and coupled with an interest in compliance with the provisions set forth in section 241 of the Commercial Code; because Pledgee is interested in the fulfillment thereof.-

Nine. Three. Split up, Merger and Consolidation.- Pledgor hereby agrees that any split-up or merger agreement of the Company as well as any merger of the Company with and into third parties, or any transformation thereof, shall be implemented under the terms and conditions set forth in the Shareholders' Agreement . Furthermore, the pledges, restrictions and prohibitions hereby granted shall also encumber any shares in the new companies to be created as a consequence of the split-up, merger, consolidation, or transformation, or which survive any of them, which belong or would belong to Pledgor as owner of the Shares subject to the pledge, restrictions, and prohibitions granted hereunder and to all those new shares to be encumbered by these pledges, restrictions and prohibitions in compliance with the provisions set forth above. Pledgee is hereby exclusively authorized to cause the registration of these pledges and prohibitions in the Pledge Without Conveyance Registry and in the relevant shareholders' registry, consequently the Pledgor hereby waives fulfillment of such formalities.

SECTION TEN: INCREASES OF SHARES. - Should new bonus shares be issued, the relevant stock certificates to be issued shall also be affected by the pledge granted herein, and such pledge on the stock certificates must be recorded in the Pledge Without Conveyance Registry and in the Registered Book of Shareholders of the Company, at the sole request of the Notary Public in the name and on behalf of Pledgee.-



SECTION ELEVEN: CONSERVATION OF OWNERSHIP-The Company shall bring at its sole expense, any judicial and extrajudicial actions that are reasonably necessary to retain the ownership and free possession of the Collateral and as well as to defend them against third parties' actions. The foregoing provision shall not affect Pledgor's right to sell the Shares listed in section twenty-three hereof.-

SECTION TWELVE: SUFFICIENT TITLE.- Pledgor and Debtor hereby represent to Pledgee that this public deed together with a faithful and authorized copy hereof is a good and sufficient title to bring and further all relevant legal actions and remedies that may be required by law regarding the pledge hereby granted. The provisions set forth herein shall not be construed under any circumstance as any restriction on Pledgee's rights by virtue of the law nor an amendment, substitution or restriction of Pledgee's rights under the Shareholders' Agreement. Moreover, it is hereby placed on record that the pledge and prohibitions hereby granted are without prejudice to any other guarantees that could have been granted by Pledgor, Debtor and/or third parties to secure performance of the Secured Obligations.

SECTION THIRTEEN: SPECIAL POWER OF ATTORNEY. Thirteen. One. Without prejudice to any appointment of attorneys-in-fact to receive judicial notices served or to be served in the future, Pledgor hereby additionally grants a special and irrevocable power of attorney to [•], domiciled at [•], so that, he/she may receive in the name and on behalf of Pledgor any judicial or extrajudicial notices, demands, letters of request, in any legal action, or proceedings or litigation, irrespective of whether the applicable procedure or the competent court or authority having jurisdiction over them may be with regard to the pledge hereby granted. Pursuant to the irrevocable power of attorney hereby granted, the attorney-in-fact shall be broadly empowered to receive any kind of notices, answer complaints and perform any other acts under the powers set forth in the first subsection of Section 7 of the Code of Civil Procedure of the Republic of Chile. For all purposes hereof, and unless Pledgor gives prior written notice of its new address to Pledgee no later than 15 days in advance, such Notice shall be deemed duly given when personally delivered to any individual at the specified address. **Thirteen. Two.** [•], who is personally present upon the execution hereof, is of legal age and proves his identity with the identity card referred to above states that he/she accepts the irrevocable special power of attorney granted herein and agrees not waive it without the written consent of Pledgee, in which case Pledgor shall previously appoint a new attorney-in-fact to perform judicial acts with the same powers and under the same terms as those set forth herein. The newly appointed attorney-in-fact shall appear and accept the power of attorney granted in the same waiver deed, be an individual who permanently resides in Chile and shall be previously approved by Pledgee. **Thirteen. Three.** Moreover, Pledgor hereby agrees to maintain at any time one attorney-in-fact with the same powers and under the same terms set forth in this section should the irrevocable power of attorney granted herein be terminated by death or inability of any of the attorneys-in-fact. The power of attorney hereby granted by Pledgor does not revoke any other power of attorney heretofore granted and, it shall not be deemed revoked by another power of attorney that may be granted in the future.-



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SECTION FOURTEEN: CORPORATE ACCEPTANCE.- [•], who is personally present upon the execution hereof on behalf of the Company is served with notice of the pledge and restrictions and prohibitions granted hereunder.-

SECTION FIFTEEN. ACCEPTANCE AND DECLARATION OF DEBTOR AND PLEDGOR.- Fifteen. One. The Debtor hereby entirely accepts the pledge granted by Pledgor to secure the fulfillment of Debtor's obligations under the Shareholders' Agreement. **Fifteen. Two.** Debtor and Pledgor hereby represent that the pledge granted hereunder is for the sole benefit of Pledgee and that, consequently, it shall remain in full force and effect and shall not be affected by any agreements, acts and contracts heretofore executed or that may be executed in the future among Debtor and Pledgor.

SECTION SIXTEEN: TAXES AND EXPENSES. Sixteen. One. Pledgor hereby represents that the acts and agreements contemplated herein as well as the exercise of the rights that may derive therefrom have not been or are not subject to any taxes or other similar charges, and that, consequently, the Pledgee may freely exercise them without any restriction whatsoever. **Sixteen. Two.-** Pledgor shall be solely liable for the payment of taxes and expenses under this agreement, including any fees and expenses of deeds and registration of pledges and prohibitions as well as of any other expenses incurred as a consequence of any other future instruments and proceedings derived from this agreement.-

SECTION SEVENTEEN: WAIVER OF RIGHTS. NO RESTRICTION.- Seventeen. One. No right, statement or benefit shall be deemed waived by any of the parties unless such waiver is made in writing and signed by the waiving party.- **Seventeen. Two.** The pledge on shares and the provisions set forth herein shall not be construed under any circumstance as an amendment, substitution, or restriction on Pledgee's rights granted by the Shareholder's Agreement and/or any other security agreements or security interests that the parties may execute in the future under such Shareholders' Agreement.

SECTION EIGHTEENTH: NULLITY, INVALIDITY OR INEFFECTIVENESS.- The declaration of nullity, invalidity or unenforceability of any provision herein shall cause it to be deemed not written or invalid, but the nullity or invalidity of such provision shall not affect the validity or enforceability of the remaining provisions hereof. Furthermore, the parties hereby agree to replace such null or invalid provision by any other valid and enforceable provision that, as far as possible, has the same economic, commercial or other effects set forth in the provision declared null or invalid.

SECTION NINETEEN: SUCCESSORS AND ASSIGNS.- This Pledge on Shares and the prohibition granted herein shall inure to the benefit of the Pledgee, and the rights granted by it may be directly exercised by the Pledgee or any of the successors or assigns thereof, as authorized under the Shareholders' Agreement, as well as by those who may legally or conventionally



subrogate in their rights. Such successors or assigns and those who may legally or conventionally subrogate in their rights shall enjoy and enforce against Pledgor the same rights and benefits that this public deed grants to the Pledgee, which are considered valid to all legal and contractual effects that may be relevant.

SECTION TWENTY: DOMICILE AND JURISDICTION.- To all legal effects arising herefrom, Pledgor and the Company hereby establish their principal places of business/domiciles in the City of Santiago de Chile, and submit to the jurisdiction of the ordinary courts therein located. This pledge agreement is governed by the laws and other statutory provisions in force in the Republic of Chile.

SECTION TWENTY-ONE. POWER OF ATTORNEY. The appearing parties hereby grant an irrevocable power of attorney to [•], [•]; and [•] and [•], so that any one of the first two of them acting with any one of the second two of them, may make any necessary changes, corrections or clarifications to this agreement required to evidence the creation of the pledge, and they shall also be empowered to execute the relevant public deeds or private instrument that may be required to such effect as well as those that may be required to such effect, and also any other modifications that may be required to subscribe to cause the registration of the pledge in the Pledge Without Conveyance Registry.-

SECTION TWENTY-TWO. POWER TO GIVE NOTICE AND REGISTER.- The holder of a certified copy hereof is authorized and empowered to give notice, carry out and require from the Pledgor, through a Notary Public, to cause the annotation of the pledge and the prohibitions contained in this instrument with the Pledge Without Conveyance Registry and in the Shareholders' Registry, as well as to perform any other acts that may be required or advisable to implement this pledge and prohibitions.

SECTION TWENTY-THREE: DUTY TO RELEASE THE PLEDGE -The Pledgee hereby acknowledges and accepts that, subject to the fulfillment of certain rules on the transfer of shares established in Section 3 of the Shareholders' Agreement, Pledgor hereby is authorized to request the release of this pledge in order to sell the Shares. Furthermore, Pledgor hereby agrees to enter into such release agreement at least two days in advance to the date on which the Pledgor is to implement a transfer under the terms and conditions of the Shareholders' Agreement.-

SECTION TWENTY-FOUR: PROMISE TO CREATE A COMMERCIAL PLEDGE. Pledgor hereby agrees to subscribe and execute all public deeds and other instruments that may be required to levy a second lien commercial pledge on the pledged Shares under the terms of sections 813 *et seq.* of the Chilean Commercial Code, immediately after the release of the pledges on the Shares in favor of Itaú BBA, Nassau Branch. For such purpose, Pledgor hereby agrees to subscribe in due course all relevant amending deeds or deeds evidencing the creation of the pledge and prohibitions no later than 5 business days following the occurrence of the fact stated above. In order to fulfill Pledgor's obligation to execute the relevant deeds and other documents that may be required to such effect, Pledgor hereby grants a special and irrevocable power of attorney to



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Pledgee as broad as is legally required, which is accepted by its representative already identified at the recitals hereof, in order that the latter acting in the name and behalf of the Company, and its sole discretion, may grant and executed without any waiting period, all relevant pledges and prohibitions on behalf of the Pledgor, in the same terms and conditions *mutatis mutandi* as those set forth herein / provided that it shall be a commercial pledge /, to cause the registration thereof with the Shareholders' Registry of the Company. In order to exercise the powers granted by this power of attorney and in accordance with the foregoing, Pledgee shall be granted broad powers to carry out any other acts that may be required to achieve this power of attorney, and shall be expressly empowered to self-contract and even determine at its sole discretion, the amount of the Secured Obligation. Under this irrevocable power of attorney, Pledgee may, in the agreements to be entered into by it, grant a special power of attorney to one or more individuals in order that, any one of them acting individually, may exercise, with full judicial and extrajudicial powers, the rights granted by the security agreements to Pledgor or to any successors or assigns thereof. This special and irrevocable power of attorney may no be alleged by Pledgor as grounds to justify Pledgor's breach of any of the obligations arising herefrom. Pledgor hereby expressly represents that the power of attorney hereby granted is irrevocable and coupled with an interest in compliance with the provisions set forth in section 241 of the Commercial Code; because the Pledgee is interested in the fulfillment thereof.

SECTION TWENTY-FIVE: HEADINGS OF THE SECTIONS.- Titles and headings given by the appearing Parties to the several provisions of this agreement have been established for reference and reading purposes only, and shall not adversely affect the meaning or scope that the relevant Section in its aggregate, may have different from such headings. **LEGAL CAPACITY TO REPRESENT THE PARTIES.** The legal capacity of [•] to act in the name and on behalf of **CORP GROUP BANKING S.A.** is evidenced in [•] The legal capacity of Mr. [•] to represent **ITAÚ UNIBANCO HOLDING, S.A.** is evidenced in [•] -. The legal capacity of [•] to represent **CORPBANCA** is evidenced in [•] -. The legal capacity of Mr. [•] to represent **INVERSIONES CORP GROUP INTERHOLD LTDA.** is evidenced in [•]. Such legal capacities are not inserted herein because they are known to the parties and the authorizing Notary Public and at their express request.- **IN WITNESS WHEREOF**, and once these presents have been read by the appearing parties, they sign them along with the authorizing Notary Public. The parties are delivered copies hereof. I attest.-

[•]
p.p. **CORP GROUP BANKING S.A.**

[•]
p.p. **ITAÚ UNIBANCO HOLDING, S.A.**

[•]
p.p. **CORPBANCA**

[•]



p.p. INVERSIONES CORP GROUP INTERHOLD LIMITADA

[•]

[•]

p.p. INVERSIONES GASA LIMITADA

[•]

[•]

p.p. CORP GROUP INVERSIONES LIMITADA

[•]

[•]



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, 2014



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, 2014



Exhibit 13.1

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, 2013 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, 2014

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.



Exhibit 13.2

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, 2013 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, 2014

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.